
STATUTORY INSTRUMENTS

2014 No. 2014

**The Contracts for Difference (Electricity
Supplier Obligations) Regulations 2014**

PART 2

Supplier obligation

CHAPTER 1

The supplier obligation

The supplier obligation

3.—(1) Every electricity supplier who supplies electricity during a quarterly obligation period must, subject to paragraph (3), pay a CFD period contribution to the CFD counterparty in respect of that period.

(2) The CFD period contribution in relation to a supplier in respect of a quarterly obligation period is the sum of—

- (a) CFD daily contributions for each day on which that supplier supplies electricity in that period calculated in accordance with regulation 4; and
- (b) a CFD quarterly contribution for that period calculated in accordance with regulation 5.

(3) Where the amount of a supplier's CFD period contribution in respect of a quarterly obligation period is a negative number—

- (a) the amount the supplier must pay under paragraph (1) in respect of that period is zero; and
- (b) the CFD counterparty must pay the absolute value of that amount to that supplier.

(4) For the purpose of ensuring that the CFD period contribution is paid—

- (a) an electricity supplier must—
 - (i) make interim payments in accordance with regulations 8(1) and 11(1) and, where so required, regulation 14(3),
 - (ii) make supplier data reconciliation payments in accordance with regulation 9(2), and
 - (iii) make any required reconciliation payments in accordance with regulation 16(3)(a); and
- (b) the CFD counterparty must—
 - (i) make counterparty data reconciliation payments in accordance with regulation 9(3), and
 - (ii) make any required reconciliation payments in accordance with regulation 16(3)(b).

CFD daily contributions

4.—(1) The CFD daily contribution for a supplier for a day on which that supplier supplies electricity in a quarterly obligation period is the amount given by—

$$(GP - CP) \times \frac{SDS}{TDS}$$

where—

GP is the total amount of generation counterparty payments which the CFD counterparty is required to make in respect of electricity generation which occurred on that day;

CP is the total amount of generation party payments which the CFD counterparty has received from CFD parties in respect of electricity generation which occurred on that day;

SDS is the amount of electricity supplied by that supplier on that day;

TDS is the total amount of electricity supplied by all suppliers on that day.

(2) In this regulation and regulation 5—

“generation counterparty payment” means any CFD counterparty payment made under, or in respect of a breach of, a CFD or connected agreement which is calculated directly by reference to an amount of electricity generated by a generating station which is the subject of that CFD or connected agreement;

“generation party payment” means any CFD party payment made under a CFD or connected agreement which is calculated directly by reference to an amount of electricity generated by a generating station which is the subject of that CFD or connected agreement;

(3) For the purposes of this regulation and regulation 5, the amount of electricity supplied by a supplier is the amount of electricity which the BSCCo determines was supplied by that supplier on the basis of—

(a) a Final Reconciliation Volume Allocation Run; or

(b) where a Post-Final Volume Allocation Run has occurred in relation to the day on which the electricity was supplied, a Post-Final Volume Allocation Run.

CFD quarterly contribution

5. The CFD quarterly contribution for a supplier for a quarterly period is the amount given by—

$$[NDS - (NGS + DI)] \times \frac{SQS}{TQS}$$

where—

NDS is the total amount of CFD counterparty payments which are not generation counterparty payments which the CFD counterparty was required to make during that period;

NGS is the total amount of CFD party payments which are not generation party payments which the CFD counterparty has received from CFD parties during that period;

DI is any amount of interest which was paid by virtue of regulation 8(6), 9(7), 11(2), 14(8), 16(5), 17(6) or 25(5) during that period, less any amount of that interest which was paid to electricity suppliers by virtue of regulation 18(2);

SQS is the amount of electricity supplied by that supplier in that period;

TQS is the total amount of electricity supplied in that period.