
STATUTORY INSTRUMENTS

2014 No. 2043

The Electricity Capacity Regulations 2014

PART 6

Payments

CHAPTER 2

Calculations and determinations: capacity providers

Capacity payments

40.—(1) A capacity provider (“C”) is entitled, subject to paragraphs (5) and (6) and to regulations 49 to 51, to receive from the Settlement Body a capacity payment determined in accordance with this regulation in respect of each month of a delivery year (“month M”) for the capacity committed CMUs for which C was the capacity provider during month M.

(2) The Settlement Body must, after the end of month M—

- (a) determine the amount of the capacity payment which is payable to C in respect of month M (“ MCP_{cm} ”); and
- (b) issue a credit note to C for the amount determined for it.

(3) MCP_{cm} must be calculated in accordance with paragraph 4 of Schedule 1.

(4) The Settlement Body must issue a credit note to C under paragraph (2)(b)—

- (a) by no later than the 26th working day after the end of month M; but
- (b) if C is liable to pay a capacity provider penalty charge in respect of month M, not earlier than the day after the day by which C is required to pay that charge.

(5) Paragraphs (1) to (4) do not apply unless by the 25th working day after the end of month M the Settlement Body has received capacity market supplier charges in respect of month M.

(6) If by the day referred to in paragraph (5) the Settlement Body has received capacity market supplier charges in respect of month M the total of which is less than the sum of MCP_{cm} for all capacity providers, the amount of each capacity payment which would otherwise be determined under paragraph (2) must be reduced by the same proportion so that the total amount of capacity payments payable to capacity providers is equal to the total amount of capacity market supplier charges received.

(7) In this regulation, “capacity market supplier charges” means charges which electricity suppliers are required to pay under electricity capacity regulations to meet the cost of funding capacity payments.