SCHEDULE 1

Amendments to the Electricity Capacity Regulations 2014

PART 3

Transfer of capacity obligations, volume reallocation and over-delivery payments

Paragraph 5 (calculation of settlement period penalty)

33.—(1) In paragraph 5(2), for "PR_{ix}" substitute "PR_{ij}".

(2) After paragraph 5(2) insert—

"(2A) For the purpose of sub-paragraph (2), "PR_{ij}" is the penalty rate in pounds per MWh applying to CMU i in respect of settlement period j, and is to be calculated in accordance with the formula—

$$PR_{ij} = \frac{\sum_N \left(PR_N \times ICO_{ijN} \right)}{\sum_N ICO_{ijN}}$$

where—

"ICO_{ijN}" is the whole or a part of any capacity obligation CO_{zx} applying to CMU i in settlement period j, and

"PR_N" is the penalty rate applying to that capacity obligation.".

(3) For paragraph 5(3) substitute—

"(3) For the purpose of sub-paragraph (2A), PR_N is to be calculated in accordance with the formula—

$$PR_N = PE_{zx} \times \left(\frac{1}{24} \right)$$.".

(4) In paragraph 5(4), for the definition of "PE_{ix}" substitute—

""PE_{zx}" means the price in pounds per MW determined for CO_{zx} in accordance with paragraph 3(4) to (6)".