
STATUTORY INSTRUMENTS

2019 No. 862

The Electricity Capacity (No. 1) Regulations 2019

PART 6

Modifications to Supplier Payment Regulations

Modifications to the application of the Supplier Payment Regulations

53. The modifications to the application of the Supplier Payment Regulations in this Part apply in relation to—

- (a) the conditional agreement auction, including the rights and obligations arising out of, or in relation to, this auction; and
- (b) capacity agreements that existed on 15th November 2018.

Interpretation: modifications

54. Regulation 2 (interpretation) of the Supplier Payment Regulations applies as if—

- (a) in paragraph (1)—
 - (i) after the definition of “the Principal Regulations” there were inserted—

““agreement termination trigger event” has the meaning given in regulation 2(1) of the Electricity Capacity (No. 1) Regulations 2019;”;
 - (ii) after the definition of “capacity market supplier charge” there were inserted—

““conditional agreement auction” has the meaning given in regulation 2(1) of the Electricity Capacity (No. 1) Regulations 2019;”;
 - (iii) after the definition of “creditor” there were inserted—

““deferred capacity payment trigger event” has the meaning given in regulation 2(1) of the Electricity Capacity (No. 1) Regulations 2019;”;
 - (iv) in the definition of “invoiced amount”—
 - (aa) after “6”, there were inserted “, 6A”; and
 - (bb) after “20” there were inserted “, 20A”;
 - (v) in the definition of “mutualisation credit”, after ““mutualisation credit”” there were inserted “, in relation to a month of a delivery year;”;
 - (vi) after the definition of “mutualisation credit” there were inserted—

““mutualisation credit”, in relation to a standstill collection period, has the meaning given in regulation 7A(12);

“non-payment register” means the register maintained by the Settlement Body under regulation 47 of the Principal Regulations;”;
 - (vii) in the definition of “payer”—
 - (aa) after “6” there were inserted “, 6A”; and

- (bb) after “20” there were inserted “, 20A”;
- (viii) after the definition of “payment due date” there were inserted—
- ““payment trigger event” means—
- (a) in respect of conditional capacity agreements awarded through the conditional agreement auction (including the capacity agreements these conditional capacity agreements become), the T-1 capacity agreement trigger event; or
- (b) in respect of capacity agreements that existed on 15th November 2018, the deferred capacity payment trigger event;”;
- (ix) after the definition of “period of high demand” there were inserted—
- ““post-standstill collection month” means the second month after the month in which a payment trigger event occurs;
- “post-standstill payment default” has the meaning given by paragraph (2A);”;
- (x) after the definition of “settlement costs levy” there were inserted—
- ““standstill collection period” means a period made up of the months of a delivery year which are standstill months which begins at the start of the first standstill month in the delivery year and ends at the end of the last standstill month in the delivery year;
- “standstill collection period supplier charge” means charge payable by electricity suppliers to the Settlement Body under regulation 6A(5)(a);
- “standstill month”, in respect of capacity agreements that existed on 15th November 2018, means—
- (a) October 2018;
- (b) any month included (wholly or partly) in the standstill period; or
- (c) the month after the last month (wholly or partly) included in the standstill period;
- “standstill month”, in respect of conditional capacity agreements awarded through the conditional agreement auction (including the capacity agreements these conditional capacity agreements become), means—
- (a) any month included (wholly or partly) in the T-1 standstill period; or
- (b) the month after the month in which the T-1 capacity agreement trigger event or T-1 termination trigger event occurs;
- “standstill period” has the meaning given in regulation 2(1) of the Electricity Capacity (No. 1) Regulations 2019;”;
- and
- (xi) after the definition of “supply licence” there were inserted—
- ““T-1 capacity agreement trigger event” has the meaning given in regulation 2(1) of the Electricity Capacity (No. 1) Regulations 2019;
- “T-1 standstill period” means any part of the delivery year beginning on 1st October 2019 which falls before the date on which the T-1 capacity agreement trigger event or T-1 termination trigger event occurs;
- “T-1 termination trigger event” has the meaning given in regulation 2(1) of the Electricity Capacity (No. 1) Regulations 2019;
- “termination trigger event” means—

- (a) in respect of conditional capacity agreements awarded through the conditional agreement auction (including the capacity agreements these conditional capacity agreements become), the T-1 termination trigger event; or
 - (b) in respect of capacity agreements that existed on 15th November 2018, the agreement termination trigger event.”;
- (b) after paragraph (2), there were inserted—
 - “(2A) For the purposes of these Regulations an electricity supplier (“S”) is in post-standstill payment default in relation to the standstill collection period of a delivery year (“collection period X”), if—
 - (a) an entry in respect of S has been made on the non-payment register in respect of an invoice issued under regulation 6A(5)(c), 6A(6) or 6A(11) in respect of collection period X; and
 - (b) this entry does not record the payment to which this invoice relates (including any late payment interest due in respect of this payment) as fully paid.”;
- (c) in paragraph (5)—
 - (i) at the start, there were inserted “Subject to paragraph (5A),”;
 - (ii) after “Principal Regulations” there were inserted (as modified by Part 5 of the Electricity Capacity (No. 1) Regulations 2019)”;
 - (iii) after “capacity year;”, there were inserted—
 - ““conditional capacity agreement;”;and
- (d) after paragraph (5), there were inserted—
 - “(5A) In these Regulations, the following expressions, when used in respect of capacity agreements that existed on 15th November 2018, have the meanings given in regulation 2(1) of the Principal Regulations (as modified by Chapter 2 of Part 3 of the Electricity Capacity (No. 1) Regulations 2019)—
 - “capacity agreement”;
 - “capacity provider penalty charge”.”.

Supplier settlement calculations: modifications

55. Regulation 3 (supplier settlement calculations) of the Supplier Payment Regulations applies as if—

- (a) after paragraph (2), there were inserted—
 - “(2A) Where, by the time a supplier settlement calculation is to be made in respect of the delivery year beginning on 1st October 2019 the T-1 capacity agreement trigger event has not occurred, the calculation must be made using details of conditional capacity agreements included on the capacity market register in place of any details of capacity agreements awarded through the conditional agreement auction required to make the calculation.”; and
- (b) for paragraph (3) there were substituted—
 - “(3) In this regulation—
 - “capacity market register” has the meaning given in regulation 2(1) of the Principal Regulations;
 - “required data” means data which is required to be provided to the Settlement Body under these Regulations, the Principal Regulations or capacity market rules.”.

Capacity market supplier charge: modifications

56.—(1) Regulation 6 (capacity market supplier charge) of the Supplier Payment Regulations applies as if—

(a) after paragraph (4), there were inserted—

“(4A) The Settlement Body must, as soon as reasonably practicable after the date on which the calculations in paragraph 2 of Schedule 1 are made in respect of year X—

- (a) determine the amount of monthly capacity market supplier charge which would be payable by each electricity supplier in respect of each month of year X which is, or may become, a standstill month as part of a supplier’s payment of standstill collection period supplier charge in respect of year X;
- (b) provide the determination for each electricity supplier in the form of a schedule (a “schedule of post-standstill payments”); and
- (c) give a notice to each electricity supplier of the schedule of post-standstill payments which applies to it.

(4B) The Settlement Body must, as soon as reasonably practicable after the date on which the calculations in paragraph 3 of Schedule 1 are made in respect of year X—

- (a) make a revised determination of the amount of monthly capacity market supplier charge which would be payable by electricity suppliers in respect of each month of year X which is, or may become, a standstill month as part of a supplier’s payment of standstill collection period supplier charge in respect of year X;
- (b) produce a revised schedule of post-standstill payments for each electricity supplier; and
- (c) give a notice to each electricity supplier of the revised schedule of post-standstill payment which applies to it.”;

(b) in paragraph (7)—

- (i) after “monthly capacity market supplier charges” there were inserted “and standstill collection period supplier charge”; and
- (ii) for “and each month”, there were substituted “the standstill collection period of year X (if any) and each non-standstill month”; and

(c) after paragraph (8) there were inserted—

“(9) Paragraphs (3) to (4) and (5) to (6) are subject to regulation 6A.

(10) If both termination trigger events have occurred, S is not required to pay a monthly capacity market supplier charge in respect of a month which is a standstill month.”.

(2) The Supplier Payment Regulations apply as if after regulation 6, there were inserted—

“Supplier charge: post-standstill collection

6A.—(1) This regulation applies where a supplier (“S”) is required to pay a capacity market supplier charge to the Settlement Body in respect of a standstill month.

(2) Where this regulation applies, paragraphs (3) to (13) apply in respect of capacity market supplier charge payable in respect of a standstill month of a delivery year (“year X”).

(3) Where, under regulation 4, S provided to the Settlement Body a forecast of gross demand for year X (other than a forecast of zero gross demand) S must make a payment to the Settlement Body in respect of each standstill month of year X on account of its liability under regulation 6(1) (a “monthly capacity market supplier charge”).

(4) Where, in respect of year X—

- (a) S supplies electricity as mentioned in regulation 6(1), but
- (b) S did not provide to the Settlement Body a forecast as mentioned in paragraph (3) because it was not an electricity supplier on the 1st June before the start of year X,

S must pay a monthly capacity market supplier charge to the Settlement Body in respect of each month of year X for which the calculation of such charges is carried out using actual supplier shares.

(5) If a payment trigger event has occurred, the Settlement Body must, by no later than 12 working days before the commencement of the post-standstill collection month—

- (a) determine the amount of standstill collection period supplier charge which is payable by each electricity supplier in respect of the standstill collection period of year X (“collection period X”);
- (b) determine the amount of standstill collection period supplier charge which remains payable by each electricity supplier in respect of collection period X; and
- (c) issue to each electricity supplier (“S”)—
 - (i) where the amount determined for S under sub-paragraph (b) is a positive amount, an invoice for the amount determined; or
 - (ii) where the amount determined for S under sub-paragraph (b) is a negative amount, a credit note for the amount determined (as a positive amount); or
 - (iii) where the amount determined for S under sub-paragraph (b) is 0, a notice informing the supplier a standstill collection period supplier charge payment is not required.

(6) The Settlement Body must, by no later than the tenth working day of the post-standstill collection month, issue an invoice to each electricity supplier required to make a mutualisation payment in respect of the collection period X under regulation 7A(4) for the amount determined for that supplier under regulation 7A(5) in respect of collection period X.

(7) Unless a payment trigger event has occurred, where S has been given notice of a schedule of post-standstill payments in respect of year X in accordance with regulation 6(4A) or (4B), S may pay some or all of the capacity market supplier charge in respect of a standstill month of year X (“month SM”) by paying an amount equal to or less than the amount specified in the schedule in respect of month SM to the Settlement Body.

(8) A payment of monthly capacity market supplier charge to the Settlement Body by S in respect of month SM before the date S was given notice of a schedule of post-standstill payments which included month SM is treated as a payment by S under paragraph (7) in respect of month SM.

(9) Interest (if any) which accrues in respect of a payment under paragraph (7) (including a payment to which paragraph (8) applies) is treated as a payment by S under paragraph (7) in respect of month SM.

(10) A payment under paragraph (7) in respect of a standstill month (“month SM”) does not discharge S’s obligation to pay any amount determined under regulation 7A or to make a reconciliation payment for a standstill collection period or delivery year which includes month SM.

(11) If the Settlement Body is required to reduce the amount of capacity payments payable in respect of collection period X because the total amount of capacity payments payable in respect of this period exceeds the total amount of capacity market supplier charges collected in respect of this period, the Settlement Body must, by no later than 40 working days after the date on which it was required to make this reduction, issue to each electricity supplier required to make a supplementary mutualisation payment under regulation 7A(8) an invoice for the amount determined for that supplier under regulation 7A(9) in respect of collection period X.

(12) The standstill collection period supplier charge payable by S under paragraph (5)(a) is determined by—

- (a) carrying out the calculations in paragraph 3 of Schedule 1 (where the necessary data is available) to redetermine the amount of monthly capacity market supplier charge payable by each electricity supplier in respect of the standstill collection period (repeating these calculations if they have already been carried out in respect of year X); and
- (b) calculating the sum of the amount of MCMSCsm calculated for S under paragraph 4 of Schedule 1 in respect of each month of year X which is a standstill month, substituting the calculations remade under sub-paragraph (a) (if any) for any previous calculations under paragraph 3 of Schedule 1 in respect of these months.

(13) The amount payable under paragraph (5)(b) (“AP”) must be calculated in accordance with the following formula—

$$AP = SSPSC - SCP$$

(14) In paragraph (13)—

“SSPSC” means the amount payable by S under paragraph (5)(a); and

“SCP” means the sum of the payments made by S in respect of year X under paragraph (7) which are held by the Settlement Body at the time of the calculation.”.

Mutualisation: modifications

57.—(1) Regulation 7 (mutualisation) of the Supplier Payment Regulations applies as if after paragraph (7), there were inserted—

“(8) Paragraphs (1) to (7) are subject to regulation 7A.”.

(2) The Supplier Payment Regulations apply as if after regulation 7, there were inserted—

“Mutualisation: post-standstill collection

7A.—(1) This regulation applies where a supplier (“S”) is required to pay a capacity market supplier charge to the Settlement Body in respect of a standstill month.

(2) Where this regulation applies, paragraphs (3) to (13) apply in respect of capacity market supplier charge payable in respect of a standstill month of a delivery year (“year X”).

(3) Paragraphs (4) to (6) apply in respect of the standstill collection period of a delivery year (“collection period X”) where an electricity supplier is in post-standstill payment default (a “defaulting supplier”).

(4) Where this paragraph applies, each electricity supplier who—

- (a) has been issued an invoice, credit note, or notice in respect of collection period X under regulation 6A(5)(c); and
- (b) is not a defaulting supplier,

must make an additional payment (a “mutualisation payment”) to the Settlement Body in respect of collection period X.

(5) The Settlement Body must, by no later than the tenth working day of the post-standstill collection month—

- (a) determine the amount of the mutualisation payment payable by each electricity supplier (“S”) who is required to make such a payment in respect of collection period X; and

(b) include that amount in the invoice issued to S in respect of collection period X under regulation 6A(6).

(6) The determination under paragraph (5)(a) must be made in accordance with subparagraphs (1) to (3) of paragraph 5A of Schedule 1.

(7) Paragraphs (8) to (10) apply in respect of collection period X where the Settlement Body is required to reduce the amount of capacity payments payable in respect of collection period X because the total amount of capacity payments payable in respect of this period exceeds the total amount of capacity market supplier charges collected in respect of this period.

(8) Where this paragraph applies, each electricity supplier who—

(a) has been issued an invoice, credit note, or notice in respect of collection period X under regulation 6A(5)(c); and

(b) is not a defaulting supplier,

must make a further additional payment (a “supplementary mutualisation payment”) to the Settlement Body in respect of collection period X.

(9) The Settlement Body must, by no later 40 working days after the date on which the Settlement Body was required to make the reduction referred to in paragraph (7) in respect of collection period X—

(a) determine the amount of the supplementary mutualisation payment payable by each electricity supplier (“S”) who is required to make such a payment in respect of collection period X; and

(b) include that amount in the invoice issued to S in respect of collection period X under regulation 6A(11).

(10) The determination under paragraph (9)(a) must be made in accordance with subparagraphs (4) to (6) of paragraph 5A of Schedule 1.

(11) Paragraphs (12) and (13) apply where mutualisation payments (including supplementary mutualisation payments where required) have been made in respect of collection period X and—

(a) the Settlement Body receives payment from a defaulting supplier in relation to collection period X of—

(i) all or part of the standstill collection period supplier charge invoiced to it; and

(ii) late payment interest on such a charge; and

(b) as a result of this payment, the total amount of—

(i) standstill collection period supplier charges;

(ii) late payment interest on such charges,

(iii) mutualisation payments (including any supplementary mutualisation payments), and

(iv) late payment interest on such payments,

received by the Settlement Body exceeds the total amount of capacity payments (including residual capacity payments) payable to capacity providers.

(12) The Settlement Body must calculate the amount of that excess (the “surplus”) and each electricity supplier who made a mutualisation payment (including a supplementary mutualisation payment) in respect of collection period X is entitled to be credited with a share of the surplus (a “mutualisation credit”), such that the surplus is distributed between such electricity suppliers in the same proportions as they made mutualisation payments (including supplementary mutualisation payments).

(13) The Settlement Body must calculate the amount of mutualisation credits to be credited to electricity suppliers under paragraph (12), and credit them with those amounts, as part of the next reconciliation run for collection period X or for the delivery year which includes collection period X.

(14) In this regulation “residual capacity payment” means an amount payable to a capacity provider in respect a standstill collection period under—

- (a) regulation 40(7)(b) of the Principal Regulations (as modified by Chapter 2 of Part 3 of the Electricity Capacity (No. 1) Regulations 2019); or
- (b) regulation 40A(7)(b) of the Principal Regulations (as modified by Part 5 of the Electricity Capacity (No. 1) Regulations 2019).”.

Penalty residual supplier amount: modifications

58. Regulation 8 (penalty residual supplier amount) of the Supplier Payment Regulations applies as if—

- (a) at the beginning of paragraph (3), there were inserted “Subject to paragraph (3A),”; and
- (b) after paragraph (3), there were inserted—

“(3A) If year X is the delivery year beginning on 1st October 2018, the reference in paragraph (3) to “the 28th working day after the end of each delivery year” is to be construed as a reference to “the 28th working day after the end of the delivery year (if a payment trigger event occurs before that date) or otherwise as soon as reasonably practicable after a payment trigger event occurs.”.

Non-payment and withheld credit: modifications

59.—(1) Regulation 12(1) (non-payment of invoices: draw down of credit cover) of the Supplier Payment Regulations applies as if, at the end, there were inserted “in respect of a month which is not a standstill month”.

(2) Regulation 13 (payment of credit notes) of the Supplier Payment Regulations applies as if at the end of paragraph (a), there were inserted “(unless the penalty residual supplier amount is collected in respect of the delivery year beginning on 1st October 2018 in which case the Settlement Body must pay the amount due no later than the end of the 5th working day after the date on which credit note was issued)”.

(3) Regulation 14(1) (withholding credit payments to suppliers) of the Supplier Payment Regulations applies as if, at the end, there were inserted “or post-standstill payment default”.

(4) Regulation 15 (payment of withheld credit) of the Supplier Payment Regulations applies as if—

- (a) at the end of paragraph (2) there were inserted “, unless paragraph (4) applies”;
- (b) in paragraph (3)—
 - (i) after “paragraph (2)” there were inserted “or where paragraph (4) applies”; and
 - (ii) in sub-paragraph (b), at the end, there were inserted “or post-standstill payment default”; and
- (c) after paragraph (3) there were inserted—

“(4) If both termination trigger events have occurred, the Settlement Body must pay any credit withheld from S.”.

Consequences of termination of supplier licences: modifications

60. Regulation 16 (consequences of termination of supplier licences) of the Supplier Payment Regulations applies as if in paragraph (2)(b), after “terminated” there were inserted “(unless both termination trigger events have occurred prior to this month)”.

Standstill collection period reconciliation: modifications

- 61.**—(1) Regulation 17 (general) of the Supplier Payment Regulations applies as if—
- (a) after the definition of “annual reconciliation run”, there were inserted—
 - ““collection period X” means the standstill collection period of a delivery year;”;
 - (b) in the definition of “month M”, at the end, there were inserted “which is not a standstill month”; and
 - (c) after the definition of “month M”, there were inserted—
 - ““standstill collection period reconciliation run” means a reconciliation run under regulation 20A in respect of payments relating to the standstill collection period of a delivery year;”.
- (2) Regulation 18 (reconciliation runs) of the Supplier Payment Regulations applies as if—
- (a) in paragraph (1)(a)—
 - (i) after “delivery year”, there were inserted “which is not a standstill month”; and
 - (ii) “and”, in the last place it occurs, were omitted;
 - (b) after paragraph (1)(a), there were inserted—
 - “(aa) at least 3 standstill collection period reconciliation runs (“scheduled standstill collection period reconciliation runs”) in respect of the standstill collection period of a delivery year (“collection period X”), which must be commenced no later than—
 - (i) 90 working days;
 - (ii) 160 working days; and
 - (iii) 295 working days,after the date by which credit notes for capacity payments in respect of collection period X were required to be issued; and”;
 - (c) in paragraph (2)(a), “and” were omitted;
 - (d) after paragraph (2)(a), there were inserted—
 - “(aa) no standstill collection period reconciliation run in respect of collection period X may be commenced more than 28 months after the last day of collection period X; and”;
 - (e) after paragraph (3), there were inserted—
 - “(3A) The Settlement Body must, as soon as reasonably practicable after a payment trigger event occurs, for a delivery year which includes one or more standstill months (“year X”)—
 - (a) set a timetable for the scheduled standstill collection period reconciliation runs for the standstill collection period of year X; and
 - (b) publish the timetable.”;
 - (f) in paragraph (5), after “(3)” there were inserted “; (3A)”;
 - (g) for paragraph (6)(a) there were substituted—

- “(a) to carry out a scheduled reconciliation run if—
 - (i) it does not have any data which could affect any calculations or determinations previously made; or
 - (ii) it cannot make accurate calculations or determinations until after a payment trigger event has occurred; or”;
 - (h) in paragraph (7), after “month M”, in each place it occurs, there were inserted “or collection period X”.
- (3) Regulation 19 (recalculation of payments: general) of the Supplier Payment Regulations applies as if—
 - (a) after “regulations 20”, there were inserted “, 20A”;
 - (b) in sub-paragraph (b)(ii), after “7(6) and (7)” there were inserted “or 7A(12) and (13)”;
 - (c) in sub-paragraph (b)(v)—
 - (i) after “delivery year” there were inserted “(including payments that were prevented from being paid at the time by the law relating to state aid)”;
 - (ii) after “of a” there were inserted “conditional capacity agreement or”;
 - (d) after sub-paragraph (b), there were inserted—
 - “(c) in sub-paragraph (b)(v) capacity payments which will be paid or become payable at a later date if a payment trigger event occurs are not considered reduced or forfeited solely because they cannot be paid or are not payable at the time of a recalculation or redetermination.”.
- (4) Regulation 20 (monthly reconciliation runs) of the Supplier Payment Regulations applies as if, in paragraph (7), after “7(6) and (7)” there were inserted “or 7A(12) and (13)”.
- (5) The Supplier Payment Regulations apply as if, after regulation 20 there were inserted—

“Standstill collection period reconciliation runs: recalculation of payments

20A.—(1) By no later than T-21 the Settlement Body must make a redetermination of the amount of standstill collection period supplier charge payable by each electricity supplier in respect of collection period X.

(2) For the purpose of paragraph (1), the Settlement Body must remake the calculations under paragraphs 2 to 4 of Schedule 1.

(3) For each electricity supplier (“S”), the Settlement Body must calculate the difference between—

- (a) the amount of the capacity market supplier charge S has paid in respect of collection period X before the redetermination under paragraph (1) is made (“SCP”); and
- (b) the amount redetermined for S under paragraph (1) (“SCRDA”).

(4) The Settlement Body must calculate the total amount of reconciliation payments payable by the Settlement Body (“TAP”).

(5) TAP must be calculated as the sum of the differences between SCP and SCRDA for each electricity supplier for which SCRDA is less than SCP.

(6) The Settlement Body must, subject to paragraph (7)—

- (a) if SCRDA is greater than SCP, issue to S an invoice for the amount of the difference between SCRDA and SCP;
- (b) if SCRDA is less than SCP, subject to regulation 24, issue to S a credit note for the amount of the difference between SCRDA and SCP; and

(c) if SCRDA is equal to SCP, give S a notice that no reconciliation payment is due to or from S.

(7) If S is entitled to a mutualisation credit under regulation 7(6) and (7) or 7A(12) and (13), the Settlement Body must adjust the amount of the invoice or credit note to be issued under paragraph (6) by the amount of that credit.”.

(6) Regulation 21(5) (annual reconciliation runs) of the Supplier Payment Regulations, applies as if—

(a) in the definition of “TMSC”—

(i) after “monthly capacity market supplier charges”, there were inserted “and standstill collection period supplier charges”; and

(ii) at the end, there were inserted “which are not standstill months, or standstill collection period reconciliation runs for the standstill collection period of year X”; and

(b) in paragraph (9), after “7(6) and (7)” there were inserted “or 7A(12) and (13)”.

(7) Regulation 22(1) (reconciliation invoices and payment) of the Supplier Payment Regulations applies as if, after “20(6)(a)” there were inserted “, 20A(6)(a)”.

Supplier credit cover: modification

62.—(1) Regulation 24 (recalculation of credit amounts) of the Supplier Payment Regulations, applies as if—

(a) in paragraph (1), after “20(5)” there were inserted “, 20A(5)”;

(b) in paragraph (2)(a)—

(i) after “regulation 20”, there were inserted “, 20A”; and

(ii) after “regulation 20(7)”, there were inserted “, 20A(7)”;

(c) in paragraph (2)(b), after “regulation 20(7)” there were inserted “, 20A(7)”.

(2) Regulation 25 (reconciliation credit notes and payment) of the Supplier Payment Regulations applies as if, after “regulation 20,” there were inserted “20A,”.

(3) Regulation 27 (calculation of supplier credit cover) of the Supplier Payment Regulations applies as if, after paragraph (3), there were inserted—

“(4) If, at the time the Settlement Body makes a determination under paragraph (1)(a) or (2)(a), a month to which the determination relates is (or may become) a standstill month, the Settlement Body must—

(a) determine the amount of credit cover an electricity supplier would be required to provide for that month if it were not a standstill month; and

(b) record in the notice given to the electricity supplier under paragraph (1)(c) or (2)(c) that the supplier is not required to provide credit cover in respect of a month which is a standstill month.”.

(4) Regulation 28 (requirement to provide supplier credit cover) of the Supplier Payment Regulations applies as if, after paragraph (4), there were inserted—

“(5) Paragraphs (1) to (4) are subject to paragraph (6).

(6) An electricity supplier who has been given notice of a schedule of monthly credit cover is not required to provide credit cover to the Settlement Body in respect of a month which is a standstill month.”.

Calculation of amounts: modifications

63. Schedule 1 (calculation of amounts) to the Supplier Payment Regulations applies as if—
- (a) in paragraph 2 (provisional annual calculations)—
 - (i) in sub-paragraph (1), “no later than three months” were omitted; and
 - (ii) in sub-paragraph (5), after “a capacity committed CMU” there were inserted “, including payments that may be prevented from being paid by the law relating to state aid”;
 - (b) in paragraph 3(5), in the definition of “ $\sum_i \text{ACCP}_{ix}$ ”—
 - (i) after “year X” there were inserted “(including payments that have been or may be prevented from being paid by the law relating to state aid)”;
 - (ii) in paragraph (a), after “a” there were inserted “conditional capacity agreement or”; and
 - (iii) in paragraph (b), at the end there were inserted “(capacity payments which will be paid or become payable at a later date if a payment trigger event occurs are not considered reduced or forfeited solely because they cannot be paid or are not payable at the time of the calculation under this paragraph)”;
 - (c) after paragraph 5 (capacity market supplier charge: mutualisation payments), there were inserted—

“Standstill collection period: mutualisation payments

5A.—(1) If, in respect of the standstill collection period of a delivery year (“collection period X”), one or more electricity suppliers is in post-standstill payment default, the Settlement Body must calculate in accordance with sub-paragraphs (2) and (3) the mutualisation payment to be made by each electricity supplier (“S”) who is not in such default (“ MP_{scp} ”).

(2) If the calculation date is before the date on which the Settlement Body makes the calculations required by paragraph 3, then MP_{scp} must be calculated in accordance with the formula—

$$\text{MP}_{scp} = \left(\sum_d \text{SCPSC}_{dcp} \times (\text{PSC}_{sx} / \sum_n \text{PSC}_{nx}) \right)$$

(3) If the calculation date is on or after the date on which the Settlement Body makes the calculations required by paragraph 3, then MP_{scp} must be calculated in accordance with the formula—

$$\text{MP}_{scp} = \left(\sum_d \text{SCPSC}_{dcp} \times (\text{RSC}_{sx} / \sum_n \text{RSC}_{nx}) \right)$$

(4) If regulation 7A(8) applies in respect of collection period X, the Settlement Body must calculate in accordance with sub-paragraphs (5) and (6) the supplementary mutualisation payment to be made by each electricity supplier (“S”) who is not in post-standstill payment default (“ SMP_{scp} ”).

(5) If the calculation date is before the date on which the Settlement Body makes the calculations required by paragraph 3, then SMP_{scp} must be calculated in accordance with the formula—

$$\text{SMP}_{scp} = (\text{RA} - \sum_d \text{LP}) \times (\text{PSC}_{sx} / \sum_n \text{PSC}_{nx})$$

(6) If the calculation date is on or after the date on which the Settlement Body makes the calculations required by paragraph 3, then SMP_{scp} must be calculated in accordance with the formula—

$$SMP_{scp} = (RA - \sum_d LP) \times (RSC_{sx} / \sum_n RSC_{nx})$$

(7) In this paragraph—

“late payment” means a payment in respect of collection period X by an electricity supplier in post-standstill payment default of—

- (a) all or part of the standstill collection period supplier charge invoiced to it;
- (b) all or part of the mutualisation payment invoiced to it; or
- (c) late payment interest on such a charge or payment;

“ $\sum_d LP$ ” means the sum of all late payments in respect of collection period X from electricity suppliers who—

- (a) were in post-standstill payment default when the mutualisation payment in respect of collection period X was calculated; or
- (b) entered into post-standstill payment default in respect of this mutualisation payment;

“ PSC_{sx} ” means the amount calculated under paragraph 2(1)(a) for supplier S and year X;

“ $\sum_n PSC_{nx}$ ” means the sum of the amounts calculated under paragraph 2(1)(a) for year X for every electricity supplier who is not in post-standstill payment default in respect of collection period X;

“RA” means the sum of the residual amounts (if any) determined in respect of collection period X under—

- (a) regulation 40(7)(a) of the Principal Regulations (as modified by Chapter 2 of Part 3 of the Electricity Capacity (No. 1) Regulations 2019); and
- (b) regulation 40A(7)(a) of the Principal Regulations (as modified by Part 5 of the Electricity Capacity (No. 1) Regulations 2019);

“ RSC_{sx} ” means the amount calculated under paragraph 3(1)(a) for supplier S and year X (taking into account any revised calculations under this paragraph required by regulation 6A(12)(a));

“ $\sum_n RSC_{nx}$ ” means the sum of the amounts calculated under paragraph 3(1)(a) for year X for every electricity supplier who is not in post-standstill payment default in respect of collection period X (taking into account any revised calculations under this paragraph required by regulation 6A(12)(a));

“ $\sum_d SCPSC_{dcp}$ ” means the sum of the amount determined under regulation 6A(5) (b) for every electricity supplier who is in post-standstill period payment default in respect of the collection period; and

“year X” means the delivery year in which collection period X falls.”; and

- (d) in paragraph 6(3), in the definition of “ TPR_x ”, at the end there were inserted “(and in respect of the delivery year beginning on 1st October 2019 means this amount after any repayments of overcharged penalty charge by the Settlement Body under regulation 43E of the Principal Regulations (as modified by Part 5 of the Electricity Capacity (No. 1) Regulations 2019) are subtracted)”.