

*These notes refer to the Energy Act 2013 (c.32)  
which received Royal Assent on 18 December 2013*

# **ENERGY ACT 2013**

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## **EXPLANATORY NOTES**

### **COMMENTARY ON SECTIONS**

#### **Part 2: Electricity Market Reform**

##### *Chapter 3: Capacity Market*

##### *Section 30: Settlement body*

149. In the event that a settlement body is appointed to administer capacity payments and capacity incentives, this section enables regulations to require electricity suppliers or capacity providers to make payments to the settlement body for certain ancillary purposes. Under *subsection (1)*, payments may be required to cover the settlement body's administration costs, to enable it to hold sums in reserve, and to mutualise payments across suppliers to cover those not made by an insolvent or defaulting supplier. *Subsection (3)* also enables the regulations to require electricity suppliers or capacity providers to provide collateral. *Subsections (4)* and *(5)* enable regulations to include provision for the determination by the settlement body or by another person specified by the regulations, of the amounts of payments due from electricity suppliers or capacity providers, under this section and the form and terms of any collateral.