

CIRCULAR

TYPE & NUMBER EMR Circular 218

Date 9 July 2020

Purpose For information

Using backing data to determine your proportion of the BEIS loan

EMRS, on behalf of [Low Carbon Contracts Company](#) (LCCC) would like to confirm to **Suppliers** that LCCC have confirmed the amount of BEIS loan utilisation for the Quarterly Obligation Period **1 April 2020 to 30 June 2020** as **£75,110,169** reducing the Supplier Obligation in the short term.

To support **Suppliers** in identifying how much reduction they will see in their Supplier Obligation, EMRS would like to illustrate how they can determine this using the CFD Quarterly Reconciliation process. This has been achieved without any changes being needed to either the EMR Settlement Systems or Suppliers systems.

This circular also includes:

- **CFD Quarterly Reconciliation backing data available on the EMRS Portal**
 - Why is the Backing Data being removed from the Quarterly Reconciliation Invoice or Credit Note emails?
 - Who has access to the EMRS Portal?
- **Reminder: Webinar on Interim Levy Rate and Total Reserve Amount for Q4 2020**

How to determine your proportion of the BEIS loan?

The **CFD Supplier Invoice Backing Data** includes the Quarterly Reconciliation information Suppliers will receive today, **9 July 2020** that will include the Quarterly Obligation Period **1 April 2020 to 30 June 2020**.

This backing data is received by Suppliers in these formats:

- CSV (T004 – Period Level Metered Data)
- Data Transfer Catalogue ([D0362 - CFD Supplier Backing Data](#))

A Supplier's proportion of the BEIS loan can be ascertained by their quarterly market share. This is identifiable within the backing data using the following data items:

| Data Items ¹ | Description | Value for all Suppliers |
|-------------------------|--------------------------------------|-----------------------------|
| J1973 | Obligation Period | 202004 |
| J2012 | Supplier Quarterly Chargeable Demand | [specific to each Supplier] |
| J2039 | Total Quarterly Chargeable Demand | 57,482,348.672 |
| J2047 | Total Non-Generation Payments | (£75,110,169) |

¹ <https://dtc.mrasco.com/SearchFlowsByDataItems.aspx>

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So the benefit of the BEIS loan received by a Supplier in this Quarterly Reconciliation invoice can be seen as:

- **Supplier Quarterly Market Share** = $\frac{\text{J2012 Supplier Quarterly Chargeable Demand}}{\text{J2039 Total Quarterly Chargeable Demand of 57,482,348.672}}$
- **Supplier proportion of the BEIS loan** = Supplier Quarterly Market Share * (£75,110,169)

This can also be reconciled to the **Quarterly Reconciliation Invoice**. The Supplier's Quarterly Reconciliation invoice dated 9 July 2020 may (depending on their market share and rounding) include invoice lines for:

- Reconciliation of CFD Payments Apr 2020 to Jun 2020 **£x**
- Reconciliation of Late Payment Interest Apr 2020 to Jun 2020 **£y**

Backing Data

Using the backing data the above invoice lines are evidenced as follows:

- J2007 Supplier Daily Contribution Reconciliation Amount, for each day in the Quarter, so summing J2007 for each day (J0073 Settlement Date) in the Quarter (where J1973 Obligation Period = 202004) will give the **Total Generation related Reconciliation Amount for the Quarter for the Supplier** (Σ J2007);
- J1914 CFD Quarterly Contribution Reconciliation Amount in the Quarter (where J1973 Obligation Period = 202004) which relates to the Supplier's Quarterly Market Share (being J2012 / J2039) of those items that are addressed on a Quarterly basis:
 - J2047 Total Non-Generation Payments (NGP) of (£75,110,169); and
 - J2032 Total Net Quarterly Interest (received, LPI) of £602.47.

Thus J1914 can be split into the two components:

Reconciliation of Quarterly CFD Payments

- $J1914_{NGP} = J1914 * J2047 / (J2047 - J2032) = J1914 * (£75,110,169) / (£75,110,771.47)$
- **£x** = Σ J2007 + J1914_{NGP}

Reconciliation of Quarterly Late Payment Interest

- $J1914_{LPI} = J1914 * -J2032 / (J2047 + J2032) = J1914 * (£602.47) / (£75,110,771.47) = \mathbf{£y}$

When is the BEIS loan to be repaid?

The loan will be repaid during the Quarterly Obligation Period **1 April 2021 to 30 June 2021** through the Interim Levy Rate (ILR). The forecast of the ILR for **1 April 2021 to 30 June 2021** is contained in the [CFD Dashboards](#) on the LCCC website has been amended to reflect the value of the BEIS loan.

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CFD Quarterly Reconciliation backing data available on the EMRS Portal

We'd like to inform **Suppliers**, from **9 July 2020**, this CFD Quarterly Reconciliation the invoice or credit note emails will no longer include the associated backing data. The email will direct Suppliers to the [EMRS Portal](#) where you can download the backing data in the following formats:

- CSV (**T002 - Daily Level Metered Data & T004 – Period Level Metered Data**)
- Data Transfer Catalogue ([D0362 - CFD Supplier Backing Data](#))

Suppliers who currently receive their backing data via the Data Transfer Network will continue to receive the [D0362 - CFD Supplier Backing Data](#).

This circular provides supporting information about this change and the [EMRS Portal](#).

Why is the Backing Data being removed from the Quarterly Reconciliation Invoice or Credit Note emails?

The reason for removing the backing data from the emails is that it is often too large for the recipient's mailbox and therefore is blocked or undelivered. Removing the backing data will ensure the Quarterly Reconciliation invoice or credit notes are issued and received by Suppliers.

Who has access to the EMRS Portal?

The [EMRS Portal](#) is restricted to these Authorised Contacts:

- Primary Authority
- Finance Authority
- Operating Authority
- Users
- Company Email

We'd like to suggest you review your EMRS Authorised Contacts. You'll be able to update your Authorised Contacts through the existing process in [WP31 – Amending EMR Party Details](#) available on the [EMRS website](#).

Reminder: Webinar on Interim Levy Rate and Total Reserve Amount for Q4 2020

LCCC will be hosting a webinar on **24 July 2020** at 10am to discuss how the ILR and TRA were determined for the Quarterly Obligation Period **1 October 2020 to 31 December 2020**². This will include the background and assumptions applied and provide a 15 month forecast. [Register now](#) for this event.

Further details can be found by reviewing the [CFD Dashboards](#) which provides details of the calculations performed to set the ILR and the TRA.

² <https://www.emrsettlement.co.uk/document/circular/emrc215-lccc-has-determined-the-total-reserve-amount-and-interim-levy-rate-from-1-october-2020-to-31-december-2020/>

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Further information

You can locate supporting information as follows:

- [Proposed changes to the Electricity Supplier Obligation Regulations in response to COVID-19: government response](#)
- [The Contracts for Difference \(Electricity Supplier Obligations\) \(Amendment\) \(Coronavirus\) Regulations 2020](#)

Who do I contact if I have a query?

| Contact | Query Topic | Telephone | Email |
|---------|---|---------------|--|
| EMRS | Reserve Payment, Total Reserve Amount & Interim Levy Rate Notice, Quarterly Supplier Reconciliation Invoice, and Credit Cover | 020 7380 4333 | contact@emrsettlement.co.uk |
| LCCC | Calculation of the Total Reserve Amount and Interim Levy Rate | 020 7211 8881 | forecasting@lowcarboncontracts.uk |
| LCCC | General queries about LCCC or the management of the CFD scheme | 020 7211 8881 | info@lowcarboncontracts.uk |