

CIRCULAR

TYPE & NUMBER EMR Circular 220

Date 1 October 2020

Purpose For information

Suppliers to receive refund of excess Operational Costs and Settlement Costs Levy for Financial Year 2019/20

EMRS, on behalf of the [Low Carbon Contracts Company](#) (LCCC) and the [Electricity Settlements Company](#) (ESC), confirms for the Financial Year 2019/20 (1 April 2019 to 31 March 2020):

- A **repayment of excess CfD Operational Costs** will be paid to **Suppliers** based on the Total Repayment of Excess Operational Costs: **£4,865,798.99**.
- A **CM Settlement Costs Levy refund** will be paid to **Suppliers** based on the Total Settlement Costs Levy refund: **£614,295.99**.

On **1 October 2020**, only Suppliers who made Operational Costs and Settlement Costs Levy Payments during the Financial Year 2019/20 will receive a credit note for both the repayment of excess CfD Operational Costs and the CM Settlement Costs Levy refund with a payment date of **8 October 2020**.

What will happen if an invoice is due on the same date?

If an invoice is due on the same date, please note:

- If the invoice amount is greater than the credit note amount, please pay the net amount; or
- If the credit note amount is greater than the invoice amount, EMRS will allocate the credit against the invoice amount, and the remaining credit will be paid to the Supplier's registered bank account.

Will I receive backing data to support the credit notes received?

There will be no associated backing data for the repayment of the excess CfD Operational Costs, though there will be associated backing data available for the CM Settlement Costs Levy refund.

How is my share calculated?

A **repayment of excess CfD Operational Costs** to **Suppliers** is calculated based on their **overall market share** over the Financial Year. This is in accordance with the [Contracts for Difference \(Electricity Supplier Obligations\) Regulations 2014](#), (as amended), Part 3, Chapter 8, Regulation 24(3).

A **CM Settlement Costs Levy refund** to Suppliers is calculated using a **payment share** based on the amount of Settlement Costs Levy Payments paid in the Financial Year. This is in accordance with the [Electricity Capacity \(Supplier Payment etc.\) Regulations 2014](#), (as amended) Part 3, Regulation 10(3) (a).

More information

The [LCCC Annual Report and Accounts 2019/20](#) and [ESC Annual Report and Accounts 2019/20](#) are published on the [LCCC website](#). More information is available within the companies' [press release](#) and a Stakeholder Bulletin that were sent on 30 September.

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If you have any further questions about this circular, please email contact@emrsettlement.co.uk or call 020 7380 4333.