

17 July 2025

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# Nuclear RAB: Credit Cover, Supplier Payments & Backing Data



# What is the Nuclear RAB scheme?

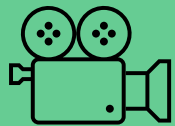
Nuclear RAB (Regulated Asset Base) is a **government-backed funding model** designed to finance new nuclear projects, starting with **Sizewell C**.

- 1 Developers receive funding during the **construction phase** of the project, reducing costs and financial risk.
- 2 The RAB finance model **shares costs** between consumers (via energy bills) and investors, lowering overall project costs.
- 3 All Suppliers are required to fund the scheme. Payments are based on your Market Share.
- 4 It supports the UK's commitment to **Clean Power 2030**, by encouraging **more investment** in reliable, low-carbon energy sources.



Sizewell C will generate enough electricity to power **six million** homes.

# Welcome and Housekeeping



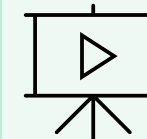
**The session is being recorded**



**Please mute your microphone**



**Please add your questions to the Q&A**



**We will share the slides following the session**

# Agenda



1

**Latest update on Nuclear RAB**

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**Credit Cover**

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**Q&A**

# Latest update on Nuclear RAB

- DESNZ absolutely recognise the concerns Suppliers have about notice for the first ILR and TRA, and their desire for certainty as to the value of RAB levies.
- Final investment decision (FID) will be the catalyst for Nuclear RAB operations, with announcements of ILR and TRA to follow soon after. As it stands, there will be a minimum 30-day notice period between announcement and the beginning of levy collection.
- Credit Cover will need to be lodged by 5:00pm one working day prior to the commencement of levy collection.
- LCCC continues to engage with DESNZ as project development progresses, petitioning for consideration on the practicalities of keeping Suppliers updated ahead of a final investment decision.
- We cannot provide further information at this point, as commercially sensitive negotiations and project development is ongoing, but will aim to provide suppliers with as much notice as possible.

# Credit Cover

# Purpose of Credit Cover

All Suppliers **must** provide Credit Cover to meet their requirements for **each day** within a Quarterly Obligation Period. It is used to mitigate the risk of **funding shortfalls**.

It can be submitted at any point, either in **response to a requirement** or as part of their own risk management activities.

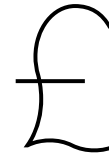
We draw down on Credit Cover if a Supplier misses an **invoice payment**.

Drawn-down funds are **not returnable** but cover outstanding obligations. Operational Costs Levy and Late Payment Interest are not covered.

We manage Credit Cover on behalf of LCCC, the **Revenue Collection Counterparty** for the Nuclear RAB scheme.



EMRS draws down on Credit Cover as a Supplier has failed to pay its invoice



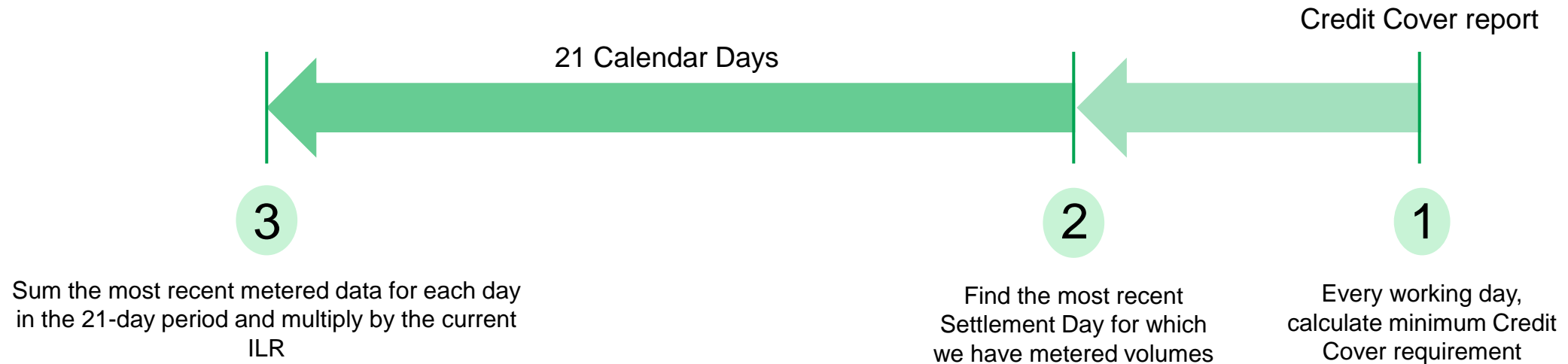
Payments from LCCC to Sizewell C continue and are not impacted



Industry is protected from non-payment impacts of an individual Supplier

# Credit Cover Reference Period

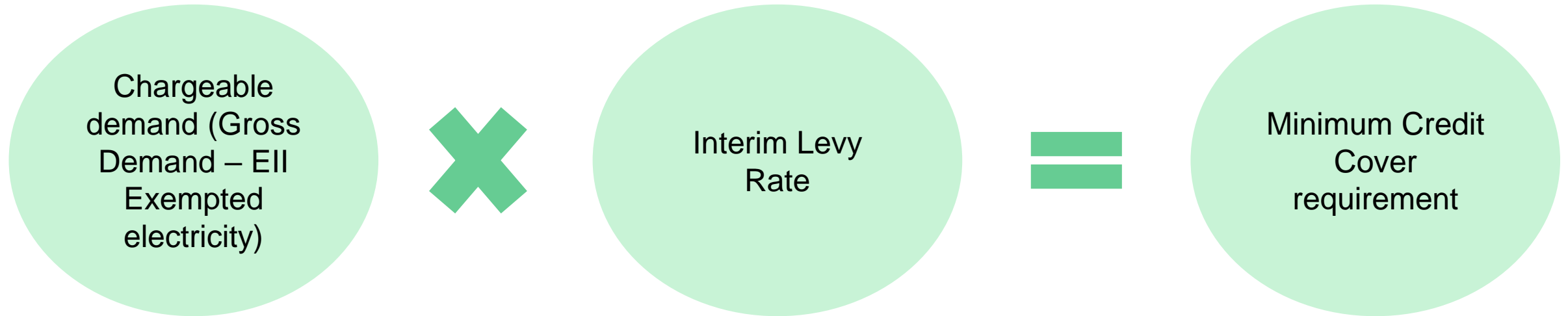
The reference period is determined by the availability of BSC metered data and, therefore, is based on the 21 calendar days available prior to the calculation taking place.



For any given reference period this will include metered data from both Interim Information (II) and Settlement Final (SF) settlement runs.

# Credit Cover Calculation

The amount of Credit Cover required for Nuclear RAB is determined on a daily basis and is equal to a Supplier's **chargeable demand** (Gross Demand - EII Exempted electricity) for a 21-day reference period multiplied by the current Interim Levy Rate.



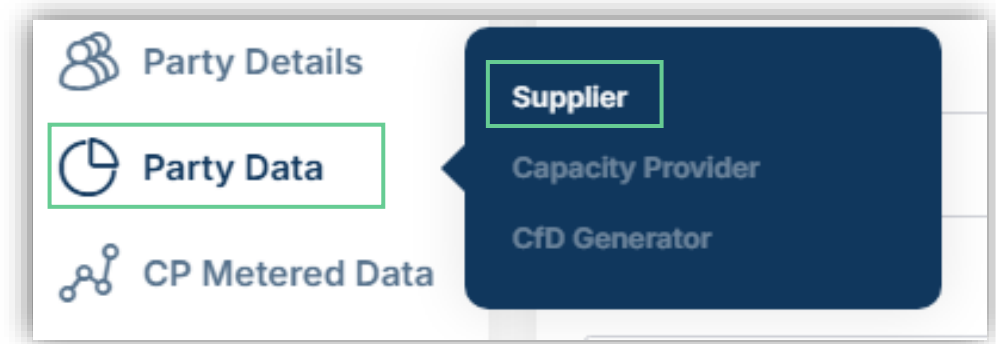
# Daily Minimum Credit Cover Report

Every day, we will issue a report to your company email address that informs you of the following:

- Minimum Credit Cover requirement
- Total available Credit Cover (data item E0239)
- Difference between the two values (net position)

A positive position indicates **surplus** Credit Cover. A negative position indicates a **failure to meet obligations**, which must be rectified.

The report will be available to download in [My EMRS](#).



**Appendix 10** of [WP42](#) includes a break-down of each data item in the report.

# Types of Credit Cover

Credit Cover can be provided as either **cash** or **Letter of Credit**, except when a Supplier has been notified that they are in Credit Cover Default in which case **only cash** can rectify the position.

## Cash

- Transfer to the correct LCCC bank account – details available in [WP42 – Supplier and CfD Nuclear RAB Credit Cover](#)
- Notify EMRS of the amount that has been transferred via [contact@emrsettlement.co.uk](mailto:contact@emrsettlement.co.uk)

## Letter of Credit - SWIFT

- Use the approved EMRS templates
- Have LCCC as the beneficiary
- Be issued via SWIFT to LCCC's agent Natwest
- Be issued by a bank with a suitable short-term rating

## Letter of Credit - hard copy

- Same criteria as a SWIFT LoC
- Addressed to LCCC
- Posted to EMRS

When changes are required to existing Letter of Credit, it is advised to issue an **amendment** to a Letter of Credit rather than issuing a new Letter of Credit.

# Credit Cover Templates

Letter of Credit templates for Nuclear RAB are **different** to those used for Capacity Market and Contracts for Difference Credit Cover.

Four different approved Letter of Credit templates are available depending on how the Credit Cover is being lodged:

- Nuclear RAB SWIFT Letter of Credit – **Appendix 5** of [WP42 – Supplier and CfD Nuclear RAB Credit Cover](#)
- Nuclear RAB SWIFT Letter of Credit (third party) – **Appendix 7** of [WP42 – Supplier and CfD Nuclear RAB Credit Cover](#)
- Nuclear RAB hard copy Letter of Credit – **Appendix 6** of [WP42 – Supplier and CfD Nuclear RAB Credit Cover](#)
- Nuclear RAB hard copy Letter of Credit (third party) – **Appendix 8** of [WP42 – Supplier and CfD Nuclear RAB Credit Cover](#)

## 7.6 Appendix 6 – Nuclear RAB Approved Form of Letter of Credit

To:  
Low Carbon Contracts Company Ltd<sup>50</sup>  
10 South Colonnade  
Canary Wharf  
London  
E14 4PU  
[DATE]

Dear Sirs,

IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: [NUMBER]

10. By this letter<sup>50</sup> we, [insert name of issuer],<sup>51</sup> establish our irrevocable standby letter of credit ("letter of credit") number [number] in your favour at the request of [name of relevant supplier]<sup>51</sup> (the "Principal") of [address of relevant supplier] for the maximum aggregate pounds sterling<sup>52</sup> amount of [£,xx]. [written version of the amount], (the "Maximum Amount").
11. This letter of credit is established in connection with the Principal's obligations under the Nuclear Regulated Asset Base Model (Revenue Collection) Regulations 2023 (as amended or modified from time to time) (the "Regulations").
12. We unconditionally and irrevocably undertake to pay you, in pounds sterling to the bank account set out in your written demand for payment, the amount you claim on the date; or if presentation is made after close of business, presentation is therefore deemed to have been made on the next business day that we receive your duly completed written demand at [insert details of the issuing bank, department name and/or officer and address – Note: insert at least one precise location as close as possible to 10 South Colonnade, Canary Wharf, London, E14 4PU] or at any of our other

<sup>50</sup> Regulation 18 of the Nuclear Regulated Asset Base Model (Revenue Collection) Regulations 2023 (the "Regulations") requires each supplier to ensure that on any day the revenue collection counterparty holds sufficient Credit Cover from such supplier to meet that supplier's Credit Cover requirement for that day. Credit Cover can be provided in the form of cash and/or Letter of Credit. Low Carbon Contracts Company Limited ("LCCC") is the revenue collection counterparty referred to in the Regulations. LCCC is required by Regulation 19(8) of the Regulations to publish a document setting out the terms of the Letters of Credit which it is likely to regard as appropriate. This Letter of Credit template constitutes that document.

<sup>51</sup> Letters of Credit provided by a bank other than National Westminster Bank plc must be provided through the interbank SWIFT banking system to National Westminster Bank plc – SWIFT Code: NWBK3GBZL. Letters of Credit provided by National Westminster Bank plc cannot be provided through the interbank SWIFT system and will be communicated to EMRS directly.

<sup>52</sup> Regulation 19 of the Regulations requires the issuer to be a person holding the "required rating". A person holds the "required rating" if the person has been assessed by:-

- Fitch Ratings Limited (registered company number 01316230) as having a short term debt rating of "F1" or better;
- Moody's Investors Service Inc. (incorporated in the US State of Delaware with file number 0577904) as having a short term debt rating of "P-1" or better; or
- Standard & Poor's Financial Services LLC. (incorporated in the US State of Delaware with file number 4621989) as having a short term debt rating of "A-1" or better.

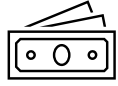
<sup>53</sup> The applicant (i.e. the Principal) must be the relevant supplier. The name of the electricity supplier needs to match the name of the licenced electricity supplier as held with Ofgem (<https://www.ofgem.gov.uk/about/national-list-all-electricity-licences-in-uk-of-gem-suppliers>).

<sup>54</sup> Letters of Credit must be in pounds sterling.

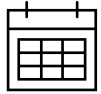
# Supplier payments & calculations

# Interim Levy Rate

# The purpose of Interim Levy Rate



The Interim Levy rate covers the payments required to Sizewell C within a Quarterly Obligation Period. It is a pound per megawatt (£/MWh) amount charged to Suppliers based on daily Chargeable Demand.



The ILR will be determined at least 30 days in advance of the start of each quarter.



On behalf of LCCC, we will issue a notice to Suppliers confirming the ILR.



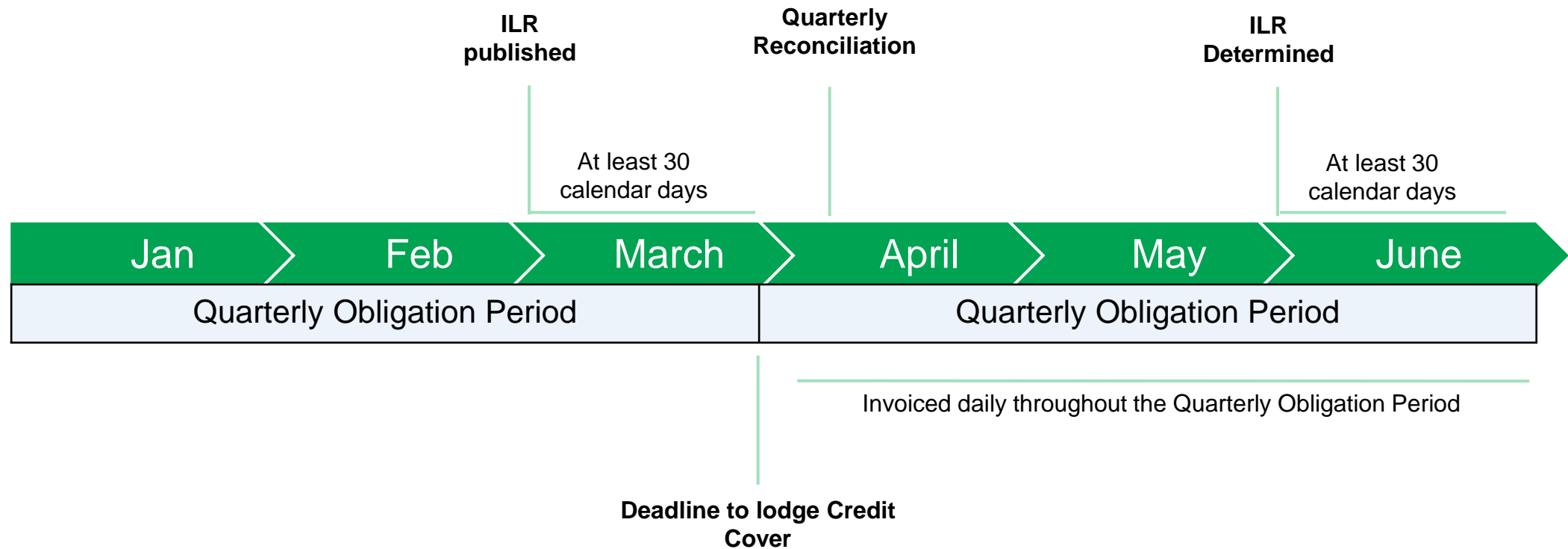
LCCC can adjust the Interim Levy Rate if it expects insufficient funds to cover Nuclear RAB Payments during the quarter.



Once the scheme becomes operational, the ILR will be available in the [Key Figures for Payments](#) on our website.

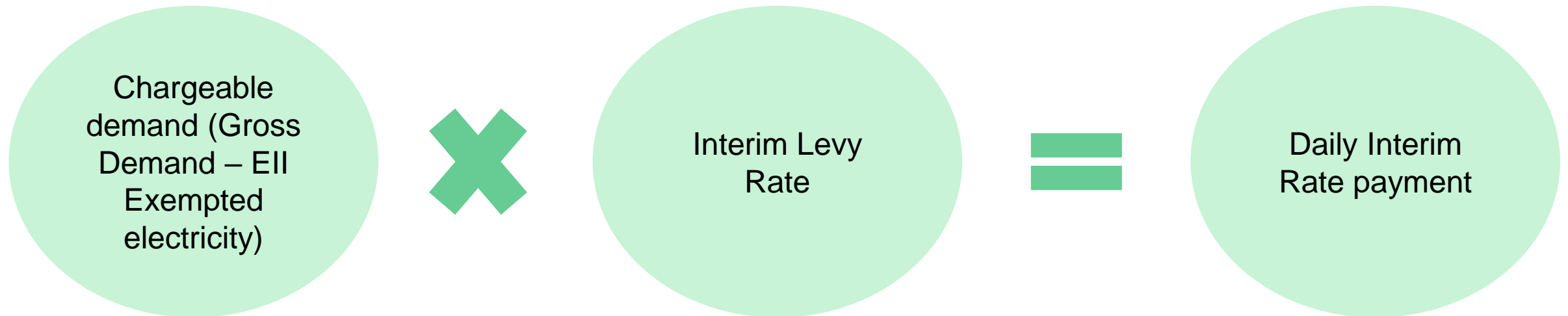
# Interim Levy Rate Timeline

Suppliers will be notified of the Interim Levy Rate, which is determined at least 30 days in advance of the Quarterly Obligation Period.



# Interim Rate Payment Calculation

The Interim Rate Payment is calculated daily for each Supplier using the Interim Information Volume Allocation (II), SF and R1 Runs using the calculation outlined:



# Interim Rate Payment Invoices

ILR charges will be shown as a line on the **Daily** Supplier Invoice, which must be paid within **5** WDs.



The invoices and backing data to support these payments are issued to the Primary Company email addresses and available on [My EMRS](#) to download.

# Forecasting the ILR

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## Availability of Forecast

- Nuclear RAB Dashboard and Datasets on LCCC Data Portal

- Information and data will include ILR, TRA and Operational Cost Levy

- Nuclear RAB ILR/TRA forecast to end of charging year

- RABP and Eligible Demand are used to calculate the ILR and TRA

# Forecasting the ILR

- Revenue amount before power (RABP) : Allowed revenue set annually by Ofgem
- Forecast Electrical Output (FEO) : Estimated generation by generator
- Monthly Difference Payments (MDP) : Monthly payment based on RABP
- Number of Months (N) : Total number of months remaining in charging year

# Forecasting the ILR

$$MDP_t = \frac{RABP_t}{N}$$

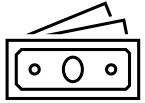
Generator Payments

$$ILR = \frac{\frac{RABP_t}{N}}{\text{Forecast Eligible Demand}}$$

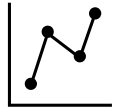
Supplier Payments

# Reserve Payments

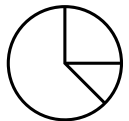
# The purpose of Reserve Payments



Reserve payments cover the risk to ensure the Revenue Collection Counterparty (RCC) is able to make all the payments required during the Quarterly Obligation Period.



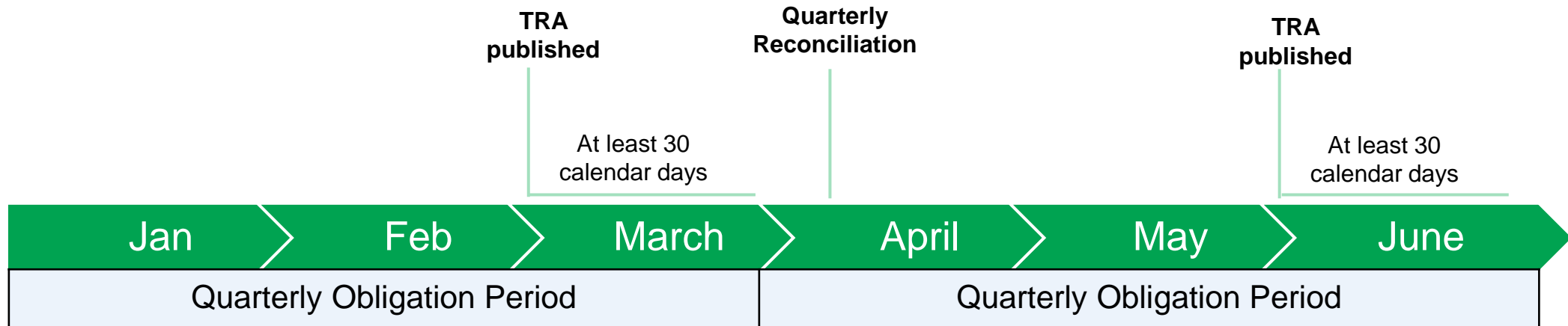
Reserve payments help manage any unpredictability, volatility and cash flow timing mismatches that may arise.



We will apportion the Total Reserve Amount amongst Suppliers according to market share. A Supplier's market share is calculated using the metered data provided by the [Balancing and Settlement Code Company](#).

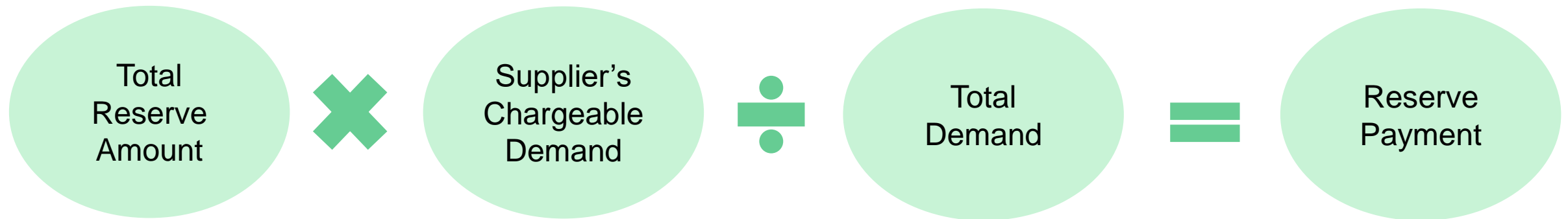
# Reserve Payment Timeline

The calculation uses a 'Reference Period' of 30 calendar days for which there is metered data prior to the date on which the Total Reserve Amount is determined by LCCC.



# Reserve Payment Calculation

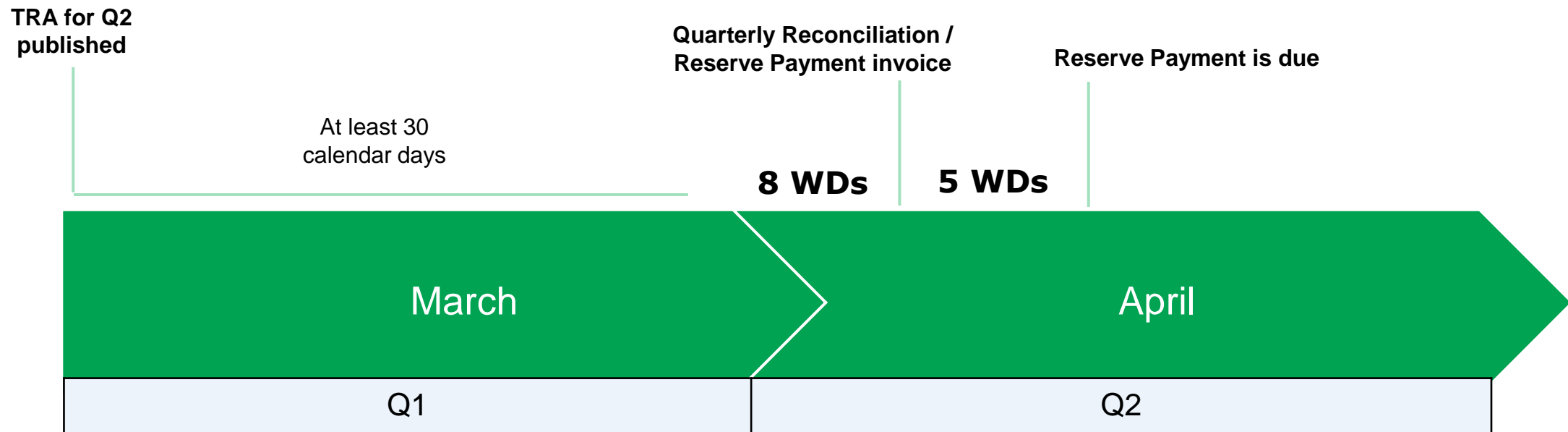
Once we are notified of the Total Reserve Amount by LCCC, we will calculate the Reserve Payments owed by individual Suppliers using the following calculation:



No later than **8 WDs** from the determination of the Total Reserve Amount for a relevant Quarterly Obligation Period, Suppliers receive a notice to inform them of their share of the Total Reserve Amount.

# Reserve Payment Invoices

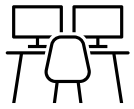
Invoices for Reserve Payments are generated and sent by the 8th Working Day of the quarter to which the payment relates.



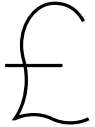
The Quarterly Reconciliation dates will be available within the [Settlement Calendar](#) which you can download from our website.

# Operational Costs

# The purpose of Operational Cost Payments



The Operational Cost is a daily charge to cover the operating costs of the Revenue Collection Counterparty (LCCC) for the coming Financial Year in performing its function to administer the scheme.



They are recovered via the Operational Costs Levy Rate, which is a pound per megawatt hour (£/MWh) amount charged to Suppliers based on daily Gross Demand.



[The Nuclear Regulated Asset Base Model \(Revenue Collection\) Regulations 2023](#), confirm the Operational Cost Payment will be **£0.0028/MWh** for any day after 31 March 2025.



If there was a surplus at the end of the year this would be refunded to Suppliers based on their overall market share over the Financial Year.

# Operational Costs calculation

The Operational Cost Payments are calculated on a daily basis for each Supplier based on Initial Settlement (SF) Data using the calculation outlined:



# Operational Costs invoices

Operational Cost charges will be shown as a line on the **Daily** Supplier Invoice, which must be paid within **5** WDs.



The calculation for this payment is based on using Initial Settlement (SF) Run and follows the same approach as the CfD Operational Costs.

The invoices and backing data to support these payments are issued to the Primary Company email addresses and is also available on [My EMRS](#) to download.

# How to pay

# How to pay

Payment Type	Can Credit Cover be used?
Interim Rate Payment	✓
Reserve Payment	✓
Operational Costs	✗

When the scheme becomes operational, LCCC will be required to collect monies for both CfD and Nuclear RAB schemes from Suppliers. LCCC will use a Direct Debit mandate to collect monies for the Nuclear RAB scheme.

Please be advised that your **existing Direct Debit** mandate with LCCC will also be used to collect monies for the Nuclear RAB scheme once operational and you do not need to take any further action.

# Backing Data

# Backing Data Overview

- To help validate the charges in the invoice, illustrating the different elements used in the calculation
- Presented in a flat file as a CSV called a 'T-File'
- Data items within the T-File are separated into 'E' and 'J' items, some being used across the schemes and others specific to Nuclear RAB
- Backing data is emailed, exception of Quarterly Reconciliation. All is available to download from [My EMRS](#)

Illustrates the T-Files for the scheme.

T-File	Invoice Covered
T201	Daily Supplier RAB
T202	RAB Supplier Reserve Amount
T204	RAB Quarterly Reconciliation
T205	RAB Mutualisation
T206	RAB Operational Cost Refund
T218	RAB Supplier Credit
T300	RAB Supplier Late Payment Interest
T302	RAB Supplier Mutualisation Repayment

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T302	RAB Supplier Mutualisation Repayment

# Data items in backing data

Data items are split into two categories:

- J numbers
- E numbers

**J Numbers** are existing data items defined under the Data Transfer Catalogue (DTC). The DTC is maintained by Electralink.

**E Numbers** are data items that relate to the schemes and not covered by the DTC.

Here's an example:

Data Item	Data Item Title	Description	Domain	Type	Units	Valid Set
E0201	RAB Levy Rate	A levy rate set for the purpose of calculating RAB Levy Payments	Monetary	± NUM(11,6)	£ / MWh	Any within the constraints of the format
E0202	RAB Daily Supplier Chargeable Demand	Daily total of chargeable (i.e. non-exempt) gross demand for a legal entity holding one or more supply licences (and therefore liable to charges under the RAB Supplier Obligation)	Wholesale Energy	± NUM(13,3)	MWh	Any within the constraints of the format
E0203	RAB Daily Supplier EII Excluded Demand	Daily total of EII excluded (i.e. non-chargeable) gross demand for a legal entity holding one or more supply licences (and therefore liable to charges under the RAB Supplier Obligation)	Wholesale Energy	± NUM(13,3)	MWh	Any within the constraints of the format
E0204	RAB Levy Payment	A levy payment (e.g. interim levy payment or operational levy payment) payable in relation to a Settlement Day by a legal entity holding one or more supply licences	Monetary	± NUM(14,2)	£	Any within the constraints of the format
E0205	RAB Levy Net Payment	The difference from the previously-invoiced value (if any) of a RAB Levy Payment	Monetary	±	£	Any within the constraints of the format

A descriptions of the 'J' item can be found on the Electralink website.

Here's an example:

Data Item: EMR Invoice Date

Item Reference:	J1949
Item Name:	EMR Invoice Date
Item Ownership:	MRA
Item Description:	The date on which an invoice (or credit note) is issued by the EMR Settlement Services Provider

# High Level Example – T-201 RAB Daily Supplier

J1950	E0200	J0073	J0146	J0074	J1889	MPID	J1949	J1951	J1952	E0201	E0202	E0203	E0204	E0205	E0206	E0207
EMR Invoice Number	RAB Levy Payment Type	Settlement Date	Settlement Code	Settlement Period Id	EMR Party Id	MPID	EMR Invoice Date	EMR Invoice Payment Date	EMR Invoice Total	RAB Levy Rate	RAB Daily Supplier Chargeable Demand	RAB Daily Supplier EII Excluded	RAB Levy Payment	RAB Levy Net Payment	RAB Period Supplier Chargeable Demand	RAB Period Supplier EII Excluded Demand
123456	O	20250619	SF	1	SUPP123	SUPP123	20250708	20250715	1880031.46	0.1089	2 74366.37	165.271	3 8098.5	8098.5	1 1291.288	3.126
123456	O	20250619	SF	2	SUPP123	SUPP123	20250708	20250715	1880031.46	0.1089	74366.37	165.271	8098.5	8098.5	1219.166	3.058
123456	O	20250619	SF	3	SUPP123	SUPP123	20250708	20250715	1880031.46	0.1089	74366.37	165.271	8098.5	8098.5	1198.343	3.03
123456	O	20250619	SF	4	SUPP123	SUPP123	20250708	20250715	1880031.46	0.1089	74366.37	165.271	8098.5	8098.5	1169.593	3.018
123456	O	20250619	SF	5	SUPP123	SUPP123	20250708	20250715	1880031.46	0.1089	74366.37	165.271	8098.5	8098.5	1158.98	2.897
123456	O	20250619	SF	6	SUPP123	SUPP123	20250708	20250715	1880031.46	0.1089	74366.37	165.271	8098.5	8098.5	1122.807	2.797
123456	O	20250619	SF	7	SUPP123	SUPP123	20250708	20250715	1880031.46	0.1089	74366.37	165.271	8098.5	8098.5	1101.572	2.842
123456	O	20250619	SF	8	SUPP123	SUPP123	20250708	20250715	1880031.46	0.1089	74366.37	165.271	8098.5	8098.5	1088.41	3.088
123456	O	20250619	SF	9	SUPP123	SUPP123	20250708	20250715	1880031.46	0.1089	74366.37	165.271	8098.5	8098.5	1078.579	3.113
123456	O	20250619	SF	10	SUPP123	SUPP123	20250708	20250715	1880031.46	0.1089	74366.37	165.271	8098.5	8098.5	1061.371	3.09
123456	O	20250619	SF	11	SUPP123	SUPP123	20250708	20250715	1880031.46	0.1089	74366.37	165.271	8098.5	8098.5	1088.735	3.116
123456	O	20250619	SF	12	SUPP123	SUPP123	20250708	20250715	1880031.46	0.1089	74366.37	165.271	8098.5	8098.5	1154.18	2.935
123456	O	20250619	SF	13	SUPP123	SUPP123	20250708	20250715	1880031.46	0.1089	74366.37	165.271	8098.5	8098.5	1259.628	3.419
123456	O	20250619	SF	14	SUPP123	SUPP123	20250708	20250715	1880031.46	0.1089	74366.37	165.271	8098.5	8098.5	1378.28	4.081

Please Note – the figures are for illustrative purposes only.

Calculates the Operational Cost Levy for a given day as follows:

- Sum the figures under the E0206 (1) data item for a day to give the total chargeable demand, this will match the figure under data item E0202 (2)
- Multiply the daily chargeable demand by the levy rate
- Result, the daily chargeable value for Operational Cost Levy

Payment Type	Settlement Run Type	Settlement Date	VAT Code	Net Amount (£)
Operational Cost Payment for 19 Jun 2025	SF	19 Jun 2025	O	£ 8,098.50

# Further Information

## EMRS Interface Definition Documents

- <https://www.emrsettlement.co.uk/publications/interface-definitions/>
- Download the T-File details and the E number definitions

## Electralink DTC catalogue

- <https://www.electralink.co.uk/data-catalogues/dtc-catalogue/>
- Select 'View Items' to search for a specific J Number

# Key resources

## Website

- [Working Practices](#)
- [Guidance](#)
- [Stakeholder Support for Nuclear RAB](#)
- [Settlement Data](#)
- Key [news](#) and [events](#)

## Further resources

- [Linkedin](#)
- [LCCC Website](#)

## My EMRS

- [my.emrsettlement.co.uk](https://my.emrsettlement.co.uk)
- Registration
- Party Details & Party Data
- Invoicing
- Credit Cover Reports

## EMRS Service Desk

- 020 7380 4333
- [contact@emrsettlement.co.uk](mailto:contact@emrsettlement.co.uk)



[www.emrsettlement.co.uk](http://www.emrsettlement.co.uk)  
[www.lowcarboncontracts.uk](http://www.lowcarboncontracts.uk)

# Thank you