

WP35 – Capacity Market Applicant / Capacity Provider Credit Cover Process

EMRS Working Practice

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1. Change Amendment Record

Version	Date	Description
10.0	28 September 2017	Increase credit cover for new builds that miss 11-month financial milestone Cosmetic changes to document
11.0	30 August 2018	Update to include reference to SWIFT template type Update to timings to 24 hour Include LoC cover provided by third parties
12.0	1 November 2018	Housekeeping
13.0	30 March 2020	Update to include bank account name requirements for any cash return request due to the introduction of Confirmation of Payee.
14.0	28 August 2020	Annual Review
15.0	4 March 2021	Update to release of cash credit cover section 4.8
16.0	1 June 2021	Updates to My EMRS
17.0	9 August 2021	LCCC/ESC Change of Address
18.0	14 October 2022	Annual Review including hyperlink updates and typo correction , cross reference updates
19.0	23 October 2023	Annual Review

2. Introduction

In order to enter the Capacity Market Auction, some Applicants need to lodge and maintain Credit Cover with the Settlement Body (Electricity Settlement Company (ESC)) as part of the Prequalification process.

This document covers the process to lodge Credit Cover and also the release of Credit Cover.

2.1 Scope and Purpose of the Working Practice

The purpose of this working practice is to provide Applicants with information on how to lodge Credit Cover with EMR Settlement (EMRS) on behalf of ESC.

Applicants must lodge Credit Cover with EMRS where, on Prequalification Results Day, those Applicants receive a notice from the Delivery Body that states Prequalification of their Capacity Market Unit(s) (CMU(s)) is conditional on providing Credit Cover.

Twelve months after auction results day, Applicants must also provide additional credit cover if a new build CMU has not reached its Financial Commitment Milestone (FCM). This additional cover must be provided 15 working days after the end of that twelve month period.

This working practice also details how Applicants or Capacity Providers can request the release of their Credit Cover. Applicants and Capacity providers may make the request when the Capacity Market Register is updated to reflect a reduced or zero Credit Cover requirement.

2.2 Main Users of this Working Practice and Responsibilities

This document is intended to be used by Applicants and Capacity Providers. The table below summarizes the roles and responsibilities of those parties involved in this procedure, with respect to this procedure only.

Role	Responsibilities
Applicant ¹	Submits Credit Cover to ESC. Makes a request for the partial release or release of its Credit Cover held with ESC.
Capacity Provider ²	Makes a request for the partial release or release of its Credit Cover held with ESC. Submits further Credit Cover for additional auctions if a Capacity Agreement is already held from a previous auction.
Delivery Body (National Grid)	Provides Applicants with a Prequalification notice following Prequalification Results Day. Updates the Capacity Market Register with updated Credit Cover positions.
Electricity Settlements Company Ltd (ESC)	Approves the release or partial release of Credit Cover back to the Applicant or Capacity Provider.
EMR Settlement Limited (EMRS)	Validates the receipt of Credit Cover from Applicants. Seeks approval from the ESC to release or partially release Credit Cover to the Applicant or Capacity Provider.

¹ An Applicant for the purpose of this procedure is a person who has submitted an application for Prequalification to bid in a Capacity Auction in respect of a CMU and obtained a conditional Prequalification notice.

² A Capacity Provider holds a Capacity Agreement as defined in Regulation 30(1) of the Electricity Capacity Regulations 2014 in relation to a particular capacity committed CMU.

2.3 Associated Documents

This working practice should be read in conjunction with the following documents:

Document
Electricity Capacity Regulations 2014, and all subsequent amendments ³
Capacity Market Rules 2014 and all subsequent amendments ⁴
Capacity Market Operational Plan 2015 ⁵
WP22 – Applicant/Capacity Provider Registration ⁶
G4 – EMR Settlement Authorisations ⁷
G25 – My EMRS User Guide ⁸

³ <http://www.legislation.gov.uk/>

⁴ <https://www.gov.uk/government/publications/capacity-market-rules>

⁵ Capacity Market Operational Plan is published by the Delivery Body and found <https://www.emrdeliverybody.com/CM/CMDocumentLibrary.aspx>

⁶ <https://emrsettlement.co.uk/publications/working-practices/>

⁷ <https://emrsettlement.co.uk/publications/guidance/>

⁸ <https://emrsettlement.co.uk/publications/guidance/>

3. Credit Cover

Credit Cover can be lodged in the form of cash or Letter of Credit for each applicable CMU. If lodging cash, the specified bank account is detailed within Section 4.1. The approved Letter of Credit template is located in Appendices 1 and 2 of this document and should be submitted via the issuing bank’s SWIFT messaging service⁹.

The notice of conditional Prequalification issued by the Delivery Body will state the de-rated capacity for each CMU and the applicable auction.

The Applicant upon lodging Credit Cover will receive a ‘Notice of Approved Credit Cover’ or a ‘Notice of Unapproved Credit Cover’ per CMU from EMRS on behalf of the ESC within 20 Working Days after Prequalification Results Day. EMRS will email the Applicant with the relevant Credit Cover notice and the Delivery Body will be included in the email for reference of the Credit Cover acceptance for each CMU.

3.1 Submitting Registration details and setting up EMR Contact Authorities

An Applicant submitting Credit Cover may wish to register via [My EMRS](#). This process is detailed in the guidance document G25 – My EMRS User Guide¹⁰.

Registering via My EMRS confirms your Company’s email address, which will be used to communicate your Approval or Unapproved Credit Cover Notice. It will also establish your EMR Settlement Authorisations. More information on this can be located within the EMR Settlement Authorisations guidance document¹¹.

If an Applicant chooses not to register with EMRS at this stage, then communications will be sent to the contact details registered with the Delivery Body during the application process. If successful at auction, then an Applicant must register with EMRS prior to the start of the relevant Delivery Year.

3.2 Credit Obligation Period

Applicants must maintain credit cover for CMUs until such time as the Delivery Body is notified that one of the following events has occurred:

Change	Type of Event
Unproven demand side response CMU capacity	Applicant nominates a Demand Side Response bid capacity less than the de-rated capacity of the CMU
Proven Demand Side Response CMU Certificate received	Applicant has provided a DSR test certificate which shows: A proven DSR capacity equal to or greater than the CMUs unproven DSR capacity Or; A proven DSR capacity no less than 90% of the CMUs unproven capacity

⁹ If NatWest is the issuing bank, this will be issued directly to EMRS

¹⁰ <https://emrsettlement.co.uk/publications/guidance/>

¹¹ <https://emrsettlement.co.uk/publications/guidance/>

Change	Type of Event
Changes to Applicant intentions And; Changes to Capacity Auction	Applicant does not confirm its intention to bid in the capacity auction in respect of CMU; Or; The capacity auction is cancelled Or; The capacity auction is postponed / stopped / re-arranged and the Applicant confirms it does not wish to participate in the re-arranged auction Applicant is unsuccessful in its bid for the capacity auction Applicant has transferred its capacity agreement to another and the transferee has lodged replacement credit cover in its stead
Prospective Generating CMUs (New Build CMUs) Financial Commitment Milestone reached	Applicant achieves its Financial Commitment Milestone within 11 months of the auction results day

3.3 Release of Credit Cover

Once the release of Credit Cover has been approved by ESC, cash Credit Cover will be released into the bank account specified by the Applicant on the EMRS registration details provided via [My EMRS](#) or the Cash Credit Cover Return Form¹². The Bank Account Name provided on any return request must exactly match the account name held by the account holding bank¹³, failure to do so may result in the release of Credit Cover being delayed.

It is recommended that any Cash Credit Cover lodged is from the bank account that the Applicant wishes to receive the Credit Cover back. Failure to do so may result in delay in the release of Credit Cover as ESC may wish to investigate the recipient Bank Account.

Letters of Credit will be cancelled via SWIFT notification to the issuing bank.

¹² The Cash Credit Cover Return Form can be found at <https://www.emrsettlement.co.uk/publications/working-practices/>

¹³ [Confirmation of Payee](#) was introduced from 1 April 2020 for single payments made online via Faster Payments or CHAPS to mitigate the risk of certain types of Authorised Push Payment (APP) fraud.

4. Interface and Timetable Information

4.1 Applicant Lodge Credit Cover - Cash

This process details how to lodge Credit Cover in the form of cash.

Ref	When	Action	From	To	Input Information Required	Method
4.1.1	<p>Applicants are required to provide Credit Cover within 15 WDs after receiving the conditional Prequalification notice¹⁴</p> <p>Or</p> <p>In the case of new build CMUs failing FCM, Applicants must provide credit cover 12 months after Auction Results day</p>	Lodge Credit Cover in cash	Applicant	Bank Account ¹⁵	<p>Account Details</p> <p>Bank: NatWest</p> <p>Account Name: GBS Re ESC Bid Bond Collateral</p> <p>Acc. No.: 10018379</p> <p>Sort Code: 60-70-80</p> <p>IBAN: GB72NWBK60708010018379</p> <p>BIC/SWIFT: NWBKGB2L</p>	Electronic Bank Transfer
4.1.2	Every WD and at 17:00 on the last WD in 4.1.1	Monitor Bank Account and Jira for new Credit Cover	EMRS			Internal Process

¹⁴ The Electricity Capacity (Amendment) (No. 2) Regulations 2015. Please note that on the fifteenth working day the credit cover must be received before 17:00 hours into the Bank Account.

¹⁵ A specified bank account by the ESC as defined within The Electricity Capacity Regulations 2014, Regulations 54(4).

Ref	When	Action	From	To	Input Information Required	Method
4.1.3	No later than 20 WDs after Pre-Qualification results day or Auction Results day if FCM failing new build CMU	Validate received Credit Cover	EMRS		As provided in 4.1.2	Internal Process
4.1.4	Following 4.1.3	Where Credit Cover approved, send Notice of Approved Credit Cover	EMRS	Applicant ESC Delivery Body	Appendix 5 - Notice of Approved Credit Cover	Email
4.1.5	Following 4.1.3	Where Credit Cover not approved, send Notice of Unapproved Credit Cover	EMRS	Applicant ESC	Appendix 6 - Notice of Unapproved Credit Cover	Email
4.1.6	Following 4.1.5 receipt of Unapproved Credit Cover Notice, and within either 5 WDs or the 15 WD deadline after receiving the conditional Prequalification notice ¹⁶	Submit additional Credit Cover	Applicant	Bank Account	Account Details Bank: Natwest Account Name: GBS Re ESC Bid Bond Collateral Acc. No.: 10018379 Sort Code: 60-70-80 IBAN: GB72NWBK60708010018379 BIC/SWIFT: NWBKGB2L	Electronic Bank Transfer

¹⁶ The final deadline to lodge Credit Cover will be the latter of 5 WDs from receipt of a Notice of Unapproved Credit Cover or the 15WDs deadline after receiving the conditional Prequalification Notice.

Ref	When	Action	From	To	Input Information Required	Method
4.1.7	Following 4.1.6 and within 2 WDs of receiving additional Credit Cover and no later than last day to approve resubmitted Credit Cover	Validate additional received Credit Cover	EMRS	-	Validate received Credit Cover as provided in 4.1.6	Internal Process
4.1.8	Following 4.1.7	<p>Where Credit Cover is approved, send Notice of Approved Credit Cover</p> <p>Where Credit Cover is not approved, send Notice of Unapproved Credit Cover and follow from step 4.1.6</p> <p>END PROCESS</p>	EMRS	<p>Applicant ESC Delivery Body</p> <p>Applicant ESC</p>	<p>Appendix 5 - Notice of Approved Credit Cover</p> <p>Appendix 6 - Notice of Unapproved Credit Cover</p>	Email

4.2 Applicant Lodge Credit Cover – Letter of Credit¹⁷

This process details how to lodge Credit Cover in the form of a Letter of Credit.

Ref	When	Action	From	To	Input Information Required	Method
4.2.1	Applicants are required to provide Credit Cover within 15 WDs after receiving the conditional Prequalification notice ¹⁸ Or Where 12 months have passed since Auction results day, In the case of new build CMUs which failed FCM, Applicants are required to provide credit cover within 15 WDs	Lodge Letter of Credit by 17:00 on the last day	Applicant's issuing bank	NatWest	Letter of Credit as per Appendix 1 and Appendix 3	SWIFT ¹⁹
4.2.2	Within 1 WD from 4.2.1	Log and validate SWIFT submission	NatWest			Internal Process
4.2.3	No later than 20 WDs following Prequalification results day or auction results day if FCM failing new build CMU	Validate received Credit Cover against Capacity Market requirements	EMRS		As provided in 4.2.1	Internal Process

¹⁷ The approved form of the Letter of Credit by the Settlement Body (Electricity Settlements Company) is located in Appendix 2 and Appendix 4.

¹⁸ On the fifteenth working day, after Prequalification Results Day, the Letter of Credit must to be received before 17:00 hours.

¹⁹ The Letter of Credit needs to be submitted via SWIFT, unless the issuing bank is NatWest in which case NatWest will issue directly to EMRS. Please send an email confirming the despatch of the Letter of Credit to contact@emrsettlement.co.uk

Ref	When	Action	From	To	Input Information Required	Method
4.2.4	Following 4.2.3	Where Credit Cover approved, send Notice of Approved Credit Cover	EMRS	Applicant ESC Delivery Body	Appendix 5 - Notice of Approved Credit Cover	Email
4.2.5	Following 4.2.3	Where Credit Cover not approved, send Notice of Unapproved Credit Cover	EMRS	Applicant ESC	Appendix 6 - Notice of Unapproved Credit Cover	Email
4.2.6	Following 4.2.5, and within 5 WDs, but no later than last day to re-submit Credit Cover ¹⁶	Provide additional Credit Cover	Issuing bank	NatWest	Letter of Credit as per Appendix 1 and Appendix 3	SWIFT
4.2.7	Following 4.2.5, and within 2 WDs of 4.2.5 and no later than last day to approve resubmitted Credit Cover ¹⁶	Validate additional Credit Cover received	EMRS		As provided in 4.2.6	Internal Process
4.2.8	Following 4.2.7	Where Credit Cover is approved, send Notice of Approved Credit Cover Where Credit Cover is not approved, send Notice of Unapproved Credit Cover and follow from step 3.2.6	EMRS	Applicant Delivery Body ESC	Appendix 5 - Notice of Approved Credit Cover Appendix 6 - Notice of Unapproved Credit Cover	Email

4.3 Monitoring LoC Validity

EMRS will review on a daily basis whether the banks who have issued the LoCs are valid under the CM scheme. Where a bank fails required ratings, Applicants have 10 Working Days to rectify their position.

Ref	When	Action	From	To	Input Information Required	Method
4.3.1	Each working day by 12pm	Assess current bank ratings for all LoC-issuing banks If bank meets validity requirements END PROCESS If not, go to 4.3.2	EMRS	-	LoC validity requirements LoC issuing banks	Internal process
4.3.2	Within 1 Working Day of 4.3.1	Send notification that Credit Cover needs to be replaced due to downgrade	EMRS	Applicant	LoCs	Email
4.3.3	Following regular checks and as soon as aware of LoC bank ratings being invalid	Assess current bank ratings for all LoC-issuing banks If bank meets validity requirements END PROCESS If not, then go to 4.3.4	Applicant	-	LoC validity requirements LoC	

Ref	When	Action	From	To	Input Information Required	Method
4.3.4	Within 1 Working Day of becoming aware	Send notification of downgrade	Applicant	EMRS	LoCs	Email
4.3.5	Following 4.3.3 or 4.3.4 and within 10 Working Days of notice	Provide replacement Credit Cover	Applicant	EMRS	LoC validity requirements	Process 4.3.6
4.3.6	Following 4.3.5	If sufficient and valid to meet requirements, then END PROCESS If not go to 4.3.7	EMRS	-	LoC validity requirements	Internal Process
4.3.7	Following 4.3.6	If replacement Credit Cover not received or not valid, draw down original LoC to full amount and retain cash in ESC credit cover bank account. END PROCESS	EMRS	Issuing bank	Draw down amount; ESC authorisation	Process 4.5.6

4.4 Monitoring LoC expiry

Applicants are responsible for ensuring they have provided the correct Credit Cover and it is available at all times during the Credit Obligation Period. If a LoC is due to expire prior to the end of the Credit Cover Obligation Period, the Applicant must ensure that the issuing bank provides written confirmation that the LoC will be extended for the remainder of the Credit Cover Obligation or a minimum of at least 6 months or alternatively the applicant must provide adequate Credit Cover. If the Applicant fails to meet these requirements EMRS will draw down on the LoC.

Ref	When	Action	From	To	Input Information Required	Method
4.4.1	Each Working Day At the start of every month	Identify any LoCs expiring in the next 30 Working Days.	EMRS	-	LoC expiry dates	Internal process
4.4.2	Same Working Day as 4.4.1	Notify Applicant that LoC will expire in next 30 Working Days	EMRS	Supplier	LoC details	Email
4.4.3	Following 4.4.2 - No later than 10WD prior to the expiry date of the LOC	Provide written confirmation from the issuing bank that the LoC will be extended by a further period not less than; <ul style="list-style-type: none"> • 6 months or • remaining duration of credit obligation period (if less) 	Applicant	EMRS		

Ref	When	Action	From	To	Input Information Required	Method
		Or lodge replacement Credit Cover (if there has also been a shortfall)				
4.4.4	Following 4.4.3	If sufficient and valid, END PROCESS If not, go to 4.4.5	EMRS	-		
4.4.5	Less than 10 WD left until LoC expires	If replacement Credit Cover not received or not valid, draw down original LoC to full amount and retain cash in ESC credit cover bank account. END PROCESS	EMRS	Issuing bank	Draw down amount; ESC authorisation	Process 4.5.6

4.5 Drawing down Credit Cover

EMRS will look to draw down on Credit Cover if an Applicant has not met certain obligations or has unpaid Termination or Non-Completion Fees.

The obligations depend on CMU type and include:

- Unproven DSR - not meeting capacity obligation or Capacity Obligation not ended by start of Delivery Year
- New Build (Interconnector) – Financial Milestones or Distribution Connection Agreement requirements not met.

Ref	When	Action	From	To	Input Information Required	Method
4.5.1	Within 5 WD's of becoming aware of Applicant non-compliance	Monitor Applicants against requirements and notify EMRS if Applicant fails to meet those requirements	Delivery Body	EMRS	Internal processes	Email
4.5.2	Daily	Monitor payments for unpaid Termination and Non-Completion Fees. If payments unpaid go to 4.5.3	EMRS		Internal processes	

Ref	When	Action	From	To	Input Information Required	Method
4.5.3	Following 4.5.1 or 4.5.2	Determine amount and type of Credit Cover to be drawn down and request approval from ESC	EMRS	ESC	Lodged Credit Cover; Outstanding invoiced amount	Email
4.5.4	Following 4.5.1 or 4.5.2	Review request and authorise draw down of funds. If cash is being drawn down, go to 4.5.5. If LoCs are being drawn down, go to 4.5.6	ESC	EMRS		Email
4.5.5	Following 4.5.4	Notify Applicant of drawdown. Transfer cash from Credit Cover bank account, reduce Credit Cover lodged. END PROCESS	EMRS	Applicant	Draw down amount	Email Bank transfer Internal process

Ref	When	Action	From	To	Input Information Required	Method
4.5.6	Following 4.5.4	Notify Applicant of drawdown. Email Form of Demand and draw down on LoC	EMRS NatWest	Applicant Issuing bank	Draw down amount; ESC authorisation Form of Demand ²⁰	Email SWIFT
4.5.7	Following 4.5.6	Transfer cash to ESC bank account and issue amended LoC (for partial drawdowns)	Issuing bank	ESC NatWest		Bank transfer SWIFT
4.5.8	Following 4.5.7	Reduce Credit Cover lodged and clear outstanding items END PROCESS	EMRS	-		Internal process

²⁰ Appendix 2 and 4 – Form of Demand

4.6 Reduction of Applicant Credit Cover - Cash

Applicants that own unproven DSR CMUs may elect a lower bid capacity than de-rating factor as per Rule 5.5.11. This will result in a reduction of the Credit Cover required. Applicants may request the release of the excess Credit Cover by following this process.

Ref	When	Action	From	To	Input Information Required	Method
4.6.1	Prior to the start of the Capacity Market Auction	Applicant elect lower bid capacity than their de-rating factor ²¹	Applicant	Delivery Body		
4.6.2	Following 4.6.1, when the Capacity Market Register is updated	Request the release of excess Credit Cover	Applicant ²² ,	EMRS	Request amount to be released Account Name: Must exactly match the account name held by the account holding bank ²³ Sort Code & Account Number: Must match the bank details EMRS has on record for Credit Cover returns	Email
4.6.3	Following 4.6.2	Acknowledge receipt of request from Applicant	EMRS	Applicant		Email
4.6.4	Within 5 WDs of 4.6.2	Validate request to release excess Credit Cover	EMRS		Validate request: EMR Settlement Authorisations Capacity Market Register Credit Cover amount	Internal Process

²¹ Unproven DSR elected lower bid capacity than de-rating factor.

²² The request needs to be made by the Authorised contact as specified on the EMRS Capacity Market Registration Form.

²³ Confirmation of Payee was introduced from 1 April 2020 for single payments made online via Faster Payments or CHAPS to mitigate the risk of certain types of Authorised Push Payment (APP) fraud. Failure to provide the exact matching account name may result in a delay in the release of Credit Cover.

Ref	When	Action	From	To	Input Information Required	Method
					Account Name Sort Code & Account Number	
4.6.5	Following 4.6.3	Where successfully validated seek approval to release excess Credit Cover	EMRS	ESC	Request from Applicant Capacity Market Register	Email
4.6.6	Following 4.6.3	Where not successfully validated send notification (return to 4.6.2)	EMRS	Applicant	Request from Applicant Capacity Market Register	Email
4.6.7	Within 5 WDs of 4.6.5	Approve or reject the release of excess Credit Cover	ESC	EMRS	As provided in 4.6.5	Internal Process Email
4.6.8	Following 4.6.7	Where release is approved, send notification that request is approved	EMRS	Applicant	Instruction from 4.6.7	Email
4.6.9	Same WD as 4.6.7	Release excess Cash Credit Cover END PROCESS	EMRS	ESC Applicant	Cash is returned to bank account specified on the EMRS Capacity Market Registration via My EMRS .	Bank transfer

Ref	When	Action	From	To	Input Information Required	Method
4.6.10	Following 4.6.7	Where request is rejected send notification to Applicant (return to 4.6.2) END PROCESS	EMRS	Applicant	Instruction from 4.6.7	Email

4.7 Reduction of Applicant Credit Cover – Letter of Credit

Applicants that own unproven DSR CMUs may elect a lower bid capacity than de-rating factor as per Rule 5.5.11. This will result in a reduction of the Credit Cover. Applicants may request the release of the excess Credit Cover by following this process.

Ref	When	Action	From	To	Input Information Required	Method
4.7.1	Prior to the start of the Capacity Market Auction	Applicant elect a lower bidding capacity than their de-rated capacity ²⁴	Delivery Body		Update the Capacity Market Register	
4.7.2	Following 4.7.1, when the Capacity Market Register is updated	Request the release of excess Credit Cover	Applicant ²⁵	EMRS	Letter of Credit ID CMU Requested reduction	Email
4.7.3	Following 4.7.2	Acknowledge receipt of request from Applicant	EMRS	Applicant		Email
4.7.4	Within 5 WDs of 4.7.2	Validate request to release excess Credit Cover	EMRS		Validate request: EMR Settlement Authorisations Capacity Market Register Credit Cover amount	Internal Process

²⁴ Unproven DSR elected lower bid capacity than de-rating factor.

²⁵ The request needs to be made by the Authorised contact as specified on the EMRS Capacity Market Registration Form.

Ref	When	Action	From	To	Input Information Required	Method
4.7.5	Following 4.7.4	Where successfully validated seek approval to release excess Credit Cover	EMRS	ESC	Request from Applicant Capacity Market Register	Email
4.7.6	Following 4.7.4	Where not successfully validated send notification (return to step 4.7.2)	EMRS	Applicant	Request from Applicant Capacity Market Register	Email
4.7.7	Within 5 WDs of 4.7.5	Approve or reject the release of excess Credit	ESC	EMRS	As provided in 4.7.5	Internal Process Email
4.7.8	Following 4.7.7	Where request is approved, send notification that request is approved	EMRS	Applicant	As instructed in 4.7.7	Email

Ref	When	Action	From	To	Input Information Required	Method
4.7.9	Following 4.7.8	Submit revised Letter of Credit ²⁶ END PROCESS	Issuing bank	NatWest		SWIFT
4.7.10	Following 4.7.7	Where request is rejected send notification to Applicant (return to 4.7.2) END PROCESS	EMRS	Applicant	As instructed in 4.7.7	Email

²⁶ Release of partial Letter of Credit requires either an Amendment to the original Letter of Credit or new Letter of Credit submitted and approved before the original can be cancelled. This will follow the process detailed in the Lodge Applicant Credit Cover – Letter of Credit in 4.2.

4.8 Release of Applicant or Capacity Provider Credit Cover - Cash

Credit Cover will only be released if the Applicant has provided their contact and bank account details and the valid set of bank details match the bank details the Credit Cover was lodged from.

Ref	When	Action	From	To	Input Information Required	Method
4.8.1	Following the results from the Capacity Auction or notice of an event entitling the Applicant or Capacity Provider to the release of Credit Cover	Capacity Market Register updated	Delivery Body	-	Capacity Market Register	
4.8.2	Following 4.8.1, when the Capacity Market Register is updated	Request the release of Credit Cover	Applicant / Capacity Provider ²⁷	EMRS	CMU Requested release	Email
4.8.3	Following 4.8.2	Acknowledge receipt of request	EMRS	Applicant/ Capacity Provider		Email
4.8.4	Within 4 WD of 4.8.2	Check the return Bank Details are the same as the payment Bank details, the results of this check will then form part of the validation	EMRS	ESC	Credit Cover return bank details Credit Cover payment bank details	Email

²⁷ The request needs to be made by the Authorised contact as specified on the EMRS Capacity Market Registration Form.

Ref	When	Action	From	To	Input Information Required	Method
		checks completed in step 4.8.5				
4.8.5	Within 5 WDs of 4.8.2	Validate request to release Credit Cover	EMRS		Validate request: EMR Settlement Authorisations Capacity Market Register Credit Cover requirement Credit Cover lodged	Internal Process
4.8.6	Following 4.8.5	Where successfully validated seek approval to release Credit Cover	EMRS	ESC	Request from Applicant Capacity Market Register	Email
4.8.7	Following 4.8.5	Where not successfully validated send notification (return to 4.8.2)	EMRS	Applicant/ Capacity Provider	Request from Applicant Capacity Market Register	Email
4.8.8	Within 5 WDs of 4.8.5	Approve or reject the release of Credit Cover	ESC	EMRS		Internal Process Email
4.8.9	Following 4.8.7	Where approved, send notification	EMRS	Applicant/ Capacity Provider	As instructed in 4.8.7	Email

Ref	When	Action	From	To	Input Information Required	Method
		that request is approved				
4.8.10	Following 4.8.8	Release Cash Credit Cover to bank account specified on the EMRS Capacity Market Registration via My EMRS . END PROCESS	EMRS	ESC	Applicant/ Capacity Provider	Bank transfer
4.8.11	Following 4.8.8	Where request is rejected send notification to Applicant (return to step4.8.2) END PROCESS	EMRS	Applicant/ Capacity Provider	As instructed in 4.8.7	Email

4.9 Release of Applicant or Capacity Provider Credit Cover – Letter of Credit

Credit Cover will be released if the Applicant has provided their contact and address details.

Ref	When	Action	From	To	Input Information Required	Method
4.9.1	Following the results from the Capacity Auction or notice of an event entitling the Applicant or Capacity Provider to the release of Credit Cover	Capacity Market Register updated	Delivery Body		Capacity Market Register	
4.9.2	Following 4.9.1, when the Capacity Market Register is updated	Request the release of Credit Cover	Applicant / Capacity Provider	EMRS	Letter of Credit ID CMU Requested release	Email
4.9.3	Following 4.9.2	Acknowledge receipt of request	EMRS	Applicant/ Capacity Provider		Email
4.9.4	Within 5 WDs of 4.9.2	Validate request to release Credit Cover	EMRS		Validate request: EMR Settlement Authorisations Capacity Market Register Credit Cover amount	Internal Process
4.9.5	Following 4.9.4	Where valid seek approval to release Credit Cover	EMRS	ESC	Request from Applicant Capacity Market Register	Email

Ref	When	Action	From	To	Input Information Required	Method
4.9.6	Following 4.9.4	Where invalid send notification (return to 4.9.2)	EMRS	Applicant/ Capacity Provider	Request from Applicant Capacity Market Register	Email
4.9.7	Within 5 WDs of 4.9.5	Approve or reject the release of Credit Cover	ESC	EMRS		Internal Process Email
4.9.8	Following 4.9.7	Where request approved, send notification that request is approved	EMRS	Applicant/ Capacity Provider	As instructed in 4.7.7	Email
4.9.9	Following 4.9.8	Release Credit Cover - Letter of Credit ²⁸ END PROCESS	NatWest	Issuing bank		SWIFT

²⁸ Release of partial Letter of Credit requires either an Amendment to the original Letter of Credit or a new Letter of Credit submitted and approved before the original could be returned. This will follow the process detailed in the Lodge Applicant Credit Cover – Letter of Credit in 4.2.

Ref	When	Action	From	To	Input Information Required	Method
4.9.10	Following 4.9.7	Where request is rejected send notification to Applicant (return to 4.8.2) END PROCESS	EMRS	Applicant/ Capacity Provider	As instructed in 4.9.7	Email

5. Contact information

For queries regarding either Credit Cover or the process contained in this document please contact:

Contact Organisation	Contact
EMR Settlement Limited(Settlement Services Provider)	Telephone: 020 7380 4333 Email: contact@emrsettlement.co.uk

6. Acronyms and Definitions

A full list of acronyms and definitions is available in the Glossary on the EMRS website.²⁹

²⁹ <https://www.emrsettlement.co.uk/glossary/>

7. Appendix 1 – SWIFT Letter of Credit format³⁰

To:
Electricity Settlements Company Limited
10 South Colonnade
Canary Wharf
London
E14 4PU
[DATE]

Dear Sirs,

IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: [NUMBER]

1. By this letter we, [*insert name of issuer*], establish our irrevocable standby letter of credit ("**letter of credit**") number [*number*] in your favour at the request of [*name of relevant applicant/capacity provider*] (the "**Principal**") of [*address of relevant applicant/capacity provider*] for the maximum aggregate pounds sterling amount of [*£x.xx*], [*written version of the amount*], (the "**Maximum Amount**").
2. This letter of credit is established in connection with the Principal's obligations to provide credit cover under the Electricity Capacity Regulations 2014 (as amended or modified from time to time) (the "**Capacity Regulations**").
3. 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 London branches or by email to [*insert email address*] or by SWIFT via your bankers National Westminster Bank Plc (SWIFT code NWBKGB2L), subject to the following conditions:
 - your demand must be received by us by 17:00 (London time) on the Expiry Date (as defined in paragraph 4); and
 - your demand must be substantially in the form attached to this letter of credit signed by you stating that you are entitled under the Capacity Regulations to draw down credit cover provided by the Principal under the Capacity Regulations and the amount claimed which, in aggregate with any other claims made under this letter of credit, must not exceed the Maximum Amount.
4. This letter of credit shall expire at 17:00 (London time) on [*date*] ("**Expiry Date**"), after which we shall have no further liability to you, except in relation to any demand validly presented before expiry of this letter of credit that remains unpaid.
5. A demand may be made for less than the Maximum Amount.
6. More than one demand may be made ("**Multiple Demands**"). The aggregate of the Multiple Demands shall not exceed the Maximum Amount.
7. Payments under this letter of credit will be effected immediately to the account you specify in your demand.

³⁰ The following constitutes the message that should be issued via a MT760 type SWIFT

8. This letter of credit and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, the law of England and Wales. The parties to this letter of credit irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim arising out of or in connection with this letter of credit or its subject matter or formation (including non-contractual disputes or claims).
9. Except to the extent it is inconsistent with the express terms of this letter of credit, this letter of credit is subject to the International Standby Practices ISP 98, ICC Publication No. 590.

Yours faithfully,

For and on behalf of

[Issuing bank]

FORM OF DEMAND

DEMAND UNDER IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: [NUMBER]

We, Electricity Settlements Company Limited, refer to the irrevocable letter of credit ("**letter of credit**") number *[number]* issued by you in our favour. This is a written demand under the letter of credit. Terms defined in the letter of credit have the same meaning in this demand.

We certify that we are entitled under the Capacity Regulations to draw down credit cover provided by the Principal under the Capacity Regulations. The amount claimed by us is *[currency and amount]* ("**Claimed Amount**"), which we hereby demand.

We further certify that the aggregate of the Claimed Amount and all other amounts previously claimed by us under the letter of credit does not exceed the Maximum Amount specified in the letter of credit.

This demand is dated on or before the Expiry Date set out in the letter of credit.

We hereby demand immediate payment of the Claimed Amount and that the Claimed Amount be paid into the following bank account: *[details of account to be inserted by ESC]*.

8. Appendix 2 – Approved Form of Letter of Credit³¹

To:

Electricity Settlements Company Limited

10 South Colonnade

Canary Wharf

London

E14 4PU

[DATE]

Dear Sirs,

IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: [NUMBER]

1. By this letter³² we, [*insert name of issuer*],³³ establish our irrevocable standby letter of credit ("**letter of credit**") number [*number*] in your favour at the request of [*name of relevant applicant/capacity provider*]³⁴ (the "**Principal**") of [*address of relevant applicant/capacity provider*] for the maximum aggregate pounds sterling³⁵ amount of [£x.xx], [*written version of the amount*], (the "**Maximum Amount**").
2. This letter of credit is established in connection with the Principal's obligations to provide credit cover under the Electricity Capacity Regulations 2014 (as amended or modified from time to time) (the "**Capacity Regulations**").
3. 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*]

³¹ Footnotes are for guidance only and should not be replicated in the Letter of Credit when issued.

This Letter of Credit should be provided by a person who is required to provide Credit Cover under the Electricity Capacity Regulations 2014 (the "Capacity Regulations"), being prospective generating CMUs, unproven DSR CMUs and CMUs who have received a "conditional prequalification notice" from the Delivery Body. Regulation 56 provides that such persons must maintain Credit Cover in the required amount at all times during the "credit obligation period" (as set out in Regulation 60). Credit Cover can be provided in the form of cash and/or Letter of Credit. Electricity Settlements Company Limited ("ESC") is the Settlement Body referred to in the Capacity Regulations in favour of whom the Credit Cover must be provided. This Letter of Credit template constitutes a form of Letter of Credit that would be acceptable by ESC, though ESC reserves the right to amend the template from time to time.

³² 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 NWBKGB2L. Letters of Credit provided by National Westminster Bank plc cannot be provided through the interbank SWIFT system and will be communicated to EMRS directly.

³³ Regulation 54 of the Capacity Regulations requires the Issuer of the letter of credit to be:

- a. a United Kingdom clearing bank,
- b. any other bank which has a long term debt rating of –
 - o not less than A3 by Moody's Investors Service, Inc. (incorporated in the US State of Delaware with file number 0577904); or
 - o not less than A- by Standard & Poor's Corporation (incorporated in the US State of Delaware with file number 4621989), or
- c. such other bank as the Settlement Body may approve.

³⁴ The Principal must be the person who is required to provide the Credit Cover under the Capacity Regulations. The name of the Principal needs to match the name of the Applicant/Capacity Provider as held in the records of ESC.

³⁵ Letters of Credit must be in pounds sterling.

– 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 London branches or by email to [insert email address] or by SWIFT via your bankers National Westminster Bank Plc (SWIFT code NWBKGB2L), subject to the following conditions:

- your demand must be received by us by 17.00 (London time) on the Expiry Date (as defined in paragraph 4); and
- your demand must be substantially in the form attached to this letter of credit signed by you stating that you are entitled under the Capacity Regulations to draw down credit cover provided by the Principal under the Capacity Regulations and the amount claimed which, in aggregate with any other claims made under this letter of credit, must not exceed the Maximum Amount.

4. This letter of credit shall expire at 17:00 (London time) on [date] (“**Expiry Date**”), after which we shall have no further liability to you, except in relation to any demand validly presented before expiry of this letter of credit that remains unpaid.
5. A demand may be made for less than the Maximum Amount.
6. More than one demand may be made (“**Multiple Demands**”). The aggregate of the Multiple Demands shall not exceed the Maximum Amount.
7. Payments under this letter of credit will be effected immediately to the account you specify in your demand.
8. This letter of credit and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, the law of England and Wales. The parties to this letter of credit irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim arising out of or in connection with this letter of credit or its subject matter or formation (including non-contractual disputes or claims).
9. Except to the extent it is inconsistent with the express terms of this letter of credit, this letter of credit is subject to the International Standby Practices ISP 98, ICC Publication No. 590.

Yours faithfully,

.....

For and on behalf of

[Issuing bank]

ANNEX

FORM OF DEMAND

To: *[issuing bank, department and/or officer name and address/email address]*

[DATE]

Dear Sirs,

DEMAND UNDER IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: *[NUMBER]*

We, Electricity Settlements Company Limited, refer to the irrevocable letter of credit ("**letter of credit**") number *[number]* issued by you in our favour. This is a written demand under the letter of credit. Terms defined in the letter of credit have the same meaning in this demand.

We certify that we are entitled under the Capacity Regulations to draw down credit cover provided by the Principal under the Capacity Regulations. The amount claimed by us is *[currency and amount]* ("**Claimed Amount**"), which we hereby demand.

We further certify that the aggregate of the Claimed Amount and all other amounts previously claimed by us under the letter of credit does not exceed the Maximum Amount specified in the letter of credit.

This demand is dated on or before the Expiry Date set out in the letter of credit.

We hereby demand immediate payment of the Claimed Amount and that the Claimed Amount be paid into the following bank account:

[Details of account to be inserted by ESC].

Yours faithfully,

.....

For and on behalf of **Electricity Settlements Company Limited**

9. Appendix 3 – SWIFT Letter of Credit format (provided by third party)³⁶

To:

Electricity Settlements Company Limited

10 South Colonnade

Canary Wharf

London

E14 4PU

[DATE]

Dear Sirs,

IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: [NUMBER]

1. By this letter we, *[insert name of issuer]*, establish our irrevocable standby letter of credit ("**letter of credit**") number *[number]* in your favour at the request of *[name and registered company number of relevant entity requesting the letter of credit]* (the "**Requester**") on behalf of *[name of relevant capacity provider]* (the "**Principal**") of *[address of relevant applicant/capacity provider]* for the maximum aggregate pounds sterling amount of *[£x.xx]*, *[written version of the amount]*, (the "**Maximum Amount**").
2. This letter of credit is established in connection with the Principal's obligations to provide credit cover under the Electricity Capacity Regulations 2014 (as amended or modified from time to time) (the "**Capacity Regulations**").
3. 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 London branches or by email to *[insert email address]* or by SWIFT via your bankers National Westminster Bank Plc (SWIFT code NWBKGB2L), subject to the following conditions:
 - your demand must be received by us by 17.00 (London time) on the Expiry Date (as defined in paragraph 4); and
 - your demand must be substantially in the form attached to this letter of credit signed by you stating that you are entitled under the Capacity Regulations to draw down credit cover provided by the Principal under the Capacity Regulations and the amount claimed which, in aggregate with any other claims made under this letter of credit, must not exceed the Maximum Amount.
4. This letter of credit shall expire at 17:00 (London time) on *[date]* ("**Expiry Date**"), after which we shall have no further liability to you, except in relation to any demand validly presented before expiry of this letter of credit that remains unpaid.

³⁶ The following constitutes the message that should be issued via a MT760 type SWIFT.

5. A demand may be made for less than the Maximum Amount.
6. More than one demand may be made ("**Multiple Demands**"). The aggregate of the Multiple Demands shall not exceed the Maximum Amount.
7. Payments under this letter of credit will be effected immediately to the account you specify in your demand.
8. This letter of credit and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, the law of England and Wales. The parties to this letter of credit irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim arising out of or in connection with this letter of credit or its subject matter or formation (including non-contractual disputes or claims).
9. Except to the extent it is inconsistent with the express terms of this letter of credit, this letter of credit is subject to the International Standby Practices ISP 98, ICC Publication No. 590.

Yours faithfully,

For and on behalf of

[*Issuing bank*]

FORM OF DEMAND

DEMAND UNDER IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: [NUMBER]

We, Electricity Settlements Company Limited, refer to the irrevocable letter of credit ("**letter of credit**") number [*number*] issued by you in our favour. This is a written demand under the letter of credit. Terms defined in the letter of credit have the same meaning in this demand.

We certify that we are entitled under the Capacity Regulations to draw down credit cover provided by the Principal under the Capacity Regulations. The amount claimed by us is [*currency and amount*] ("**Claimed Amount**"), which we hereby demand.

We further certify that the aggregate of the Claimed Amount and all other amounts previously claimed by us under the letter of credit does not exceed the Maximum Amount specified in the letter of credit.

This demand is dated on or before the Expiry Date set out in the letter of credit.

We hereby demand immediate payment of the Claimed Amount and that the Claimed Amount be paid into the following bank account: [*details of account to be inserted by ESC*].

10. Appendix 4 – Approved Form of Letter of Credit (provided by third party)³⁷

To:

Electricity Settlements Company Limited

10 South Colonnade

Canary Wharf

London

E14 4PU

[DATE]

Dear Sirs,

IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: [NUMBER]

1. By this letter³⁸ we, [*insert name of issuer*],³⁹ establish our irrevocable standby letter of credit ("**letter of credit**") number [*number*] in your favour at the request of [*name and registered company number of relevant entity requesting the letter of credit*] (the "**Requester**") on behalf of [*name of relevant capacity provider*] (the "**Principal**")⁴⁰ of [*address of relevant applicant/capacity provider*] for the maximum aggregate pounds sterling⁴¹ amount of [£*x.xx*], [*written version of the amount*], (the "**Maximum Amount**").
2. This letter of credit is established in connection with the Principal's obligations to provide credit cover under the Electricity Capacity Regulations 2014 (as amended or modified from time to time) (the "**Capacity Regulations**").
3. 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

³⁷ Footnotes are for guidance only and should not be replicated in the Letter of Credit when issued.

This Letter of Credit should be provided by a person who is required to provide Credit Cover under the *Electricity Capacity Regulations 2014* (the "**Capacity Regulations**"), being prospective generating CMUs, unproven DSR CMUs and CMUs who have received a "conditional prequalification notice" from the Delivery Body. Regulation 56 provides that such persons must maintain Credit Cover in the required amount at all times during the "credit obligation period" (as set out in Regulation 60). Credit Cover can be provided in the form of cash and/or Letter of Credit. Electricity Settlements Company Limited ("**ESC**") is the Settlement Body referred to in the Capacity Regulations in favour of whom the Credit Cover must be provided. This Letter of Credit template constitutes a form of Letter of Credit that would be acceptable by ESC, though ESC reserves the right to amend the template from time to time.

³⁸ 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 NWBKGB2L. Letters of Credit provided by National Westminster Bank plc cannot be provided through the interbank SWIFT system and will be communicated to EMRS directly.

³⁹ Regulation 54 of the Capacity Regulations requires the Issuer of the letter of credit to be:

- d. a United Kingdom clearing bank,
- e. any other bank which has a long term debt rating of –
 - o not less than A3 by Moody's Investors Service, Inc. (incorporated in the US State of Delaware with file number 0577904); or
 - o not less than A- by Standard & Poor's Corporation (incorporated in the US State of Delaware with file number 4621989), or
- f. Such other bank as the Settlement Body may approve.

⁴⁰ The Principal must be the person who is required to provide the Credit Cover under the Capacity Regulations. The name of the Principal needs to match the name of the Applicant/Capacity Provider as held in the records of ESC.

⁴¹ Letters of Credit must be in pounds sterling.

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 London branches or by email to [*insert email address*] or by SWIFT via your bankers National Westminster Bank Plc (SWIFT code NWBKGB2L), subject to the following conditions:

- your demand must be received by us by 17:00 (London time) on the Expiry Date (as defined in paragraph 4); and
- your demand must be substantially in the form attached to this letter of credit signed by you stating that you are entitled under the Capacity Regulations to draw down credit cover provided by the Principal under the Capacity Regulations and the amount claimed which, in aggregate with any other claims made under this letter of credit, must not exceed the Maximum Amount.

4. This letter of credit shall expire at 17:00 (London time) on [*date*] (“**Expiry Date**”), after which we shall have no further liability to you, except in relation to any demand validly presented before expiry of this letter of credit that remains unpaid.
5. A demand may be made for less than the Maximum Amount.
6. More than one demand may be made (“**Multiple Demands**”). The aggregate of the Multiple Demands shall not exceed the Maximum Amount.
7. Payments under this letter of credit will be effected immediately to the account you specify in your demand.
8. This letter of credit and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, the law of England and Wales. The parties to this letter of credit irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim arising out of or in connection with this letter of credit or its subject matter or formation (including non-contractual disputes or claims).
9. Except to the extent it is inconsistent with the express terms of this letter of credit, this letter of credit is subject to the International Standby Practices ISP 98, ICC Publication No. 590.

Yours faithfully,

.....

For and on behalf of

[*Issuing bank*]

ANNEX

FORM OF DEMAND

To: *[issuing bank, department and/or officer name and address/email address]*

[DATE]

Dear Sirs,

DEMAND UNDER IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: *[NUMBER]*

We, Electricity Settlements Company Limited, refer to the irrevocable letter of credit ("**letter of credit**") number *[number]* issued by you in our favour. This is a written demand under the letter of credit. Terms defined in the letter of credit have the same meaning in this demand.

We certify that we are entitled under the Capacity Regulations to draw down credit cover provided by the Principal under the Capacity Regulations. The amount claimed by us is *[currency and amount]* ("**Claimed Amount**"), which we hereby demand.

We further certify that the aggregate of the Claimed Amount and all other amounts previously claimed by us under the letter of credit does not exceed the Maximum Amount specified in the letter of credit.

This demand is dated on or before the Expiry Date set out in the letter of credit.

We hereby demand immediate payment of the Claimed Amount and that the Claimed Amount be paid into the following bank account:

[Details of account to be inserted by ESC].

Yours faithfully,

.....

For and on behalf of **Electricity Settlements Company Limited**

11. Appendix 5 – Notice of Approved Credit Cover

This is an example of the 'Notice of Approved Credit Cover' issued by EMRS to the Applicant.

Detailed specification for report / notice		
Name:	Notice of approved Credit Cover	
CfD / CM:	CM	
To:	CM Capacity Providers	
Description:	A notice stating that the Credit Cover provided by the applicant has been approved	
Data items:		
Date of notice	DATE	Date of issue of the notice
Applicant/ Capacity provider	CHAR	The identification of the Applicant
CMU ID	CHAR	The identification of the CMU which the Credit Cover was provided with respect to
Required amount of Credit Cover	£	The total amount of Credit Cover required for that CMU
Total received amount Credit Cover in the form of Cash	£	The amount of Credit Cover (including the additional Credit Cover) that was received from the applicant as a cash deposit
Date the cash was received	DATE	The date which the latest cash deposit was received
Received amount of Credit Cover in the form of a Letter of Credit	£	The amount of Credit Cover (including the additional Credit Cover) that was received from the applicant as a letter of credit
Date the Letter of Credit was received	DATE	The date which the Letter of credit was received
Letter of Credit Expiration date	DATE	The expiry date of any approved Letter of Credit that has been lodged
Total amount of Credit Cover received	£	The sum of the amount of Credit Cover received in the form of cash and Letter of Credit
Approval of Credit Cover	CHAR/text	This states the received Credit Cover has been approved

12. Appendix 6 – Notice of Unapproved Credit Cover

This is an example of the 'Notice of Unapproved Credit Cover' issued by EMRS to the Applicant.

Detailed specification for report / notice		
Name:	Notice of unapproved Credit Cover	
CfD / CM:	CM	
To:	CM Capacity Provider	
Description:	A notice stating that the Credit Cover provided by the applicant has not been approved and the reason it was not approved	
Data items:		
Date of notice	DATE	Date of issue of the notice
Applicant/Capacity provider	CHAR	The identification of the Applicant
CMU ID	CHAR	The identification of the CMU which the Credit Cover was provided with respect to
Required amount of Credit Cover	£	The total amount of Credit Cover required for that CMU
Total received amount Credit Cover in the form of Cash	£	The amount of Credit Cover (including the additional Credit Cover) that was received from the applicant as a cash deposit
Date the cash was received	DATE	The date which the latest cash deposit was received
Received amount of Credit Cover in the form of a Letter of Credit	£	The amount of Credit Cover (including the additional Credit Cover) that was received from the applicant as a letter of credit
Date the Letter of Credit was received	DATE	The date which the latest Letter of Credit was received
Letter of Credit Expiration date	DATE	The expiry date of any approved Letter of Credit that has been lodged
Total amount of Credit Cover received	£	The sum of the amount of Credit Cover received in the form of cash and Letter of Credit
Non-approval of Credit Cover	CHAR/text	This states the received Credit Cover has not been approved
Reason for non-approval	Text	The reason the Credit Cover has not been approved
Date for additional Credit Cover	DATE	If the Credit Cover was not approved this is the date by which the additional Credit Cover will need to be provided



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