

WP41 – Late Payment Procedure

Public

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Change Amendment Record

Version	Date	Description
6.0	1 July 2017	Updates to reduce payment terms from 90 to 5 WD.
7.0	16 August 2017	Transfer to new template and updated details on late payment interest.
8.0	15 April 2019	Housekeeping updates.
9.0	20 June 2019	Housekeeping updates.
10.0	24 August 2020	Annual Review
11.0	1 February 2022	Annual Review
12.0	7 September 2022	Update to include the Generator template and reference the G24 accordingly
13.0	30 June 2023	Nuclear RAB updates and Annual review
14.0	3 January 2024	Housekeeping changes and Annual Review
15.0	13 January 2025	Annual Review
16.0	11 August 2025	Updates to reflect new LCCC and EMRS visual identities
17.0	9 January 2026	Annual Review, and updates to reflect EMRS managing the Non-Payment Register and Credit Cover Default Register for the CfD and Nuclear RAB schemes

1. Introduction

The Contract for Difference (CfD), Nuclear Regulated Asset Base (RAB) and Capacity Market (CM) schemes have associated payments which are due from Suppliers, Generators and Capacity Providers. Those payments have payment terms which must be met by the obligated party as noted in the appropriate Regulations, rules or contract terms and conditions. Where these are not met this document covers the procedure which will be followed.

1.1 Scope and Purpose

The purpose of this Working Practice is to provide Suppliers, Generators and Capacity Providers with information on the process which is followed where payments are not made by their due date. Initially, payments past the due date are considered late payments. Subsequently, they are considered overdue if they exceed a cure period (where there is one) and the party due to make the payment may be considered in default.

Different actions are taken for different payment types and EMR Parties, where payments are late or overdue. The entire process is referred to as the late payment process, as the trigger for the late payment process is the failure to pay by the due date.

- A Supplier is obliged to make payments as stated in the Regulations covering all schemes.
- CfD Generators have an obligation in their CfD agreement to make certain payments to the Low Carbon Contracts Company (LCCC). Difference payments which a CfD Generator is required to pay to LCCC are referred to as negative Net Payable Amounts in the CfD Standard Terms and Conditions. Please note that values of Net Payable Amounts (data item J1971) in the backing data (D0365 - CfD Generator Invoice Backing Data) will follow the sign convention specified in the contract but will appear as a positive amount on an invoice if the CfD Generator is required to pay¹.
- This document also covers late payment of termination amounts for CfD Generators.
- Capacity Providers are required to make payments to the Electricity Settlements Company (ESC) in limited instances, as provided for by the Regulations and CM Rules, for example if a Termination Fee is due for particular Termination Events (for further detail see the Capacity Agreements Termination guidance note)².

The payment types covered in this document are listed below in Table 1.

This document does not cover the payments made by LCCC or ESC to any party.

This document does not contain information on Credit Cover. Please refer to the Working Practice section on our website for the Credit Cover Working Practices, which have been drafted per EMR or Nuclear RAB Party role i.e., Supplier, Generator and Capacity Provider/Applicant.

Table 1: Payments covered in this document.

Supplier payments under the CfD scheme
<ul style="list-style-type: none"> • Interim Levy Rate • Reconciliation of Interim Levy Rate • Reserve • Additional Reserve • Reconciliation • Mutualisation • Operational Costs
Supplier payments under the CM scheme
<ul style="list-style-type: none"> • Settlement Costs Levy (including revision) • CM Monthly Supplier Charge • Reconciliation – Monthly and Annual

¹ <https://www.electralink.co.uk/dtc-catalogue/>

² <https://www.emrsettlement.co.uk/publications/guidance/>

Supplier payments under the Nuclear RAB scheme
<ul style="list-style-type: none"> • Interim Levy Rate • Reconciliation of Interim Levy Rate • Reserve • Additional Reserve • Reconciliation • Mutualisation • Operational Costs.
CfD Generator payments
<ul style="list-style-type: none"> • Negative Net Payable Amount (NPA)³ • Termination fee.
Capacity Provider payments
<ul style="list-style-type: none"> • Termination Fee • Repayment of Capacity Payments • Penalty Charge.

1.2 Main Users and Responsibilities

This document is intended to be of used by Suppliers, CfD Generators and Capacity Providers. Table 2 summarises the roles and responsibilities of those involved in this procedure only.

Table 2: Roles and Responsibilities under EMR Late Payment Procedure.

Role	Responsibilities
Low Carbon Contracts Company Ltd (LCCC) ⁴	Authorises credit draw down and mutualisation.
Ofgem	Notified of a Supplier non-payment as this is a breach of Supply licence conditions.
Supplier	Makes payments under CM, Nuclear RAB and CfD schemes and is subject to consequences if they fail to meet the payment terms.
EMR Settlement Ltd (EMRS)	Administers the process detailed in this EMRS Working Practice procedure. Publishes the CM, Nuclear RAB and CfD Non-Payment Registers. ⁵
CfD Generator	Makes payments according to their Contracts for Difference and is subject to consequences if they fail to meet the payment terms.
Capacity Provider	Makes payments under the CM scheme and is subject to consequences if they fail to meet the payment terms.

⁴ Please see <https://lowcarboncontracts.uk/> for more information

⁵ The Non-Payment Registers can be found on the EMRS website: <https://www.emrsettlement.co.uk/settlement-data/settlement-data-roles/>

1.3 Associated Documents

This Working Practice should be read in conjunction with the following documents:

Document ⁶
CfD Standard Terms and Conditions and subsequent amendments ⁷
Investment Contracts ⁸
The Contracts for Difference (Electricity Supplier Obligations) Regulations 2014 and subsequent amendments
The Electricity Capacity Regulations 2014, and subsequent amendments
The Electricity Capacity (Supplier Payment etc.) Regulations 2014, and subsequent amendments
The Nuclear Regulated Asset Base Model (Revenue Collection) Regulations 2023

2. Payment Terms

For a list of payment terms for each payment type please refer to [Appendix 5](#). Please note that for **CfD payments**, **Nuclear RAB payments** and **CM payments** the deadline for payment is **before midnight on the due date**. Payments made after this point will be considered late and treated as being received on the next calendar day.

2.1 Supplier late payment interest

The late payment interest rate is calculated in accordance with:

- Regulation 35 in the Contracts for Difference (Electricity Supplier Obligations) Regulations 2014⁹.
- Regulation 11(3), 11(5) and 11(6) in the Electricity Capacity (Supplier Payment etc.) Regulations 2014, and Regulations 46(2)¹⁰, 46(4) and 46(5) of the [Electricity Capacity Regulations 2014](#) and any subsequent amendments¹¹.
- Part 4 of the Nuclear Regulated Asset Base Model (Revenue Collection) Regulations 2023.

Under the CfD, Nuclear RAB and CM schemes, the rate at which late payment interest is payable is currently set at five per cent per annum over the Bank of England base rate in force on the 30 June or the 31 December immediately before the date on which the interest starts to run and it is simple interest that is charged.

Supplier late payment interest is calculated on calendar days between the due date and the paid date. Please note that interest will appear on the next available invoice once the principal amount has been cleared.

Example 1 – Supplier CfD payment:

- Reserve Payment of £10,000.00 due on 13 April 2015 before midnight
- Payment received on 15 April 2015 (two days late)
- Two days of interest accrued
- Interest rate of 5.5 percent per annum, being 0.5 percent which was the Bank of England rate in force on 31 December 2014 plus 5 percent
- £3.01 for late payment interest added to next invoice.

⁶ Regulations can be found at <http://www.legislation.gov.uk/>

⁷ <https://www.gov.uk/government/publications/contracts-for-difference-standard-terms-and-conditions>

⁸ <https://www.gov.uk/government/publications/final-investment-decision-fid-enabling-for-renewables-investment-contracts>

⁹ <http://www.legislation.gov.uk/uksi/2014/2014/contents/made>

¹⁰ <http://www.legislation.gov.uk/uksi/2014/3354/made>

¹¹ <http://www.legislation.gov.uk/uksi/2014/2043/contents/made>

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Example 2 – Supplier CM payment:

- Capacity Market Settlement Costs Levy payment of £4,000.00 due on 8 April 2015
- Payment received on 9 April 2015 (one day late)
- One day of interest accrued
- Interest rate of 5.5 percent per annum, being 0.5 percent which was the Bank of England rate in force on 31 December 2014 plus 5 per cent
- £0.60 for late payment interest added to next invoice.

Example 3 – Supplier Nuclear RAB payment:

- Reserve Payment of £10,000.00 due on 10 April 2023 before midnight
- Payment received on 12 April 2023 (two days late)
- Two days of interest accrued
- Interest rate of 8 percent per annum, being 3 percent which was the Bank of England rate in force on 31 December 2022 plus 5 percent
- £3.01 for late payment interest added to next invoice.

2.2 Capacity Provider late payment interest

The late payment interest rate is calculated in accordance with Regulations 46(2), 46(4) and 46(5) of the [Electricity Capacity Regulations 2014](#) and any subsequent amendments.¹²

For the CM scheme, the rate at which late payment interest is payable is currently set at five per cent per annum over the Bank of England base rate in force on the 30 June or the 31 December immediately before the date on which the interest starts to run and it is simple interest that is charged.

For Capacity Providers, late payment interest is calculated on calendar days between the due date and the paid date. Please note that interest will appear on the next available invoice once the principal amount has been cleared.

Example – CM Capacity Provider payment:

- Termination Fee of £20,000 due on 15 February 2016
- Payment received on 20 February 2016 (five days late)
- 5 days of interest accrued
- Interest rate of 5.5 per cent per annum, being 0.5 per cent which was the Bank of England rate in force on 31 December 2015 plus 5 per cent
- £15.07 for late payment interest to be invoiced.

2.3 CfD Generator late payment interest

CfD Generator should refer to their **Investment Contract** or **Contracts for Difference Standard Terms and Conditions** for further details on how late payment interest is applied.

¹² <http://www.legislation.gov.uk/uk/si/2014/2043/contents/made>

3. Interface and Timetable Information

The payment types that fall under this process are captured in the scope and purpose.

3.1 Supplier Non-Payment of a CfD amount

Ref	Regulations ¹³	When	Action	From	To	Information Required	Method
3.1.1		Every Working Day.	Monitor payments received. If received and dated as either before or on the due date then END PROCESS . If received in full but late, proceed to step 3.1.3 and then END PROCESS . If not received, or only partially paid, proceed to step 3.1.3 and continue.	EMRS	-	Amount; and Due date.	Internal process
3.1.2	31(4) (b).	At the same time as 3.1.1	Where invoices are partially paid, send a partial payment notice.	EMRS	Supplier.	Amount; Due date; and Payment Type.	Email
3.1.3	8(6), 9(7), 11(2), 14(8), 16(5), 17(6), 23(6).	After 3.1.1, daily until amount is paid.	Where any payment was not received by due date in full, interest accrues on the late amount and is added to Supplier's liabilities. Interest is calculated and invoiced when the outstanding amount has been paid in full.	EMRS	-	Amount; Due date; and Interest rate.	Internal process

¹³ https://www.legislation.gov.uk/ukdsi/2014/9780111116784/pdfs/ukdsi_9780111116784_en.pdf

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Ref	Regulations ¹³	When	Action	From	To	Information Required	Method
3.1.4		Following 3.1.3, daily for 2WDs where amount remains outstanding (i.e., due date plus 1WD and then due date plus 2 WDs).	Send late payment advice for all late amounts.	EMRS	Supplier	EMR Party ID; Amount; Payment Type; Due date; and Invoice number.	Email
3.1.5	21(6)	Following 3.1.4 and where outstanding payment is a relevant payment ¹⁴ and is now overdue (over 2WDs past the due date).	Credit Cover check (to see how much Credit Cover is available and in what form).	EMRS	-	-	Internal process
3.1.6	17(3)	Following 3.1.5	Credit stress check (internal validation) for mutualisation decision ¹⁵	EMRS	-	Credit Cover check.	Internal process
3.1.7		Following 3.1.6	Notify LCCC of the outcome of the credit stress check and recommend mutualisation where appropriate.	EMRS	LCCC	Credit stress check.	Email
3.1.8		Dependent on 3.1.5. Sent with 3.1.7 where possible.	Request credit draw down if there is credit remaining ¹⁶ .	EMRS	LCCC	Credit Cover check.	Email

¹⁴ As per The Contracts for Difference (Electricity Supplier Obligations) Regulations 2014, Regulation 21 (6).

¹⁵ This is to fulfil the Contracts for Difference (Electricity Supplier Obligations) Regulations 2014, Regulation 17 (3), as part of the internal validation EMRS will check for whether the total value of all invoices due in the following 4 days (including the current outstanding) exceeds the amount of Credit Cover held.

¹⁶ This table does not go into detail on the Credit Cover draw down process; this is contained [WP42- Supplier CFD and Nuclear RAB Credit Cover](#) published on the EMRS website.

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Ref	Regulations ¹³	When	Action	From	To	Information Required	Method
3.1.9		Following 3.1.7 and 3.1.8	LCCC respond to recommendation and credit draw down request where these were made.	LCCC	EMRS	-	Email
3.1.10		Following 3.1.9	Where LCCC authorises credit draw down initialise draw down Credit Cover process.	EMRS	-	Approval from 3.1.8	WP42 - Supplier CfD and Nuclear RAB Credit Cover
3.1.11		Following 3.1.9	Where LCCC authorises mutualisation, initialise mutualisation process.	EMRS		Approval from 3.1.8	Separate process
3.1.12		Depending on 3.1.13	Where Credit Cover did not clear the overdue amount, send Non-Payment Notice ¹⁷ to Supplier and Ofgem.	EMRS	Supplier Ofgem LCCC	EMR Party ID; Default amount; Payment Type; Due date; and Invoice number Interest accrued to date	Email
3.1.13		Following 3.1.12	Publish a copy of the CfD Non-Payment Register ¹⁸ . END PROCESS.	EMRS	External	-	Website

¹⁷ See [Appendix 1](#) for example.

¹⁸ <https://www.emrsettlement.co.uk/settlement-data/settlement-data-roles/>

3.2 Supplier Non-Payment of a Nuclear RAB amount

Ref	Regulations ¹⁹	When	Action	From	To	Information Required	Method
3.2.1		Every Working Day.	Monitor payments received. If received and dated as either before or on the due date, then END PROCESS. If received in full but late, proceed to step 3.2.3 and then END PROCESS. If not received, or only partially paid, proceed to step 3.2.3 and continue.	EMRS	-	Amount; and Due date.	Internal process
3.2.2	31(4) (b).	At the same time as 3.2.1	Where invoices are partially paid, send a partial payment notice.	EMRS	Supplier.	Amount; Due date; and Payment Type.	Email
3.2.3	8(6), 9(7), 11(2), 14(8), 16(5), 17(6), 23(6).	After 3.2.1, daily until amount is paid.	Where any payment was not received by due date in full, interest accrues on the late amount and is added to Supplier’s liabilities. Interest is calculated and invoiced when the outstanding amount has been paid in full.	EMRS	-	Amount; Due date; and Interest rate.	Internal process
3.2.4		Following 3.2.3, daily for 2WDs where amount remains outstanding (i.e., due date plus 1WD and then due date plus 2 WDs).	Send late payment advice for all late amounts.	EMRS	Supplier	EMR Party ID; Amount; Payment Type; Due date; and Invoice number.	Email

¹⁹ <https://www.legislation.gov.uk/uksi/2023/254/contents/made>

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Ref	Regulations ¹⁹	When	Action	From	To	Information Required	Method
3.2.5	21(6)	Following 3.2.4 and where outstanding payment is a relevant payment ²⁰ and is now overdue (over 2WDs past the due date).	Credit Cover check (to see how much Credit Cover is available and in what form).	EMRS	-	-	Internal process
3.2.6	17(3)	Following 3.2.5	Credit stress check (internal validation) for mutualisation decision. ²¹	EMRS	-	Credit Cover check.	Internal process
3.2.7		Following 3.2.6	Notify LCCC of the outcome of the credit stress check and recommend mutualisation where appropriate.	EMRS	LCCC	Credit stress check.	Email
3.2.8		Dependent on 3.2.5. Sent with 3.2.7 where possible.	Request credit draw down if there is credit remaining. ²²	EMRS	LCCC	Credit Cover check.	Email
3.2.9		Following 3.2.7 and 3.2.8	LCCC respond to recommendation and credit draw down request where these were made.	LCCC	EMRS	-	Email
3.2.10		Following 3.2.9	Where LCCC authorises credit draw down initialise draw down Credit Cover process.	EMRS	-	Approval from 3.2.8	WP42 - Supplier CfD and Nuclear RAB Credit Cover

²⁰ <https://www.legislation.gov.uk/ukxi/2023/254/contents/made>, Regulation 21 (6).

²¹ This is to fulfil the [Nuclear Regulated Asset Base Model \(Revenue Collection\) Regulations](#) 2023, Regulation 17 (3), as part of the internal validation EMRS will check for whether the total value of all invoices due in the following 4 days (including the current outstanding) exceeds the amount of Credit Cover held.

²² This table does not go into detail on the Credit Cover draw down process; this is contained [WP42- Supplier CfD and Nuclear RAB Credit Cover](#) published on the EMRS website.

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Ref	Regulations ¹⁹	When	Action	From	To	Information Required	Method
3.2.11		Following 3.2.9	Where LCCC authorises mutualisation, initialise mutualisation process.	EMRS		Approval from 3.2.8	Separate process
3.2.12		Depending on 3.2.13	Where Credit Cover did not clear the overdue amount, send Non-Payment Notice ²³ to Supplier and Ofgem.	EMRS	Supplier Ofgem LCCC	EMR Party ID; Default amount; Payment Type; Due date; and Invoice number Interest accrued to date	Email
3.2.13		Following 3.2.12	Publish a copy of the Nuclear RAB Non-Payment Register ²⁴ . END PROCESS.	EMRS	External	-	Website

²³ See [Appendix 2](#) for example.

²⁴ <https://www.emrsettlement.co.uk/settlement-data/settlement-data-roles/>

3.3 Supplier Non-Payment of a CM Amount²⁵

Ref	Regulations ²⁶	When	Action	From	To	Input Information Required	Method
3.3.1		Every Working Day.	Monitor payments received. If received by on the due date then END PROCESS. If not received in full, proceed to step 3.3.2.	EMRS	-	Amount; and Due date.	Internal process
3.3.2	11(3)	Following step 3.3.1, daily until amount is paid.	Where any payment was not received by due date in full, interest accrues on the late amount and is added to Supplier’s liabilities. Interest is calculated and invoiced when the outstanding amount has been paid in full.	EMRS	-	Amount; Due date; and Interest rate.	Internal process
3.3.3		Following 3.3.1, daily for 2WDs where amount remains outstanding (i.e., due date plus 1WD and then due date plus 2WDs).	Send late payment advice for all late amounts. ²⁷	EMRS	Supplier	EMR Party ID; Amount; Payment Type; Due date; Invoice number; and Amount of credit available to be drawn down (not Settlement Costs Levy).	Email
3.3.4		Following 3.3.1 and within 1WD.	Put details on CM Non-Payment Register	EMRS		CM Non-Payment Register	Email

²⁵ NB: Mutualisation occurs when a Supplier fails to provide Credit Cover and this is covered in more detail in [WP45 – CM Supplier Credit Cover](#) available on the EMRS website. However, for CfD mutualisation takes place due to non-payment of invoices.

²⁶ https://www.legislation.gov.uk/ukxi/2014/3354/pdfs/ukxi_20143354_en.pdf or https://www.legislation.gov.uk/ukdsi/2014/9780111116852/pdfs/ukdsi_9780111116852_en.pdf

²⁷ See [Appendix 3](#) for example.

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Ref	Regulations ²⁶	When	Action	From	To	Input Information Required	Method
3.3.5	47(5)	Following 3.3.4	Publish CM Non-Payment Register ²⁸	EMRS		CM Non-Payment Register	Website
3.3.6		Following 3.3.1	Where a payment received is to clear an outstanding amount put details on the CM Non-Payment Register and send the updated register to ESC.	EMRS	ESC	-	Email
3.3.7	12(2)	Following 3.3.6 and within 3WD of payment due date.	For CM Monthly Supplier Charge: Send a Non-Payment Notice advising of intention to draw down. For outstanding reconciliation amount Credit Cover can be used without a notice – go to step 3.3.10	EMRS	Supplier	Amount; Due Date; Credit Cover amount; and Appendix 3 – CM Supplier Non-Payment Notice	Email
3.3.8	12(3)	Following 3.3.7 and within 2WDs.	Monitor payment. If received update CM Non-Payment Register and calculate accrued interest END PROCESS. If not received within 2WDs go to 3.3.10	EMRS	-	CM Non-Payment Register	
3.3.9	47(5).	Following 3.3.8	Publish CM Non-Payment Register ²⁸	EMRS	-	CM Non-Payment Register	Website
3.3.10		Following 3.3.7 or 3.3.8 and within 1WD.	Credit Cover, if lodged can be drawn down – send authorisation request.	EMRS	ESC	Amount; Due Date; and Credit Cover amount	Email
3.3.11		Within 1WD of 3.3.10	ESC respond to authorisation request for Credit Cover draw down.	ESC	EMRS	As provided in 3.3.10	Email

²⁸ <https://www.emrsettlement.co.uk/settlement-data/settlement-data-roles/>

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Ref	Regulations ²⁶	When	Action	From	To	Input Information Required	Method
3.3.12		Following 3.3.11	If request approved initialise draw down Credit Cover process. If request declined END PROCESS.	EMRS	-	Approval from 3.3.11	WP45 – CM Supplier Credit Cover
3.3.13	47(4) (b).	12 months after 3.3.4	Remove Supplier from CM Non-Payment Register (if it hasn't already been removed due to a dispute).	EMRS	-	-	Internal Process
3.3.14	47(5)	Following 3.3.13	Publish updated CM Non-Payment Register ²⁹ END PROCESS.	EMRS	-	Updated CM Non-Payment Register	Website

²⁹ <https://www.emrsettlement.co.uk/settlement-data/settlement-data-roles/>

3.4 CfD Generator late payment of negative net payable amount within cure period

Ref	Regulations	When	Action	From	To	Input Information Required	Method
3.4.1		Every Working Day.	<p>Monitor payments received.</p> <p>If received and dated as either before or on the due date (DD) then END PROCESS.</p> <p>If received in full but late proceed to step 3.4.2 and then END PROCESS.</p> <p>If not received, or only part paid, proceed to step 3.4.2 and continue.</p>	EMRS	-	Amount; and Due date	Internal process
3.4.2	24(2)	Following 3.4.1, daily until amount is paid.	Where any payment was not received by due date in full, interest accrues on the late amount and is added to CfD Generator's liabilities.	EMRS	-	Amount; Due date; and Interest rate	Internal process
3.4.3		Following 3.4.1 on DD+1WD, DD+6WDs and DD+10WDs where amount remains outstanding.	Send late payment advice for all late amounts. ³⁰	EMRS	CfD Generator	Invoice	Email
3.4.4		Following 3.4.1	<p>Check whether there have been any other late payments in the previous 12 months:</p> <p>If there are no other late payments then END PROCESS.</p> <p>If there is one other late payment then proceed to step 3.4.5 (i.e. this is the second instance).</p>	EMRS	-	Account history	Internal process

³⁰ See [Appendix 4](#) for example

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Ref	Regulations	When	Action	From	To	Input Information Required	Method
			<p>If there are two other late payments then proceed to step 3.4.6 (i.e. this is the third instance).</p> <p>If there are three or more other late payments (and collateral is already in place) then proceed to step 3.4.8.</p>				
3.4.5	55(1)	Dependent on 3.4.4, within 1WD	Where second late payment in previous 12 months, send Second Payment Failure Notice and END PROCESS	LCCC	CfD Generator	-	Email
3.4.6	55(2)	Dependent on 3.4.4, within 1WD	Where third late payment in previous 12 months, send Collateral Posting Notice.	LCCC	CfD Generator	Collateral Amount	Email
3.4.7		Within 10WDs following 3.4.6	Post Credit Cover and END PROCESS	CfD Generator	LCCC	Bank account details or Letter of Credit template	WP43 - CfD Generator Collateral. ³¹
3.4.8	55(3)	Dependent on 3.4.4, within 1WD.	Where collateral is already in place and a subsequent late payment has occurred, send Replacement Collateral Notice.	LCCC	CfD Generator	Collateral Amount	-
3.4.9		Following 3.4.8	Amend or replace collateral as necessary. END PROCESS	CfD Generator	LCCC	Bank account details or Letter of Credit template	WP43 - CfD Generator Collateral

³¹ This table does not go into detail on the Credit Cover draw down process; this is contained in [WP43 - CfD Generator Collateral](#) available on the EMRS website.

3.5 CfD Generator Non-Payment of negative net payable amount after cure period

Ref	Regulations	When	Action	From	To	Input Information Required	Method
3.5.1		11WDs after first Late Payment Advice sent	Where cure period has ended and outstanding payment remains, check for collateral held. If no collateral held notify LCCC who determine any action to be taken and END PROCESS . If collateral held then initiate draw down procedure and prepare Collateral Correction Notice.	EMRS	LCCC	Details for Collateral Correction Notice	WP43 - CfD Generator Collateral
3.5.2	56(5)	Following 3.5.1, within 1WD	Send Collateral Correction Notice.	LCCC	CfD Generator	Collateral Correction Notice	Email
3.5.3		Within 5WDs of 3.5.2	Post collateral.	CfD Generator	LCCC	Bank details or Letter of Credit template	WP43 - CfD Generator Collateral

3.6 CfD Generator late payment of termination amount within cure period

Ref	Conditions	When	Action	From	To	Input Information Required	Method
3.6.1		Every Working Day.	Monitor payments received. If received and dated as either before or on the due date (DD) then END PROCESS . If received in full but late proceed to step 3.6.2 and then END PROCESS . If not received, or only part paid, proceed to step 3.6.2 and continue.	EMRS	-	Amount; and Due date	Internal process
3.6.2	24(2)	Following 3.6.1, daily until amount is paid.	Where any payment was not received by due date in full, interest accrues on the late amount and is added to CfD Generator's liabilities. Interest is calculated and invoiced when the outstanding amount has been paid in full.	EMRS	-	Amount; Due date; and Interest rate	Internal process
3.6.3		Following 3.6.1 on DD+1WD, DD+5WDs, DD+8WDs, DD+14WDs, DD+17WDs and DD+20WDs where amount remains outstanding.	Send late payment advice for all late amounts. ³² END PROCESS	EMRS	CfD Generator	Invoice	Email

³² See [Appendix 4](#) for example

3.7 CfD Generator Non-Payment of termination amount after cure period

Ref	Condition	When	Action	From	To	Input Information Required	Method
3.7.1		20WDs after first Late Payment Advice sent.	Where cure period has ended and payment not received in full, check for collateral held. If no collateral held notify LCCC who determine any action to be taken and END PROCESS . If collateral held then proceed to step 3.7.2.	EMRS	LCCC	-	Internal process and email
3.7.2		Following 3.7.1	Determine type of collateral available. If cash then proceed to step 3.7.3. LoC will not be returned until payment of the termination amount is made. Conversion to cash may occur prior to expiry as per WP43. Where this happens, proceed to step 3.7.3 with the resulting cash.	EMRS	-	Details of collateral held	Internal process
3.7.3		Following 3.7.2	Request credit draw down. END PROCESS .	EMRS	LCCC	Details of collateral held	WP43 - CfD Generator Collateral

3.8 Capacity Provider Non-Payment of Termination fee and Repayment of Capacity Payments

Ref	Regulations	When	Action	From	To	Input Information Required	Method
3.8.1		Due date.	Monitor payments received. If received on the due date then END PROCESS. If not received in full, proceed to step 3.8.2	EMRS	-	Amount; and Due date	Internal process
3.8.2	46(2)	Following 3.8.1 and daily, until amount is paid.	Where any payment was not received by due date in full, interest accrues on the late amount and is added to Capacity Provider liabilities. Interest is invoiced when the outstanding amount has been paid in full.	EMRS	-	Amount; Due date; and Interest rate	Internal process
3.8.3		Following 3.8.1, and daily for 2WDs where amount remains outstanding (i.e. due date plus 1WD and then due date plus 2WDs).	For Capacity Provider payments – send late payment advice for late amounts.	EMRS	Capacity Provider	Amount; Due date	Email
3.8.4	47(1)	Following 3.8.1 and within 1WD	Put details on CM Non-Payment Register	EMRS		Amount; Due Date	Internal process
3.8.5	47(5)	Following 3.8.4	Publish CM Non-Payment Register. ³³	EMRS	External	CM Non-Payment Register	Website

³³ <https://www.emrsettlement.co.uk/settlement-data/settlement-data-roles/>

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Ref	Regulations	When	Action	From	To	Input Information Required	Method
3.8.6	47(3)	Following 3.8.1 and on the same WD	Where a payment received is to clear an outstanding amount put details on the Non-Payment Register and send the updated register to ESC.	EMRS	ESC	-	Email
3.8.7		At the same time as 3.8.4	For Termination Fees: Credit Cover, if available, can be drawn down. Send authorisation request.	EMRS	ESC	Reason for Termination; and Credit Cover amount	Email
3.8.8		Within 1WD of 3.8.9	ESC respond to authorisation request for Credit Cover draw down.	ESC	EMRS	-	-
3.8.9		Following 3.8.8	If request approved initialise draw down Credit Cover process. If request declined END PROCESS .	EMRS	-	Approval from 3.8.8	Internal Process
3.8.10	47(4)(b)	12 months after 3.8.4	Remove Capacity Provider from Non-Payment Register (if it hasn't already been removed due to a dispute) and send updated Non-Payment Register to ESC.	EMRS	ESC	-	Email
3.8.11	47(5)	Following 3.8.10	Publish updated CM Non-Payment Register END PROCESS .	EMRS		Updated CM Non-Payment Register	Website

3.9 Capacity Provider of Non-Payment of Monthly Penalty Charge

Ref	Regulation	When	Action	From	To	Input Information Required	Method
3.9.1		Due date.	Monitor Payments received. If received by on the due date then END PROCESS. If not received in full by, proceed to step 3.9.2	EMRS	-	Amount; Due Date	Internal Process
3.9.2	46(2)	Following 3.9.1 and daily, until amount is paid.	Where any payment was not received by due date in full, interest accrues on the late amount. Interest is invoiced when the outstanding amount has been paid in full.	-	-	Amount; Due date; and Interest rate	Internal Process
3.9.3		Following 3.9.1 and within 1WD.	Send late payment advice.	EMRS	Capacity Provider	-	Email
3.9.4	47(1) 47(3)	At the same time as 3.9.3	Put details on Non-Payment Register and send to ESC.	EMRS	ESC	Amount; and Due Date	Email
3.9.5	47(5)	Following 3.9.4	Publish CM Non-Payment Register. ³⁴	EMRS	External	CM Non-Payment Register	Website
3.9.6	49(2)	Following 3.9.1 and within 2WD.	Allocate outstanding payments to reduce the amount of Capacity Payment to be made ³⁵	EMRS	-	Amount.	Internal Process

³⁴ <https://www.emrsettlement.co.uk/settlement-data/settlement-data-roles/>

³⁵ To avoid double counting we will not be showing unpaid Penalty Charges on Capacity Payment Credit Notes but we will be reducing BAC's payments accordingly.

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Ref	Regulation	When	Action	From	To	Input Information Required	Method
3.9.7	47(3)	Following 3.9.1 and within 1WD of receiving outstanding amount.	Where a payment is received ³⁶ to clear an outstanding amount put details on the Non-Payment Register and sends the updated register to ESC.	EMRS	ESC	-	Email
3.9.8	47(4)(b)	12 months after 3.9.5	Remove Capacity Provider from Non-Payment Register (if it hasn't already been removed due to a dispute) and send updated Non-Payment Register to ESC.	EMRS	ESC	-	Email
3.9.9	47(5)	Following 3.9.8	Publish updated CM Non-Payment Register ³⁷ END PROCESS.	EMRS		Updated CM Non-Payment Register.	Website

³⁶ If an outstanding amount has been allocated against Capacity Payment this is considered a payment and CM Non-Payment Register is updated.

³⁷ <https://www.emrsettlement.co.uk/settlement-data/settlement-data-roles/>

4. Contact Information

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

Contact Organisation	Contact	Activity
EMR Settlement Ltd (EMRS)	Telephone: 020 7380 4333 Email: contact@emrsettlement.co.uk	Queries on invoices, payments, Credit Cover, Notices.
Low Carbon Contracts Company Ltd (LCCC)	Telephone: 020 7211 8881 Email: info@lowcarboncontracts.uk	CfD and Nuclear RAB related queries.
Electricity Settlements Company Ltd (ESC)	Telephone: 020 7211 8881 Email: info@electricitysettlementscompany.uk	CM related queries.

5. Acronyms and Definitions

A full list of acronyms and definitions is available on the Glossary on the EMRS website³⁸.

³⁸ <https://www.emrsettlement.co.uk/glossary/>

6. Appendices

6.1 Appendix 1 – Example of Non-Payment Notice under the CfD Scheme

Dear Supplier,

Non Payment Notice – [EMR Party ID]

We, EMR Settlement Limited, the Settlement Service Provider for Low Carbon Contracts Company Limited (“LCCC”), are writing to you on behalf of LCCC to give you notice that the following amount(s), in respect of charges relating to the Contract for Difference (Electricity Supplier Obligations) Regulations 2014 (“Regulations”) has not been paid in accordance with the payment terms:

Payment Type	Invoice Number	Total Default Payment Amount	Payment Due Date
Interim Levy Payment	XXXX	£ x,xxx.xx	DD MM YYYY

The total default payment amount (set out above) was determined on the basis set out in the information enclosed with the invoice referred to above.

Please note that interest on the total default payment amount, at the Bank of England Base Rate + 5%, will continue to accrue until the total default payment amount has been paid. Once the total default payment is cleared accrued interest will be shown on your next invoice.

This notice is given pursuant to Regulation 25(2) of the Regulations and a copy of this notice has been sent to Ofgem, the Authority under the Regulations.

Should you have any queries regarding this matter please contact us by email at contact@emrsettlement.co.uk or call 020 7380 4333.

Kind regards,

EMRS Settlement Team

EMR Settlement Limited

6.2 Appendix 2 – Example of Non-Payment Notice under the Nuclear RAB Scheme

Dear Supplier,

Non Payment Notice – [EMR Party ID]

We, EMR Settlement Limited, the Settlement Service Provider for Low Carbon Contracts Company Limited (“LCCC”), are writing to you on behalf of LCCC to give you notice that the following amount(s), in respect of charges relating to the Nuclear Regulated Asset Base (Revenue Collection) Regulations 2023 (“Regulations”) has not been paid in accordance with the payment terms:

Payment Type	Invoice Number	Total Default Payment Amount	Payment Due Date
Interim Levy Payment	XXXX	£ x,xxx.xx	DD MM YYYY

The total default payment amount (set out above) was determined on the basis set out in the information enclosed with the invoice referred to above.

Please note that interest on the total default payment amount, at the Bank of England Base Rate + 5%, will continue to accrue until the total default payment amount has been paid. Once the total default payment is cleared accrued interest will be shown on your next invoice.

This notice is given pursuant to Regulation 25(2) of the Regulations and a copy of this notice has been sent to Ofgem, the Authority under the Regulations.

Should you have any queries regarding this matter please contact us by email at contact@emrsettlement.co.uk or call 020 7380 4333.

Kind regards,

EMRS Settlement Team

EMR Settlement Limited

6.3 Appendix 3 – CM Supplier Non Payment Notice

Dear Supplier,

Non Payment Notice – [EMR Party ID]

We are writing to you to give you notice that the following amount(s), in respect of charges relating to the Electricity Capacity (Supplier Payment etc.) Regulations 2014, as amended have not been paid in accordance with the payment terms:

Payment Type	Invoice Number	Total Default Payment Amount	Payment Due Date
CM Monthly Supplier Charge	NNNN	£ N,NNN.NN	DD MMMM YYYY

If you do not pay the outstanding amount within 2 working days of this notice, credit cover will be drawn down, and this will be treated as payment.

Please note that interest on the total default payment amount, at the Bank of England Base Rate + 5%, will continue to accrue until the total default payment amount has been paid. Once the total default payment is cleared accrued interest will be shown on your next invoice.

Should you have any queries regarding this matter please contact us by email at contact@emrsettlement.co.uk or call 020 7380 4333

Kind regards,

EMRS Settlement Team

EMR Settlement Limited

6.4 Appendix 4 – CfD Generator Non Payment Notice

Dear Generator,

Late Payment Advice - <EMR PARTY ID, CFD ID>.

We, EMR Settlement Limited, are writing to you on behalf of the Low Carbon Contracts Company Limited, to advise you that the following amount has not been paid in accordance with the payment terms.

Please arrange for payment with immediate effect for: <£#,###.##>

It should be noted that this late payment advice relates to the attached invoice only and does not consider other liabilities, nor does it constitute a statement of account.

Compound Interest will accrue on this late payment amount at the Bank of England Base Rate (as at each day) + 5%.

Should you have any queries regarding this matter please contact us by email at contact@emrsettlement.co.uk or call 020 7380 4333.

Kind regards,

EMRS Settlement Team

EMR Settlement Limited

6.5 Appendix 5 – Payment Terms³⁹

6.5.1 Supplier Payments under the CfD

Payment Type	Frequency of Calculation	Payment Due (where 'D' is Day invoice sent)	Default Interest Applied	Interest Applies From (where 'D' is Day invoice sent)	Payment Default Cure Period ⁴⁰	Credit Cover Draw Down	Regulation ⁴¹
Interim Rate Payment	Daily	D + 5WDs.	✓	Day after payment was due.	2 WDs.	✓	Regulation 8(1) 8 (5)
Reconciliation of Interim Rate Payment.	Daily	D + 5WDs.	✓	Day after payment was due.	2 WDs.	✓	Regulation 9(2) 9 (5)
Operational Costs Payment	Daily	D + 5WDs.	✓	Day after payment was due.	2 WDs.	x	Regulation 23(1) 23 (5)
Reserve Payment	Quarterly	D + ~5 calendar days (due on a WD).	✓	Day after payment was due.	2 WDs.	✓	Regulation 11(1)
Reconciliation Payment	Quarterly	D + ~5 calendar days (due on a WD).	✓	Day after payment was due.	2 WDs.	✓	Regulation 16(3)(a)

³⁹ Please note that these tables are not exhaustive. Also, please follow the due date given on invoices.

⁴⁰ LCCC will normally wait until the cure period has expired before sending non-payment notices, calling on Credit Cover and initiating mutualisation where the Regulations allow.

⁴¹ The Contracts for Difference (Electricity Supplier Obligations) Regulations 2014

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Payment Type	Frequency of Calculation	Payment Due (where 'D' is Day invoice sent)	Default Interest Applied	Interest Applies From (where 'D' is Day invoice sent)	Payment Default Cure Period ⁴⁰	Credit Cover Draw Down	Regulation ⁴¹
Additional Reserve Payment	Ad-hoc	The later of: Date by which a reserve payment is due from that Supplier in respect of that period; The 30 th day after the amount is published in a notice; Any later date specified in the published notice.	✓	Day after payment was due.	2 WDs	✓	Regulation 14(3)
Mutualisation Payment	Ad-hoc	For interim rate payments no earlier than 5 WDs after the date on which the notice was issued; For other payment types no earlier than 30 days after the date on which the notice was issued.	✓	Day after payment was due.	2 WDs	✓	Regulation 17(5) Reg 17 (2) (f)
Ad-hoc payment e.g. following a dispute.	Ad-hoc	As soon as reasonably practicable as determined by the LCCC after making that determination.	✓	Day after payment was due.	2 WDs	✓	

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6.5.2 Supplier Payments under the Nuclear RAB

Payment Type	Frequency of Calculation	Payment Due (where 'D' is Day invoice sent)	Default Interest Applied	Interest Applies From (where 'D' is Day invoice sent)	Payment Default Cure Period ⁴²	Credit Cover Draw Down	Regulation ⁴³
Interim Rate Payment	Daily	D + 5WDs.	✓	Day after payment was due.	2 WDs.	✓	Regulation 8(1) 8 (5)
Reconciliation of Interim Rate Payment	Daily	D + 5WDs.	✓	Day after payment was due.	2 WDs.	✓	Regulation 9(2) 9 (5)
Operational Costs Payment	Daily	D + 5WDs.	✓	Day after payment was due.	2 WDs.	x	Regulation 23(1) 23 (5)
Reserve Payment	Quarterly	D + ~5 calendar days (due on a WD).	✓	Day after payment was due.	2 WDs.	✓	Regulation 11(1)
Reconciliation Payment	Quarterly	D + ~5 calendar days (due on a WD).	✓	Day after payment was due.	2 WDs.	✓	Regulation 16(3)(a)
Additional Reserve Payment	Ad-hoc	The later of: Date by which a reserve payment is due from that Supplier in respect of that period; The 30 th day after the amount is published in a notice;	✓	Day after payment was due.	2 WDs	✓	Regulation 14(3)

⁴² LCCC will normally wait until the cure period has expired before sending non-payment notices, calling on Credit Cover and initiating mutualisation where the Regulations allow.

⁴³ The Contracts for Difference (Electricity Supplier Obligations) Regulations 2014

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Payment Type	Frequency of Calculation	Payment Due (where 'D' is Day invoice sent)	Default Interest Applied	Interest Applies From (where 'D' is Day invoice sent)	Payment Default Cure Period ⁴²	Credit Cover Draw Down	Regulation ⁴³
		Any later date specified in the published notice.					
Mutualisation Payment.	Ad-hoc	For interim rate payments no earlier than 5 WDs after the date on which the notice was issued; For other payment types no earlier than 30 days after the date on which the notice was issued.	✓	Day after payment was due.	2 WDs	✓	Regulation 17(5) Reg 17 (2) (f)
Ad-hoc payment e.g. following a dispute.	Ad-hoc	As soon as reasonably practicable as determined by the LCCC after making that determination.	✓	Day after payment was due.	2 WDs	✓	

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6.5.3 Supplier Payments under the Capacity Market

Payment Type	Frequency of Calculation	Payment Due (where 'D' is Day invoice sent)	Default Interest Applied	Interest Applies From (where 'D' is Day invoice sent)	Credit Cover Draw Down	Regulation ⁴⁴
Settlement Costs Levy ⁴⁵	Monthly	D + not less than 5 WDs.	✓	Payment due date.	x	Regulation 9(1)
Revised Settlement Costs Levy.	Annually	D + not less than 5 WDs.	✓	Payment due date.	x	Regulation 9(5)
CM Monthly Supplier Charge.	Monthly	D + not less than 5 WDs.	✓	Payment due date.	✓	Regulation 6
Reconciliation.	Up to 3 times per month	D + not less than 5 WDs.	✓	Payment due date.	✓	Regulation 20
Ad-hoc payment e.g. following a dispute.	Ad-hoc	As soon as reasonably practicable as determined by the ESC after making that determination.	✓	Payment due date.	x	Regulation 32

⁴⁴ The Electricity Capacity (Supplier Payment etc.) Regulations 2014

⁴⁵ For the first Settlement Cost Levy period, the relevant regulation is Regulation 44 of the Electricity Capacity Regulations 2014

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6.5.4 CfD Generator Payments

Payment Type	Frequency of Calculation	Payment Due (where 'D' is Day invoice sent)	Default Interest Applied	Interest Applies From (where 'D' is Day invoice sent)	Payment Default Cure Period	Credit Cover Draw Down	Regulations ⁴⁶
Negative Net Payable Amount.	Daily	D + 10WDs.	✓	Day after payment was due.	10 WDs from when first Late Payment Advice sent.	✓	Condition 22.7
Termination Fee.	Ad-hoc	D + ~30WDs (the 30WDs starts counting from the termination notice sent by LCCC).	✓	Day after payment was due.	20 WDs from when first Late Payment Advice sent.	✓	

⁴⁶ CfD Standard Terms and Conditions Version: 1 August 2014

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6.5.5 Capacity Provider Payments

Payment Type	Frequency of Calculation	Payment Due (where 'D' is Day invoice sent)	Default Interest Applied	Interest Applies From (where 'D' is Day invoice sent)	Credit Cover Draw Down	Regulations ⁴⁷
Termination Fee	Ad-hoc	D + not less than 5WDs.	✓	Payment due date.	✓	Regulation 43
Repayment of Capacity Payments	Ad-hoc	D + not less than 5WDs.	✓	Payment due date.	x	Regulation 43B ⁴⁸
Ad-hoc payment (e.g. following a dispute).	Ad-hoc	As soon as reasonably practicable as determined by the ESC after making that determination.	✓	Payment due date.	x	PART 10 Dispute resolution and appeals, CHAPTER 2 ESC decisions.
Penalty Charge	Ad-hoc	D + not less than 5WDs.	✓	Payment due date.	x	

⁴⁷ The Electricity Capacity Regulations 2014 as amended

⁴⁸ The Electricity Capacity (Amendment) Regulations 2015