
TYPE & NUMBER EMR Circular 20

Date 16 October 2014

To EMR Circular List

From EMR Settlement Limited

Purpose For Action

Consultation on the proposed approach to calculating supplier demand for EMR charging

This circular informs **electricity suppliers** that we've published a consultation on the **proposed approach to calculating supplier demand for EMR charging**. The consultation is looking at which Balancing Mechanism (BM) Unit data is used to calculate the total demand for each electricity supplier, in order to calculate charges payable under the **Contracts for Difference (Electricity Supplier Obligations) Regulations 2014** and the **Electricity Capacity (Supplier Payment) Regulations 2014**¹.

Who does this impact?

This consultation is of interest to all **electricity suppliers**, as it includes the BM Units we will use to calculate a suppliers demand for CFD and CM.

We are particularly interested in those **electricity suppliers** who own a Licensable power station and where the associated BM Units are registered to a company that also holds a Supply Licence.

What is this consultation looking to address?

This consultation looks to address the treatment of Licensable power stations, where owned by a company that also has a Supply Licence. Our proposal of which BM Units to include when calculating a suppliers demand for CFD or CM, has been amended to clarify that BM Units for such power stations should not be included in the calculation of CFD and CM demand for EMR charging purposes.

This only applies where the party registering the Metering Systems (and BM Unit) is a Licensed Supplier (non-suppliers are not subject to the the Contracts for Difference (Electricity Supplier Obligations) Regulations 2014 and the Electricity Capacity (Supplier Payment) Regulations 2014.

What do I need to understand?

This impacts any **electricity suppliers** who own a Licensable power station, where the associated BM Units are registered to a company that also hold a Supply Licence.

You need to understand our proposal on which BM Unit data will be used in CFD and CM settlement which is outlined from page six.

Appendix 1 of the consultation provides a useful table that summarises the proposed approach to calculating supplier demand. **Appendix 2** of the consultation document identifies the BM Units that will be used for CFD and CM settlement based on our amendment proposal.

- Appendix 1 – Table summarising the proposed approach to calculating supplier demand
- Appendix 2 – Balancing Mechanism (BM) Units identified as chargeable

¹ This is subject to the Electricity Capacity (Supplier Payment) Regulations 2014 being laid before Parliament.

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Our recommendation is for **all electricity suppliers** to review these aspects of the consultation.

Where can I locate the consultation documents?

You can locate the **consultation** and **response form** on our website; these are published on the consultation page, please [click here](#).

How do I respond to this consultation?

To respond to this consultation please:

- Complete the **response form**
- Email the completed response form to contact@emrsettlement.co.uk
- The deadline to receive responses is **Thursday 6 November 2014**

When we will provide the outcome from this consultation?

Once we've reviewed and addressed the consultation responses, we'll issue a final list of the BM Units identified as chargeable under the two EMR mechanisms by **Thursday 20 November 2014**.

Where can I get more information?

Find out more about our role in EMR on the [EMR Settlement website](#). If you have any further questions about this Circular, please email contact@emrsettlement.co.uk.