
TYPE & NUMBER EMR Circular 27

Date 23 December 2014

To EMR Circular List

From EMR Settlement Limited

Purpose For Information

We've now issued reserve payment notices to all licensed electricity suppliers

This circular informs all **licensed electricity suppliers** that we've issued all reserve payment notices, detailing the suppliers' reserve payment amount and the interim levy rate for the first quarterly obligation period, which covers 1 April 2015 to 30 June 2015.

On Thursday 18 December we issued [EMRC26](#) to confirm the Total Reserve Amount and Interim Levy Rate determined by the Low Carbon Contract Company (LCCC) and that we'd be shortly issuing the reserve payment notices.

This circular provides the following:

- When did the LCCC determine the Total Reserve Amount and Interim Levy Rate?
- What is included within the reserve payment notice?
- What is used to calculate my reserve payment?
- What is the Reference Period used?
- Where did you send my reserve payment notice to?
- Where is the Supplier Obligation Forecasting Model (SOFM) - Transparency Tool located?
- Where can I locate the bank account details to pay the reserve payment amount?
- When is the reserve payment amount due?
- Where is the CFD Reserve Payment guidance located?
- Have any Frequently Asked Questions been published?
- Who do I contact if I have a query?

Who does this impact?

This impacts all **licensed electricity suppliers**. A licensed electricity supplier must pay its share of the Total Reserve Amount in accordance with [The Contracts for Difference \(Electricity Supplier Obligations\) Regulations 2014](#).

When did the LCCC determine the Total Reserve Amount and Interim Levy Rate?

The LCCC determined the **Total Reserve Amount** and the **interim levy rate** on 16 December 2014.

Where is the Supplier Obligation Forecasting Model located?

You can locate the Transparency Tool on the [LCCC website](#). This provides information on both the Total Reserve Amount and the interim levy rate for the first quarterly obligation period.

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What is included within the reserve payment notice?

The notice informs all licensed electricity suppliers of the following:

- **Reserve payment amount** – payment is due no later than 13 April 2015
- **Interim levy rate** – applies to settlement days 1 April 2015 to 30 June 2015
- **Operational costs levy** – applies to settlement days 1 April 2015 to 31 March 2016

The notice is accompanied by an invoice for the reserve amount and a backing sheet providing the metered volumes used to determine the suppliers share of the Total Reserve Amount.

What is used to calculate my reserve payment?

We've apportioned the Total Reserve Amount amongst licensed electricity suppliers according to each supplier's market share. We've used metered data provided by the Balancing and Settlement Code Company (BSCCo) to calculate supplier's reserve payment.

For more information about how a supplier's market share is calculated, please see EMR **Circular 25** 'Response on proposed approach to calculating supplier demand for EMR charging', which is [available here](#).

What is the Reference Period used?

The Reference Period used to calculate a supplier's market share is 26 October 2014 to 24 November 2014. The Reference Period is the 30 calendar days for which there is metered data prior to the date on which the Total Reserve Amount is determined by the LCCC. This will include both Initial Volume Allocation Run (SF) and First Reconciliation Volume Allocation Run (R1).

Where did you send my reserve payment notice to?

Where a Company Registration Form was returned, we have emailed the notice to the email addresses provided on the form. Where a Company Registration Form has not been returned, or where we do not hold an email address we have posted the notices recorded delivery to the supplier's registered address that is publically available on [Ofgem's website](#).

We communicated about the completion of the Company Registration Form via [EMRC23](#) on Wednesday 26 November 2014. If you have not provided us with an email address you may do so by completing the company registration form available [here](#).

Where can I locate the bank account details to pay the reserve payment amount?

If you have received an invoice the bank account details are stated on the reserve payment invoice.

When is the reserve payment amount due?

The payment of the reserve payment amount is due no later than **Monday 13 April 2015**.

Where is the CFD Reserve Payment guidance located?

The 'CFD Reserve Payment' guidance is now [available here](#) on our website. The guidance includes the following information:

- How will my reserve payment be calculated?
- When are reserve payments due?
- How are reserve payments reconciled?

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This guidance steps you through how the quarterly reserve payment process and includes diagrams and worked examples.

Have any Frequently Asked Questions been published?

Yes, we have published related Frequently Asked Questions (FAQs) and these are available on our website, [here](#).

Who do I contact if I have a query?

Here are the necessary contact details if you have any queries.

Contact	Query	Telephone	Email
LCCC	Total Reserve Amount Interim Levy Rate SOFM - Transparency Tool	020 7211 8881	forecasting@lowcarboncontracts.uk
EMRS	Reserve Payment Notice Provision of supplier details CFD Reserve Payment Guidance	020 7380 4333	contact@emrsettlement.co.uk

Where can I get more information?

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