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**Date**                      20 March 2015

**To**                            EMR Circular List

**From**                        EMR Settlement Limited

**Purpose**                      For Information

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## Activities for the Settlement Costs Levy Notice and Invoice for 2015/16

This circular informs **Suppliers** of the forthcoming notice and invoice for the Settlement Costs Levy for the financial year 2015/16 for the Capacity Market. EMRS, on behalf of the Electricity Settlements Company (ESC), will shortly be sending out the notice to Suppliers, detailing the monthly Settlement Costs Levy payment amount and sending out the first monthly invoice for this.

This circular includes details on the following:

- How was the total Settlement Costs Levy determined?
- How will the Settlement Costs Levy notice and invoice be issued?
- What will be included within the Settlement Costs Levy notice?
- What is used to calculate my monthly Settlement Costs Levy payments?
- When will I receive my notice and invoice for the Settlement Costs levy?

## Who does this impact?

This impacts those Suppliers who supplied electricity to premises in Great Britain in periods of high demand in the preceding financial year (2014/15). They must make a monthly payment to ESC for the financial year as detailed in [The Electricity Capacity \(Supplier Payment etc.\) Regulations 2014](#).

## How was the total Settlement Costs Levy determined?

A consultation was issued via DECC on the Low Carbon Contracts Company's and Electricity Settlements Company's operational costs 2015/16 in November 2014 and government's response to this was published in January 2015. Both the consultation and response are available on the [DECC website](#).

## How will the Settlement Costs Levy notice and invoice be issued?

We'll be sending both the Settlement Costs Levy notice and the first invoice to Suppliers via the same workaround approach deployed for the reserve payment invoices we issued in December 2014.

As a result the invoice and backing data will be issued together in a PDF document via email. The backing sheet provided will detail the metered volumes used to determine the Supplier's market share. To support Suppliers we are also looking to provide the metered volumes in an excel format.

It's anticipated invoicing via the EMR Settlement System will commence from the 28 April 2015.

## What will be included within the Settlement Costs Levy notice?

The notice informs Suppliers of the following:

- Total amount to be charged to Suppliers in respect of the Settlement Costs Levy for the 2015/16 financial year

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- Their individual monthly Settlement Costs Levy payment amount
- Schedule of the invoice dates for the financial year 2015/16

Following the notice being issued, the first invoice for the monthly Settlement Costs Levy payment will be issued as per the Regulation 9(4)(b) on the first working day of the month, 1 April 2015.

## What is used to calculate my monthly Settlement Costs Levy payments?

The total Settlement Costs Levy will be apportioned between those Suppliers who supplied electricity to premises in Great Britain in periods of high demand in the financial year preceding 2015/16. This apportionment is calculated based on Suppliers' market share during periods of high demand from 4 pm to 7 pm on any working day in the period from November 2014 to the end of February 2015. This apportionment is calculated in accordance with Regulation 9(4) of [The Electricity Capacity \(Supplier Payment\) Regulations 2014](#).

We will use metered data provided by the Balancing and Settlement Code Company (BSCCo) to calculate Suppliers' monthly Settlement Costs Levy payments, which includes only Initial Volume Allocation Run (SF) metered data.

For more information about how a Supplier's market share is calculated, please see [EMR Circular 37](#).

## When will I receive my notice and invoice for the settlement costs levy?

We'll be sending your notice and invoice for the Settlement Costs Levy as follows:

- Settlement Costs Levy notice will be issued no later than 31 March 2015.
- Your first monthly Settlement Costs Levy payment invoice will be issued on 1 April 2015. This will be accompanied by a backing sheet providing the metered volumes used to determine the Supplier's market share.

Both the notice and invoice will be issued to your primary company email addresses specified on the Supplier's Registration form you've completed.

## Have any Frequently Asked Questions been published?

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

## Where can I get more information?

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