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**TYPE & NUMBER**      EMR Circular 43

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**Date**                      24 April 2015

**To**                         EMR Circular List

**From**                     EMR Settlement Limited

**Purpose**                    For Information

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### Further update on invoicing to Suppliers

On 16 April 2015, we informed Suppliers that we may be required to invoke contingency arrangements in order to issue invoices and backing data from 29 April 2015. Full details on this are available in [EMRC42](#).

This circular provides Suppliers with further details on the issuing of daily invoices and backing data for the CFD Operational Cost Payment 2015/16 that will begin from 29 April 2015.

This circular also provides details on:

- The operational period (1 April 2015 to 31 March 2016) for CFD Operational Cost Payment.
- The first operational period (1 January 2015 to 31 March 2015) for CFD Operational Cost Payment.
- The first levy period (1 August 2014 to 31 March 2015) for CM Settlement Costs Levy.
- The 2015/16 financial year for CM Monthly Settlement Costs Levy Payment.
- The available support for Suppliers and next steps?

### Who does this impact?

This impacts Suppliers:

- **CFD Operational Cost Payment 2015/16** – Suppliers who supply electricity during the operational cost period from 1 April 2015 to 31 March 2016.
- First operational period for **CFD Operational Cost Payment** – Suppliers who supplied electricity during the first operational cost period from 1 January 2015 to 31 March 2015.
- First levy period **CM Settlement Costs Levy Payment** – Suppliers who supplied electricity during the first levy period from 1 August 2014 to 31 March 2015.
- **CM Monthly Settlement Costs Levy Payment** – Suppliers who supplied electricity to premises in Great Britain in periods of high demand in the preceding financial year from 1 November 2014 to 28 February 2015.

## CONTINGENCY SOLUTION

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### Is the contingency solution being invoked?

We can confirm that the contingency solution to issue invoices and backing data for the daily invoicing and backing data from 29 April 2015 will be invoked, due to delays experienced. The only differences,

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Suppliers will experience with the contingency solution compared with the enduring EMR Settlement System, will be:

- Backing data will not be available via the DTN or the EMR Settlement Portal channels for the duration of the contingency arrangements though will be emailed.
- Invoices will not be encrypted.

In summary the solution will provide:

- Invoices and associated backing data emailed to Suppliers.
- Invoices including CFD Operational Cost payments and (where applicable) late payment interest.
- Invoices in PDF format, and backing data which will be attached in both CSV and pipe-separated Data Transfer Catalogue (DTC) format.

## How is the testing progressing for the contingency solution?

The testing for the contingency solution is progressing positively and the following activities have been successfully completed:

- Testing to validate the calculations performed.
- Testing to validate the generation of the invoices and backing data.
- Full independent testing of the solution.

We have commenced User Acceptance Testing (UAT) with Suppliers. We have provided invoices and backing data for the CFD Operational Cost Payment 2015/16. Supplier UAT will continue until the end of this week, Friday 24 April 2015.

## What format will the backing data use?

For the contingency solution we will be emailing backing data in both CSV and DTC-compliant formats. We sought feedback from Suppliers via [EMRC42](#) if they'd prefer to receive the DTN format in either:

- Pool Transfer File Format (with a ZHD file header)
- Variable User Format (with a ZHV header, an extra separator at the end of each record, and a slightly different footer)

Feedback from Suppliers has confirmed that the preferred format amongst Suppliers was the **Variable User Format**. Consequently, we will use the Variable User Format for the contingency solution.

## CFD OPERATIONAL COSTS PAYMENT - 2015/16

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This section provides further details on the daily CFD Operational Costs Payment 2015/16 which is invoiced each working day from 29 April 2015.

### What is the CFD Operational Levy Rate?

The CFD Operational Levy Rate has been set at **£0.0397** per megawatt hour. This is in accordance with Regulation 23(7)(a) of [The Contracts for Difference \(Electricity Supplier Obligations\) Regulations 2014](#) as amended by Regulation 28(3) [The Electricity Supplier Obligations \(Amendment & Excluded Electricity\) Regulations 2015](#). For more information on how this was determined please click [here](#).

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## FIRST OPERATIONAL PERIOD - CFD OPERATIONAL COST PAYMENT

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This section provides further details on the first operational period for **CFD Operational Cost Payment** which will be invoiced once, on 28 April 2015.

### What is the CFD Operational Levy Rate?

The CFD Operational Levy Rate has been set at **£0.079** per megawatt hour. This is accordance with Regulation 23 of [The Contracts for Difference \(Electricity Supplier Obligations\) Regulations 2014](#).

### What invoices and backing data will be sent?

Suppliers will be emailed the following:

- Invoice will be in PDF format (not encrypted) for payments relating to CFD Operational Cost payments.
- Associated backing data will provide the metered volumes used to determine the Supplier's market share. The format for the backing data will follow the same approach as for the reserve payment we issued on the 22 December 2014.

## FIRST LEVY PERIOD - CM SETTLEMENT COSTS LEVY

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This section provides further details on the first levy period for **CM Settlement Costs Levy** which will be invoiced once, on 28 April 2015.

### What is the Total Settlement Costs for the Capacity Market?

The total amount to be charged to all electricity Suppliers in respect of the Settlement Costs Levy for the first levy period is **£1,374,000.00**. This is accordance with [The Electricity Capacity Regulation 2014](#) (Regulation 44).

### What invoices and backing data will be sent?

Suppliers will be emailed the following:

- Invoices will be in PDF format (not encrypted) for payments relating to the CM Settlement Costs Levy.
- Associated backing data will provide the metered volumes used to determine the Supplier's market share and this will be provided in an excel format. The format for the backing data will follow the same approach as for the CM Monthly Settlement Costs Levy Payment invoice we issued on the 1 April 2015.

## CM MONTHLY SETTLEMENT COSTS LEVY PAYMENT

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For the second **CM Monthly Settlement Costs Levy Payment** which will be invoiced on 1 May 2015 the invoice and backing data will be issued together in a PDF document via email. The backing data will detail the metered volumes used to determine the Supplier's market share and will be supported with an excel format. This follows the same approach for the first CM Monthly Settlement Costs Levy Payment we issued on the 1 April 2015. Full details are available in [EMRC39](#).

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## SUPPORT AND WHAT HAPPENS NEXT

### When do I need to pay these invoices?

The table illustrates the invoice date and the first payment due date associated to these payments:

Payment	Frequency	Obligation Period	Date of Invoice	Payment Due Date
<b>CFD Operational Cost Payment</b>	One off	1 January 2015 to 31 March 2015	<b>28 April 2015</b>	<b>6 May 2015</b>
<b>CM Settlement Costs Levy Payment</b>	One off	1 August 2015 to 31 March 2015	<b>28 April 2015</b>	<b>1 May 2015</b>
<b>CFD Operational Cost Payment</b>	Daily	1 April 2015 to 31 March 2016	<b>29 April 2015</b>	<b>7 May 2015</b>
<b>CM Monthly Settlement Costs Levy Payment</b>	Monthly	1 November 2014 to 28 February 2015	<b>1 May 2015</b>	<b>7 May 2015</b>

Suppliers will receive separate invoices for the different payment types mentioned through this circular on behalf of LCCC or ESC.

### What supporting information is available?

We have the presentation material and supporting information from the last implementation event which was on 27 January 2015. This explains how the payments are calculated, the data used and the payment terms. This is available on the [EMRS website](#) and the relevant links are available below:

- [Supplier Implementation Event slide pack](#)
- [Supplier payment Hand-out](#)
- [Supplier EMR Payment Timeline](#)

Also, you'll find some useful [FAQs](#) on our EMRS website.

### Who do I contact regarding invoices and backing data queries?

From 28 April 2015, if you have any queries relating to your invoices and backing data, please contact us on 020 7380 4333 or email us at [contact@emrsettlement.co.uk](mailto:contact@emrsettlement.co.uk).

### What happens next?

We will be keeping Suppliers informed via further circulars on the following areas:

- Publication of the EMR Settlement Calendar.
- Implementation of the EMR Settlement System and transition from the contingency arrangements.
- Direct debit arrangements.

Separately, we've communicated with those Suppliers who registered to participate in UAT to continue to support the UAT for the contingency solution. We'll also be keeping those Suppliers informed when UAT will occur for the EMR Settlement System.

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## 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](mailto:contact@emrsettlement.co.uk) or call us on 020 7380 4333.