

**TYPE & NUMBER**      EMR Circular 61

**Date**                      1 October 2015

**To**                            EMR Circular List

**From**                        EMR Settlement Limited

**Purpose**                      For Information

## Reserve Payment Notices issued to Suppliers

This circular informs **Suppliers** that we've issued all Reserve Payment Notices, detailing the Total Reserve Amount, Supplier's Reserve Payment and the Interim Levy Rate for the quarterly obligation period, which covers 1 January 2016 to 31 March 2016.

This circular also provides details on the following:

- What is the Interim Levy Rate and Total Reserve Amount?
- What is used to calculate my Reserve Payment?
- What is the reference period used?
- When is the Reserve Payment invoiced?
- Where is the CFD Reserve Payment guidance document located?
- When does the CFD Supplier credit cover requirement commence?

## Who does this impact?

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

## What is the Interim Levy Rate and Total Reserve Amount?

The LCCC determined the Total Reserve Amount and Interim Levy Rate for the quarterly obligation period 1 January 2016 to 31 March 2016, as below:

Total Reserve Amount
<b>£8,861,112.35</b>

Interim Levy Rate
<b>£0.348/MWh</b>

## What is used to calculate my Reserve Payment?

The metered volumes used to determine a Supplier's market share appear in the notice that has been issued. These volumes will also be included in the quarterly reconciliation backing data scheduled to be issued on 9 October 2015.

We've apportioned the Total Reserve Amount amongst Suppliers according to each Supplier's market share. We've used metered data provided by the Balancing and Settlement Code Company (BSCCo) to

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calculate Supplier's Reserve Payment. To understand how Supplier's market share is calculated please refer to the '**Calculation of Supplier Demand for EMR Charging**' guidance available on our [website](#).

## What is the reference period used?

The reference period used to calculate a Supplier's market share is 25 July 2015 to 23 August 2015. 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) data.

## When is the Reserve Payment invoiced?

The Reserve Payment is captured in the quarterly reconciliation invoice, scheduled to be issued on 9 October 2015. This will confirm the payment date for the Reserve Payment, as 7 January 2016.

## Where is the CFD Reserve Payment guidance located?

The '**CFD Reserve Payment**' guidance is available on our [website](#). This guidance steps you through the Reserve Payment process and includes diagrams and worked examples.

## When does the CFD Supplier credit cover requirement commence?

The credit cover requirement will commence from 1 January 2016 as it is linked to having a non-zero Interim Levy Rate.

The related publications for CFD Supplier credit cover will be published on our [website](#) and we'll send an [EMR Circular](#) to alert you to their publication. Also, we will provide further details on CFD Supplier credit cover at the next Supplier event on Wednesday 21 October 2015. [EMRC57](#) provides further details on this event.

## What are the next steps?

Below are the key activities and dates to note:

Activity	Date
Reserve Payment, Total Reserve Amount and Interim Levy Rate Notice issued	30 September 2015
Quarterly reconciliation invoice and backing data issued	9 October 2015
CFD Supplier credit cover lodged	1 January 2016
Interim Levy Rate payments commence	1 January 2016
Reserve Payment amount due	7 January 2016

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## Who do I contact if I have a query?

Below are the most appropriate contact details depending on what your query relates to:

Contact	Query Topic	Telephone	Email
<b>LCCC</b>	Total Reserve Amount Interim Levy Rate	020 7211 8881	<a href="mailto:forecasting@lowcarboncontracts.uk">forecasting@lowcarboncontracts.uk</a>
<b>EMRS</b>	Reserve Payment, Total Reserve Amount & Interim Levy Rate Notice CFD Reserve Payment Guidance	020 7380 4333	<a href="mailto:contact@emrsettlement.co.uk">contact@emrsettlement.co.uk</a>

## Where can I get more information?

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