

TYPE & NUMBER EMR Circular 70

Date 22 December 2015

To EMR Circular List

From EMR Settlement Limited

Purpose For information

Adjusted Interim Levy Rate Notice issued to Suppliers

This circular informs all **Suppliers** that the Low Carbon Contracts Company (LCCC) have adjusted the Interim Levy Rate to **zero (£0.000 per MWh)** effective from **21 January 2016** for the quarterly obligation period 1 January 2016 to 31 March 2016.

On behalf of the LCCC we've issued an Adjusted Interim Levy Rate Notice to all Suppliers.

This circular also gives details on the following questions:

- How does this affect my Interim Rate payments?
- How does this affect my Reserve Payment amount?
- How does this affect my Credit Cover requirement?
- What are the key dates I need to remember?

Who does this impact?

This impacts all **Suppliers**.

How does this affect my Interim Rate payments?

Your Interim Rate payments from **Thursday 21 January 2016** will be calculated based on the adjusted Interim Levy Rate **£0.000 per MWh** resulting in zero payments.

How does this affect my Reserve Payment amount?

There is no change to Suppliers' Reserve Payment that was invoiced on the **Friday 9 October 2015** for the 1 January 2016 to 31 March 2016 quarterly obligation period. The Reserve Payment amount is due no later than **Thursday 7 January 2016**.

[The Contracts for Differences \(Electricity Supplier Obligations\) Regulations 2014](#) does not permit the Total Reserve Amount to be reduced. Following the end of each quarter, the Reserve Payment made by Suppliers is reconciled. This process is explained in [G3 - CFD Reserve Payment guidance](#) on our website.

How does this affect my Credit Cover requirement?

From **Thursday 21 January 2016** Suppliers will **not** be required to provide Credit Cover due to the Interim Levy Rate being adjusted to £0.000 per MWh.

[The Contracts for Differences \(Electricity Supplier Obligations\) Regulations 2014](#) require Credit Cover to be lodged for the start of the quarterly obligation period 1 January 2016 to 31 March 2016.

CIRCULAR

Suppliers are encouraged to be mindful of the festive period and potential bank and postal service delays to ensure valid Credit Cover is received by us on or before **Thursday 31 December 2015**. This is to ensure you fulfil your Credit Cover requirement on **Monday 4 January 2016**.

On Tuesday 1 December 2015, we issued [EMR Circular 67](#) to highlight the Credit Cover requirements.

When the Credit Cover requirement drops to zero Suppliers will be able to request any lodged cash Credit Cover or Letter of Credit to be returned. Please see [WP42 – Supplier CFD Credit Cover](#) on our website for further information on the process.

Where has LCCC published information about the Adjusted Interim Levy Rate?

This is published on the LCCC website on the [Announcements](#) webpage and further details will be available on the Transparency Tool in January 2016.

What are the key dates I need to remember?

This table illustrates the key dates we've highlighted through this circular for the quarterly obligation period 1 January 2016 to 31 March 2016.

Activity	Key Dates
Interim Rate payments commence	Monday 4 January 2016
CFD Supplier Credit Cover commence	Monday 4 January 2016
Reserve Payment due	Thursday 7 January 2016
Adjusted Interim Levy Rate effective	Thursday 21 January 2016
CFD Supplier Credit Cover not required	Thursday 21 January 2016

Have any Frequently Asked Questions been published?

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

Where can I get more information?

If you have any further questions about this circular, please email contact@emrsettlement.co.uk or call 020 7380 4333.