
TYPE & NUMBER EMR Circular 72

Date 6 January 2016
To EMR Circular List
From EMR Settlement Limited
Purpose For information

Update on the start of Interim Rate payments

This circular informs **Suppliers** when daily invoices will include Interim Rate payments for this quarterly obligation period, based on the current Interim Rate set by the Low Carbon Contracts Company (LCCC).

- First invoice to include an Interim Rate payment will be issued on **Tuesday 12 January 2016**

This circular also provides Suppliers with further details on Interim Rate payments, Credit Cover requirements, the Reserve Payment and the Quarterly Reconciliation for this quarterly obligation period.

Who does this impact?

This impacts **Suppliers**.

When will I receive invoices with Interim rate payments?

The following table illustrates when the first and last invoice will be issued that contain Interim Rate payments based on Interim Information Volume Allocation Run (II) metered data.

Invoice Date	Settlement Date
Tuesday 12 January 2016	Friday 1 January 2016
	Saturday 2 January 2016
	Sunday 3 January 2016
Friday 29 January 2016	Wednesday 20 January 2016

The data initially used will be reconciled within the quarterly obligation period against SF and R1 Volume Allocation Runs. You will find the invoice and payment dates for all Volume Allocation Runs in the [Supplier EMRS Settlement Calendar](#), this is available on the [Settlement Data](#) page on our website.

The invoices will show a line item for the reconciled Interim Rate payments for the Settlement dates **Friday 1 January 2016** to **Wednesday 20 January 2016**.

What will happen to the Interim Rate payments I have made following the end of the quarterly obligation period?

Payments made during the quarterly obligation period 1 January 2016 to 31 March 2016 will be reconciled and invoiced on **Monday 11 April 2016** via the Quarterly Reconciliation process. At present, we expect that this will identify no payments were made to CFD Generators. Consequently, Interim Rate monies paid by Suppliers will be returned via this process. Any payments due back to Suppliers will be returned in accordance with the [Supplier EMRS Settlement Calendar](#).

CIRCULAR

When can I stop providing Credit Cover?

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. 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.

From **Thursday 21 January 2016** the daily Credit Cover Reports will no longer be issued.

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.

When is my Reserve Payment due for this quarterly obligation period?

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

The [Contracts for Difference \(Electricity Supplier Obligations\) Regulations 2014](#) do not permit the Total Reserve Amount to be reduced. Following the end of each quarter, the Reserve Payment made by Suppliers is reconciled. This will be reconciled and invoiced on **Monday 11 April 2016** via the Quarterly Reconciliation process. Any payments due back to Suppliers will be returned in accordance with the [Supplier EMRS Settlement Calendar](#).

This process is explained in [G3 - CFD Reserve Payment guidance](#) on our website.

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
First Interim Rate payment Invoice	Tuesday 12 January 2016
Reserve Payment due	Thursday 7 January 2016
Adjusted Interim Levy Rate effective	Thursday 21 January 2016
End of CFD Supplier Credit Cover requirement	Thursday 21 January 2016
Last Interim Rate payment (II data)	Friday 29 January 2016
Quarterly Reconciliation Invoice	Monday 11 April 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.