

CIRCULAR

TYPE & NUMBER EMR Circular 145

Date 20 December 2017

Purpose For information

Updates from LCCC on the Interim Levy Rate and Total Reserve Amount

[Low Carbon Contracts Company](#) (LCCC) has determined the following:

- Adjust the Interim Levy Rate to **£2.856/MWh** from £3.149/MWh and Total Reserve Amount from £37,917,807.57 to **£30,679,482.41** for the Quarterly Obligation Period **1 January 2018 to 31 March 2018**; and
- Set the Interim Levy Rate to **£3.820/MWh** and Total Reserve Amount at **£32,136,453.29** for the Quarterly Obligation Period **1 April 2018 to 30 June 2018**.

On behalf of LCCC, we have issued notices to **Suppliers** to inform them. This circular provides further information and if Suppliers are required to take any action.

Who does this impact?

This impacts **Suppliers**.

Why was the Interim Levy Rate and Total Reserve Amount adjusted for Quarterly Obligation Period 1 January 2018 to 31 March 2018?

For the first time, LCCC has reduced both the Total Reserve Amount (TRA) and the Interim Levy Rate (ILR). This reduction is due to a change in expected start date of a CFD Generator, resulting in less generation than originally forecast.

How can I find out more about how the TRA and ILR were determined?

On **Wednesday 17 January**, LCCC Forecasting team will be hosting a webinar on the Supplier Obligation Levy Rate and Total Reserve Amount determined for the Quarterly Obligation Period **1 April 2018 to 30 June 2018**. This will include the background and assumptions applied and provide a 15 month forecast. To register for this webinar please email [LCCC](#).

Further details can be found by reviewing the [Transparency Tool](#) which provides details of the calculations performed to set and adjust the ILR and the TRA.

How does this affect my Interim Rate payments and Credit Cover requirements?

Suppliers must make **Interim Rate payments** and provide **Credit Cover** if they supply electricity within the Quarterly Obligation Period.

Suppliers are required to maintain their Credit Cover requirement using the ILR applicable for the Quarterly Obligation Period. If Suppliers need to lodge additional Credit Cover the process is detailed within [WP42 – Supplier CFD Credit Cover](#) and [G5-Supplier CFD Credit Cover](#) available on the EMRS website.

Where can I locate information on how my Reserve Payment is calculated?

G3 - CFD Reserve Payment provides information on how the Reserve Payments are calculated and this document is located on the [Guidance](#) webpage on the EMRS website.

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What are the key dates I need to be aware of?

The table below shows the key dates for the **1 January 2018 to 31 March 2018** Quarterly Obligation Period with the adjusted ILR. These key dates were communicated on 28 September 2017 in [EMRC134](#).

Date	Activity
29 December 2017	Suppliers to ensure their Credit Cover lodged is sufficient for ILR of £2.856/MWh from the 1 January 2018 to 31 March 2018
1 January 2018	ILR of £2.856/MWh applies for 1 January 2018 to 31 March 2018
10 January 2018	Suppliers to be invoiced for the first Interim Rate payment based on £2.856/MWh rate applies for 1 January 2018 to 31 March 2018

The table below shows the key dates for the **1 April 2018 to 30 June 2018** Quarterly Obligation Period:

Date	Activity
10 January 2018	Suppliers Reserve Payment Notice issued
29 March 2018	Suppliers to ensure their Credit Cover lodged is sufficient for ILR of £3.820/MWh from the 1 April 2018 to 30 June 2018
1 April 2018	ILR of £3.820/MWh applies for 1 April 2018 to 30 June 2018
12 April 2018	Suppliers to be invoiced for the first Interim Rate payment based on £3.820/MWh applies for 1 April 2018 to 30 June 2018

EMRS Settlement Calendar will provide the dates for when invoices will be generated and when payments are due. The EMRS Settlement Calendar for 1 April 2018 to 31 March 2018 will be published during March 2018. **Key Payment Figures** will provide details of the ILR's and the TRA's for the Quarterly Obligation Periods. These are both available on the [Settlement Data](#) webpage on the EMRS website.

Who do I contact if I have a query?

Contact	Query Topic	Telephone	Email
LCCC	Total Reserve Amount, Interim Levy Rate	020 7211 8881	forecasting@lowcarboncontracts.uk
EMRS	Reserve Payment, Total Reserve Amount & Interim Levy Rate Notice, Quarterly Supplier Reconciliation Invoice, and Credit Cover	020 7380 4333	contact@emrsettlement.co.uk