

# CIRCULAR

**TYPE & NUMBER** EMR Circular 159

**Date** 28 June 2018

**Purpose** For information

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

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

- For the **1 July 2018 to 30 September 2018** Quarterly Obligation Period, the Interim Levy Rate is adjusted to **£3.899/MWh** from £4.224/MWh and the Total Reserve Amount to **£24,296,395.24** from £31,981,875.00.
- For the **1 October 2018 to 31 December 2018** Quarterly Obligation Period, the Interim Levy Rate is set to **£4.080/MWh** and Total Reserve Amount at **£53,479,738.52**.

On behalf of LCCC, EMRS 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 July 2018 to 30 September 2018?

LCCC has reduced both the Interim Levy Rate (ILR) and the Total Reserve Amount (TRA). This is due to a rise in market prices, resulting in less generator payments than originally forecasted.

The [Transparency Tool](#) has been updated to reflect this adjustment.

### How does this affect my Interim Rate payments, Reserve Payment and CFD Credit Cover requirements?

As the Quarterly Obligation Period **1 July 2018 to 30 September 2018** has not yet commenced, the key dates previously communicated in [EMRC153](#) still apply at the adjusted ILR and TRA.

Suppliers are notified of their adjusted proportion of the TRA and this will be invoiced via the Quarterly Reconciliation issued on 10 July 2018.

Suppliers will be able to request any excess lodged cash Credit Cover or Letter of Credit to be returned. Further information on the process for returning Credit Cover is available in [WP42 – Supplier CFD Credit Cover](#).

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

The table below shows the key dates for the **1 October 2018 to 31 December 2018** Quarterly Obligation Period:

Date	Activity
<b>10 July 2018</b>	Suppliers Reserve Payment Notice issued
<b>28 September 2018</b>	Suppliers to ensure their Credit Cover lodged is sufficient for ILR of <b>£4.080/MWh</b> from the <b>1 October 2018 to 31 December 2018</b>

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Date	Activity
<b>1 October 2018</b>	ILR of <b>£4.080/MWh</b> applies for <b>1 October 2018 to 31 December 2018</b>
<b>10 October 2018</b>	Suppliers to be invoiced for the first Interim Rate payment based on <b>£4.080/MWh</b> applies for <b>1 October 2018 to 31 December 2018</b>

**EMRS Settlement Calendar** will provide the dates for when invoices will be generated and when payments are due. **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.

## What are my requirements against Interim Rate payments and Credit Cover?

**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.

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

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