

CIRCULAR

TYPE & NUMBER EMR Circular 161

Date 27 July 2018

Purpose For information

Suppliers to receive refund of excess Operational Costs and Settlement Costs Levy for Financial Year 2017/18

EMRS, on behalf of [Low Carbon Contracts Company](#) (LCCC) and [Electricity Settlements Company](#) (ESC), confirms for the Financial Year 2017/18 (1 April 2017 to 31 March 2018):

- A **repayment of excess CFD Operational Costs** will be issued to **Suppliers** based on the Total Repayment of Excess Operational Costs: **£2,660,765.77**. On **31 July 2018** Suppliers will receive a credit note for repayment of excess CFD Operational Costs with a payment date of **7 August 2018**.
- **CM Settlement Costs Levy refund** will be issued to **Suppliers** based on the Total Settlement Costs Levy Refund: **£702,707.81**. On **1 August 2018** Suppliers will receive a credit note for CM Settlement Costs Levy refund with a payment date of **8 August 2018**.

Please be advised that there will be no associated backing data for the repayment of excess for the Operational Costs. Associated backing data will be issued for the Settlement Costs Levy refund.

Who does this impact?

This impacts **Suppliers** who made Operational Costs and Settlement Costs Levy Payments in Financial Year 2017/18.

What will happen if an invoice is due on the same date?

If an invoice is due on the same date, please note:

- If the invoice amount is greater than the credit note amount, please pay the net amount; or
- If the credit note amount is greater than the invoice amount, EMRS will allocate the credit against the invoice amount, and the remaining credit will be paid to the Supplier's registered bank account.

How is my share calculated?

Supplier's **repayment of excess CFD Operational Costs** is calculated based on their **overall market share** over the Financial Year. This is in accordance with [the Contracts for Difference \(Electricity Supplier Obligations\) Regulations 2014](#), (as amended), Part 3, Chapter 8, Regulation 24(3).

Supplier's **CM Settlement Costs Levy Refund** is calculated using a **payment share** based on the amount of Settlement Costs Levy Payments paid in the Financial Year. This is in accordance the [Electricity Capacity \(Supplier Payment etc.\) Regulations 2014](#), (as amended) Part 3, Regulation 10(3)(a).

More information

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