

CIRCULAR

TYPE & NUMBER EMR Circular 190

Date 11 October 2019

Purpose For information

Electricity Settlements Company (ESC) and its delivery partners are preparing for the restart of the Capacity Market

EMRS, on behalf of [The Electricity Settlements Company](#) (ESC), would like to inform suppliers that ESC and its delivery partners are preparing for the restart of the Capacity Market in the event that the Commission gives State aid approval.

You will be aware that on 15 November 2018 the judgment of the General Court of the Court of Justice of the European Union had the effect of annulling the European Commission's State Aid approval for the Capacity Market scheme and introduced a Standstill Period unless and until the scheme can be approved again.

EMRS has published ESC's guidance note: [G22 – Capacity Market Settlement Restart](#) setting out the timelines, processes and steps that would take place on the restart of the Capacity Market scheme. The guidance sets out the details of what suppliers would need to pay, and when.

It is not known when the European Commission will make its decision. However, if the Commission gives State aid approval by the end of October 2019, which enables the Secretary of State to restart the full operation of the Capacity Market:

- Suppliers can expect to receive their Standstill Collection Period Supplier Charge Invoice in mid-November 2019; and
- Suppliers will need to post credit cover for the first non-standstill month in mid-November 2019.

Please refer to the [G22 guidance](#) for more information on timings for payments and credit cover.

ESC is aware that Ofgem wrote to all suppliers in August 2019 reminding them of their statutory obligation to pay invoices issued by ESC for the Capacity Market in full and on time in the event that the Commission gives State aid approval. Upon restart of the Capacity Market, ESC will be closely monitoring the payments made by suppliers and has been asked to keep BEIS and Ofgem informed of any late payments.

ESC will add suppliers to the non-payment register on its website for a 12-month period and take appropriate debt recovery action where required to ensure all suppliers meet their payment obligations.

Further information

If you have any questions about this circular or if you would like to discuss any aspect of the planned Capacity Market restart please email contact@emrsettlement.co.uk or call us on 020 7380 4333.