

20 January 2020

### **Capacity providers paid over £1bn in full settlement of CM standstill period**

The Electricity Settlements Company (ESC) is pleased to announce that Capacity Providers have today been paid over £1bn, in full settlement of their deferred capacity payments for the standstill period.

The payment is a major milestone in the restart of the Capacity Market scheme, following suspension of payments to generators and collections from suppliers as a result of the November 2018 ruling by the European Union General Court of Justice, and the consequent introduction of a standstill period for the scheme.

Excellent communication with the market has been key to the restart being a smooth process. ESC took a leading role in the restart, producing guidance last summer and engaging proactively with suppliers through our bulletins and events. We were also greatly assisted by exceptional cross-team working across BEIS, Ofgem and National Grid ESO, which resulted in clear and timely action. Our settlement partner EMRS has also been fundamental to this success.

LCCC/ESC CEO, Neil McDermott said: “The Capacity Market restart has been a challenging project, with no precedent to follow. It is therefore very heartening that we have been able to issue standstill payments in full and on time, boosting investor confidence in the Capacity Market. Our thanks go to all our partners, particularly suppliers, whose cooperation resulted in over 99% of invoiced funds collected within 15 working days.”

While ESC collected sufficient funds to pay Capacity Providers, a small number of suppliers have not yet paid their full contribution under Capacity Market regulations. ESC will pursue debt recovery action where necessary, and any funds received will be distributed to all suppliers that received a mutualisation invoice.

ENDS

#### **Notes to Editor:**

- In conjunction with the distribution of standstill payments, Low Carbon Contracts Company (LCCC) and ESC have published new data on the Capacity Market scheme, accessible through the [Schemes dashboards](#) on the LCCC website. These show the capacity supported and payments made to Capacity Providers since the start of the scheme, including for the standstill

period. The existing CfD dashboards have also been extended, with information published on the greenhouse gas emissions avoided due to the operation of CfD-supported generation, and a projection of avoided emissions from the portfolio in the future.

- Electricity Settlements Company (ESC) is the designated Capacity Market Settlement Body under the government's Capacity Market scheme.
- ESC manages all financial transactions under the Capacity Market scheme, including credit cover, payments, penalties, meter assurance and volume reallocation for secondary trading.
- Low Carbon Contracts Company (LCCC) is the designated Counterparty to Contracts for Difference (CfDs) and Investment Contracts awarded to generators under the government's CfD scheme.
- LCCC manages a portfolio of CfDs with low carbon generators building over 13GW of new capacity. The current CfD portfolio consists of advanced conversion technologies, biomass conversion, dedicated biomass and energy from waste with CHP, onshore and offshore wind, solar plants and the Hinkley Point C nuclear power plant.
- The CfD and Capacity Market scheme deliver outcomes in support of the government's objectives of ensuring the UK has reliable, affordable, and clean electricity. For more information, please visit our website [www.lowcarboncontracts.uk](http://www.lowcarboncontracts.uk) or email [info@lowcarboncontracts.uk](mailto:info@lowcarboncontracts.uk).