

Electricity Supplier and Capacity Market Bulletin

Issued 7 August 2019

Dear Stakeholder,

Welcome to the Electricity Supplier and Capacity Market Bulletin from the Electricity Settlements Company (ESC).

This bulletin covers:	
ESC and EMRS readiness for CM restart	Progress update on operational and system changes required for CM restart
Participant readiness for CM restart	New Capacity Market Settlement Restart Guidance and Ofgem letter to Suppliers about their financial obligations
Post Standstill Payments to Capacity Providers	Timelines for when Capacity Providers would receive payments in the event of a positive State aid decision
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ESC readiness for CM restart

ESC is working with EMRS in preparation for the potential restart of the Capacity Market.

We are updating our systems and processes in readiness for the European Commission's State aid decision on the Capacity Market. We will need to release new functionality into the settlement system to ensure our systems and processes are ready for Capacity Market settlement restart.

In practice, this means that over the coming months we will be updating our Guidance and Working Practice documents to reflect changes we have made to our systems functionality. We will keep you informed of any key areas of change.

Participant readiness for CM restart

Suppliers and Capacity Providers should be preparing for CM restart to ensure they are ready to meet their obligations. To help Suppliers and Capacity Providers to know what to expect in the event of a positive State aid decision, EMRS have published the [G22 Capacity Market Settlement Restart Guidance](#). The G22 Guidance explains the process for the collection and payment of deferred Capacity Market payments in respect of the Standstill Period, in the event of a positive State aid decision.

Suppliers are reminded that a [Voluntary Supplier Arrangement](#) (VSA) is in place to help them manage their potential Standstill obligations.

Ofgem is writing directly to all Suppliers today to remind them of their financial obligations under statutory support schemes. As and when the Capacity Market Standstill ends, Suppliers are reminded that they must have made financial preparations to pay invoices issued by ESC for their portion of the Capacity Market Standstill Supplier Charge. ESC will be taking non-payment of invoices seriously and will take appropriate steps to collect any outstanding payments.

ESC will be working closely with Ofgem monitoring progress in the payment and collection of Suppliers' payments to meet their financial obligations with respect to the Capacity Market.

Post Standstill Payments to Capacity Providers

Our published Guidance (G22) set outs the detailed process for Capacity Providers to receive payments, following a positive State aid decision.

The Standstill Capacity Payment Credit Notes will be issued on the 28th working day after the end of Standstill Collection Period, with a payment due date 5 working days later.

We do not know when the standstill period will end, but as an example, if the payment triggers were to occur on 10 October 2019 the Standstill Period would come to an end on 10 October 2019, but both October and November 2019 would be classed as Standstill Months. In this scenario, the Standstill Collection Period would end on 30 November 2019. Thus, the Standstill Capacity Payment Credit Notes (one for Delivery Year 18/19 and one for Oct-Nov 2019 in Delivery Year 19/20) would be dated 28 working days after the end of the Standstill Collection Period, i.e. 13 January 2020 in this example with a payment due date 5 working days later on 20 January 2020.

Further information on our Bulletins

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Kind regards

Electricity Settlements Company