

# CfD and CM Bulletin

## 06 November 2020

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### Impact of November to December 2020 lockdown on ILR

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Following the UK Government's decision to introduce a nationwide lockdown between 5 November and 2 December 2020, this notice is intended to provide Electricity Suppliers with an indication of how Low Carbon Contracts Company (LCCC) will monitor and factor in any impact on demand.

The first nationwide lockdown, which ended in mid-May, contributed to an 11.8% reduction in eligible demand compared to LCCC's internal forecast. Combined with a reduction in market prices, which increased the difference between the strike price and the reference price, this led to a higher shortfall between

levy receipts and CfD payments. The shortfall was partly covered by a loan extended by BEIS in Q2 2020. Further details of the BEIS loan utilisation are available in a Stakeholder Bulletin published on 14 July 2020, available via LCCC's website at this [link](#).

Given the ongoing situation, we have started the enhanced internal monitoring which will help to inform a timely adjustment to the Interim Levy Rate (ILR), should this be necessary. However, as Q4 2020 is currently [tracking at a positive surplus](#), LCCC does not believe that an increase in the ILR will be needed for the current period.

### Upcoming events – register via [LCCC's Events page](#)

#### **Supplier Webinar – Operational Update on CfD and CM Schemes**

2 – 3pm, 19 November 2020

LCCC, ESC and EMRS will provide an operational update on the CfD and CM schemes, with opportunities to ask questions throughout the webinar. Further details [here](#).

#### **LCCC workshop for Generators: Understanding LCCC's roles & responsibilities**

10am – 12pm, 26 November 2020

The first in a series of quarterly webinars for generators, this session will provide an overview of LCCC's role at the forefront of delivering net zero. Further details [here](#).

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