

CfD and CM Bulletin

15 December 2021

ILR and TRA determinations for Q2 2022

Low Carbon Contracts Company (LCCC) has determined the Interim Levy Rate (ILR) and Total Reserve Amount (TRA) for the Quarterly Obligation Period 1 April 2022 to 30 June 2022. The amounts are:

- **ILR = £0.000/MWh**
- **TRA = £233,290,074.31**

In making this determination, LCCC notes the high volatility of power market prices. Market prices for this calculation were taken as closing mid-prices on 9 December 2021.

To support Suppliers, EMRS have provided further details on their website via a [news item](#). All EMRS news items can be viewed via their dedicated [news webpage](#).

Before Period Adjustment for Q1 2022

LCCC has also reduced the Interim Levy Rate (ILR) for the Quarterly Obligation Period 1, January 2022 to 31 March 2022. The adjusted amount is:

- **ILR = £0.000/MWh**

Market prices for this determination were taken from 3 December 2021. Please note that LCCC cannot set an ILR of less than £0.000/MWh.

LCCC will be monitoring market prices closely during the quarter, and will make an upward adjustment to the ILR if market prices move in such a way as to lead LCCC to expect that the TRA will be insufficient to cover any increase in CfD costs.

For further detail on LCCC's calculations, please refer to our online [CfD Levy Dashboards](#).

CfD Allocation Round 4: latest updates

The latest and biggest ever round of the UK's Contracts for Difference (CfD) scheme is now open for applications. This fourth Allocation Round (AR4) aims to secure 12GW of electricity capacity, with £285 million per year available to

fund low-carbon energy projects. Projects using offshore and onshore wind, solar, tidal stream and floating offshore and remote island wind technology, amongst others, are all eligible to

bid for funding. The government's press release marking the opening of AR4 is available [here](#).

The AR4 microsite: An essential resource for applicants

Launched in April 2021, the [AR4 microsite](#) is a one-stop, comprehensive source of up-to-date information on all aspects of AR4.

The microsite features all relevant AR4 documents (including guidance, statutory

notices and event materials), detailed timelines for the round, video tutorials including how to submit a CfD application, regularly updated FAQs and a webform to direct questions about the round to the relevant CfD delivery partners.

Update on BSUoS

An explanatory note on the treatment of balancing services use of system (BSUoS) charges in AR4 is now available via the [Publications page](#) on the AR4 microsite.

Upcoming LCCC events

CfD ILR and TRA: Q1 2022

10-10:45am, Thursday 27th January 2022

Our Forecasting team will discuss the Q2 2022 forecasts and the out-turn of Q4 2021. Register for this event [here](#).

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