

CfD and CM Bulletin

27 June 2022

ILR and TRA determinations for Q4 2022

Low Carbon Contracts Company (LCCC) has determined the Interim Levy Rate (ILR) and Total Reserve Amount (TRA) for the Quarterly Obligation Period from 1 October 2022 to 31 December 2022. The amounts are:

- **ILR = £0.000/MWh**
- **TRA = £390,333,501.70**

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 15 June 2022.

LCCC will be monitoring market prices closely and will make an adjustment to the ILR and/or TRA if market prices move in such a way as to lead LCCC to expect that the TRA will be insufficient to cover or significantly in excess of the CfD costs, noting that once the quarter has started, the TRA can only be increased.

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

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

Information to support potential AR4 Generators

Ahead of Allocation Round 4, LCCC has updated guidance documents and other information to support CfD Generators.

An updated version of LCCC's guidance document for the Initial Conditions Precedent (ICP) process and a podcast outlining the Legal Opinion part of the process are available via this page: [Initial Conditions Precedent \(ICP\) Guidance](#). The ICP process is the first contractual requirement after signing a CfD. All of LCCC's guidance documents are available on LCCC's [Publications](#) webpage.

Additionally, all AR4 bidders are invited to attend [LCCC's webinar on the ICP process on 30 June](#). The one-hour session will go through the three components of the ICP process: Legal Opinion, Know Your Customer and Facility Description, with opportunities to ask questions during the session.

Finally, a recording of LCCC's recent webinar outlining the contract production process in AR4 is now available here: [Contract Production Process for CfD Allocation Round 4 Generators](#).

BEIS updates on nuclear Regulated Asset Base (RAB) model

The Department for Business, Energy and Industrial Strategy (BEIS) recently published a suite of documents that show significant progress toward implementing a Regulated Asset Base (RAB) funding model to support new nuclear projects.

The Sizewell C project in Suffolk could be the first nuclear project to use the RAB model, subject to the outcome of current negotiations.

Low Carbon Contracts Company has been designated as revenue collection counterparty

for the nuclear RAB model, as announced in this [Notice](#).

A consultation seeking views on the revenue regulations for the implementation of the nuclear RAB model revenue stream is currently open, and will close at 11:45pm on 9 August 2022. The consultation is available here: [BEIS consultation: Revenue stream for nuclear RAB](#).

Further details on this update are available in this news story: [Kwarteng advances plans for funding new nuclear projects, including Sizewell C](#).

Upcoming LCCC events

LCCC Workshop for AR4 Bidders: Guidance on Initial Conditions Precedent 11am-12pm, Thursday 30th June

This one-hour webinar will provide guidance on Initial Conditions Precedent (ICP), the first contractual requirements after signing a CfD. Register for this event [here](#).

CfD ILR and TRA: Q4 2022 10-10:45am, Wednesday 20th July

Our Forecasting team will discuss the Q4 2022 forecasts and the out-turn of Q1 2022. Register for this event [here](#).

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