

CfD and CM Bulletin

07 February 2023

LCCC makes an in-period adjustment to the ILR for Q1 2023

Low Carbon Contracts Company (LCCC) has adjusted the Interim Levy Rate (ILR) for the period from 9 March 2023 to 31 March 2023. The ILR has been adjusted to **£8.120/MWh** from £0.000/MWh. No adjustment has been made to the Total Reserve Amount (TRA).

The ILR has been set to a value above zero for the first time since September 2021. In making this adjustment, LCCC notes the downward trend of the prices in the day-ahead and forward power markets, and the smaller observed disconnection between the forward and day-ahead prices, which has been the case recently. Market prices for this calculation were taken as closing mid-prices on 30 January 2023.

LCCC recognizes the high uncertainty in the power sector and the high likelihood of surprises and 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 over-collection or that the TRA and ILR may be insufficient to cover the CfD costs. Note that once the quarter has started, the TRA can only be increased, while ILR can be increased or decreased.

For further details on LCCC's calculations, please refer to our online [CfD Levy Dashboards](#) and to the recording from our [latest quarterly webinar on the Q2 2023 ILR and TRA](#).

If you would like to know more about why the ILR has been set to a value above zero for the first time since September 2021, please read our insight piece [here](#).

With the increase to the Interim Levy Rate from 9 March 2023, Suppliers will be required to maintain Credit Cover using the Interim Levy Rate of **£8.120/MWh**. EMRS has published supporting information for Suppliers on how to calculate their minimum Credit Cover requirement and how to lodge Credit Cover. This information is available within [latest news](#) on the EMRS website.

Please also visit the [EMRS website](#) for further updates on the ILR and TRA for Q1 2023.

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