

WP42 – Supplier CfD and Nuclear RAB Credit Cover

EMRS Working Practice

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1. Change Amendment Record

Version	Date	Description
2.0	25 November 2015	First Go Live version.
3.0	18 January 2016	Changes to LCCC bank account.
4.0	13 June 2016	Update to the Letter of Credit Template
5.0	9 September 2016	Update to LoC templates and addition of SWIFT process
6.0	22 August 2017	Amended LOC and SWIFT Templates
7.0	30 August 2018	Update to include reference to SWIFT template type Update to timings to 24 hour Include LoC cover provided by third parties
8.0	15 April 2019	Housekeeping updates
9.0	30 March 2020	Update to include bank account name requirements for any cash return request due to the introduction of Confirmation of Payee.
10.0	27 October 2020	LoC Updates
11.0	9 August 2021	LCCC/ESC Change of Address
12.0	30 June 2023	Updates for Nuclear RAB and Annual Review
13.0	17 July 2023	Formatting Updates
14.0	3 January 2024	Housekeeping changes and Annual Review
15.0	26 January 2024	Updates to Contents Page
16.0	28 March 2024	Housekeeping changes

2. Introduction

Suppliers are required to provide Credit Cover to Low Carbon Contracts Company (LCCC) in order to mitigate the risk of non-payment of obligations that are used to fund Contract for Difference (CfD) Generator payments and Nuclear Regulated Asset Base (RAB) payments to the Revenue Collection Counterparty (RCC). This working practice specifies the relevant activities for Suppliers, EMR Settlement Ltd (EMRS) and LCCC to enable the provision, reporting on and management of Credit Cover within the CfD and Nuclear RAB schemes.

2.1 Scope and Purpose

This working practice details how Suppliers can provide, and request the return of Credit Cover as part of their obligations under the CfD and Nuclear RAB schemes. It also details how EMRS will record and monitor Credit Cover against a Supplier’s requirements, and provides details on how and when EMRS will use it. This document covers any Credit Cover provided by Suppliers for use in the CfD and Nuclear RAB schemes.

2.2 Main Users of this Document and Responsibilities

Name	Responsibilities
Low Carbon Contracts Company (LCCC)	Responsible for authorising return or draw down of Credit Cover, specifying the Letter of Credit (LoC) requirements and acceptable risk ratings for banks issuing LoCs
EMR Settlement Ltd (EMRS)	Responsible for receiving, managing and monitoring Credit Cover under the CfD and Nuclear RAB schemes in line with regulations
Supplier	Responsible for ensuring they maintain valid Credit Cover with EMRS to a minimum of the calculated Credit Cover requirement

2.3 Associated Documents.

This working practice is based upon, but does not replace the regulations overseeing CfD and Nuclear RAB and should be read in conjunction with the following:

Document

Contracts for Difference (Electricity Supplier Obligation) Regulations (2014), and all subsequent amendments ¹
The Nuclear Regulated Asset Base Model (Revenue Collection) Regulations 2023 and all subsequent amendments ²
EMRS Guidance G5 - Supplier CfD and Nuclear RAB Credit Cover ³
EMRS Working Practice WP41 - Late Payment Procedure ⁴

3. Supplier CfD and Nuclear RAB Credit Cover

3.1 Credit Cover requirements

It is the responsibility of Suppliers to lodge and maintain sufficient valid Credit Cover to meet their Credit Cover requirement on each day during the relevant period. As a minimum, a sufficient level is equivalent to the last 21 days of Chargeable demand (Gross Demand⁵ - EII exempted electricity) multiplied by the Interim Levy Rate in force on the day for which the calculation is being performed⁶. This can be provided either via a valid Letter of Credit (LoC) and/or cash transferred into the correct bank account⁷.

EMRS will inform a Supplier of their Credit Cover requirements on a daily basis and will compare this against their currently lodged Credit Cover. Where found to be insufficient, a Supplier will be allowed a two-day cure period to rectify their shortfall, after which additional escalating actions will be taken. Credit Cover for CfD and Nuclear RAB obligations are maintained and monitored separately with separate accounts and LoCs for each scheme.

3.2 Credit Cover validity

Credit Cover must be provided and maintained in a valid form. Cash Credit Cover must be lodged in the correct LCCC bank account (for ease of reference it is included in section 4.1 and 5.1 – scheme dependant).

For LoCs, these must:

- Be in a valid format⁸
- Have the LCCC as the beneficiary
- Be issued via SWIFT to LCCC's agent (NatWest)
- Be issued by a bank with a suitable short-term rating (i.e. 1/3 of the following):
 - F1 rating by Fitch Ratings

¹ <http://www.legislation.gov.uk/ukxi/2014/2014/made>

² <https://www.legislation.gov.uk/ukxi/2023/254/contents/made>

³ <https://emrsettlement.co.uk/publications/guidance/>

⁴ <https://emrsettlement.co.uk/publications/working-practices/>

⁵ See [EMRS Guidance G2 – 'Calculation of Supplier Demand for EMR Charging'](#)

⁶ Details of the calculation can be found in [EMRS Guidance G5 – 'Supplier CfD and RAB Credit Cover'](#)

⁷ LCCC's bank account details can be found in step 4.1.1 t

⁸ The valid LoC template for Supplier CfD and Nuclear RAB Credit Cover can be found in [Appendix 1](#)

- P-1 rating by Moody's
- A-1 rating by Standard and Poor's
(or by a bank specifically approved by the LCCC)
- Not yet be expired

3.3 Use of Credit Cover

Credit Cover can be drawn down should a Supplier not meet their obligations to fund CfD or Nuclear RAB payments. This relates to any payments for Interim Levy Rate, mutualisation amounts, reserve payments and quarterly reconciliation amounts. Payments that are excluded from Credit Cover draw down are the operational levy and late payment interest.

Where Credit Cover cannot be drawn down, alternative escalating actions will be taken to encourage Suppliers to meet their obligations⁹.

⁹ Details can be found in EMRS Working Practice WP41 – 'Late Payment Procedure',
<https://emrsettlement.co.uk/publications/working-practices/>

4. CfD Interface and timetable information

4.1 Lodging Credit Cover

Suppliers can submit Credit Cover at any point, either in response to a requirement (e.g. a Credit Cover Default Notice) or as part of their own risk management activities.

Ref	Regulations	When	Action	From	To	Input Information Required	Method
4.1.1	19 19(7)	Ad hoc	Transfer cash and notify contact@emrsettlement.co.uk Alternatively, provide LoC	Supplier	EMRS	LCCC Credit Cover bank account: <u>Bank name</u> : Royal Bank of Scotland Group <u>Account name</u> : LCC Collateral account <u>Account number</u> : 10018417 <u>Sort code</u> : 60-70-80 <u>IBAN</u> : GB16NWBK60708010018417 <u>SWIFT</u> : NWBKGB2L Appendix 1- SWIFT Letter of Credit format LoC validity requirements ¹⁰ <u>SWIFT</u> : NWBKGB2L	Bank transfer / post SWIFT ¹¹
4.1.2		Each Working	Check Credit Cover bank account for cash received	EMRS	-	As provided in 4.1.1 Bank details	Internal process

¹⁰ Letter of Credit validity requirements can be found in section 3.2.

¹¹ Where the issuing bank is also NatWest (LCCC's agent), SWIFT will not be used and the LoC will be issued to EMRS directly.

Ref	Regulations	When	Action	From	To	Input Information Required	Method
		Day (WD), at 5pm					
4.1.3		Within 1WD of 4.1.1	Log and validate SWIFT submission, send confirmation to EMRS	NatWest	EMRS		Internal process
4.1.4	20(1)	Following 4.1.3	Validate LoC and issuing bank If Credit Cover is valid then go to 4.1.5 If Credit Cover is invalid then go to 4.1.6.	EMRS	-	LoC validity requirements; and Bank ratings	Internal process
4.1.5		Following 4.1.2 (cash) 4.1.4(LoC)	Record and notify Supplier of successful lodging If Credit Cover has been supplied to replace previously provided LoCs ¹² then go to 4.1.6 otherwise END PROCESS	EMRS	Supplier	Authorised Credit Cover Contact details; and Company emails	Email
4.1.6		Following 4.1.4	Notify Supplier of invalid Credit Cover and check if affected Supplier has: Any outstanding Credit Cover requirements, or Any late payments currently due If yes, then retain LoC ¹³ , notify Supplier of obligations and END PROCESS If no, got to 4.1.7	EMRS	Supplier	Supplier's CfD statement of account; and Credit Cover requirements (non-cleared Credit Cover Default Amount, or a shortfall of Credit Cover)	Email

¹² May occur due to LoC expiry (process 4.9), loss of an acceptable rating by an LoC-issuing bank (process 4.7), or request to return a partial value of an LoC (process 4.10)

¹³ Where it is perceived that a Supplier is unlikely to meet their CfD obligations, Credit Cover will be retained until the Supplier has demonstrated compliance.

Ref	Regulations	When	Action	From	To	Input Information Required	Method
4.1.7		Within 1WD of 4.1.6	Cancel invalid LoC END PROCESS	NatWest	Issuing Bank		SWIFT

4.2 Monitoring Credit Cover requirements

EMRS will review on a daily basis whether Suppliers have lodged sufficient Credit Cover to meet their obligations. Escalating action will be taken if a Supplier does not meet their obligations and does not take action to rectify their position.

Ref	Regulations	When	Action	From	To	Input Information Required	Method
4.2.1	19(3) 19(4) 19(5)	Each Working Day	Calculate minimum Credit Cover requirement and compare with lodged Credit Cover	EMRS	-	Supplier metered volumes; Current interim levy rate; and Lodged Credit Cover ¹⁴	Internal process
4.2.2		Following 4.2.1	Create and issue Supplier CfD Credit Cover Report If Credit Cover is sufficient then END PROCESS	EMRS	Supplier	4.3 Appendix 5 (Section 8.5) – Nuclear RAB SWIFT Letter of Credit Format ¹⁵ 4.4 Appendix 6 (Section 8.6) – Nuclear RAB Approved Form Letter of Credit 4.5 Appendix 7 (Section 8.7) –	Email/ DTN

¹⁴ Available to EMRS for draw down as at 5pm of the previous day. The lodged amount excludes any Credit Cover that expires on the day prior to the report.

¹⁵ Section Appendix 5 – Nuclear RAB SWIFT Letter of Credit Format

Ref	Regulations	When	Action	From	To	Input Information Required	Method
						Nuclear RAB Swift Letter of Credit Formant (provided by third party) 4.6 Appendix 8 (Section 8.8)– Nuclear RAB Approved Form of Letter of Credit (provided by third party)	
4.6.1		Following 4.2.2	Review Supplier CfD Credit Cover Report and lodge additional valid Credit Cover to meet obligation ¹⁶	Supplier	-	Supplier CfD Credit Cover Report	Process 4.1
4.6.2		3WDs after 4.2.2	Compare minimum Credit Cover requirement (from 2WDs after 4.2.2) with lodged Credit Cover If Credit Cover is sufficient then END PROCESS Otherwise request approval to issue a Credit Cover Default Notice	EMRS	LCCC	Supplier CfD Credit Cover Report	Email

¹⁶ It is the responsibility of the Supplier to maintain adequate credit cover at all times to meet their regulatory requirements, irrespective of the CfD Credit Cover Report.

Ref	Regulations	When	Action	From	To	Input Information Required	Method
4.6.3		Following 4.6.2	Review Credit Cover position and approve issue of a Credit Cover Default Notice	LCCC	EMRS		Email
4.6.4	25(3) 25(7)(a)	Within 1WD of 4.6.3	Issue Credit Cover Default Notice	EMRS	Supplier LCCC Ofgem		Email
4.6.5	25(7)(b)	Following 4.6.4	Publish Credit Cover Default Notice	LCCC	Public	Credit Cover Default Notice	Website
4.6.6	25(4)	Following 4.6.4 and within 1WD	Lodge Credit Cover Default Amount ¹⁷ in cash	Supplier	EMRS		Process 4.1
4.6.7		Following 4.6.6	Check that Credit Cover Default Amount has been lodged in cash Credit Cover If Credit Cover Default Amount has been cleared then notify the Supplier and END PROCESS	EMRS	Supplier LCCC Ofgem	Credit Cover Default Amount; and Credit Cover lodged	Email
4.6.8		Following 4.6.7	If a Credit Cover Default Amount liability remains, then notify LCCC for escalation END PROCESS	EMRS	LCCC	Credit Cover Default Amount; and Credit Cover lodged	Email

¹⁷ The Credit Cover Default Amount is equal to the difference between the requirement on the 2nd WD after the original shortfall (the 'cure day') and the Credit Cover lodged at the end of that day. A Credit Cover Default obligation can only be met through the lodging of cash Credit Cover.

4.7 Monitoring Credit Cover validity

EMRS will review on a daily basis whether the banks who have issued LoCs are valid under the CfD scheme. This is to prevent the loss of Credit Cover available to LCCC if an issuing bank were to default.

Ref	Regulations	When	Action	From	To	Input Information Required	Method
4.7.1		Each Working Day by 12pm	Assess current bank ratings for all LoC-issuing banks If bank meets validity requirements then END PROCESS	EMRS	-	LoC validity requirements; and LoC issuing banks	Internal process
4.7.2	20(3)	Within 1WD of 4.3.1	Notify Suppliers with affected LoCs that Credit Cover needs to be replaced	EMRS	Supplier	LoCs	Email
4.7.3	20(4)	Within 10WDs of 4.7.1	Provide replacement Credit Cover. If sufficient to meet requirements, then END PROCESS If not, go to 4.7.4	Supplier	EMRS		Process 4.1
4.7.4		11WDs after 4.7.1	Assess affected bank ratings If bank has re-gained a 1/3 pass against ratings issuers, then END PROCESS If the bank continues to fail rating requirements, go to 4.7.5	EMRS	-	Supplier CfD Credit Cover Report; and Short-term bank ratings from: <ul style="list-style-type: none"> Moody's Fitch Ratings Standard and Poor's 	Internal process
4.7.5		Following 4.7.4	Check if affected Supplier has:	EMRS	-	Supplier's CfD statement of account	Internal process

Ref	Regulations	When	Action	From	To	Input Information Required	Method
			Any outstanding Credit Cover requirements, or Any late payments currently due If yes, then reduce Credit Cover lodging and END PROCESS ¹⁸ If no, then go to 4.7.6			Credit Cover requirements (non-cleared Credit Cover Default Amount, or a shortfall of Credit Cover)	
4.7.6		Following 4.7.5	Cancel invalid LoC END PROCESS	NatWest	Issuing Bank	-	SWIFT

¹⁸ Where it is perceived that a Supplier is unlikely to meet their CfD obligations, Credit Cover will be retained until the Supplier has demonstrated compliance.

4.8 Drawing down Credit Cover

EMRS will look to draw down on Credit Cover if a Supplier has not made a relevant payment. A two-day cure period after the due date is available for those Suppliers who are not considered at risk of defaulting on their payments, however timing and ability to draw down is at LCCC's discretion. Relevant payments include Interim Levy amounts (and data reconciliations), mutualisation amounts and reserve/quarterly reconciliation amounts.

Ref	Regulations	When	Action	From	To	Input Information Required	Method
4.8.1		Each Working Day by 12pm	Identify Suppliers with overdue relevant payments	EMRS	-	Supplier's CfD statement of account	Internal process
4.8.2		Following 4.8.1	Determine amount and type of Credit Cover to be drawn down ¹⁹ and request approval from LCCC	EMRS	LCCC	-	Email
4.8.3		Following 4.8.2	Review payment position and authorise draw down of funds	LCCC	EMRS	-	Internal process
4.8.4	21(1) 21(2)	Within 1WD of 4.8.3	Notify Supplier of draw down If cash, then go to 4.8.5 If LoC, then go to 4.8.6	EMRS	Supplier	Overdue relevant late amounts; and Approved draw down amount	Email
4.8.5		Following 4.8.4 and on the same WD	Transfer cash from Credit Cover bank account, reduce Credit Cover lodged and clear overdue items END PROCESS	EMRS	-	-	Bank transfer; and Internal process

¹⁹ Where possible, EMRS will first look to draw down cash only for efficiency. Following this we will prioritise LoC only and then a combination of both to meet the outstanding relevant amount.

Ref	Regulations	When	Action	From	To	Input Information Required	Method
4.8.6	21(2)	Following 4.8.4 and on the same WD	Notify Supplier of draw down. Email Form of Demand and draw down on LoC	EMRS NatWest	Supplier Issuing bank	Draw down amount; and LCCC authorisation Form of Demand	Email; and SWIFT
4.8.7		Following 4.8.5	Transfer cash to LCCC bank account and may issue amended LoC (for partial drawdowns)	Issuing bank	LCCC NatWest	-	Bank transfer; and SWIFT
4.8.8	21(4) 21(5)	Within 1WD of 4.8.6	Reduce Credit Cover lodged and clear overdue items END PROCESS	EMRS	-	-	Internal process

4.9 Monitoring Credit Cover expiry

EMRS will monitor the length of validity of any received Letters of Credit (LoCs) to prompt preventative action from Suppliers to ensure sufficient Credit Cover is provided. Suppliers should monitor their own LoCs as they are responsible for ensuring sufficient Credit Cover is lodged with EMRS to meet their obligations.

Ref	Regulations	When	Action	From	To	Input Information Required	Method
4.9.1		Each Working Day	Identify any LoCs expiring in 20 WDs	EMRS	-	LoC expiry dates	Internal process
4.9.2		Following 4.9.1 and on the same WD	Notify Supplier that LoC will expire in 20 WDs	EMRS	Supplier	LoC details	Email
4.9.3		Following 4.9.2	Lodge replacement/substitute/amended Credit Cover.	Supplier	EMRS	-	Process 4.1
4.9.4		Following 4.9.2 and the day before expiry ²⁰	Amend the Credit Cover lodged and notify Supplier END PROCESS	EMRS	Supplier	LoC details	Internal process

²⁰ As drawdown will take a minimum of two Working Days, the Credit Cover will not be considered effective from 5pm onwards on the penultimate day of validity.

4.10 Returning Credit Cover

Suppliers can request return of their Credit Cover at any point in time. Credit Cover will be released subject to the Supplier holding excess Credit Cover and not having any outstanding obligations that affect it.

Ref	Regulations	When	Action	From	To	Input Information Required	Method
4.10.1		Ad hoc	Request return of Credit Cover to contact@emrsettlement.co.uk	Supplier	EMRS	Credit cover type and amount to be returned ²¹ ; and Authorised Contact ²²	Email
4.10.2	22(2)(a)	On the same WD as 4.10.1 where received by 5pm	<p>Check to see if the Supplier:</p> <ul style="list-style-type: none"> Has any currently outstanding Credit Cover requirements Has any late payments currently due Will have a shortfall of Credit Cover if the requested amount is returned <p>If no issues, then go to 4.10.4</p> <p>If the Supplier will have a shortfall of Credit Cover then go to 4.10.3</p> <p>If any outstanding requirements²³ then notify the Supplier and END PROCESS</p>	EMRS	Supplier	Supplier's CfD statement of account; and Credit Cover requirements (non-cleared Credit Cover Default Amount, or a shortfall of Credit Cover)	Email

²¹ An example email request template can be found in [Appendix 6](#).

²² Suitably Authorised Contacts who can request return of credit cover are: Credit Cover contact; the Finance Authority or the Primary Party Authority.

²³ Where it is perceived that a Supplier is unlikely to meet their CfD obligations, Credit Cover will be retained until the Supplier has demonstrated compliance.

Ref	Regulations	When	Action	From	To	Input Information Required	Method
4.10.3	22(2)(b)	Following 4.10.2 and on the same WD	Confirm a revised return amount with the Supplier so that there will not be a shortfall of Credit Cover	EMRS	Supplier	Credit Cover requirements; and Lodged Credit Cover	Email/ Phone call
4.10.4		Following 4.10.2/4.10.3 and on the same WD	Submit request to the LCCC to return Credit Cover	EMRS	LCCC	Credit Cover requirements; Lodged Credit Cover; and Return request, including type of Credit Cover to return	Email
4.10.5		Following 4.10.4 and within one WD	Review Credit Cover request and approve return of Credit Cover If cash, then go to 4.10.6 If return amount is equal to a total LoC value, then go to 4.10.7 If return amount is only part of an LoC's value, then go to 4.10.8	LCCC	EMRS	Authorised amount to return	Email
4.10.6		Following 4.10.5 and within 2WDs of 4.10.1	Transfer cash from Credit Cover bank account to Supplier Credit Cover bank account and amend Credit Cover lodged END PROCESS	EMRS	Supplier	Supplier Credit Cover bank; and Account details	Bank transfer ; and Internal process
4.10.7		Following 4.10.5 and within 2WDs of 4.10.1	Notify bank of cancellation of LoC and notify Supplier END PROCESS	EMRS NatWest	Supplier Issuing Bank	LoC	Email SWIFT

Ref	Regulations	When	Action	From	To	Input Information Required	Method
4.10.8		Following 4.10.5 and within 2WDs of 4.10.1	Notify Supplier that request has been approved and that an amended LoC can be provided	EMRS	Supplier	Amount authorised	Email
4.10.9		Following 4.10.8	Lodge replacement/substitute Credit Cover and request return of original LoC (if applicable) END PROCESS	Issuing Bank	NatWest	LoC	Process 4.1

5. Nuclear RAB Interface and timetable information

5.1 Lodging Credit Cover

Suppliers can submit Credit Cover at any point, either in response to a requirement (e.g. a Credit Cover Default Notice) or as part of their own risk management activities.

Ref	Regulation ²⁴	When	Action	From	To	Input Information Required	Method
5.1.1	19 19(7)	Ad hoc	<p>Transfer cash and notify contact@emrsettlement.co.uk</p> <p>Alternatively, provide LoC</p>	Supplier	EMRS	<p>LCCC Credit Cover bank account:</p> <p><u>Bank name</u>: Royal Bank of Scotland Group</p> <p><u>Account name</u>: LCC Collateral account</p> <p><u>Account number</u>: 10033130</p> <p><u>Sort code</u>: 60-70-80</p> <p><u>IBAN</u>: GB16NWBK60708010033130</p> <p><u>SWIFT</u>: NWBKGB2L</p> <p>Appendix 5- Nuclear RAB SWIFT Letter of Credit format</p> <p>LoC validity requirements²⁵</p>	<p>Bank transfer / post</p> <p>SWIFT²⁶</p>

²⁴ [The Nuclear Regulated Asset Base Model \(Revenue Collection\) Regulations 2023](#)

²⁵ Letter of Credit validity requirements can be found in section 3.2.

²⁶ Where the issuing bank is also NatWest (LCCC's agent), SWIFT will not be used and the LoC will be issued to EMRS directly.

Ref	Regulation 24	When	Action	From	To	Input Information Required	Method
						<u>SWIFT</u> : NWBKGB2L	
5.1.2		Each Working Day (WD), at 5pm	Check Credit Cover bank account for cash received	EMRS	-	As provided in 5.1.1 Bank details	Internal process
5.1.3		Within 1WD of 5.1.1	Log and validate SWIFT submission, send confirmation to EMRS	NatWest	EMRS		Internal process
5.1.4	20(1)	Following 5.1.3	Validate LoC and issuing bank If Credit Cover is valid then go to 5.1.5 If Credit Cover is invalid then go to 5.1.6.	EMRS	-	LoC validity requirements; and Bank ratings	Internal process
5.1.5		Following 5.1.2(cash) 5.1.4(LoC)	Record and notify Supplier of successful lodging If Credit Cover has been supplied to replace previously provided LoCs ²⁷ then go to 5.1.6 otherwise END PROCESS	EMRS	Supplier	Authorised Credit Cover Contact details; and Company emails	Email

²⁷ May occur due to LoC expiry (process 5.9), loss of an acceptable rating by an LoC-issuing bank (process 5.7), or request to return a partial value of an LoC (process 5.10)

Ref	Regulation 24	When	Action	From	To	Input Information Required	Method
5.1.6		Following 5.1.4	<p>Notify Supplier of invalid Credit Cover and check if affected Supplier has:</p> <p>Any outstanding Credit Cover requirements, or</p> <p>Any late payments currently due</p> <p>If yes, then retain LoC²⁸, notify Supplier of obligations and END PROCESS</p> <p>If no, got to 5.1.7</p>	EMRS	Supplier	<p>Supplier's Nuclear RAB statement of account; and</p> <p>Credit Cover requirements (non-cleared Credit Cover Default Amount, or a shortfall of Credit Cover)</p>	Email
5.1.7		Within 1WD of 5.1.6	<p>Cancel invalid LoC</p> <p>END PROCESS</p>	NatWest	Issuing Bank		SWIFT

²⁸ Where it is perceived that a Supplier is unlikely to meet their Nuclear RAB obligations, Credit Cover will be retained until the Supplier has demonstrated compliance.

5.2 Monitoring Credit Cover requirements

EMRS will review on a daily basis whether Suppliers have lodged sufficient Credit Cover to meet their obligations. Escalating action will be taken if a Supplier does not meet their obligations and does not take action to rectify their position.

Ref	Regulations ²⁹	When	Action	From	To	Input Information Required	Method
5.2.1	19(3) 19(4) 19(5)	Each Working Day	Calculate minimum Credit Cover requirement and compare with lodged Credit Cover	EMRS	-	Supplier metered volumes; Current interim levy rate; and Lodged Credit Cover ³⁰	Internal process
5.2.2		Following 5.2.1	Create and issue Supplier Nuclear RAB Credit Cover Report If Credit Cover is sufficient then END PROCESS	EMRS	Supplier	5.3 Appendix 5 (Section 8.5) – Nuclear RAB SWIFT Letter of Credit Format 5.4 Appendix 6 (Section 8.6) Nuclear RAB Approved Form of Letter of Credit	Email

²⁹ [The Nuclear Regulated Asset Base Model \(Revenue Collection\) Regulations 2023](#)

³⁰ Available to EMRS for draw down as at 5pm of the previous day. The lodged amount excludes any Credit Cover that expires on the day prior to the report.

Ref	Regulations 29	When	Action	From	To	Input Information Required	Method
						5.5 Appendix 7 (Section 8.7) – Nuclear RAB SWIFT Letter of Credit Format (provided by third party) 5.6 Appendix 8 (Section 8.8) – Nuclear RAB Approved Form of Letter of Credit (provided by third party)	
5.6.1		Following 5.2.2	Review Supplier Nuclear RAB Credit Cover Report and lodge additional valid Credit Cover to meet obligation ³¹	Supplier	-	Supplier Nuclear RAB Credit Cover Report	Process 5.1
5.6.2		3WDs after 5.2.2	Compare minimum Credit Cover requirement (from 2WDs after 5.2.2) with lodged Credit Cover If Credit Cover is sufficient then END PROCESS	EMRS	LCCC	Supplier Nuclear RAB Credit Cover Report	Email

³¹ It is the responsibility of the Supplier to maintain adequate credit cover at all times to meet their regulatory requirements, irrespective of the Nuclear RAB Credit Cover Report.

Ref	Regulations ²⁹	When	Action	From	To	Input Information Required	Method
			Otherwise request approval to issue a Credit Cover Default Notice				
5.6.3		Following 5.6.2	Review Credit Cover position and approve issue of a Credit Cover Default Notice	LCCC	EMRS		Email
5.6.4	25(3) 25(7)(a)	Within 1WD of 5.6.3	Issue Credit Cover Default Notice	EMRS	Supplier LCCC Ofgem		Email
5.6.5	25(7)(b)	Following 5.6.4	Publish Credit Cover Default Notice	LCCC	Public	Credit Cover Default Notice	Website
5.6.6	25(4)	Following 5.6.4 and within 1WD	Lodge Credit Cover Default Amount ³² in cash	Supplier	EMRS		Process 5.1
5.6.7		Following 5.6.6	Check that Credit Cover Default Amount has been lodged in cash Credit Cover If Credit Cover Default Amount has been cleared then notify the Supplier and END PROCESS	EMRS	Supplier LCCC Ofgem	Credit Cover Default Amount; and Credit Cover lodged	Email
5.6.8		Following 5.6.7	If a Credit Cover Default Amount liability remains, then notify LCCC for escalation END PROCESS	EMRS	LCCC	Credit Cover Default Amount; and Credit Cover lodged	Email

³² The Credit Cover Default Amount is equal to the difference between the requirement on the 2nd WD after the original shortfall (the 'cure day') and the Credit Cover lodged at the end of that day. A Credit Cover Default obligation can only be met through the lodging of cash Credit Cover.

5.7 Monitoring Credit Cover validity

EMRS will review on a daily basis whether the banks who have issued LoCs are valid under the Nuclear RAB scheme. This is to prevent the loss of Credit Cover available to LCCC if an issuing bank were to default.

Ref	Regulations ³³	When	Action	From	To	Input Information Required	Method
5.7.1		Each Working Day by 12pm	Assess current bank ratings for all LoC-issuing banks If bank meets validity requirements then END PROCESS	EMRS	-	LoC validity requirements; and LoC issuing banks	Internal process
5.7.2	20(3)	Within 1WD of 5.7.1	Notify Suppliers with affected LoCs that Credit Cover needs to be replaced	EMRS	Supplier	LoCs	Email
5.7.3	20(4)	Within 10WDs of 5.7.1	Provide replacement Credit Cover. If sufficient to meet requirements, then END PROCESS If not, go to 5.7.4	Supplier	EMRS		Process 5.1
5.7.4		11WDs after 5.7.1	Assess affected bank ratings If bank has re-gained a 1/3 pass against ratings issuers, then END PROCESS If the bank continues to fail rating requirements, go to 5.7.5	EMRS	-	Supplier Nuclear RAB Credit Cover Report; and Short-term bank ratings from: <ul style="list-style-type: none"> • Moody's • Fitch Ratings • Standard and Poor's 	Internal process

³³ [The Nuclear Regulated Asset Base Model \(Revenue Collection\) Regulations 2023](#)

Ref	Regulations ³³	When	Action	From	To	Input Information Required	Method
5.7.5		Following 5.7.4	<p>Check if affected Supplier has:</p> <p>Any outstanding Credit Cover requirements, or</p> <p>Any late payments currently due</p> <p>If yes, then reduce Credit Cover lodging and END PROCESS³⁴</p> <p>If no, then go to 5.7.6</p>	EMRS	-	Supplier's Nuclear RAB statement of account Credit Cover requirements (non-cleared Credit Cover Default Amount, or a shortfall of Credit Cover)	Internal process
5.7.6		Following 5.7.5	<p>Cancel invalid LoC</p> <p>END PROCESS</p>	NatWest	Issuing Bank	-	SWIFT

³⁴ Where it is perceived that a Supplier is unlikely to meet their Nuclear RAB obligations, Credit Cover will be retained until the Supplier has demonstrated compliance.

5.8 Drawing down Credit Cover

EMRS will look to draw down on Credit Cover if a Supplier has not made a relevant payment. A two-day cure period after the due date is available for those Suppliers who are not considered at risk of defaulting on their payments, however timing and ability to draw down is at LCCC's discretion. Relevant payments include Interim Levy amounts (and data reconciliations), mutualisation amounts and reserve/quarterly reconciliation amounts.

Ref	Regulations ³⁵	When	Action	From	To	Input Information Required	Method
5.8.1		Each Working Day by 12pm	Identify Suppliers with overdue relevant payments	EMRS	-	Supplier's Nuclear RAB statement of account	Internal process
5.8.2		Following 5.8.1	Determine amount and type of Credit Cover to be drawn down ³⁶ and request approval from LCCC	EMRS	LCCC	-	Email
5.8.3		Following 5.8.2	Review payment position and authorise draw down of funds	LCCC	EMRS	-	Internal process
5.8.4	21(1) 21(2)	Within 1WD of 5.8.3	Notify Supplier of draw down If cash, then go to 5.8.5 If LoC, then go to 5.8.6	EMRS	Supplier	Overdue relevant late amounts; and Approved draw down amount	Email
5.8.5		Following 5.8.4 and on the same WD	Transfer cash from Credit Cover bank account, reduce Credit Cover	EMRS	-	-	Bank transfer; and

³⁵ [The Nuclear Regulated Asset Base Model \(Revenue Collection\) Regulations 2023](#)

³⁶ Where possible, EMRS will first look to draw down cash only for efficiency. Following this we will prioritise LoC only and then a combination of both to meet the outstanding relevant amount.

Ref	Regulations ³⁵	When	Action	From	To	Input Information Required	Method
			lodged and clear overdue items END PROCESS				Internal process
5.8.6	21(2)	Following 5.8.4 and on the same WD	Notify Supplier of draw down. Email Form of Demand and draw down on LoC	EMRS NatWest	Supplier Issuing bank	Draw down amount; and LCCC authorisation Form of Demand	Email; and SWIFT
5.8.7		Following 5.8.5	Transfer cash to LCCC bank account and may issue amended LoC (for partial drawdowns)	Issuing bank	LCCC NatWest	-	Bank transfer; and SWIFT
5.8.8	21(4) 21(5)	Within 1WD of 5.8.6	Reduce Credit Cover lodged and clear overdue items END PROCESS	EMRS	-	-	Internal process

5.9 Monitoring Credit Cover expiry

EMRS will monitor the length of validity of any received Letters of Credit (LoCs) to prompt preventative action from Suppliers to ensure sufficient Credit Cover is provided. Suppliers should monitor their own LoCs as they are responsible for ensuring sufficient Credit Cover is lodged with EMRS to meet their obligations.

Ref	Regulations ³⁷	When	Action	From	To	Input Information Required	Method
5.9.1		Each Working Day	Identify any LoCs expiring in 20 WDs	EMRS	-	LoC expiry dates	Internal process
5.9.2		Following 5.9.1 and on the same WD	Notify Supplier that LoC will expire in 20 WDs	EMRS	Supplier	LoC details	Email
5.9.3		Following 5.9.2	Lodge replacement/substitute/amended Credit Cover.	Supplier	EMRS	-	Process 5.1
5.9.4		Following 5.9.2 and the day before expiry ³⁸	Amend the Credit Cover lodged and notify Supplier END PROCESS	EMRS	Supplier	LoC details	Internal process

³⁷ [The Nuclear Regulated Asset Base Model \(Revenue Collection\) Regulations 2023](#)

³⁸ As drawdown will take a minimum of two Working Days, the Credit Cover will not be considered effective from 5pm onwards on the penultimate day of validity.

5.10 Returning Credit Cover

Suppliers can request return of their Credit Cover at any point in time. Credit Cover will be released subject to the Supplier holding excess Credit Cover and not having any outstanding obligations that affect it.

Ref	Regulations ³⁹	When	Action	From	To	Input Information Required	Method
5.10.1		Ad hoc	Request return of Credit Cover to contact@emrsettlement.co.uk	Supplier	EMRS	Credit cover type and amount to be returned ⁴⁰ ; and Authorised Contact ⁴¹	Email
5.10.2	22(2)(a)	On the same WD as 5.10.1 where received by 5pm	<p>Check to see if the Supplier:</p> <ul style="list-style-type: none"> Has any currently outstanding Credit Cover requirements Has any late payments currently due Will have a shortfall of Credit Cover if the requested amount is returned <p>If no issues, then go to 5.10.4</p> <p>If the Supplier will have a shortfall of Credit Cover then go to 5.10.3</p> <p>If any outstanding requirements⁴² then notify the Supplier and END PROCESS</p>	EMRS	Supplier	Supplier's Nuclear RAB statement of account; and Credit Cover requirements (non-cleared Credit Cover Default Amount, or a shortfall of Credit Cover)	Email

³⁹ [The Nuclear Regulated Asset Base Model \(Revenue Collection\) Regulations 2023](#)

⁴⁰ An example email request template can be found in [Appendix 6](#).

⁴¹ Suitably Authorised Contacts who can request return of credit cover are: Credit Cover contact; the Finance Authority or the Primary Party Authority.

⁴² Where it is perceived that a Supplier is unlikely to meet their Nuclear RAB obligations, Credit Cover will be retained until the Supplier has demonstrated compliance.

Ref	Regulations ³⁹	When	Action	From	To	Input Information Required	Method
5.10.3	22(2)(b)	Following 5.10.2 and on the same WD	Confirm a revised return amount with the Supplier so that there will not be a shortfall of Credit Cover	EMRS	Supplier	Credit Cover requirements; and Lodged Credit Cover	Email/ Phone call
5.10.4		Following 5.10.2/5.10.3 and on the same WD	Submit request to the LCCC to return Credit Cover	EMRS	LCCC	Credit Cover requirements; Lodged Credit Cover; and Return request, including type of Credit Cover to return	Email
5.10.5		Following 5.10.4 and within one WD	Review Credit Cover request and approve return of Credit Cover If cash, then go to 5.10.6 If return amount is equal to a total LoC value, then go to 5.10.7 If return amount is only part of an LoC's value, then go to 5.10.8	LCCC	EMRS	Authorised amount to return	Email
5.10.6		Following 5.10.5 and within 2WDs of 5.10.1	Transfer cash from Credit Cover bank account to Supplier Credit Cover bank account and amend Credit Cover lodged END PROCESS	EMRS	Supplier	Supplier Credit Cover bank; and Account details	Bank transfer ; and Internal process
5.10.7		Following 5.10.5 and within 2WDs of 5.10.1	Notify bank of cancellation of LoC and notify Supplier END PROCESS	EMRS NatWest	Supplier Issuing Bank	LoC	Email SWIFT

Ref	Regulations ³⁹	When	Action	From	To	Input Information Required	Method
5.10.8		Following 5.10.5 and within 2WDs of 5.10.1	Notify Supplier that request has been approved and that an amended LoC can be provided	EMRS	Supplier	Amount authorised	Email
5.10.9		Following 5.10.8	Lodge replacement/substitute Credit Cover and request return of original LoC (if applicable) END PROCESS	Issuing Bank	NatWest	LoC	Process 5.1

6. Contact Information

For all Supplier Credit Cover queries please contact:

Contact Organisation	Contact
EMR Settlement Ltd (EMRS)	Telephone: 020 7380 4333 Email: contact@emrsettlement.co.uk

7. Acronyms and Definitions

A list of acronyms and definitions can be found in the Glossary⁴³ on the EMRS website

⁴³ <https://www.emrsettlement.co.uk/glossary/>

8. Appendices

8.1 Appendix 1 – CfD SWIFT Letter of Credit Format⁴⁴

To:

Low Carbon Contracts Company Ltd

10 South Colonnade

Canary Wharf

London

E14 4PU

[DATE]

Dear Sirs,

IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: [NUMBER]

1. By this letter we, [*insert name of issuer*], establish our irrevocable standby letter of credit ("**letter of credit**") number [number] in your favour at the request of [*name of relevant supplier*] (the "**Principal**") of [*address of relevant supplier*] for the maximum aggregate pounds sterling amount of [*£x.xx*],[written version of the amount], (the "**Maximum Amount**").
2. This letter of credit is established in connection with the Principal's obligations under the Contracts for Difference (Electricity Supplier Obligations) Regulations 2014 (as amended or modified from time to time) (the "**Regulations**").
3. We unconditionally and irrevocably undertake to pay you, in pounds sterling to the bank account set out in your written demand for payment, the amount you claim on the date; or if presentation is made after close of business, presentation is therefore deemed to have been made on the next business day that we receive your duly completed written demand at [*insert details of the issuing bank, department name and/or officer and address – Note: insert at least one precise location as close as possible to 10 South Colonnade, Canary Wharf, London, E14 4PU*] or at any of our other London branches or by email to [*insert email address*] or by SWIFT via your bankers National Westminster Bank Plc (SWIFT code NWBKGB2L) subject to the following conditions:
 - your demand must be received by us by 17.00 (London time) on the Expiry Date (as defined in paragraph 4); and
 - your demand must be substantially in the form attached to this letter of credit signed by you stating that the Principal has failed to comply with its obligations under the Regulations and the amount claimed which, in aggregate with any other claims made under this letter of credit, must not exceed the Maximum Amount.
4. This letter of credit shall expire at 17.00 (London time) on [*date*] ("**Expiry Date**"), after which we shall have no further liability to you, except in relation to any demand validly presented before expiry of this letter of credit that remains unpaid.

⁴⁴ The following constitutes the message that should be issued via a MT760 type SWIFT.

5. A presentation may be made for less than the Maximum Amount.
6. More than one presentation may be made ("**Multiple Presentations**"). The aggregate of the Multiple Presentations shall not exceed the Maximum Amount.
7. Payments under this letter of credit will be effected immediately to the account you specify in your demand.
8. This letter of credit and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, the law of England and Wales. The parties to this letter of credit irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim arising out of or in connection with this letter of credit or its subject matter or formation (including non-contractual disputes or claims).
9. Except to the extent it is inconsistent with the express terms of this letter of credit, this letter of credit is subject to the International Standby Practices ISP 98, ICC Publication No. 590.

Yours faithfully,

For and on behalf of

[Issuing bank]

FORM OF DEMAND

DEMAND UNDER IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: *[NUMBER]*

We, Low Carbon Contracts Company Ltd, refer to the irrevocable letter of credit ("**letter of credit**") number *[number]* issued by you in our favour. This is a written demand under the letter of credit. Terms defined in the letter of credit have the same meaning in this demand.

We certify that the Principal has failed to comply with its obligations under the Regulations. The amount claimed by us is *[currency and amount]* ("**Claimed Amount**"), which we hereby demand.

We further certify that the aggregate of the Claimed Amount and all other amounts previously claimed by us under the letter of credit does not exceed the Maximum Amount specified in the letter of credit.

This demand is dated on or before the Expiry Date set out in the letter of credit.

We hereby demand immediate payment of the Claimed Amount and that the Claimed Amount be paid into the following bank account: *[details of account to be inserted by LCCC]*.

8.2 Appendix 2 – CfD Approved Form of Letter of Credit⁴⁵

To:

Low Carbon Contracts Company Ltd⁴⁶

10 South Colonnade

Canary Wharf

London

E14 4PU

[DATE]

Dear Sirs,

IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: [NUMBER]

1. By this letter⁴⁷ we, *[insert name of issuer]*⁴⁸, establish our irrevocable standby letter of credit ("**letter of credit**") number *[number]* in your favour at the request of *[name of relevant supplier]* (the "**Principal**") of *[address of relevant supplier]*⁴⁹ for the maximum aggregate pounds sterling⁵⁰ amount of *[£x.xx]*, *[written version of the amount]*, (the "**Maximum Amount**").
2. This letter of credit is established in connection with the Principal's obligations under the Contracts for Difference (Electricity Supplier Obligations) Regulations 2014 (as amended or modified from time to time) (the "**Regulations**").
3. We unconditionally and irrevocably undertake to pay you, in pounds sterling to the bank account set out in your written demand for payment, the amount you claim on the date; or if presentation is made after close of business, presentation is therefore deemed to have been made on the next business day that we receive your duly completed written demand at *[insert details of the issuing bank, department name and/or officer and address – Note: insert at least one precise location as close as possible to 10 South Colonnade, Canary Wharf, London, E14 4PU]* or at any of our other London branches or by email to *[insert email address]* or by SWIFT

⁴⁵ Footnotes are for guidance only and should not be replicated in the Letter of Credit when issued.

⁴⁶ Regulation 19 of the Contracts for Difference (Electricity Supplier Obligations) Regulations 2014 (the "Regulations") requires each supplier to ensure that on any day the CfD counterparty holds sufficient Credit Cover from such supplier to meet that supplier's Credit Cover requirement for that day. Credit Cover can be provided in the form of cash and/or Letter of Credit. Low Carbon Contracts Company Ltd ("LCCC") is the CfD counterparty referred to in the Regulations. LCCC is required by Regulation 20(7) of the Regulations to publish a document setting out the terms of the Letters of Credit which it is likely to regard as appropriate. This Letter of Credit template constitutes that document.

⁴⁷ Letters of Credit provided by a bank other than National Westminster Bank plc must be provided through the interbank SWIFT banking system to: National Westminster Bank Plc – SWIFT Code NWBKGB2L. Letters of Credit provided by National Westminster Bank plc cannot be provided through the interbank SWIFT system and will be communicated to EMRS directly.

⁴⁸ Regulation 20 of the Regulations requires the Issuer to be a person holding the "required rating". A person holds the "required rating" if the person has been assessed by:-

- Fitch Ratings Limited (registered company number 01316230) as having a short term debt rating of "F1" or better;
- Moody's Investors Service Inc. (incorporated in the US State of Delaware with file number 0577904) as having a short term debt rating of "P-1" or better; or
- Standard & Poor's Financial Services LLC. (Incorporated in the US State of Delaware with file number 4621989) as having a short term debt rating of "A-1" or better.

⁴⁹ The applicant (i.e. the Principal) must be the relevant supplier. The name of the electricity supplier needs to match the name of the licenced electricity supplier as held with Ofgem (<https://www.ofgem.gov.uk/publications/list-all-electricity-licensees-including-suppliers>).

⁵⁰ Letters of Credit must be in pounds sterling.

via your bankers National Westminster Bank Plc (SWIFT code NWBKGB2L) subject to the following conditions:

- your demand must be received by us by 17.00 (London time) on the Expiry Date (as defined in paragraph 4); and
 - your demand must be substantially in the form attached to this letter of credit signed by you stating that the Principal has failed to comply with its obligations under the Regulations and the amount claimed which, in aggregate with any other claims made under this letter of credit, must not exceed the Maximum Amount.
4. This letter of credit shall expire at 17.00 (London time) on [date] ("**Expiry Date**"), after which we shall have no further liability to you, except in relation to any demand validly presented before expiry of this letter of credit that remains unpaid.
5. A presentation may be made for less than the Maximum Amount.
6. More than one presentation may be made ("**Multiple Presentations**"). The aggregate of the Multiple Presentations shall not exceed the Maximum Amount.
7. Payments under this letter of credit will be effected immediately to the account you specify in your demand.
8. This letter of credit and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, the law of England and Wales. The parties to this letter of credit irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim arising out of or in connection with this letter of credit or its subject matter or formation (including non-contractual disputes or claims).
9. Except to the extent it is inconsistent with the express terms of this letter of credit, this letter of credit is subject to the International Standby Practices ISP 98, ICC Publication No. 590.

Yours faithfully,

.....

For and on behalf of

[*Issuing bank*]

ANNEX

FORM OF DEMAND

To: *[issuing bank, department and/or officer name and address]*

[DATE]

Dear Sirs,

DEMAND UNDER IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: *[NUMBER]*

We, Low Carbon Contracts Company Ltd, refer to the irrevocable letter of credit ("**letter of credit**") number *[number]* issued by you in our favour. This is a written demand under the letter of credit. Terms defined in the letter of credit have the same meaning in this demand.

We certify that the Principal has failed to comply with its obligations under the Regulations. The amount claimed by us is *[currency and amount]* ("**Claimed Amount**"), which we hereby demand.

We further certify that the aggregate of the Claimed Amount and all other amounts previously claimed by us under the letter of credit does not exceed the Maximum Amount specified in the letter of credit.

This demand is dated on or before the Expiry Date set out in the letter of credit.

We hereby demand immediate payment of the Claimed Amount and that the Claimed Amount be paid into the following bank account:

[Details of account to be inserted by LCCC].

Yours faithfully,

.....

For and on behalf of
Low Carbon Contracts Company Ltd

8.3 Appendix 3 – CfD SWIFT Letter of Credit Format (provided by third party)⁵¹

To:

Low Carbon Contracts Company Ltd

10 South Colonnade

Canary Wharf

London

E14 4PU

[DATE]

Dear Sirs,

IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: [NUMBER]

1. By this letter we, *[insert name of issuer]*, establish our irrevocable standby letter of credit ("**letter of credit**") number *[number]* in your favour at the request of *[name and registered company number of relevant entity requesting the letter of credit]* the ("**Requester**") on behalf of *[name of relevant supplier]* (the "**Principal**") of *[address of relevant supplier]* for the maximum aggregate pounds sterling amount of *[£x.xx]*, *[written version of the amount]*, (the "**Maximum Amount**").
2. This letter of credit is established in connection with the Principal's obligations under the Contracts for Difference (Electricity Supplier Obligations) Regulations 2014 (as amended or modified from time to time) (the "**Regulations**").
3. We unconditionally and irrevocably undertake to pay you, in pounds sterling to the bank account set out in your written demand for payment, the amount you claim on the date; or if presentation is made after close of business, presentation is therefore deemed to have been made on the next business day that we receive your duly completed written demand at *[insert details of the issuing bank, department name and/or officer and address – Note: insert at least one precise location as close as possible to 10 South Colonnade, Canary Wharf, London, E14 4PU]* or at any of our other London branches or by email to *[insert email address]* or by SWIFT via your bankers National Westminster Bank Plc (SWIFT code NWBKGB2L) subject to the following conditions:
 - your demand must be received by us by 17.00 (London time) on the Expiry Date (as defined in paragraph 4); and
 - your demand must be substantially in the form attached to this letter of credit signed by you stating that the Principal has failed to comply with its obligations under the Regulations and the amount claimed which, in aggregate with any other claims made under this letter of credit, must not exceed the Maximum Amount.
4. This letter of credit shall expire at 17.00 (London time) on *[date]* ("**Expiry Date**"), after which we shall have no further liability to you, except in relation to any demand validly presented before expiry of this letter of credit that remains unpaid.
5. A presentation may be made for less than the Maximum Amount.

⁵¹ The following constitutes the message that should be issued via a MT760 type SWIFT.

6. More than one presentation may be made ("**Multiple Presentations**"). The aggregate of the Multiple Presentations shall not exceed the Maximum Amount.
7. Payments under this letter of credit will be effected immediately to the account you specify in your demand.
8. This letter of credit and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, the law of England and Wales. The parties to this letter of credit irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim arising out of or in connection with this letter of credit or its subject matter or formation (including non-contractual disputes or claims).
9. Except to the extent it is inconsistent with the express terms of this letter of credit, this letter of credit is subject to the International Standby Practices ISP 98, ICC Publication No. 590.

Yours faithfully,

For and on behalf of

[Issuing bank]

FORM OF DEMAND

DEMAND UNDER IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: [NUMBER]

We, Low Carbon Contracts Company Ltd, refer to the irrevocable letter of credit ("**letter of credit**") number *[number]* issued by you in our favour. This is a written demand under the letter of credit. Terms defined in the letter of credit have the same meaning in this demand.

We certify that the Principal has failed to comply with its obligations under the Regulations. The amount claimed by us is *[currency and amount]* ("**Claimed Amount**"), which we hereby demand.

We further certify that the aggregate of the Claimed Amount and all other amounts previously claimed by us under the letter of credit does not exceed the Maximum Amount specified in the letter of credit.

This demand is dated on or before the Expiry Date set out in the letter of credit.

We hereby demand immediate payment of the Claimed Amount and that the Claimed Amount be paid into the following bank account: *[details of account to be inserted by LCCC]*.

8.4 Appendix 4 – CfD Approved Form of Letter of Credit (provided by third party)⁵²

To:

Low Carbon Contracts Company Ltd⁵³

10 South Colonnade

Canary Wharf

London

E14 4PU

[DATE]

Dear Sirs,

IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: [NUMBER]

1. By this letter⁵⁴ we, [insert name of issuer],⁵⁵ establish our irrevocable standby letter of credit ("**letter of credit**") number [number] in your favour at the request of [name and registered company number of relevant entity requesting the letter of credit] the ("**Requester**") on behalf of [name of relevant supplier]⁵⁶ (the "**Principal**") of [address of relevant supplier] for the maximum aggregate pounds sterling⁵⁷ amount of [£x.xx], [written version of the amount], (the "**Maximum Amount**").
2. This letter of credit is established in connection with the Principal's obligations under the Contracts for Difference (Electricity Supplier Obligations) Regulations 2014 (as amended or modified from time to time) (the "**Regulations**").
3. We unconditionally and irrevocably undertake to pay you, in pounds sterling to the bank account set out in your written demand for payment, the amount you claim on the date; or if presentation is made after close of business, presentation is therefore deemed to have been made on the next business day that we receive your duly completed written demand at [insert details of the issuing bank, department name and/or officer and address – Note: insert at least one precise location as close as possible to 10 South Colonnade, Canary Wharf, London, E14 4PU] or at any of our other London branches or by email to [insert email address] or by SWIFT via your bankers National Westminster Bank Plc (SWIFT code NWBKGB2L) subject to the following conditions:

⁵² Footnotes are for guidance only and should not be replicated in the Letter of Credit when issued.

⁵³ Regulation 19 of the Contracts for Difference (Electricity Supplier Obligations) Regulations 2014 (the "**Regulations**") requires each supplier to ensure that on any day the CfD counterparty holds sufficient Credit Cover from such supplier to meet that supplier's Credit Cover requirement for that day. Credit Cover can be provided in the form of cash and/or Letter of Credit. Low Carbon Contracts Company Ltd ("LCCC") is the CfD counterparty referred to in the Regulations. LCCC is required by Regulation 20(7) of the Regulations to publish a document setting out the terms of the Letters of Credit which it is likely to regard as appropriate. This Letter of Credit template constitutes that document.

⁵⁴ Letters of Credit provided by a bank other than National Westminster Bank plc must be provided through the interbank SWIFT banking system to: National Westminster Bank Plc – SWIFT Code NWBKGB2L. Letters of Credit provided by National Westminster Bank plc cannot be provided through the interbank SWIFT system and will be communicated to EMRS directly.

⁵⁵ Regulation 20 of the Regulations requires the Issuer to be a person holding the "required rating". A person holds the "required rating" if the person has been assessed by:-

- Fitch Ratings Limited (registered company number 01316230) as having a short term debt rating of "F1" or better;
- Moody's Investors Service Inc. (incorporated in the US State of Delaware with file number 0577904) as having a short term debt rating of "P-1" or better; or
- Standard & Poor's Financial Services LLC. (Incorporated in the US State of Delaware with file number 4621989) as having a short term debt rating of "A-1" or better.

⁵⁶ The applicant (i.e. the Principal) must be the relevant supplier. The name of the electricity supplier needs to match the name of the licenced electricity supplier as held with Ofgem (<https://www.ofgem.gov.uk/publications/list-all-electricity-licensees-including-suppliers>)

⁵⁷ Letters of Credit must be in pounds sterling.

- your demand must be received by us by 17.00 (London time) on the Expiry Date (as defined in paragraph 4); and
 - your demand must be substantially in the form attached to this letter of credit signed by you stating that the Principal has failed to comply with its obligations under the Regulations and the amount claimed which, in aggregate with any other claims made under this letter of credit, must not exceed the Maximum Amount.
4. This letter of credit shall expire at 17.00 (London time) on [date] ("**Expiry Date**"), after which we shall have no further liability to you, except in relation to any demand validly presented before expiry of this letter of credit that remains unpaid.
 5. A presentation may be made for less than the Maximum Amount.
 6. More than one presentation may be made ("**Multiple Presentations**"). The aggregate of the Multiple Presentations shall not exceed the Maximum Amount.
 7. Payments under this letter of credit will be effected immediately to the account you specify in your demand.
 8. This letter of credit and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, the law of England and Wales. The parties to this letter of credit irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim arising out of or in connection with this letter of credit or its subject matter or formation (including non-contractual disputes or claims).
 9. Except to the extent it is inconsistent with the express terms of this letter of credit, this letter of credit is subject to the International Standby Practices ISP 98, ICC Publication No. 590.

Yours faithfully,

.....

For and on behalf of

[*Issuing bank*]

ANNEX

FORM OF DEMAND

To: [*issuing bank, department and/or officer name and address*]

[*DATE*]

Dear Sirs,

DEMAND UNDER IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: [NUMBER]

We, Low Carbon Contracts Company Ltd, refer to the irrevocable letter of credit (“**letter of credit**”) number [number] issued by you in our favour. This is a written demand under the letter of credit. Terms defined in the letter of credit have the same meaning in this demand.

We certify that the Principal has failed to comply with its obligations under the Regulations. The amount claimed by us is [currency and amount] (“**Claimed Amount**”), which we hereby demand.

We further certify that the aggregate of the Claimed Amount and all other amounts previously claimed by us under the letter of credit does not exceed the Maximum Amount specified in the letter of credit.

This demand is dated on or before the Expiry Date set out in the letter of credit.

We hereby demand immediate payment of the Claimed Amount and that the Claimed Amount be paid into the following bank account:

[Details of account to be inserted by LCCC].

Yours faithfully,

.....

For and on behalf of
Low Carbon Contracts Company Ltd

8.5 Appendix 5 – Nuclear RAB SWIFT Letter of Credit Format

To:

Low Carbon Contracts Company Ltd

10 South Colonnade

Canary Wharf

London

E14 4PU

[DATE]

Dear Sirs,

IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: [NUMBER]

1. By this letter we, *[insert name of issuer]*, establish our irrevocable standby letter of credit ("**letter of credit**") number *[number]* in your favour at the request of *[name of relevant supplier]* (the "**Principal**") of *[address of relevant supplier]* for the maximum aggregate pounds sterling amount of *[£x.xx]*, *[written version of the amount]*, (the "**Maximum Amount**").
2. This letter of credit is established in connection with the Principal's obligations under the Nuclear Regulated Asset Base Model (Revenue Collection) Regulations 2023 (as amended or modified from time to time) (the "**Regulations**").
3. We unconditionally and irrevocably undertake to pay you, in pounds sterling to the bank account set out in your written demand for payment, the amount you claim on the date; or if presentation is made after close of business, presentation is therefore deemed to have been made on the next business day that we receive your duly completed written demand at *[insert details of the issuing bank, department name and/or officer and address – Note: insert at least one precise location as close as possible to 10 South Colonnade, Canary Wharf, London, E14 4PU]* or at any of our other London branches or by email to *[insert email address]* or by SWIFT via your bankers National Westminster Bank Plc (SWIFT code NWBKGB2L) subject to the following conditions:
 - your demand must be received by us by 17.00 (London time) on the Expiry Date (as defined in paragraph 4); and
 - your demand must be substantially in the form attached to this letter of credit signed by you stating that the Principal has failed to comply with its obligations under the Regulations and the amount claimed which, in aggregate with any other claims made under this letter of credit, must not exceed the Maximum Amount.
4. This letter of credit shall expire at 17.00 (London time) on *[date]* ("**Expiry Date**"), after which we shall have no further liability to you, except in relation to any demand validly presented before expiry of this letter of credit that remains unpaid.
5. A presentation may be made for less than the Maximum Amount.
6. More than one presentation may be made ("**Multiple Presentations**"). The aggregate of the Multiple Presentations shall not exceed the Maximum Amount.

7. Payments under this letter of credit will be effected immediately to the account you specify in your demand.
8. This letter of credit and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, the law of England and Wales. The parties to this letter of credit irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim arising out of or in connection with this letter of credit or its subject matter or formation (including non-contractual disputes or claims).
9. Except to the extent it is inconsistent with the express terms of this letter of credit, this letter of credit is subject to the International Standby Practices ISP 98, ICC Publication No. 590.

Yours faithfully,

For and on behalf of

[Issuing bank]

FORM OF DEMAND

DEMAND UNDER IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: *[NUMBER]*

We, Low Carbon Contracts Company Ltd, refer to the irrevocable letter of credit ("**letter of credit**") number *[number]* issued by you in our favour. This is a written demand under the letter of credit. Terms defined in the letter of credit have the same meaning in this demand.

We certify that the Principal has failed to comply with its obligations under the Regulations. The amount claimed by us is *[currency and amount]* ("**Claimed Amount**"), which we hereby demand.

We further certify that the aggregate of the Claimed Amount and all other amounts previously claimed by us under the letter of credit does not exceed the Maximum Amount specified in the letter of credit.

This demand is dated on or before the Expiry Date set out in the letter of credit.

We hereby demand immediate payment of the Claimed Amount and that the Claimed Amount be paid into the following bank account: *[details of account to be inserted by LCCC]*.

8.6 Appendix 6 – Nuclear RAB Approved Form of Letter of Credit

To:

Low Carbon Contracts Company Ltd⁵⁸

10 South Colonnade

Canary Wharf

London

E14 4PU

[DATE]

Dear Sirs,

IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: [NUMBER]

10. By this letter⁵⁹ we, [insert name of issuer],⁶⁰ establish our irrevocable standby letter of credit ("**letter of credit**") number [number] in your favour at the request of [name of relevant supplier]⁶¹ (the "**Principal**") of [address of relevant supplier] for the maximum aggregate pounds sterling⁶² amount of [£x.xx],[written version of the amount], (the "**Maximum Amount**").

11. This letter of credit is established in connection with the Principal's obligations under the Nuclear Regulated Asset Base Model (Revenue Collection) Regulations 2023 (as amended or modified from time to time) (the "**Regulations**").

⁵⁸ Regulation 18 of the Nuclear Regulated Asset Base Model (Revenue Collection) Regulations 2023 (the "**Regulations**") requires each supplier to ensure that on any day the revenue collection counterparty holds sufficient Credit Cover from such supplier to meet that supplier's Credit Cover requirement for that day. Credit Cover can be provided in the form of cash and/or Letter of Credit. Low Carbon Contracts Company Limited ("LCCC") is the revenue collection counterparty referred to in the Regulations. LCCC is required by Regulation 19(8) of the Regulations to publish a document setting out the terms of the Letters of Credit which it is likely to regard as appropriate. This Letter of Credit template constitutes that document.

⁵⁹ Letters of Credit provided by a bank other than National Westminster Bank plc must be provided through the interbank SWIFT banking system to: National Westminster Bank Plc – SWIFT Code NWBKGB2L). Letters of Credit provided by National Westminster Bank plc cannot be provided through the interbank SWIFT system and will be communicated to EMRS directly.

⁶⁰ Regulation 19 of the Regulations requires the Issuer to be a person holding the "required rating". A person holds the "required rating" if the person has been assessed by:-

- Fitch Ratings Limited (registered company number 01316230) as having a short term debt rating of "F1" or better;
- Moody's Investors Service Inc. (incorporated in the US State of Delaware with file number 0577904) as having a short term debt rating of "P-1" or better; or
- Standard & Poor's Financial Services LLC. (incorporated in the US State of Delaware with file number 4621989) as having a short term debt rating of "A-1" or better.

⁶¹ The applicant (i.e. the Principal) must be the relevant supplier. The name of the electricity supplier needs to match the name of the licenced electricity supplier as held with Ofgem (<https://www.ofgem.gov.uk/publications/list-all-electricity-licensees-including-suppliers>).

⁶² Letters of Credit must be in pounds sterling.

12. We unconditionally and irrevocably undertake to pay you, in pounds sterling to the bank account set out in your written demand for payment, the amount you claim on the date; or if presentation is made after close of business, presentation is therefore deemed to have been made on the next business day that we receive your duly completed written demand at *[insert details of the issuing bank, department name and/or officer and address – Note: insert at least one precise location as close as possible to 10 South Colonnade, Canary Wharf, London, E14 4PU]* or at any of our other London branches or by email to *[insert email address]* or by SWIFT via your bankers National Westminster Bank Plc (SWIFT code NWBKGB2L) subject to the following conditions:

- your demand must be received by us by 17.00 (London time) on the Expiry Date (as defined in paragraph 4); and
- your demand must be substantially in the form attached to this letter of credit signed by you stating that the Principal has failed to comply with its obligations under the Regulations and the amount claimed which, in aggregate with any other claims made under this letter of credit, must not exceed the Maximum Amount.

13. This letter of credit shall expire at 17.00 (London time) on *[date]* ("**Expiry Date**"), after which we shall have no further liability to you, except in relation to any demand validly presented before expiry of this letter of credit that remains unpaid.

14. A presentation may be made for less than the Maximum Amount.

15. More than one presentation may be made ("**Multiple Presentations**"). The aggregate of the Multiple Presentations shall not exceed the Maximum Amount.

16. Payments under this letter of credit will be effected immediately to the account you specify in your demand.

17. This letter of credit and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, the law of England and Wales. The parties to this letter of credit irrevocably agree that the courts of England and Wales shall

have exclusive jurisdiction over any dispute or claim arising out of or in connection with this letter of credit or its subject matter or formation (including non-contractual disputes or claims).

18. Except to the extent it is inconsistent with the express terms of this letter of credit, this letter of credit is subject to the International Standby Practices ISP 98, ICC Publication No. 590.

Yours faithfully,

.....

For and on behalf of

[Issuing bank]

ANNEX
FORM OF DEMAND

To: *[issuing bank, department and/or officer name and address]*

[DATE]

Dear Sirs,

DEMAND UNDER IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: *[NUMBER]*

We, Low Carbon Contracts Company Ltd, refer to the irrevocable letter of credit ("**letter of credit**") number [*number*] issued by you in our favour. This is a written demand under the letter of credit. Terms defined in the letter of credit have the same meaning in this demand.

We certify that the Principal has failed to comply with its obligations under the Regulations. The amount claimed by us is [*currency and amount*] ("**Claimed Amount**"), which we hereby demand.

We further certify that the aggregate of the Claimed Amount and all other amounts previously claimed by us under the letter of credit does not exceed the Maximum Amount specified in the letter of credit.

This demand is dated on or before the Expiry Date set out in the letter of credit.

We hereby demand immediate payment of the Claimed Amount and that the Claimed Amount be paid into the following bank account:

[*details of account to be inserted by LCCC*].

Yours faithfully,

.....

For and on behalf of
Low Carbon Contracts Company Ltd

8.7 Appendix 7 – Nuclear RAB Swift Letter of Credit Format (provided by third party)

To:

Low Carbon Contracts Company Ltd⁶³

10 South Colonnade

Canary Wharf

London

E14 4PU

[DATE]

Dear Sirs,

IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: [NUMBER]

19. By this letter⁶⁴ we, [insert name of issuer],⁶⁵ establish our irrevocable standby letter of credit ("**letter of credit**") number [number] in your favour at the request of [name and registered company number of relevant entity requesting the letter of credit] the ("**Requester**") on behalf of [name of relevant supplier]⁶⁶ (the "**Principal**") of [address of relevant supplier] for the maximum aggregate pounds sterling⁶⁷ amount of [£x.xx], [written version of the amount], (the "**Maximum Amount**").

⁶³Regulation 18 of the Nuclear Regulated Asset Base Model (Revenue Collection) Regulations 2023 (the "**Regulations**") requires each supplier to ensure that on any day the revenue collection counterparty holds sufficient Credit Cover from such supplier to meet that supplier's Credit Cover requirement for that day. Credit Cover can be provided in the form of cash and/or Letter of Credit. Low Carbon Contracts Company Limited ("LCCC") is the revenue collection counterparty referred to in the Regulations. LCCC is required by Regulation 19(8) of the Regulations to publish a document setting out the terms of the Letters of Credit which it is likely to regard as appropriate. This Letter of Credit template constitutes that document.

⁶⁴ Letters of Credit provided by a bank other than National Westminster Bank plc must be provided through the interbank SWIFT banking system to: National Westminster Bank Plc – SWIFT Code NWBKGB2L. Letters of Credit provided by National Westminster Bank plc cannot be provided through the interbank SWIFT system and will be communicated to EMRS directly.

⁶⁵ Regulation 19 of the Regulations requires the Issuer to be a person holding the "required rating". A person holds the "required rating" if the person has been assessed by:-

- Fitch Ratings Limited (registered company number 01316230) as having a short term debt rating of "F1" or better;
- Moody's Investors Service Inc. (incorporated in the US State of Delaware with file number 0577904) as having a short term debt rating of "P-1" or better; or
- Standard & Poor's Financial Services LLC. (incorporated in the US State of Delaware with file number 4621989) as having a short term debt rating of "A-1" or better.

⁶⁶ The applicant (i.e. the Principal) must be the relevant supplier. The name of the electricity supplier needs to match the name of the licenced electricity supplier as held with Ofgem (<https://www.ofgem.gov.uk/publications/list-all-electricity-licensees-including-suppliers>).

⁶⁷ Letters of Credit must be in pounds sterling.

20. This letter of credit is established in connection with the Principal's obligations under the Nuclear Regulated Asset Base Model (Revenue Collection) Regulations 2023 (as amended or modified from time to time) (the "**Regulations**").
21. We unconditionally and irrevocably undertake to pay you, in pounds sterling to the bank account set out in your written demand for payment, the amount you claim on the date or if presentation is made after close of business, presentation is therefore deemed to have been made on the next business day. We receive your duly completed written demand at *[insert details of the issuing bank, department name and/or officer and address – Note: insert at least one precise location as close as possible to 10 South Colonnade, Canary Wharf, London, E14 4PU]* or at any of our other London branches or by email to *[insert email address]* or by SWIFT via your bankers National Westminster Bank Plc (SWIFT code NWBKGB2L) subject to the following conditions:
- your demand must be received by us by 17.00 (London time) on the Expiry Date (as defined in paragraph 4); and
 - your demand must be substantially in the form attached to this letter of credit signed by you stating that the Principal has failed to comply with its obligations under the Regulations and the amount claimed which, in aggregate with any other claims made under this letter of credit, must not exceed the Maximum Amount.
22. This letter of credit shall expire at 17.00 (London time) on *[date]* ("**Expiry Date**"), after which we shall have no further liability to you, except in relation to any demand validly presented before expiry of this letter of credit that remains unpaid.
23. A presentation may be made for less than the Maximum Amount.
24. More than one presentation may be made ("**Multiple Presentations**"). The aggregate of the Multiple Presentations shall not exceed the Maximum Amount.
25. Payments under this letter of credit will be effected immediately to the account you specify in your demand.

26. This letter of credit and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, the law of England and Wales. The parties to this letter of credit irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim arising out of or in connection with this letter of credit or its subject matter or formation (including non-contractual disputes or claims).

27. Except to the extent it is inconsistent with the express terms of this letter of credit, this letter of credit is subject to the International Standby Practices ISP 98, ICC Publication No. 590.

Yours faithfully,

.....

For and on behalf of

[Issuing bank]

- **ANNEX**
- **FORM OF DEMAND**

To: *[issuing bank, department and/or officer name and address]*

[DATE]

Dear Sirs,

DEMAND UNDER IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: *[NUMBER]*

We, Low Carbon Contracts Company Ltd, refer to the irrevocable letter of credit ("**letter of credit**") number *[number]* issued by you in our favour. This is a written demand under the letter of credit. Terms defined in the letter of credit have the same meaning in this demand.

We certify that the Principal has failed to comply with its obligations under the Regulations. The amount claimed by us is *[currency and amount]* ("**Claimed Amount**"), which we hereby demand.

We further certify that the aggregate of the Claimed Amount and all other amounts previously claimed by us under the letter of credit does not exceed the Maximum Amount specified in the letter of credit.

This demand is dated on or before the Expiry Date set out in the letter of credit.

We hereby demand immediate payment of the Claimed Amount and that the Claimed Amount be paid into the following bank account:

[details of account to be inserted by LCCC].

Yours faithfully,

.....

For and on behalf of

Low Carbon Contracts Company Ltd

8.8 Appendix 8 – Nuclear RAB Approved Form of Letter of Credit (provided by third party)

To:

Low Carbon Contracts Company Ltd

10 South Colonnade

Canary Wharf

London

E14 4PU

[DATE]

Dear Sirs,

IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: [NUMBER]

28. By this letter we, *[insert name of issuer]*, establish our irrevocable standby letter of credit ("**letter of credit**") number *[number]* in your favour at the request of *[name and registered company number of relevant entity requesting the letter of credit]* the ("**Requester**") on behalf of *[name of relevant supplier]* (the "**Principal**") of *[address of relevant supplier]* for the maximum aggregate pounds sterling amount of *[£x.xx]*, *[written version of the amount]*, (the "**Maximum Amount**").

29. This letter of credit is established in connection with the Principal's obligations under the Nuclear Regulated Asset Base Model (Revenue Collection) Regulations 2023 (as amended or modified from time to time) (the "**Regulations**").

30. We unconditionally and irrevocably undertake to pay you, in pounds sterling to the bank account set out in your written demand for payment, the amount you claim on the date we receive your duly completed written demand at *[insert details of the issuing bank, department name and/or officer and address – Note: insert at least one precise location as close as possible to 10 South Colonnade, Canary Wharf, London, E14 4PU]* or at any of our other London branches or by email to *[insert email address]* or by SWIFT via our bankers National Westminster Bank Plc (SWIFT code NWBKGB2L) subject to the following conditions:

- your demand must be received by us by 11.59 p.m. (London time) on the Expiry Date (as defined in paragraph 4); and
- your demand must be substantially in the form attached to this letter of credit signed by you stating that the Principal has failed to comply with its obligations under the Regulations and the amount claimed which, in aggregate with any other claims made under this letter of credit, must not exceed the Maximum Amount.

31. This letter of credit shall expire at 11:59 p.m. (London time) on [date] ("**Expiry Date**"), after which we shall have no further liability to you, except in relation to any demand validly presented before expiry of this letter of credit that remains unpaid.
32. A presentation may be made for less than the Maximum Amount.
33. More than one presentation may be made ("**Multiple Presentations**"). The aggregate of the Multiple Presentations shall not exceed the Maximum Amount.
34. Payments under this letter of credit will be effected immediately to the account you specify in your demand.
35. This letter of credit and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, the law of England and Wales. The parties to this letter of credit irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim arising out of or in connection with this letter of credit or its subject matter or formation (including non-contractual disputes or claims).
36. Except to the extent it is inconsistent with the express terms of this letter of credit, this letter of credit is subject to the International Standby Practices ISP 98, ICC Publication No. 590.

Yours faithfully,

For and on behalf of

[Issuing bank]

FORM OF DEMAND

DEMAND UNDER IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: *[NUMBER]*

We, Low Carbon Contracts Company Ltd, refer to the irrevocable letter of credit ("**letter of credit**") number *[number]* issued by you in our favour. This is a written demand under the letter of credit. Terms defined in the letter of credit have the same meaning in this demand.

We certify that the Principal has failed to comply with its obligations under the Regulations. The amount claimed by us is *[currency and amount]* ("**Claimed Amount**"), which we hereby demand.

We further certify that the aggregate of the Claimed Amount and all other amounts previously claimed by us under the letter of credit does not exceed the Maximum Amount specified in the letter of credit.

This demand is dated on or before the Expiry Date set out in the letter of credit.

We hereby demand immediate payment of the Claimed Amount and that the Claimed Amount be paid into the following bank account: *[details of account to be inserted by LCCC]*.

8.9 Appendix 9 – CfD Daily Credit Cover Report

Daily report of a Supplier's CfD Credit Cover position	
Item	Notes
CfD Credit Cover	
EMR Party ID	A unique code for each legal entity for the purposes of EMR, determined during registration
Date	Issue date of notice
Total Credit Cover	The total amount of Credit Cover currently lodged by a Supplier
Total Cash Credit Cover	The total amount of cash Credit Cover currently lodged by a Supplier
Total Letters of Credit	The total amount of Credit Cover currently lodged by a Supplier in LoCs
Minimum Credit Cover	A Supplier's calculated CfD Credit Cover requirement
Surplus Credit Cover	The difference between Total Credit Cover and Minimum Credit Cover. A positive value indicates surplus Credit Cover, while a negative value indicates insufficient Credit Cover
Reference Period Start Date	The first day of the reference period used to calculate CfD Credit Cover requirements
Reference Period End Date	The last day of the reference period used to calculate CfD Credit Cover requirements
Minimum Credit Cover Detail (applicable for each day of the reference period)	
Settlement Date	The settlement date used in the reference period
Settlement Code	The settlement run type applicable to the reference date
Interim Levy Payment	The rate used in calculating CfD Credit Cover requirements
Letter of Credit Detail (applicable to each valid LoC currently lodged)	
LoC ID	Unique identifier for the LoC
LoC Amount	The amount of Credit Cover currently available from an LoC
LoC Valid	An indication as to whether an LoC is valid
LoC Expiry Date	Date on which a valid LoC will expire

8.10 Appendix 10 – Nuclear RAB Daily Credit Cover Report

Daily report of a Supplier's Nuclear RAB Credit Cover position	
Item	Notes
Nuclear RAB Credit Cover	
EMR Party ID	A unique code for each legal entity for the purposes of EMR, determined during registration
Date	Issue date of notice
Total Credit Cover	The total amount of Credit Cover currently lodged by a Supplier
Total Cash Credit Cover	The total amount of cash Credit Cover currently lodged by a Supplier
Total Letters of Credit	The total amount of Credit Cover currently lodged by a Supplier in LoCs
Minimum Credit Cover	A Supplier's calculated Nuclear RAB Credit Cover requirement
Surplus Credit Cover	The difference between Total Credit Cover and Minimum Credit Cover. A positive value indicates surplus Credit Cover, while a negative value indicates insufficient Credit Cover
Reference Period Start Date	The first day of the reference period used to calculate Nuclear RAB Credit Cover requirements
Reference Period End Date	The last day of the reference period used to calculate Nuclear RAB Credit Cover requirements
Nuclear RAB Levy Rate	A levy rate set for the purpose of calculating Nuclear RAB Levy Payments
Nuclear RAB Daily Supplier Chargeable Demand	Daily total of chargeable (i.e. non-exempt) gross demand for a legal entity holding one or more supply licences (and therefore liable to charges under the Nuclear RAB Supplier Obligation)
Nuclear RAB Daily Supplier Eii Excluded Demand	Daily total of EII excluded (i.e. non-chargeable) gross demand for a legal entity holding one or more supply licences (and therefore liable to charges under the Nuclear RAB Supplier Obligation)
Minimum Credit Cover Detail (applicable for each day of the reference period)	
Settlement Date	The settlement date used in the reference period
Settlement Code	The settlement run type applicable to the reference date
Interim Levy Payment	The rate used in calculating Nuclear RAB Credit Cover requirements
Letter of Credit Detail (applicable to each valid LoC currently lodged)	
LoC ID	Unique identifier for the LoC
LoC Amount	The amount of Credit Cover currently available from an LoC
LoC Valid	An indication as to whether an LoC is valid

LoC Expiry Date

Date on which a valid LoC will expire

8.11 Appendix 11 – CfD Example request to return credit cover

The below must be submitted by an appropriate Authorised Contact for the organisation⁶⁸. In this case, it would be a Credit Cover Contact, Finance Authority or Primary Party Authority registered under the organisation's Supplier role. This template should be sent to contact@emrsettlement.co.uk.

Please return supplier CfD credit cover for [*EMR Party ID*] as specified below⁶⁹.

Amount: [*£0.00*]

Type: [*Cash/LoC*]

Cash details (Cash return only):

- Account Name: The Bank Account Name provided must exactly match the account name held by the account holding bank⁷⁰.
- Sort Code & Account Number: these details must match the bank details EMRS has on record for Credit Cover returns.

LoC details (LoC return only):

- LoC reference number: [*ref #*]
- Issuing bank: [*bank name*]

8.12 Appendix 12 – Nuclear RAB Example request to return credit cover

The below must be submitted by an appropriate Authorised Contact for the organisation⁷¹. In this case, it would be a Credit Cover Contact, Finance Authority or Primary Party Authority registered under the organisation's Supplier role. This template should be sent to contact@emrsettlement.co.uk.

Please return supplier Nuclear RAB credit cover for [*EMR Party ID*] as specified below⁷².

Amount: [*£0.00*]

Type: [*Cash/LoC*]

Cash details (Cash return only):

⁶⁸ Further details can be found in EMRS Guidance G4 – 'EMR Settlement Authorisations'

<https://emrsettlement.co.uk/publications/guidance/>

⁶⁹ Please complete the template for each different return e.g. returning two LoCs would require two templates (can be submitted within one email).

⁷⁰ [Confirmation of Payee](#) was introduced from 1 April 2020 for single payments made online via Faster Payments or CHAPS to mitigate the risk of certain types of Authorised Push Payment (APP) fraud. Failure to provide the exact matching account name may result in a delay in the release of Credit Cover.

⁷¹ Further details can be found in EMRS Guidance G4 – 'EMR Settlement Authorisations'

<https://emrsettlement.co.uk/publications/guidance/>

⁷² Please complete the template for each different return e.g. returning two LoCs would require two templates (can be submitted within one email).

- Account Name: The Bank Account Name provided must exactly match the account name held by the account holding bank⁷³.
- Sort Code & Account Number: these details must match the bank details EMRS has on record for Credit Cover returns.

LoC details (LoC return only):

- LoC reference number: [*ref #*]
- Issuing bank: [*bank name*]

⁷³ [Confirmation of Payee](#) was introduced from 1 April 2020 for single payments made online via Faster Payments or CHAPS to mitigate the risk of certain types of Authorised Push Payment (APP) fraud. Failure to provide the exact matching account name may result in a delay in the release of Credit Cover.

