

ELEXON MAKES ITS FIRST PAYMENT TO A CFD GENERATOR A SUCCESS

ELEXON attributes the timely delivery of its new EMR payment and settlement IT systems to its ethos of service to industry and not for profit status

On 16 August 2016 ELEXON, and its subsidiary EMRS on behalf of Low Carbon Contracts Company Ltd (LCCC), made the first payment to a CFD generator under the Electricity Market Reform (EMR). The payment was made utilising the new and independent payments system developed by EMRS with and on behalf of LCCC that is required to deliver the settlements services for the Contracts for Difference scheme.

Mark Bygraves, CEO of ELEXON and EMRS, commented "We are obviously pleased with the timely delivery of the new settlement system for one of the government's key energy policies. Whilst all IT system projects require a flexible approach, I am convinced that our industry expertise, ethos of service to industry and not for profit status has enabled us to achieve this success. Consequently we remain a trusted, independent, expert adviser and delivery body for industry, the regulator and government.

"At the same time, under requirements introduced when the EMR settlement role was awarded to ELEXON, industry is assured that ELEXON's monopoly BSC service is not cross subsidising our work on EMR. ELEXON's transparency on activity and costs is second to none and since all costs, whether of the meeting rooms or of the management team are strictly apportioned and audited, industry knows that "new activities" are not being subsidised by the customers of other services."

EMRS, on behalf of LCCC, started collecting collateral payments and operational costs from electricity suppliers on time in April 2015 and has worked with LCCC to deliver the full range of CFD settlement functionality.

END

Additional information

ELEXON has worked closely with LCCC/ESC since being appointed EMR Settlement Services Provider and with government before that in helping to shape some of the payment and settlement arrangements.

ELEXON's most recent independent customer survey shows the highest scores for customer satisfaction, value for money and net recommendation that ELEXON has ever achieved. Meanwhile ELEXON has reduced its costs by more than 60% over the last 10 years.

About ELEXON

ELEXON is vital to the operation of the wholesale electricity market. We compare how much electricity generators and suppliers said they would produce or consume with actual volumes. We work out a price for the difference and transfer funds accordingly. This involves taking 1.25 million meter readings every day and handling £1.4 billion of our customers' funds each year. The rules are set out in the Balancing and Settlement Code (BSC). We administer the Code and provide and procure the services needed to implement it. Our expertise and impartiality give our customers the confidence that the BSC operates efficiently and accurately.

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About EMRS

EMRS is a wholly owned subsidiary of ELEXON.

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In December 2013 ELEXON was appointed by DECC as the Settlement Services Provider for Contract for Difference (CFD) and Capacity Market by the successful passage of the Energy Bill setting up Electricity Market Reform (EMR) through Parliament.

For more information on EMRS visit <https://www.emrsettlement.co.uk>.