

Dear all,

Please find below a brief summary of the key areas discussed at yesterday's EMR Collaborative Development meeting. This summary will be followed by a more detailed record of discussions which will be made available in due course. Notes of all workshops so far are available here:

<https://www.gov.uk/government/policy-advisory-groups/electricity-market-reform-emr-collaborative-development>

Contracts for Difference - Invoicing and Payments

The chair opened the workshop by recapping the objectives of the collaborative development sessions, and identifying the deliverables of the process, including a Target Operating Model and Implementation Plan for CfDs.

The first session - '**Data Reconciliation and Invoicing**' covered:

- An overview and principles of the invoicing process, including the treatment of post-financial year reconciliation information for suppliers.
- Preferred systems and forms of invoicing
- Calculation of CfD credits / payments on particular forms of generation, such as co-fired biomass.
- Metering of BSC and non-BSC generation - referring to the work done through the CfD Expert Group on metering.

The '**Handle Payments & Receipts**' session covered:

- An overview of the process and payment times
- Walkthrough of the payment process, including the process for non-payments, including notifications, draw down of collateral and insolvency reserve fund.
- Practical issues with utilising the Insolvency Reserve Fund, including contributions from the defaulting party and all suppliers.
- Reasonable payment terms for suppliers and generators, including the potential for different terms and payment profiles and the implications for collateral.
- The notification system for payment default, the timing of this notification and triggers for it to occur.

Kind regards

Kasia