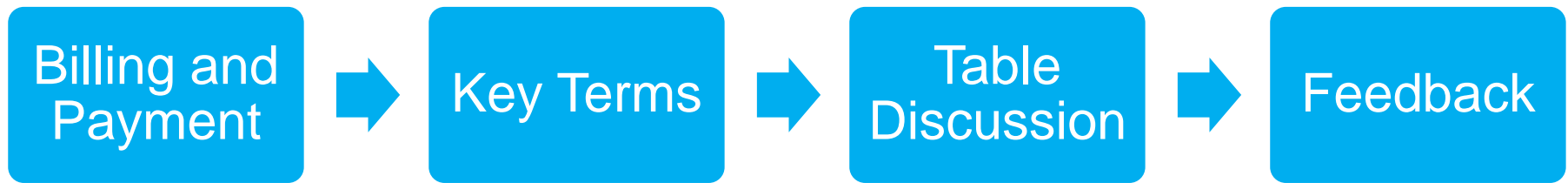




# Electricity Market Reform: *Contracts for Difference*

21 August 2013

Billing and Payment



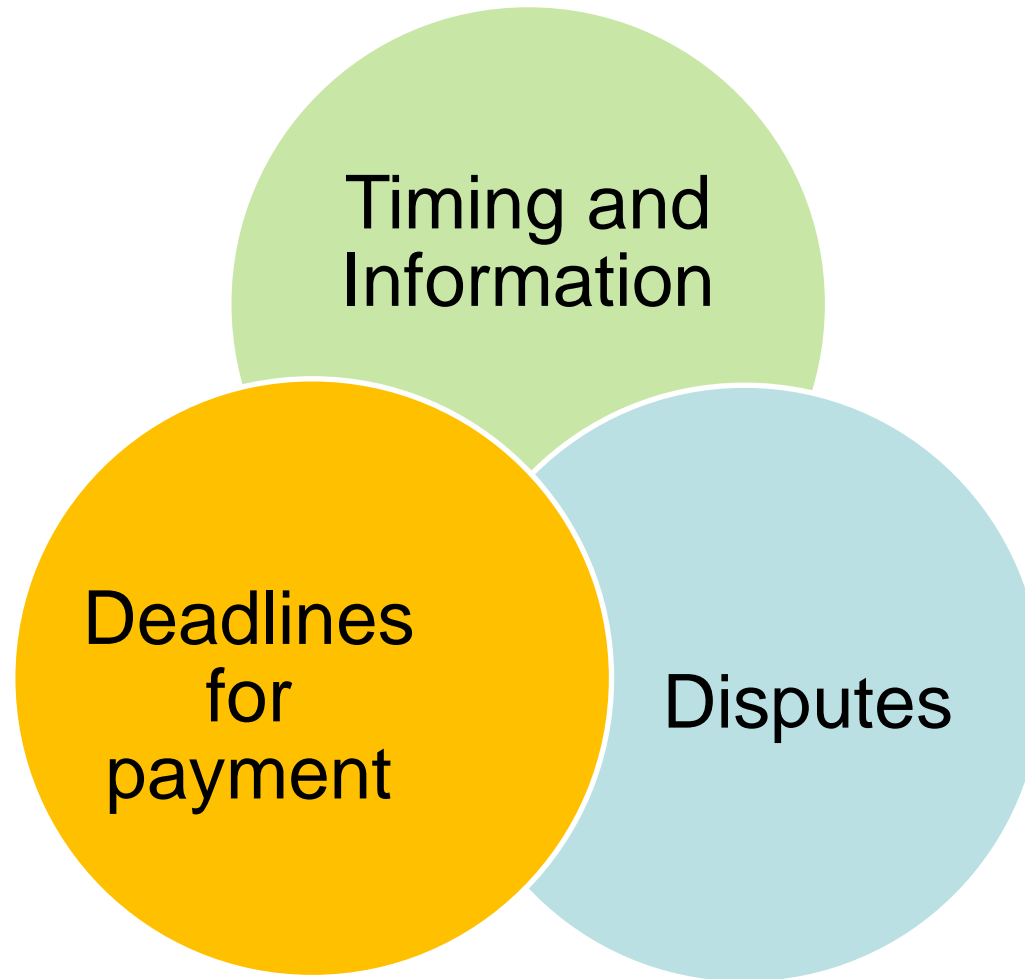


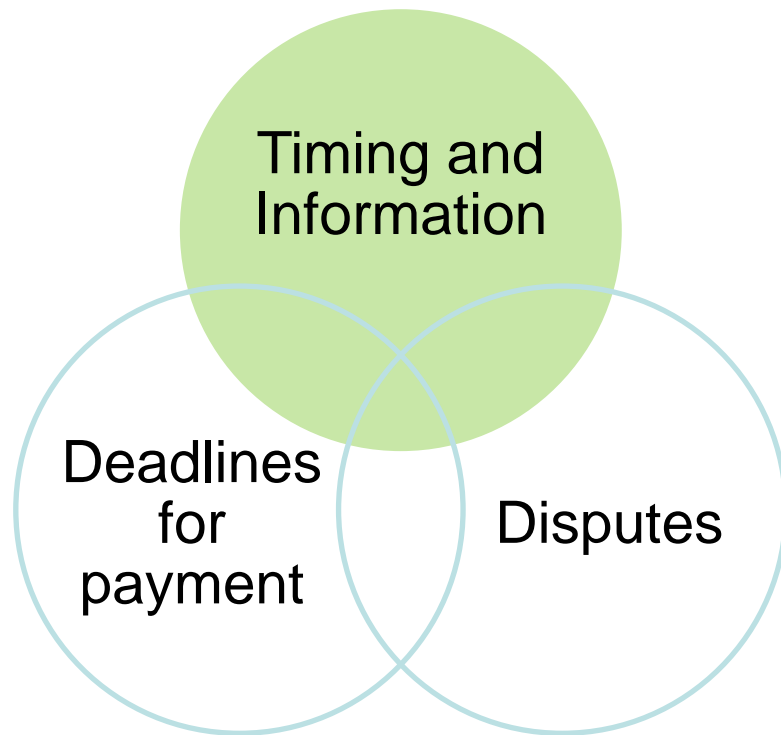
- **(10) Price notifications**
- **(11) Billing Statements and Payments of Difference Amounts**
  - Delivery of billing statement
  - Contents of billing statement
  - Calculation of reconciliation amounts
  - Calculation of compensatory interest amount
  - Calculation of RQM adjustment amount
  - Calculation of net payable amount
  - Settlement of billing statement
  - Billing statement disputes
  - Metering obligation and eligibility criteria default
- **(12) Default interest**
  - Definitions
- **(13) Calculation of default interest**
  - Application of compensatory interest provision
- **(14) Set off**
- **(15) Deductions and withholdings**
- **(16) Accounts and payments**

**Billing and Payment terms set out what information will be provided, when payments will be made and how disputes will be resolved**



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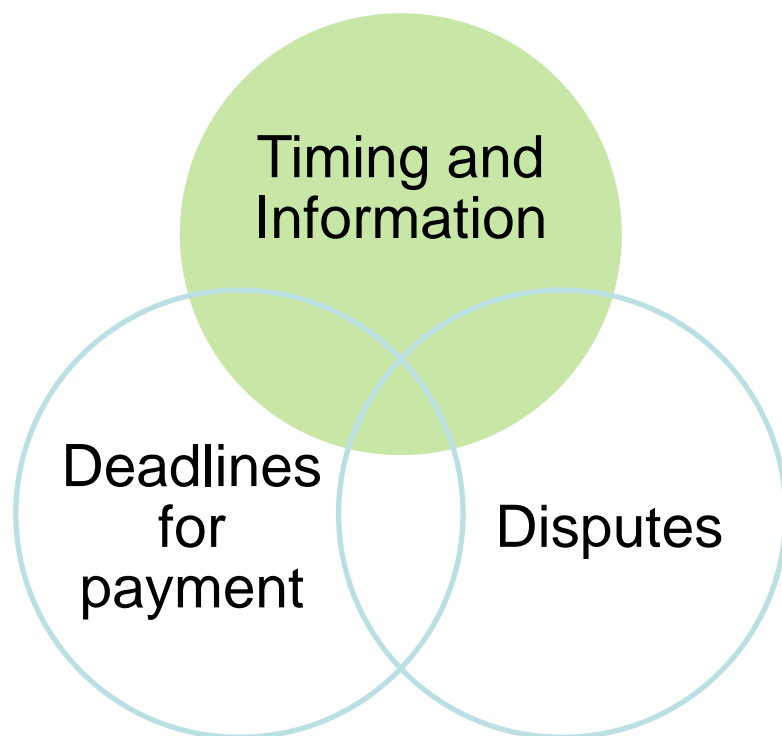


## Price Notifications

Sets out that the CPB or the CfD Settlement agent shall set and give notice of the market reference price for baseload generation for each season

## Strike Price

Shall notify the generator of any strike price adjustment (indexation adjustment) [•] days prior to the indexation anniversary

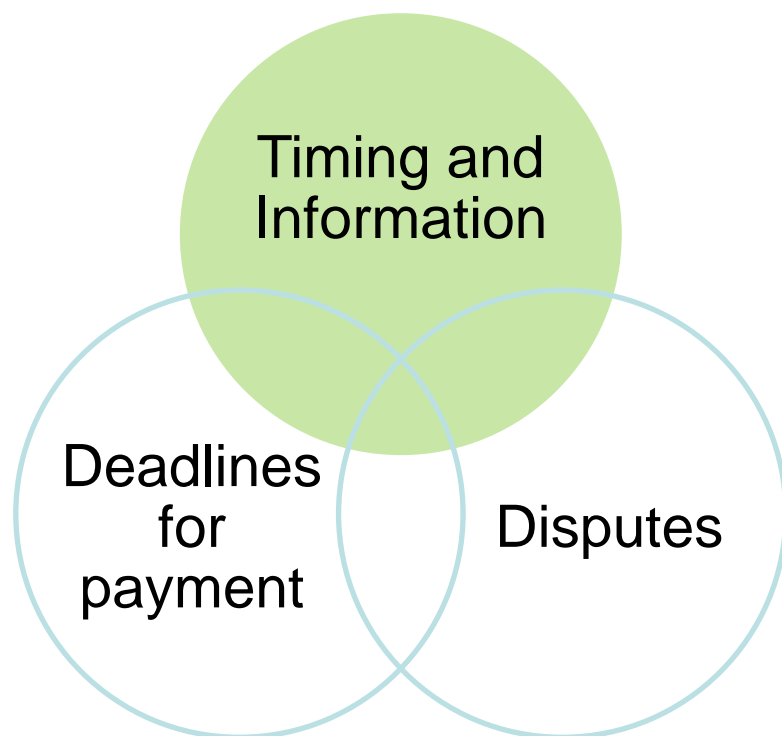


- Billing statements will be sent electronically
- No later than 7 business days after each billing period
  - (a billing period is 24hour period starting at 2300hrs and ending 24hrs later)

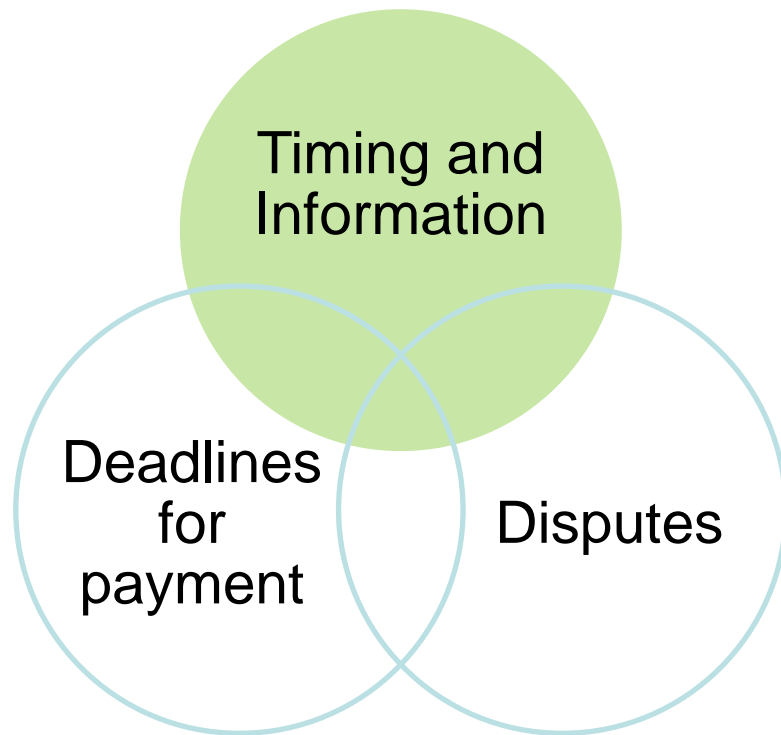
# What will be in a billing statement?



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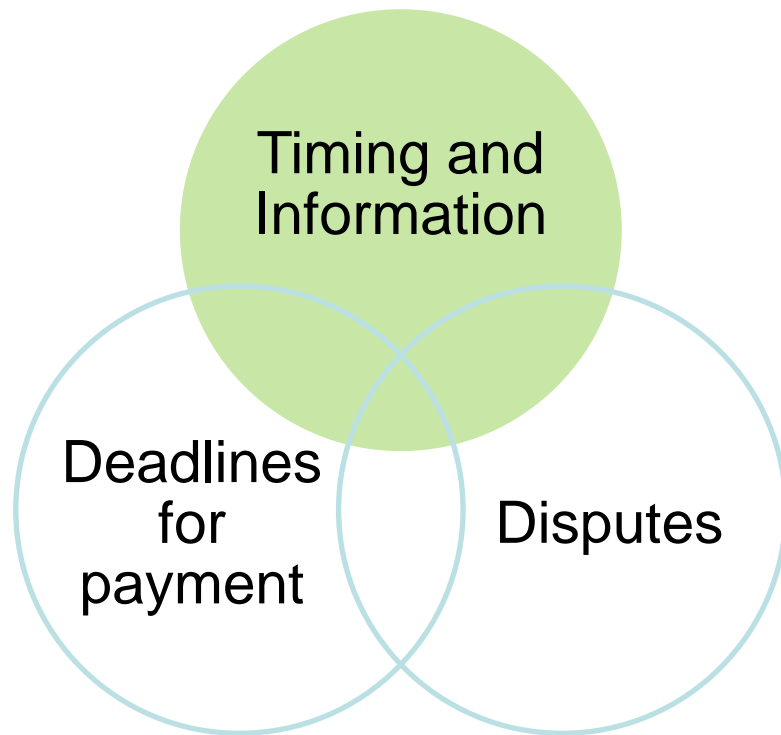


- The billing period
- Name/unique identifier of the generator
- Details of the facility
- The metered output for the period/estimated loss adjusted metered output
- Strike Price
- The reference price (BRP/IRP)
- Difference amount for each settlement period
- Sum of the difference amounts



- Any reconciliation amounts
- Any Compensatory Interest Amount
- RQM adjustment amount (where relevant)
- Net payable amount for that billing period



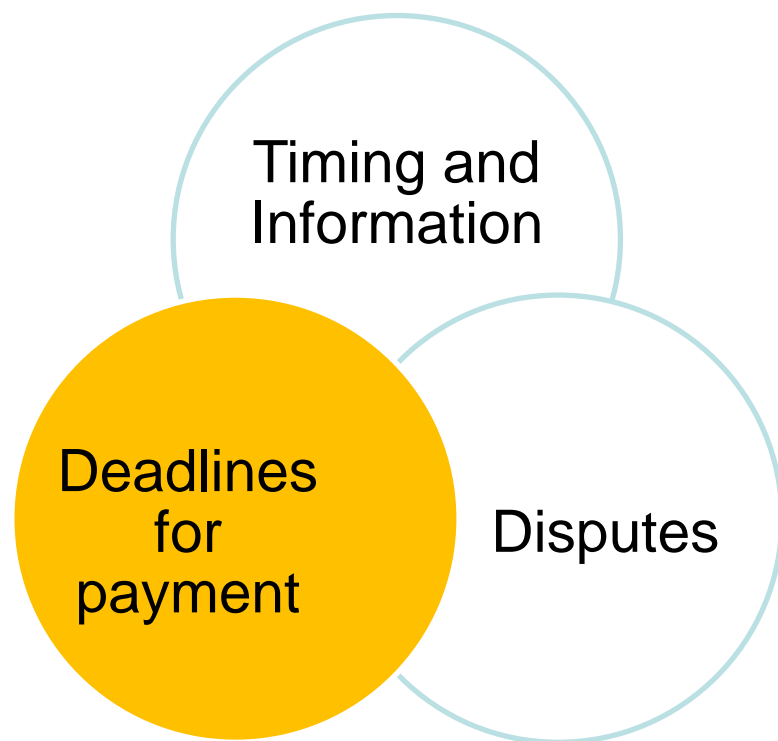


- Set out in clause 11.9
- Is the combination of the Difference Payment and various adjustments
- Positive number = payment to generator
- Negative number = payment to CPB

# When do payments have to be made?



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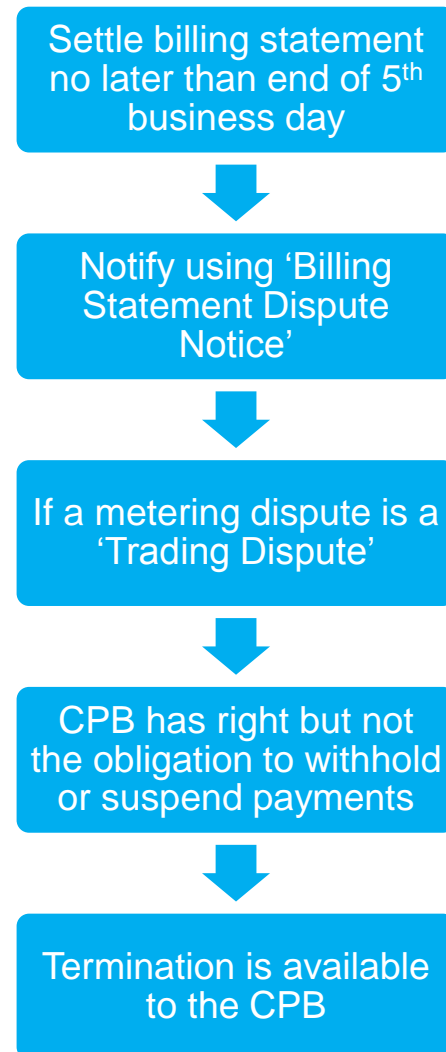
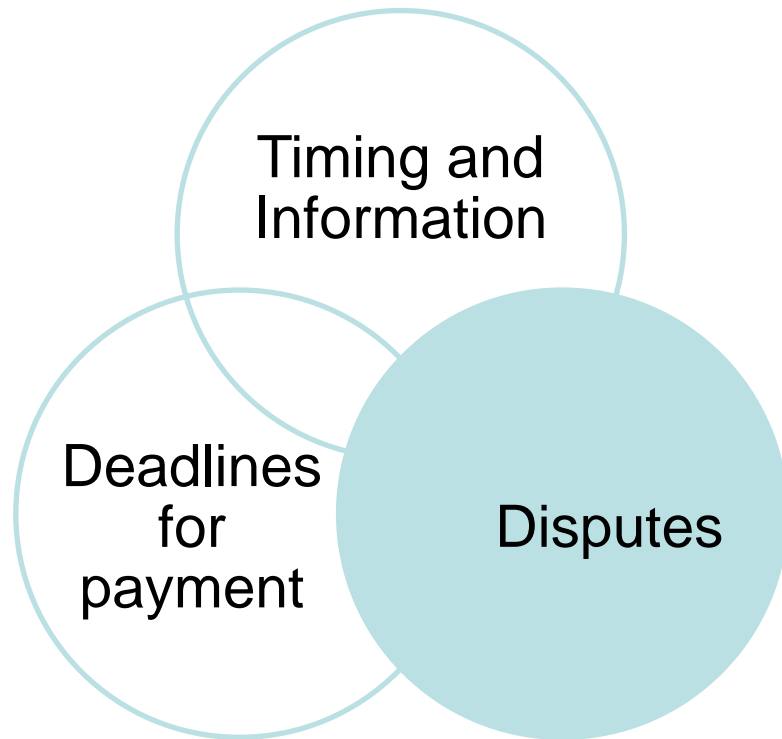


- **CPB to generator**
- Deadline for payment tbc
- Payment by direct bank transfer or equivalent
- **Generator to CPB**
- No later than the end of the fifth working business day following delivery of the billing statement
- By direct bank transfer or equivalent

# What is the process for settling billing statement disputes?



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## Clause 12 Default Interest

- Establishes interest to be charged for late payment
- Default interest for late payment
- Either CPB or generator
- Calculated at 3.5% above the overnight SONIA rate

## Clause 13 Compensatory Interest

- Applies to Reconciliation amounts
- Sections 6.4.2 and 6.4.2A of the BSC



- Does the proposed content of the billing statement provide the information that is needed for the generator?
  - What else could be provided?
- Is there any other information that should be provided in the '**Billing Statement Dispute Notice**'?
- Are the notification requirements appropriate?
- Does it make sense to borrow relevant mechanisms from the BSC? What issues do you foresee in doing so?
- Do you have any views on the calculations for default interest?