

HEADLINE REPORT

MEETING NAME Credit Committee

Meeting number 37

Date of meeting 5 September 2017

Purpose of paper For Information

Classification Public

Synopsis This report sets out the headlines and key decisions of the most recent Credit Committee meeting.

EXECUTIVE SUMMARY

1. Credit Committee – CC37

- 1.1 The Credit Committee considered the Decision Paper CC37/01 – Review of the Credit Assessment Price (CAP).
- 1.2 The Credit Committee approved a new CAP value of £55/MWh and a new trigger level of +/- £6/MWh.
- 1.3 The Credit Committee Papers and agenda can be downloaded from the ELEXON website.

COMMITTEE DECISION

2. Review of the Credit Assessment Price (CAP) – CC37/01

- 2.1 The reference price breached the upper trigger level of £48/MWh (£5/MWh above the last notified CAP value of £43/MWh) on 21 August 2017. ELEXON issued a consultation on 21 August 2017 asking Trading Parties if they agreed with the proposed CAP value of £50/MWh.
- 2.2 The Credit Committee considered the response to the consultation, as well as future market prices trends. Following the increase in forward market prices since the consultation period began; the Credit Committee determined that a new CAP value of £50/MWh was not suitable.
- 2.3 The Credit Committee discussed a CAP of £53/MWh but noted that they should also consider forward market prices for December. December forward prices will be included in the reference price calculation four Working Days after the implementation date of the new CAP value.
- 2.4 After deliberation, a new CAP value of £55/MWh was unanimously agreed. The new value was more in line with the latest reference price presented by ELEXON at the Credit Committee meeting. The new CAP will be effective from Tuesday 26 September 2017.
- 2.5 The Credit Committee also reviewed the current trigger level of +/- £5/MWh and agreed that this should be increased to +/- £6/MWh.

3. The Credit Committee:

- a) **NOTED** the content of the paper;
- b) **APPROVED** an alternate CAP value, in light of more recent market data, of £55/MWh ;
- c) **APPROVED** a new trigger level value of +/- £6/MWh; and
- d) **CONFIRMED** that the new value of the CAP will go live on Tuesday 26 September 2017.