

# MINUTES

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<b>MEETING NAME</b>	Credit Committee
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<b>Meeting number</b>	37
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<b>Date of meeting</b>	5 September 2017
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<b>Venue</b>	ELEXON Ltd, 350 Euston Road, London NW1 3AW
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<b>Classification</b>	Public
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## ATTENDEES AND APOLOGIES

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<b>Attendees</b>	Michael Gibbons	MG	Chairman (teleconference)
	Lisa Waters	LW	Member (teleconference)
	Gary Henderson	GH	Member (teleconference)
	Nick Baker	NB	ELEXON
	Rebecca Kassube	RK	ELEXON

<b>Apologies</b>	Stuart Cotten	SC
	Barbara Vest	BW
	Andrew Colley	AC

## INTRODUCTION

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### 1. Credit Committee

1.1. Introductions and apologies were made and all attendees were confirmed.

## DECISION PAPER

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

- 2.1. ELEXON presented the CAP Review paper to the Credit Committee. On Monday 21 August 2017, the reference price was £49.65/MWh. This breached the CAP review trigger level of +/- £5/MWh, as it was £6.65/MWh above the last notified CAP value of £43/MWh.
- 2.2. ELEXON issued a consultation to industry on 21 August 2017 proposing a new CAP value of £50/MWh. ELEXON received one response, representing eight BSC Parties. The respondent agreed with the proposed value.
- 2.3. The Credit Committee was invited to determine whether the CAP value should be revised and, if so, the new value. A new CAP value must come into effect no sooner than the 15<sup>th</sup> Business Day after the notification to industry. Therefore, a new CAP could only become effective from Tuesday 26 September 2017.
- 2.4. The Credit Committee considered the consultation response and discussed the recent trend of market prices. A CAP of £53/MWh was discussed, however given the implementation date, the Credit Committee also

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discussed the impact of December forward market prices. December forward prices will enter the reference price calculation four Working Days after the implementation date.

- 2.5. After also taking into account the latest reference price presented at the meeting by ELEXON, the Credit Committee unanimously voted for the new CAP value to be set at the value of £55/MWh. The new CAP will be effective from 26 September 2017.
- 2.6 ELEXON also invited the Credit Committee to review the CAP trigger level, currently set to +/- £5/MWh. The Committee unanimously agreed to increase the trigger level to +/-£6/MWh.

### 3. Any other business

- 3.1. The Chairman identified that in CC37/01 Graph 2 highlights the difference between the 30 day moving average System Buy Price and the CAP. Members were asked to consider whether there were any lessons to be learned from the differences seen in winter 2016, which could be used in the upcoming winter 2017 season. It was noted that CAP was agreed based on available information at the time and due to the 15WD wait before implementation these could both be factors in the inaccuracy.

### 4. The Credit Committee:

- a) **NOTED** the contents of the papers;
- b) **AGREED** an increased CAP value of £55/MWh, as a reflection of current market prices;
- c) **AGREED** a new trigger level of +/- £6/MWh; and
- d) **CONFIRMED** the revised value of CAP will go live Tuesday 26 September 2017.