

# HEADLINE REPORT

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**MEETING NAME** Credit Committee

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**Meeting number** 39

**Date of meeting** 15 March 2019

**Purpose of paper** For Information

**Classification** Public

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

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## EXECUTIVE SUMMARY

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### 1. Credit Committee – CC39

- 1.1 The Credit Committee considered the Decision Paper CC39/01 – Review of the Credit Assessment Price (CAP).
- 1.2 The Credit Committee approved a new CAP value of £48/MWh and confirmed the trigger level of +/- £6/MWh will not change.
- 1.3 The Credit Committee Papers and agenda can be downloaded from the ELEXON website.

## COMMITTEE DECISION

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### 2. Review of the Credit Assessment Price (CAP) – CC39/01

- 2.1 The reference price breached the lower trigger level of £50/MWh (£6/MWh below the last notified CAP value of £56/MWh) on 4 March 2019. ELEXON issued a consultation on 4 March 2019 asking Trading Parties if they agreed with the proposed CAP value of £49/MWh. No responses were received from industry. Credit Committee members were not in agreement with the proposed value and therefore, a Credit Committee meeting was held.
- 2.2 The Credit Committee considered the latest forward market prices for April, May and June.
- 2.3 The Credit Committee discussed CAP values between £48/MWh and £49/MWh, noting that they should consider forward market prices for June, which will be used in the reference price calculation from the start of April.
- 2.4 After deliberation, a new CAP value of £48/MWh was unanimously agreed. The new CAP will be effective from 9 April 2019.
- 2.5 The Credit Committee also reviewed the current trigger level of +/- £6/MWh and agreed this value remains appropriate.

### 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 £48/MWh;
- c) **AGREED** that the trigger level remain unchanged at +/- £6/MWh; and
- d) **CONFIRMED** that the new value of the CAP will go live on Tuesday 9 April 2019.