

Minutes

Credit Committee 47

Meeting number	CC47	Venue	Online meeting (MS Teams)
Date of meeting	16 November 2021	Classification	Public

Attendees and apologies		
Attending		
Michael Gibbons	MG	Chair
Lisa Waters	LW	Member
Robert Johnston	RJ	Member
Andrew Colley	AC	Member
Stuart Cotton	SC	Member
Emma Tribe	ET	Elxon
Mehdi Jafari	MJ	Elxon
Apologies		

Summary

The Credit Committee agreed to retain the alternative CAP review process and proposed a CAP value of £230/MWh for implementation on 3 December 2021. This value would go to consultation for two working days and be reviewed following the consultation period.

Introduction

1. Credit Committee

- 1.1 Introductions were made and all attendees were confirmed.

Credit Committee Decision

2. Methodology for setting Credit Assessment Prices – CC47/01

- 2.1 The Credit Committee also considered whether it was appropriate to retain the alternative CAP review process. It was noted that the latest Reference Price, based on forward market prices for December and January is £224.34/MWh. Under the normal CAP review process this would not breach the lower trigger level (+/- £24/MWh) of the last notified CAP value £240/MWh.
- 2.2 The Credit Committee considered that the absolute price changes in the market, while small on a percentage basis, should still be considered large absolute changes. Hence, they agreed that it was still appropriate to retain the alternative CAP review process.

- 2.3 As the CAP is reviewed every two weeks, the proposed CAP will be live between 3 December 2021 and 16 December 2021 at a minimum.
- 2.4 The Credit Committee gave greater weighting in their consideration to the latest forecast for what prices will be in December 2021. On the date of the meeting, average forecast market prices were at £224/MWh for December with latest peak Prices at £253/MWh and latest base prices are £196/MWh. The Credit Committee also noted that average forecast market prices were increasing to £255/MWh in January.
- 2.5 The most recent System Prices were considered and it was noted that there had recently been high priced accepted Offer Prices in the Balancing Mechanism. Given the chance of a colder weather and high prices in the Balancing Mechanism, the Credit Committee noted that there was likely to be System Price spikes during period when the proposed CAP would be live.
- 2.6 The Credit Committee decided to propose a CAP of £230/MWh, as the forward market prices for December supported reducing the CAP from the last notified value. However, they also noted that prices going into January are currently forecast to be higher, so are prepared to increase the CAP in two weeks time at their next meeting, depending on what the price data shows in two weeks.

3. The Credit Committee:

- **NOTED** the information provided;
- **APPROVED** the proposed CAP value to be sent for a two working day consultation of £230/MWh, in light of recent market conditions, future trends, and the implementation date, of 3 December 2021;