

ELELEXION

NCC SCHEME - APPLICATION PROCESS

Public

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1. Introduction

The Network Charging Compensation (NCC) Scheme is part of a package of government measures to help Britain's Energy Intensive Industries (EII) remain competitive in the global market.

This scheme offers EII 60% compensation on network charging costs for using the GB electricity grid. EII are eligible to claim compensation on network charges incurred from 1 April 2024, subject to them holding a valid EII certificate issued by Department for Business and Trade (DBT).

This will be funded by a levy on electricity Suppliers known as the EII Support Levy for the total costs of the compensation scheme from April 2025. The amount each Supplier pays will be determined by their market share, generating funds used to compensate EII for the cost of the network charges. The compensation payments for eligible EII will begin after April 2025.

The regulatory requirements for the scheme are detailed within the Energy-Intensive Industry Electricity Support Payments and Levy Regulations 2024¹ which came into force on the 1 April 2024.

Every quarter eligible EII will be able to submit an application to receive a monthly electricity support payment. To do this, EII will need to register via the NCC portal². This provides a safe and secure environment for EII to submit and correct their applications.

The NCC portal provides EII with the following:

- Company registration and amendment
- Company bank account details and amendment
- Manage multiple EII companies
- Submit and correct applications for electricity support payments

Elexon will deliver the roles as EII Support Payment Administrator and the EII Levy Administrator for the scheme.

Purpose

The purpose of this document is to answer the following questions:

- How and when do I make an application?
- What network charges do I include in my application?
- What evidence do I need to provide to support my application?
- How can I view and amend existing applications?
- What happens if my application is rejected?

Whom is this document for?

This document is for all EII companies who wish to participate in the NCC Scheme.

Associated Documents

This document should be read in conjunction with³:

- NCC Registrations
- DBT EII Guidance
- Energy-Intensive Industry Electricity Support Payments and Levy Regulations 2024

¹ <https://www.legislation.gov.uk/ukxi/2024/409/made>

² <https://ncc.elexon.co.uk/>

³ <https://www.elexon.com/ncc-scheme>

2. NCC Application Process

When can I make applications?

EII companies can make quarterly applications to receive 60% of their eligible network charges compensated via this scheme. The application windows will remain the same for each year of the scheme, as illustrated in the table below:

| Quarter | Months | Application Window |
|---------|-----------------------------|---------------------------|
| Q1 | January, February, March | 31 March – 30 April |
| Q2 | April, May, June | 30 June – 31 July |
| Q3 | July, August, September | 30 September – 31 October |
| Q4 | October, November, December | 31 December – 31 January |

In the NCC portal, a new row will appear upon commencement of the application window in the NCC Applications screen. For the claim period Q2 2024, the EII payments will begin in May 2025.

Which network charges am I eligible to claim against?

EIIs are eligible to make applications against the following network charges:

- **Transmission Network Use of System (TNUoS)**, including annual connection charges **and transmission losses**
- **Distribution Use of System (DUoS)**, including annual connection charges and **distribution losses** in this context
- **Balancing System Use of System (BSUoS)**

How do I make an application for an NCC support payment?

EIIs will need to complete the company registration before making an application.

EIIs will be able to submit quarterly when the application window is open, via the application screen within the NCC portal. This illustrates the application screen that will need to be completed and submitted.

NCC Scheme - Application Process

The screenshot shows the NCC portal interface for ELEXON LIMITED. The main heading is 'Details of claim for ELEXON LIMITED period Q2 2024'. Below this, there are three input fields for 'Net Total' for April 2024 (£ 32500.21), May 2024 (£ 31956.37), and June 2024 (£ 29955.10). A dropdown menu for 'Select Suppliers Q2 2024*' is visible. Below the net total fields, there are two upload sections: 'Optional Upload evidence for this claim period' and 'Upload EII Certificate(s) for this claim period'. Both sections show '1 file(s) uploaded' and a 'Text document.pdf' file. The interface includes a sidebar with navigation options like 'Dashboard', 'Registration', 'NCC Applications', 'Bank Details', and 'My Companies'. The top right corner shows 'Hello Test' and 'Managing ELEXON LIMITED'.

Please note that only a Claim Manager can submit an application, and the Director can only provide the Director's letter. Additionally, a Claim Manager cannot be a Director for the same company.

The following data needs to be submitted in the application form:

- **Monthly Net Totals:** Net total per month for any MPAN(s) for which you are claiming a support payment request against.
- **Supplier(s):** A list of all Suppliers in the application period for any MPAN(s) for which you are claiming a support payment request against.
- **Upload evidence:** Documentation to support your Monthly Net Total values and further details are available in 'What evidence should I provide to support my application' for examples of evidence that could be provided.
- **Upload EII Certificate(s):** A copy of all EII certificates related to the MPAN(s) for which you are claiming a support payment request against.

How do I calculate my monthly Net Total values?

Monthly Net Totals are required to be calculated as the net total of all eligible network charges for any MPANs an EII company holds a certificate for. For example, if you hold EII certificates that cover five MPANs, the value entered would be the sum of the net total of eligible network charges against those five MPANs.

Applicants with MPANs that are only eligible for partial exemptions, as set out on their EII certificate, may apply for network charging cost compensation on the proportion of eligible electricity from that meter, as detailed in the EII certificate. For example, if an MPAN on your EII certificate has a partial exemption of 70% and your net total of eligible network costs are £10,000, the value you would enter in the NCC portal is £7,000.00. Please ensure that you round up the value to 2 decimal places

- $£10,000 \times 70\% = £7,000.00$

Your EII compensation value will be 60% of your eligible network costs including any partial exemptions.

- Using the example above: $£7,000 \times 60\% = \mathbf{£4,200.00}$

NCC Scheme - Application Process

Further guidance on network cost eligibility can be found on the government website on 'Contracts for Difference, renewables obligation and small-scale feed-in tariffs: apply for an exemption or compensation' webpage⁴.

What evidence should I provide to support my application?

Applicants must provide for all applications:

- a) An electricity bill or an invoice with the breakdown of the eligible network charges of projected costs from an electricity Supplier; and
- b) A letter signed by a director or qualifying representative assuring that the claim for compensation is an accurate representation of network costs incurred.

Evidence is required to be provided for all MPANs being claimed for within the application. Both forms of evidence must be provided in order to assist in processing your application as efficiently as possible.

Where a director letter is selected, the NCC portal will generate the letter containing the application details and send this via email to the selected director. This is using Adobe Sign functionality to obtain a digital signature from the director to support the application. A copy of the director confirmation letter can be found in Appendix 1.

Applicants must also upload a copy of all applicable EII certificates, failure to do so will result in an application being rejected. We use the EII certificates to confirm the date from which the EII applicant is eligible for NCC support.

- For existing EIIs (i.e. EIIs with previous certificates), the certificate is effective during the validity period specified in the certificate.
- For new EIIs (i.e. EIIs with no previous certificates), the certificate is effective from the certificate issue date. However, they are only eligible to claim for EII support payments from the first full month⁵ following the certificate issue date. For example, if the issue date is 5 August 2024, and the validity period is 6 August 2024 to 30 June 2024, then the EII is only eligible to claim for support payments starting from September 2024, which is the first full month following the issue date.

What if I don't have a breakdown of my network costs?

EII's are encouraged to work with their electricity Suppliers to provide a breakdown of the network charges required.

Regulation 26 of the Energy-Intensive Industry Electricity Support Payments and Levy Regulations 2024 enables applicants to request in writing from their Supplier details of their network charging costs. The regulation requires Suppliers to provide this information as soon as reasonably practicable.

The DBT are working with Suppliers to improve the transparency of Supplier invoices in network charges. In the event a Supplier cannot provide this information, they must provide an explanation as to why they cannot do so.

What if I have not received an invoice before the application window closes?

Elexon and DBT acknowledge that billing delays may create challenges in providing finalised network charging data to Elexon within the application windows.

If in this situation, we recommend submitting an application with all available information at point of submission. EIIs will have the opportunity to correct applications with final data if an application has been made within the application window.

⁴ <https://www.gov.uk/government/publications/renewables-obligation-and-small-scale-feed-in-tariffs-apply-for-compensation>

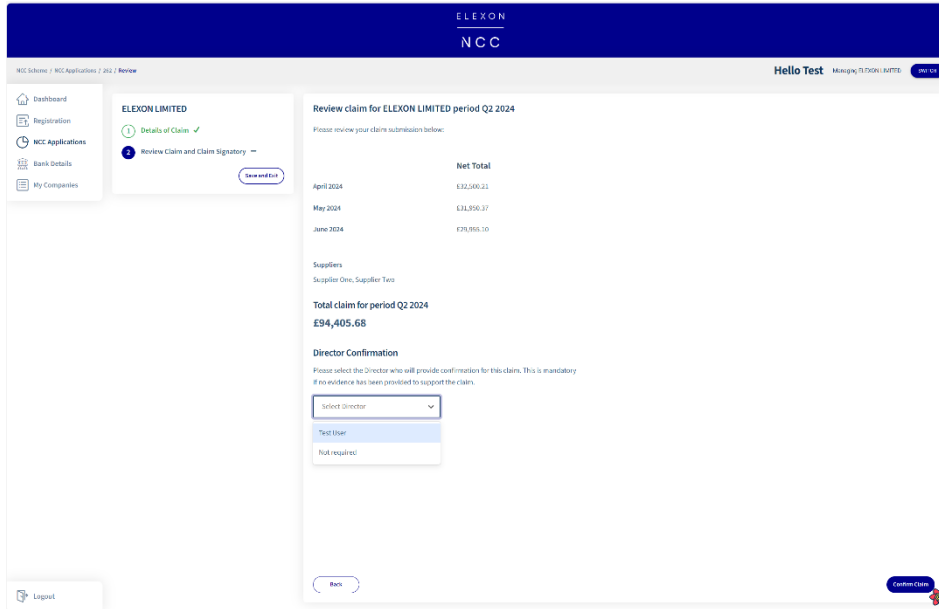
⁵ Regulation 7(1) - [The Energy-Intensive Industry Electricity Support Payments and Levy Regulations 2024](#)

NCC Scheme - Application Process

Reviewing my application

Once you have completed all the information required within your application you will be presented with a review of the information. At this point you can select to add a director confirmation who will be sent a letter to digitally sign via Adobe sign to confirm the submission is accurate.

This illustrates an example of the review screen within the NCC portal.



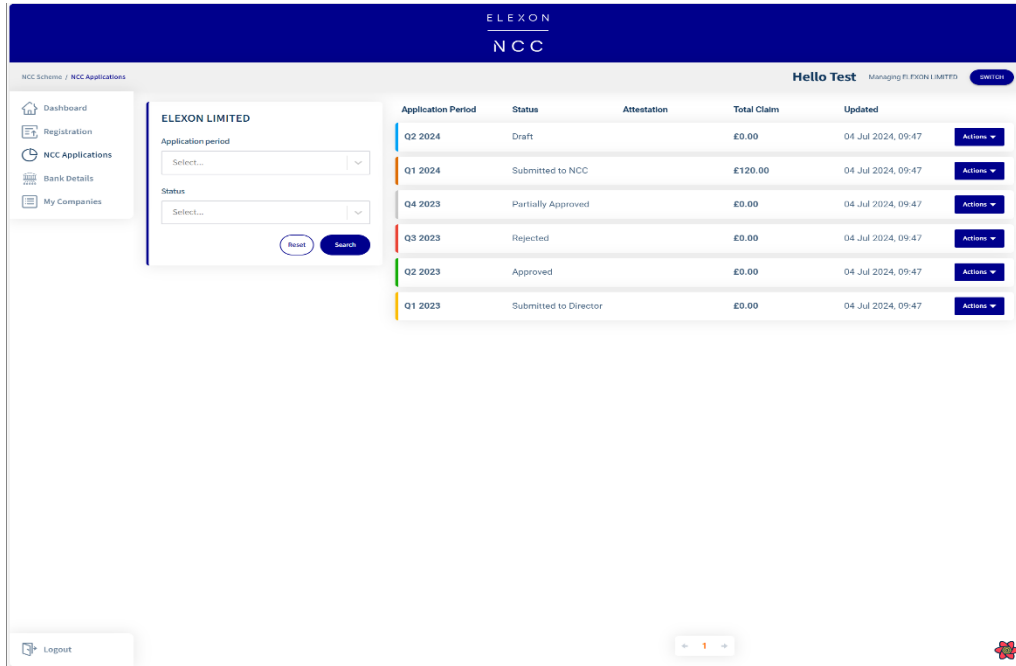
You can find a copy of the director's confirmation letter in Appendix 1.

What happens once my application has been submitted?

Elexon will review your application. Once Elexon has completed this review you will receive an email notification to confirm if your application has been fully or partially approved or rejected.

How do I view my application status?

You can view the status of all applications within the 'NCC Applications' screen. The below screen illustrates the various statuses of an application.



The screenshot shows the 'NCC Applications' screen for 'ELEXON LIMITED'. The interface includes a sidebar with navigation options: Dashboard, Registration, NCC Applications (selected), Bank Details, and My Companies. The main content area features a search filter for 'Application period' and 'Status', with 'Reset' and 'Search' buttons. Below the filters is a table of applications with columns for Application Period, Status, Attestation, Total Claim, Updated, and Actions.

| Application Period | Status | Attestation | Total Claim | Updated | Actions |
|--------------------|-----------------------|-------------|-------------|--------------------|---------|
| Q2 2024 | Draft | | £0.00 | 04 Jul 2024, 09:47 | Actions |
| Q1 2024 | Submitted to NCC | | £120.00 | 04 Jul 2024, 09:47 | Actions |
| Q4 2023 | Partially Approved | | £0.00 | 04 Jul 2024, 09:47 | Actions |
| Q3 2023 | Rejected | | £0.00 | 04 Jul 2024, 09:47 | Actions |
| Q2 2023 | Approved | | £0.00 | 04 Jul 2024, 09:47 | Actions |
| Q1 2023 | Submitted to Director | | £0.00 | 04 Jul 2024, 09:47 | Actions |

Here is an explanation of the various application statuses:

- **Approved:** Elexon have approved the application.
- **Draft:** A claim manager has not yet completed the application.
- **Partially Approved:** The application includes months that have been approved and rejected.
- **Rejected:** Elexon have rejected the application.
- **Submitted to Director:** The application is pending digital approval with a Director.
- **Submitted to Elexon:** The application is pending approval from Elexon.

Corrections to applications

Once an application has been submitted, this can be corrected by a Claim Manager via selecting the relevant application in the 'NCC Applications' screen. The process to submit an application correction is identical to the original application.

Submitting a correction to an application will nullify the original application. All months within an application window must be resubmitted for approval including the re-upload of any evidence to support the correction. As part of this, the Claim Manager will need to request a new Director's letter to reflect the new, corrected claim amount.

Any correction to a given claim month must be submitted by the correction deadline for that claim month. In Appendix 2, the table shows the correction deadline dates for each claim month.

3. Applications

Applications

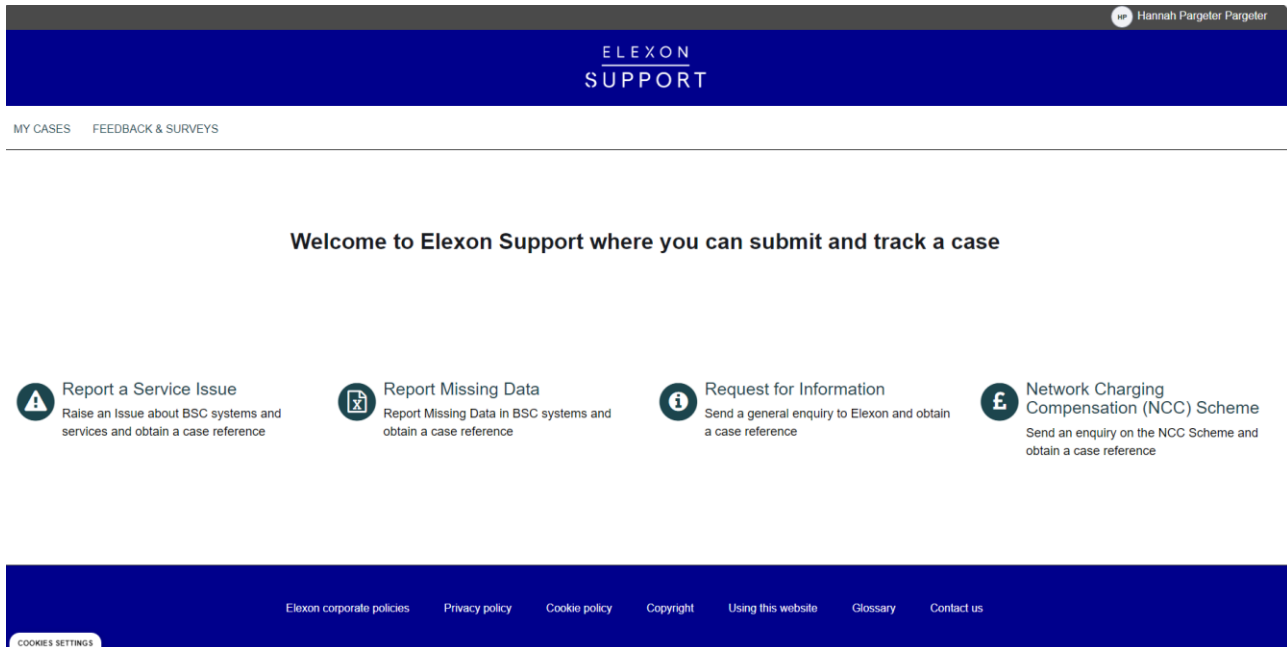
The below timetable demonstrates the timings associated when making an application.

| Ref | When | Action | From | To | Input Information Required | Method |
|-------|---|--|-------------|-------------|--|-------------------|
| 3.1.1 | Application window | Submit Application | EII Company | Elexon | Completed NCC Quarterly Application | NCC Portal |
| 3.1.2 | Following 3.1.1. Upon Request via Evidence | Request for Director to confirm accurate application | Elexon | EII Company | Director Letter Template | Email |
| 3.1.3 | Following 3.1.2 (if rejected) | Reject Application | EII Company | EII Company | Rejection of Application | Internal |
| 3.1.4 | Following 3.1.3 (if required) | Application correction | EII Company | Elexon | Corrected NCC Quarterly Application | NCC Portal |
| 3.1.5 | Following 3.1.2 (if accepted) | Director Signature | EII Company | Elexon | Digital signature of Director Letter | Adobe Sign |
| 3.1.6 | Following 3.1.1 or 3.1.5 and within 11 months of the Levy month | Application Determination | Elexon | EII Company | Full or partial application approval, or application rejection | NCC Portal, Email |
| 3.1.7 | Following 3.1.6 and within the relevant correction deadline (if required) | Application correction | EII Company | Elexon | Corrected NCC Quarterly Application | NCC Portal |

4. Need more information?

If you need any additional information or support, please contact the Elexon Support⁶ and raise a Network Charging Compensation (NCC) Scheme case.

You will need to register for Elexon Support on your first visit.



You can also find further information on the NCC Scheme on the Elexon website⁷.

5. Acronyms and Definition

A list of acronyms and definitions can be found in the Glossary⁸ on the Elexon website.

⁶ <https://support.elexon.co.uk/csm>

⁷ <https://www.elexon.com/ncc-scheme>

⁸ <https://www.elexon.co.uk/glossary/>

6. Appendix 1: Director Confirmation Letter

Click or tap to enter a date.

Company Name
[Address Line 1]
[Address Line 2]
[Address Line 3]
[Post Code]

Dear [insert name]

Network Charges Compensation Scheme – Director Confirmation

This letter, and the attached director's confirmation, refers to the Energy-Intensive Industry Electricity Support Payments and Levy Regulations 2024 (**the Regulations**). Unless otherwise defined in this letter, words and expressions defined in the Regulations shall have the same meaning when used in this letter.

Elexon Limited, in the role of the EII Support Payments Administrator, is in receipt of an application for an electricity support payment from [Company Name], who held an EII certificate.

The application details the net total value of the network charges paid in respect of electricity which passed through the electricity meter for which that EII certificate was issued. This table illustrates the net total value of the network charges being claimed for the quarter:

| Quarter Period | Net Total |
|----------------|-----------|
| [Month Year] | {£0.00} |
| [Month Year] | {£0.00} |
| [Month Year] | {£0.00} |

To support this application we need confirmation from a director of [Company Name] that those network charges were due and were paid. Please therefore sign the attached confirmation. If we do not receive the completed confirmation, your application will be rejected.

Kind regards,

EII Support Payments Administrator (Elexon Limited)

NCC Scheme - Application Process

Click or tap to enter a date.

Elexon Limited
4th Floor
350 Euston Road
London
NW1 3AW

Dear EII Support Payments Administrator

Confirmation by Director of the Company

I am a director of [Company Name] (the **Company**) which holds an EII certificate and is making a claim for an electricity support payment.

I refer to the application made by the Company to the EII Support Payments Administrator under section 7(1) of the Regulations.

Pursuant to section 7(3) of the Regulations, I confirm that the network charges detailed in the Company's application were due and were paid.

Yours faithfully

Director
[Insert Name]

For and on behalf of the Company

7. Appendix 2: Correction Deadline Dates

This table below shows the correction deadline dates for each claim month.

| Claim Month | Correction deadline |
|-------------|---------------------|
| Apr-24 | 24 February 2025 |
| May-24 | 25 March /2025 |
| Jun-24 | 24 April 2025 |
| Jul-24 | 23 May 2025 |
| Aug-24 | 24 June /2025 |
| Sep-24 | 25 July 2025 |
| Oct-24 | 22 August 2025 |
| Nov-24 | 24 September 2025 |
| Dec-24 | 27 October 2025 |
| Jan-25 | 24 November 2025 |
| Feb-25 | 23 December 2025 |
| Mar-25 | 26 January 2026 |
| Apr-25 | 23 February /2026 |
| May-25 | 25 March 2026 |
| Jun-25 | 24 April 2026 |
| Jul-25 | 22 May 2026 |
| Aug-25 | 24 June 2026 |
| Sep-25 | 27 July 2026 |
| Oct-25 | 24 August 2026 |
| Nov-25 | 24 September 2026 |
| Dec-25 | 26 October 2026 |

8. Amendment Record

| Version | Date | Description of Change | Approval Reference |
|---------|------------------|---|--------------------|
| 1.0 | 12/ July 2024 | Version 1 of document published | - |
| 2.0 | 1 October 2024 | Updated to provide more clarity on the roles of Claim Manager and Director though the document. | |
| 3.0 | 21 November 2024 | Included an additional section on the Corrections to applications. Clarification on the requirements when validating the EII certificate. | |