CIRCULAR

TYPE & NUMBER	ELEXON Circular – EL02551
Date	8 November 2016
To	Trading Parties
From	BSC Operations
Purpose	For action

Credit Assessment Price (CAP) review consultation issued

We have issued a consultation on the value of Credit Assessment Price (CAP) on the Consultations page of our website.

Yesterday, the reference price was **£110/MWh,** however, the trend of the forward prices suggest the reference price could be between £120/MWh and £125/MWh when the Credit Committee meet. The Credit Committee will meet shortly after the end of the consultation period to decide a new CAP value.

We invite you to indicate whether you agree with the proposal to **increase** the value of CAP to **£110/MWh** from its last agreed level of £98/MWh, based on current level of the reference price, or whether you consider an alternative value of CAP based on its future estimates, **between £120/MWh and £125/MWh**, to be more appropriate.

How does this affect me?

The change in CAP can affect the level of Credit Cover that Parties are required to lodge, so we encourage you to respond to the consultation.

Consultation responses will be presented to the Credit Committee shortly after the consultation's deadline. The Credit Committee will determine if the value of CAP should change. We will send another Circular following the meeting to confirm any changes and their effective dates.

How do I respond?

Parties can respond to this consultation using the consultation proforma available on the Consultations page of our website.

Please submit your responses to Credit.Committee@elexon.co.uk **by 17.00** on **Tuesday 15 November 2016.**

For more information, please contact the **BSC Service Desk** on 0870 010 6950 or email Credit.Committee@elexon.co.uk.

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