

# ELELEXION

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## **Administering the Network Charging Compensation (NCC) Scheme**

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Supplier Webinar

12 September 2024

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# PRESENTERS

ELEXON



NCC

OVERVIEW

PROGRESS UPDATE

EII APPLICATIONS &  
EVIDENCE

ESTIMATED LEVY FUND

SUPPLIER CHARGES

ELEXON SUPPORT & WEBSITE

NEXT STEPS

SUMMARY

# NCC OVERVIEW FROM DBT

# PROGRESS UPDATE

# What is our role within the NCC Scheme?

We're appointed:

- EII Support Payments Administrator
- EII Levy Administrator

We will be administering this scheme to compensate Energy Intensive Industries (EIIs), for about 60% of their network charges on their electricity bills.

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



# Phased Delivery Plan



- Engage with EIs on what they'll expect on how to submit NCC application
- Create system functionality for EIs to register and submit quarterly submissions
- Publish guidance and any supporting documentation
- Provide facilities for EIs to submit queries via Elexon Support



- Calculate the monthly Estimated Levy Fund
- Publish the Estimated Levy Amount
- Commences from 1 October 24
- Create new Bank Accounts

# Phased Delivery Plan

Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
2024/25									

## Phase 3

- Engage with Suppliers to help them get prepared
- Maintain engagement with EIs
- Functionality to calculate electricity Suppliers individual Levy, Operational Costs, Reserve Fund and Mutualisation
- Functionality to calculate EI Applicants compensation payments
- Functionality to create invoices and send to electricity Suppliers
- Functionality to create notifications of payments and send to EIs
- Continue to develop webpage content and guidance for EIs and Suppliers

# EII APPLICATIONS & EVIDENCE

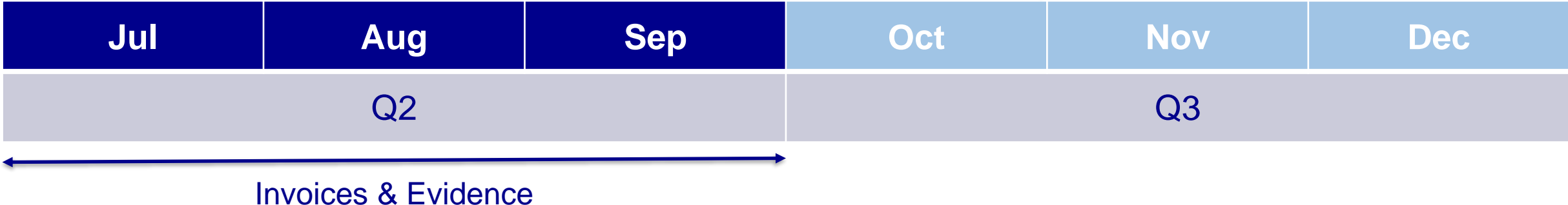
# Application Timeline

Scheme start  
1 Apr 24

Submission Window  
12 Jul – 13 Sep 24



Submission Window  
30 Sep – 31 Oct 24



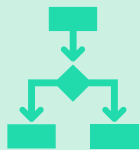
# Network Charges



**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)**

# Evidence

- Network charges are presented differently on Suppliers invoices
- Some work with both EIs & Suppliers to support improvements to the invoicing had occurred
- EIs do have the provision to request information from Suppliers to support their application
- Supporting accurate compensation payments



# ESTIMATED LEVY FUND

# Publication of Estimated Levy Fund

- Sum of approved and pending applications
- First published on 1 October 2024 for the April 2024 claim month
- One-off calculation and not revised
- Will be located on this webpage: <https://www.elexon.com/what-we-do/what-we-manage/network-charging-compensation-scheme/estimated-levy-fund/>



The Estimated Levy Fund represents 60% of the total amount applied for by Energy-Intensive Industries through the Network Charging Compensation Scheme (NCC).

This estimate is published on the first working day of the sixth month after any claim month. The NCC scheme commenced on 1 April 2024 and the first Estimated Levy Fund for April 2024 (claim month) will be published on the 1 October 2024.

This table contains the Estimated Levy Fund for specified claim months.

# SUPPLIER CHARGES

# Supplier Charges

- EII Levy Payments
- EII Levy Administrator Costs
- Reserve Fund
- Mutualisation
- Interest

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## EII Charging Statement

To: NCC TEST

A ROAD  
SOMEWHERE  
LONDON  
NW89 123

Invoice Date: 03/09/2024  
 Invoice Number: 3082437  
 Due Date: 10/09/2024  
 Your Order:  
 Customer Id: NCCTEST  
 Customer VAT Reg:

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Item	Description	Unit	Qty	Net Price (£)	Net Line Value (£)
EIISL	EII Support Levy	0 Units	1.0	15,000.00	15,000.00
EIOCL	EII Operational Cost Levy	0 Units	1.0	2,000.00	2,000.00
EIISRA	EII Support Reserve Amount	0 Units	1.0	30,000.00	30,000.00
EIISM	EII Support Mutualisation	0 Units	1.0	2,950.00	2,950.00
EIISLP	EII Support LPI	0 Units	1.0	50.00	50.00

Vat Code	Rate	Net	VAT
0	0.00%	50,000.00	0.00

<b>Net</b>	50,000.00
<b>VAT</b>	0.00
<b>Total Amount in £</b>	50,000.00

# Supplier Payments – What do they cover?

Supplier Payment	What do they cover?
EII Levy Payments (Regulation 13)	The total amount of all of the sums determined for the associated claim month: This includes: <ul style="list-style-type: none"><li>• determination of application</li><li>• corrections to application</li><li>• dispute determinations</li></ul>
EII Levy Administrator Costs (Regulation 14)	This is the EII Support Payments Administrator's costs, and this includes the establishing and operating processes.
Reserve Fund (Regulation 15)	The reserve fund is an amount that is twice the amount likely to be equal to the largest EII support payment total to occur in the following 12 months.



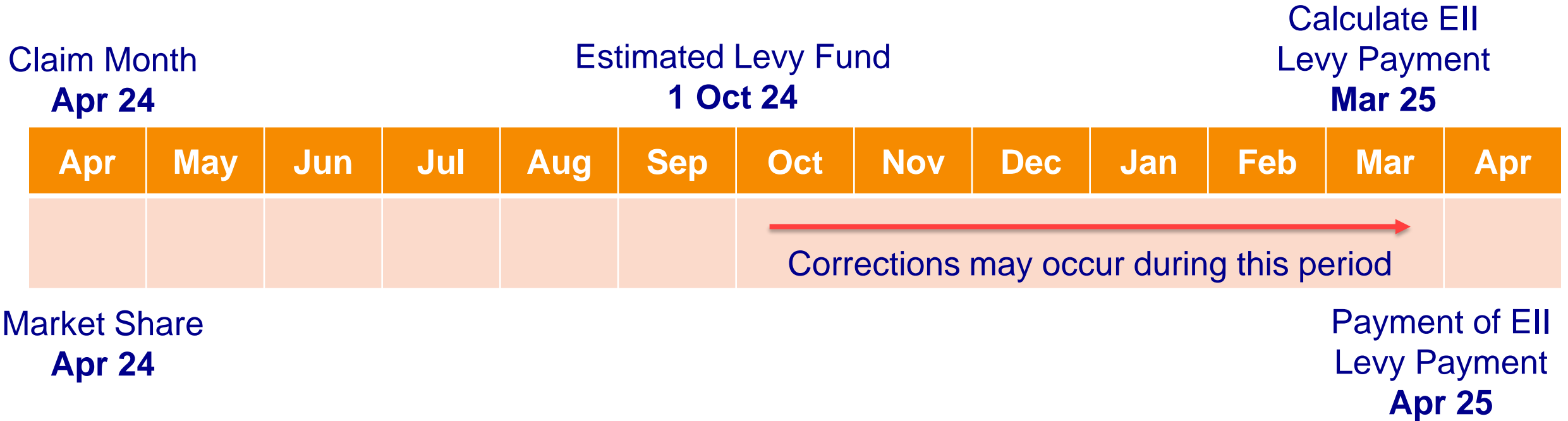
MONTHLY PAYMENT

FIVE WORKING DAY  
PAYMENT TERM

DESIGNATED INVOICE

ELEXON DIRECT  
DEBIT

# High-level timeline



- Data used will exclude any EII exemptible demand
- Data used is not reconciled, though will be using R3 settlement run (latest data available)

# EI Exemptible Demand

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Suppliers who have EI exemptible demand

- Ensure you have all EIs setup with EMRS
- We will use the exemptible demand that is used via EMRS for the CfD Scheme
- Once payments are calculated the data used will not be reconciled

# Example - Reserve Fund

- Reserve Fund is twice the amount likely to be equal to the largest EII support payment total

## Example

- Reserve Fund = **£55,000,000**
- This is accumulated over 12 months
- Reserve Fund collected across Suppliers

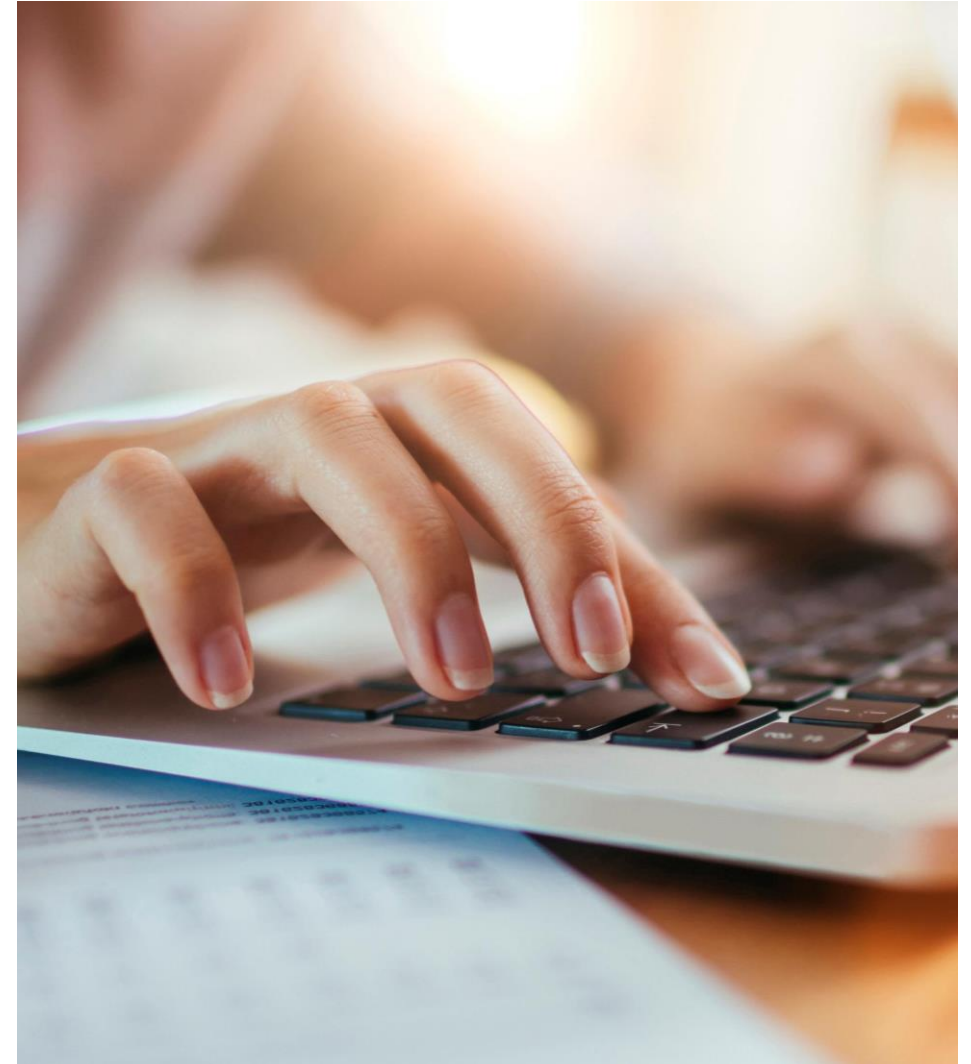
Month	Payments	Accumulated
Apr	£4,583,333	£4,583,333
May	£4,583,333	£9,166,667
Jun	£4,583,333	£13,750,000
Jul	£4,583,333	£18,333,333
Aug	£4,583,333	£22,916,667
Sep	£4,583,333	£27,500,000
Oct	£4,583,333	£32,083,333
Nov	£4,583,333	£36,666,667
Dec	£4,583,333	£41,250,000
Jan	£4,583,333	£45,833,333
Feb	£4,583,333	£50,416,667
Mar	£4,583,333	£55,000,000

# Mutualisation Charge

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EII levy administrator will when:

- a) At least one electricity supplier fails to pay some or all amount due
- b) The shortfall exceeds the amount of the funds held in the Reserve Fund
- Suppliers will be notified as soon as reasonably practicable if a mutualisation charge is to be imposed



# Late Payment Interest



Supplier does not make all or some of a payment as required must pay interest on late payments

Rate of 5% per annum over the relevant Bank of England base rate

From the day after the day on which that payment should have been made

Six months period – January to June (31 December) or July to December (30 June)



# PAYMENT SCHEDULE

# TRANSPARENCY OF PAYMENTS

# WEBSITE & ELEXON SUPPORT

## Network Charging Compensation Scheme (NCC)



<https://www.elexon.com/what-we-do/what-we-manage/network-charging-compensation-scheme/>

# Elexon Support – <https://support.elexon.co.uk/csm>

The screenshot shows a web browser window with the URL <https://support.elexon.co.uk/csm>. The browser's address bar includes navigation icons (back, refresh, lock) and utility icons (font size, star, print, search, share, heart, menu). The page header is a dark blue bar with the text "ELEXON SUPPORT" in white, with "ELEXON" above "SUPPORT" and a horizontal line under "ELEXON". A "Log in" link is in the top right corner. Below the header is a white navigation bar with links for "ELEXON BSC WEBSITE" and "BSC STATUS UPDATE DASHBOARD". The main content area features a large heading: "Welcome to Elexon Support where you can submit and track a case". Below this is a paragraph: "To ensure that you are able to access all of the options available from the Elexon Support service, we recommend that you register an account ahead of submitting an enquiry. By registering an account you will receive email updates on the progress of your case and can view and track other cases you submit." Three service cards are displayed: 1. "Register an account" with a person icon and text: "Register an individual user account to obtain case management functionality, such as tracking your case as it progresses." 2. "Submit a case" with a document icon and text: "Send a new enquiry to Elexon and obtain a case reference." 3. "Track an existing case" with a folder icon and text: "View all your enquiries, track their individual progress and see closed enquiries when complete." At the bottom left is a "COOKIES SETTINGS" button, and at the bottom right is the "ELEXON" logo.




Log in

ELEXON  
SUPPORT

ELEXON BSC WEBSITE   BSC STATUS UPDATE DASHBOARD

## Welcome to Elexon Support where you can submit and track a case

To ensure that you are able to access all of the options available from the Elexon Support service, we recommend that you register an account ahead of submitting an enquiry. By registering an account you will receive email updates on the progress of your case and can view and track other cases you submit.

-  **Register an account**  
Register an individual user account to obtain case management functionality, such as tracking your case as it progresses.
-  **Submit a case**  
Send a new enquiry to Elexon and obtain a case reference.
-  **Track an existing case**  
View all your enquiries, track their individual progress and see closed enquiries when complete.

COOKIES SETTINGS

ELEXON

## Welcome to Elexon Support where you can submit and track a case



### Report a Service Issue

Raise an Issue about BSC systems and services and obtain a case reference



### Report Missing Data

Report Missing Data in BSC systems and obtain a case reference



### Request for Information

Send a general enquiry to Elexon and obtain a case reference



### Network Charging Compensation (NCC) Scheme

Send an enquiry on the NCC Scheme and obtain a case reference

WHAT IS NEXT?

# What is next?

Sep	Oct	Nov	Dec
Webinar	<b>Estimated Levy Fund (Apr 24)</b>  Supplier webpage  Application Window	Estimated Levy Fund (May 24)	Estimated Levy Fund (Jun 24)  <b>Payment Schedule</b>
Jan	Feb	Mar	Apr
Estimated Levy Fund (Jul 24)  Application Window	Estimated Levy Fund (Aug 24)	<b>Calculation of EII Payments</b>  Estimated Levy Fund (Sep 24)	<b>Invoice EII Payment</b>  Estimated Levy Fund (Oct 24)  Application Window

# SUMMARY

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NCC

BETTER  
UNDERSTANDING OF  
THE SCHEME

PHASED DELIVERY  
PLAN

APPLICATION  
PROCESS

ESTIMATED LEVY  
FUND

SUPPLIER CHARGES

ELEXON

THANK YOU

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**Kay Gay, James Lewis, Roan Chavez,  
Andrew Grace and Hannah Pargeter**

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12 September 2024