



EBCC Presentation

19th November 2018

Agenda

1. Introduction and Status Review
2. Operational Update
3. 6 Month Operational Review
4. Focus for 2018/19
5. Security Review
6. Modification Update
7. Project Update
8. Any Other Business
9. Diary Planning



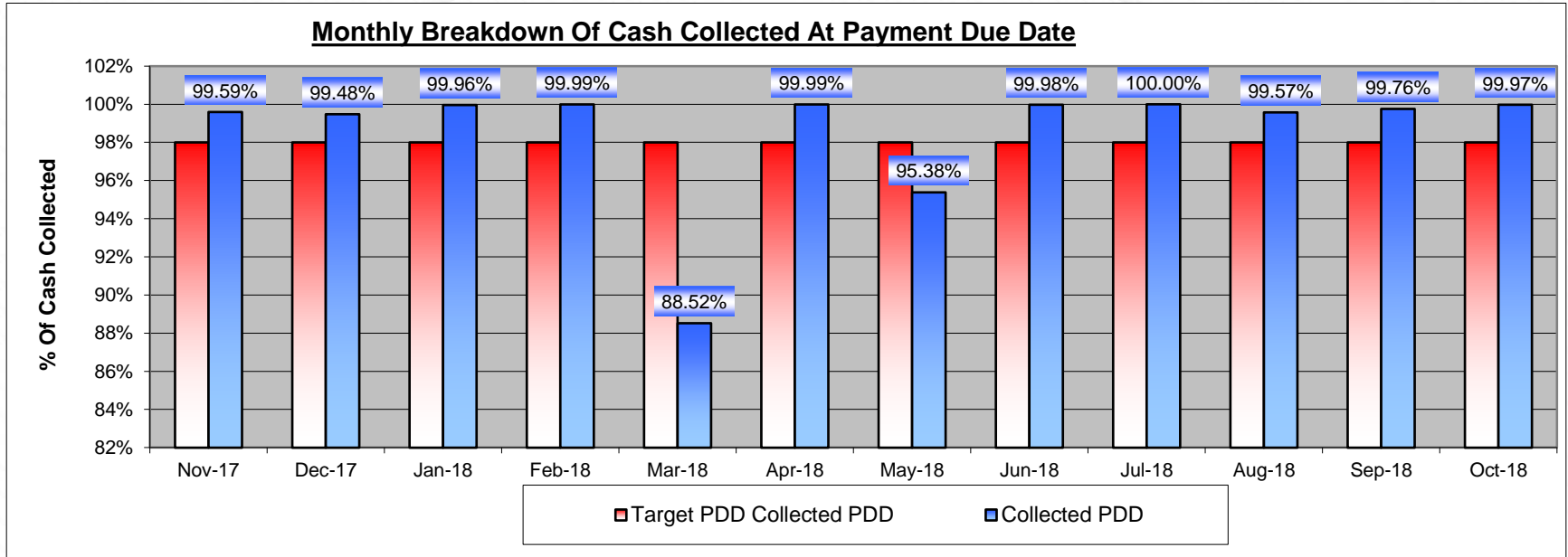
Operational Update

October 2018

Operational Update - October 2018

- Cash Collection 99.97%
- Rolling 12 Months 98.52%
- 1 Failure to Pay Invoice Notice issued
- No Cash Calls issued
- No Further Security Request Notices Issued
- No Failure to Pay Cash Call Notices issued

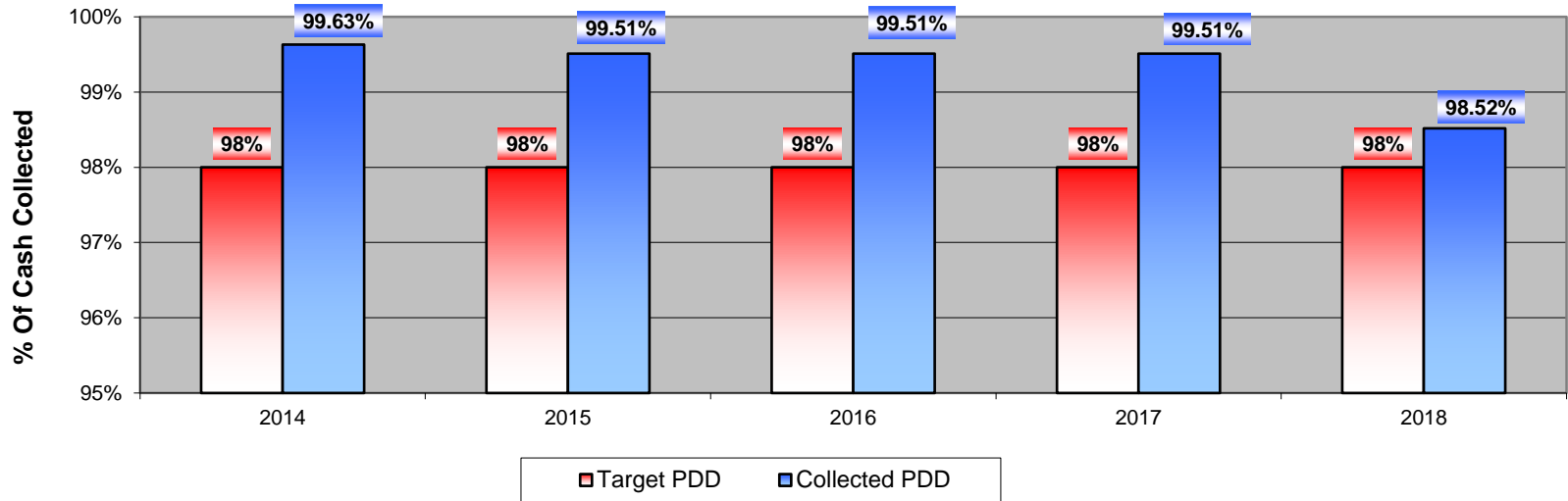
Cash Collection



This graph provides a breakdown of the monthly figures that were collected against target on payment due date.* All figures rounded to 2 decimal places

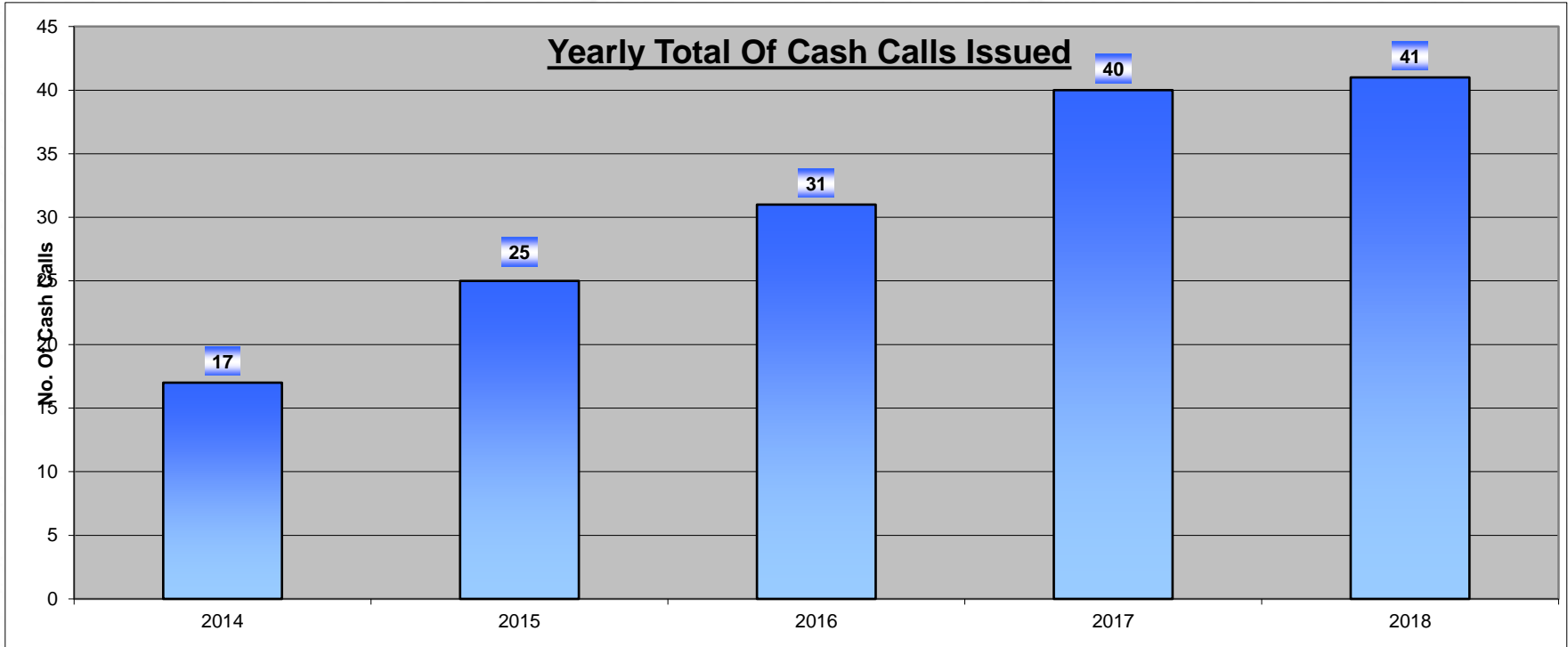
Year Cash Collection

Yearly Cash Collection Targets Payment Due Date



The above graph is a yearly breakdown of cash collection against target on payment due date. The data is collated as a rolling 12 month figure.

Year Cash Calls position



This Graph provides a yearly breakdown of cash calls issued.

Overview of Cash Calls process

- 41 Cash Calls have been issued in 2018, this figure is comparable to 2017
- 265 Users have been contacted during 2018 as a result of:-
 - Instances where utilisation has increased above 75% to discuss remedial action.
 - Utilisation has increased above 100% due to the following reasons:-
 - Genuine cash call but users have paid in additional funds immediately to avoid cash call being issued prior to 3pm
 - Provided missing CVA data
 - Paid EBI or Amendment invoices early



6 Month Operational Review

April 2018 – October 2018

6 Month Operational Review

- Cash Collection figures have remained consistent over the last 6 months.
- Cash Call figures have remained significantly low since April 2018, this is due to the continued pro-active engagement with users reaching 75% where Users have taken early remedial action by placing additional funds in the Cash Call account or increasing Security.
- Due to the high SAP prices in March, this has had an effect on the 12 month Rolling Sap Price as a consequence we have seen an increase in Securities during the annual security renewals.
- 100% Letter of Credit Renewals in place prior to Expiry date.
- 2 New members have joined the Credit Risk Team
- The Credit Risk Team have supported 2 Customer Discovery Days providing additional training on the Energy Balancing Process.



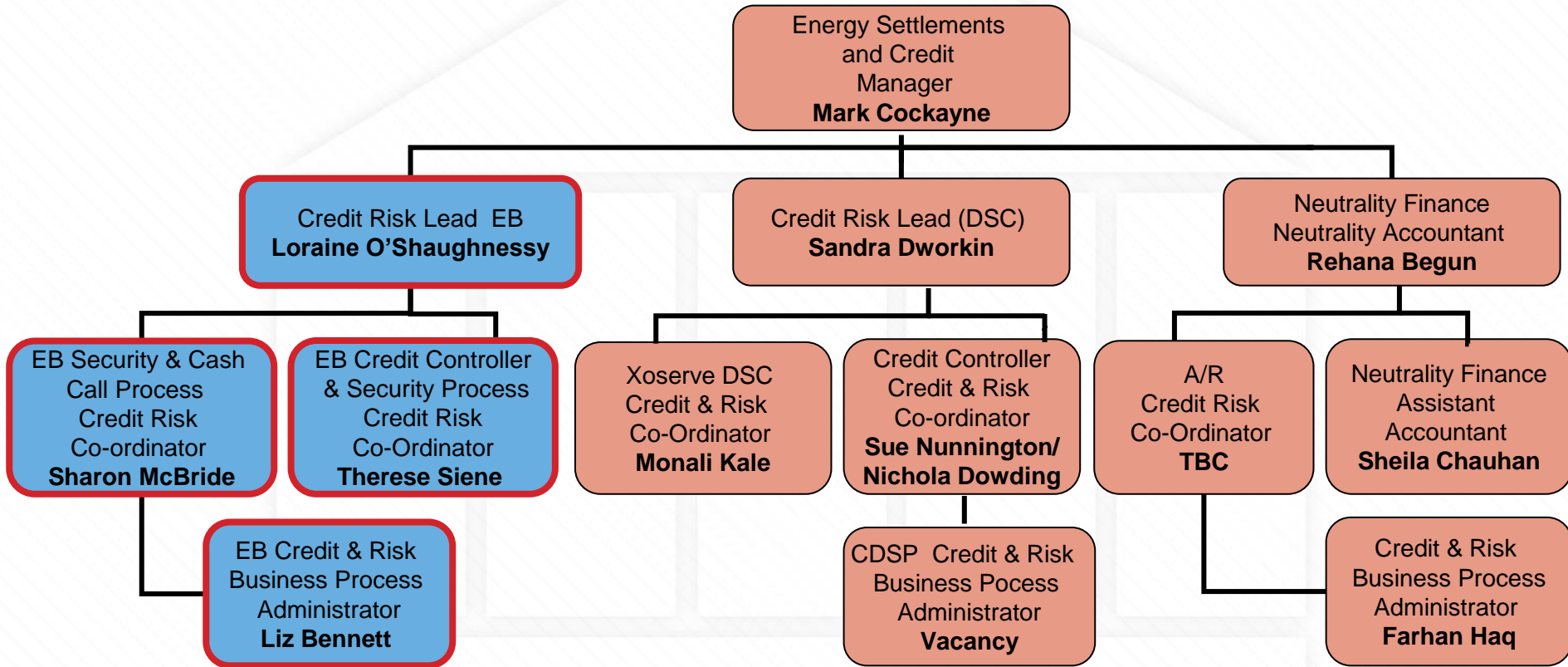
Focus for next 6 months

October 2018 – April 2019

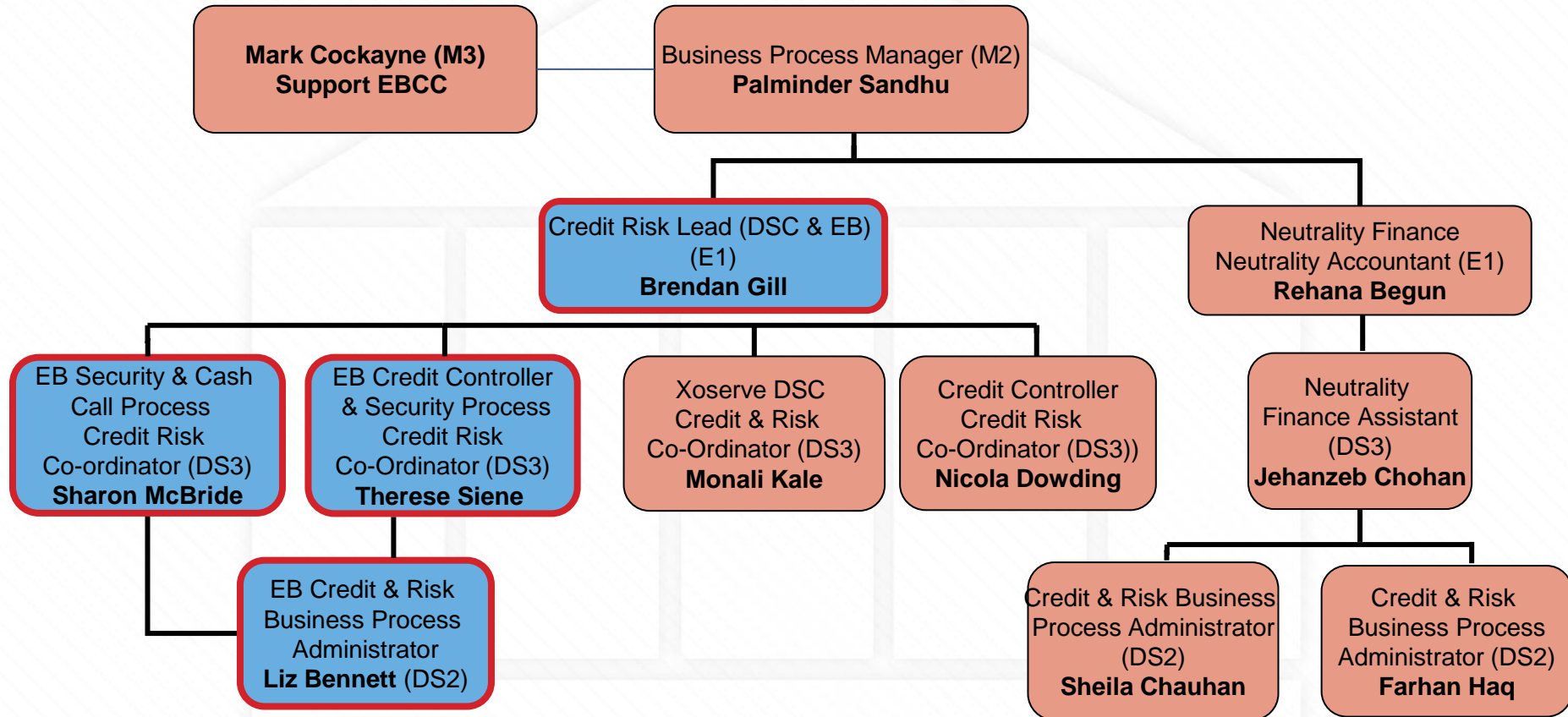
Focus for next 6 months - Team

- Team re-organisation – Due to OLS 3 members of the Credit Risk team will be leaving by the end of March 2019
- Mark Cockayne will be passing over responsibility to Palminder Sandhu to Manage the Credit Risk Team over the next few months.
- Brendan Gill joins the Credit Risk team from today to replace Loraine O'Shaughnessy and Sandra Dworkin who will be leaving at the end of March 2019.
- A full review of the Credit Risk Team is under review to look at process improvements, and where synergies of roles can be merged.
- CICM Training across the team will continue
- Continue to Support Customer Discovery days

Credit & Risk Management Team - Current



Credit & Risk Management Team – April 19



Focus for next 6 months - Operational

- Review the Winter Planning – Termination end to end process
- Continue customer visits and early engagement with new market participants.
- Brexit – Review potential impacts to Financial Institutes
- EBCC Operational Pack – Review and update reporting mechanism
- Continue to embed Xoserve's Strategy House,
- Full review of Energy Balancing Credit Rules
- Support System enhancements to Gemini
- Potential changes to internal A/R functionalities

We believe in
radically simplifying the
Energy Market through maintaining
and leveraging industry assets for the benefit of all

Customer
Centric

Data
Driven

Change
Leading

Operationally
Excellent

People
Powered

xserve

Responsible Business

Assurance, commercial, suppliers, social and safety



Security Review

April 2018 – October 2018

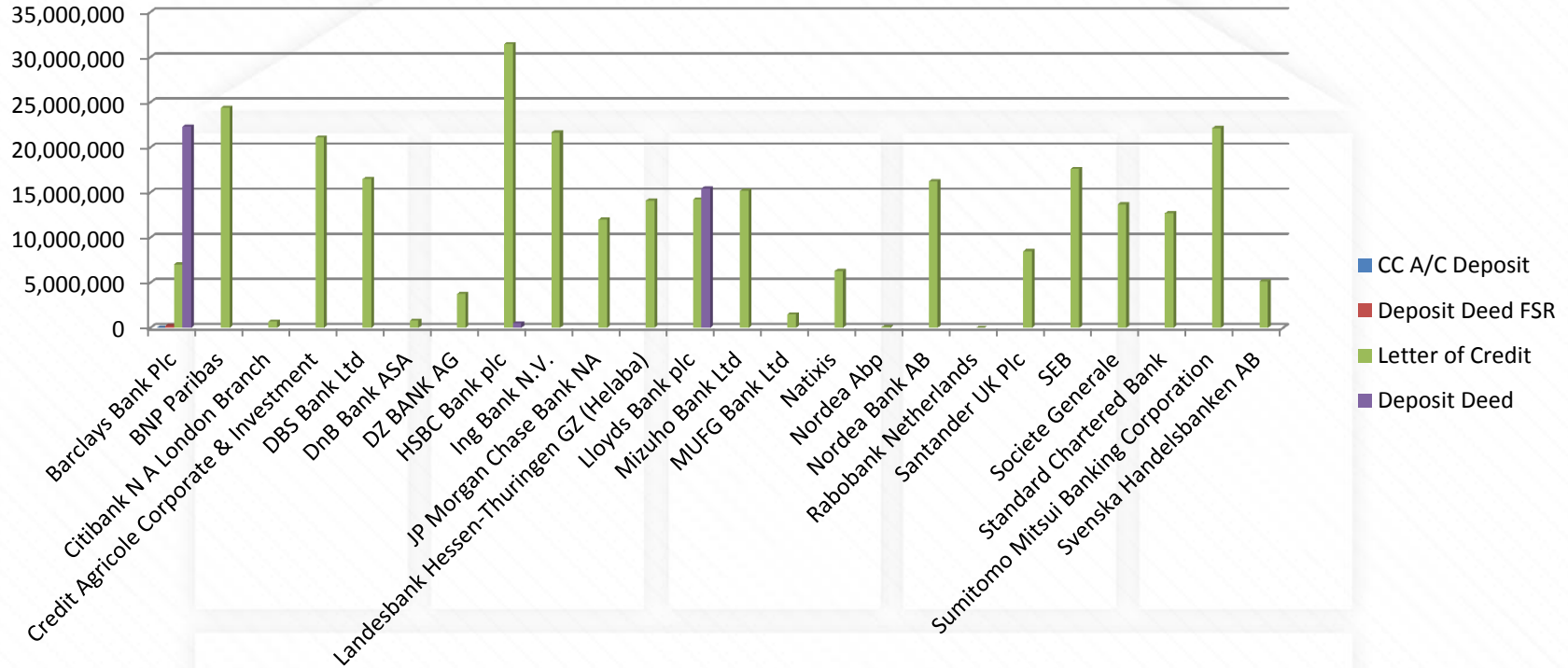
Security Review

- Mod 587 - Seasonal energy balancing credit cover – 2 User's have taken this service since it was introduced only an increase of 1 since last review
- Letter of Credit Security has increased by £5.6m since April 2018.
- Deposit Deed Security has reduced by £1.7m since April 2018.
- The BBR changed August 2018, due to the increase interest is being applied to Deposit Deed and Cash Call Accounts which is payable quarterly by the bank.
- 3 User admissions completed since April 2018
- 2 Voluntary discontinuances since April 2018

Security Update – November 2018

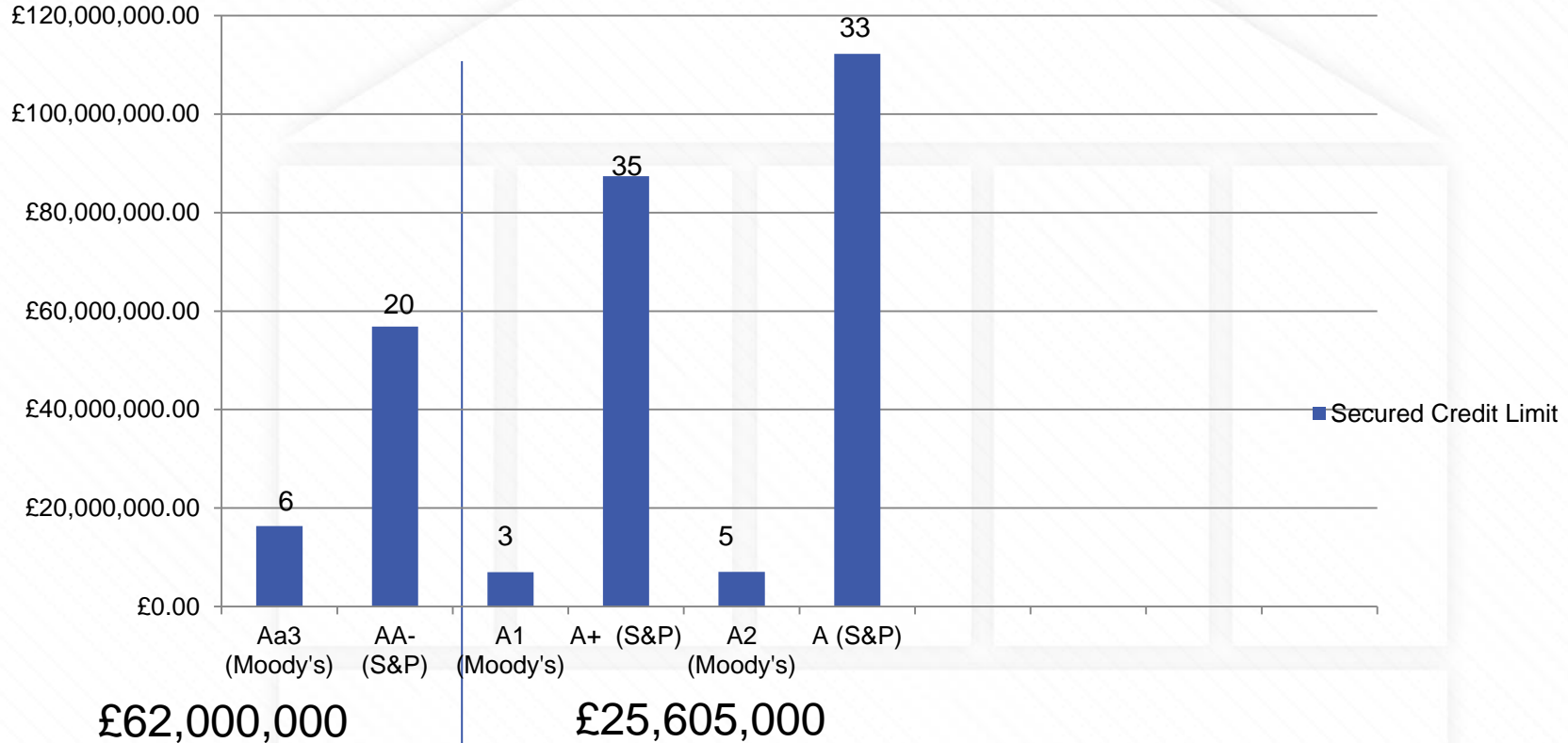
Period	Letter of Credit	Deposit Deed	Deposit Deed FSR	CC A/C Deposit	Total Security held
October 18	£286,830,200	£38,259,000	£510,000	£224,000	£325,323,700

Security held – November 2018



Spread of Financial Exposure

Aggregate Secured Limit by Rating Band- Letter of Credit



Spread of Financial Exposure

Aggregate Secured Credit Limit by Rating Band - Deposit Deed



Rating Comparison Table

Financial Insitute	Moody's	S&P
Barclays Bank PLC	A2	A
BNP Paribas	Aa3	A
Citibank, N.A.	A1	A+
Credit Agricole Corporate and Investment Bank	A1	A+
DBS Bank Ltd.	Aa1	AA-
DNB Bank ASA	Aa2	A+
DZ BANK AG	Aa1	AA-
HSBC Bank plc	Aa3	AA-
ING Bank N.V.	Aa3	A+
JPMorgan Chase Bank, N.A.	Aa1	A+
Landesbank Hessen-Thueringen GZ	Aa3	A
Lloyds Bank Plc	Aa3	A+
Mizuho Bank, Ltd.	A1	A
MUFG Bank Ltd	A1	A
Natixis	A1	A+
Nordea Bank AB	Aa3	AA-
Rabobank	Aa3	A+
Royal Bank of Canada (London Branch)	Aa2	AA-
Santander UK PLC	Aa3	A
SEB	Aa2	A+
Societe Generale	A1	A
Standard Chartered Bank	A1	A
Sumitomo Mitsui Banking Corporation	A1	A
Svenska Handelsbanken AB	Aa2	AA-



Modification Update



Project Update



A.O.B

1. Voluntary Discontinuance



Diary Planning