



Department for  
Business, Energy  
& Industrial Strategy

# CONTRACTS FOR DIFFERENCE

Draft Allocation Framework for the 2017  
Allocation Round

A decorative blue curved line that starts from the left edge of the page, rises to a peak, and then descends towards the right edge, ending in a small blue dot.

February 2017

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Any enquiries regarding this publication should be sent to us at [BEISContractsForDifference@beis.gov.uk](mailto:BEISContractsForDifference@beis.gov.uk).

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## 1. Title and application

This document may be referred to as the Contracts for Difference Allocation Framework for the 2017 Allocation Round (“the Allocation Framework”).

## 2. Interpretation

2.1 Definitions used in the Allocation Framework are set out in Schedule 1, apart from those used in the Valuation Formula and associated definitions which are set out in Schedule 2.

2.2 Any reference to “£” or “pounds sterling” is to the lawful currency of the United Kingdom.

2.3 Any reference to “MW” is to megawatts and to “MWh” is to megawatt hours.

2.4 A reference to “capacity” means the Net Capacity Estimate unless otherwise stated.

2.5 A reference to a “Regulation” is to the regulation of that number in the Allocation Regulations.

## 3. Determination of eligibility

3.1 For the purposes of this Rule only, “Relevant Person” means the Secretary of State, the Authority or the CFD Counterparty.

3.2 Where the Delivery Body is required to make a determination under Regulation 17, the Delivery Body must perform the checks stated in Schedule 4 that are applicable to a particular Application.

3.3 Subject to Rule 3.5, where the applicable checks in Schedule 4 are satisfied in respect of an Application, the Delivery Body is entitled to make a presumption that the Application is a Qualifying Application.

3.4 The presumption in Rule 3.3 does not apply where, having regard to credible evidence—

- (a) received in writing by the Delivery Body from a Relevant Person; or
- (b) otherwise in the knowledge of or presented to the Delivery Body in its role as the Delivery Body, including that received from a person other than a Relevant Person,

it is apparent to the Delivery Body that the Application may not have satisfied any one or more of the checks in Schedule 4.

3.5 If Rule 3.4 applies, the Delivery Body must determine whether or not the Application is a Qualifying Application having regard to such relevant evidence available to it before the Delivery Body is required to give notice to an Applicant under Regulation 19.

## 4. Supplemental Requirements

4.1 Pursuant to Regulation 28—

(a) where a relevant CFD Unit is (or is to be) a Phased Offshore Wind CFD Unit, the Applicant must demonstrate that—

(i) after all phases are completed, the CFD Unit will have a capacity of no greater than 1500 MW;

(ii) the first phase must represent at least 25% of the total capacity of the CFD Unit after all phases are completed;

(iii) the first phase is targeted to complete by a date no later than 31st March 2023 (subject to any changes to the Target Commissioning Date under Regulation 34 as a result of delays to the Allocation Process); and

(iv) the Target Commissioning Date of the last phase is no later than 2 years after the date referred to in (iii) above.

## 5. Excluded Applications

5.1 Pursuant to Regulation 14(14), no Application may be made in respect of a CFD Unit where—

(a) the Technology Type of a CFD Unit is AD (with or without CHP), the capacity of that CFD Unit is less than or equal to 5MW.

(b) the CFD Unit is or is part of a generating station which has been Commissioned, [except where such station is a Biomass Conversion [or CCS Conversion] generating station which has not been Commissioned following conversion];

(c) both—

(i) the Technology Type of that CFD Unit is Energy from Waste with CHP (as defined in the Eligible Generator Regulations); and

(ii) an application for accreditation has been made in respect of that CFD Unit under the Renewable Heat Incentive Regulations 2011.

## 6. Valuation of Applications

6.1 Pursuant to Regulation 29(1), the Delivery Body must determine the Applications Valuations in respect of each of the years specified in the Budget Profile.

6.2 Pursuant to Regulation 29(3)(a), the method of calculation for determining the Applications Valuations is set out in Schedule 2 (“Valuation Formula”).

6.3 Applications will be valued using 2012 prices (which are set out in Appendices 1 and 2 of Schedule 2).

6.4 For the purposes of these Rules—

(a) where two or more Pots are specified in the Budget Notice, the Overall Budget is not relevant; and

(b) where a Pot is referred to, this should be taken as a reference to the Pot applicable to the Application(s) under consideration.

6.5 Pursuant to Regulation 29(5), the Delivery Body must determine the Applications Valuations—

(a) within 1 Working Day after the Application Closing Date in respect of all Applications; and

(b) where no Review Notices have been given under Regulation 20, within 1 Working Day after the Non-Qualification Review Request Date in respect of Qualifying Applications; or

(c) where one or more Review Notices have been given under Regulation 20, within 1 Working Day after the Appeals Deadline Date in respect of Qualifying Applications and Applications subject to a Non-Qualification Review or a qualification appeal.

6.6 Pursuant to Regulation 29(6), the period after the last delivery year for which Applications Valuations are required is the period between 31st March 2023 and 31st March 2025.

## 7. Notices of determinations

Pursuant to Regulation 19(3), a notice under regulation 19(1) must be given no later than 15 working days after the application closing date, and regulation 19(2)(b) applies in respect of this period.

## 8. Non-qualification review and appeal deadline dates

8.1 Pursuant to Regulation 31—

- (a) The Non-Qualification Review Request Date is 16th May 2017;
- (b) The Appeals Deadline Date is 13th June 2017; and
- (c) The Post-Appeals Indicative Start Date:
  - (i) where there are no appeals is 23rd June 2017.
  - (ii) where there are appeals is 14<sup>th</sup> August 2017.

## 9. Allocation Process

9.1 Where, pursuant to Regulation 33, the Delivery Body must commence the Allocation Process, the Delivery Body must carry out the steps in this Rule 9.

9.2 Where a Pot is specified in the Budget Notice, the Delivery Body must sum the value of all relevant Qualifying Applications in that Pot (including Qualifying Applications of a Technology Type to which a Minima or Maxima applies) and either—

- (a) where the value of the relevant Qualifying Applications is equal to or less than the Pot in every Delivery Year, determine that all such Qualifying Applications are Successful Applications and the final Strike Price applicable to those Applications is the Administrative Strike Price (subject to the application of any Maxima, as set out at Rule 9.5 below); or
- (b) where the value of the relevant Qualifying Applications would exceed the Pot in any Delivery Year, assess any Minima in accordance with Rule 9.4 below and hold an auction in relation to those Qualifying Applications for all Delivery Years in accordance with Rule 15 below.

9.3 Where no Pots are specified in the Budget Notice, the Delivery Body must assess whether the value of all Qualifying Applications would exceed the Overall Budget by



summing the value of all Qualifying Applications (including Qualifying Applications to which a Minima or Maxima applies) and either—

(a) where the value of the relevant Qualifying Applications is equal to or less than the Overall Budget in every Delivery Year, determine that all such Qualifying Applications are Successful Applications and the final Strike Price applicable to those Applications is the Administrative Strike Price (subject to the application of any Maxima, as set out at Rule 9.5 below); or

(b) where the value of the relevant Qualifying Applications would exceed the Overall Budget in any Delivery Year, assess any Minima in accordance with Rule 9.4 below and hold an auction in relation to those Qualifying Applications for all Delivery Years in accordance with Rule 15 below.

9.4 Any Minima applying to the Allocation Round will be stated in MW. Where a Minima is specified in the Budget Notice for an Allocation Round the Delivery Body must, where the value of all Qualifying Applications (not limited to the Qualifying Applications subject to the Minima) would exceed the Pot/Overall Budget in any Delivery Year, request sealed bids in accordance with Rule 11 for all Qualifying Applications (in the relevant Pot, where one is specified). For each Minima the Delivery Body must sum the capacity and sum the value of the Qualifying Applications of the Technology Type subject to the Minima and—

(a) where the capacity sum is equal to or less than the Minima and the value of the Applications (subject to the Minima) does not exceed the Pot/Overall Budget in any Delivery Year, determine that all such Qualifying Applications are Successful Applications and the final Strike Price applicable to those Qualifying Applications is the Administrative Strike Price;

(b) where the capacity sum is equal to or less than the Minima but the value of the Qualifying Applications (subject to the Minima) would exceed the Pot/Overall Budget in any Delivery Year, hold an auction in relation to those Qualifying Applications, in accordance with Rule 15 below; or

(c) where the capacity sum exceeds the Minima, hold an auction in relation to those Qualifying Applications in accordance with Rule 15 below.

9.5 Any Maxima applying to the Allocation Round can be stated in MW or pounds sterling. Where a Maxima is specified in the Budget Notice for that Allocation Round, for each Maxima the Delivery Body must sum the capacity or cost in pounds sterling of all Qualifying Applications of the Technology Type subject to the Maxima and either—

(a) where the capacity sum or cost in pounds sterling would exceed the Maxima, if the Pot/Overall Budget would be exceeded, consider the Qualifying Applications subject to the Maxima as part of the auction to be held in accordance with Rule 17.1(c) (i) below;

(b) where the capacity sum or cost in pounds sterling is equal to or less than the Maxima, consider those Qualifying Applications as part of the Pot/Overall Budget as set out in Rules 9.2 or 9.3 above, as applicable; and/or

(c) where the capacity sum or cost in pounds sterling would exceed the Maxima, if the Pot/Overall Budget is not exceeded, hold an auction in relation to only the Qualifying Applications subject to the Maxima in accordance with Rule 17.1(c)(ii) below.

## 10. Notice of Auction

10.1 If one or more auction(s) are to be held pursuant to Rule 9 above—

(a) the Delivery Body must notify the Secretary of State, as soon as practicable, that it intends to hold an auction; and

(b) the Delivery Body must then wait 5 Working Days.

10.2 If, during that period the Secretary of State issues a Budget Revision Notice, the Delivery Body must assess whether the Qualifying Applications would exceed the revised Overall Budget, Pots, Minima or Maxima (as appropriate) as set out in the Budget Revision Notice, in accordance with Rule 9 above.

10.3 If an auction is required, the Delivery Body must, as soon as practicable—

(a) notify the Secretary of State that it will hold an auction; and

(b) issue a notice (“Notice of Auction”) to the relevant Qualifying Applicants, inviting the submission of sealed bids.

10.4 If no Budget Revision Notice is issued by the Secretary of State, the Delivery Body must issue a Notice of Auction to the relevant Qualifying Applicants, inviting the submission of sealed bids.

10.5. The Notice of Auction must state the following—

(a) that the value of Qualifying Applications received has exceeded the specified Minima, Maxima, Pot or Overall Budget, as appropriate;

(b) that an auction is to be held in relation to Qualifying Applications subject to the exceeded Minima, Maxima, Pot and/or Overall Budget, as appropriate;

(c) that sealed bids are invited in the form and manner prescribed in the Notice of Auction; and

(d) the sealed bid submission closing date, which must be a Working Day no less than 5 Working Days after the day the Delivery Body issues the Notice of Auction (“Submission Closing Date”).

## 11. Submission of sealed bids

11.1 Each sealed bid must—

- (a) be submitted on or before the Submission Closing Date;
- (b) be submitted in accordance with the instructions set out in the Notice of Auction, and
- (c) contain the following—
  - (i) the Applicant’s proposed Strike Price in pounds sterling that it will accept for each megawatt hour of Metered Output, which must not be more than the applicable Administrative Strike Price;
  - (ii) the Applicant’s Target Commissioning Date and start date of the Target Commissioning Window; and
  - (iii) the capacity of the CFD Unit.

11.2 Subject to Rule 13, for each Application an Applicant may submit only one sealed bid (and one Strike Price) for the same Target Commissioning Date and for the same capacity as the original application.

11.3 Only one sealed bid per Application may be a Successful Application.

11.4 The lowest Strike Price bid in each Delivery Year must be expressed to be to the nearest whole penny.

11.5 For each Application, an Applicant may submit up to 4 Flexible Bids which are sealed bids with varying capacities and/or Target Commissioning Dates, of which no more than two bids may have a Target Commissioning Date in the same Delivery Year.

11.6 All Flexible Bids made by an Applicant must—

- (a) be made at different Strike Prices;
- (b) subject to Rule 11.4, be expressed to be to the nearest 0.1 of a penny; and
- (c) satisfy Rules 4.1 (a)(i) and 5.1 (a) if applicable.

11.7 All bids—

- (a) should be requested and submitted using 2012 prices; and
- (b) will be valued using 2012 prices (which are set out in Appendices 1 and 2 of Schedule 2).

11.8 Where no sealed bid is submitted by an Applicant by the Submission Closing Date, the Delivery Body must assign the Application a bid of the Administrative Strike Price for its Technology Type, Target Dates and capacity, as specified in the Application.

11.9 The Delivery Body must not accept any sealed bids submitted after the Submission Closing Date.

## 12. Phased Offshore Wind CFD Units

12.1 In respect of Applications for Phased Offshore Wind CFD Units—

- (a) a sealed bid must include a single Strike Price to apply to all phases (but Flexible Bids may be submitted in accordance with Rule 11.5 above);
- (b) the Target Commissioning Date for the first phase will be treated as the first Target Commissioning Date; and
- (c) all phases must be taken into account when the Delivery Body is assessing the impact of a Phased Offshore Wind CFD Unit on the Budget Profile in the Applications Valuation and/or any relevant auction.

## 13. Withdrawal of Applications and sealed bids

13.1 Pursuant to Regulation 16(4), an Application may be withdrawn by an Applicant before the Application Closing Date, or where a Notice of Auction has been issued by the Delivery Body, before the Submission Closing Date. Such withdrawal must be made by giving notice to the Delivery Body.

13.2 If one or more Applications are withdrawn after the Application Closing Date in accordance with Rule 13.1, the Delivery Body is not required to carry out the Applications Valuations again and must proceed with the auctions specified in the Auction Notice(s).

13.3 An Applicant may withdraw a previously submitted sealed bid and submit a new bid or bids provided that any new bid is submitted to the Delivery Body on or before the Submission Closing Date. If a sealed bid is withdrawn and no new sealed bid is submitted on or before the Submission Closing Date, the Delivery Body must follow Rule 11.8.

## 14. Order of auctions

Where the Delivery Body must hold an auction in relation to Qualifying Applications that are subject to a Minima, it must carry out that auction prior to any other auctions that are required.

## 15. Minima auctions

15.1 Where an auction is to be held in relation to Qualifying Applications subject to a Minima pursuant to Rule 9.2(b), the Delivery Body must carry out the auction as follows—

- (i) any bid which would exceed the Minima (in terms of capacity) or the Pot/Overall Budget (in terms of value) is unsuccessful;
- (ii) the Delivery Body must rank the remaining bids subject to the Minima in order of lowest Strike Price to highest, regardless of Delivery Year;
- (iii) starting with the lowest Strike Price bid, the Delivery Body must determine that each Qualifying Application subject to the Minima, up to but not including the first Application which would result in the Minima or Pot/Overall Budget being exceeded, is a Successful Application—
  - (a) to assess whether the Minima is exceeded, the Delivery Body must sum the capacity of the bid under consideration with that of any Qualifying Application(s) that the Delivery Body has already determined to be Successful Application(s); and
  - (b) to assess the impact on the Pot/Overall Budget, the Delivery Body must use the Strike Price of the bid under consideration as the provisional clearing price for that Qualifying Application and any Qualifying Application(s) that the Delivery Body has already determined to be Successful Application(s) with the same Delivery Year, capped at the relevant Administrative Strike Price. The Delivery Body must then calculate the impact on the Pot or Overall Budget using the Valuation Formula in Schedule 2. The impact on the Pot/Overall Budget must be calculated each time the provisional clearing price is increased. If, following the calculation—
    - (l) the cumulative value of the relevant Qualifying Applications is at or below the Pot/Overall Budget and the Minima, the Delivery Body must determine that all Qualifying Applications considered up to this point are Successful Applications. The provisional clearing price for all such Applications is the Strike Price bid of the bid under consideration for Applications with the same Delivery Year or, for Applications with a different Delivery Year, the highest Strike Price bid of the Successful Applications in the Relevant Delivery Year, capped at the Administrative Strike Price and subject to Rule 16.2(b); or

- II) the cumulative value of the relevant Qualifying Applications would exceed the Pot/Overall Budget or Minima, the Qualifying Application under consideration is unsuccessful in the Minima auction. All Qualifying Applications that the Delivery Body has already determined to be Successful Applications have a provisional clearing price of the highest Strike Price bid of the Successful Applications with the same Delivery Year, capped at the Administrative Strike Price;
- (iv) if two or more sealed bids include the same Strike Price (regardless of Delivery Year) and both cannot be Successful Applications because this would result in the Minima and/or Pot/Overall budget being exceeded, they must be evaluated in accordance with the Tiebreaker Rules set out in Rule 18 below;
- (v) if a sealed bid from an Applicant is determined to be a Successful Application, the Delivery Body must not consider any further Flexible Bids from that Applicant in relation to that Qualifying Application;
- vi) the Delivery Body must close the Minima auction when the Qualifying Application under consideration would cause the Minima to be exceeded.
- (vii) the Delivery Body must close the auction in respect of a Delivery Year when the Qualifying Application under consideration (for that Delivery Year) would cause the Pot/Overall Budget to be exceeded, unless there are Flexible Bids in relation to that Application, which are to be considered under step (viii) below;
- (viii) where this sub-paragraph (vii) applies, the Delivery Body must consider any Flexible Bids from the relevant Applicant in order of Strike Price bid (from lowest to highest), provided they are not the same as or higher than the Strike Price of another Applicant's sealed bid. The Delivery Body must assess the impact on the Minima and the Pot/Overall Budget as set out above and must determine a Flexible Bid to result in a Successful Application if it does not exceed the Minima or Pot/Overall Budget. Any Flexible Bid which causes the Minima or Pot/Overall Budget to be exceeded is unsuccessful);
- (ix) if the Delivery Body determines an Applicant's Flexible Bid to result in a Successful Application, the Delivery Body must not consider any other bids from that Applicant in relation to that Qualifying Application in any auction in the same Allocation Round. If a Flexible Bid is unsuccessful, the Delivery Body must continue to consider any further Flexible Bids from the Applicant;
- (x) following steps (vi – ix), the Delivery Body must close the Minima auction or the Relevant Delivery Year, as appropriate. If only a Delivery Year is closed, the Delivery Body must continue to consider sealed bids, as appropriate until the Minima is exceeded or all Delivery Years are closed; and

(xi) any unsuccessful Qualifying Applications under the Minima auction or that are not subject to the Minima must be considered in the auction in relation to the relevant Pot/Overall Budget (as appropriate).

15.2 Where multiple Minima are specified in the Budget Notice, steps 15.1(i) – 15.1(xi) above must be carried out in relation to each Minima where an auction is required.

## 16. Auction in relation to Pots or the Overall Budget

16.1 Where an auction is to be held in relation to a Pot/Overall Budget pursuant to Rules 9.2 or 9.3, the Delivery Body must carry out the auction as follows—

- (a) any bid which would exceed the Pot/Overall Budget is unsuccessful;
- (b) the Delivery Body must rank the remaining bids in order of lowest Strike Price to highest, regardless of Delivery Year;
- (c) starting with the lowest Strike Price bid, the Delivery Body must determine that each Qualifying Application, up to but not including the first Qualifying Application that would exceed the Pot/Overall Budget for any Delivery Year or any applicable Maxima, is a Successful Application (subject to (d) and (e) below)—
- (d) to assess whether the Maxima is exceeded, the Delivery Body must sum the capacity or cost in pounds sterling of the Qualifying Application under consideration with that of the Qualifying Application(s) that the Delivery Body has already determined to be Successful Applications.
- (e) if the sum of the Qualifying Applications outlined at (d) above would exceed a Maxima, the Qualifying Application under consideration is unsuccessful.
- (f) the Delivery Body must use the Strike Price of the maximum bid under consideration as the provisional clearing price for that Qualifying Application and any Application(s) that the Delivery Body has already determined to be Successful Applications with the same Delivery Year, capped at the relevant Administrative Strike Price.

16.2 if no Maxima are exceeded (or no Maxima applies), the Delivery Body must continue with steps (a) – (d)(ii) below -

- (a) the Delivery Body must use the Strike Price of the bid under consideration as the provisional clearing price for that Qualifying Application and any Application(s) that the Delivery Body has already determined to be Successful Applications with the same Delivery Year, capped at the relevant Administrative Strike Price. The Delivery Body must then calculate the impact on the Pot or Overall Budget using the Valuation Formula in Schedule 2.

(b) Maxima bids are capped at a separate maxima only Administrative strike price, and therefore are not cleared to the provisional clearing price of the qualifying bid under consideration.

(c) Therefore, if a Maxima bid is the bid under consideration, the Delivery Body must use the Strike Price of the bid under consideration as the provisional clearing price for that Maxima Qualifying Application and any Maxima Application(s) that the Delivery Body has already determined to be Successful Applications with the same Delivery Year, capped at the relevant Administrative Strike Price.

(d) The impact on the budget must be calculated taking into account the revised clearing prices determined in (a - c) above. If, following the calculation—

(i) the cumulative value of the relevant Qualifying Applications is at or below the Pot/Overall Budget, the Delivery Body must determine that all Qualifying Applications are Successful Applications. The clearing price for all such Applications is the Strike Price bid of the bid under consideration for Applications with the same Delivery Year, or, for Applications with a different Delivery Year, the highest Strike Price bid of the Successful Applications in the Relevant Delivery Year, capped at the Administrative Strike Price; or

(ii) the cumulative value of the relevant Qualifying Applications would exceed the Pot/Overall Budget, the Qualifying Application under consideration is unsuccessful. Qualifying Applications that the Delivery Body has already determined to be Successful Applications have a clearing price of the highest Strike Price bid of the Successful Applications with the same Delivery Year or for Applications with a different Delivery Year, the highest Strike Price bid of the Successful Applications in the Relevant Delivery Year, capped at the Administrative Strike Price (subject to (iii) below).

(iii) if two or more sealed bids include the same Strike Price bid and both cannot be Successful Applications because this would result in a Maxima, and/or Pot/Overall Budget being exceeded, they must be evaluated in accordance with the relevant Tiebreaker Rules set out at Rule 18 below;

(iv) if a sealed bid from an Applicant is determined to result in a Successful Application, the Delivery Body must not consider any further Flexible Bids from that Applicant in relation to that Qualifying Application;

(v) the Delivery Body must close an auction in respect of a Delivery Year when the Qualifying Application under consideration would cause the Pot/Overall Budget to be exceeded, unless there are Flexible Bids in relation to that Application, which must be considered under Rule 16.3 below;



(vi) if the Delivery Body determines an Applicant's Flexible Bid to result in a Successful Application, the Delivery Body must not consider any other bids from that Applicant in relation to that Qualifying Application in any auction in the same Allocation Round.

(vii) if an Applicant's Flexible Bid exceeds any applicable Maxima the Flexible Bid will result in an unsuccessful Application and will be removed from the stack.

(viii) if an Applicant's Flexible Bid exceeds the budget then the interleaving process begins.

### 16.3 Interleaving bids process

(a) where Rule 16.2 (b)(vi) applies the Delivery Body must consider each bid from other Applicants (in order of lowest strike price to highest) across Delivery Years (the interleaving bids) until it considers the next flexible bid from the Applicant which made the Original Bid.

(b) where the interleaving bids fall within the budget the bids must be provisionally accepted by the Delivery Body;

(c) where the interleaving bid is a maximum bid and falls within the maximum budget and the overall budget the bid must be provisionally accepted by the Delivery Body.

(d) if the Delivery Body determines the next Flexible Bid relating to the Original Bid to result in a Successful Application, any interleaving bids are confirmed to be Successful Applications and the Delivery Year remains open and the auction continues.

(e) If the Delivery Body instead determines the next flexible bid relating to the Original Bid to exceed the budget, the provisionally accepted interleaving bids are confirmed not to have resulted in Successful Applications, and the delivery year of the Original Bid is closed.

(f) If the Delivery Body determines the next Flexible Bid to exceed the budget, the provisionally accepted interleaving bids are confirmed not to have resulted in Successful Applications, and the delivery year of the Original Bid is closed.

(g) If the Delivery Body determines any maximum interleaving bid to exceed the maximum budget, that bid is provisionally removed and the interleaving process continues.

16.4 the Delivery Body must repeat rules 16.1-16.3 until all Delivery Years are closed or no more sealed bids remain; when all Delivery Years are closed or no more bids remain, the Delivery Body must close the auction.

## 17. Maxima only auction

17.1 Where an auction is to be held in relation to Qualifying Applications subject only to a Maxima pursuant to Rule 9.5, the Delivery Body must carry out the auction as follows—

- (a) the Delivery Body must rank the bids in order of lowest Strike Price bid to highest, regardless of Delivery Year;
- (b) starting with the lowest Strike Price bid, the Delivery Body must determine that Qualifying Applications subject to the Maxima, up to but not including the first Qualifying Application which would result in the Maxima being exceeded, are Successful Applications;
- (c) to assess whether the Maxima is exceeded, the Delivery Body must sum the capacity or cost in pounds sterling of the Qualifying Application under consideration with that of the Qualifying Application(s) that the Delivery Body has already determined to be Successful Applications. If, following the calculation—
  - (i) the cumulative value of the relevant Qualifying Applications is at or below the Maxima, the Delivery Body must determine that all Qualifying Applications considered up to this point are Successful Applications. The clearing price for all such Applications is the Strike Price bid of the bid under consideration for Applications with the same Delivery Year or, for Applications with a different Delivery Year, the highest Strike Price bid of the Successful Applications in the Relevant Delivery Year, capped at the Administrative Strike Price; or
  - (ii) the cumulative value of the relevant Qualifying Applications would exceed the Maxima, the Qualifying Application under consideration is unsuccessful. All Qualifying Applications that the Delivery Body has already determined to be Successful Applications have a clearing price of the highest Strike Price bid of the Successful Applications with the same Delivery Year, capped at the Administrative Strike Price;

17.2 if two or more sealed bids subject to the Maxima include the same Strike Price bid (regardless of Delivery Year) and both cannot be Successful Applications because this would result in the Maxima being exceeded, they must be evaluated in accordance with the Minima or Maxima Only Tiebreaker Rules set out in Rule 18 below;

17.3 if a sealed bid from an Applicant is determined to result in a Successful Application, the Delivery Body must not consider any further Flexible Bids from that Applicant in relation to that Qualifying Application;

17.4 the Delivery Body must close a Maxima auction when the Qualifying Application under consideration would cause the Maxima to be exceeded.

17.5 any unsuccessful Qualifying Applications under the Maxima auction are not considered further.

## 18. Tiebreaker Rules

### Minima or Maxima only

18.1 Where two or more sealed bids being evaluated against a Minima or Maxima include the same Strike Price and both cannot be Successful Applications because this would result in the Minima or Maxima (as relevant) being exceeded (but would not result in the Pot/Overall Budget being exceeded)(a 'minima or maxima only' tiebreaker) -

- (a) any Qualifying Application which by itself would result in the Minima or Maxima being exceeded is unsuccessful;
- (b) the Qualifying Application or combination of Qualifying Applications (out of all possible combinations) which comes closest to fulfilling the Overall Budget in the final year of the Budget profile without exceeding the Minima or Maxima, must be determined by the Delivery Body to be a Successful Application(s);
- (c) if two or more Qualifying Applications or combination of Qualifying Applications come equally close to fulfilling the Pot or Overall Budget in the final year of the Budget Profile, the Delivery Body must choose from these Qualifying Applications at random, using an electronic random assignment process.

### Budget only

18.2 Where two or more sealed bids in an auction have the same Strike Price and both cannot result in Successful Applications because this would result in a Pot/Overall Budget being exceeded (but would not result in a Minima or Maxima being exceeded) (a 'budget only tiebreaker')—

- (a) any Qualifying Application which by itself would result in the Pot/Overall Budget being exceeded is unsuccessful;
- (b) the Qualifying Application or combination of Qualifying Applications (out of all possible combinations) which comes closest to fulfilling the Pot/Overall Budget in the final year of the Budget Profile must be determined by the Delivery Body to be a Successful Application(s), provided this does not exceed the Pot/Overall Budget;
- (c) if two or more Qualifying Applications or combination of Qualifying Applications come equally close to fulfilling the Pot or Overall Budget in the final year of the Budget

Profile, the Delivery Body must choose from these Qualifying Applications at random, using an electronic random assignment process.

18.3 Qualifying Applications which are unsuccessful under this Rule will trigger the interleaving bids process.

18.4 Where following a budget only tiebreaker, two or more Bids do not result in Successful Applications, the next Flexible Bids (for both these projects) must both result in Successful Applications. If this is not the case neither Flexible Bid will result in a Successful Application and the respective Delivery Years will be closed.

### Minima or Maxima and budget tie-breaker.

18.5 Where two or more sealed bids in an auction include the same Strike Price and both cannot be Successful Applications because this would result in both a Minima or Maxima and a Pot/Overall Budget being exceeded (a 'minima or maxima and budget tiebreaker')—

(a) any Qualifying Application which by itself would result in the Pot/Overall Budget and/or a Minima or Maxima (if applicable) being exceeded is unsuccessful;

(b) the Qualifying Application or combination of Qualifying Applications (out of all possible combinations) which comes closest to fulfilling the Pot/Overall Budget in the final year of the Budget Profile must be determined by the Delivery Body to be a Successful Application(s), provided this does not exceed the Pot, Overall Budget or any Maxima;

(c) if two or more Qualifying Applications or combination of Qualifying Applications come equally close to fulfilling the Pot or Overall Budget in the final year of the Budget Profile without exceeding any maximum the Delivery Body must choose from these Qualifying Applications at random, using an electronic random assignment process.

(d) at the end of a minima or maxima and budget tiebreaker all maximum unsuccessful bids are removed from the stack and the delivery years of the unsuccessful maximum bids remain open.

(e) all other unsuccessful bids will trigger the interleaving process.

## 19. Impact of delays on the Administrative Strike Price

19.1 Where, pursuant to Regulation 34(6), the Delivery Body is required to re-determine the Applications Valuations, the Delivery Body will invite all applicants to vary their Target Commissioning Dates. Any variation must be to dates later than those stated in an applicant's original application.

19.2 The Delivery Body then re-determines the Applications Valuations based on the Administrative Strike Prices for the delivery years in which they now sit.

19.3 Where 19.1 applies and the Delivery Body is already in receipt of sealed bids applicants are invited to adjust and resubmit Target Commissioning Dates for their sealed bids.

19.4 Where 19.1 or 19.3 applies and applicants do not vary their Target Commissioning Dates or do not adjust and resubmit Target Commissioning Dates for their sealed bids, information will remain as set out in an applicant's original application.

19.5 Rules 19.1- 19.4 also apply to Pending applications.

## 20. CFD Notifications

20.1 Pursuant to Regulation 42(2), the following additional information must be included in a CFD Notification issued by the Delivery Body—

- (a) the Target Commissioning Date and the start of the Target Commissioning Window;
- (b) the Successful Allocation Capacity;
- (c) whether the CFD Unit is a Dual Scheme CFD Unit;
- (d) where the CFD Unit is, or is to form part of, a Biomass Conversion station (as defined in the Eligible Generator Regulations), or is a Dual Scheme CFD Unit, the capacity in megawatts of the whole station;
- (e) the contact information (including the address and email address) of—
  - (i) the Applicant;
  - (ii) the person, position or group to whom future notices should be addressed; and
  - (iii) where the Applicant is not based in Great Britain, its agent for service of process;
- (f) a description of the CFD Unit, including the unique geographical coordinates, provided in the Application;
- (g) the version number of the CFD Standard Terms and Conditions applicable to the Application and, where applicable, the reference number of the modification agreement and the date this was entered into with the CFD Counterparty;
- (h) whether a Direct Connection, a Partial Connection or no connection applies to the CFD Unit;

- (i) where a Direct Connection or a Partial Connection applies, whether that connection is to the Transmission System or a Distribution System;
- (j) where a Direct Connection applies and the CFD Unit is connected only to the Distribution System then the Applicant must indicate whether it intends to be Licence Connected or Licence Exempt Embedded; and/or
- (k) if the CFD Unit is a Phased Offshore Wind CFD Unit—
  - (i) in which of the following Offshore Wind Leasing Rounds was the CFD Unit granted a lease or agreement for lease by the Crown Estate in respect of the location of that CFD Unit—
    - (I) Round 2; or
    - (II) Round 3 or Scottish Territorial Waters;
  - (ii) the contact information (including name, address and email address) of the generator, Initial Installed Capacity Estimates, start dates for each of the Target Commission Windows and descriptions of the CFD Unit as provided in the Application for each phase of the Phased Offshore Wind CFD Unit; and
  - (iii) whether the Applicant intends to treat phases as individual projects for the purposes of metering or use apportionment methodology to assign net generation to each individual phase based on the overall functionality of that phase.

## 21. Pending Applications

21.1 Where this Rule applies and where, pursuant to Regulation 51(3), a Pending Application is determined to be a Qualifying Application, such an Application will be a Successful Application if—

- (a) an auction was held and the Applicant's lowest bid is equal to or lower than the clearing price for the auction for the relevant Pot (or Overall Budget, as relevant) for the applicable Delivery Years, in which case the Strike Price applicable to the Application is that clearing price, capped at its relevant Administrative Strike price.
- (b) where the Applicant's lowest bid does not result in a Successful Application, bids will be assessed from lowest to highest against the clearing price for the applicable delivery year.
- (c) where rule (a) or (b) applies and the Application is subject to a maxima, the Strike Price applicable to that bid will be the clearing price for maxima applications, capped at its relevant Administrative Strike Price.

(d) an auction was held but there were no Successful Applications in that Delivery Year, in which case the Strike Price applicable is the lowest bid submitted by the Applicant in relation to the Pending Application; or

(e) no auction was held, in which case the Strike Price applicable to such an Application is the Administrative Strike Price for the Relevant Delivery Year.

## 22. Notification to the Authority and the Secretary of State of auction irregularity

21.1 If, in respect of any Qualifying Applicant or member of a Qualifying Applicant's Group, the Delivery Body becomes aware of—

(a) any conduct which appears to it to indicate anti-competitive practices or attempted anti-competitive practices with respect to the Allocation process; or

(b) any irregularity with respect to the participants' conduct in an auction or any other conduct which appears to the Delivery Body as likely to have the effect of distorting the outcome of the auction process, the Delivery Body must notify the Authority and the Secretary of State as soon as reasonably practicable.

## 23. Time and dates

23.1 Where a Deadline falls on a Working Day or any period is to run to a Working Day, this is to be taken as meaning 17:00 on that Working Day.

23.2 Where something is done after 17:00 on a Working Day or on a day which is not a Working Day, it is to be treated as having been done on the next Working Day.

## 24. Notification to the Delivery Body

24.1 If in accordance with any provision of these Rules an Applicant is required, or wishes, to notify the Delivery Body of any fact or circumstance it must do so in accordance with the notice requirements in the Notice of Auction.

## 25. Changes to timing and submission requirements

25.1 If the Delivery Body cannot proceed with or complete any aspect of the Allocation Process or a determination of eligibility in accordance with these Rules because of an IT Auction System failure or other exceptional circumstances, the Delivery Body may—

- (a) alter the method by which any data, information, document or sealed bid is required to be submitted to the Delivery Body under these Rules;
- (b) extend, on a day for day basis, the Deadline for submitting any data, information, document or sealed bid that is required to be submitted to the Delivery Body under these Rules; and/or
- (c) extend the Deadline, on a day for day basis, for undertaking any other action that is required to be undertaken under these Rules.

25.2 Where the Delivery Body takes action under Rule 25.1, the Delivery Body must publish details of the changes made. Where reasonably practicable this must be done using the same method of publication as was used by the Delivery Body to publish the Notice of Auction.

## 26. Hierarchy of documents

In the event of any conflict or inconsistency between the Allocation Regulations, the Eligible Generator Regulations and these Rules, the Allocation Regulations and the Eligible Generator Regulations prevail over these Rules.



## Schedule 1 - Definitions

1. Unless otherwise stated, terms defined in the Allocation Regulations and the Eligible Generator Regulations have the same meaning in these Rules.

2. In these Rules—

“**AD**” means a CFD Unit which uses or is to use as its source of energy gas formed by Anaerobic Digestion;

“**Administrative Strike Price**” has the meaning given in Regulation 2(1);

“**Allocation Process**” has the meaning given in Regulation 2(1);

“**Allocation Regulations**” means the Contracts for Difference (Allocation) Regulations 2014;

“**Allocation Round**” has the meaning given in section 13(2)(b) of the Energy Act 2013;

“**Anaerobic Digestion**” has the meaning given in regulation 2(1) of the Eligible Generator Regulations;

“**Appeals Deadline Date**” has the meaning given by regulation 43(2)(c) and which date is listed in Rule [8];

“**Applicant**” has the meaning given in Regulation 16(2);

“**Application**” has the meaning given in Regulation 2(1);

“**Application Closing Date**” in relation to an Allocation Round has the meaning given in Regulation 4(2)(b)(iii);

“**Applications Valuations**” has the meaning given in Regulation 29(1) and (2);

“**Associated**” [has the meaning given in section 67 of the Energy Act 2008 as if that section also applied to Scotland][has the same meaning as it has in paragraph 37 of Schedule 2A to the Electricity Act 1989];

“**Authority**” means the Gas and Electricity Markets Authority established pursuant to section 1 of the Utilities Act 2000;

“**Budget Profile**” means the budget for all Relevant Delivery Years and 2024 /2025 as set out in the Budget Notice;

“**Budget Notice**” has the meaning given in Regulation 2(1);

“**Budget Revision Notice**” has the meaning given in Regulation 2(1);

“**CFD Agreement**” means the agreement entered into between the CFD Counterparty and the Eligible Generator pursuant to an offer made by the CFD Counterparty pursuant to section 14 of the Energy Act 2013;

“**CFD Counterparty**” has the meaning given in Regulation 2 of the Contracts for Difference (Standard Terms) Regulations 2014;

“**CFD Notification**” has the meaning given in section 12(1) of the Energy Act 2013;

“**CFD Unit**” has the meaning given in Regulation 2(1);

“**CHP**” has the meaning given to the term “CHP station” in regulation 2(1) of the Eligible Generator Regulations;

“**CMU**” has the meaning given to that term in regulation 2(1) of the Electricity Capacity Regulations 2014;

“**Commissioned**” means the completion of those procedures and tests in accordance with applicable industry standards which demonstrate that the generating station is capable of commercial operation;

“**Connection Agreement**” has the meaning given in Regulation 25(6);

“**Crown Estate**” means the Commissioners referred to in section 1 of the Crown Estate Act 1961;

“**Deadline**”, in relation to any requirement imposed on any person by or under these Rules, means (as the case may require)—

- (i) the time,
- (ii) the date, or
- (iii) the date, and the time on that date,

by which that requirement must be fulfilled by that person;

“**Delivery Body**” has the meaning given in Regulation 2(1);

“**Delivery Year**” has the meaning given in Regulation 2(1);

“**Direct Connection**” has the meaning given in Regulation 25(6);

“**Directed Date**” has the meaning given in Regulation 33(2);

**“Distribution Licence”** means a licence granted or treated as granted pursuant to section 6(1)(c) of the Electricity Act 1989;

**“Distribution System”** has the meaning given by Regulation 2(1);

**“Dual Scheme CFD Unit”** has the meaning given to the term “Dual Scheme Facility” in the most recently published version of the CFD Standard Terms and Conditions;

**“Eligible Generating Station”** has the meaning given in Regulation 3 of the Eligible Generator Regulations;

**“Eligible Generator”** has the meaning given in Regulation 3(2) of the Eligible Generator Regulations;

**“Eligible Generator Regulations”** mean the Contracts for Difference (Definition of Eligible Generator) Regulations 2014;

**“Flexible Bid”** has the meaning given in Regulation 51(10);

**“Generating Station”** has the meaning given in regulation 2(1) of the Eligible Generator Regulations;

**“Grid Code”** has the meaning given in Transmission Licences;

**“Hydro”** has the meaning given to the term “Hydro generating station” in regulation 2(1) of the Eligible Generator Regulations;

**“Installed Capacity Estimate”** means the net Installed Capacity as notified to the Delivery Body in an Application as the “Installed Capacity Estimate” or in relation to a Flexible Bid, the net capacity specified in that bid;

**“Installed Capacity”** means the net capacity of the CFD Unit (expressed in MW) were it to be operated on a continuous basis at the maximum capacity possible without causing damage to it (assuming any source of power used by it to generate electricity was available to it without interruption);

**“Net Capacity”** refers to the maximum instantaneous electrical output of the plant expressed in megawatts (MW) minus the electricity used for the balance of plant of the prime mover(s) and generator(s), alongside with any auxiliary uses as applicable to a given technology necessary for that plant to function as designed;

**“IT Auction System”** means the IT infrastructure used to submit Applications and sealed bids;

**“Interleaving bids”** has the meaning given by Rule 16(2)(i);

**“Licence Connected”** means an Applicant which holds a licence to generate electricity and which is connected or is to be connected to the Transmission System or a Distribution System;

**“Licence Exempt Embedded”** means an Applicant which is exempt from the requirement to hold a licence to generate electricity and which is connected or is to be connected to a Distribution System;

**“Licensed Distributor”** means a person who is authorised pursuant to a Distribution Licence to distribute electricity;

**“Maxima”** has the meaning given in Regulation 11(2)(b);

**“Metered Output”** has the meaning given in the most recently published version of the CFD Standard Terms and Conditions;

**“Minima”** has the meaning given in Regulation 11(2)(a);

**“Non-Qualification Review Request Dates”** has the meaning given in Regulation 20(2)(a);

**“Notice of Auction”** has the meaning given in Rule 10;

**“Offshore Wind CFD Unit”** has the meaning given in Regulation 2(1);

**“Onshore”** means England, Wales or Scotland, including the waters in or adjacent to them up to the mean low water mark;

**“Onshore Wind”** means a CFD Unit which generates or is to generate electricity from wind other than an Offshore Wind CFD Unit;

**“Overall Budget”** has the meaning given in Regulation 2(1);

**“Offshore Wind Leasing Round”** means a leasing round (or extension thereto) designated as such by the Crown Estate;

**“Partial Connection”** has the meaning given in Regulation 25(6);

**“Pending Application”** has the meaning given in Regulation 49(2);

**“Pending Bid”** has the meaning given in Regulation 50(2)(b);

“**Phased Offshore Wind CFD Unit**” has the meaning given by Regulation 2(1);

“**Photovoltaic Array**” has the meaning given in regulation 2(1) of the Eligible Generator Regulations;

“**Post-Appeals Indicative Start Date**” has the meaning given in Regulation 2(1);

“**Pot**” has the meaning given in Regulation 11(2)(c);

“**Private Network**” has the meaning given in Regulation 2(1);

“**Private Network Use Agreement**” has the meaning given in Regulation 25(6);

“**Qualifying Applicant**” has the meaning given in Regulation 2(1);

“**Qualifying Applicant’s Group**” means, in relation to a Qualifying Applicant—

- (i) that Qualifying Applicant; and
- (ii) any person Associated with that Qualifying Applicant;

“**Qualifying Application**” has the meaning given by Regulation 17(2);

“**Relevant Delivery Year**” means the Delivery Year in which the Target Commissioning Date specified in an Application falls;

“**Rules**” means the rules set out in the Allocation Framework and a reference to any particular Rule is a reference to these rules;

“**Solar PV**” means a CFD Unit which uses or is to use as its source of energy solar radiation when captured by Photovoltaic Array;

“**Strike Price**” has the meaning given in **Schedule 2** below;

“**Submission Closing Date**” has the meaning given in Rule 10.5 (d);

“**Successful Allocation Capacity**” means the capacity stated in an Application or sealed bid which is determined by the Delivery Body to be a Successful Application pursuant to these Rules;

“**Successful Application**” means an Application in respect of which, further to an Allocation Process, a CFD Notification may be made or, in the case of an application in respect of a Phased Offshore Wind CFD Unit, more than one CFD Notification may be made;

“**Supplemental Requirements**” has the meaning given in Regulation 28(1);

“**Target Commissioning Date**” has the meaning given in Regulation 2(1);

**“Target Commissioning Window”** has the meaning given in Regulation 2(1);

**“Target Dates”** has the meaning given in Regulation 2(1);

**“Technology Type”** means the technology type notified to the Delivery Body in an Application as the CFD Unit’s Technology Type;

**“Tiebreaker”** has the meaning given in Rule 18;

**“Transmission Entry Capacity”** has the meaning given in regulation 25(6);

**“Transmission Licence”** means any licence for electricity transmission, as modified from time to time, granted pursuant to section 6(1)(b) of the Electricity Act 1989;

**“Transmission System”** has the meaning given in Regulation 2(1);

**“Transmission System Operator”** has the meaning given to the term “National System Operator” in section 8(3) of the Energy Act 2013; and

**“Working Day”** has the meaning given in Regulation 2(1).

## Schedule 2 - Valuation Formula

“Valuation Formula” means:

$$\text{Budget impact}_{s,yr,p} = (\text{Strike Price}_{cy,t} - \text{Reference Price}_{yr}) \times \text{Load Factor}_{t,yr} \times \text{YR1F}_{s,c,p} \\ \times \text{Capacity}_{s,p} \times (\text{Days}_{yr} \times 24) \times (1 - \text{TLM}_{yr}) \times \text{RQM}_t \times \text{CHPQM}_s$$

Term	Definition and/or value
<b>Budget Impact</b>	Where this is a negative figure it will equate to zero for the purposes of the valuation formula.
<b>Strike Price</b>	<p>Strike Price means a price (“SP”) for one megawatt hour of electricity generated by a CFD Unit; and where the price (“MP”) obtainable on the electricity market for one megawatt hour of electricity generated by that CFD Unit—</p> <p>(a) is below SP, the difference between SP and MP is a sum payable under a CFD Agreement by a CFD Counterparty to the Eligible Generator who is a party to the CFD Agreement; and</p> <p>(b) is above SP, the difference between SP and MP is a sum payable under a CFD Agreement by the Eligible Generator who is a party to the CFD Agreement to a CFD Counterparty;</p> <p>and, in relation to the Valuation Formula—</p>

	<p>(i) in the context of the Applications Valuations, means the relevant Administrative Strike Price, as set out at Appendix 1 below.</p> <p>(ii) in the context of calculating the impact on the Budget Profile in an auction under Rules x-x above, means the relevant clearing price in the auction, capped at the Administrative Strike Price for that Delivery Year and that Technology Type.</p> <p>CFD Units to be established or altered in phases of construction are to be valued using the same Strike Price across each phase.</p>
<b>Reference Price</b>	Reference Price is set out at Appendix 2 below (in 2012 prices).
<b>Capacity</b>	Capacity is the Initial Installed Capacity Estimate to 2 decimal places. See Schedule 1 for definition.
<b>Load Factor</b>	Load Factor is as set out at Appendix 3 below.
<b>TLM is the Transmission Loss Multiplier</b>	Transmission Loss Multiplier is as set out at Appendix 4 below.
<b>RQM is the Renewable Qualifying Multiplier</b>	Renewable Qualifying Multiplier is as set out at Appendix 5 below.
<b>CHPQM is the CHP Qualifying Multiplier</b>	CHP Qualifying Multiplier is a factor of one (1) for all technologies.
<b>Days</b>	Days is the number of days in a year as set out in Appendix 6 below.
<b>YR1F</b>	YR1F is a factor applied to each project or – in the case of phased projects – each phase to account for partial year generation in the first year of operation of the project



	<p>or phase. It is calculated in accordance with the formula below, with the exception of projects to be established or altered in phases of construction where a phase commissions in the final year set out in the budget notice. In this instance it is set as one (1). In all years following the commissioning year it is set as one (1). .</p> <p>If the commissioning year is between [] and [] (inclusive) the first year of generation will be valued at:</p> <p><i>YR1F = 1 - Number of calendar days between Target Commissioning Date and start of financial year that Target Commissioning Date falls within / Number of calendar days in the financial year that Target Commissioning Date falls within.</i></p> <p>Otherwise: YR1F= 1</p>
<b>C</b> is the Target Commissioning Date	See Schedule 1 for definition.
<b>P</b> is the Phase	Phase is the valuation calculation which must be taken into account whether the Application is for a CFD Unit to be established or completed in phases as notified in the Application. All phases must be within budget following valuation in accordance with this formula for the Application to be successful.
<b>t</b> is the <b>Technology Type</b>	See Schedule 1 for definition.
<b>cy</b> is the <b>Commissioning Year</b>	Commissioning Year means the Delivery Year in which the Target Commissioning Date falls.
<b>yr</b> is the <b>Budget Year</b>	Budget Year means the first Delivery Year and each subsequent Delivery Year thereafter (each being a Budget Year).

## Schedule 2 - Valuation Formula

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**s** is the **CFD Unit** which is the subject of the Application

See Schedule 1 for definition.

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Appendix 1 – Administrative Strike Prices (in 2012 prices)

2012 £/MWh	2021/22 Strike prices	2022/23 Strike prices
Offshore wind	105	100
ACT w or w/o CHP	125	115
AD w or w/o CHP	140	135
Biomass w CHP	115	115
Wave	310	300
Tidal stream	300	295
Geothermal		

## Appendix 2 - Reference Price (in 2012 prices)

	<b>2021/22</b>	<b>2022/23</b>
<b>Reference price £/MWh</b>	39.86	42.60

### Appendix 3 - Load Factors

Technology Type	2021/22	2022/23
ACT (with or without CHP)	83.2%	83.2%
AD (with or without CHP; >5MW)	79.1%	79.1%
Dedicated Biomass (with CHP)	80.4%	80.4%
Geothermal (with or without CHP)		
Offshore Wind	47.7%	47.7%
Tidal Stream	30.8%	30.8%
Wave	30%	30%

### Appendix 4 - Transmission Loss Multiplier

Year	Transmission Loss Multiplier
2021/22	0.79%
2022/23	0.79%

## Appendix 5 - Renewable Qualifying Multiplier

Technology Type	Renewable Qualifying Multiplier
ACT (with or without CHP)	0.5
AD (with or without CHP; >5MW)	1
Dedicated Biomass (with CHP)	1
Geothermal (with or without CHP)	
Offshore Wind	1
Tidal Stream	1
Wave	1

## Appendix 6 - Days

Year	Number of days in the year
2021/22	365
2022/23	365



## Schedule 3 - Applicable Reference Price

Technology Type	Baseload Market Reference Price	Intermittent Market Reference Price
ACT (with or without CHP)	x	
AD (with or without CHP; >5MW)	x	
Dedicated Biomass (with CHP)	x	
Geothermal (with or without CHP)		
Offshore Wind		X
Tidal Stream		X
Wave		x

\* Baseload Market Reference Price has the meaning given in the most recently published version of the CFD Standard Terms and Conditions.

\*\* Intermittent Market Reference Price has the meaning given in the most recently published version of the CFD Standard Terms and Conditions

## Schedule 4 - Application checks to be carried out by the Delivery Body

Eligibility Criteria	Regulation No. <sup>1</sup>	Requirement	Documentary Evidence	Checks against CFD Application				
				Name	Location	MW	Dates	Technology
Statements in relation to Supply Chains	26	In the Application, each Applicant must provide a statement in accordance with Regulation 26(4).	Copy of statement issued by the Secretary of State pursuant to Regulation 11 of the Electricity Market Reform (General) Regulations 2014 (“ <b>Approval Certificate</b> ”).	Where the Applicant has specified in the Application that Regulation 26(4) applies in respect of the Application for the CFD Unit, the name of the CFD Unit specified in the Approval Certificate appears to be the same as the name of the CFD Unit specified in	None required	None required	Where the Applicant has specified in the Application that Regulation 26(4) applies in respect of the Application for the CFD Unit, the date the Application is submitted falls within the time period specified in the Approval Certificate as being the time period within which an	None required

<sup>1</sup> All references are to the Contracts for Difference (Allocation) Regulations 2014 unless otherwise specified.

## Schedule 4 - Application checks to be carried out by the Delivery Body

				the Application.			Application may be submitted.	
<b>Applicable Planning Consents</b>	23, 24	<p>In the Application, an Applicant must demonstrate that either the applicable planning consents do not apply, or that the applicable planning consents obtained for the relevant works enable—</p> <ul style="list-style-type: none"> <li>the proposed CFD Unit to be established or altered; and</li> <li>electricity generated from the proposed CFD Unit to be supplied to the national “transmission system” for Great Britain, the “Distribution System”, or a private wire network.</li> </ul>	Copy of all applicable planning consent(s).	None required	The postcode, and/or the geographic coordinates, and/or the Ordnance Survey Grid Reference for the proposed CFD Unit specified in the applicable planning consent(s) is the same as the postcode, and/or the geographic coordinates, and/or the Ordnance Survey Grid Reference for the CFD Unit specified in the Application.	Where the applicable planning consent(s) sets out the capacity (in MW) of the proposed CFD Unit permitted under the applicable planning consent(s), that capacity is equal to or more than the Initial Installed Capacity Estimate of the CFD Unit specified in the Application.	The date of the CFD application must be before the date on which applicable planning consent(s) expire.).	The technology of the proposed CFD Unit specified in the applicable planning consent(s) appears to be the same as the category of Eligible Generating Station for the proposed CFD Unit specified in the Application.

## Schedule 4 - Application checks to be carried out by the Delivery Body

<b>Connection Agreements</b>	25	<p>In the Application, an Applicant must explain whether—</p> <ul style="list-style-type: none"> <li>a Direct Connection applies or is to apply to the relevant CFD Unit and where the connection is or will be: (a) to the national Transmission System for Great Britain, the Connection Agreement entered into secures (via either firm or non-firm capacity agreement) Transmission Entry Capacity for the CFD Unit at least equal to 75% of the Provisional Capacity Estimate of the CFD Unit; or (b) to the Distribution System, the Connection Agreement entered into permits (via either a firm or non-firm capacity agreement) at least 75% of the Provisional Capacity Estimate of the CFD Unit to connect to the Distribution System;</li> <li>a Partial Connection applies or is to apply to the relevant CFD Unit and no other Connection Agreement applies or is to apply to the</li> </ul>	<p>Where a Direct Connection applies or is to apply to the relevant CFD Unit, a copy of Connection Agreement.</p> <p>Where a Partial Connection applies or is to apply to the relevant CFD Unit, the Applicant must provide either—</p> <p>(a) a copy of the Connection Agreement between the Applicant and the relevant operator of the Transmission System or Distribution System; or</p> <p>(b) a copy of the Private Network Use Agreement between the Applicant and the operator of the Private Network which permits the connection of the CFD Unit to the Transmission System or relevant Distribution System; and</p> <p>(c) a copy of the</p>	N/A	<p>Where the Applicant has specified in the Application that Direct Connection or a Partial Connection applies or is to apply to the relevant CFD Unit, there is nothing in the Connection Agreement that indicates that the location of the CFD Unit to which the Connection Agreement applies is not the same as the location of the CFD Unit, as indicated by the postcode, the geographic coordinates, and/or the Ordnance Survey Grid Reference for the CFD Unit specified in the</p>	<p>Where the Applicant has specified that a Direct Connection applies or is to apply to the relevant CFD Unit and the connection is or will be to the national Transmission System for Great Britain, the Transmission Entry Capacity specified in the Connection Agreement is at least 75% of the Provisional Capacity Estimate of the CFD Unit.</p> <p>Where the Applicant has specified that a Direct Connection applies or is to apply to the relevant CFD Unit</p>	<p>Where the Applicant has specified that a Direct Connection applies or is to apply to the relevant CFD Unit, the Target Commissioning Date once the CFD Unit is established or altered (as relevant) specified in the Application, appear to be on or after the connection date specified in the Connection Agreement.</p>	<p>Where the Applicant has specified in the Application that a Direct Connection or a Partial Connection applies or is to apply to the relevant CFD Unit, there is nothing in the Connection Agreement that indicates that the technology of the CFD Unit to which the Connection Agreement applies is not the same as the category of Eligible Generating Station for the CFD Unit specified in the Application.</p>
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Schedule 4 - Application checks to be carried out by the Delivery Body

		<p>CFD Unit ; or</p> <ul style="list-style-type: none"> <li>no Connection Agreement applies to the relevant CFD Unit.</li> </ul>	<p>Connection Agreement between the operator of the Private Network and the Transmission System Operator or the relevant operator of the Distribution System.</p> <p>Where no connection applies to the relevant CFD Unit, the Applicant must provide a copy of the Private Network Use Agreement.</p>	Application.	<p>and the connection is or will be to a Distribution System, the Connection Agreement entered into permits at least 75% of the Provisional Capacity Estimate of the proposed CFD Unit to connect to the Distribution System.</p>	
<p><b>Non-receipt of funds under other Government support schemes</b></p>	14 and 18	<p>In the Application, an Applicant must—</p> <ul style="list-style-type: none"> <li>confirm that its Application is not an excluded Application under Regulation 14;</li> <li>if the Technology Type of the CFD Unit which is the subject of that Application is Energy from Waste with CHP (as defined in the Eligible Generator Regulations), state</li> </ul>		<p>The—</p> <ul style="list-style-type: none"> <li>name of the CFD Unit specified in the Application is not the same as a name; or</li> <li>postcode, the geographic coordinates, and/or the Ordnance Survey Grid Reference of the CFD Unit specified in the Application is not the same as the postcode, the geographic coordinates, and/or the Ordnance Survey Grid Reference;</li> </ul> <p>that appears on—</p> <ul style="list-style-type: none"> <li>the information given to the Delivery Body by the Authority setting out the CFD Units to which an accreditation applies or to which an application for accreditation applies but only where the Authority has provided the information to the Delivery Body by the time that the Delivery Body is required to give a notice to an Applicant under Regulation 19. Where in exceptional circumstances the Authority has</li> </ul>		

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		<p>that no application for accreditation has been made under the Renewable Heat Incentive Regulations 2011, in respect of that CFD Unit; and</p> <ul style="list-style-type: none"> <li>confirm whether: (a) an accreditation applies to the CFD Unit; or (b) an accreditation does not apply to the CFD Unit; or (c) an accreditation does not apply to the CFD Unit but an application for accreditation for the CFD Unit has been made and a determination has not been made in respect of such application.</li> </ul>		<p>not provided information about accreditation by the time the Delivery Body is required to give a notice to an Applicant under Regulation 19, if an Applicant has provided a certification relating to accreditation then the Delivery Body should rely on that certification in ascertaining whether accreditation applies to the CFD Unit which is the subject of the Application;</p> <ul style="list-style-type: none"> <li>the information titled Non-Fossil Fuel Order (“<b>NFFO</b>”) 3, NFFO 4, NFFO 5, Scottish Renewable Obligation (“<b>SRO</b>”) 1, SRO 2, SRO3 published by the Non-Fossil Purchasing Agency (“<b>NFPA</b>”) and which the Delivery Body accesses from the NFPA’s website or the NFPA gives to the Delivery Body on the Application Closing Date or as soon as reasonably practicable thereafter but only where, in the case of the NFPA providing the Delivery Body with information, where that information is given to the Delivery Body by the time that the Delivery Body is required to give a notice to an Applicant under Regulation 19;</li> <li>the list of CFD Units to which a CFD Agreement or investment contract applies published by the CFD Counterparty and which the Delivery Body accesses or which the CFD Counterparty gives to the Delivery Body on the Application Closing Date or as soon as reasonably practicable thereafter but only where, in the case of the CFD Counterparty providing the Delivery Body with the list, where that list is given to the Delivery Body by the time that the Delivery Body is required to give a notice to an Applicant under Regulation 19; and/or</li> <li>where the list is available by the time the Delivery Body is required to give a notice to an Applicant under Regulation 19, the list of CFD Units or CMU to which a capacity agreement applies or where an application for a capacity agreement has been made but not determined as published by the Delivery Body in accordance with Capacity Market Rules made pursuant to regulation 44 of The Electricity Capacity Regulations 2014 on the Application Closing Date.</li> </ul>
<b>Incorporation</b>	Schedule 1 – 1, 2	<p>In the Application, an Applicant must provide evidence of whether it is—</p> <ul style="list-style-type: none"> <li>a UK registered</li> </ul>	<p>Where the Applicant is a UK registered company, a copy of the Certificate of Incorporation.</p> <p>Where the Applicant is</p>	<p>Where the Applicant has specified in the Application that the Applicant is a UK registered company: (a) a copy of the Applicant’s Certificate of Incorporation is included with the Application; and (b) the company registration number specified in the Certificate of Incorporation is the same as the Applicant’s company registration number specified in the Application.</p> <p>Where the Applicant has specified in the Application that the Applicant is VAT registered: (a) a copy of</p>

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		<p>company;</p> <ul style="list-style-type: none"> <li>• VAT registered; or</li> <li>• a company but is not registered in the UK.</li> <li>• Registered for tax if not registered in the UK</li> </ul>	<p>VAT registered, a copy of the VAT Certificate of Registration.</p> <p>Where the Applicant is a company but is not registered in the UK, a copy of the certificate of registration.</p> <p>Where the Applicant is not located in the UK and is registered for tax, a copy of the tax certificate.</p>	<p>the Applicant's VAT Certificate of Registration is included with the Application; and (b) the company registration number specified in the VAT Certificate is the same as the Applicant's company registration number specified in the Application.</p> <p>Where the Applicant has specified in the Application, that the Applicant is a company but is not registered in the UK: (a) a copy of the certificate of registration is included with the Application; and (b) the company registration number (if any) specified in the certificate of registration is the same as the Applicant's company registration number (if any) specified in the Application.</p> <p>Where the Applicant has specified in the Application, that the Applicant is not located in the UK and has specified they are registered for tax: (a) a copy of the tax certificate from the jurisdiction in which the entity is domiciled is included with the Application; and (b) the registration number (if any) specified in the tax certificate is the same as the registration number (if any) specified in the Application.</p>
<b>Target Commissioning Window</b>	17(4)	Target Commissioning Date	N/A	Applicant's Target Commissioning Date falls within the relevant Target Commissioning Window (as set out in Schedule 5).

## Schedule 5 - Target Commissioning Windows

Target Commissioning Window (in years)	
ACT (with or without CHP)	1
AD (with or without CHP; >5MW)	1
Dedicated Biomass (with CHP)	1
Geothermal (with or without CHP)	
Offshore Wind	1
Tidal Stream	1
Wave	1



