



Department for
Business, Energy
& Industrial Strategy

CONTRACTS FOR DIFFERENCE SCHEME FOR RENEWABLE ELECTRICITY GENERATION

Allocation Round 3: Allocation Framework,
2019



OGL

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1. Title and application

- 1.1 This document may be referred to as the Contracts for Difference Allocation Round 3: Allocation Framework, 2019 (“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 Initial Installed Capacity Estimate unless otherwise stated.
- 2.5 A reference to a “Regulation” is to the regulation of that number in The Contracts for Difference (Allocation) Regulations 2014 (as amended).
- 2.6 Any references to “Pot” or “Pots” means a Monetary Pot and/or (any applicable) Pot Capacity Cap.
- 2.7 Any references to the “Overall Budget” means the Monetary Budget and/or (any applicable) Overall Capacity Cap.

3. Determination of eligibility

- 3.1 For the purposes of Rule 3 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 2025 (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 final phase is no later than 2 years after the Target Commissioning Date of the first phase.
- (b) Where the Technology Type of the relevant CFD Unit is (or is to be) Dedicated Biomass with CHP, the Applicant must confirm that it is aware that—
 - (i) the CFD Agreement requires Generators to deliver a valid CHPQA Certificate to the CFD Counterparty as a 'Further Condition Precedent'; and
 - (ii) the Combined Heat and Power Qualifying Multiplier (CHPQM) will apply in respect of the relevant project (to be calculated by reference to the CHPQA Guidance Note 44).
- (c) Where the Technology Type of the relevant CFD Unit is (or is to be) Advanced Conversion Technology, the Applicant must demonstrate that the CFD Unit is expected to comply with the Physical Separation Requirement.

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 or Remote Island Wind and the Gross Capacity of that CFD Unit is less than or equal to 5MW; or
 - (b) the CFD Unit is or is part of a Generating Station which has been Commissioned.

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 Notice.
- 6.2 Pursuant to Regulation 29(3)(a), the method of calculation for determining the monetary 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 Where a Pot Capacity Cap or Overall Capacity Cap is stated in the Budget Notice, the method for the Applications Valuations of capacity will be the sum of the capacity of all Qualifying Applications.
- 6.5 For the purposes of these Rules—
- (a) where two or more Pots are specified in the Budget Notice, the Monetary Budget and/or any applicable Overall Capacity Cap 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.
- 6.6 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; and

- (d) where the Authority have concluded that any appeals are successful under Regulation 46, the Delivery Body must provide the Secretary of State with an updated valuation within 1 Working Day of that determination.

6.7 Pursuant to Regulation 29(6), the period after the last Delivery Year for which Applications Valuations are required is the period between 1st April 2025 and 31st March 2027 inclusive.

7. Notices of determinations

7.1 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 Regulations 20 and 31—

- (a) The Non-Qualification Review Request Date is 16 July 2019;
- (b) The Delivery Body must submit a Non-Qualification Review Notice to the Applicant by 30 July 2019 (which is no later than 10 Working Days after the Review Notice);
- (c) The Appeals Deadline Date is 7 August 2019; and
- (d) The Post-Appeals Indicative Start Date:
 - (i) where there are no appeals is 19 July 2019.
 - (ii) where there are appeals is 9 October 2019.

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 monetary value and capacity 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 monetary value and the capacity value of the relevant Qualifying Applications is equal to or less than the Monetary Pot in every Delivery Year and (any applicable) Pot Capacity Cap (respectively), the Delivery Body must 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 monetary value and/or the capacity value of the relevant Qualifying Applications would exceed the Monetary Pot in any Delivery Year and/or the Pot Capacity Cap (respectively), 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 16 below.

9.3 Where no Pot is specified in the Budget Notice, the Delivery Body must assess whether the monetary value and the capacity value of all Qualifying Applications would exceed the Monetary Budget and/or (any applicable) Overall Capacity Cap (respectively) by summing the value of all Qualifying Applications (including Qualifying Applications to which a Minima or Maxima applies) and either—

- (a) where the monetary value and the capacity value of the relevant Qualifying Applications is equal to or less than the Monetary Budget in every Delivery Year and any applicable Overall Capacity Cap (respectively), the Delivery Body must 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 monetary value and/or the capacity value of the relevant Qualifying Applications would exceed the Monetary Budget in any Delivery Year and/or any applicable Overall Capacity Cap (respectively), 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 16 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 monetary value and/or capacity value of all Qualifying Applications (not limited to the Qualifying Applications subject to the Minima) would exceed the Monetary Pot or Monetary Budget in any Delivery Year and/or (any applicable) Pot Capacity Cap or Overall Capacity Cap (respectively), 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 monetary 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 monetary value of the Applications (subject to the Minima) does not exceed the Monetary Pot or Monetary 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; or
- (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 Monetary Pot or Monetary Budget in any Delivery Year, hold an auction in relation to those Qualifying Applications, in accordance with Rules 14 and 15 below; or
- (c) where the capacity sum exceeds the Minima, hold an auction in relation to those Qualifying Applications in accordance with Rules 14 and 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 Monetary Pot or Monetary Budget and/or (any applicable) Pot Capacity Cap or Overall Capacity Cap would be exceeded, consider the Qualifying Applications subject to the Maxima as part of the auction to be held in accordance with Rule 16 below; or
- (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 Monetary Pot or Monetary Budget and/or (any applicable) Pot Capacity Cap or Overall Capacity Cap as set out in Rules 9.2 or 9.3 above, as applicable; or
- (c) where the capacity sum or cost in pounds sterling would exceed the Maxima, if the Pot or Overall Budget is not exceeded, hold an auction in relation to only the Qualifying Applications subject to the Maxima in accordance with Rule 17 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 Monetary Budget, Overall Capacity Cap, 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 Capacity Cap, Overall Capacity Cap, Monetary Pot and/or Monetary Budget, as appropriate;
 - (b) that an auction is to be held in relation to Qualifying Applications subject to the exceeded Minima, Maxima, Pot Capacity Cap, Overall Capacity Cap, Monetary Pot and/or Monetary 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 five 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;
 - (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, the Applicant may submit only one sealed bid (and one Strike Price) for the same Target Commissioning Date and for the same capacity as specified in 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, the Applicant may submit up to four Flexible Bids (inclusive of the bid that has the same Target Commissioning Date and same capacity as specified in the Original Application) 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 the 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;
 - (c) subject to Rule 12.2, have a Target Commissioning Date that is no earlier than the Target Commissioning Date specified in the Original Application;
 - (d) subject to Rule 12.2, have a capacity that is no greater than the capacity specified in the Original Application; and
 - (e) satisfy Rule 4 and Rule 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 the 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 Original 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.

12.2 In respect of a Flexible Bid made by an Applicant in relation to an Application for a Phased Offshore Wind CFD Unit—

- (a) No such bid may have:
 - (i) a Target Commissioning Date for any phase which is earlier than the Target Commissioning Date for the first phase specified in the Original Application; or
 - (ii) a capacity for the first phase which is greater than the capacity for the first phase specified in the Original Application.
- (b) Subject to (a), the bid may have:
 - (i) a Target Commissioning Date for any later phase which is earlier than the corresponding Target Commissioning Date specified in the Original Application; and
 - (ii) a capacity for any later phase which is greater than the corresponding capacity specified in the Original Application.

13. Withdrawal of Applications and sealed bids

13.1 Pursuant to Regulation 16(4), an Application may be withdrawn by the 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 The 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

- 14.1 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) and 9.3(b), the Delivery Body must carry out the auction as follows—
- (a) any bid which would exceed the Minima (in terms of capacity) or the Monetary Pot or Monetary Budget (in terms of value) is unsuccessful;
 - (b) the Delivery Body must rank the remaining bids subject to the Minima 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 subject to the Minima, up to but not including the first Application which would result in the Minima or Monetary Pot or Monetary Budget being exceeded, is a Successful Application—
 - (i) 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
 - (ii) to assess the impact on the Monetary Pot or Monetary 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 Monetary Pot or Monetary Budget using the Valuation Formula in Schedule 2. The impact on the

Monetary Pot or Monetary Budget must be calculated each time the provisional clearing price is increased. If, following the calculation—

- (I) the cumulative value of the relevant Qualifying Applications is at or below the Monetary Pot or Monetary 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; or
 - (II) the cumulative value of the relevant Qualifying Applications would exceed the Monetary Pot or Monetary 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;
- (d) 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 Monetary Pot or Monetary Budget being exceeded, they must be evaluated in accordance with the Tiebreaker Rules set out in Rule 18 below;
 - (e) if a sealed bid from the 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;
 - (f) the Delivery Body must close the Minima auction when the Qualifying Application under consideration would cause the Minima to be exceeded;
 - (g) 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 Monetary Pot or Monetary Budget to be exceeded, unless there are Flexible Bids in relation to that Application, which are to be considered under step (h) below;
 - (h) where this sub-paragraph (g) 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 Monetary Pot or Monetary Budget as set out above and must determine a Flexible Bid to result in a Successful Application if it does not exceed the Minima, Monetary Pot or Monetary

Budget. Any Flexible Bid which causes the Minima, Monetary Pot or Monetary Budget to be exceeded is unsuccessful;

- (i) if the Delivery Body determines the 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;
- (j) following steps (f – i), 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
- (k) 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 or Overall Budget (as appropriate).

15.2 Where multiple Minima are specified in the Budget Notice, steps 15.1(a) – 15.1(k) 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 or Overall Budget pursuant to Rules 9.2 or 9.3, the Delivery Body must carry out the auction as follows—

- (a) any bid that would exceed the Monetary Pot or Monetary Budget is unsuccessful;
- (b) any bid that would exceed (any applicable) Pot Capacity Cap or Overall Capacity Cap is unsuccessful;
- (c) the Delivery Body must rank the remaining bids in order of lowest Strike Price to highest, regardless of Delivery Year;
- (d) 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 Monetary Pot or Monetary Budget for any Delivery Year and/or (any applicable) Pot Capacity Cap or Overall Capacity Cap or Maxima, is a Successful Application (subject to (e) and (f) below)—
- (e) to assess whether any applicable 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;

- (f) if the sum of the Qualifying Applications outlined at (e) above would exceed that Maxima, the Qualifying Application under consideration is unsuccessful.

16.2 If no Maxima are exceeded by the bid under consideration (or if no Maxima is applicable), the Delivery Body must continue its determination with steps (a) – (d) 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) (subject to (c)) 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 Monetary Pot or Monetary Budget using the Valuation Formula in Schedule 2.
- (b) The Delivery Body must calculate the impact on (any applicable) Pot Capacity Cap or Overall Capacity Cap by summing the capacity of the Qualifying Application under consideration with that of any Application(s) that the Delivery Body has already determined to be Successful Applications.
- (c) Maxima bids are cleared to a separate Maxima only clearing price rather than the provisional clearing price of the bid under consideration, unless that bid is subject to a Maxima.
- (d) 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 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.
- (e) The impact on the Monetary Pot or Monetary Budget and (any applicable) Pot Capacity Cap or Overall Capacity Cap must be calculated taking into account the revised clearing prices determined in (a - d) above. If, following the calculation—
 - (i) the cumulative monetary value of the relevant Qualifying Applications is at or below the Monetary Pot or Monetary Budget, and the cumulative capacity value of the relevant Qualifying Applications is at or below (any applicable) Pot Capacity Cap or Overall Capacity Cap, the Delivery Body must determine that all Qualifying Applications considered up to this point are Successful Applications. Subject to 16.2(c) the clearing price for all such Applications is the Strike Price 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 monetary value of the relevant Qualifying Applications is at or below the Monetary Pot or Monetary Budget, but the

- cumulative capacity value of the relevant Qualifying Applications is above (any applicable) Pot Capacity Cap or Overall Capacity Cap, 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, capped at the Administrative Strike Price (subject to (v) below); or
- (iii) the cumulative monetary value of the relevant Qualifying Applications is above the Monetary Pot or Monetary Budget, but the cumulative capacity value of the relevant Qualifying Applications is at or below (any applicable) Pot Capacity Cap or Overall Capacity Cap, 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, capped at the Administrative Strike Price (subject to (v) below); or
 - (iv) the cumulative monetary value of the relevant Qualifying Applications is above the Monetary Pot or Monetary Budget and the cumulative capacity value of the relevant Qualifying Applications is above (any applicable) Pot Capacity Cap or Overall Capacity Cap, 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, capped at the Administrative Strike Price (subject to (v) below);
 - (v) if two or more sealed bids include the same Strike Price bid and both cannot be Successful Applications because this would result in any one or more of any Maxima, and/or the Monetary Pot or Monetary Budget, and/or (any applicable) Pot Capacity Cap or Overall Capacity Cap being exceeded, they must be evaluated in accordance with the relevant Tiebreaker Rules set out at Rule 18 below;
 - (vi) if a sealed bid from the 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;
 - (vii) the Delivery Body must close an auction in respect of a Delivery Year when the sealed bid under consideration would cause the Monetary Pot or Monetary Budget only to be exceeded, unless there are Flexible Bids in relation to that Application, which must be considered under Rule 16.3 below;
 - (viii) the Delivery Body must close the whole auction when the sealed bid under consideration would cause (any applicable) Pot Capacity Cap or Overall Capacity Cap to be exceeded (whether or not the Monetary Pot or Monetary Budget is also exceeded), unless there are Flexible

Bids in relation to that Application, which must be considered under Rule 16.3 below;

- (ix) if the Delivery Body determines the 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 the same Allocation Round.
- (x) if the Applicant's sealed bid or Flexible Bid exceeds any applicable Maxima, that sealed bid or Flexible Bid will result in an unsuccessful Application and will be removed from the stack.

16.3 Interleaving bids process

- (a) Where Rules 16.2 (e)(vii), 16.2(e)(viii), 18.3 or 18.5(e) apply, 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 sealed bid.
- (b) Where the interleaving bids fall within the Monetary Pot or Monetary Budget and (any applicable) Pot Capacity Cap or Overall Capacity Cap the bids must be provisionally accepted by the Delivery Body.
- (c) Where the interleaving bid is a Maxima bid and is at or below the Maxima budget, the Monetary Pot or Monetary Budget and (any applicable) Pot Capacity Cap or Overall Capacity Cap, the bid must be provisionally accepted by the Delivery Body.
- (d) If the Delivery Body determines the next Flexible Bid relating to the original sealed bid to result in a Successful Application, any interleaving bids are confirmed to be Successful Applications, the Delivery Year and auction remain open and the auction continues.
- (e) If the Delivery Body instead determines the next Flexible Bid relating to the original sealed bid or any interleaving bid (subject to (f) below) to have exceeded the Monetary Pot or Monetary Budget and/or (any applicable) Pot Capacity Cap or Overall Capacity Cap, the provisionally accepted interleaving bids are confirmed not to have resulted in Successful Applications—
 - (i) if the original bid breached the Monetary Pot or Monetary Budget only, the Delivery Year of the original sealed bid is closed; or
 - (ii) if the original bid breached (any applicable) Pot Capacity Cap or Overall Capacity Cap (whether or not the Monetary Pot or Monetary Budget is also breached), the auction is closed.

- (f) If the Delivery Body determines any Maxima interleaving bid to exceed the Maxima budget, that bid is provisionally removed and the interleaving process continues.
- (g) Following an interleaving process where there is one or more Successful Application, the auction shall continue with the next bid in the stack after the original sealed bid which breached the Monetary Pot or Monetary Budget and/or (any applicable) Pot Capacity Cap or Overall Capacity Cap, including any bids provisionally removed during the interleaving process.
- (h) Following an interleaving process where there are no Successful Applications (under Rule 16.3(e)(i) or Rule 16.3(i)), the auction shall continue with the next bid in the stack after the original sealed bid which breached the Monetary Pot or Monetary Budget, including any bids provisionally removed during the interleaving process.
- (i) Where there are no other Flexible Bids relating to the original sealed bid which breached the Monetary Pot or Monetary Budget, the Delivery Year of the original Bid is closed.
- (j) Where there are no other Flexible Bids relating to the original sealed bid which breached the Pot Capacity Cap or Overall Capacity Cap (whether or not the Monetary Pot or Monetary Budget is also breached), the auction is closed.
- (k) Where two or more Maxima interleaving bids which include the same strike price are provisionally removed under (f), these bids will be revaluated under rule 18.1 once the interleaving bids process has ended.

16.4 The Delivery Body must repeat rules 16.1-16.3 until all Delivery Years are closed, the auction is 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 a sealed bid from the 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.

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

17.4 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 following which the Maxima auction shall be closed.

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 Monetary Pot or Monetary Budget and (any applicable) Pot

Capacity Cap or Overall Capacity Cap 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 Monetary Pot or Monetary 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 Monetary Pot or Monetary 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 Monetary Pot or Monetary Budget and/or (any applicable) Pot Capacity Cap or Overall Capacity Cap 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 Monetary Pot or Monetary Budget and/or (any applicable) Pot Capacity Cap or Overall Capacity Cap being exceeded is unsuccessful;
- (b) the Qualifying Application or combination of Qualifying Applications (out of all possible combinations) which comes closest to fulfilling the Monetary Pot or Monetary 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 Monetary Pot or Monetary Budget and/or (any applicable) Pot Capacity Cap or Overall Capacity Cap;
- (c) if two or more Qualifying Applications or combination of Qualifying Applications come equally close to fulfilling the Monetary Pot or Monetary 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 (Rule 16.3).

18.4 Where following a budget only tiebreaker between two or more Qualifying Applications which come equally close to fulfilling the Monetary Pot or Monetary Budget and do not result in Successful Applications (following the process in Rule

18.2(c)), the next Flexible Bids (for all such projects) must both result in Successful Applications. If this is not the case neither Flexible Bid will result in a Successful Application-

- (i) if the original bids breached the Monetary Pot or Monetary Budget only, the respective Delivery Years will be closed; or
- (ii) if the original bids breached any applicable Pot Capacity Cap or Overall Capacity Cap (whether or not the Monetary Pot or Monetary Budget is also breached), the auction will be closed.

Minima or Maxima and budget tiebreaker

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, the Monetary Pot or Monetary Budget and/or (any applicable) Pot Capacity Cap or Overall Capacity Cap, being exceeded (a 'minima or maxima and budget tiebreaker')—

- (a) any Qualifying Application which by itself would result in any one or more of the Monetary Pot or Monetary Budget, (any applicable) Pot Capacity Cap or Overall Capacity Cap, and/or a 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 Monetary Pot or Monetary 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 Monetary Pot or Monetary Budget, (any applicable) Pot Capacity Cap or Overall Capacity Cap, and/or any Maxima;
- (c) if two or more Qualifying Applications or combination of Qualifying Applications come equally close to fulfilling the Monetary Pot or Monetary Budget in the final year of the Budget Profile without exceeding any Maxima, 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 unsuccessful bids subject to a Maxima are removed from the stack and the Delivery Years of the unsuccessful Maxima bids remain open;
- (e) all other unsuccessful bids will trigger the interleaving process, the next Flexible Bids (for all these projects) must result in Successful Applications. If this is not the case, then none of the Flexible Bids will result in a Successful Application-
 - (i) if the original bids breached the Monetary Pot or Monetary Budget only, the respective Delivery Years will be closed; or

- (ii) if the original bids breached any applicable Pot Capacity Cap or Overall Capacity Cap the auction will be closed (whether or not the Monetary Pot or Monetary Budget is also breached).

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 the 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 the 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 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 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;
- (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 Commissioning 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;
- (l) where the Technology Type is ACT, the process flow diagram with which the Delivery Body was provided by, or on behalf of, the Applicant at the time of Application; and/or
- (j) where the Technology Type is a Remote Island Wind CFD Unit, the schematic diagram with which the Delivery Body was provided by, or on behalf of, the Applicant at the time of Application.

21. Pending Applications

- 21.1 Where this Rule applies and where a Pending Application is determined to be a Qualifying Application, pursuant to Regulation 51(3), 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) an auction was held and the Applicant's lowest bid does not result in a Successful Application, however, following an assessment by the Delivery Body of the Applicant's Flexible Bids from lowest to highest, the Applicant has at least one Flexible Bid that 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's lowest successful Flexible Bid is the clearing price of that Delivery Year, capped at its relevant Administrative Strike Price;
 - (c) an auction was held and 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.
- 21.2 Where this Rule applies and where a Pending Application is determined to be a Qualifying Application, pursuant to Regulation 51(3), such an Application will be unsuccessful if none of the conditions in Rule 21.1 are met.

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

- 22.1 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;

- (b) any irregularity with respect to the participants' conduct in an auction; or
- (c) 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, the 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

- 26.1 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—

“Advanced Conversion Technology” and **“ACT”** has the meaning given in the most recently published version of the CFD Standard Terms and Conditions;

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

“Advanced Fuel” has the meaning given in the most recently published version of the CFD Agreement;

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

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

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

“Anaerobic Digestion” and **“AD”** 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;

“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 (2023/2024 and 2024/2025) and valuation years (2025/26 and 2026/27) 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);

“**Cabling**” has the meaning given in Regulation 27A(4);

“**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 Standard Terms and Conditions**” means the standard terms pursuant to section 11 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;

“**CHPQA**” means Combined Heat and Power Quality Assurance;

“**CHPQA Guidance Note 44**” has the meaning given in the most recently published version of the CFD Standard Terms and Conditions;

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

“**Combustion Chamber**” means that part of a Facility, the “Facility Generation Technology” of which is Advanced Conversion Technology, in which Advanced Fuel is combusted;

“**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;

“**Compression Unit**” means a mechanical device, passage through which causes the pressure of an Advanced Fuel to increase;

“**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 or where the Project is in Scotland means the Commissioners referred to in section 90B of the Scotland Act 1998;

“**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;

“Dedicated Biomass with CHP” has the meaning given to the term “Dedicated Biomass with CHP Station” in Regulation 2(1) of the Eligible Generator Regulations;

“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);

“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 (as amended);

“Facility” has the meaning given in the most recently published version of the CFD Agreement;

“Facility Generation Technology” has the meaning given in the most recently published version of the CFD Standard Terms and Conditions;

“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;

“Generation Circuit” has the meaning given in Regulation 27A(4);

“Generator” means an Eligible Generator which enters into CFD Agreement with the CFD Counterparty;

“Grid Supply Point” has the meaning given in Regulation 27A(4);

“Gross Capacity” means the maximum capacity of the CFD Unit at which an Eligible Generating Station could operate for a sustained period without causing damage to it (expressed in MW);

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

“Initial Installed Capacity Estimate” means the Generator’s initial estimate of the Installed Capacity as notified to the Delivery Body in an Application or Flexible Bid;

“Installed Capacity” has the meaning given in the most recently published version of the CFD Standard Terms and Conditions;

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

“Interleaving bids process” has the meaning given by Rule 16.3;

“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;

“Map” means a map showing scale, name, shape of CFD Unit and Longitude and Latitude (in WGS84 format to 3 decimal places) of Northerly, Easterly, Southerly and Westerly extreme coordinates of site where the CFD Unit is located. The Ordnance Survey Grid Reference(s) in question B2 of the Application should be for the centre of the site where the CFD Unit is located;

“Main Interconnected Transmission System” has the meaning given in Regulation 27A(4);

“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);

“Monetary Budget” has the meaning given in paragraph (a) of the definition of Overall Budget in Regulation 2(1);

“Monetary Pot” has the meaning given in Regulation 11(2)(c) in relation to a division of the Overall Budget as defined in Regulation 2(1);

“Non-Qualification Review Notice” means the Review Notice referred to in Regulation 20(1);

“Non-Qualification Review Request Date” 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 Wind” means a CFD Unit which generates or is to generate electricity from wind other than an Offshore Wind CFD Unit or Remote Island Wind CFD Unit;

“Original Application” means the Application submitted to the Delivery Body prior to the Application Closing Date;

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

“Overall Capacity Cap” has the meaning given in paragraph (b) of the definition of Overall Budget 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);

“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;

“Physical Separation Requirement” means the requirement (the subject of an undertaking by the Generator in the most recently published version of the CFD Standard Terms and Conditions) that at all times the Synthesis Chamber and the Combustion Chamber shall be separated by a pipe or conduct:

(A) which is used for transporting the Advanced Fuel produced in the Synthesis Chamber to the Combustion Chamber;

(B) which will include at least one connection that allows for sampling of the Advanced Fuel;

(C) within which no combustion will occur; and

(D) which has an operating Compression Unit or Purification Unit within it or connected to it;

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

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

“Pot Capacity Cap” has the meaning given in Regulation 11(2)(c) in relation to a division of the Overall Capacity Cap as defined in this Schedule;

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

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

“Purification Unit” means a mechanical device (other than one used wholly or mainly for the purpose of removing ash) that removes solids, liquids, gases or vapours from an Advanced Fuel;

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

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

that Qualifying Applicant; and

any person Associated with that Qualifying Applicant;

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

“Regulation” is reference to the regulation of that number in the Allocation Regulations;

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

“Remote Island” has the meaning given in Regulation 27A(4);

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

“Remote Island Wind Conditions” means the conditions set out in Regulation 27A(3);

“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);

“Subsea Cabling” has the meaning given in Regulation 27A(4);

“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);

“Synthesis Chamber” means that part of a Facility, the “Facility Generation Technology” of which is Advanced Conversion Technology, in which Advanced Fuel is produced;

“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 Facility Generation Technology;

“Tiebreaker” has the meaning given in Rule 18;

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

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

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

Schedule 2 - Valuation Formula

“Valuation Formula” means:

$$Budget\ impacts_{s,yr,p} = (Strike\ Price_{cy,t} - Reference\ Price_{yr}) \times Load\ Factor_{t,yr} \times YR1F_{s,c,p} \\ \times Capacity_{s,p} \times (Days_{yr} \times 24) \times (1 - TLM_{yr}) \times RQM_t \times CHPQM_s$$

Term	Definition and/or value
Budget Impact	Where this is a negative figure it will equate to zero for the purposes of the valuation formula.
Strike Price	<p>Strike Price (“SP”) means a price for one megawatt hour of electricity generated by a CFD Unit (in 2012 prices); and where the market 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 14 -17 above, means the relevant clearing price in the auction, capped at the Administrative Strike Price for that Delivery Year and that Technology Type.</p>

Contracts for Difference Allocation Round 3: Allocation Framework

	CFD Units to be established or altered in phases of construction are to be valued using the same Strike Price across each phase.
Reference Price	The baseload and intermittent reference prices are set out at Appendix 2 below (in 2012 prices).
Capacity	Capacity is the Initial Installed Capacity Estimate to 2 decimal places. See Schedule 1 for definition.
Load Factor	Load Factor is as set out at Appendix 3 below.
TLM is the Transmission Loss Multiplier	Transmission Loss Multiplier is as set out at Appendix 4 below.
RQM is the Renewable Qualifying Multiplier	Renewable Qualifying Multiplier is as set out at Appendix 5 below.
CHPQM is the CHP Qualifying Multiplier	CHP Qualifying Multiplier is a factor of one (1) for all technologies.
Days	Days is the number of days in a year as set out in Appendix 6 below.
YR1F	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 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 valuation 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).

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	<p>If the commissioning year is between 2023/24 and 2026/27 (inclusive) the first year of generation will be valued at:</p> $\text{YR1F} = 1 - \frac{\text{Number of calendar days between Target Commissioning Date and start of financial year that Target Commissioning Date falls within}}{\text{Number of calendar days in the financial year that Target Commissioning Date falls within.}}$ <p>Otherwise: YR1F= 1</p>
C is the Target Commissioning Date	See Schedule 1 for definition.
P 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.
t is the Technology Type	See Schedule 1 for definition.
cy is the Commissioning Year	Commissioning Year means the Delivery Year in which the Target Commissioning Date falls.
yr is the Budget Year	Budget Year means the first Delivery Year and each subsequent Delivery Year and valuation year thereafter (each being a Budget Year).
s is the CFD Unit which is the subject of the Application	See Schedule 1 for definition.

Appendix 1 – Administrative Strike Prices (£/MWh in 2012 prices)

Technology Type	2023/24 Strike prices	2024/25 Strike prices
ACT	113	111
AD (>5MW)	122	121
Dedicated Biomass with CHP	121	121
Geothermal	129	127
Offshore Wind	56	53
Remote Island Wind (>5MW)	82	82
Tidal stream	225	217
Wave	281	268

Appendix 2 - Reference Prices (£/MWh, 2012 prices)

	2023/24	2024/25	2025/26	2026/27
Baseload reference price ¹	48.95	51.61	52.65	52.36
Intermittent reference price ²	48.13	50.90	51.92	51.23

Appendix 3 - Load Factors

Technology Type	Delivery Year	
	2023/24	2024/25
ACT	89.3%	89.3%
AD (>5MW)	90.3%	90.3%
Dedicated Biomass with CHP	87.0%	87.0%
Geothermal	91.0%	91.0%
Offshore Wind	58.4%	58.4%
Remote Island Wind (>5 MW)	47.8%	47.8%
Tidal stream	38.9%	38.9%
Wave	36.0%	36.0%

¹ Baseload technologies are ACT, AD, Dedicated Biomass with CHP and Geothermal

² Intermittent technologies are Offshore Wind, Remote Island Wind, Tidal Stream and Wave

Appendix 4 - Transmission Loss Multiplier

Delivery Years and valuation years	Transmission Loss Multiplier
2023/24	0.87%
2024/25	0.87%
2025/26	0.87%
2026/27	0.87%

Appendix 5 - Renewable Qualifying Multiplier

Technology Type	Renewable Qualifying Multiplier
ACT	0.5
AD (>5 MW)	1
Dedicated Biomass with CHP	1
Geothermal	1
Offshore Wind	1
Remote Island Wind (>5 MW)	1
Tidal Stream	1
Wave	1

Appendix 6 – Days

Delivery and valuation years	Number of days in the year
2023/24	366
2024/25	365
2025/26	365
2026/27	365

Schedule 3 - Applicable Reference Price

Technology Type	Baseload Market Reference Price*	Intermittent Market Reference Price**
ACT	x	
AD (>5 MW)	x	
Dedicated Biomass with CHP	x	
Geothermal	x	
Offshore Wind		x
Remote Island Wind (>5 MW)		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 ³	Requirement	Documentary Evidence	Check Against CFD Application				
				Name	Location	MW	Dates	Technology
Statements in relation to supply chains	26	In the Application, the 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 ("Approval Certificate").	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	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	None required.

³ All references are to the Contracts for Difference (Allocation) Regulations 2014 (as amended) unless otherwise specified.

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Eligibility Criteria	Regulation ³	Requirement	Documentary Evidence	Check Against CFD Application				
				Name	Location	MW	Dates	Technology
				be the same as the name of the CFD Unit specified in the Application.			specified in the Approval Certificate as being the time period within which an Application may be submitted.	
Applicable planning consents	23, 24	In the Application, the Applicant must demonstrate that either the applicable planning consents do not apply, or that the applicable planning consents obtained for the relevant works enable—	Copy of all applicable planning consent(s), including a signed and dated Planning Decision Notice (where relevant). Where applicable planning consents have passed their expiration date,	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	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 date of the 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

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Eligibility Criteria	Regulation ³	Requirement	Documentary Evidence	Check Against CFD Application				
				Name	Location	MW	Dates	Technology
		<p>- the proposed CFD Unit to be established or altered; and</p> <p>- electricity generated from the proposed CFD Unit to be supplied to the national Transmission System, the Distribution System, or a Private Network.</p>	<p>evidence of the issuing authority granting an extension.</p> <p>Where the applicable planning consent specifies a technology, which is different from the technology that the application, evidence to clarify this.</p> <p>A Map.</p>		<p>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.</p> <p>Where the address or location of the CFD Unit in the planning consent(s) is provided, it will be checked against the Ordnance</p>	<p>the Initial Installed Capacity Estimate of the CFD Unit specified in the Application.</p>		<p>the proposed CFD Unit specified in the Application.</p>

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Eligibility Criteria	Regulation ³	Requirement	Documentary Evidence	Check Against CFD Application				
				Name	Location	MW	Dates	Technology
					<p>Survey Grid Reference and geographic co-ordinates stated on the CFD Application form.</p> <p>The Ordnance Survey Grid Reference and geographic co-ordinates provided in the Application form will be checked against the longitude and latitude (in WGS84 format to 3 decimal</p>			

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Eligibility Criteria	Regulation ³	Requirement	Documentary Evidence	Check Against CFD Application				
				Name	Location	MW	Dates	Technology
					places) of Northerly, Easterly, Southerly and Westerly extreme coordinates provided on the Map.			
Connection Agreements ⁴	25	In the Application, the Applicant must explain whether—	1) Where a Direct Connection applies or is to apply to the	Not required.	Where the Applicant has specified in the	Where the Applicant has specified that a Direct Connection	Where the Applicant has specified that a Direct Connection	Where the Applicant has specified in the

⁴ A Phased Offshore Wind CFD Unit submitting a single Application may submit a separate Connection Agreement in relation to each phase of that Application. The Delivery Body will assess the Connection Agreements together when considering fulfilment of Regulation 25(2).

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Eligibility Criteria	Regulation ³	Requirement	Documentary Evidence	Check Against CFD Application				
				Name	Location	MW	Dates	Technology
Note, for Remote Island Wind, refer to the eligibility criteria “Specific Requirements for Remote Island Wind” within Schedule 4 for additional requirements in addition to these requirements.		- 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 Initial Installed Capacity Estimate of the CFD Unit; or (b) to the Distribution	relevant CFD Unit, a copy of the Connection Agreement applicable to the CFD Unit which allows for such connection to the relevant Transmission System or Distribution System. 2) Where a Partial Connection applies or is to apply to the relevant CFD Unit, the Applicant must provide- (a) a copy of the Connection Agreement applicable to 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	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 Initial Installed Capacity Estimate of the CFD Unit.	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.	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

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Eligibility Criteria	Regulation ³	Requirement	Documentary Evidence	Check Against CFD Application				
				Name	Location	MW	Dates	Technology
		<p>System, the Connection Agreement entered into permits (via either a firm or non-firm capacity agreement) at least 75% of the Initial Installed Capacity Estimate of the CFD Unit to connect to the Distribution System;</p> <p>- a Partial Connection applies or is to apply to the relevant CFD Unit and no other Connection Agreement applies or is to</p>	<p>CFD Unit which allows for such connection to the relevant Transmission System or Distribution System; and</p> <p>(b) unless the owner of the CFD Unit is also the owner of the Private Network, a copy of the Private Network Use Agreement applicable to the CFD Unit which allows the CFD Unit to connect to the Private Network.</p> <p>3) Where a Private Network connection applies or is to</p>		<p>Unit, as indicated by the postcode, the geographic coordinates, and/or the Ordnance Survey Grid Reference for the CFD Unit specified in the Application.</p> <p>Where the address or location of the CFD Unit is provided in the Connection Agreement, it will be checked</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 a Distribution System, the capacity specified in the Connection Agreement entered into permits at least 75% of the Initial Installed Capacity Estimate of the proposed CFD Unit to</p>		<p>Generating Station for the CFD Unit specified in the Application.</p>

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Eligibility Criteria	Regulation ³	Requirement	Documentary Evidence	Check Against CFD Application				
				Name	Location	MW	Dates	Technology
		<p>apply to the CFD Unit; or</p> <ul style="list-style-type: none"> - no Connection Agreement applies to the relevant CFD Unit. - Where the connection agreement specifies a technology, which is different from the technology that the application relates to, evidence must be provided to clarify this. - Where the Applicant has specified that a Private Network Use Agreement 	<p>apply, unless the owner of the CFD Unit is also the owner of the Private Network, a copy of the Private Network Use Agreement applicable to the CFD Unit which allows the CFD Unit to connect to the Private Network.</p> <p>A Map.</p>		<p>against the Ordnance Survey Grid Reference and geographic co-ordinates stated on the CFD Application form. The Ordnance Survey Grid Reference and geographic co-ordinates provided in the Application will be checked against the longitude and latitude (in WGS84</p>	<p>connect to the Distribution System.</p>		

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Eligibility Criteria	Regulation ³	Requirement	Documentary Evidence	Check Against CFD Application				
				Name	Location	MW	Dates	Technology
		applies, such Private Network Use Agreement states the exporting capacity to that private network and the capacity in the private network that is accessible under the agreement.			format to 3 decimal places) of Northerly, Easterly, Southerly and Westerly extreme geographic coordinates as provided on the Map.			

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Eligibility Criteria	Regulation ⁵	Requirement	Documentary Evidence	Check Against CFD Application
Non-receipt of funds under other Government support schemes	14 and 18	<p>In the Application, the Applicant must—</p> <ul style="list-style-type: none"> - confirm that its Application is not an excluded Application under Regulation 14; - 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 that no application for accreditation has been made under the Renewable Heat Incentive Regulations 2018, in respect of that CFD Unit; and - confirm whether: <ul style="list-style-type: none"> (a) an accreditation applies to the CFD Unit; or 	A Map.	<p>The—</p> <p>name of the CFD Unit specified in the Application is not the same as a name; or postcode, the geographic coordinates, and/or the Ordnance Survey Grid Reference of the CFD Unit specified in the Application and Map is not the same as the postcode, the geographic coordinates, and/or the Ordnance Survey Grid Reference; that appears on—</p> <p>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 the Applicant under Regulation 19. Where in exceptional circumstances the Authority has not provided information about accreditation by the time the Delivery Body is required to give a notice to the Applicant under Regulation 19, if the 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> <p>the information titled Non-Fossil Fuel Order (“NFFO”) 3, NFFO 4, NFFO 5, Scottish Renewable Obligation (“SRO”) 1, SRO 2, SRO3 published by the Non-Fossil Purchasing Agency (“NFPA”) and which the Delivery Body accesses</p>

⁵ All references are to the Contracts for Difference (Allocation) Regulations 2014 (as amended) unless otherwise specified.

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Eligibility Criteria	Regulation 5	Requirement	Documentary Evidence	Check Against CFD Application
		<p>(b) an accreditation does not apply to the CFD Unit; or</p> <p>(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.</p>		<p>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 the Applicant under Regulation 19;</p> <p>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 the Applicant under Regulation 19; and/or</p> <p>where the list is available by the time the Delivery Body is required to give a notice to the 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.</p>

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Eligibility Criteria	Regulation 5	Requirement	Documentary Evidence	Check Against CFD Application
Incorporation	Schedule 1 – 1, 2	<p>In the Application, the Applicant must provide evidence of whether it is—</p> <p>a UK registered company;</p> <p>VAT registered; or</p> <p>a company but is not registered in the UK.</p> <p>Registered for tax if not registered in the UK.</p>	<p>Where the Applicant is a UK registered company, a copy of the Certificate of Incorporation.</p> <p>Where the Applicant is 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</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 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)</p>

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Eligibility Criteria	Regulation 5	Requirement	Documentary Evidence	Check Against CFD Application
			the tax certificate.	specified in the tax certificate is the same as the registration number (if any) specified in the Application.
Target Commissioning Date	17 (4)	Target Commissioning Date	Not required.	The Applicant's Target Commissioning Date falls within the relevant Delivery Year.
Advanced Conversion Technology plant will comply with Physical Separation Requirement	28	In the Application, the Applicant must provide a process flow diagram demonstrating that the CFD Unit is expected to meet the Physical Separation Requirement.	A process flow diagram demonstrating that the CFD Unit will meet the Physical Separation Requirement.	<p>The Applicant's process flow diagram demonstrates that the CFD Unit is expected to comply with the Physical Separation Requirement.</p> <p>All information including any labelling, text and design in the process flow diagram must be clearly legible.</p> <p>The Process Flow Diagram should at a minimum clearly label the following components of the facility:</p> <ul style="list-style-type: none"> • The process unit where the Synthesis Chamber is placed • The process unit(s) where the Combustion Chamber(s) is (are) placed • The pipe (or piping system) that connects the process unit where the Synthesis Chamber is placed and the process unit(s) where the Combustion Chamber(s) is(are) placed

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Eligibility Criteria	Regulation 5	Requirement	Documentary Evidence	Check Against CFD Application
				<ul style="list-style-type: none"> • All the Purification Unit(s), if any, indicating which contaminants are removed from the Advanced Fuel and any material used for the operation of each Purification Unit(s) • All the Compression Unit(s), if any, indicating the inlet and outlet pressures • The flow direction of the Advanced Fuel in the pipe (or piping system)
<p>Specific requirements for Remote Island Wind (RIW)</p>	<p>27A (3)</p>	<p>Remote Island Wind (RIW) Conditions to be met during assessment, as in the CFD Allocation Regulations 2014 - (Miscellaneous Amendments) Regulations 2018.</p> <p>The Applicant must demonstrate to the Delivery Body that the relevant CFD Unit is expected, by the Target Commissioning Date, to satisfy the Remote Island Wind Conditions. National Grid (as the Delivery Body)</p>	<p>Where the relevant CFD unit is connected to the national Transmission System, a schematic diagram demonstrating that the Generation Circuit between the CFD Unit and the Main Interconnected Transmission System consists</p>	<p>All Applicants must demonstrate that their CFD Unit is located on a 'Remote Island' through the information submitted about the postcode, and/or the geographic coordinates, and/or the Ordnance Survey Grid Reference for the CFD Unit. All islands located in any of the local government areas of Comhairle nan Eilean Siar, Orkney Islands Council, and Shetland Islands Council will each be considered a 'Remote Island'.</p> <p>Where the CFD Unit is connected to the national Transmission System, all Applicants must submit a schematic diagram to demonstrate that the Generation Circuit between the CFD Unit and the Main Interconnected Transmission System is expected to consist of not less than 50 km of cabling, not less than 20 km of which is Subsea Cabling.</p>

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Eligibility Criteria	Regulation 5	Requirement	Documentary Evidence	Check Against CFD Application
		<p>will determine whether the project qualifies as “RIW” based on the evidence the Applicant provides to demonstrate that they meet the RIW Conditions. The RIW conditions:</p> <p>(a) the CFD Unit generates electricity by the use of wind;</p> <p>(b) the CFD Unit is located on a Remote Island;</p> <p>(c) the CFD Unit is connected to the national Transmission System or to a Distribution System; and</p> <p>(d) either—</p> <p>(i) where the CFD Unit is connected to the national Transmission System, the Generation Circuit between the CFD Unit and the Main Interconnected Transmission System consists of not less than 50</p>	<p>of not less than 50 km of Cabling, not less than 20 km of which is subsea Cabling.</p> <p>Where the relevant CFD Unit is connected to the Distribution System, a schematic diagram showing the relevant Grid Supply Point and the Main Interconnected Transmission System, confirming that between the two points there is not less than 50 km of cabling, of not less than 20</p>	<p>The schematic diagram must include the following that is clearly labelled:</p> <ul style="list-style-type: none"> • The CFD Unit, where the name of the CFD Unit on the schematic diagram submitted by the Applicant should be the same as the name of the CFD Unit specified in the Application • The Main Interconnected Transmission System (MITS) • The length of Cabling (in km) between the CFD Unit and the Main Interconnected Transmission System (MITS), showing how much of this is subsea cabling <p>CFD Units connecting to the national Transmission System in any of the local government areas of Comhairle nan Eilean Siar, Orkney Islands Council, and Shetland Islands Council, will be considered to have met the minimum cable lengths, however, must still submit a schematic diagram.</p> <p>Where the CFD Unit is connected to a Distribution System, all Applicants must provide a schematic diagram to demonstrate that the electrical connection between its Grid Supply Point and the Main Interconnected Transmission System (MITS) is expected to consist of not less than 50 km of Cabling, not less than 20 km of which is Subsea Cabling.</p>

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Eligibility Criteria	Regulation 5	Requirement	Documentary Evidence	Check Against CFD Application
		<p>km of Cabling, not less than 20 km of which is Subsea Cabling; or</p> <p>(ii) where the CFD Unit is connected to a Distribution System, the electrical connection between its Grid Supply Point and the Main Interconnected Transmission System consists of not less than 50 km of Cabling, not less than 20 km of which is Subsea Cabling.</p>	<p>km of which is Subsea Cabling.</p>	<p>The schematic diagram must include the following that is clearly labelled:</p> <ul style="list-style-type: none"> • The CFD Unit, where the name of the CFD Unit on the schematic diagram submitted by the Applicant should be the same as the name of the CFD Unit specified in the Application • The relevant Grid Supply Point • The Main Interconnected Transmission System (MITS) • The length of Cabling (in km) between the relevant Grid Supply Point and the Main Interconnected Transmission System (MITS), showing how much of this is Subsea Cabling <p>All information including any labelling, text and design in the schematic diagram must be clearly legible.</p> <p>The eligibility requirements for RIW are geographically neutral and Applications from any geographical location within scope will be considered.</p>

Schedule 5 - Target Commissioning Windows

Technology Type	Target Commissioning Window (in years) ⁶
ACT	1
AD (>5 MW)	1
Dedicated Biomass with CHP	1
Geothermal	1
Offshore Wind	1
Remote Island Wind (>5 MW)	1
Tidal Stream	1
Wave	1

⁶ Target Commissioning Windows may have a start date of one year in advance of the Target Commissioning Date inclusive of that date, and may have an end date of up to one year after the Target Commissioning Date inclusive of that date. The length of a Target Commissioning Window may not exceed the period applicable to that technology. Note however that no CFD payments will be made for any period of time before 1st April 2021.

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