



Department for
Business, Energy
& Industrial Strategy

Contracts for Difference Scheme for renewable electricity generation

Allocation Round 4: Allocation Framework,
2021



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Any enquiries regarding this publication should be sent to us at: BEISContractsForDifference@beis.gov.uk

Contents

1. Title and application	5
2. Interpretation	5
3. Determination of eligibility	5
4. Supplemental requirements	6
5. Excluded Applications	7
6. Valuation of Applications	7
7. Notices of determinations	8
8. Non-Qualification Reviews and Qualification Appeals	8
9. Allocation Process	9
10. Notice of Auction	11
11. Submission of sealed bids	12
12. Phased Offshore Wind CFD Units	14
13. Withdrawal of Applications and sealed bids	15
14. Soft Constraints	15
15. Order of auctions	16
16. Minimum auctions	16
17. Auction in relation to Pots or the Overall Budget	23
18. Maximum only auction	34
19. Tiebreaker Rules	36
Minimum or Maximum only tiebreaker	36
Budget only tiebreaker	37
Minimum or Maximum and budget tiebreaker	38
20. Impact of delays on the Administrative Strike Price	39
21. Delay after completion of Allocation Processes	40
22. CFD Notifications	40
23. Pending Applications	42
24. Notification to the Authority and the Secretary of State of auction irregularity	43
25. Time and dates	43
26. Notification to the Delivery Body	43
27. Changes to timing and submission requirements	43

28. Hierarchy of documents _____	44
Schedule 1 - Definitions _____	45
Schedule 2 - Valuation Formula _____	53
Appendix 1 – Administrative Strike Prices (£/MWh in 2012 prices) _____	57
Appendix 2 - Reference Prices (£/MWh, 2012 prices) _____	58
Appendix 3 - Load Factors _____	59
Appendix 4 - Transmission Loss Multiplier _____	60
Appendix 5 - Renewable Qualifying Multiplier _____	60
Appendix 6 – Days _____	61
Schedule 3 - Applicable Reference Price _____	63
Schedule 4 – Applicable Delivery and Valuation Years _____	65
Schedule 5 - Application checks to be carried out by the Delivery Body _____	67
Schedule 6 - Target Commissioning Windows _____	88

1. Title and application

- 1.1 This document may be referred to as the Contracts for Difference Allocation Round 4: Allocation Framework, 2021 (“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 5 that are applicable to a particular Application.
- 3.3 Subject to Rule 3.5 below, where the applicable checks in Schedule 5 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 above 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 5.

3.5 If Rule 3.4 above 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 of the last applicable Delivery Year (subject to any changes to the Target Dates 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 or Energy from Waste 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 relevant issue number of 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 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 (including valuation of Applications to which Minima and/or Maxima that are stated in pounds sterling apply) 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 and/or where Minima and/or Maxima are stated in MW, the method for the Applications Valuations of capacity will be the sum of the capacity of all relevant Applications.
- 6.5 For the purposes of these Rules—
- (a) where two or more Pots are specified in the Budget Notice, the Delivery Body should consider the Monetary Pot(s) and/or any applicable Pot Capacity Cap(s) (rather than the Monetary Budget and/or any applicable Overall Capacity Cap); 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 comprises the applicable Valuation Years specified in the Budget Notice (and at Schedule 4).

7. Notices of determinations

7.1 Pursuant to Regulation 19(3), a notice under Regulation 19(1) must be given by the Delivery Body to the Applicant (concerning whether or not the Application made by the Applicant is a Qualifying Application) no later than 30 working days after the Application Closing Date, and Regulation 19(2)(b) applies in respect of this period.

8. Non-Qualification Reviews and Qualification Appeals

8.1 Pursuant to Regulations 20 and 43—

- (a) An Applicant may, by a Review Notice, request a Non-Qualification Review no later than 5 Working Days after the date of the notice referred to in Rule 7.1 above;
- (b) Where an Applicant requests a Non-Qualification Review, the Delivery Body must submit a Non-Qualification Review Notice to the Applicant no later than 15 Working Days after the date the Review Notice is received; and
- (c) An Applicant may make a Qualification Appeal to the Authority no later than 5 Working Days after the date of the Non-Qualification Review Notice.

8.2 A timeline for the key dates relating to the Allocation Round is available at the Contracts for Difference Allocation Round 4 [microsite](#)¹.

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 the Budget Notice specifies that a Soft Constraint applies to a Pot Capacity Cap or Overall Capacity Cap, Minimum or Maximum (subject to Rule 14 below), the Delivery Body must ensure that it does not apply the Soft Constraint in carrying out the following steps (Rules 9.3 – 9.6)—
- 9.3 Where a Pot is specified in the Budget Notice, the Delivery Body must calculate the impact on the Monetary Pot using the Valuation Formula in Schedule 2 and sum the capacity value of all relevant Qualifying Applications in that Pot (including Qualifying Applications of any Technology Type to which a Minimum or Maximum 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 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 relevant Administrative Strike Price (subject to the application of any Maxima, as set out at Rule 9.6 below); or
 - (b) where the monetary value and/or the capacity value of the relevant Qualifying Applications would exceed the Monetary Pot and/or the applicable Pot Capacity Cap (respectively), assess any Minima in accordance with Rule

¹ Material on the microsite will periodically be updated

9.5 below and hold an auction in relation to those Qualifying Applications in accordance with Rule 17 below.

9.4 Where no Pot is specified in the Budget Notice, the Delivery Body must calculate the impact on the Monetary Budget using the Valuation Formula in Schedule 2 and sum the capacity value of all Qualifying Applications (including Qualifying Applications to which a Minimum or Maximum 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 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 relevant Administrative Strike Price (subject to the application of any Maxima, as set out at Rule 9.6 below); or
- (b) where the monetary value and/or the capacity value of the relevant Qualifying Applications would exceed the Monetary Budget and/or any applicable Overall Capacity Cap (respectively), assess any Minima in accordance with Rule 9.5 below and hold an auction in relation to those Qualifying Applications in accordance with Rule 17 below.

9.5 Any Minima applying to the Allocation Round can be stated in MW or pounds sterling. Where a Minimum is specified in the Budget Notice for an Allocation Round, for each Minimum the Delivery Body must sum the capacity value and, using the Valuation Formula in Schedule 2, calculate the monetary value of the Qualifying Applications subject to the Minimum and—

- (a) where the capacity or monetary value of the Qualifying Applications (subject to the Minimum) is equal to or less than the Minimum, the monetary value of the Qualifying Applications (subject to the Minimum) does not exceed the Monetary Pot or Monetary Budget, and the capacity value of the Qualifying Applications (subject to the Minimum) does not exceed any applicable Pot Capacity Cap or Overall Capacity Cap, determine that all such Qualifying Applications are Successful Applications and the final Strike Price applicable to those Applications is the relevant Administrative Strike Price; or
- (b) where the capacity or monetary value of the Qualifying Applications (subject to the Minimum) is equal to or less than the Minimum but the monetary value of the Qualifying Applications (subject to the Minimum) would exceed the Monetary Pot or Monetary Budget and/or the capacity value of the Qualifying Applications (subject to the Minimum) would exceed any applicable Pot Capacity cap or Overall Capacity Cap, hold an auction in relation to those Qualifying Applications, in accordance with Rules 15 and 16 below; or

- (c) where the capacity or monetary value of the Qualifying Applications (subject to the Minimum) exceeds the Minimum, hold an auction in relation to those Qualifying Applications in accordance with Rules 15 and 16 below.

9.6 Any Maxima applying to the Allocation Round can be stated in MW or pounds sterling. Where a Maximum is specified in the Budget Notice for that Allocation Round, for each Maximum the Delivery Body must sum the capacity value and, using the Valuation Formula in Schedule 2, calculate the monetary value of all Qualifying Applications subject to the Maximum and either—

- (a) where the capacity or monetary value of the Qualifying Applications subject to the Maximum would exceed the Maximum, if the Monetary Pot or Monetary Budget would be exceeded by the cumulative monetary value of all Qualifying Applications and/or any applicable Pot Capacity Cap or Overall Capacity Cap would be exceeded by the cumulative capacity value of all Qualifying Applications, consider the Qualifying Applications subject to the Maximum as part of the auction to be held in accordance with Rule 17 below; or
- (b) where the capacity or monetary value of the Qualifying Applications subject to the Maximum is equal to or less than the Maximum, 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 9.3 or 9.4 above, as applicable; or
- (c) where the capacity or monetary value of the Qualifying Applications subject to the Maximum would exceed the Maximum, if the Monetary Pot or Monetary Budget would not be exceeded by the cumulative monetary value of all Qualifying Applications and any applicable Pot Capacity Cap or Overall Capacity Cap would not be exceeded by the cumulative capacity value of all Qualifying Applications, hold an auction in relation to only the Qualifying Applications subject to the Maximum in accordance with Rule 18 below.

10. Notice of Auction

10.1 If one or more auctions 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 and/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 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 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 Minimum, Maximum, 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 Minimum, Maximum, 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 (“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.

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 (using 2012 prices) that it will accept for each megawatt hour of Metered Output, which must not be more than the relevant Administrative Strike Price;
 - (ii) the Applicant's Target Dates; and
 - (iii) the capacity of the CFD Unit.
- 11.2 Subject to Rule 13 below, for each Application, the Applicant may submit only one sealed bid (and one Strike Price) for the same Target Dates 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 £0.01.
- 11.5 For each Application, the Applicant may submit up to four Flexible Bids (inclusive of the bid that has the same Target Dates and same capacity as specified in the Original Application) which are sealed bids with varying capacities and/or Target Dates, of which no more than two bids may have a Target Commissioning Window Start 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 above, be expressed to be to the nearest £0.001;
 - (c) subject to Rule 12.2 below, have Target Dates that are no earlier than the Target Dates specified in the Original Application;
 - (d) subject to Rule 12.2 below, have a capacity that is no greater than the capacity specified in the Original Application; and
 - (e) satisfy Rule 4 above and Rule 5 above 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, subject to Rule 13.1 below, the Delivery Body must assign the Application a

bid of the relevant Administrative Strike Price for its Technology Type, and the 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 Dates for the first phase will be treated as the first Target Dates; 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) Target Dates for any phase which are earlier than the Target Dates 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 and/or Target Commissioning Window Start Date for any later phase which is earlier than the corresponding Target Commissioning Date and/or Target Commissioning Window Start 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 (subject to Rule 4.1(a) above).

13. Withdrawal of Applications and sealed bids

- 13.1 Pursuant to Regulation 16(3), an Application may be withdrawn by the Applicant up to and including the Application Closing Date, and, pursuant to Regulation 16(4), where a Notice of Auction has been issued by the Delivery Body, an Application may be withdrawn by the Applicant up to and including the Submission Closing Date. Such withdrawals 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 above, the Delivery Body is not required to carry out the Applications Valuations again and must proceed with the auctions specified in the Notice(s) of Auction.
- 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 above.

14. Soft Constraints

- 14.1 Pursuant to Regulation 11(4A), where the Budget Notice specifies that a Soft Constraint applies to a budget expressed in capacity terms such as a Pot Capacity Cap or Overall Capacity Cap, and/or a Minimum or Maximum, the relevant budget may be exceeded in the relevant auction, subject to the following conditions. The Delivery Body must ensure that—
- (a) it only applies a Soft Constraint to a Minimum or Maximum where the Budget Notice specifies that a Soft Constraint applies to the relevant Minimum or Maximum that is expressed in capacity terms, and does not apply a Soft Constraint to a Minimum or Maximum that is expressed in monetary terms;
 - (b) it only applies the Soft Constraint in the consideration of sealed bids in the relevant auction (and it does not apply the Soft Constraint in carrying out the steps in Rule 9 above);
 - (c) where the Budget Notice specifies that a Soft Constraint applies to a Pot Capacity Cap or Overall Capacity Cap, it does not apply a Soft Constraint to

the applicable Pot Capacity Cap or Overall Capacity Cap when considering an interleaving bid, in accordance with Rule 17.6 below;

- (d) where the Budget Notice specifies that a Soft Constraint applies to a Pot Capacity Cap or Overall Capacity Cap, it does not apply a Soft Constraint to the applicable Pot Capacity Cap or Overall Capacity Cap when considering a Flexible Bid in the interleaving bids process (Rule 17.6 below) if the Flexible Bid has the same Strike Price as one or more other sealed bids;
- (e) it does not apply the Soft Constraint when considering sealed bids in a tiebreaker under Rule 19 below;
- (f) regardless of the operation of a Soft Constraint, any bid which causes the Monetary Pot or Monetary Budget to be exceeded is unsuccessful;
- (g) the operation of a Soft Constraint does not affect the operation of any other budget, unless a Pot Capacity Cap is applied as a Soft Constraint, in which case, where the Pot Capacity Cap is exceeded, it will, subject to Rule 14.1(f) above, cause the Overall Budget (as described at Regulation 30(2)) to be exceeded by the same amount as the Pot Capacity Cap has been exceeded.

15. Order of auctions

- 15.1 Where the Delivery Body must hold one or more auctions in relation to Qualifying Applications that are subject to a Minimum, it must carry out that/those auction(s) prior to any other auctions that are required.
- 15.2 Where the Delivery Body must hold more than one auction in relation to Qualifying Applications that are subject to a Minimum or it must hold more than one auction in accordance with Rule 18 below (in relation to Qualifying Applications that are subject to a Maximum), it must carry out those auctions in the order specified in the Budget Notice.

16. Minimum auctions

- 16.1 Where an auction is to be held in relation to Qualifying Applications subject to a Minimum pursuant to Rules 9.3(b) or 9.4(b) above, the Delivery Body must carry out the auction by following the steps in this Rule 16.
- 16.2 The Delivery Body must determine that—

- (a) any bid which would exceed the Monetary Pot or Monetary Budget (in terms of monetary value) is unsuccessful; and
 - (b) any bid which would exceed any applicable Pot Capacity Cap or Overall Capacity Cap is unsuccessful, unless the Budget Notice specifies that a Soft Constraint applies to the applicable Pot Capacity Cap or Overall Capacity Cap, in which case the bid that would exceed the Pot Capacity Cap or Overall Capacity Cap must be considered in the following steps (subject to Rule 16.2(c) below, proceeding from Rule 16.3); and
 - (c) any bid which would exceed the Minimum (in terms of capacity or monetary value) is unsuccessful, unless the Budget Notice specifies that a Soft Constraint applies to the Minimum, in which case any bid that would exceed the Minimum must be considered in the following steps (proceeding from Rule 16.3).
- 16.3 The Delivery Body must rank the remaining bids subject to the Minimum in order of lowest Strike Price to highest, regardless of Delivery Year.
- 16.4 Starting with the lowest Strike Price bid, the Delivery Body must determine that each Qualifying Application subject to the Minimum, up to but not including the first Application which would result in the Minimum, the Monetary Pot or Monetary Budget, or any applicable Pot Capacity Cap or Overall Capacity Cap being exceeded, is a Successful Application—
- (a) to assess whether the Minimum is exceeded, the Delivery Body must sum the capacity or monetary value of the bid under consideration with that of any relevant Qualifying Application(s) that the Delivery Body has already determined to be Successful Application(s). Where the Minimum is expressed in pounds sterling, the Delivery Body must use the Strike Price of the bid under consideration as the provisional clearing price for that Qualifying Application and any relevant Qualifying Application(s) that the Delivery Body has already determined to be Successful Application(s), capped at the relevant Administrative Strike Price. The Delivery Body must then calculate the impact on the Minimum using the Valuation Formula in Schedule 2; and
 - (b) 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 relevant Qualifying Application(s) that the Delivery Body has already determined to be Successful Application(s), 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; and

- (c) to assess the impact on any applicable Pot Capacity Cap or Overall Capacity Cap, the Delivery Body must sum the capacity of the Qualifying Application under consideration with that of any relevant Qualifying Application(s) that the Delivery Body has already determined to be Successful Application(s);
- (d) if, following the calculation—
 - (i) the cumulative capacity or monetary value of the relevant Qualifying Applications does not exceed the Minimum—
 - (I) where the cumulative monetary value of the relevant Qualifying Applications is at or below the Monetary Pot or Monetary Budget and the cumulative capacity value 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. The provisional clearing price for all such Applications is the Strike Price of the bid under consideration, capped at the relevant Administrative Strike Price. Where the cumulative capacity or monetary value of the relevant Qualifying Applications is at the Minimum and/or the cumulative capacity value is at any applicable Pot Capacity Cap or Overall Capacity Cap, the provisional clearing price for those Applications is confirmed and the Delivery Body must then close the Minimum auction; or
 - (II) where the cumulative capacity value of the relevant Qualifying Applications would exceed any applicable Pot Capacity Cap or Overall Capacity Cap, if the Budget Notice specifies that a Soft Constraint applies to the applicable Pot Capacity Cap or Overall Capacity Cap, and the cumulative monetary value of the relevant Qualifying Applications would not exceed the Monetary Pot or Monetary Budget, the Delivery Body must determine that all Qualifying Applications considered up to this point are Successful Applications (if the Monetary Pot or Monetary Budget would be exceeded, Rule 16.4(d)(i)(IV) below applies). The clearing price for all such Applications is the Strike Price of the bid under consideration, capped at the relevant Administrative Strike Price. The Delivery Body must then close the Minimum auction; or
 - (III) where the cumulative capacity value of the relevant Qualifying Applications would exceed any applicable Pot Capacity Cap or Overall Capacity Cap, if the Budget Notice does not specify

that a Soft Constraint applies to the applicable Pot Capacity Cap or Overall Capacity Cap, the Qualifying Application under consideration is unsuccessful in the Minimum auction. The Delivery Body must close the Minimum auction, unless there are Flexible Bids in relation to that Application, which are to be considered under Rule 16.5 below. 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, capped at the relevant Administrative Strike Price; and/or

- (IV) where the cumulative monetary value of the relevant Qualifying Applications would exceed the Monetary Pot or Monetary Budget, the Qualifying Application under consideration is unsuccessful in the Minimum auction. The Delivery Body must close the Minimum auction, unless there are Flexible Bids in relation to that Application, which are to be considered under Rule 16.5 below. 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, capped at the relevant Administrative Strike Price; or
- (ii) the cumulative capacity or monetary value of the relevant Qualifying Applications would exceed the Minimum, where the Budget Notice does not specify that a Soft Constraint applies to the Minimum, the Qualifying Application under consideration is unsuccessful in the Minimum auction and Flexible Bids must not be considered. 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, capped at the relevant Administrative Strike Price, and the Delivery Body must close the Minimum auction; or
- (iii) the cumulative capacity value of the relevant Qualifying Applications would exceed the Minimum, where the Budget Notice specifies that a Soft Constraint applies to the Minimum—
 - (I) if the cumulative monetary value of the relevant Qualifying Applications would not exceed the Monetary Pot or Monetary Budget and the cumulative capacity value of the relevant Qualifying Applications would not exceed 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. The clearing price for all such Applications is the Strike Price of the bid under consideration, capped at the relevant Administrative Strike Price. The Delivery Body must then close the Minimum auction; or

- (II) if the cumulative capacity value of the relevant Qualifying Applications would exceed any applicable Pot Capacity Cap or Overall Capacity Cap, where the Budget Notice specifies that a Soft Constraint applies to the applicable Pot Capacity Cap or Overall Capacity Cap, and the cumulative monetary value of the relevant Qualifying Applications would not exceed the Monetary Pot or Monetary Budget, the Delivery Body must determine that all Qualifying Applications considered up to this point are Successful Applications (if the Monetary Pot or Monetary Budget would be exceeded, Rule 16.4(d)(iii)(IV) below applies). The clearing price for all such Applications is the Strike Price of the bid under consideration, capped at the relevant Administrative Strike Price. The Delivery Body must then close the Minimum auction; or
- (III) if the cumulative capacity value of the relevant Qualifying Applications would exceed any applicable Pot Capacity Cap or Overall Capacity Cap, where the Budget Notice does not specify that a Soft Constraint applies to the applicable Pot Capacity Cap or Overall Capacity Cap, the Qualifying Application under consideration is unsuccessful in the Minimum auction and Flexible Bids must not be considered. 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, capped at the relevant Administrative Strike Price, and the Delivery Body must close the Minimum auction; and/or
- (IV) if the cumulative monetary value of the relevant Qualifying Applications would exceed the Monetary Pot or Monetary Budget, the Qualifying Application under consideration is unsuccessful in the Minimum auction and Flexible Bids must not be considered. 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, capped at the relevant Administrative

Strike Price and the Delivery Body must close the Minimum auction;

- (e) if two or more sealed bids include the same Strike Price and both/all cannot be Successful Applications because this would result in the Minimum and/or 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 Tiebreaker Rules set out in Rule 19 below;
- (f) if a sealed bid from the Qualifying 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.

16.5 Where Rules 16.4(d)(i)(III) or (IV) above apply, the Delivery Body must then consider any Flexible Bids from the relevant Qualifying 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 Qualifying Applicant's sealed bid (if they are the same as or higher than the Strike Price of another Qualifying Applicant's sealed bid, the Qualifying Application under consideration is unsuccessful and the Delivery Body must close the Minimum auction)—

- (a) The Delivery Body must assess the impact on the Minimum, on the Monetary Pot or Monetary Budget, and on any applicable Pot Capacity Cap or Overall Capacity Cap, as set out above;
- (b) If following the assessment—
 - (i) a Flexible Bid does not cause the Minimum to be exceeded—
 - (I) where the relevant Flexible Bid does not cause the Monetary Pot or Monetary Budget, or any applicable Pot Capacity Cap or Overall Capacity Cap to be exceeded, the Delivery Body must determine that the relevant Flexible Bid results in a Successful Application. Where the relevant Flexible Bid causes the Minimum and/or any applicable Pot Capacity Cap or Overall Capacity Cap to be equalled, after determining that it is a Successful Application, the Delivery Body must then close the Minimum auction; or
 - (II) where the relevant Flexible Bid causes any applicable Pot Capacity Cap or Overall Capacity Cap to be exceeded, if the Budget Notice specifies that a Soft Constraint applies to the applicable Pot Capacity Cap or Overall Capacity Cap and the relevant Flexible Bid does not cause the Monetary Pot or

- Monetary Budget to be exceeded, the Delivery Body must determine that the relevant Flexible Bid results in a Successful Application and then close the Minimum auction (if the Monetary Pot or Monetary Budget would be exceeded, Rule 16.5(b)(i)(III) below applies); or
- (III) where neither Rules 16.5(b)(i)(I) nor (II) above apply, the relevant Flexible Bid is unsuccessful; or
- (ii) a Flexible Bid causes the Minimum to be exceeded—
 - (I) where the Budget Notice specifies that a Soft Constraint applies to the Minimum, if the relevant Flexible Bid does not cause the Monetary Pot or Monetary Budget, or any applicable Pot Capacity Cap or Overall Capacity Cap to be exceeded, the Delivery Body must determine that the relevant Flexible Bid results in a Successful Application and then close the Minimum auction; or
 - (II) where the Budget Notice specifies that a Soft Constraint applies to the Minimum, if the relevant Flexible Bid causes any applicable Pot Capacity Cap or Overall Capacity Cap to be exceeded, where the Budget Notice specifies that a Soft Constraint applies to the applicable Pot Capacity Cap or Overall Capacity Cap, and the relevant Flexible Bid does not cause the Monetary Pot or Monetary Budget to be exceeded, the Delivery Body must determine that the relevant Flexible Bid results in a Successful Application and then close the Minimum auction (if the Monetary Pot or Monetary Budget would be exceeded, Rule 16.5(b)(ii)(III) below applies); or
 - (III) where neither Rules 16.5(b)(ii)(I) nor (II) above apply, the relevant Flexible Bid is unsuccessful;
- (c) if the Delivery Body determines the Qualifying 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;
 - (d) if a Flexible Bid is unsuccessful, the Delivery Body must continue to consider any further Flexible Bids from the Qualifying Applicant (following the steps above in Rule 16.5);

- (e) where consideration of Flexible Bids results in a Successful Application without the Minimum or any applicable Pot Capacity Cap or Overall Capacity Cap being exceeded, the auction continues;
- 16.6 Following the steps of Rules 16.4 – 16.5 above, the Delivery Body must close the Minimum auction.
- 16.7 Any unsuccessful Qualifying Applications under the Minimum auction or that are not subject to the Minimum must be considered in the auction in relation to the relevant Pot or Overall Budget (as appropriate). However, where a bid in a Minimum auction has caused any applicable Pot Capacity Cap or Overall Capacity Cap to be equalled or exceeded and has resulted in a Successful Application, no further bids may result in Successful Applications in the auction in relation to the relevant Pot or Overall Budget which will close.
- 16.8 Where multiple Minima are specified in the Budget Notice, the steps of Rules 16.1 – 16.7 above must be carried out in relation to each Minimum where an auction is required.

17. Auction in relation to Pots or the Overall Budget

- 17.1 Where an auction is to be held in relation to a Pot or Overall Budget pursuant to Rules 9.3 or 9.4 above, the Delivery Body must carry out the auction by following the steps in this Rule 17.
- 17.2 The Delivery Body must determine that—
- (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, unless the Budget Notice specifies that a Soft Constraint applies to the applicable Pot Capacity Cap or Overall Capacity Cap, in which case the bid that would exceed the applicable Pot Capacity Cap or Overall Capacity Cap must be considered in the following steps (subject to Rule 17.2(c) below, proceeding from Rule 17.3);
 - (c) any bid which would exceed any applicable Maximum (in terms of capacity or monetary value) is unsuccessful, unless the Budget Notice specifies that a Soft Constraint applies to the Maximum, in which case any bid that would

exceed the applicable Maximum must be considered in the following steps (proceeding from Rule 17.3).

- 17.3 The Delivery Body must rank the remaining bids in order of lowest Strike Price to highest, regardless of Delivery Year.
- 17.4 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 result in the Monetary Pot or Monetary Budget and/or any applicable Pot Capacity Cap or Overall Capacity Cap or any applicable Maximum being exceeded, is a Successful Application (subject to Rule 17.4(e) below)—
- (a) to assess whether any applicable Maximum is exceeded, the Delivery Body must sum the capacity or monetary value of the Qualifying Application under consideration with that of the relevant Qualifying Application(s) that the Delivery Body has already determined to be Successful Applications. Where the Qualifying Application under consideration is subject to a Maximum and that Maximum is expressed in pounds sterling, the Delivery Body must use the Strike Price of the bid under consideration as the provisional clearing price for that Qualifying Application and any relevant Qualifying Application(s) that the Delivery Body has already determined to be Successful Application(s), subject to Rule 17.4(d) below and capped at the relevant Administrative Strike Price. The Delivery Body must then calculate the impact on the Maximum using the Valuation Formula in Schedule 2;
 - (b) 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 relevant Qualifying Application(s) (subject to Rule 17.4(d) below) that the Delivery Body has already determined to be Successful Application(s) (including in any relevant Minimum auction(s)), 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; and
 - (c) to assess the impact on any applicable Pot Capacity Cap or Overall Capacity Cap, the Delivery Body must sum the capacity of the Qualifying Application under consideration with that of any relevant Qualifying Application(s) that the Delivery Body has already determined to be Successful Application(s) (including in any relevant Minimum auction(s));
 - (d) Maximum bids are cleared to a separate Maximum only clearing price for each Maximum, rather than the provisional clearing price of the bid under consideration, unless that bid is subject to the same Maximum—

- (i) if a Maximum 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, for any Qualifying Application(s) subject to that same Maximum and that the Delivery Body has already determined to be Successful Applications, and for any relevant Qualifying Application(s) which are not subject to any Maximum and that the Delivery Body has already determined to be Successful Applications, capped at the relevant Administrative Strike Price; or
 - (ii) if the bid under consideration is not subject to any Maximum, the Delivery Body must use the Strike Price of the bid under consideration as the provisional clearing price for that Qualifying Application and only any relevant Qualifying Application(s) which are not subject to any Maximum and that the Delivery Body has already determined to be Successful Applications, capped at the relevant Administrative Strike Price;
- (e) if, following the calculation—
 - (i) the cumulative capacity or monetary value of the Qualifying Applications outlined at Rule 17.4(a) above would exceed the applicable Maximum, where the Budget Notice does not specify that a Soft Constraint applies to that Maximum, the Qualifying Application under consideration is unsuccessful. Any Qualifying Applications which are subject to that Maximum and which have not been determined to be Successful Applications will be removed from the stack, and the Delivery Body must not consider them further in the auction. 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, capped at the relevant Administrative Strike Price (subject to Rule 17.4(d) above and Rule 17.4(e)(iv) below); or
 - (ii) the cumulative capacity value of the Qualifying Applications outlined at Rule 17.4(a) above would exceed the applicable Maximum, where the Budget Notice specifies that a Soft Constraint applies to the Maximum—
 - (I) if the Qualifying Application that results in the applicable Maximum being exceeded does not result in either the Monetary Pot or Monetary Budget, or any applicable Pot Capacity Cap or Overall Capacity Cap being exceeded, the

Delivery Body must determine that all Qualifying Applications considered up to this point are Successful Applications. Subject to Rule 17.4(d) above the provisional clearing price for all such Applications is the Strike Price of the bid under consideration, capped at the relevant Administrative Strike Price. Any Qualifying Applications which are subject to that Maximum and which have not been determined to be Successful Applications will then be removed from the stack, and the Delivery Body must not consider them further in the auction. Where the Qualifying Application that results in the applicable Maximum being exceeded results in any applicable Pot Capacity Cap or Overall Capacity Cap being equalled, the provisional clearing price for the relevant Applications is confirmed and the Delivery Body must then close the auction; or

- (II) if the Qualifying Application that results in the applicable Maximum being exceeded results in any applicable Pot Capacity Cap or Overall Capacity Cap being exceeded, where the Budget Notice specifies that a Soft Constraint applies to the applicable Pot Capacity Cap or Overall Capacity Cap, but the Qualifying Application does not result in the Monetary Pot or Monetary Budget being exceeded, the Delivery Body must determine that all Qualifying Applications considered up to this point are Successful Applications. Subject to Rule 17.4(d) above, the clearing price for all such Applications is the Strike Price of the bid under consideration, capped at the relevant Administrative Strike Price. The Delivery Body must then close the auction; or
- (III) if the Qualifying Application that results in the applicable Maximum being exceeded results in any applicable Pot Capacity Cap or Overall Capacity Cap being exceeded, where the Budget Notice does not specify that a Soft Constraint applies to the applicable Pot Capacity Cap or Overall Capacity Cap, the Qualifying Application under consideration is unsuccessful. Any Qualifying Applications which are subject to that Maximum and which have not been determined to be Successful Applications will be removed from the stack, and the Delivery Body must not consider them further in the auction. 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, capped at the relevant Administrative

Strike Price (subject to Rule 17.4(d) above and Rule 17.4(e)(iv) below); and/or

- (IV) if the Qualifying Application that results in the applicable Maximum being exceeded results in the Monetary Pot or Monetary Budget being exceeded, the Qualifying Application under consideration is unsuccessful. Any Qualifying Applications which are subject to that Maximum and which have not been determined to be Successful Applications are removed from the stack, and the Delivery Body must not consider them further in the auction. 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, capped at the relevant Administrative Strike Price (subject to Rule 17.4(d) above and Rule 17.4(e)(iv) below); or
- (iii) the cumulative capacity or monetary value of the Qualifying Applications outlined at Rule 17.4(a) above would not exceed the applicable Maximum, or the bid under consideration is not subject to a Maximum—
 - (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 Rule 17.4(d) above the provisional clearing price for all such Applications is the Strike Price of the bid under consideration, capped at the relevant Administrative Strike Price. Where the cumulative capacity or monetary value of the relevant Qualifying Applications equals the applicable Maximum and the cumulative capacity value is below any applicable Pot Capacity Cap or Overall Capacity Cap, the provisional clearing price for the relevant Applications is confirmed and any Qualifying Applications which are subject to that Maximum and which have not been determined to be Successful Applications are then removed from the stack, and the Delivery Body must not consider them further in the auction. Alternatively, where the cumulative capacity value of the relevant Qualifying Applications is at any applicable Pot Capacity Cap or Overall

Capacity Cap, the provisional clearing price for the relevant Applications is confirmed and the Delivery Body must then close the auction; or

- (II) the cumulative capacity value of the relevant Qualifying Applications is above any applicable Pot Capacity Cap or Overall Capacity Cap, where the Budget Notice specifies that a soft Constraint applies to the applicable Pot Capacity Cap or Overall Capacity Cap, but the cumulative monetary value of the relevant Qualifying Applications is at or below the Monetary Pot or Monetary Budget, the Delivery Body must determine that all Qualifying Applications considered up to this point are Successful Applications. Subject to Rule 17.4(d) above the clearing price for all such Applications is the Strike Price of the bid under consideration, capped at the relevant Administrative Strike Price. The Delivery Body must then close the auction; or
 - (III) the cumulative capacity value of the relevant Qualifying Applications is above any applicable Pot Capacity Cap or Overall Capacity Cap, where the Budget Notice does not specify that a Soft Constraint applies to the 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 provisional clearing price of the highest Strike Price bid of the Successful Applications, capped at the relevant Administrative Strike Price (subject to Rule 17.4(d) above and Rule 17.4(e)(iv) below); and/or
 - (IV) the cumulative monetary value of the relevant Qualifying Applications is above the Monetary Pot or Monetary Budget, the Qualifying Application under consideration is unsuccessful. 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, capped at the relevant Administrative Strike Price (subject to Rule 17.4(d) above and Rule 17.4(e)(iv) below); or
- (iv) if two or more sealed bids include the same Strike Price bid and both/all 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 19 below;

- (v) if a sealed bid from the Qualifying 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.

17.5 The Delivery Body must close the auction, unless there are Flexible Bids in relation to a Qualifying Application, which must be considered under Rule 17.6 below when—

- (a) the sealed bid under consideration would cause the Monetary Pot or Monetary Budget to be exceeded but would not cause any applicable Maximum to be exceeded (Flexible Bids must not be considered if the sealed bid would cause any Maximum to be exceeded); and/or
- (b) the sealed bid under consideration would cause any applicable Pot Capacity Cap or Overall Capacity to be exceeded, where the Budget Notice does not specify that a Soft Constraint applies to the Pot Capacity Cap or Overall Capacity Cap, but would not cause any applicable Maximum to be exceeded (Flexible Bids must not be considered if the sealed bid would cause any Maximum to be exceeded).

17.6 Interleaving bids process

- (a) Where Rules 17.5, 19.6 or 19.7(e) apply, the Delivery Body must consider each bid from other Qualifying Applicants (in order of lowest strike price to highest) across Delivery Years (the interleaving bids) until it considers the next Flexible Bid from the Qualifying Applicant which made the original sealed bid.
- (b) Where the interleaving bid under consideration does not cause any applicable Maximum, or the Monetary Pot or Monetary Budget to be exceeded, and does not cause any applicable Pot Capacity Cap or Overall Capacity Cap to be equalled or exceeded, that bid must be provisionally accepted by the Delivery Body. Where the interleaving bid causes the Maximum to be equalled, any Qualifying Applications which are subject to that Maximum and which have not been determined to be Successful Applications or provisionally accepted are then removed from the stack, and the Delivery Body must not consider them further in the auction.
- (c) Where the interleaving bid under consideration does not cause any applicable Maximum or the Monetary Pot or Monetary Budget to be

exceeded, but causes any applicable Pot Capacity Cap or Overall Capacity Cap to be equalled, the interleaving bid under consideration, any other provisionally accepted interleaving bids, and the next Flexible Bid are all confirmed not to have resulted in Successful Applications, and the Delivery Body must close the auction.

- (d) Where the interleaving bid under consideration would cause any applicable Maximum to be exceeded—
 - (i) if the Budget Notice does not specify that a Soft Constraint applies to the applicable Maximum, that bid is unsuccessful and is removed, any Qualifying Applications which are subject to that Maximum and which have not been determined to be Successful Applications or provisionally accepted are removed, and the Delivery Body must not consider them further in the auction. The interleaving process continues; or
 - (ii) if the Budget Notice specifies that a Soft Constraint applies to the applicable Maximum—
 - (I) where the bid under consideration does not cause the Monetary Pot or Monetary Budget, or any applicable Pot Capacity Cap or Overall Capacity Cap to be exceeded, the bid must be provisionally accepted by the Delivery Body, unless it causes any applicable Pot Capacity Cap or Overall Capacity Cap to be equalled, in which case that bid is unsuccessful and is removed. Any Qualifying Applications which are subject to that Maximum and which have not been determined to be Successful Applications or provisionally accepted are removed, and the Delivery Body must not consider them further in the auction. The interleaving process continues; or
 - (II) where the bid under consideration causes the Monetary Pot or Monetary Budget to be exceeded, and/or causes any applicable Pot Capacity Cap or Overall Capacity Cap to be exceeded (whether or not the Budget Notice specifies that a Soft Constraint applies to the applicable Pot Capacity Cap or Overall Capacity Cap), that bid is unsuccessful and is removed, any Qualifying Applications which are subject to that Maximum and which have not been determined to be Successful Applications or provisionally accepted are removed, and the Delivery Body must not consider them further in the auction. The interleaving process continues; or

- (e) Where Rule 17.6(d) above does not apply and the interleaving bid under consideration would cause the Monetary Pot or Monetary Budget and/or any applicable Pot Capacity Cap or Overall Capacity Cap to be exceeded (whether or not the Budget Notice specifies that a Soft Constraint applies to the applicable Pot Capacity Cap or Overall Capacity Cap), that bid is unsuccessful. The interleaving bid under consideration, any other provisionally accepted interleaving bids, and the next Flexible Bid are all confirmed not to have resulted in Successful Applications, and the Delivery Body must close the auction.
- (f) 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 Body must not consider any further Flexible Bids from the Qualifying Applicant(s) in relation to those Qualifying Applications. The auction remains open and continues (subject to Rules 17.6(g)-(k) below).
- (g) If the Flexible Bid under consideration has the same Strike Price as one or more other sealed bids, the Delivery Body must consider those bids together. If both/all of those bids collectively cause any applicable Pot Capacity Cap or Overall Capacity Cap to be exceeded (whether or not the Budget Notice specifies that a Soft Constraint applies to the applicable Pot Capacity Cap or Overall Capacity Cap), the bids under consideration and any provisionally accepted interleaving bids are confirmed not to have resulted in Successful Applications and the auction will be closed.
- (h) If the Flexible Bid under consideration does not cause any applicable Maximum, the Monetary Pot or Monetary Budget, or any applicable Pot Capacity Cap or Overall Capacity Cap to be exceeded, the Delivery Body must determine that bid and any interleaving bids to result in Successful Applications. Where the Flexible Bid causes the Maximum to be equalled, having determined that it is a Successful Application, any Qualifying Applications which are subject to that Maximum and which have not been determined to be Successful Applications are then removed from the stack, and the Delivery Body must not consider them further in the auction. Where the Flexible Bid causes any applicable Pot Capacity Cap or Overall Capacity Cap to be equalled, having determined that it is a Successful Application, the Delivery Body must then close the auction.
- (i) If the Flexible Bid under consideration does not cause any applicable Maximum to be exceeded, but does cause any applicable Pot Capacity Cap or Overall Capacity Cap to be exceeded, where the Budget Notice specifies that a Soft Constraint applies to the applicable Pot Capacity Cap or Overall

Capacity Cap, and does not cause the Monetary Pot or Monetary Budget to be exceeded, the Delivery Body must determine the Flexible Bid under consideration to result in a Successful Application, confirm any interleaving bids to be Successful Applications and then close the auction.

- (j) If the Delivery Body determines the Flexible Bid under consideration to have caused any applicable Pot Capacity Cap or Overall Capacity Cap to be exceeded where the Budget Notice does not specify that a Soft Constraint applies to the applicable Pot Capacity Cap or Overall Capacity Cap, and/or the Monetary Pot or Monetary Budget to be exceeded, the bid under consideration and any provisionally accepted interleaving bids are confirmed not to have resulted in Successful Applications and the auction will be closed.
- (k) If the Delivery Body determines the Flexible Bid under consideration to cause any applicable Maximum to be exceeded—
 - (i) where the Budget Notice does not specify that a Soft Constraint applies to the applicable Maximum, that bid and any other provisionally accepted interleaving bids are confirmed not to have resulted in Successful Applications, and the Delivery Body must close the auction; or
 - (ii) where the Budget Notice specifies that a Soft Constraint applies to the applicable Maximum—
 - (I) if the Flexible Bid under consideration would not cause either the Monetary Pot or Monetary Budget, or any applicable Pot Capacity Cap or Overall Capacity Cap to be exceeded, the Delivery Body must determine that bid to result in a Successful Application and confirm any interleaving bids to be Successful Applications. Any Qualifying Applications which are subject to that Maximum and which have not been determined to be Successful Applications are removed, and the Delivery Body must not consider them further in the auction. The auction will then continue, unless the Flexible Bid caused any Pot Capacity Cap or Overall Capacity Cap to be equalled, in which case the Delivery Body must then close the auction; or
 - (II) if the Flexible Bid under consideration would cause any applicable Pot Capacity Cap or Overall Capacity Cap to be exceeded, where the Budget Notice specifies that a Soft Constraint applies to the applicable Pot Capacity Cap or Overall Capacity Cap, and it does not have the same Strike

Price as one or more other sealed bids and would not cause the Monetary Pot or Monetary Budget to be exceeded, the Delivery Body must determine that bid to result in a Successful Application, confirm any interleaving bids to be Successful Applications and then close the auction; or

- (III) if the Flexible Bid under consideration has the same Strike Price as one or more other sealed bids and both/all of those bids collectively would cause any applicable Pot Capacity Cap or Overall Capacity Cap to be exceeded (whether or not the Budget Notice specifies that a Soft Constraint applies to the applicable Pot Capacity Cap or Overall Capacity Cap), that bid and any other provisionally accepted interleaving bids are confirmed not to have resulted in Successful Applications, and the Delivery Body must close the auction; or
- (IV) if the Flexible Bid under consideration would cause any applicable Pot Capacity Cap or Overall Capacity cap to be exceeded where the Budget Notice does not specify that a Soft Constraint applies the applicable Pot Capacity cap or Overall Capacity Cap, and/or the Monetary Pot or Monetary Budget to be exceeded, that bid and any other provisionally accepted interleaving bids are confirmed not to have resulted in Successful Applications, and the Delivery Body must close the auction.

- (l) Following an interleaving process where there are one or more Successful Applications, 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, unless the Flexible Bid that resulted in a Successful Application caused any applicable Pot Capacity Cap or Overall Capacity Cap to be equalled or exceeded, in which case the Delivery Body must close the auction (in accordance with Rule 17.6(h), Rule 17.6(i), Rule 17.6(k)(ii)(I) or Rule 17.6(k)(ii)(II) above).
- (m) Where there are no Flexible Bids relating to the original sealed bid which caused the Monetary Pot or Monetary Budget, and/or the applicable Pot Capacity Cap or Overall Capacity Cap to be breached, the auction is closed.

17.7 The Delivery Body must repeat the steps in Rules 17.4-17.6 above until the auction is closed or no more sealed bids remain. When no more bids remain, the Delivery Body must close the auction.

18. Maximum only auction

- 18.1 Where an auction is to be held in relation to Qualifying Applications subject only to a Maximum pursuant to Rule 9.6 above, the Delivery Body must carry out the auction by following the steps in this Rule 18.
- 18.2 The Delivery Body must determine that any bid which would exceed the applicable Maximum (in terms of capacity or cost) is unsuccessful, unless the Budget Notice specifies that a Soft Constraint applies to the Maximum, in which case any bid that would exceed the applicable Maximum must be considered in the following steps (proceeding from Rule 18.3).
- 18.3 The Delivery Body must rank the bids in order of lowest Strike Price bid to highest, regardless of Delivery Year.
- 18.4 Starting with the lowest Strike Price bid, the Delivery Body must determine that Qualifying Applications subject to the Maximum, up to but not including the first Qualifying Application which would result in the Maximum being exceeded, are Successful Applications—
- (a) to assess whether the Maximum is exceeded, the Delivery Body must sum the capacity or monetary value of the Qualifying Application under consideration with that of the Qualifying Application(s) that the Delivery Body has already determined to be Successful Applications. Where the Maximum is expressed in pounds sterling, the Delivery Body must use the Strike Price of the bid under consideration as the provisional clearing price for that Qualifying Application and any relevant Qualifying Application(s) that the Delivery Body has already determined to be Successful Application(s), capped at the relevant Administrative Strike Price. The Delivery Body must then calculate the impact on the Maximum using the Valuation Formula in Schedule 2.
 - (b) If, following the calculation—
 - (i) the cumulative capacity or monetary value of the relevant Qualifying Applications is at or below the Maximum, 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 of the bid under consideration, capped at the relevant Administrative Strike Price; or
 - (ii) the cumulative capacity value of the relevant Qualifying Applications would exceed the Maximum, where the Budget Notice specifies that a

Soft Constraint applies to the Maximum, 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 of the bid under consideration, capped at the relevant Administrative Strike Price; or

- (iii) the cumulative capacity or monetary value of the relevant Qualifying Applications would exceed the Maximum, where the Budget Notice does not specify that a Soft Constraint applies to the Maximum, 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, capped at the relevant Administrative Strike Price.

- 18.5 If a sealed bid from the Qualifying 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.
- 18.6 The Delivery Body must close a Maximum auction when the Qualifying Application under consideration would cause the Maximum to be exceeded, unless the Budget Notice specifies that a Soft Constraint applies to the Maximum, in which case the Delivery Body must determine that the Qualifying Application that would cause the Maximum to be exceeded is a Successful Application and then close the Maximum auction.
- 18.7 If a Qualifying Application causes the Maximum to be equalled, after determining that the Qualifying Application under consideration results in a Successful Application, the Delivery Body must then close the Maximum auction.
- 18.8 If two or more sealed bids subject to the Maximum include the same Strike Price bid (regardless of Delivery Year) and both/all cannot be Successful Applications because this would result in the Maximum being exceeded, they must be evaluated in accordance with the Minimum or Maximum Only Tiebreaker Rules set out in Rule 19 below, following which the Maximum auction shall be closed.
- 18.9 Any unsuccessful Qualifying Applications under the Maximum auction are not considered further.
- 18.10 Where multiple Maxima are specified in the Budget Notice and auctions are to be held in relation to Qualifying Applications subject only to those Maxima pursuant to Rule 9.6 above, the steps in Rules 18.1 – 18.9 above must be carried out in relation to each Maximum where an auction is required.

19. Tiebreaker Rules

19.1 Where the Budget Notice specifies that a Soft Constraint applies to a Pot Capacity Cap or Overall Capacity Cap, and/or a Minimum or Maximum, the Delivery Body must ensure that it does not apply any such Soft Constraint when considering sealed bids in any tiebreaker under this Rule.

Minimum or Maximum only tiebreaker

19.2 Where two or more sealed bids being evaluated against a Minimum or Maximum include the same Strike Price and both/all cannot be Successful Applications because this would result in the Minimum or Maximum (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 'Minimum or Maximum only' tiebreaker)—

- (a) any Qualifying Application which by itself would result in the Minimum or Maximum 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 resulting in the Minimum or Maximum being exceeded, 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.

19.3 Following a Minimum only tiebreaker, the Delivery Body must close the Minimum auction.

19.4 Following a Maximum only tiebreaker—

- (a) where the tiebreaker has been held pursuant to Rule 17.4(e)(iv) above, any Qualifying Applications which are subject to the relevant Maximum and which have not been determined to be Successful Applications will be removed from the stack, and the Delivery Body must not consider them further in the auction, which will continue, unless any applicable Pot Capacity Cap or

Overall Capacity Cap has been equalled, in which case the Delivery Body must then close the auction; or

- (b) where the tiebreaker has been held pursuant to Rule 18.8 above, the Maximum auction will close.

Budget only tiebreaker

- 19.5 Where two or more sealed bids in an auction have the same Strike Price and both/all 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 Minimum or Maximum 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 result in the Monetary Pot or Monetary Budget and/or any applicable Pot Capacity Cap or Overall Capacity Cap being exceeded;
 - (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.
- 19.6 Qualifying Applications which are unsuccessful under this Rule will trigger the interleaving bids process (Rule 17.6). The next Flexible Bids (for all these projects) must all result in Successful Applications. If this is the case, the auction (whether a Minimum auction or an auction in relation to a Pot or Overall Budget) will then continue, unless any applicable Pot Capacity Cap or Overall Capacity Cap has been equalled or (where the Budget Notice specifies that a Soft Constraint applies to the applicable Pot Capacity Cap or Overall Capacity Cap) exceeded, in which case the Delivery Body must then close the auction. If the next Flexible Bids do not all result in Successful Applications, none of the Flexible Bids will result in a Successful Application and the auction will close.

Minimum or Maximum and budget tiebreaker

- 19.7 Where two or more sealed bids in an auction include the same Strike Price and both/all cannot be Successful Applications because this would result in both a Minimum or Maximum, and the Monetary Pot or Monetary Budget and/or any applicable Pot Capacity Cap or Overall Capacity Cap, being exceeded (a 'Minimum or Maximum 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 Minimum or Maximum 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 result in the Monetary Pot or Monetary Budget, any applicable Pot Capacity Cap or Overall Capacity Cap, and/or any Minimum or Maximum being exceeded;
 - (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 causing any Minimum or Maximum to be exceeded, the Delivery Body must choose from these Qualifying Applications at random using an electronic random assignment process;
 - (d) at the end of a Minimum or Maximum and budget tiebreaker all unsuccessful bids subject to the relevant Minimum or Maximum are removed from the stack—
 - (i) where the tiebreaker has been held pursuant to Rule 16.4(e) above, the Minimum auction will close; or
 - (ii) where the tiebreaker has been held pursuant to Rule 18.8 above, the Maximum only auction will close;
 - (e) all other unsuccessful bids will trigger the interleaving process and the next Flexible Bids (for all these projects) must all result in Successful Applications—
 - (i) If this is the case, any Qualifying Applications which are subject to the relevant Maximum and which have not been determined to be

Successful Applications will be removed from the stack, and the Delivery Body must not consider them further in the auction, which will continue, unless any applicable Pot Capacity Cap or Overall Capacity Cap has been equalled or (where the Budget Notice specifies that a Soft Constraint applies to the applicable Pot Capacity Cap or Overall Capacity Cap) exceeded, in which case the Delivery Body must then close the auction; or

- (ii) If this is not the case, then none of the Flexible Bids will result in a Successful Application and the auction will close.

20. Impact of delays on the Administrative Strike Price

- 20.1 Where, pursuant to Regulation 34(5), the Delivery Body is required to re-determine the Applications Valuations, the Delivery Body will invite all Applicants to vary their Target Dates. Any variation must be to dates later than those stated in the Applicant's Original Application.
- 20.2 The Delivery Body then re-determines the Applications Valuations based on the relevant Administrative Strike Prices for the Delivery Years in which they now sit, where they would differ.
- 20.3 Where Rule 20.1 above applies and the Delivery Body is already in receipt of sealed bids, Applicants are invited to adjust and resubmit Target Dates for their sealed bids.
- 20.4 Where Rule 20.1 or Rule 20.3 above applies and the Applicant does not vary its Target Dates or does not adjust and resubmit Target Dates for its sealed bids, information will remain as set out in the Applicant's Original Application, or, if they have been submitted, its sealed bids.
- 20.5 Rules 20.1 - 20.4 above also apply to Pending Applications.

21. Delay after completion of Allocation Processes

- 21.1 Pursuant to Regulation 40, the Delivery Body must re-run the full Allocation Process where the Delay Period has expired. Pursuant to Regulation 40(4), “Delay Period” means:
- (a) Where a Variation Notice was not required to be given when the Allocation Process commenced, a period of more than 6 months has expired since the Application Closing Date; or
 - (b) Where a Variation Notice was required to be given when the Allocation Process commenced, a period of more than 6 months has expired since the date on which the Variation Notice was required to be given.

22. CFD Notifications

- 22.1 Pursuant to Regulation 42(3)(b), 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 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 the CFD Unit was 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;
- (m) 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; and/or
- (n) where the Technology Type is a Floating Offshore Wind CFD Unit, the depth chart or map of the facility and the director's declaration that the relevant

CFD Unit will meet all the Floating Offshore Wind conditions, with which the Delivery Body was provided by, or on behalf of, the Applicant at the time of Application.

23. Pending Applications

23.1 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), in which case, subject to Rule 23.1(c) below, 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), in which case, subject to Rule 23.1(c) below, the Strike Price applicable to the Application's lowest successful Flexible Bid is the clearing price for the relevant Pot (or Overall Budget, as relevant), capped at its relevant Administrative Strike Price;
- (c) an auction was held and Rules 23.1(a) or (b) above apply, and the Application is subject to a Maximum, in which case the Strike Price applicable to that bid will be the clearing price for applications subject to that Maximum, capped at its relevant Administrative Strike Price; or
- (d) no auction was held, in which case the Strike Price applicable to such an Application is the relevant Administrative Strike Price.

23.2 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 23.1 above are met.

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

- 24.1 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.

25. Time and dates

- 25.1 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.
- 25.2 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.

26. Notification to the Delivery Body

- 26.1 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.

27. Changes to timing and submission requirements

- 27.1 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.

27.2 Where the Delivery Body takes action under Rule 27.1 above, 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.

28. Hierarchy of documents

28.1 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;

“Appeals Deadline Date” has the meaning given by Regulation 2(1);

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

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

“Application Closing Date” in relation to an Allocation Round has the meaning given in Regulation 2(1);

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

“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 and Valuation Years, 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 2(1);

“**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;

“Delay Period” has the meaning given in Regulation 40 and which period is listed in the Allocation Framework at Rule 21 for this Allocation Round further to Regulation 40(4);

“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);

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

“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);

“Floating Offshore Wind CFD Unit” has the meaning given in Regulation 27ZA(2);

“Floating Offshore Wind Conditions” means the conditions set out in Regulation 27ZA(4);

“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 one or more CFD Agreement(s) 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);

“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 17.6;

“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 the scale, name, shape of the CFD Unit and the Longitude and Latitude (in WGS84 format to 3 decimal places) of the Northerly, Easterly, Southerly and Westerly extreme coordinates of the 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 2(1) – a single such budget is referred to as a “Maximum”;

“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 2(1) – a single such budget is referred to as a “Minimum”;

“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” has the meaning given 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 2(1);

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

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

“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 2(1);

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

“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;

“Pot” has the meaning as given in Regulation 2(1);

“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;

“Qualification Appeal” has the meaning given in Regulation 2(1);

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

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

(i) that Qualifying Applicant; and

(ii) any person Associated with that Qualifying Applicant;

“Qualifying Application” has the meaning given by Regulation 2(1);

“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 Window Start Date specified in an Application falls, unless the Target Commissioning Window Start Date falls before the first applicable Delivery Year, in which case the Relevant Delivery Year will be the first applicable Delivery Year (applicable Delivery Years are set out in the Budget Notice and also at Schedule 4);

“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);

“Review Notice” has the meaning given by Regulation 2(1);

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

“Soft Constraint”, when applied to a Pot Capacity Cap, Overall Capacity Cap, Minimum or Maximum, means that the relevant amount of capacity of electricity generation specified in the Budget Notice may be exceeded, in accordance with Regulation 11(4A) and subject to Rule 14;

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

“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 Commissioning Window Start Date” 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 19;

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

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

“**Valuation Year**” means any of the 12-month periods commencing on 1st April and ending on 31st March which follow the applicable Delivery Years and for which valuations must be determined, as set out in the Budget Notice (and at Schedule 4);

“**Variation Notice**” 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:

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

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>See Schedule 1 for definition.</p> <p>In relation to the Valuation Formula—</p> <p>(a) in the context of the Applications Valuations, Strike Price means the relevant Administrative Strike Price, as set out at Appendix 1 below; and</p> <p>(b) in the context of calculating the impact on the Budget Profile, including any Minima or Maxima that are stated in pounds sterling, in an auction under Rules 15 - 18 above, Strike Price means the relevant clearing price in the auction, capped at the Administrative Strike Price for that Delivery Year (where relevant) and that Technology Type.</p> <p>CFD Units to be established or altered in phases of construction are to be valued using the same Strike Price across each phase.</p>
Reference Price	An estimate of the average market price for electricity achieved by the relevant

Term	Definition and/or value
	Technology Type in Great Britain that is used to calculate the budget impact in the Applications Valuations. The baseload, hydro, offshore wind, onshore wind and solar PV reference prices are set out at Appendix 2 below (in 2012 prices), and the technologies that they are applied to in the valuation formula are set out at Schedule 3.
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

Term	Definition and/or value
	<p>the Target Commissioning Window Start Date for a phase falls in the final Valuation Year set out in the Budget Notice (and at Schedule 4). In this instance it is set as one (1). In all years following the commissioning year it is set as one (1).</p> <p>If the commissioning year is between the first applicable Delivery Year and the penultimate applicable Valuation Year (inclusive), the first year of generation will be valued at:</p> <p>$YR1F = 1 - \frac{\text{Number of calendar days between start of financial year that Target Commissioning Window Start Date falls within and Target Commissioning Window Start Date}}{\text{Number of calendar days in the financial year that Target Commissioning Window Start Date falls within.}}$</p> <p>Otherwise: $YR1F = 1$</p>
C is the Target Commissioning Window Start 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.

Term	Definition and/or value
cy is the Commissioning Year	Commissioning Year means the financial year in which the Target Commissioning Window Start 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	2024/25	2025/26	2026/27
	Strike prices	Strike prices	Strike prices	Strike prices
ACT	-	-	190	190
Anaerobic Digestion (>5MW)	-	-	128	128
Dedicated Biomass with CHP	-	-	163	163
Energy from Waste with CHP	121	121	-	-
Floating Offshore Wind	-	-	122	122
Geothermal	-	-	133	133
Hydro (>5MW and <50MW)	93	93	-	-
Landfill Gas	62	62	-	-
Offshore Wind	-	-	46	46
Onshore Wind (>5MW)	53	53	-	-
Remote Island Wind (>5MW)	-	-	62	62
Sewage Gas	151	151	-	-

Technology Type	2023/24	2024/25	2025/26	2026/27
	Strike prices	Strike prices	Strike prices	Strike prices
Solar PV (>5MW)	47	47	-	-
Tidal stream	-	-	211	211
Wave	-	-	258	258

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

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Baseload reference price	48.85	49.71	48.36	45.35	42.94	38.15
Hydro reference price	50.84	51.58	50.26	47.55	-	-
Offshore Wind reference price	-	-	47.05	42.05	38.77	32.85
Onshore Wind reference price	48.57	48.76	47.36	42.80	40.12	34.11
Solar PV reference price	47.16	47.11	44.45	41.61	-	-

² The technologies that the various reference prices are applied to in the valuation formula are set out at Schedule 3

Appendix 3 - Load Factors

Technology Type	Delivery/Valuation Year					
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
ACT	-	-	80.4%	80.4%	80.4%	80.4%
Anaerobic Digestion (>5MW)	-	-	90.3%	90.3%	90.3%	90.3%
Dedicated Biomass with CHP	-	-	87.0%	87.0%	87.0%	87.0%
Energy from Waste with CHP	88.3%	88.3%	88.3%	88.3%	-	-
Floating Offshore Wind	-	-	57.1%	57.1%	57.1%	57.1%
Geothermal	-	-	91.0%	91.0%	91.0%	91.0%
Hydro (>5MW and <50MW)	49.5%	49.5%	49.5%	49.5%	-	-
Landfill Gas	77.6%	77.6%	77.6%	77.6%	-	-
Offshore Wind	-	-	63.1%	63.1%	63.1%	63.1%
Onshore Wind (>5MW)	42.4%	42.4%	42.4%	42.4%	-	-
Remote Island Wind (>5 MW)	-	-	51.3%	51.3%	51.3%	51.3%
Sewage Gas	49.9%	49.9%	49.9%	49.9%	-	-
Solar PV (>5MW)	11.5%	11.5%	11.5%	11.5%	-	-

Technology Type	Delivery/Valuation Year					
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Tidal stream	-	-	38.9%	38.9%	38.9%	38.9%
Wave	-	-	36.0%	36.0%	36.0%	36.0%

Appendix 4 - Transmission Loss Multiplier

Delivery Years and Valuation Years	Transmission Loss Multiplier
2023/24	0.90%
2024/25	0.90%
2025/26	0.90%
2026/27	0.90%
2027/28	0.90%
2028/29	0.90%

Appendix 5 - Renewable Qualifying Multiplier

Technology Type	Renewable Qualifying Multiplier
ACT	0.5
Anaerobic Digestion (>5 MW)	1
Dedicated Biomass with CHP	1

Technology Type	Renewable Qualifying Multiplier
Energy from Waste with CHP	0.49
Floating Offshore Wind	1
Geothermal	1
Hydro (>5MW and <50MW)	1
Landfill Gas	1
Offshore Wind	1
Onshore Wind (>5MW)	1
Remote Island Wind (>5 MW)	1
Sewage Gas	1
Solar PV (>5MW)	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

Delivery and Valuation Years	Number of days in the year
2025/26	365
2026/27	365
2027/28	366
2028/29	365

Schedule 3 - Applicable Reference Price

Technology Type	Baseload Market Reference Price*	Hydro Reference Price*	Offshore Wind Reference Price*	Onshore Wind Reference Price*	Solar PV Reference Price*
ACT	x				
Anaerobic Digestion (>5 MW)	x				
Dedicated Biomass with CHP	x				
Energy from Waste with CHP	x				
Floating Offshore Wind			x		
Geothermal	x				
Hydro (>5 MW and <50MW)		x			
Landfill Gas	x				
Offshore Wind			x		
Onshore Wind (>5 MW)				x	
Remote Island Wind (>5 MW)				x	

Technology Type	Baseload Market Reference Price*	Hydro Reference Price*	Offshore Wind Reference Price*	Onshore Wind Reference Price*	Solar PV Reference Price*
Sewage Gas	x				
Solar PV (>5 MW)					x
Tidal Stream	x				
Wave	x				

* Baseload Market Reference Price, Hydro Reference Price, Offshore Wind Reference Price, Onshore Wind Reference Price and Solar PV Reference Price all have the meanings given in Schedule 2.

Schedule 4 – Applicable Delivery and Valuation Years

The table below lists the applicable Delivery Years for Technology Types in Contracts for Difference Allocation Round 4. In all cases, the applicable Valuation Years will be the two financial years following the final applicable Delivery Year.

Technology Type	Delivery Year 2023-24	Delivery Year 2024-25	Delivery Year 2025-26	Delivery Year 2026-27
ACT			x	x
Anaerobic Digestion (>5 MW)			x	x
Dedicated Biomass with CHP			x	x
Energy from Waste with CHP	x	x		
Floating Offshore Wind			x	x
Geothermal			x	x
Hydro (>5 MW and <50MW)	x	x		
Landfill Gas	x	x		
Offshore Wind			x	x
Onshore Wind (>5 MW)	x	x		

Technology Type	Delivery Year 2023-24	Delivery Year 2024-25	Delivery Year 2025-26	Delivery Year 2026-27
Remote Island Wind (>5 MW)			x	x
Sewage Gas	x	x		
Solar PV (>5 MW)	x	x		
Tidal Stream			x	x
Wave			x	x

Schedule 5 - 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	None required.	None required.	Where the Applicant has specified in the Application that Regulation 26(4) applies in respect of the Application for the CFD Unit, the date the Application is submitted falls within the time period specified in the Approval	None required.

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

Contracts for Difference Allocation Round 4: Allocation Framework

Eligibility Criteria	Regulation ³	Requirement	Documentary Evidence	Check Against CFD Application				
				Name	Location	MW	Dates	Technology
				of the CFD Unit specified in the Approval Certificate appears to be the same as the name of the CFD Unit specified in the Application .			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	Copy of all applicable planning consent(s), including a signed and dated planning	None required.	The postcode, and/or the geographic coordinates, and/or the Ordnance	Where the applicable planning consent(s) sets out the capacity (in MW) of the proposed CFD	The date of the Application must be before the date on which applicable planning	The technology of the proposed CFD Unit specified in the applicable planning

Eligibility Criteria	Regulation ³	Requirement	Documentary Evidence	Check Against CFD Application				
				Name	Location	MW	Dates	Technology
		planning consents do not apply, or that the applicable planning consents obtained for the relevant works enable— - the proposed CFD Unit to be established or altered; and - electricity generated from the proposed CFD Unit to	decision notice (where relevant). Where applicable planning consents have passed their expiration date, evidence of the issuing authority granting an extension. Where the applicable planning consent specifies a technology, which is different from the technology		Survey grid reference for the proposed CFD Unit specified in the applicable planning consent(s) is the same as the postcode, and/or the geographic coordinates, and/or the Ordnance Survey grid reference for the CFD Unit specified in	Unit permitted under the applicable planning consent(s), that capacity is equal to or more than the Initial Installed Capacity Estimate of the CFD Unit specified in the Application.	consent(s) expire.	consent(s) appears to be the same as the category of Eligible Generating Station for the proposed CFD Unit specified in the Application.

Eligibility Criteria	Regulation ³	Requirement	Documentary Evidence	Check Against CFD Application				
				Name	Location	MW	Dates	Technology
		be supplied to the national Transmission System, the Distribution System, or a Private Network.	that is in the application, evidence to clarify this. A Map.		the Application. Where the address or location of the CFD Unit in the planning consent(s) is provided, it will be checked against the Ordnance Survey grid reference and geographic co-ordinates stated on the CFD Application form.			

Eligibility Criteria	Regulation ³	Requirement	Documentary Evidence	Check Against CFD Application				
				Name	Location	MW	Dates	Technology
					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 places) of Northerly, Easterly, Southerly and Westerly			

Eligibility Criteria	Regulation ³	Requirement	Documentary Evidence	Check Against CFD Application				
				Name	Location	MW	Dates	Technology
					extreme coordinates provided on the Map.			
Connection Agreements ⁴ Note, for Remote Island Wind, refer to the eligibility criteria “Specific Requirements for Remote	25	In the Application, the Applicant must explain whether— - a Direct Connection applies or is to apply to the relevant CFD Unit and where the connection is	1) Where a Direct Connection applies or is to apply to the relevant CFD Unit, a copy of the Connection Agreement applicable to the CFD Unit which allows	Not required.	Where the Applicant has specified in the Application that Direct Connection or a Partial Connection applies or is to apply to the relevant	Where the Applicant has specified that a Direct Connection applies or is to apply to the relevant CFD Unit and the connection is or will be to the national Transmission System for Great	Where the Applicant has specified that a Direct Connection applies or is to apply to the relevant CFD Unit, the Target Commissioning Date specified in the	Where the Applicant has specified in the Application that a Direct Connection or a Partial Connection applies or is to apply to the relevant CFD Unit,

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).

Eligibility Criteria	Regulation ³	Requirement	Documentary Evidence	Check Against CFD Application				
				Name	Location	MW	Dates	Technology
Island Wind” within Schedule 5 for additional requirements in addition to these requirements.		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	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 CFD Unit which allows		CFD Unit, there is nothing in the Connection Agreement that indicates that the location of the CFD Unit to which the Connection Agreement applies is not the same as the location of the CFD Unit, as indicated by the postcode,	Britain, the Transmission Entry Capacity specified in the Connection Agreement is at least 75% of the Initial Installed Capacity Estimate of the CFD Unit. 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	Application for when the CFD Unit is established or altered (as relevant), appears to be on or after the connection date specified in the Connection Agreement.	there is nothing in the Connection Agreement that indicates that the technology of the CFD Unit to which the Connection Agreement applies is not the same as the category of Eligible Generating Station for the CFD Unit specified in the Application.

Eligibility Criteria	Regulation ³	Requirement	Documentary Evidence	Check Against CFD Application				
				Name	Location	MW	Dates	Technology
		Estimate of the CFD Unit; or (b) to the Distribution System, the Connection Agreement entered into permits (via either a firm or non-firm capacity agreement) at least 75% of the Initial Installed Capacity Estimate of the CFD Unit to connect to the Distribution System;	for such connection to the relevant Transmission System or Distribution System; and (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 geographic coordinates, and/or the Ordnance Survey Grid Reference for the CFD Unit specified in the Application. Where the address or location of the CFD Unit is provided in the Connection Agreement, it will be checked against the	in the Connection Agreement entered into permits at least 75% of the Initial Installed Capacity Estimate of the proposed CFD Unit to connect to the Distribution System.		

Eligibility Criteria	Regulation ³	Requirement	Documentary Evidence	Check Against CFD Application				
				Name	Location	MW	Dates	Technology
		<p>- a Partial Connection applies or is to apply to the relevant CFD Unit and no other Connection Agreement applies or is to apply to the CFD Unit; or</p> <p>- no Connection Agreement applies to the relevant CFD Unit.</p> <p>- Where the connection agreement specifies a</p>	<p>the Private Network.</p> <p>3) Where a Private Network connection applies or is to 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</p>		<p>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</p>			

Eligibility Criteria	Regulation ³	Requirement	Documentary Evidence	Check Against CFD Application				
				Name	Location	MW	Dates	Technology
		<p>technology, which is different from the technology that the application relates to, evidence must be provided to clarify this.</p> <p>- Where the Applicant has specified that a Private Network Use Agreement applies, such Private Network Use Agreement states the exporting</p>	<p>the Private Network.</p> <p>A Map.</p>		<p>(in WGS84 format to 3 decimal places) of Northerly, Easterly, Southerly and Westerly extreme geographic coordinates as provided on the Map.</p>			

Eligibility Criteria	Regulation ³	Requirement	Documentary Evidence	Check Against CFD Application				
				Name	Location	MW	Dates	Technology
		capacity to that private network and the capacity in the private network that is accessible under the agreement.						

Eligibility Criteria	Regulation ⁵	Requirement	Documentary Evidence	Check Against CFD Application
				Non-receipt of other funds under Government support schemes

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

Eligibility Criteria	Regulation ⁵	Requirement	Documentary Evidence	Check Against CFD Application
		<p>- 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</p> <p>- confirm whether:</p> <p>(a) an accreditation applies to the CFD Unit; or</p> <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</p>		<p>electricity to be generated by the CFD Unit specified in the Application is metered separately, as indicated by the required Applicant declaration that the Application is not an excluded Application, pursuant to Regulation 14 (and subject to the requirements of Rule 5)—</p> <ul style="list-style-type: none"> 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; the information titled Non-Fossil Fuel Order (“NFFO”) 3, NFFO 4, NFFO 5, Scottish Renewable Obligation (“SRO”) 1, SRO 2, SRO3 which is given to the Delivery Body by the Authority but only where that information is given to the Delivery Body by the time

Eligibility Criteria	Regulation ⁵	Requirement	Documentary Evidence	Check Against CFD Application
		<p>accreditation for the CFD Unit has been made and a determination has not been made in respect of such application.</p>		<p>that the Delivery Body is required to give a notice to the Applicant under Regulation 19;</p> <ul style="list-style-type: none"> • 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, 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; • any other Application; and/or • 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 77 of The Electricity Capacity Regulations 2014 on the Application Closing Date.

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> <ul style="list-style-type: none"> - a UK registered company; - VAT registered; or - a company that is not registered in the UK; and - registered for tax if not registered in the UK. 	<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</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</p>

Eligibility Criteria	Regulation ⁵	Requirement	Documentary Evidence	Check Against CFD Application
			UK and is registered for tax, a copy of the tax certificate.	registered for tax: (a) a copy of the tax certificate from the jurisdiction in which the entity is domiciled is included with the Application; and (b) the registration number (if any) specified in the tax certificate is the same as the registration number (if any) specified in the Application.
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;

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); and All the Compression Unit(s), if any, indicating the inlet and outlet pressures. <p>The flow direction of the Advanced Fuel in the pipe (or piping system).</p>
<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 Allocation Regulations as amended by the Contracts for Difference (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</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</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</p>

Eligibility Criteria	Regulation ⁵	Requirement	Documentary Evidence	Check Against CFD Application
		<p>satisfy the Remote Island Wind Conditions. The Delivery Body 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</p>	<p>Transmission System consists 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</p>	<p>50 km of cabling, not less than 20 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 Main Interconnected Transmission System (MITS); and • 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</p>

Eligibility Criteria	Regulation ⁵	Requirement	Documentary Evidence	Check Against CFD Application
		<p>Transmission System, the Generation Circuit between the CFD Unit 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; 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>points there is not less than 50 km of cabling, of not less than 20 km of which is Subsea Cabling.</p>	<p>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> <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); and • 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>

Eligibility Criteria	Regulation ⁵	Requirement	Documentary Evidence	Check Against CFD Application
<p>Specific requirements for Floating Offshore Wind</p>	<p>27ZA(2,4)</p>	<p>A Floating Offshore Wind (FOW) unit is an Offshore Wind CFD unit that satisfies the FOW conditions.</p> <p>FOW conditions to be met during assessment, as in the Allocation Regulations as amended by the Contracts for Difference (Miscellaneous Amendments) Regulations 2021.</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 FOW conditions. The Delivery Body will determine whether the project qualifies as “FOW” based</p>	<p>Information in the Application indicating where the applicable planning consent(s) state(s) that the consent granted is for floating foundations.</p> <p>A colour-coded depth chart of the consented area with the project area boundary clearly marked, showing the different depths of the water.</p> <p>A declaration from the Applicant signed by a</p>	<p>As part of their Application, Applicants must provide information indicating where the applicable planning consent(s) documentation states that the consent allows floating foundations. The Delivery Body must check the planning consent(s) to ascertain whether they confirm that the proposed CFD Unit is to be FOW.</p> <p>All Applicants must submit a colour-coded depth chart of the consented area to demonstrate that the CFD Unit will be sited in an area with water of sufficient depth to be eligible as FOW. The depth chart must:</p> <ul style="list-style-type: none"> • Show the depths of the water, clearly delineated by colour; • Show the boundary of the consented area, clearly labelled; • Show the boundary of the project area, clearly labelled; and • Show turbine locations clearly marked and situated in areas of water of at least 45 metres depth. <p>All Applicants must submit a declaration, signed by a Director, clearly stating that the relevant CFD Unit will meet all the FOW conditions, specifically that:</p>

Eligibility Criteria	Regulation ⁵	Requirement	Documentary Evidence	Check Against CFD Application
		<p>on the evidence the Applicant provides to demonstrate that they meet the FOW conditions.</p> <p>The FOW conditions are that:</p> <p>(a) the relevant CFD Unit is not a Phased Offshore Wind CFD Unit (or any other CFD Unit that is to be established or altered in phases of construction); and</p> <p>(b) all turbines forming part of the relevant CFD Unit—</p> <p>(i) are mounted on floating foundations; and</p> <p>(ii) are situated in offshore waters of at least 45 metres depth (measured</p>	<p>Director, that the relevant CFD Unit will meet all the FOW conditions.</p>	<ul style="list-style-type: none"> • The CFD Unit will not form part of a Phased Offshore Wind CFD Unit (or any other CFD Unit that is to be established or altered in phases of construction); • All turbines forming part of the CFD Unit will be mounted on floating foundations; and • All turbines forming part of the CFD Unit will be situated in offshore waters of at least 45 metres depth (measured from the seabed to chart datum).

Eligibility Criteria	Regulation ⁵	Requirement	Documentary Evidence	Check Against CFD Application
		from the seabed to chart datum ⁶).		

⁶ As defined in The Marine Licensing (Exempted Activities) (Amendment) Order 2019, “Chart Datum is the plane below which all depths are published on a navigational chart. It is also the plane to which all tidal heights are referred, so by adding the tidal height to the charted depth, the true depth of water is determined. By international agreement Chart Datum is defined as a level so low that the tide will not frequently fall below it. In the United Kingdom, this level is normally approximately the level of Lowest Astronomical Tide.”

Schedule 6 - Target Commissioning Windows

Technology Type	Target Commissioning Window (in years) ⁷
ACT	1
Anaerobic Digestion (>5 MW)	1
Dedicated Biomass with CHP	1
Energy from Waste with CHP	1
Floating Offshore Wind	1
Geothermal	1
Hydro (>5 MW and <50MW)	1
Landfill Gas	0.5
Offshore Wind	1
Onshore Wind (>5 MW)	1
Remote Island Wind (>5 MW)	1
Sewage Gas	1
Solar PV (>5 MW)	0.25
Tidal Stream	1
Wave	1

⁷ Target Commissioning Windows may have a start date of one year in advance of the Target Commissioning Date inclusive of that date, or 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.

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