

Dated

[]
(as the **GENERATOR**)

and

LOW CARBON CONTRACTS COMPANY LTD
(as the **CFD COUNTERPARTY**)

CfD AGREEMENT
RELATING TO [*name of Project*]

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THIS CFD AGREEMENT is dated _____ (the "**Agreement Date**") and made between:

- (1) [●], a company incorporated under the laws of [●] whose registered office is [●] and whose company number is [●] (the "**Generator**"); and
- (2) **LOW CARBON CONTRACTS COMPANY LTD**, a company incorporated under the laws of England and Wales whose registered office is 10 South Colonnade, Canary Wharf, London E14 4PU and whose company number is 08818711 (the "**CfD Counterparty**").

BACKGROUND

- (A) This CfD Agreement is entered into following the applicable contract allocation or negotiation process established under or by virtue of the EA 2013.
- (B) The Generator has satisfied the Eligibility Criteria.
- (C) The CfD Counterparty is a company wholly owned by the UK Government and is entering into this CfD Agreement solely for the purpose of implementing the provisions of the EA 2013.
- (D) This CfD Agreement, together with the terms and conditions set out in version 5 of the document entitled "FiT Contract for Difference Standard Terms and Conditions" as at 16 March 2023, constitute an agreement entered into on "standard terms" (as defined in section 11(1) of the EA 2013).

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Except as expressly specified in this CfD Agreement, words and expressions defined in the Conditions shall have the same meanings when used in this CfD Agreement. Where a term is defined in both this CfD Agreement and in the Conditions, the definition in this CfD Agreement shall apply instead of the definition in the Conditions.

1.2 In this CfD Agreement and its recitals:

"Agreement Date Provisions" means Part 1 (*Introduction*), Part 2 (*Term*), Part 3 (*Conditions Precedent and Milestone Requirement*), Condition 8 (*Application*), Condition 9 (*Definitions: Part 5A*), Condition 14 (*Strike Price Adjustments*), Condition 16 (*Application*), Condition 17 (*Definitions: Part 5B*), Condition 20 (*Strike Price Adjustments*), Condition 24 (*Default Interest*), Condition 25 (*Set-off*), Condition 26 (*Deductions and withholdings*), Condition 27 (*Payment accounts*), Condition 28 (*Generator representations and warranties*), Condition 29 (*CfD Counterparty representations and warranties*), Condition 30 (*Generator undertakings: General*), Condition 32 (*Generator undertakings: Information provision and no cumulation of Subsidy, state aid and/or union funding*), Part 12 (*Termination*), Part 14 (*Dispute Resolution*) to Part 17 (*Miscellaneous*) (inclusive), Schedule 1 (*Conditions Precedent*), Annex 1 (*Calculation of Termination Amount*), Annex 2 (*Change Control Procedure*), Annex 3 (*Form of Direct Agreement*),

paragraph 1 of Part A of Annex 7 (*FMS arrangements, Sustainability Criteria, RQM Calculation Methodology and ACT Efficiency*) and Annex 8 (*Pro forma notices*);

"CfD Standard Terms Notice" means a notice issued pursuant to regulation 9 of the Contracts for Difference (Standard Terms) Regulations 2014 (as amended);

"Conditions" means the terms and conditions set out in version 5 of the document entitled "FiT Contract for Difference Standard Terms and Conditions" as at 16 March 2023 (as amended, modified, supplemented or replaced by this CfD Agreement and as may be amended, modified, supplemented or replaced from time to time in accordance with the Conditions);

"Facility" means [*the generating facility comprising all assets (including all Generating Units but excluding all assets forming part of an Electricity Storage Facility) which are used (or intended to be used) to generate or deliver electricity and which:*

- (A) *were taken into account by the Generator in determining the Initial Installed Capacity Estimate;*
- (B) *are (except as otherwise agreed in writing by the CfD Counterparty) situated within the area shaded on the map provided pursuant to paragraph (C)(ii) of Part A of Schedule 1 and which has the geographical coordinates specified in Annex 1 (Description of the Facility); and*
- (C) *are described pursuant to Paragraph (C)(i) of Part A of Schedule 1,*

adjusted where the context requires to take due account of any changes to the composition of such assets arising as a result of, or giving rise to:

- (i) *any reduction to the Installed Capacity Estimate pursuant to Condition 5 (Adjustment to Installed Capacity Estimate: Relevant Construction Event);*
- (ii) *any adjustment to the Installed Capacity Estimate pursuant to Condition 6 (Adjustment to Installed Capacity Estimate: Permitted reduction); and*
- (iii) *the agreement or determination of the Final Installed Capacity pursuant to Condition 7 (Final Installed Capacity; Maximum Contract Capacity),*

*and otherwise excluding all assets forming part of the Transmission System or a Distribution System]¹ / [*the generating facility comprising:**

- (A) *all assets (including all Generating Units but excluding all assets forming part of an Electricity Storage Facility), which are used (or intended to be used) to generate or deliver electricity and which:*

¹ Drafting note: Drafting in the preceding set of square brackets is to be used for all Facility Generation Technologies other than Offshore Wind (including in this exclusion Floating Offshore Wind).

- (i) *were taken into account by the Generator in determining the Initial Installed Capacity Estimate;*
- (ii) *are (except as otherwise agreed in writing by the CfD Counterparty) situated within the area shaded on the map provided pursuant to paragraph (C)(ii) of Part A of Schedule 1 and which has the geographical coordinates specified in Annex 1 (Description of the Facility); and*
- (iii) *are described pursuant to Paragraph (C)(i) of Part A of Schedule 1,*

adjusted where the context requires to take due account of any changes to the composition of such assets arising as a result of, or giving rise to:

- (a) any reduction to the Installed Capacity Estimate pursuant to Condition 5 (Adjustment to Installed Capacity Estimate: Relevant Construction Event);
- (b) any adjustment to the Installed Capacity Estimate pursuant to Condition 6 (Adjustment to Installed Capacity Estimate: Permitted reduction); and
- (c) the agreement or determination of the Final Installed Capacity pursuant to Condition 7 (Final Installed Capacity; Maximum Contract Capacity);

(B) *all assets owned by the Generator and comprised or to be comprised within the Offshore Transmission System of such generating facility except for the purposes of:*

- (i) in Condition 1.1, the definitions of "Competent Authority", "Curtailment", "Defined Curtailment Compensation", "Defined Partial Curtailment Compensation", "Discriminatory Change in Law", "Eligibility Criteria", "Foreseeable Change in Law", "Generation Tax Liability", "Partial Curtailment", "QCiL Capital Costs", "QCiL Capital Savings", "QCiL Construction Event", "QCiL Construction Event Costs", "QCiL Operations Cessation Event", "Qualifying Curtailment", "Qualifying Partial Curtailment", "Qualifying Shutdown Event", "Required Authorisation" and "Specific Change in Law";
- (ii) *Conditions 28.2(A), 30.1(E), 31.13, 36.1, 48.2 and 50.1; and*
- (iii) *paragraph 9.3 of Annex 3 (Form of Direct Agreement) to the Conditions,*

and otherwise excluding all other assets forming part of the Transmission System or a Distribution System².

² Drafting note: Drafting in the preceding set of square brackets is to be retained only if the Facility Generation Technology is Offshore Wind (including Floating Offshore Wind).

“**Floating Offshore Wind**” means Offshore Wind that satisfies the floating offshore wind conditions set out in Regulation 27ZA of the Contracts for Difference (Allocation) Regulations 2014.

2. AGREEMENT

The Generator

2.1 The Generator shall, as from the Agreement Date, comply with this CfD Agreement (including the Conditions) as the "Generator" and agrees that the Conditions are hereby incorporated into this CfD Agreement as if they were clauses of this CfD Agreement.

The CfD Counterparty

2.2 The CfD Counterparty shall, as from the Agreement Date, comply with this CfD Agreement (including the Conditions) as the "**CfD Counterparty**" and agrees that the Conditions are hereby incorporated into this CfD Agreement as if they were clauses of this CfD Agreement.

Specific terms

2.3 [*The Parties have agreed to amend the Conditions as set out in Annex 2 (Modification Agreement).*]³

2.4 The Parties agree that, for the purposes of this Contract for Difference, the Conditions shall be amended, modified, supplemented or replaced in accordance with the terms of this CfD Agreement.

3. TERM

The "**Specified Expiry Date**" applicable to this Contract for Difference is: [*the 15th anniversary of the earlier of the Start Date and the last day of the Target Commissioning Window*].

4. GENERATION TECHNOLOGY TYPE

Facility Generation Technology

4.1 The Facility Generation Technology applicable to this Contract for Difference is [**●**]⁴, provided that for the purposes of paragraph (A) of the definition of *Specific Change in Law* or paragraphs (B) or (C) of the definition of *Other Change in Law, Offshore Wind*,

³ Drafting note: Clause to be retained only if specific amendments to any given Contract for Difference are agreed to be made pursuant to Part 3 of The Contract for Difference (Standard Terms) Regulations 2014 (as amended).

⁴ Drafting note: This shall be the Facility Generation Technology notified to the Delivery Body in the Generator's FiT CfD Application as the type of eligible generating station and being one of the facility generation technologies in Table A of the CfD Standard Terms Notice issued on 16 March 2023 by the Secretary of State for Energy Security and Net Zero. Where the Generator's FiT CfD Application was made for Floating Offshore Wind as opposed to Offshore Wind generally, the words to insert shall be "*Floating Offshore Wind*".

Onshore Wind and Remote Island Wind may be deemed to be one Facility Generation Technology].⁵

4.2 The Facility Generation Technology is a [*Baseload*]/[*Intermittent*]⁶ Technology.

[*Baseload Technology*]/[*Intermittent Technology*]⁷

4.3 The Parts and Annexes to the Conditions referenced in Part [A]/[B]⁸ of Annex 3 (*Facility Generation Type*) shall apply to this Contract for Difference.

Renewable Qualifying Multiplier

4.4 The Renewable Qualifying Multiplier [*does not apply*]/[*applies*]⁹ to this Contract for Difference.

4.5 [*The "Assumed RQM" applicable to this Contract for Difference is [to be specified]*^{10, 11}]

CHP Qualifying Multiplier

4.6 The CHP Qualifying Multiplier [*does not apply*]/[*applies*]¹² to this Contract for Difference.

ACT Efficiency Multiplier

4.6A The ACT Efficiency Multiplier [*does not apply*]/[*applies*] to this Contract for Difference.¹³

4.6B [*The Assumed ACT Efficiency Multiplier applicable to this Contract for Difference is 1.*]¹⁴

Fuelling Criteria

4.7 For the purposes of this Contract for Difference, the "Fuelling Criteria" means the criteria specified in Annex 4 (*Fuelling Criteria*) in relation to the Facility Generation Technology. If Annex 4 (*Fuelling Criteria*) does not specify any Fuelling Criteria in relation to the Facility Generation Technology, such definition shall be deemed to be inapplicable to the Contract for Difference.

⁵ Drafting note: Proviso to be retained only if the Facility Generation Technology is Offshore Wind (including Floating Offshore Wind), Onshore Wind or Remote Island Wind.

⁶ Drafting note: Baseload to be retained for generation technologies identified as being baseload in Table B of the CfD Standard Terms Notice issued on 16 March 2023 by the Secretary of State for Energy Security and Net Zero. Intermittent to be retained for generation technologies identified as being intermittent in such Table B.

⁷ Drafting note: Baseload to be retained for generation technologies identified as being baseload in Table B of the CfD Standard Terms Notice issued on 16 March 2023 by the Secretary of State for Energy Security and Net Zero. Intermittent to be retained for generation technologies identified as being intermittent in such Table B.

⁸ Drafting note: Part A shall apply if the generation technology is Baseload, Part B if it is Intermittent. Delete as applicable.

⁹ Drafting note: This is to apply where it is specified to apply in Table C of the CfD Standard Terms Notice issued on 16 March 2023 by the Secretary of State for Energy Security and Net Zero.

¹⁰ Drafting note: The value will be that which is specified to apply in Table D of the CfD Standard Terms Notice issued on 16 March 2023 by the Secretary of State for Energy Security and Net Zero.

¹¹ Drafting note: Clause to be retained and completed only if the Renewable Qualifying Multiplier applies to the Contract for Difference.

¹² Drafting note: This is to apply where it is specified to apply in Table E of the CfD Standard Terms Notice issued on 16 March 2023 by the Secretary of State for Energy Security and Net Zero.

¹³ The ACT Efficiency Multiplier will apply where the generation technology is Advanced Conversion Technology.

¹⁴ Drafting note: Clause to be retained and completed only if the ACT Efficiency Multiplier applies to the Contract for Difference.

- 4.8 [Paragraph 7 (Failure to comply with Fuelling Criteria) of Part E of Annex 7 (FMS arrangements, Sustainability Criteria, RQM Calculation Methodology and ACT Efficiency) to the Conditions shall, for the purposes of this Contract for Difference, be substituted with the following Condition:

"Subject to paragraph 5 (Deemed RQM: Strike Price below Market Reference Price), if the Generator fails to comply with paragraph (A) of the Fuelling Criteria in any RQM Calculation Month, then the CfD Counterparty may elect to calculate or recalculate the Renewable Qualifying Multiplier for that RQM Calculation Month on the basis that the Renewable Qualifying Multiplier may be deemed to be zero (0)."^{15]}

Sustainability Criteria

- 4.9 The Sustainability Criteria [do]/[do not]¹⁶ apply to this Contract for Difference.

[Baseload]/[Intermittent] Dual Scheme Facility

- 4.10 The Facility is [a Baseload]/[an Intermittent] Dual Scheme Facility.¹⁷

5. CONDITIONS PRECEDENT AND MILESTONE

Interpretation

- 5.1 The "**Initial Target Commissioning Window**" applicable to this Contract for Difference shall be [●]¹⁸, such period commencing on [●]¹⁹.
- 5.2 The "**Target Commissioning Date**" applicable to this Contract for Difference shall be [●]²⁰.
- 5.3 The "**Longstop Period**" applicable to this Contract for Difference shall be [●]²¹ or such longer period that results from an extension in accordance with the definition of "**Longstop Date**".

¹⁵ Drafting note: Clause to be retained if the Facility Generation Technology is Advanced Conversion Technology, Anaerobic Digestion, Landfill Gas or Sewage Gas.

¹⁶ Drafting note: This is to apply where it is specified to apply in Table F of the CfD Standard Terms Notice issued on 16 March 2023 by the Secretary of State for Energy Security and Net Zero.

¹⁷ Drafting note: The Facility is a Baseload Dual Scheme Facility if: (i) it forms part of a Generating Station which includes one (1) or more other Generating Units which are not part of the Facility; (ii) the Facility Metering Equipment does not determine the Imported Input Electricity consumed exclusively by the Facility; and (iii) Part A of Annex 3 (*Facility Generation Type*) applies. The Facility is an Intermittent Dual Scheme Facility if (i) it forms part of a Generating Station which includes one (1) or more other Generating Units which are not part of the Facility; (ii) the Facility Metering Equipment does not determine the Imported Input Electricity consumed exclusively by the Facility; and (iii) Part B of Annex 3 (*Facility Generation Type*) applies. Delete this paragraph if the Facility is not a Baseload Dual Scheme Facility or an Intermittent Dual Scheme Facility.

¹⁸ Drafting note: This is to be equal to the Target Commissioning Window period applicable to the Facility Generation Technology listed in Table G of the CfD Standard Terms Notice issued on 16 March 2023 by the Secretary of State for Energy Security and Net Zero.

¹⁹ Drafting note: This shall be the date notified to the Delivery Body in the Generator's FiT CfD Application as the start of the Target Commissioning Window.

²⁰ Drafting note: This shall be the date notified to the Delivery Body in the Generator's FiT CfD Application as its "Target Commissioning Date" and will be a date falling within the Initial Target Commissioning Window.

²¹ Drafting note: This is to be equal to the Longstop Period applicable to the Facility Generation Technology listed in Table H of the CfD Standard Terms Notice issued on 16 March 2023 by the Secretary of State for Energy Security and Net Zero.

Further Conditions Precedent

5.4 The following shall be added as an additional Further Condition Precedent applicable to this Contract for Difference after paragraph 2.6 of Part B (*Further Conditions Precedent*) of Schedule 1 (*Conditions Precedent*) to the Conditions:

"2.7 *The Generator having delivered to the CfD Counterparty [a certified copy of the Interim Operational Notification issued by the Transmission System Operator under the Grid Code²²] / [(i) written confirmation from the relevant Licensed Distributor or, if no such confirmation is applicable, evidence (in form and content reasonably satisfactory to the CfD Counterparty) that the Distribution Code compliance process for connection to and export to the Distribution System has been satisfied; and (ii) if applicable, the Interim Operational Notification issued by the Transmission System Operator under the Grid Code²³.] [For the purpose of this paragraph, pursuant to the "Offshore Electricity Transmission: Decision on implementation of the Generator Commissioning Clause in the Energy Act 2013" dated 2 April 2014, the reference in this paragraph to the Interim Operational Notification shall be to ION B.²⁴]*

Milestone

5.5 The "**Initial Milestone Delivery Date**" applicable to this Contract for Difference shall be eighteen (18) months after the Agreement Date.

5.6 The "**Total Project Pre-Commissioning Costs**" applicable to this Contract for Difference shall be £[●]²⁵ per MW of the Installed Capacity Estimate.

5.7 The "**Project Commitments**" applicable to this Contract for Difference shall be the requirements provided for in:

- (A) Part A of Annex 5 (*Project Commitments*); and
- (B) the section of Part B of Annex 5 (*Project Commitments*) which is expressed to apply to the Facility Generation Technology.

5.8 *[For the purpose of Conditions 4.1(A) and 4.1(B), the Project shall exclude the assets comprised or to be comprised within the Offshore Transmission System of the Facility.]²⁶*

5.9 *[In relation to the Facility's [turbines]/[generation engines]:*

²² Drafting note: Drafting to be retained if the relevant Facility is connected directly to the Transmission System.

²³ Drafting note: Drafting to be retained if the relevant Facility is not connected directly to the Transmission System.

²⁴ Drafting note: Drafting to be retained only if the Facility Generation Technology is Offshore Wind (including Floating Offshore Wind).

²⁵ Drafting note: This is to be equal to the Total Project Pre-Commissioning Costs applicable to the Facility Generation Technology listed in Table I of the CfD Standard Terms Notice issued on 16 March 2023 by the Secretary of State for Energy Security and Net Zero.

²⁶ Drafting note: Clause to be retained only if the Facility Generation Technology is Offshore Wind (including Floating Offshore Wind).

- (A) in addition to the requirements set out in Condition 4.1 of the Conditions, a Milestone Requirement Notice must include the size or anticipated estimated size (expressed in MW) of each of the Facility's [turbines]/[generation engines]; and
- (B) the Generator shall, acting to a Reasonable and Prudent Standard, notify the CfD Counterparty of the size or anticipated estimated size (expressed in MW) of each of the Facility's [turbines]/[generation engines] if any change to the size of any [turbine]/[generation engine] is proposed to be made. Such notification shall be given promptly and no later than ten (10) Business Days after the Generator effects or decides to effect the relevant change.]²⁷

6. NOT USED

7. INSTALLED CAPACITY ESTIMATE AND REQUIRED INSTALLED CAPACITY

- 7.1 The "**Initial Installed Capacity Estimate**" applicable to this Contract for Difference is: [●]²⁸ MW.
- 7.2 The "**Required Installed Capacity**" applicable to this Contract for Difference is:
 - (A) [eighty-five per cent. (85%) of the Installed Capacity Estimate]²⁹ / [ninety-five per cent. (95%) of the Installed Capacity Estimate]³⁰; or
 - (B) if the Facility is an Eligible Low Capacity Facility, the lower of:
 - (i) the capacity specified in (A); and
 - (ii) the Installed Capacity Estimate less the size (expressed in MW) of one of the Facility's [turbines]/[generation engines]³¹.

8. CHANGES IN LAW

- 8.1 The "**Assumed Load Factor**" applicable to this Contract for Difference is [●]³².
- 8.2 The "**Post-Tax Real Discount Rate**" applicable to this Contract for Difference is [●]³³.

²⁷ Drafting note: Clause, and reference to turbines, to be retained if the Facility Generation Technology is Onshore Wind, Offshore Wind (including Floating Offshore Wind) or Remote Island Wind. Clause, and reference to generation engines, to be retained if the Facility Generation Technology is Tidal Range, Tidal Stream or Wave.

²⁸ Drafting note: This shall be either (a) the capacity notified by the Delivery Body in the Generator's FIT CfD Application as the capacity in megawatts, or (b) if the Allocation Round in which the Generator is participating requires them to submit a sealed bid, then the capacity for which successful allocation has taken place under the Allocation Round.

²⁹ Drafting note: Drafting to be retained only if the Facility Generation Technology is Offshore Wind but not Floating Offshore Wind.

³⁰ Drafting note: Drafting to be retained only if the Facility Generation Technology is either (i) Floating Offshore Wind or (ii) any other eligible technology that is not Offshore Wind.

³¹ Drafting note: reference to (i) turbines to be retained if the Facility Generation Technology is Onshore Wind, Offshore Wind (including Floating Offshore Wind) or Remote Island Wind; or (ii) generation engines to be retained if the Facility Generation Technology is Tidal Range, Tidal Stream or Wave.

³² Drafting note: This is to be equal to the "Assumed Load Factor" applicable to the Facility Generation Technology listed in Table J of the CfD Standard Terms Notice issued on 16 March 2023 by the Secretary of State for Energy Security and Net Zero.

³³ Drafting note: This is to be equal to the "Post-Tax Real Discount Rate" applicable to the Facility Generation Technology listed in Table K of the CfD Standard Terms Notice issued on 16 March 2023 by the Secretary of State for Energy Security and Net Zero .

9. PAYMENT CALCULATIONS: STRIKE PRICE

- 9.1 The "**Base Year**" applicable to this Contract for Difference is 2012.
- 9.2 The "**Initial Strike Price**" applicable to this Contract for Difference is £[●] per MWh³⁴.

10. TLM(D)

- 10.1 Part 10 (*TLM(D)*) of the Conditions [*does not apply*]/[*applies*] to this Contract for Difference³⁵.
- 10.2 Not used.
- 10.3 Not used.
- 10.4 The "**Initial TLM(D) Charge**" for each calendar year from (and including) the Agreement Date to the end of the Term is that set out in the CfD Standard Terms Notice published most recently prior to the date of this Contract for Difference.

11. CURTAILMENT

- 11.1 Part 11 (*Curtailment*) of the Conditions applies to this Contract for Difference.

12. NOTICES

- 12.1 The address and email address of each Party for any notice to be given under this Contract for Difference, and the department or officer (if any) for whose attention the notice is to be made, is:

(A) in the case of the Generator:

Address:	
Email address:	
For the attention of:	

(B) in the case of the CfD Counterparty:

Address:	
Email address:	
For the attention of:	

³⁴ Drafting note: The Initial Strike Price will be provided by the Delivery Body following the Allocation Round.

³⁵ Drafting note: Delete as applicable.

13. AGENT FOR SERVICE OF PROCESS

*[Condition 87 (Agent for service of process) shall not apply to this Contract for Difference and there shall be no Service Agent.][Condition 87 (Agent for service of process) shall apply to this Contract for Difference and the Service Agent shall be [●] of [●].]*³⁶

³⁶ Drafting note: Delete as applicable. This shall be the agent notified to the Delivery Body in the Generator's FiT CfD Application as its agent for service of process, where the Applicant is not based in England/Wales.

Annex 1
(Description of the Facility)

The Facility is the [NAME OF PROJECT], falling within the area delineated by the following grid references:

Corner Point ID	Latitude	Longitude
Northerly corner	[•]	[•]
Easterly corner	[•]	[•]
Southerly corner	[•]	[•]
Westerly corner	[•]	[•]

[Drafting note: Description of the Facility to be populated using information provided in the [FIT CfD Application] and to include the unique geographical coordinates of the Facility.]

Annex 2
(Modification Agreement)

**Annex 3
(Facility Generation Type)**

**Part A
(Baseload Technologies)**

1. The following definition shall apply to this Contract for Difference:

"Settlement Unit" means each half hour period in a day divided into half hour-long periods starting at 00:00 on such day.

2. The following Parts and Annexes of the Conditions shall apply to this Contract for Difference:

(A) Part 5A (Payment calculations: Baseload Technologies); and

(B) Annex 4 (*BMRP*).

Part B
(Intermittent Technologies)

1. The following definition shall apply to this Contract for Difference:

"Settlement Unit" means each hour period in a day divided into hour-long periods starting at 00:00 on such day.
2. The following Parts and Annexes of the Conditions shall apply to this Contract for Difference:
 - (A) Part 5B (Payment calculations: Intermittent Technologies); and
 - (B) Annex 5 (*IMRP*).

Annex 4 (Fuelling Criteria)

1. DEFINITIONS AND INTERPRETATION

Definitions

1.1 For the purposes of this Annex 4 (*Fuelling Criteria*):

"**Advanced Fuels**" means a gaseous or liquid fuel which is produced directly or indirectly from the Gasification or the Pyrolysis of: (i) Waste; or (ii) Biomass, provided that, in the case only of a gaseous fuel, such fuel must have a gross calorific value (when measured at 25 degrees Celsius and 0.1 megapascals at the inlet to the Combustion Chamber) which is at least 2 megajoules per cubic metre;

"**Biomass**" means material, other than Fossil Fuel or peat, which is, or is derived directly or indirectly from, plant matter, animal matter, fungi, algae or bacteria (and includes any such material contained in Waste);

"**Excluded Biomass**" means: (i) sewage; and (ii) material in a landfill;

"**Fossil Fuel**" means coal, substances produced directly or indirectly from coal, lignite, natural gas, crude liquid petroleum or petrol products;

"**Gasification**" means the substoichiometric oxidation or steam reformation of a substance to produce a gaseous mixture containing two or more of the following: (i) oxides of carbon; (ii) methane; and (iii) hydrogen;

"**Permitted Ancillary Activities**" means the cleansing of other fuels from the Facility's combustion system prior to heating the combustion system or Synthesis Chamber to its normal temperature, the heating of the Facility's combustion system to its normal operating temperature or the maintenance of that temperature, the ignition of fuels of low or variable calorific value, emission control, standby generation or the testing of standby generation capacity, corrosion control or fouling reduction;

"**Pyrolysis**" means the thermal degradation of a substance in the absence of any oxidising agent, which does not form part of the substance itself, to produce char and gas and/or liquid; and

"**Waste**" means any substance or object which the holder discards or intends or is required to discard; substances that have been intentionally modified or contaminated to meet that definition are not covered by this definition.

Interpretation

1.2 Where, in this Annex 4 (*Fuelling Criteria*) the "**Permitted Ancillary Activity Exception**" is expressed to apply, the relevant Fuelling Criterion (or Fuelling Criteria) which apply to the Facility Generation Technology shall not be breached solely by virtue of Fossil Fuels being used for Permitted Ancillary Activities if the Energy Content of all Fossil Fuels used by the Facility for such Permitted Ancillary Activities does not exceed ten per cent.

(10%) of the Energy Content of all fuels used by the Facility whether to generate electricity or for Permitted Ancillary Activities.

- 1.3 Any assessment as to whether the Fuelling Criteria are met by the Facility shall be determined by reference to the entirety of an RQM Calculation Month.

2. ADVANCED CONVERSION TECHNOLOGY

- (A) Subject to paragraph (B), the Facility generates electricity using solely Advanced Fuels.
- (B) The Permitted Ancillary Activity Exception applies.
- (C) No Fossil Fuel is used at the Facility for the express purpose of it being used as a fuel (other than to undertake Permitted Ancillary Activities), unless it forms part of Waste from which the fuel is produced.

3. ANAEROBIC DIGESTION

- (A) Subject to paragraph (B), the Facility generates electricity solely from gas formed during the anaerobic digestion of Biomass (other than Excluded Biomass).
- (B) The Permitted Ancillary Activity Exception applies.
- (C) No Fossil Fuel is used at the Facility for the express purpose of it being used as a fuel (other than to undertake Permitted Ancillary Activities), unless it forms part of Waste from which the fuel is produced.

4. NOT USED

5. DEDICATED BIOMASS WITH CHP

- (A) Subject to paragraph (B), the Facility generates electricity solely from fuel the Energy Content of which is at least 90 per cent. (90%) solid Biomass.
- (B) The Permitted Ancillary Activity Exception applies.
- (C) No Fossil Fuel is used at the Facility for the express purpose of it being used as a fuel (other than to undertake Permitted Ancillary Activities).

6. ENERGY FROM WASTE WITH CHP

- (A) The Facility:
 - (i) (subject to paragraph (B)) generates electricity solely from Waste, Biomass or a combination thereof; and
 - (ii) only uses Biomass, Waste or a combination thereof in respect of which the Energy Content constituting Fossil Fuel (excluding any Fossil Fuel

used to undertake Permitted Ancillary Activities) as a percentage of all fuels used by the Facility, is more than ten per cent. (10%).

- (B) The Permitted Ancillary Activity Exception applies.
- (C) No Fossil Fuel is used at the Facility for the express purpose of it being used as a fuel (other than to undertake Permitted Ancillary Activities), unless it forms part of Waste from which the fuel is produced.

7. LANDFILL GAS

- (A) Subject to paragraph (B), the Facility generates electricity solely from gas formed by the digestion of material in a landfill.
- (B) The Permitted Ancillary Activity Exception applies.
- (C) No Fossil Fuel is used at the Facility for the express purpose of it being used as a fuel (other than to undertake Permitted Ancillary Activities), unless it forms part of Waste from which the gas is produced.

8. SEWAGE GAS

- (A) Subject to paragraph (B), the Facility generates electricity solely from gas formed by the anaerobic digestion of sewage (including sewage which has been treated or processed).
- (B) The Permitted Ancillary Activity Exception applies.
- (C) No Fossil Fuel is used at the Facility for the express purpose of it being used as a fuel (other than to undertake Permitted Ancillary Activities), unless it forms part of Waste from which the gas is produced.

Annex 5
(Project Commitments)

Part A: General Project Commitments

Delivery to the CfD Counterparty of the following:

- (A) a copy of a resolution of the Generator's board of directors (or an equivalent management committee or body) to:
 - (i) undertake the Project;
 - (ii) approve the total financial commitments required to commission the Project (the "**Total Project Spend**"); and
 - (iii) approve a timetable for undertaking the Project which demonstrates that the Facility can reasonably be expected to be commissioned no later than the Longstop Date;

- (B) a Directors' Certificate certifying that:
 - (i) the Generator has, or will have, sufficient financial resources to meet the Total Project Spend;
 - (ii) any contract entered into and provided as Supporting Information pursuant to the Milestone Requirement Notice, in the reasonable opinion of the Generator by reference to the facts and circumstances then existing, is:
 - (a) legal, valid and binding; and
 - (b) entered into with one or more counterparties who are each able to perform their obligations under such contract;
 - (iii) the Generator has a leasehold or freehold interest in the site where the Facility is based (the "**Facility Site**") or a contract to obtain the same;
 - (iv) the Facility Site is not subject to any covenants, restrictions, agreements, planning obligations, estate contracts, options, rights of way or other encumbrances which materially inhibit the use of the Facility Site for the purposes of the Project;
 - (v) there are available to the Facility Site such rights, easements and services as are necessary to undertake the Project and operate the Facility;
 - (vi) the Generator has identified all necessary consents and planning permissions to undertake the Project (the "**Necessary Consents**"); and

(vii) there is a credible strategy in place to obtain the Necessary Consents and the Necessary Consents are not subject to any condition for which there does not exist a plan to satisfy that condition, such that the Generator is not aware of any necessary consents and planning permissions which cannot be obtained or complied with,

((iii) to (vii), together the "**Facility Requirements**");

(C) Supporting Information evidencing (i) that the Generator has, or will have, sufficient financial resources to meet the Total Project Spend and (ii) the Facility Requirements.

Part B: Technology Specific Project Commitments

1. ADVANCED CONVERSION TECHNOLOGY

Delivery to the CfD Counterparty of Supporting Information evidencing any one of the following:

- (A) Entry by the Generator into an engineering, procurement and construction contract for the Facility, providing for the supply and installation of the Material Equipment.
- (B) Entry by the Generator into an agreement for the supply of the Material Equipment.
- (C) Entry by the Generator into: (i) a framework agreement for the supply of the Material Equipment; and (ii) a binding purchase order for the Material Equipment.

For the purpose of this section of Part B, the following definition shall apply to this Contract for Difference:

"Material Equipment" means such equipment, which, acting in accordance with a Reasonable and Prudent Standard, the Generator could reasonably be expected to have ordered and/or concluded a supply agreement in respect of in accordance with the Target Commissioning Date, and in any event, such equipment shall include the gasifier or the pyrolyser.

2. ANAEROBIC DIGESTION

Delivery to the CfD Counterparty of Supporting Information evidencing any one of the following:

- (A) Entry by the Generator into an engineering, procurement and construction contract for the Facility providing for the supply and installation of the Material Equipment.
- (B) Entry by the Generator into an agreement for the supply of the Material Equipment.

- (C) Entry by the Generator into: (i) a framework agreement for the supply of the Material Equipment; and (ii) a binding purchase order for the Material Equipment.

For the purpose of this section of Part B, the following definition shall apply to this Contract for Difference:

"Material Equipment" means such equipment, which, acting in accordance with a Reasonable and Prudent Standard, the Generator could reasonably be expected to have ordered and/or concluded a supply agreement in respect of in accordance with the Target Commissioning Date, and in any event, such equipment shall include the anaerobic digester.

3. NOT USED

4. DEDICATED BIOMASS WITH CHP

Delivery to the CfD Counterparty of Supporting Information evidencing paragraph (A), paragraph (B) and any one of paragraphs (C), (D) and (E).

- (A) (i) Entry by the Generator into a framework contract for the supply of heat; or (ii) if the Generator proposes to use heat on-site, completion of a detailed feasibility study for the Project, including an energy consumption profile.
- (B) Entry by the Generator into a framework contract for the supply of sufficient sustainable biomass feedstock for the Facility to operate at the Installed Capacity Estimate.
- (C) Entry by the Generator into an engineering, procurement and construction contract for the Facility, providing for the supply and installation of the Material Equipment.
- (D) Entry by the Generator into an agreement for the supply of the Material Equipment.
- (E) Entry by the Generator into: (i) a framework agreement for the supply of the Material Equipment; and (ii) a binding purchase order for the Material Equipment.

For the purpose of this section of Part B, the following definition shall apply to this Contract for Difference:

"Material Equipment" means such equipment, which, acting in accordance with a Reasonable and Prudent Standard, the Generator could reasonably be expected to have ordered and/or concluded a supply agreement in respect of in accordance with the Target Commissioning Date, and in any event, such equipment shall include the furnace and boiler island.

5. ENERGY FROM WASTE WITH CHP

Delivery to the CfD Counterparty of Supporting Information evidencing paragraph (A), paragraph (B) and any one of paragraphs (C), (D) and (E).

- (A) (i) Entry by the Generator into a framework contract for the supply of heat; or (ii) if the Generator proposes to use heat on-site, completion of a detailed feasibility study of the Project, including an energy consumption profile.
- (B) (i) Entry by the Generator into a contract for the disposal of waste generated by the Facility in the course of its energy generating activities; or (ii) entry by the Generator into contracts for the provision of Solid Recovered Fuel ("**SRF**") or Municipal Solid Waste ("**MSW**") to the Facility.
- (C) Entry by the Generator into an engineering, procurement and construction contract for the Facility, providing for the supply and installation of the Material Equipment.
- (D) Entry by the Generator into an agreement for the supply of the Material Equipment.
- (E) Entry by the Generator into: (i) a framework agreement for the supply of the Material Equipment; and (ii) a binding purchase order for the Material Equipment.

For the purpose of this section of Part B, the following definition shall apply to this Contract for Difference:

"Material Equipment" means such equipment, which, acting in accordance with a Reasonable and Prudent Standard, the Generator could reasonably be expected to have ordered and/or concluded a supply agreement in respect of in accordance with the Target Commissioning Date, and in any event, such equipment shall include the furnace and boiler island.

6. GEOTHERMAL

Delivery to the CfD Counterparty of Supporting Information evidencing entry by the Generator into a contract to drill the Facility's first well.

7. HYDROELECTRICITY

Delivery to the CfD Counterparty of Supporting Information evidencing any one of the following:

- (A) Entry by the Generator into an engineering, procurement and construction contract for the Facility, providing for the civil works to be undertaken in respect of the Material Equipment.
- (B) Entry by the Generator into a civil works contract to be undertaken in respect of the Material Equipment.

- (C) Entry by the Generator into: (i) a framework agreement for the civil works to be undertaken in respect of the Material Equipment; and (ii) a binding purchase order for the Material Equipment.

For the purpose of this section of Part B, the following definition shall apply to this Contract for Difference:

"Material Equipment" means such equipment, which, acting in accordance with a Reasonable and Prudent Standard, the Generator could reasonably be expected to have ordered and/or concluded a supply agreement in respect of in accordance with the Target Commissioning Date, and in any event, such equipment shall include the major scheme components.

8. LANDFILL GAS

Delivery to the CfD Counterparty of Supporting Information evidencing any one of the following:

- (A) Entry by the Generator into an engineering, procurement and construction contract for the Facility, providing for the supply and installation of the Material Equipment.
- (B) Entry by the Generator into an agreement for the supply of the Material Equipment.
- (C) Entry by the Generator into: (i) a framework agreement for the supply of the Material Equipment; and (ii) a binding purchase order for the Material Equipment.

For the purpose of this section of Part B, the following definition shall apply to this Contract for Difference:

"Material Equipment" means such equipment, which, acting in accordance with a Reasonable and Prudent Standard, the Generator could reasonably be expected to have ordered and/or concluded a supply agreement in respect of in accordance with the Target Commissioning Date, and in any event, such equipment shall include the electricity generating engines.

9. OFFSHORE WIND (INCLUDING FLOATING OFFSHORE WIND)

Delivery to the CfD Counterparty of Supporting Information evidencing any one of the following:

- (A) Entry by the Generator into an engineering, procurement and construction contract for the Facility, providing for the supply and installation of the Material Equipment.
- (B) Entry by the Generator into an agreement for the supply of the Material Equipment.

- (C) Entry by the Generator into: (i) a framework agreement for the supply of the Material Equipment; and (ii) a binding purchase order for the Material Equipment.

For the purpose of this section of Part B, the following definition shall apply to this Contract for Difference:

"Material Equipment" means such equipment, which, acting in accordance with a Reasonable and Prudent Standard, the Generator could reasonably be expected to have ordered and/or concluded a supply agreement in respect of in accordance with the Target Commissioning Date, and in any event, such equipment shall include wind turbines.

10. **ONSHORE WIND**

Delivery to the CfD Counterparty of Supporting Information evidencing any one of the following:

- (A) Entry by the Generator into an engineering, procurement and construction contract for the Facility, providing for the supply and installation of the Material Equipment.
- (B) Entry by the Generator into an agreement for the supply of the Material Equipment.
- (C) Entry by the Generator into: (i) a framework agreement for the supply of the Material Equipment; and (ii) a binding purchase order for the Material Equipment.

For the purpose of this section of Part B, the following definition shall apply to this Contract for Difference:

"Material Equipment" means such equipment, which, acting in accordance with a Reasonable and Prudent Standard, the Generator could reasonably be expected to have ordered and/or concluded a supply agreement in respect of in accordance with the Target Commissioning Date, and in any event, such equipment shall include wind turbines.

11. **REMOTE ISLAND WIND**

Delivery to the CfD Counterparty of Supporting Information evidencing any one of the following:

- (A) Entry by the Generator into an engineering, procurement and construction contract for the Facility, providing for the supply and installation of the Material Equipment.
- (B) Entry by the Generator into an agreement for the supply of the Material Equipment.

- (C) Entry by the Generator into: (i) a framework agreement for the supply of the Material Equipment; and (ii) a binding purchase order for the Material Equipment.

For the purpose of this section of Part B, the following definition shall apply to this Contract for Difference:

"Material Equipment" means such equipment, which, acting in accordance with a Reasonable and Prudent Standard, the Generator could reasonably be expected to have ordered and/or concluded a supply agreement in respect of in accordance with the Target Commissioning Date, and in any event, such equipment shall include wind turbines.

12. SEWAGE GAS

Delivery to the CfD Counterparty of Supporting Information evidencing any of the following:

- (A) Entry by the Generator into an engineering, procurement and construction contract for the Facility, providing for the supply and installation of the Material Equipment.
- (B) Entry by the Generator into an agreement for the supply of the Material Equipment.
- (C) Entry by the Generator into: (i) a framework agreement for the supply of the Material Equipment; and (ii) a binding purchase order for the Material Equipment.

For the purpose of this section of Part B, the following definition shall apply to this Contract for Difference:

"Material Equipment" means such equipment, which, acting in accordance with a Reasonable and Prudent Standard, the Generator could reasonably be expected to have ordered and/or concluded a supply agreement in respect of in accordance with the Target Commissioning Date, and in any event, such equipment shall include the electricity generating engines.

13. SOLAR PHOTOVOLTAIC

Delivery to the CfD Counterparty of Supporting Information evidencing any of the following:

- (A) Entry by the Generator into an engineering, procurement and construction contract for the Facility, providing for the supply and installation of the Material Equipment.
- (B) Entry by the Generator into an agreement for the supply of the Material Equipment.

- (C) Entry by the Generator into: (i) a framework agreement for the supply of the Material Equipment; and (ii) a binding purchase order for the Material Equipment.

For the purpose of this section of Part B, the following definition shall apply to this Contract for Difference:

"Material Equipment" means such equipment, which, acting in accordance with a Reasonable and Prudent Standard, the Generator could reasonably be expected to have ordered and/or concluded a supply agreement in respect of in accordance with the Target Commissioning Date, and in any event, such equipment shall include the photovoltaic panels.

14. TIDAL RANGE

Delivery to the CfD Counterparty of Supporting Information evidencing any of the following:

- (A) Entry by the Generator into an engineering, procurement and construction contract for the Facility, providing for the civil works to be undertaken in respect of the Material Equipment.
- (B) Entry by the Generator into a civil works contract to be undertaken in respect of the Material Equipment.
- (C) Entry by the Generator into: (i) a framework agreement for the civil works to be undertaken in respect of the Material Equipment; and (ii) a binding purchase order for the Material Equipment.

For the purpose of this section of Part B, the following definition shall apply to this Contract for Difference:

"Material Equipment" means such equipment, which, acting in accordance with a Reasonable and Prudent Standard, the Generator could reasonably be expected to have ordered and/or concluded a supply agreement in respect of in accordance with the Target Commissioning Date, and in any event, such equipment shall include the major scheme components.

15. TIDAL STREAM

Delivery to the CfD Counterparty of Supporting Information evidencing any of the following:

- (A) Entry by the Generator into an engineering, procurement and construction contract for the Facility, providing for the supply and installation of the Material Equipment.
- (B) Entry by the Generator into an agreement for the supply of the Material Equipment.

- (C) Entry by the Generator into: (i) a framework agreement for the supply of the Material Equipment; and (ii) a binding purchase order for the Material Equipment.

For the purpose of this section of Part B, the following definition shall apply to this Contract for Difference:

"Material Equipment" means such equipment, which, acting in accordance with a Reasonable and Prudent Standard, the Generator could reasonably be expected to have ordered and/or concluded a supply agreement in respect of in accordance with the Target Commissioning Date, and in any event, such equipment shall include the turbines.

16. **WAVE**

Delivery to the CfD Counterparty of Supporting Information evidencing any of the following:

- (A) Entry by the Generator into an engineering, procurement and construction contract for the Facility, providing for the supply and installation of the Material Equipment.
- (B) Entry by the Generator into an agreement for the supply of the Material Equipment.
- (C) Entry by the Generator into: (i) a framework agreement for the supply of the Material Equipment; and (ii) a binding purchase order for the Material Equipment.

For the purpose of this section of Part B, the following definition shall apply to this Contract for Difference:

"Material Equipment" means such equipment, which, acting in accordance with a Reasonable and Prudent Standard, the Generator could reasonably be expected to have ordered and/or concluded a supply agreement in respect of in accordance with the Target Commissioning Date, and in any event, such equipment shall include the wave energy converter or generation engines.

**Annex 6
Not Used**

EXECUTION PAGE

The GENERATOR

SIGNED BY)	
)	
.....)
Print Name)	(Signature of named signatory)
for and on behalf of [<i>name of the</i>		
<i>Generator</i>]		

The CfD COUNTERPARTY

SIGNED BY)	
)	
)	
)	
.....)
Print Name		(Signature of named signatory)
for and on behalf of LOW		
CARBON CONTRACTS		
COMPANY LTD		