

DATED [●]

[]
(as the **GENERATOR**)

and

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

CFD AGREEMENT
RELATING TO [*name of Project*]

CONTENTS

1.	Definitions and Interpretation	1
2.	Agreement	4
3.	Term	4
4.	Generation Technology Type	4
5.	Conditions Precedent and Milestone	5
6.	Accrual of Payments prior to State Aid approval	7
7.	Installed Capacity Estimate and Required Installed Capacity	9
8.	Changes in Law	10
9.	Payment Calculations: Strike Price	10
10.	Balancing System (BSUoS/RCRC) and TLM(D)	10
11.	Curtailment	10
12.	Notices	10
13.	Agent for Service of Process	11
	Annex 1 (Description of the Facility)	12
	Annex 2 (Modification Agreement)	13
	Annex 3 (Facility Generation Type)	14
	Annex 4 (Fuelling Criteria)	16
	Annex 5 (Project Commitments)	19
	Annex 6 (Conditional Start Date Notice)	23 <u>30</u>

THIS CFD AGREEMENT is dated [●] (the “**Agreement Date**”) and made between:

- (1) [●] (the “**Generator**”); and
- (2) **LOW CARBON CONTRACTS COMPANY LTD**, a company incorporated under the laws of England and Wales whose registered office is Fleetbank House, 2-6 Salisbury Square, London EC4Y 8JX 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 2 of the document entitled “FiT Contract for Difference Standard Terms and Conditions” as at [date], 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*), 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 and RQM Calculation Methodology) and Annex 8 (*Pro forma notices*) and Clause 6 (*Accrual of payments prior to State Aid approval*);

“**CfD Standard Terms Notice**” means a notice issued pursuant to regulation 9 of the Contracts for Difference (Standard Terms) Regulations 2014;

“**Conditions**” means the terms and conditions set out in version 2 of the document entitled “FIT Contract for Difference Standard Terms and Conditions” as at [date] (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)*]:

- (A) which are used (or intended to be used) to generate or deliver electricity;
- (B) *which were taken into account by the Generator in determining the Initial Installed Capacity Estimate; and*
- (C) *which 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),*

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] / [the generating facility comprising:

- (A) *all assets (including all Generating Units):*
 - (i) *which are used (or intended to be used) to generate or deliver electricity;*
 - (ii) *which were taken into account by the Generator in determining the Initial Installed Capacity Estimate; and*

(iii) *which 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),*

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”, “Curtailement”, “Defined Curtailement Compensation”, “Defined Partial Curtailement Compensation”, “Discriminatory Change in Law”, “Eligibility Criteria”, “Foreseeable Change in Law”, “Generation Tax Liability”, “Partial Curtailement”, “QCiL Capital Costs”, “QCiL Capital Savings”, “QCiL Construction Event”, “QCiL Construction Event Costs”, “QCiL Operations Cessation Event”, “Qualifying Curtailement”, “Qualifying Partial Curtailement”, “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 System].

“Offshore Transmission System” has the meaning given to that term in the Grid Code and shall include Offshore Transmission System User Assets; and

“Offshore Transmission System User Assets” has the meaning given to that term in the Grid Code.

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).*]
- 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*]/[*31 March, 2027*].

4. GENERATION TECHNOLOGY TYPE

Facility Generation Technology

- 4.1 The Facility Generation Technology applicable to this Contract for Difference is [**●**] [*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 and Onshore Wind may be deemed to be one Facility Generation Technology*].
- 4.2 The Facility Generation Technology is a [*Baseload*]/[*Intermittent*] Technology.

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

- 4.3 The Parts and Annexes to the Conditions referenced in Part [A]/[B] 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*] to this Contract for Difference.

4.5 [*The “Assumed RQM” applicable to this Contract for Difference is [to be specified].*]

CHP Qualifying Multiplier

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

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.

4.8 [*Paragraph 7 (Failure to comply with Fuelling Criteria) of Part E of Annex 7 (FMS arrangements, Sustainability Criteria and RQM Calculation Methodology) 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).”]

Sustainability Criteria

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

[Baseload]/[Intermittent] Dual Scheme Facility

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

[Eligible Low Capacity Facility

4.11 The Facility [*is*]/[*is not*] an Eligible Low Capacity Facility.]

5. CONDITIONS PRECEDENT AND MILESTONE**Interpretation**

5.1 The **“Initial Target Commissioning Window”** applicable to this Contract for Difference shall be [*•*], such period commencing on [*•*].

5.2 The “**Target Commissioning Date**” applicable to this Contract for Difference shall be [●].

5.3 The “**Longstop Period**” applicable to this Contract for Difference shall be [●].

Further Conditions Precedent

5.4 The following shall be added as an additional Further Condition Precedent applicable to this Contract for Difference after paragraph 2.5 of Part B (*Further Conditions Precedent*) of Schedule 1 (*Conditions Precedent*) to the Conditions:

“2.6 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 Code*] / [(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 Code.*] [*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.*]

Milestone

5.5 The “**Initial Milestone Delivery Date**” applicable to this Contract for Difference shall be twelve (12) months after the Agreement Date.

5.6 The “**Total Project Pre-Commissioning Costs**” applicable to this Contract for Difference shall be £[●] 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 Condition 4.1(A), the Project shall exclude the assets comprised or to be comprised within the Offshore Transmission System of the Facility.*]

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

(A) in addition to the requirements set out in Condition 4.1 of the Conditions, a Milestone Requirements 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.]

6. ACCRUAL OF PAYMENTS PRIOR TO STATE AID APPROVAL

6.1 This Clause 6 (*Accrual of Payments prior to State Aid approval*) applies only if the Facility Generation Technology is Biomass Conversion and the Initial Installed Capacity Estimate is 250MW or more.

6.2 In the event that the CfD Counterparty shall determine that:

- (A) all of the Operational Conditions Precedent have been satisfied (or waived by the CfD Counterparty); but
- (B) the State Aid Condition Precedent has not been satisfied

the CfD Counterparty shall, within ten (10) Business Days of having so determined, give notice to the Generator of such determination (an "**Operational CP Fulfilment Notice**").

6.3 No later than ten (10) Business Days following receipt of the Operational CP Fulfilment Notice, the Generator may give a notice to the CfD Counterparty (a "**Conditional Start Date Notice**"). A Conditional Start Date Notice shall:

- (A) be substantially in the form set out in Annex 6 (*Conditional Start Date Notice*);
- (B) specify the date that the Generator proposes to be the Conditional Start Date for the purposes of the Contract for Difference, such date being:
- (i) at least ten (10) Business Days after the date on which the Conditional Start Date Notice is given;
- (ii) no earlier than the first day of the Target Commissioning Window;
- (iii) no later than the Longstop Date; and
- (iv) no earlier than 1 April 2015,

(the date so notified being, subject to Clause 6.6, the "**Conditional Start Date**").

6.4 Each Conditional Start Date Notice shall be accompanied by a Directors' Certificate in relation to the information specified in Clause 6.6(B).

6.5 On the Conditional Start Date, the Generator shall deliver to the CfD Counterparty a Directors' Certificate in relation to the information specified in Clause 6.6(B).

- 6.6 A Conditional Start Date Notice shall be effective in determining the Conditional Start Date only if:
- (A) the Generator complies with its obligations pursuant to Clauses 6.4 and 6.5; and
 - (B) on the date such Conditional Start Date Notice is given and on the proposed Conditional Start Date specified in the Conditional Start Date Notice:
 - (i) the Generator Repeating Representations are true, accurate and not misleading by reference to the facts and circumstances then existing;
 - (ii) the representations set out in Conditions 28.1(G) and 28.2 are true, accurate and not misleading by reference to the facts and circumstances then existing;
 - (iii) no Default has occurred which is continuing unremedied and which has not been waived by the CfD Counterparty in accordance with Condition 3.26; and
 - (iv) all Conditions Precedent (except the State Aid Condition Precedent and any Conditions Precedent waived by the CfD Counterparty in accordance with Condition 3.26) continue to be fulfilled.
- 6.7 If the Generator gives a Conditional Start Date Notice to the CfD Counterparty and such notice is, pursuant to Clause 6.6, ineffective, this shall not, subject to Part 12 (*Termination*) of the Conditions, preclude the Generator from giving a further Conditional Start Date Notice to the CfD Counterparty. This Clause 6 shall apply, mutatis mutandis, to any such further Conditional Start Date Notice.
- 6.8 The Conditional Start Date shall be treated as the Start Date for all purposes relating to the calculation of amounts payable and delivery of Billing Statements under Part 6 of the Conditions (including Annex 7 of the Conditions), save that pending satisfaction of the State Aid Condition Precedent:
- (A) Condition 3.20 shall apply and accordingly no amounts shall be paid to the Generator prior to the State Aid Condition Precedent being fulfilled; and
 - (B) the Net Payable Amount in respect of each Billing Period commencing on 00:00 on the Conditional Start Date shall not be payable but instead shall be accrued on an aggregate net basis and credited (or, as the case may be debited) to a notional non-interest-bearing suspense account (the “**Pre-State Aid Accrual Account**”).
- 6.9 If this Contract for Difference is terminated for any reason prior to the State Aid Condition Precedent being fulfilled no amounts accrued under Clause 6.8(B) shall be payable and the amount standing to the credit of the Pre-State Aid Accrual Account shall be written off.

6.10 If the State Aid Condition Precedent is satisfied after the Conditional Start Date but before the Longstop Date and before this Contract for Difference is terminated then:

- (A) the CfD Counterparty shall promptly give notice to the Generator that the State Aid Condition Precedent has been satisfied;
- (B) the Start Date shall fall ten Business Days after the date of such notice;
- (C) Conditions 3.21 to 3.25 shall not apply;
- (D) Clause 6.8 shall cease to apply from 00.00 on the Start Date;
- (E) the amount standing to the credit of the Pre-State Aid Accrual Account shall, within ten (10) Business Days after the Start Date, be payable by the CfD Counterparty to the Generator (or if in debit, by the Generator to the CfD Counterparty); and
- (F) no interest shall accrue in respect of the amount standing to the credit or debit of the Pre-State Aid Accrual Account.

6.11 If the Generator gives an effective Conditional Start Date Notice under Clause 6.3:

- (A) Condition 3.26 shall apply as though references to “**Start Date Notice**” and “**Start Date**” referred also to “**Conditional Start Date Notice**” and “**Conditional Start Date**” respectively;
- (B) references in Conditions 28.2, 28.3, 29, 30.1(E), to the Start Date shall be deemed to refer to the Conditional Start Date;
- (C) references to the Start Date in the definition of QCiL Construction Event, the definition of QCiL Operations Cessation Date and Condition 34 shall be deemed to refer to the Conditional Start Date; and
- (D) references to the Start Date in the definition of Contract Year shall be deemed to refer to the Conditional Start Date.

7. **INSTALLED CAPACITY ESTIMATE AND REQUIRED INSTALLED CAPACITY**

7.1 The “**Initial Installed Capacity Estimate**” applicable to this Contract for Difference is: **[•]MW**.

7.2 The “**Required Installed Capacity**” applicable to this Contract for Difference is: *[the lower of (a)] [eighty-five per cent. (85%) of the Installed Capacity Estimate] / [ninety-five per cent. (95%) of the Installed Capacity Estimate] / [or (b) the Installed Capacity Estimate less the size (expressed in MW) of one of the Facility's [turbines]/[generation engines]].*

8. CHANGES IN LAW

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

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 MWh.

10. BALANCING SYSTEM (BSUOS/RCRC) AND TLM(D)

- 10.1 Part 10 (*Balancing System (BSUoS/RCRC) and TLM(D)*) of the Conditions [*does not apply*]/[*applies*] to this Contract for Difference.
- 10.2 [The “**Initial Balancing System Charge**” is £[●] per MWh.
- 10.3 The “**Initial Balancing System Charge Window**” is [●].
- 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 (where such communication is expressly permitted by email) 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:	

13. AGENT FOR SERVICE OF PROCESS

13.1 *[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 [●].]*

Annex 1
(Description 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 Facility) 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 using Fossil Fuel or Waste to heat the combustion system 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**” has the meaning given to that term in the 2008 Waste Framework Directive 2008/98/EC.

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; Advanced Conversion Technology with CHP

- (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; Anaerobic Digestion with CHP

- (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. Biomass Conversion

- (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).

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 Requirements 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 ~~approved by the Generator's board of directors~~ 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]/[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. Advanced Conversion Technology with CHP

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

- (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 an engineering, procurement and construction contract for the Facility providing for the supply and installation of the Material Equipment.
- (C) Entry by the Generator into an agreement for the supply of the Material Equipment.
- (D) 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]~~*[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.

3. 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]~~*[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.

4. Anaerobic Digestion with CHP

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

- (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 an engineering, procurement and construction contract for the Facility providing for the supply and installation of the Material Equipment.
- (C) Entry by the Generator into an agreement for the supply of the Material Equipment.
- (D) 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]~~*[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.

5. Biomass Conversion

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

- (A) Entry by the Generator into a framework contract for supply of sufficient sustainable biomass feedstock for the Facility to operate at the Installed Capacity Estimate.
- (B) Entry by the Generator into an engineering, procurement and construction contract for the Facility, providing for the supply and installation of the Material Equipment.
- (C) Entry by the Generator into an agreement for the supply of the Material Equipment.
- (D) 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]~~~~[concluded a supply agreement in respect of]~~ in accordance with the Target Commissioning Date, and in any event, such equipment shall include all material plant, machinery and equipment necessary for the planned conversion of the existing plant at the Facility.

6. 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]~~~~[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.

7. 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]~~*[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.

8. Geothermal

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

9. Geothermal with CHP

Delivery to the CfD Counterparty of Supporting Information evidencing paragraphs (A) and (B).

- (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) Entry by the Generator into a contract to drill the Facility’s first well.

10. 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]~~*[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.

11. 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]~~*[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.

12. 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]/[concluded a supply agreement in respect of]* in accordance with the Target Commissioning Date, and in any event, such equipment shall include wind turbines.

13. 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]/[concluded a supply agreement in respect of]* in accordance with the Target Commissioning Date, and in any event, such equipment shall include wind turbines.

14. 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]~~*[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.

15. **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]~~*[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.

16. 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]~~*[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.

17. 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]~~*[concluded a supply agreement in respect of]* in accordance with the Target Commissioning Date, and in any event, such equipment shall include the turbines.

18. 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]~~*[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
(Conditional Start Date Notice)**

To: [●] (the “CfD Counterparty”)
[Address]

From: [●] (the “Generator”)
[Unique reference number: [●]]

Dated: [●]

CONTRACT FOR DIFFERENCE – CONDITIONAL START DATE NOTICE

Dear Sirs,

1. We refer to Clause 6.3 of the agreement dated [●] between you as the CfD Counterparty and us as the Generator (the “**Agreement**”). Terms and expressions defined in or incorporated into the Agreement have the same meaning when used in this notice.
3. This is a Conditional Start Date Notice.
4. We propose that the Conditional Start Date shall be [●].
5. The date of this notice falls within ten (10) Business Days of our receipt of the Operational CP Fulfilment Notice.
6. We enclose a Directors’ Certificate in relation to the information specified in Clause 6.6(B) of the Agreement.

Yours faithfully,

.....

For and on behalf of

the **Generator**

EXECUTION PAGE

The GENERATOR

SIGNED BY)
[*name of signatory*])
for and on behalf of)
[*name of the Generator*]) (Signature of named signatory)

The CfD COUNTERPARTY






SIGNED BY)
[*name of signatory*])
for and on behalf of)
Low Carbon Contracts Company) (Signature of named signatory)
Ltd

URN:15D/093

5368647~~22~~00

Document comparison by Workshare Compare on 09 May 2016 10:29:06

Input:	
Document 1 ID	interwovenSite://LONDMSV9/CC/536864722/5
Description	#536864722v5<CC> - CfD Agreement (Generic) Baseline
Document 2 ID	file://\profsrv5a\redirected\$\JQR\Desktop\CfD Agreement (Generic) - May 2016 (clean).doc
Description	CfD Agreement (Generic) - May 2016 (clean)
Rendering set	Standard

Legend:	
Insertion	
Deletion	
Moved from	
Moved to	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	40
Deletions	37
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	77