



## Renewables Obligation:

Consultation on a notification process for  
new build dedicated biomass projects



Department  
of Energy &  
Climate Change

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The consultation can be found on DECC's website:  
<https://www.gov.uk/government/consultations/renewables-obligation-notification-process-for-new-build-dedicated-biomass-projects>

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# Introduction

Biomass is expected to make a significant contribution to delivering the UK's 15% renewable energy target in 2020. However, we must ensure that our support for biomass under the Renewables Obligation (RO) represents value for money for the bill payer. Analysis carried out to inform the Government's 2012 Bioenergy Strategy indicates that, compared to offshore wind, dedicated biomass electricity is a costly way of saving carbon. This is why the Government Response to the Renewables Obligation Banding Review Consultation, published in July 2012, announced our intention to focus biomass support on transitional technologies such as enhanced co-firing, full conversions of coal generating stations to biomass, as well as energy from waste technologies, and combined heat and power (CHP) projects.

In the Government Response to the follow-up RO consultation on biomass affordability and value for money, published on 18 December 2012, we announced our intention to introduce a new dedicated biomass capacity cap. The cap will be set at 400MW of new build dedicated biomass generating capacity and a notification process will be used to allocate places within the cap. Once the 400MW cap is triggered, we will consider consulting on proposals to exclude any further new build dedicated biomass deployment from our grandfathering policy.

Our intention is that a place within the cap should be allocated only to projects that have reached financial close and have either taken a decision to move to the construction phase of the project or have actually started construction.

The purpose of the notification process is to provide a mechanism for allocating a place within the cap, and to provide information to Government and the market on the amount of new dedicated biomass projects coming forward. This will give transparency as to how much of the cap is being filled. Projects allocated a place within the cap will be covered by our grandfathering policy. Grandfathering is a policy intention that the ROC levels applicable at the time of full accreditation of the generating station will be maintained for the accredited capacity of the station for the entire duration of its RO support. Therefore, those projects which complete the notification process and are allocated a place within the 400MW cap will be able to progress with greater confidence.

As the proposed notification process is non-legislative, completion of the notification process will not be a pre-condition for support under the RO. Projects may accredit under the RO regardless of whether or not they have participated in the notification process. However, dedicated biomass projects using solid biomass which accredit under the RO after the notification process has opened, risk losing the benefit of grandfathering policy unless they have completed the notification process and been allocated a place within the 400MW cap.

The Government Response in December 2012 explained that the notification process and the 400MW cap will only apply to projects falling within the dedicated biomass band under the RO. The notification process and the cap will **not** apply to the following biomass technologies, which will also **not** be affected by the possible review of grandfathering policy once the cap is triggered:

- Dedicated biomass generators at 50 kWe or less declared net capacity (microgenerators);
- Advanced conversion technologies (gasification & pyrolysis);
- Anaerobic digestion;

- Projects fuelled solely by bioliquid fuels (these are subject to their own separate cap under the RO);
- Projects falling within the unit conversion or station conversion bands;
- Co-firing - low-range, mid-range and high-range;
- Combined heat and power (CHP) stations that achieve full or partial certification under the UK's CHP Quality Assurance (CHPQA) programme;
- Energy from waste with CHP;
- Landfill gas; and
- Sewage gas.

These proposals for new build dedicated biomass do not affect our grandfathering policy towards any other renewable technologies under the RO.

Our original proposal was to introduce a notification register from 1 October 2013 that would be administered by Ofgem, with the notification process and the criteria for registration set out in legislation. However, we now propose to introduce an entirely non-legislative notification process that will be administered by DECC. This will be quicker to set up, delivering earlier certainty for projects intending to complete the notification process and we propose to be ready to launch the notification register in July 2013.

We aim to introduce a notification process that is transparent, objective, straightforward to operate with readily available requirements, sufficiently robust to exclude all but those projects that have either taken a decision to move to the construction phase of the project or have actually started construction, and fair to all scales of project and all ways of financing.

It is this notification process that we are now seeking your views on.

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# General information on the consultation

## **Purpose of this consultation**

As announced on 18 December 2012, the Government has decided to impose a cap of 400MW on the total new build generating capacity that can expect grandfathered support under the dedicated biomass band under the Renewables Obligation.

The purpose of this consultation is to seek your views on the notification process that we propose to use to allocate places within the 400MW cap.

Our intention is to design a notification process which allocates places within the 400MW cap only to projects that have reached financial close and have either taken a decision to move to the construction phase of the project or have actually started construction.

This consultation follows on from the consultation on the Renewables Obligation Banding Review conducted between 20 October 2011 and 12 January 2012 and the consultation on biomass affordability conducted between 7 September 2012 and 19 October 2012. The proposals are aimed at a discrete sector of the bio-energy industry and we have already held extensive discussions with industry representatives at three workshops. For these reasons, the consultation period will run for 4 weeks from 13 May to 7 June 2013.

## **Next Steps**

We aim to publish the Government Response to the consultation in July, and to introduce the scheme later in that month.

**Issued:** 13 May 2013

**Respond by:** 7 June 2013

## **Enquiries to:**

Renewables Delivery Team (Biomass notification process)  
Office for Renewable Energy Deployment  
Department of Energy & Climate Change  
4<sup>th</sup> Floor, Area A  
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London, SW1A 2AW

Tel: 0300 068 6182

Email: [bio-notification@decc.gsi.gov.uk](mailto:bio-notification@decc.gsi.gov.uk)

## **Consultation reference:**

URN: 13D/102 – Renewables Obligation: Consultation on a notification process for new build dedicated biomass projects.

## **Territorial extent:**

England and Wales.

**How to respond:**

Your response will be most useful if it is framed in direct response to the questions posed, though further comments are also welcome. Reasoning to support your answers will be particularly helpful. Please download the Word document response form at:

<https://www.gov.uk/government/consultations/renewables-obligation-notification-process-for-new-build-dedicated-biomass-projects>

Please then email the completed response form to: [bio-notification@decc.gsi.gov.uk](mailto:bio-notification@decc.gsi.gov.uk)

We prefer emailed responses but you can send a hard copy of your response to the above address (see 'Enquiries to').

**Additional copies:**

You may make copies of this document without seeking permission. An electronic version can be found at <https://www.gov.uk/government/consultations/renewables-obligation-notification-process-for-new-build-dedicated-biomass-projects>

**Confidentiality and data protection:**

Information provided in response to this consultation, including personal information, may be subject to publication or disclosure in accordance with the access to information legislation (primarily the Freedom of Information Act 2000, the Data Protection Act 1998 and the Environmental Information Regulations 2004).

If you want information that you provide to be treated as confidential, please say so clearly in writing when you send your response to the consultation. It would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded by us as a confidentiality request.

We will summarise all responses and place this summary on our website at: [www.gov.uk/decc](http://www.gov.uk/decc). This summary will include a list of names or organisations that responded but not people's personal names, addresses or other contact details.

**Quality assurance:**

This consultation has been carried out in accordance with the Government's Consultation Principles, which can be found here:

<http://www.cabinetoffice.gov.uk/sites/default/files/resources/Consultation-Principles.pdf>

If you have any complaints about the consultation process (as opposed to comments about the issues which are the subject of the consultation) please address them to:

DECC Consultation Co-ordinator  
3 Whitehall Place  
London  
SW1A 2AW

Email: [consultation.coordinator@decc.gsi.gov.uk](mailto:consultation.coordinator@decc.gsi.gov.uk)



# Proposals for the notification process

The following sections set out our proposals for the notification process. These proposals have been informed by discussions with industry representatives at three workshops during February 2013. We would like to thank those at the workshops for their constructive engagement: their input has been invaluable in shaping these proposals.

The proposals are divided into 7 sections, as follows:

- Section 1: Eligibility to participate in the notification process;
- Section 2: Issues common to Sections 3 to 5;
- Section 3: Priority notification process for projects which reached financial close on or before 18 December 2012;
- Section 4: Standard notification process;
- Section 5: Variation of the standard notification process for projects that reach financial close before they apply;
- Section 6: Process when insufficient capacity remains within the cap;
- Section 7: Database of applications.

Each section is divided into:

- Background notes;
- The proposals;
- Consultation questions.

For ease of reference, all the consultation questions from all the sections are repeated together in Section 8.

# 1. Eligibility to participate in the notification process

## Background notes

- The 400MW cap will apply only to new dedicated biomass projects using solid biomass. These are projects that once accredited, would fall within the dedicated biomass band. The technologies and types of fuel that will be exempt from the cap were announced in the Government Response to the follow-up Renewables Obligation consultation on biomass affordability and value for money, published on 18 December 2012. The list of exempt technologies and types of fuel are listed in proposal 1.1 below.
- We do not intend to re-open this list of exempt technologies and fuels in this consultation. We propose that projects which are exempt from the cap will not be eligible to participate in the notification process. This will prevent them from taking up capacity within the cap at the expense of those projects which are not exempt from the cap.
- As the cap is aimed at dedicated biomass projects using solid biomass, we propose that projects not intending to use **any** solid biomass will also not be eligible to participate in the notification process.
- Good quality Combined heat and power (CHP) is one of the exempt technologies. The Government response in December 2012 set out our decision that CHP stations that achieve full or partial CHPQA certification will be permanently exempt from the cap even if the station subsequently loses its certification. Despite this, some developers have expressed concern over the implications of DECC's recent consultation on the criteria under the CHP Quality Assurance (CHPQA) programme. Some developers proposing dedicated solid biomass CHP projects have suggested that they may wish to participate in the notification process as a safeguard against failing to gain CHPQA certification under the proposed new CHPQA criteria. However, this should not be necessary as, under the CHPQA proposal, a CHP station that qualifies as partially or fully certified under the existing CHPQA criteria, would still qualify under the proposed new criteria. Along with the other technologies exempt from the cap, we propose that projects intending to obtain CHPQA certification will **not** be eligible to participate in the notification process.
- The exemption from the cap also applies to Good quality CHP that intends to claim support for electricity generation under the RO and support for heat under the Renewable Heat Incentive, provided that the CHP station achieves full or partial CHPQA certification. We propose that these projects will also **not** be eligible to participate in the notification process.
- Generating stations commissioning and accrediting under the RO before the notification process opens will be exempt from the 400MW cap, and will not be eligible to participate in the notification process. Under the proposals in this consultation document, we would expect the notification process to open in July 2013.
- Some developers are considering whether to opt for support under the Renewables Obligation (RO) or under the Contracts for Difference (CfD) regime envisaged in the Energy Bill currently before Parliament. To enable developers to take final investment decisions which would otherwise be delayed while the CfD regime is being put in place, DECC has set up the Final Investment Decision (FID) Enabling programme. This includes the possibility of issuing Investment Contracts, an early form of CfD that could be

provided ahead of Electricity Market Reform (EMR) implementation. The Government published an update document on Final Investment Decision Enabling for Renewables in March 2013 (see: <https://www.gov.uk/government/publications/increasing-certainty-for-investors-in-renewable-electricity-final-investment-decision-enabling-for-renewables> ), which set out in detail the indicative timetable and process for renewable projects to apply to FID Enabling and the qualification criteria applications will be assessed against.

- During the transition period from the RO to the CfD regime, it is our intention that developers of new generating stations should have a one-off choice of support under the RO or Investment Contracts/CfD. For new generating stations, the transition period would start when applications open for Investment Contracts under FID Enabling for Renewables or from when CfDs are introduced, and will end on 31 March 2017, when the RO closes to new entrants.
- In line with the policy position set out in the CfD Operational Framework, published in November 2012, developers of new projects will be able to progress their projects with a view to entering the RO but switch and apply to FID Enabling for Renewables, so long as this application is made before the projects are accredited for the RO. Similarly renewable energy generation with only preliminary RO accreditation will be permitted to apply to FID Enabling for Renewables.
- We therefore propose that dedicated biomass projects intending to use solid biomass should be able to express an interest in participating in FID Enabling for Renewables, or to discuss a Contract for Difference with DECC, without affecting their eligibility to participate in the notification process used to allocate places under the 400MW cap under the RO. Otherwise, these projects could be forced to make a choice between Investment Contracts/CfDs and the RO before they had full information on the terms of the Investment Contract or CfD. However, projects that subsequently exercise their one-off choice of scheme by entering into a binding application for an Investment Contract or CfD, should cease to be counted towards the 400MW cap.
- DECC intends to consult this summer on the Government's proposals for the operation of the RO during the period of transition to the new CfD support mechanism.

## Proposals

Proposal	
1.1	<p>The following projects are <b>not</b> eligible to participate in the notification process as they are exempt from the cap:</p> <ul style="list-style-type: none"> <li>• Dedicated biomass generators at 50 kWe or less declared net capacity (microgenerators);</li> <li>• Advanced conversion technologies (gasification &amp; pyrolysis);</li> <li>• Anaerobic digestion;</li> <li>• Projects falling within the unit conversion or station conversion bands;</li> <li>• Co-firing - low-range, mid-range and high-range;</li> <li>• Combined heat and power (CHP) stations intending to achieve full or partial certification under the UK's CHP quality assurance (CHPQA) programme;</li> <li>• Energy from waste with CHP;</li> <li>• Landfill gas;</li> </ul>

	<ul style="list-style-type: none"> <li>• Sewage gas;</li> <li>• Projects not intending to use any solid biomass to generate electricity; and</li> <li>• Projects which have commissioned and accredited under the Renewables Obligation (RO) before the notification process opens.</li> </ul>
1.2	<p>Projects will be eligible to participate in the RO biomass notification process if they have applied to participate in FID Enabling for Renewables, or have discussed a Contract for Difference with DECC, but have not yet entered into a binding application for an Investment Contract or Contract for Difference.</p> <p>Projects that have entered into a binding application for an Investment Contract or Contract for Difference, will <b>not</b> be eligible to participate in the RO notification process.</p> <p>Any projects that were allocated a place within the 400MW cap under the RO before they entered into a binding application for an Investment Contract or Contract for Difference, will cease to be counted towards the 400MW cap.</p>

## Consultation question

Consultation Question	
1.1.	Do you have any comments on the proposals for eligibility to participate in the notification process?

## 2. Issues common to Sections 3 to 5

A number of issues are common to Sections 3 to 5. To avoid duplicating the background notes in each section, these common issues are included here. Full details of the proposals are set out in Sections 3 to 5.

### Background notes on the definition of financial close for the purpose of the notification process

- Our intention is to design a notification process which allocates places within the 400MW cap only to projects that have reached financial close and have either taken a decision to move to the construction phase of the project or have actually started construction.
- Financial close is very difficult to define and there is no single accepted point when it is considered to have been reached. For the purposes of the notification process, we propose to define financial close as being when the developer has agreement from:
  - Their Board (or from the Chief Executive, Director, Partners, Departmental Head etc if there is not a Board); and
  - Each finance provider (if applicable);to provide 100% of the financing needed for the construction of the project.

### Background notes on the evidence required to support applications

- We propose that developers should supply a number of documents in support of their application. We expect that developers will already have the supporting documents available and will have to provide them to investors anyway in order to reach financial close. The requirement should not, therefore, impose additional burdens on developers.
- We propose to require developers to provide a copy of the planning permission, environmental permit and grid connection agreement for the project (if applicable). These documents are defined as follows:
  - “Planning permission” means planning permission issued by the Local Planning Authority under the Town and Country Planning Act 1990 or a development consent order made under the Planning Act 2008;
  - “Environmental Permit” means an environmental permit issued by a local authority or the Environment Agency under the Environmental Permitting Regulations (England and Wales) 2010;
  - “Grid connection agreement” means an agreement with a network operator for the making of a grid connection. A “grid connection” means a connection between the proposed generating station and a transmission system or distribution system for the purpose of enabling electricity to be conveyed from the station to that system. A “network operator” means a distribution exemption holder, a distribution licence holder, or a transmission licence holder.
- One of the proposals for applications from investor funded projects is to require evidence that the investors have agreed to fund the project. One option would be to

require a copy of the actual offer letters from the investors. However, such offer letters may contain commercially sensitive information which developers may not wish to disclose to DECC. We therefore propose to ask instead for a signed declaration from each finance provider, covering 100% of the finance needed to construct the project. This declaration will certify that the finance provider has agreed to provide £X towards the project, subject only to ordinary course conditions precedent.

## Background notes on the DECC procedure for handling applications

- Applications under the priority notification process (see Section 3) or the standard notification process (see Sections 4 and 5) may be submitted to DECC electronically (to a dedicated email inbox), by post or courier, or by hand delivery (to DECC's principal office in Whitehall, London).
- DECC will record the date of receipt of the application as follows:
  - Applications received by DECC by email before midnight will be recorded as being received on that day. The time and date of receipt will be the time recorded by DECC's IT system;
  - Applications received by DECC by a "signed for" post or "signed for" courier service will be recorded as being received on the date the package was signed for by DECC;
  - All other applications received by DECC by post, courier or hand delivery will be recorded as being received on the day the application was received by an official in the DECC team responsible for processing the application. This may result in the application being recorded as having a later date of receipt than under the first two methods listed above. Therefore, email or a "signed for" method of delivery is recommended.
- Once the notification process has opened, DECC will aim to:
  - Send an acknowledgment of receipt of an application within 1 week of receiving the application;
  - Record the expected total installed capacity of a project on an on-line database within 2 weeks of receipt of the application;
  - Process applications and send a response (either a request for a corrected application or the decision on the application) within 3 weeks of receipt of the application;
  - Publish priority cap allocation letters, provisional acceptance letters and final acceptance letters on an online database within 2 weeks of the decision to issue the letter;
  - Amend the online database within 2 weeks of taking a decision on an application.

These timescales are for guidance only and are subject to variation depending on the volume of applications received.

## Consultation questions

### Consultation Question

2.1	Do you have any comments on the proposed definition of financial close for the purpose of the notification process?
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### Consultation Question

2.2	Do you have any comments on the proposed evidence required to support applications?
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### Consultation Question

2.3	Do you have any comments on the proposed DECC procedure for handling applications?
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### 3. Priority notification process for projects which reached financial close on or before 18 December 2012

#### Background notes

- Our intention is to design a notification process which allocates places within the 400MW cap only to projects that have reached financial close and have either taken a decision to move to the construction phase of the project or have actually started construction.
- Projects that reached financial close before the Government announced the 400MW capacity cap on 18 December 2012 will have invested heavily in bringing their project to that point. They will be concerned at the risk of not being covered by our grandfathering policy that their business case may have been based upon. Such projects may be on hold, waiting for the notification process to open as investors may be unwilling to commit funds until they are sure the project is within the 400MW cap. Some may have already started construction but are unable to complete and commission in time for full accreditation under the Renewables Obligation before the notification process opens.
- We therefore propose to treat as a priority those projects that can demonstrate that they reached financial close on or before 18 December 2012. To be a priority project, a decision must also have been taken to move to the construction phase of the project, or construction must have started. For the first two weeks after the notification process opens, we propose to accept applications only from these priority projects. This two week priority window will enable these projects to have priority access to places within the 400MW cap.
- Projects that have not reached financial close will not be considered priority cases. After the two week priority window has closed, projects which have not yet reached financial close may be able to apply under the standard notification process, as set out in Section 4.
- Developers who have reached financial close but did so after the Government announcement on 18 December 2012 did so knowing about the intention to introduce the 400MW cap. We do not propose that such projects should be considered as priority cases. However, these projects may be able to apply straight to stage 2 of the standard notification process after the two week priority window has closed. This is a variation to the standard notification process and is set out in Section 5.



## Proposals

Proposal	
3.1	<p>For the first two weeks after the notification process opens, only the priority projects in proposal 3.2 will be considered.</p> <p>After this 2 week period, no further applications will be considered under the priority application process. Further applications will then be considered under the standard notification process (see Sections 4 and 5).</p>
3.2	<p>Priority projects will be those that can demonstrate that they reached financial close on or before 18 December 2012, and that a decision has been taken to move to the construction phase of the project, or that construction has actually started.</p> <p>This will need to be demonstrated by completing the application form and providing the documents described below.</p>
3.3	<p>For priority projects, the application will need to be made by the developer on a priority notification application form (provided by DECC). The application form will require the following information:</p> <ul style="list-style-type: none"> <li>• The name and address of the developer, together with a contact name, email address and postal address in case of queries;</li> <li>• The legal form of the developer (e.g. sole trader, partnership, co-operative, charity, local authority, private limited company or public limited company);</li> <li>• The name of the project;</li> <li>• The full postal address of the proposed generating station (which must be in England or Wales);</li> <li>• The expected total installed capacity of the station;</li> <li>• The estimated date of commissioning (which must be by 31 March 2017 at the latest);</li> <li>• Whether the project will be funded by investors, from the balance sheet, or a combination of both; and</li> <li>• Whether an application to participate has been made for an Investment Contract or the developer is considering applying for a Contract for Difference (see Section 1).</li> </ul>
3.4	<p>The application form will also require the following declarations:</p> <ul style="list-style-type: none"> <li>• That the generating station is not expected to be an exempt technology (see the list in proposal 1.1 in Section 1);</li> <li>• That the station is expected to use solid biomass fuel;</li> <li>• That there is no intention for the station to be certified under the CHPQA programme; and</li> <li>• That the station is intended to be a new build dedicated biomass generating station capable of support under the RO (unless an Investment Contract or Contract for Difference is obtained).</li> </ul>

3.5	<p>To the application form, the developer must also attach a declaration on the company/organisation's letterhead from a senior person within the developer's company/organisation (such as the Chief Executive, Director, Partner, Departmental Head etc).</p> <p>This declaration will need to certify that:</p> <ul style="list-style-type: none"> <li>• They have the final commitment to fund the project (covering 100% of the financing expected to be needed for the construction of the project) from: <ul style="list-style-type: none"> <li>- Their Board (or from the Chief Executive, Director, Partners, Departmental Head etc if there is not a Board); and</li> <li>- From each finance provider (if applicable), subject only to ordinary course conditions precedent;</li> </ul> </li> <li>• The declaration(s) under proposals 3.6 – 3.7 represent 100% of the financing expected to be needed for the construction of the project;</li> <li>• Financial close was reached on or before 18 December 2012 and state the actual date of financial close; and</li> <li>• They have: <ul style="list-style-type: none"> <li>- Commenced construction of the project and state the actual date that construction started; or</li> <li>- Taken a decision to commence construction of the project, with the aim of commissioning by 31 March 2017 at the latest.</li> </ul> </li> </ul>
3.6	<p>An investor funded project will also need to attach a declaration from each finance provider, on the finance provider's letterhead.</p> <p>This declaration will need to certify that the finance provider has agreed to provide £X towards the project, subject only to ordinary course conditions precedent.</p>
3.7	<p>A balance sheet funded project will also need to attach the Board minutes (or a similarly high level of official authorisation for businesses or organisations that do not have a Board) showing that the Board (or senior officers such as the Chief Executive, Director, Partner, Departmental Head etc) have made a final commitment to fund the project as set out in proposal 3.5.</p>
3.8	<p>A project with both investor and balance sheet funding will need to attach both sets of evidence, as specified in proposals 3.6 and 3.7.</p>
3.9	<p>To the application form, the developer must also attach copies of the:</p> <ul style="list-style-type: none"> <li>• Planning permission (or a letter from the Planning Authority saying that planning permission is not needed);</li> <li>• Environmental permit (or a declaration that an environmental permit is not needed); and</li> <li>• Grid connection agreement (or a declaration that a grid connection agreement is not needed).</li> </ul>
3.10	<p>The application form will require the person signing it to certify that all the information on the form and in the declarations and documents is, to the best of their knowledge and belief, true and accurate in all material respects.</p>

3.11	<p>The developer will not be permitted to amend or supplement an application once it has been submitted, unless in response to a query raised by DECC.</p> <p>Any other changes must be made by the developer withdrawing the application and submitting a new application under the priority process if it still within the 2 week priority window, or under the standard notification process (see Section 4 or 5) if it is outside the priority window. Such an application will join the end of the application queue.</p>
3.12	<p>A priority application received before the notification process is open will not be considered until the notification process opens, and will be treated as having been received on the day the notification process opens.</p>
3.13	<p>All priority applications received within the 2 week priority window will be considered and either accepted or rejected before standard applications are considered.</p>
3.14	<p>A priority application received after the 2 week priority window will be treated as a standard application in line with stage 2 under the standard process (see Section 5) and its position in the application list determined by the date on which it was received.</p>
3.15	<p>After receipt of the application, DECC will send the applicant an email acknowledgement of receipt of the application, giving the date recorded by DECC as being the date of receipt.</p>
3.16	<p>After receipt of the application, DECC will record the expected total installed capacity of the project on an on-line database to show the total capacity of applications received.</p>
3.17	<p>DECC will then check the application to see if it has been satisfactorily completed.</p>
3.18	<p>If DECC is not satisfied that the application has been satisfactorily completed, DECC will contact the applicant to ask for the corrected application to be submitted within 1 week.</p>
3.19	<p>If a satisfactorily completed re-submitted application is <b>not</b> received within the 1 week deadline, DECC will reply to the applicant to say that the application has been rejected and the project has lost its place in the application queue and will explain why it has been rejected.</p> <p>Such projects are barred from re-applying for a further 4 weeks from the date of the rejection letter. If they do wish to re-apply, they may submit a new application under the standard notification process (see Section 4 or 5). Such an application will join the end of the application queue. This is to deter projects from endlessly recycling their application and temporarily blocking capacity within the cap.</p>
3.20	<p>If the re-submitted application is satisfactorily completed and is received within the 1 week deadline, it will be dealt with under proposal 3.21.</p>

3.21	<p>If DECC is satisfied that the application has been satisfactorily completed, DECC will reply to the applicant with a priority cap allocation letter. This will:</p> <ul style="list-style-type: none"> <li>• State the date on which DECC received the application form and supporting documents in respect of the project;</li> <li>• Confirm that the developer has demonstrated to DECC's satisfaction that the project meets the priority criteria;</li> <li>• Confirm that the project has been allocated a place within the 400MW cap;</li> <li>• Confirm that this priority cap allocation letter is only for the project specified in the letter; and</li> <li>• Record the expected total installed capacity of the project (as stated in the application form supplied under proposal 3.3).</li> </ul>
3.22	<p>After issuing the priority cap allocation letter, DECC will:</p> <ul style="list-style-type: none"> <li>• Publish the letter on an online database; and</li> <li>• Amend the online database to show the: <ul style="list-style-type: none"> <li>- Revised total capacity of applications received but not yet accepted or rejected; and</li> <li>- The total capacity that is confirmed as being within the 400MW cap.</li> </ul> </li> </ul>
3.23	<p>The future operator of the generating station will need to keep the priority cap allocation letter as evidence of the station's place within the 400MW cap.</p>

## Consultation question

### Consultation Question

3.1	Do you have any comments on the proposals for the priority notification process?
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## 4. Standard notification process

### Background notes

- Our intention is to design a notification process which allocates places within the 400MW cap only to projects that have reached financial close and have either taken a decision to move to the construction phase or have actually started construction.
- For projects that do not fall within the priority category set out in Section 3, developers may require certainty that they are within the 400MW cap before they spend sums of money (which can be significant) on the final steps to reach financial close. Lenders may not be prepared to make a final commitment without this reassurance.
- Therefore, we propose a two stage standard notification process. If places remain within the 400MW cap, stage 1 will allow projects to reserve a place within that cap, subject only to achieving financial close within a specified window. In order for a project to keep its place within the cap, stage 2 requires confirmation that financial close has been achieved within this window. Stage 2 will also require confirmation that a decision has been taken within the specified window to move to the construction phase of the project, or that construction has actually started.
- Based on the assumption that they will be successful in reserving a place within the cap, the developer will estimate the date when they expect to have agreement, both internally and from external funders, to provide 100% of the financing needed for the construction of the project (defined as “financial close” for the purposes of this notification process). Up to 6 weeks before this date, the developer can apply under stage 1 to reserve a place within the cap. If the application meets the specified criteria and if places remain within the cap, DECC will issue a letter conditionally reserving a place within the cap. This reservation will be subject to the project actually achieving financial close within an 8 week window which starts from the date of the DECC letter. The developer can then complete the final steps to financial close, safe in the knowledge that if they achieve this within the window, they are guaranteed a place within the cap. If the developer confirms that financial close has been achieved within this 8 week window, the project will be allocated an unconditional place within the cap. If they fail to meet the deadline, they will lose the reserved place.
- The application criteria specified for stage 1 are aimed at excluding any project that is not in the final months of achieving financial close. The aim is to stop projects from applying prematurely and so blocking capacity within the cap while they spend many months pursuing financial close.
- Reserved capacity within the cap will be freed for re-allocation if projects fail to reach financial close or fail to provide the necessary confirmations within the 8 week window. This stops projects from blocking capacity within the cap while they spend further time pursuing financial close. Projects that fail to reach financial close by the deadline will be able to re-apply, after a specified period, with a new estimated date for financial close.
- Projects which have already reached financial close by the time they apply under the standard notification process should follow the process set out in Section 5 which enables them to combine stages 1 and 2.

- At stage 2, the developer will be required to re-certify the expected total installed capacity of the project. If the capacity is larger than the capacity specified at stage 1, the application will be rejected. The developer will then need to re-apply with a new application, stating the new, larger expected total installed capacity. This application will join the end of the application queue. This process is to reduce the risk of the cap being exceeded. Reductions in the expected total installed capacity at stage 2 will not lead to the application being rejected. In the case of reductions, DECC will reduce the capacity recorded for the project in the on-line database. This may free capacity which might be re-allocated to other projects.
- If places remain within the cap after the priority notification process, they will be allocated on the basis of first come, first served, as follows:
  - A reserved place will be allocated on the basis of the date on which the stage 1 application form was recorded by DECC as being received (and subject to successful completion of stage 1); and
  - A confirmed place will be allocated on the basis of the date on which stage 2 was successful completed.
- When there are no more places within the 400MW cap, the standard notification process can continue to be used to rank projects. The ranking will be used to determine the next project or projects to get a place within the cap, should a place within the cap become available (e.g. if a project with reserved capacity within the cap fails to reach financial close within the 8 week window, or enters into an Investment Contract or Contract for Difference). The ranking of a project means that it does **not** have a place within the cap, and there is no guarantee that projects given a ranking will get a place within the cap in the future.

## Proposals

### Stage 1

Proposal	
4.1	<p>The developer will estimate the date when they expect to have agreement from:</p> <ul style="list-style-type: none"> <li>• Their Board (or from the Chief Executive, Director, Partners, Departmental Head etc if there is not a Board); and</li> <li>• Each finance provider (if applicable);</li> </ul> <p>to provide 100% of the financing needed for the construction of the project. In the text below, achieving this agreement is called financial close.</p>
4.2	<p>The developer can submit their application under the standard notification process up to a maximum of 6 weeks before the estimated date of financial close (as estimated in proposal 4.1). However, this is subject to proposal 4.3.</p>
4.3	<p>An application under the standard notification process which is received during or before the priority window (i.e. the first two weeks after the notification process opens – see Section 3) will not be considered until after the priority window has closed, and will be treated as having been received on the first day after the end of the priority window.</p>

4.4	<p>The application will need to be made by the developer on a stage 1 standard notification application form (provided by DECC). The application form will require the following information:</p> <ul style="list-style-type: none"> <li>• The name and address of the developer, together with a contact name, email address and postal address in case of queries;</li> <li>• The legal form of the developer (e.g. sole trader, partnership, co-operative, charity, local authority, private limited company or public limited company);</li> <li>• The name of the project;</li> <li>• The full postal address of the proposed generating station (which must be in England or Wales);</li> <li>• The expected total installed capacity of the station;</li> <li>• The estimated date of commissioning (which must be by 31 March 2017 at the latest);</li> <li>• Whether the project will be funded by investors, from the balance sheet, or a combination of both;</li> <li>• The estimated date of financial close (which must be within 6 weeks of the date of the application, see proposal 4.1); and</li> <li>• Whether an application to participate has been made for an Investment Contract or the developer is considering applying for a Contract for Difference.</li> </ul>
4.5	<p>The application form will also require the following declarations:</p> <ul style="list-style-type: none"> <li>• That the generating station is not expected to be an exempt technology (see the list in proposal 1.1 in Section 1);</li> <li>• That the station is expected to use solid biomass fuel;</li> <li>• That there is no intention for the station to be certified under the CHPQA programme;</li> <li>• That the station is intended to be a new build dedicated biomass generating station capable of support under the RO (unless an Investment Contract or Contract for Difference is obtained); and</li> <li>• That a binding application for an Investment Contract or Contract for Difference has not been entered into in respect of the project.</li> </ul>
4.6	<p>To the application form, the developer must also attach a declaration on the company/organisation's letterhead from a senior person within the developer's company/organisation (such as the Chief Executive, Director, Partner, Departmental Head etc).</p> <p>This declaration will need to certify that:</p> <ul style="list-style-type: none"> <li>• Subject only to confirmation from DECC that the project has a reserved place within the 400MW cap, the developer: <ul style="list-style-type: none"> <li>- Will aim to reach financial close within 8 weeks from the date of a provisional acceptance letter from DECC (as set out in proposal 4.19); and</li> <li>- Will subsequently confirm to DECC within this 8 week window whether or not they have done so; and</li> </ul> </li> <li>• The declarations under proposals 4.7 - 4.8 represent 100% of the financing expected to be needed for the construction of the project.</li> </ul>

4.7	<p>An investor funded project will also need to attach a declaration from each finance provider, on the finance provider's letterhead.</p> <p>This declaration will need to certify that the finance provider will commit to work with the developer with the aim of agreeing within 8 weeks from the date of a provisional acceptance letter from DECC (as set out in proposal 4.19), to fund the project, subject to ordinary course conditions precedent.</p>
4.8	<p>A balance sheet funded project will also need to attach the Board minutes (or a similarly high level of official authorisation for businesses or organisations that do not have a Board) showing that the Board (or senior officers such as the Chief Executive, Director, Partner, Departmental Head etc) aim to reach financial close within 8 weeks from the date of a provisional acceptance letter from DECC (as set out in proposal 4.19).</p>
4.9	<p>A project with both investor and balance sheet funding will need to attach both sets of evidence, as specified in proposals 4.7 and 4.8.</p>
4.10	<p>To the application form, the developer must also attach copies of the:</p> <ul style="list-style-type: none"> <li>• Planning permission (or a letter from the Planning Authority saying that planning permission is not needed);</li> <li>• Environmental permit (or a declaration that an environmental permit is not needed); and</li> <li>• Grid connection agreement (or a declaration that a grid connection agreement is not needed).</li> </ul>
4.11	<p>The application form will require the person signing it to certify that all the information on the form and in the declarations and documents is, to the best of their knowledge and belief, true and accurate in all material respects.</p>
4.12	<p>The developer will not be permitted to amend or supplement an application once it has been submitted, unless in response to a query raised by DECC.</p> <p>Any other changes must be made by the developer withdrawing the application and submitting a new application. Such an application will join the end of the application queue.</p>
4.13	<p>After receipt of the application, DECC will send the applicant an email acknowledgement of receipt of the application, giving the date recorded by DECC as being the date of receipt.</p>
4.14	<p>After receipt of an application, DECC will record the expected total installed capacity of the project on an on-line database to show the total capacity of applications received.</p>
4.15	<p>DECC will then check the application to see if it has been satisfactorily completed.</p>
4.16	<p>If DECC is not satisfied that the application has been satisfactorily completed, DECC will contact the applicant to ask for the corrected application to be submitted within 1 week.</p>



4.17	<p>If a satisfactorily completed re-submitted application is <b>not</b> received within the 1 week deadline, DECC will reply to the applicant to say that the application has been rejected and the project has lost its place in the application queue and will explain why it has been rejected.</p> <p>Such projects are barred from re-applying for a further 4 weeks from the date of the rejection letter. If they do wish to re-apply, they may submit a new application which will join the end of the application queue. This is to deter projects from endlessly recycling their application and temporarily blocking capacity within the cap.</p>
4.18	<p>If the re-submitted application is satisfactorily completed and is received within the 1 week deadline, it will be dealt with under proposals 4.19 or 4.20.</p>
4.19	<p>If DECC is satisfied that:</p> <ul style="list-style-type: none"> <li>• The application has been satisfactorily completed; and</li> <li>• There is sufficient capacity left in the cap (taking account of capacity already unconditionally allocated through priority cap allocation letters and final acceptance letters, and capacity already conditionally allocated through provisional acceptance letters);</li> </ul> <p>DECC will reply to the applicant with a provisional acceptance letter. This will:</p> <ul style="list-style-type: none"> <li>• State the date on which DECC received the application form and supporting documents in respect of the project;</li> <li>• Confirm that the developer has demonstrated to DECC's satisfaction that the project meets the stage 1 criteria;</li> <li>• Set the 8 week deadline for receipt of the confirmation of financial close (the 8 weeks runs from the date of the provisional acceptance letter);</li> <li>• Confirm that subject to the developer confirming, within the specified 8 week window, that they have actually reached financial close and decided to commence construction, the project has been allocated a place within the 400MW cap;</li> <li>• Confirm that this provisional acceptance letter is only for the project specified in the letter; and</li> <li>• Record the expected total installed capacity of the project (as stated in the application form supplied under proposal 4.4).</li> </ul>
4.20	<p>If DECC is satisfied that:</p> <ul style="list-style-type: none"> <li>• The application has been satisfactorily completed;</li> <li>• <b>But there are currently no places within the 400MW cap</b> (taking account of capacity already unconditionally allocated through priority cap allocation letters and final acceptance letters, and capacity already conditionally allocated through provisional acceptance letters);</li> </ul> <p>DECC will reply to the applicant to explain that the project has <b>not</b> been allocated a place within the cap. The letter will give the project a ranking based on the recorded date of receipt of the project's stage 1 standard notification application. If a place in the cap subsequently becomes free, DECC will process the projects on the basis of that ranking. However, there is no guarantee that a ranked project will ever get a place within the cap.</p> <p>If a place in the cap does subsequently becomes free, DECC will issue the applicant with a provisional acceptance letter in accordance with proposal 4.19.</p>

4.21	<p>After issuing the provisional acceptance letter or the ranking letter, DECC will:</p> <ul style="list-style-type: none"> <li>• Publish the provisional acceptance letter on an online database; and</li> <li>• Amend the online database to show the: <ul style="list-style-type: none"> <li>- Revised total capacity of applications received but not yet accepted or rejected;</li> <li>- In the case of a provisional acceptance letter, the revised total capacity that has a provisionally reserved place with the 400MW cap; and</li> <li>- Total capacity given a ranking (and so <b>not</b> allocated a place in the cap).</li> </ul> </li> </ul>
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## Stage 2

Proposal	
4.22	<p>Once the project has reached financial close within the 8 week window (as specified in proposal 4.19), a senior person within the developer's company/organisation (such as the Chief Executive, Director, Partner, Departmental Head etc), will need to sign a declaration on the company/organisation's letterhead.</p> <p>This declaration will need to:</p> <ul style="list-style-type: none"> <li>• Certify that they have the final commitment to fund the project (covering 100% of the financing expected to be needed for the construction of the project) from: <ul style="list-style-type: none"> <li>- Their Board (or from the Chief Executive, Director, Partners, Departmental Head etc if there is not a Board); and</li> <li>- From each finance provider (if applicable), subject only to ordinary course conditions precedent;</li> </ul> </li> <li>• Certify that the declaration(s) under proposals 4.23 – 4.24 represent 100% of the financing expected to be needed for the construction of the project;</li> <li>• Certify the actual date of financial close;</li> <li>• Certify that they have: <ul style="list-style-type: none"> <li>- Commenced construction of the project and state the actual date that construction started; or</li> <li>- Taken a decision to commence construction of the project, with the aim of commissioning by 31 March 2017 at the latest; and</li> </ul> </li> <li>• Confirm the expected total installed capacity of the project.</li> </ul>
4.23	<p>An investor funded project will also need to attach a declaration from each finance provider, on the finance provider's letterhead.</p> <p>This declaration will need to certify that the finance provider has agreed to provide £X towards the project, subject only to ordinary course conditions precedent.</p>
4.24	<p>A balance sheet funded project will also need to attach the Board minutes (or a similarly high level of official authorisation for businesses or organisations that do not have a Board) showing that the Board (or senior officers such as the Chief Executive, Director, Partner, Departmental Head etc) have made a final commitment to fund the project as set out in proposal 4.22.</p>

4.25	A project with both investor and balance sheet funding will need to attach both sets of evidence, as specified in proposals 4.23 and 4.24.
4.26	The declaration will require the person signing it to certify that all the information in the declaration and documents is, to the best of their knowledge and belief, true and accurate in all material respects.
4.27	<p>The developer will not be permitted to amend or supplement a declaration once it has been submitted, unless in response to a query raised by DECC.</p> <p>Any other changes must be made by the developer withdrawing the application and submitting a new application which will join the end of the application queue.</p> <p>If the project has reached financial close, the developer can apply straight to stage 2 of the standard notification process (see Section 5).</p>
4.28	After receipt of the declaration, DECC will send the applicant an email acknowledgement of receipt of the declaration, giving the date recorded by DECC as being the date of receipt.
4.29	DECC will then check the declaration to see if it has been satisfactorily completed.
4.30	<p>If the declaration is <b>not</b> received within the specified 8 week deadline, DECC will reply to the applicant to say that the application has been rejected and the project has lost its reserved place within the cap and will explain why it has been rejected.</p> <p>Such projects are barred from re-applying for a further 4 weeks from the date of the rejection letter. If they do wish to re-apply, they may submit a new application which will join the end of the application queue. This is to deter projects from endlessly recycling their application and temporarily blocking capacity within the cap.</p> <p>If the project has reached financial close, the developer can apply straight to stage 2 of the standard notification process (see Section 5).</p>
4.31	<p>If the declaration:</p> <ul style="list-style-type: none"> <li>• Is received within the specified 8 week deadline;</li> <li>• <b>But</b> the expected total installed capacity of the project specified in the declaration (proposal 4.22) is <b>larger</b> than the capacity specified in the stage 1 application form (proposal 4.4);</li> </ul> <p>DECC will reply to the applicant to say that the declaration has been rejected and the project has lost its reserved place within the cap and will explain why it has been rejected.</p> <p>Such projects are barred from re-applying for a further 4 weeks from the date of the rejection letter. If they do wish to re-apply, they may submit a new application, stating the new, larger, expected total installed capacity. This application will join the end of the application queue.</p> <p>As the project will have reached financial close, the developer can apply straight to stage 2 of the standard notification process (see Section 5).</p>

4.32	<p>If the declaration:</p> <ul style="list-style-type: none"> <li>• Is received within the specified 8 week deadline; and</li> <li>• The expected total installed capacity of the project specified in the declaration (proposal 4.22) is <b>less</b> than that on the stage 1 application form (proposal 4.4);</li> </ul> <p>DECC will reduce the capacity recorded for the project in the on-line database. This may free capacity which might be re-allocated to other projects.</p> <p>The application will then be considered in accordance with proposals 4.33 – 4.38.</p>
4.33	<p>If the declaration:</p> <ul style="list-style-type: none"> <li>• Is received within the specified 8 week deadline;</li> <li>• The expected total installed capacity of the project specified in the declaration (proposal 4.22) is the same or less than that estimated in the stage 1 application form (proposal 4.4);</li> <li>• <b>But</b> it does <b>not</b> meet all the other criteria stated in proposals 4.22 – 4.26;</li> </ul> <p>DECC will contact the applicant to ask for the corrected declaration to be submitted within 1 week.</p>
4.34	<p>If a satisfactorily completed re-submitted declaration is <b>not</b> received within the 1 week deadline, DECC will reply to the applicant to say that the declaration has been rejected and the project has lost its reserved place within the cap and will explain why it has been rejected.</p> <p>Such projects are barred from re-applying for a further 4 weeks from the date of the rejection letter. If they do wish to re-apply, they may submit a new application which will join the end of the application queue. This is to deter projects from endlessly recycling their application and temporarily blocking capacity within the cap.</p> <p>If the project has reached financial close, the developer can apply straight to stage 2 of the standard notification process (see Section 5).</p>
4.35	<p>If the re-submitted declaration is satisfactorily completed and is received within the 1 week deadline, it will be dealt with under proposal 4.36.</p>
4.36	<p>If DECC is satisfied that the declaration:</p> <ul style="list-style-type: none"> <li>• Has been satisfactorily completed; and</li> <li>• Was received within the specified 8 week deadline;</li> </ul> <p>DECC will reply to the applicant with a final acceptance letter. This will:</p> <ul style="list-style-type: none"> <li>• State the date on which DECC received the application and supporting documents in respect of the project;</li> <li>• Confirm that the developer has demonstrated to DECC's satisfaction that the project meets the stage 2 criteria;</li> <li>• Convert the reserved place within the 400MW cap into a confirmed place;</li> <li>• Confirm that this final acceptance letter is only for the project specified in the letter; and</li> <li>• Record the expected total installed capacity of the project (as stated in the declaration supplied under proposal 4.22).</li> </ul>

4.37	<p>After issuing the final acceptance letter, DECC will:</p> <ul style="list-style-type: none"> <li>• Publish the letter on an online database; and</li> <li>• Amend the online database to show the: <ul style="list-style-type: none"> <li>- Revised total capacity of applications received but not yet accepted or rejected;</li> <li>- Revised total capacity that has a provisionally reserved place within the 400MW cap; and</li> <li>- Revised total capacity that is confirmed as being within the cap.</li> </ul> </li> </ul>
4.38	<p>The future operator of the generating station will need to keep the final acceptance letter as evidence of the station's place within the 400MW cap.</p>

## Consultation questions

### Consultation Question

4.1 Do you have any comments on the proposals for stage 1 of the standard notification process?

### Consultation Question

4.2 Do you have any comments on the proposals for stage 2 of the standard notification process?

## 5. Variation of the standard notification process for projects that reach financial close before they apply

### Background notes

- Our intention is to design a notification process which allocates places within the 400MW cap only to projects that have reached financial close and have either taken a decision to move to the construction phase of the project or have actually started construction.
- Projects that reach financial close between the date the Government announced the 400MW capacity cap on 18 December 2012 and before they apply under the notification process, should already be able to meet the criteria for demonstrating financial close. We therefore propose that such projects may apply straight to stage 2 of the standard notification process.

### Proposal

Proposal	
5.1	After the priority window has closed, projects that have reached financial close before they apply under the standard notification process, may apply straight to stage 2 of the standard notification process.
5.2	<p>The application will need to be made by the developer on a stage 2 standard notification application form (provided by DECC). The application form will require the following information:</p> <ul style="list-style-type: none"> <li>• The name and address of the developer, together with a contact name, email address and postal address in case of queries;</li> <li>• The legal form of the developer (e.g. sole trader, partnership, co-operative, charity, local authority, private limited company or public limited company);</li> <li>• The name of the project;</li> <li>• The full postal address of the proposed generating station (which must be in England or Wales);</li> <li>• The expected total installed capacity of the station;</li> <li>• The estimated date of commissioning (which must be by 31 March 2017 at the latest);</li> <li>• Whether the project will be funded by investors, from the balance sheet, or a combination of both; and</li> <li>• Whether an application to participate has been made for an Investment Contract or the developer is considering applying for a Contract for Difference.</li> </ul>

5.3	<p>The application form will also require the following declarations:</p> <ul style="list-style-type: none"> <li>• That the generating station is not expected to be an exempt technology (see the list in proposal 1.1 in Section 1);</li> <li>• That the station is expected to use solid biomass fuel;</li> <li>• That there is no intention for the station to be certified under the CHPQA programme;</li> <li>• That the station is intended to be a new build dedicated biomass generating station capable of support under the RO (unless an Investment Contract or Contract for Difference is obtained); and</li> <li>• That a binding application for an Investment Contract or Contract for Difference has not been entered into in respect of the project.</li> </ul>
5.4	<p>To the application form, the developer must also attach a declaration on the company/organisation's letterhead from a senior person within the developer's company/organisation (such as the Chief Executive, Director, Partner, Departmental Head etc).</p> <p>This declaration will need to certify:</p> <ul style="list-style-type: none"> <li>• That they have the final commitment to fund the project (covering 100% of the financing expected to be needed for the construction of the project), from: <ul style="list-style-type: none"> <li>- Their Board (or from the Chief Executive, Director, Partners, Departmental Head etc if there is not a Board); and</li> <li>- From each finance provider (if applicable), subject only to ordinary course conditions precedent;</li> </ul> </li> <li>• That the declaration(s) under proposals 5.5 – 5.6 represent 100% of the financing expected to be needed for the construction of the project;</li> <li>• The actual date of financial close; and</li> <li>• That they; <ul style="list-style-type: none"> <li>- Have commenced construction of the project and state the actual date that construction started; or</li> <li>- Have taken a decision to commence construction of the project, with the aim of commissioning by 31 March 2017 at the latest.</li> </ul> </li> </ul>
5.5	<p>An investor funded project will also need to attach a declaration from each finance provider, on the finance provider's letterhead.</p> <p>This declaration will need to certify that the finance provider has agreed to provide £X towards the project, subject only to ordinary course conditions precedent.</p>
5.6	<p>A balance sheet funded project will also need to attach the Board minutes (or a similarly high level of official authorisation for businesses or organisations that do not have a Board) showing that the Board (or senior officers such as the Chief Executive, Director, Partner, Departmental Head etc) have made a final commitment to fund the project, as set out in proposal 5.4.</p>
5.7	<p>A project with both investor and balance sheet funding will need to attach both sets of evidence, as specified in proposals 5.5 – 5.6.</p>

5.8	<p>To the application form, the developer must also attach copies of the:</p> <ul style="list-style-type: none"> <li>• Planning permission (or a letter from the Planning Authority saying that planning permission is not needed);</li> <li>• Environmental permit (or a declaration that an environmental permit is not needed); and</li> <li>• Grid connection agreement (or a declaration that a grid connection agreement is not needed).</li> </ul>
5.9	<p>The application form will require the person signing it to certify that all the information on the form and in the declarations and documents is, to the best of their knowledge and belief, true and accurate in all material respects.</p>
5.10	<p>The developer will not be permitted to amend or supplement an application once it has been submitted, unless in response to a query raised by DECC.</p> <p>Any other changes must be made by the developer withdrawing the application and submitting a new application. Such an application will join the end of the application queue.</p>
5.11	<p>An application under stage 2 of the standard notification process which is received during or before the priority application window (i.e. the first two weeks after the notification process opens, see Section 3) will not be considered until after the priority window has closed, and will be treated as having been received on the first day after the end of the priority window.</p>
5.12	<p>After receipt of the application, DECC will send the applicant an email acknowledgement of receipt of the application, giving the date recorded by DECC as being the date of receipt.</p>
5.13	<p>After receipt of the application, DECC will record the expected total installed capacity of the project on an on-line database to show the total capacity of applications received.</p>
5.14	<p>DECC will then check the application to see if it has been satisfactorily completed.</p>
5.15	<p>If DECC is not satisfied that the application has been properly completed, DECC will contact the applicant to ask for the corrected application to be submitted within 1 week.</p>
5.16	<p>If a satisfactorily completed re-submitted application is <b>not</b> received within the 1 week deadline, DECC will reply to the applicant to say that the application has been rejected and the project has lost its place in the application queue and will explain why it has been rejected.</p> <p>Such projects are barred from re-applying for a further 4 weeks from the date of the rejection letter. If they do wish to re-apply, they may submit a new application which will join the end of the application queue. This is to deter projects from endlessly recycling their application and temporarily blocking capacity within the cap.</p>
5.17	<p>If the re-submitted application is satisfactorily completed and is received within the 1 week deadline, it will be dealt with under proposals 5.18 or 5.19.</p>



5.18	<p>If DECC is satisfied that:</p> <ul style="list-style-type: none"> <li>• The application has been satisfactorily completed; and</li> <li>• There is sufficient capacity left in the cap (taking account of capacity already unconditionally allocated through priority cap allocation letters and final acceptance letters, and capacity already conditionally allocated through provisional acceptance letters);</li> </ul> <p>DECC will reply to the applicant with a final acceptance letter. This will:</p> <ul style="list-style-type: none"> <li>• State the date on which DECC received the application and supporting documents in respect of the project;</li> <li>• Confirm that the developer has demonstrated to DECC's satisfaction that the project meets the stage 2 criteria;</li> <li>• Confirm that the project has been allocated a place within the 400MW cap;</li> <li>• Confirm that this final acceptance letter is only for the project specified in the letter; and</li> <li>• Record the expected total installed capacity of the project (as stated in the application form supplied under proposal 5.2).</li> </ul>
5.19	<p>If DECC is satisfied that:</p> <ul style="list-style-type: none"> <li>• The application has been satisfactorily completed;</li> <li>• <b>But there are currently no places within the 400MW cap</b> (taking account of capacity already unconditionally allocated through priority cap allocation letters and final acceptance letters, and capacity already conditionally allocated through provisional acceptance letters);</li> </ul> <p>DECC will reply to the applicant to explain that the project has <b>not</b> been allocated a place within the cap. The letter will give the project a ranking based on the recorded date of receipt of the project's stage 2 standard notification application. If a place in the cap subsequently becomes free, DECC will process the projects on the basis of that ranking. However, there is no guarantee that a ranked project will ever get a place within the cap.</p> <p>If a place in the cap does subsequently becomes free, DECC will issue the applicant with a final acceptance letter in accordance with proposal 5.18.</p>
5.20	<p>After issuing the final acceptance letter or the ranking letter, DECC will:</p> <ul style="list-style-type: none"> <li>• Publish the final acceptance letter on an online database; and</li> <li>• Amend the online database to show the: <ul style="list-style-type: none"> <li>- Revised total capacity of applications received but not yet accepted or rejected;</li> <li>- In the case of a final acceptance letter, the revised total capacity that is confirmed as being within the 400MW cap; and</li> <li>- Total capacity given a ranking (and so <b>not</b> allocated a place in the cap).</li> </ul> </li> </ul>
5.21	<p>The future operator of the generating station will need to keep the final acceptance letter as evidence of the station's place within the 400MW cap.</p>

## Consultation question

### Consultation Question

5.1	Do you have any comments on the proposed variation of the standard notification process for projects that reach financial close before they apply?
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## 6. Process when insufficient capacity remains within the cap

### Background

- If any places remain within the 400MW cap after the priority notification process has been completed, the remaining places within the cap will be allocated on a first come first served basis to those projects that successfully complete the standard notification process. The order in which places will be allocated under the standard notification process will be based on the date on which the stage 1 standard notification application was recorded as being received by DECC. In this section, references to stage 1 applications include combined stage 1 and stage 2 applications in the case of those projects completing both stages at once (see Section 5).
- The first time that a successfully completed stage 1 application is received which would take the cap over 400MW, the application must either be entirely included within the cap or entirely excluded. This is because it would be difficult to apply grandfathering policy to just part of the accredited capacity of a project. Thereafter, no further places will be allocated within the cap unless a place becomes free (e.g. because a project with a reserved place fails to reach financial close within the 8 week window, or because a project with a place within the cap enters into an Investment Contract or Contract for Difference).
- If the project is entirely accepted, all of the project's accredited capacity will be treated as falling within the cap, even if it causes the total capacity covered by the cap to exceed 400MW. This poses a risk to the Levy Control Framework, although the scale of the risk would depend on the amount of capacity in excess of the cap.
- If the project is entirely rejected, some of the space within the 400MW cap will not have been used, but no further projects will be allocated a place within the cap (unless a place become free) because that would breach the first come first served basis on which the notification process is run. Considering later applications from smaller projects would breach that principle.
- If successfully completed stage 1 applications are received from two or more projects on the same day, the projects will all be treated in the same way (as long as they go on to successfully complete stage 2 within the 8 week window). This is in line with the first come first served principle which is based on the date recorded by DECC for the receipt of the stage 1 application.
- As the notification process is non-legislative, notification is not a pre-condition for support under the Renewables Obligation (RO). Projects may accredit under the RO regardless of whether or not they have participated in the notification process. However, dedicated biomass projects using solid biomass which accredit under the RO after the notification process has opened, risk losing the benefit of grandfathering policy if they have not been allocated a place within the 400MW cap.
- Once the 400MW cap is reached with projects with priority cap allocation letters or final acceptance letters, the Government will then (as announced in the Government Response

published on 18 December 2012), consider consulting on proposals to restrict further new build dedicated biomass deployment by excluding from grandfathering any new build dedicated biomass generating capacity that did not get a place within the cap.

- If the 400MW cap is reached, but then a place subsequently becomes available, DECC will consider whether the place can be allocated to a project that has been given a ranking (i.e. a project that successfully completed the standard notification process, but was not given a place within the cap). The decision will be taken by DECC Ministers with regard to the RO budget and progress towards the renewable energy targets.

## Proposals

Proposal	
6.1	<p>The first time a satisfactorily completed stage 1 standard notification application under Section 4 or stage 2 standard notification application under Section 5 is received that would take the cap over 400MW, the decision on whether to treat that project as falling within the cap will be taken by DECC Ministers on the basis of whether or not the life-time costs of the project pose an acceptable risk to the Renewables Obligation's budget.</p> <p>This decision will be taken in the light of forecasts available at that time of Renewables Obligation spending against the Levy Control Framework budget, and progress towards meeting the UK's 2020 renewable energy target.</p>

## Consultation question

Consultation Question	
6.1	Do you have any comments on the proposals for the process when insufficient capacity remains within the cap?

## 7. Database of applications

### Background notes

- An on-line database will allow developers to clearly see how much capacity has applied under the notification process, how much has received provisional acceptance within the 400MW cap, and how much has received final acceptance within the cap.
- We do not propose to show the **details** (i.e. names and addresses etc) of projects that have applied but whose application has not yet been accepted. However, a running total of the capacity for projects applying under the notification process will be shown. This is to allow other developers to see how much capacity has already applied for a place within the cap.
- Copies of the priority cap allocation letters, and the provisional and final acceptance letters will be published.
- For ease of reference, so that interested parties do not have to open each letter to see the details of the project, we propose to include a summary of the key details for each project that has received a priority cap allocation letter or a final acceptance letter.
- We will also give a running total of the capacity of projects allocated a place within the cap.

### Proposals

Proposal	
7.1	A database of applications received will be available for all to see on DECC's web pages on <a href="http://www.gov.uk/decc">www.gov.uk/decc</a>
7.2	<p>This database will show:</p> <p>(a) Total capacity (in megawatts) for:</p> <ul style="list-style-type: none"> <li>• Applications received but not yet accepted or rejected;</li> <li>• Projects that have received priority cap allocation letters (see Section 3);</li> <li>• Projects that have received provisional acceptance letters (see Section 4) (excluding any superseded by a rejection letter or a final acceptance letter);</li> <li>• Projects that have received final acceptance letters (see Sections 4 and 5); and</li> <li>• Applications given a ranking (and so <b>not</b> allocated a place within the cap) (see Sections 4 and 5);</li> </ul> <p>(b) A running total of projects that have received a priority cap allocation letter or a final acceptance letter;</p>

	<p>(c) A copy of the actual:</p> <ul style="list-style-type: none"><li>• Priority cap allocation letters;</li><li>• Provisional acceptance letters; and</li><li>• Final acceptance letters;</li></ul> <p>(d) A summary of the details of the projects have received a priority cap allocation letter or a final acceptance letter. This summary will include:</p> <ul style="list-style-type: none"><li>• Name of developer;</li><li>• Name of project;</li><li>• Full postal address of proposed project; and</li><li>• Expected total installed capacity.</li></ul>
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## Consultation question

### Consultation Question

7.1	Do you have any comments on the proposals for the database of applications?
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## 8. Catalogue of consultation questions

### Consultation Question

1.1	Do you have any comments on the proposals for eligibility to participate in the notification process?
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### Consultation Question

2.1	Do you have any comments on the proposed definition of financial close for the purpose of the notification process?
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### Consultation Question

2.2	Do you have any comments on the proposed evidence required to support applications?
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### Consultation Question

2.3	Do you have any comments on the proposed DECC procedure for handling applications?
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### Consultation Question

3.1	Do you have any comments on the proposals for the priority notification process?
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### Consultation Question

4.1	Do you have any comments on the proposals for stage 1 of the standard notification process?
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### Consultation Question

4.2	Do you have any comments on the proposals for stage 2 of the standard notification process?
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### Consultation Question

5.1	Do you have any comments on the proposed variation of the standard notification process for projects that reach financial close before they apply?
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### Consultation Question

6.1	Do you have any comments on the proposals for the process when insufficient capacity remains within the cap?
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### Consultation Question

7.1	Do you have any comments on the proposals for the database of applications?
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