



Department for
Business, Energy
& Industrial Strategy

Stakeholder Bulletin issued by the Department for Business, Energy & Industrial Strategy

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Dear Stakeholder,

We have received a number of queries from applicants who are bringing forward projects using technologies that are not obliged to utilise their heat output but may do so, such as generators using fuel produced through an Advanced Conversion Technology. Applicants have sought clarity on whether they should declare themselves as CHP when applying through the Delivery Body's online portal. We have prepared the following in response:

1. Should I select the 'with CHP' option when making my application?

Unless your project is a Dedicated Biomass or Energy from Waste plant, applicants are not required to identify as being 'with CHP' at the application stage, whether or not in practice they intend to deploy with CHP. Applicants may choose to identify as being 'with CHP' at the point of application to the extent that they intend to operate as a CHP plant throughout the period during which their project will be eligible to receive CFD support payments. However, applicants are strongly encouraged to take note of the CHP specific contract terms before making their application.

2. What happens if I decide to operate as CHP partway through my contract?

Our expectation is that generators liaise with LCCC whenever they are considering making engineering amendments to their project, including in relation to CHP. In those circumstances LCCC will expect generators to be prepared to enter into constructive discussions regarding the information which the LCCC might require in order to allow them to continue to operate the CFD. However, for the purposes of this Allocation Round it is not our current intention that projects that begin to operate as CHP partway through their contract will be made subject to the CHPQM or other CHP-specific terms in particular.

These answers will be incorporated into our FAQ document, available at <https://www.gov.uk/government/groups/contracts-for-difference-cfd-scheme>.

Kind regards,

BEIS Contract for Difference Team