



Contracts for Difference: Stakeholder Bulletin

20 November 2018

Announcement of CfD budget parameters

On 20th November, Energy and Clean Growth Minister Claire Perry announced the key budget parameters for the next Contracts for Difference (CfD) allocation round (AR3), which is planned to open by May 2019.

The auction will be open to 'less established' (pot 2) technologies, which will start generating in delivery years 2023/24 and 2024/2025. The overall budget for the auction will be £60m. Administrative Strike Prices (ASPs) for the two delivery years have also been published in a draft budget notice¹.

The £60m budget is expected to support the delivery of around 4GW of new renewable energy generating capacity, capped at a maximum of 6GW. This whole auction capacity cap has been designed to increase competitive tension and maximise value for money for consumers.

The Supply Chain Plans Guidance will be published shortly, and further documents relating to the allocation round will be published in due course.

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¹ <https://www.gov.uk/government/publications/contracts-for-difference-cfd-draft-budget-notice-for-the-third-allocation-round>