



Contracts for Difference: Stakeholder Bulletin

18th December 2018

Publication of the response to the consultation on changes to the CfD contract and draft contract terms

On 18th December, the government published the response to the August 2018 consultation on changes to the CfD contract. We set out our policy decisions on these changes in the government response published on 30th August this year, and this response explains how they will be implemented into the CfD scheme. The consultation attracted 16 written responses, including from renewable electricity developers, trade associations, environmental groups and energy suppliers.

The main changes being made to the contract are:

- an updated definition of ‘advanced conversion technologies’;
- an updated and lower greenhouse gas emissions threshold;
- a change to the way we forecast the cost of CfD bids in auctions;
- clarification on how provisions in the CfD contract such as force majeure and grid delay work;
- simplification of the way some combined heat and power (CHP) schemes are treated;
- introduction of the new category of Remote Island Wind projects.

The government has also published an updated draft of the CfD contract (made up of the Standard Terms and Conditions and Generic Agreement documents) to reflect the changes that have been made following the latest consultation. Changes to the text have been tracked to aid understanding.

[Government response](#)

[Draft Standard Terms](#)

[Draft Direct Agreement](#)

New CHPQA Standard, Guidance Note 44 and Technical Guidance Notes for ACT technologies

‘Part A’ of the [government response](#) to the December 2017 consultation, published in June this year, set out the government’s intention to increase the efficiency reference values specified in the standard for future CfD contracts. We have now published an updated version (‘Issue 7’) of the CHPQA (Combined Heat and Power Quality Assurance) standard and Guidance Note 44 to reflect these changes and clarify the thresholds and criteria for ‘Good Quality’ CHP certification.

[CHPQA standard – Issue 7](#)

[Guidance Note 44](#)

We have also published two Technical Guidance Notes for ACT (Advanced Conversion Technologies), one on the Physical Separation Requirement and one on the ACT efficiency standard criterion, which explains the requirements of the new ACT criteria in more technical detail.

[Physical Separation Requirement](#)

[Efficiency Standard criterion](#)

Methodology used to set administrative strike prices for the third CfD allocation round

Finally, the government has published a document setting out the methodology used to determine the administrative strike prices (ASPs) for the third CfD allocation round, which is open to pot 2 (less established) technologies. ASPs are technology specific and represent the auction clearing price (and therefore the level of support) available to each technology in a given delivery year.

[ASP methodology document](#)

Supply Chain Plan Application Process – Key Dates

For projects **300MW and over**, applicants should email BEIS by **28th January 2019** at supplychainplan@beis.gov.uk indicating their intention to submit a Supply Chain Plan for assessment. An area will be set up within a secure online document management platform for each applicant. A link to the secure area, with instructions on how to electronically submit a Supply Chain Plan (and an Interim Post Build Report) will then be provided.

The Supply Chain Plan Application window will **open** on **4th February 2019**. Applicants should submit completed Supply Chain Plans via the link provided in line with the Supply Chain Guidance, which is available below:

[Supply Chain Guidance](#)

The Supply Chain Plan application window will **close** on **10th February 2019**. BEIS will not begin the substantive assessment process for those Supply Chain Plans until the Supply Chain Plan Application Window has closed. However, if during the Supply Chain Plan Application Window it becomes apparent to BEIS that a submission contains material omissions (for example if it is evident that significant sections or annexes are missing), BEIS will notify the Applicant as soon as is reasonably practicable. BEIS will accept further information supplied in response to such a notice if it is received by no later than **three working days** from the closing of the Supply Chain Plan Application Window (13th February 2019).

Subject to paragraph 2.11 in the Supply Chain Plan Guidance, BEIS will endeavour to notify Applicants as to whether or not their Supply Chain Plan (and their interim Post Build Report) has been approved within 30 working days of the Supply Chain Plan Application Window closing - by **22nd March 2019**.

General Data Protection Regulation

This stakeholder bulletin is being circulated to people who have opted in to the Contract for Difference stakeholder contact list. We issue these stakeholder bulletins as a convenience to interested parties, however it is not in any way essential to be on this list to participate in major consultations or allocation rounds.

Purpose & scope of this list: This list is managed by the Department for Business, Energy and Industrial Strategy (BEIS) (and any successor departments) and will be used to inform interested parties of policy developments relevant to the Contract for Difference scheme for renewable energy projects (and any direct successor schemes). It is not used for any other purposes.

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