



## Contracts for Difference: Stakeholder Bulletin

21<sup>st</sup> January 2019

### Publication of the draft Allocation Framework for the Third Allocation Round, 2019

- On 21<sup>st</sup> January, the government published the **draft Allocation Framework for the Third Allocation Round, 2019**.
- The draft Allocation Framework is a technical document, which sets out the rules that will apply to the third Contracts for Difference (CfD) allocation round for less established technologies. It also sets out how applications will be considered against the eligibility requirements and includes a list of checks that the EMR Delivery Body (National Grid) carries out when assessing CfD applications.
- The final Allocation Framework will be published no later than 10 working days before the round opens (which is planned to open by May 2019).

The main changes being made to the Allocation Framework from previous CfD allocation rounds include:

- The inclusion of a capacity cap and how it will operate. A capacity cap is a limit on the total capacity of projects that can be awarded CfD contracts and is applicable to all technologies. The use of an overall capacity cap for the Third Allocation Round is subject to State aid approval, which is expected to be received by the start of the round.
- The inclusion of Remote Island Wind as a technology type within “Pot 2” (less established technologies).
- Other technical changes to the draft Allocation Framework have also been made to incorporate updates to the eligibility requirements for fuelled technologies.

[Draft Allocation Framework for the Third Allocation Round, 2019:](https://www.gov.uk/government/publications/contracts-for-difference-allocation-framework-for-the-third-allocation-round-2019)

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