



25 November 2021

THE CONTRACTS FOR DIFFERENCE (STANDARD TERMS) REGULATIONS 2014 CFD STANDARD TERMS NOTICE FOR THE FOURTH ALLOCATION ROUND

This notice is made further to Regulation 9 of the Contracts for Difference (Standard Terms) Regulations 2014 (as amended) and is given to the Low Carbon Contracts Company Ltd (“the CfD Counterparty”). It applies to the fourth Allocation Round established under the Contracts for Difference (Allocation) Regulations 2014 (as amended).

AVAILABLE TERMS

By notice, the Secretary of State informs the CfD Counterparty that the following issued categories of Standard Terms and Conditions terms are to be used in the Allocation Round:

- Standard Terms (comprising the CfD Standard Terms and Conditions (version 4) and the CfD Generic Agreement (November 2021 version));
- Phased Terms (Single Metering) (comprising the CfD Standard Terms and Conditions (version 4) and the CfD Phase 1-3 (Single) Agreements (November 2021 versions));
- Phased Terms (Apportioned Metering) (comprising the CfD Standard Terms and Conditions (version 4) and the CfD Phase 1-3 (Apportioned) Agreements (November 2021 versions));
- Private Network Terms (comprising the CfD Standard Terms and Conditions (version 4) and the CfD Private Network Agreement (November 2021 version));
- Unincorporated Joint Ventures Terms (comprising the CfD Standard Terms and Conditions (version 4) and the Unincorporated Joint Ventures Agreement (November 2021 version)).

These are available at: <https://www.gov.uk/government/collections/contracts-for-difference-cfd-allocation-round-4>

COMPLETION OF TERMS

The information in the following tables is to be used in the completion of the above available terms in respect of CfD notifications given in the Allocation Round:

1. Table A contains the list of technologies that may be included in notifications to the CfD Counterparty, and which should be used in selecting the information in Tables B to M;
2. The information in Tables B to M, as appropriate to the technology in respect of which a CfD notification is given, is to be used;
3. For all technologies, the information in Table N, as appropriate, is to be used.



Table A: Facility Generation Technologies

Advanced Conversion Technology
Anaerobic Digestion (>5MW)
Dedicated Biomass with CHP
Energy from Waste with CHP
Floating Offshore Wind
Geothermal
Hydro (>5MW and <50MW)
Landfill Gas
Offshore Wind
Onshore Wind (>5MW)
Remote Island Wind (>5MW)
Sewage Gas
Solar PV (>5MW)
Tidal stream
Wave

Table B: Baseload / Intermittent

Technology	Value
Advanced Conversion Technology	Baseload
Anaerobic Digestion (>5MW)	Baseload
Dedicated Biomass with CHP	Baseload
Energy from Waste with CHP	Baseload
Floating Offshore Wind	Intermittent
Geothermal	Baseload
Hydro (>5MW and <50MW)	Baseload
Landfill Gas	Baseload
Offshore Wind	Intermittent
Onshore Wind (>5MW)	Intermittent
Remote Island Wind (>5MW)	Intermittent
Sewage Gas	Baseload
Solar PV (>5MW)	Intermittent
Tidal stream	Intermittent
Wave	Intermittent



Table C: RQM

Technology	Value
Advanced Conversion Technology	Applies
Anaerobic Digestion (>5MW)	Applies
Dedicated Biomass with CHP	Applies
Energy from Waste with CHP	Applies
Floating Offshore Wind	Does not apply
Geothermal	Does not apply
Hydro (>5MW and <50MW)	Does not apply
Landfill Gas	Applies
Offshore Wind	Does not apply
Onshore Wind (>5MW)	Does not apply
Remote Island Wind (>5MW)	Does not apply
Sewage Gas	Applies
Solar PV (>5MW)	Does not apply
Tidal stream	Does not apply
Wave	Does not apply

Table D: Assumed RQM

Technology	Value
Advanced Conversion Technology	0.5
Anaerobic Digestion (>5MW)	1
Dedicated Biomass with CHP	1
Energy from Waste with CHP	0.49
Floating Offshore Wind	1
Geothermal	1
Hydro (>5MW and <50MW)	1
Landfill Gas	1
Offshore Wind	1
Onshore Wind (>5MW)	1
Remote Island Wind (>5MW)	1
Sewage Gas	1
Solar PV (>5MW)	1
Tidal stream	1
Wave	1



Table E: CHPQM

Technology	Value
Advanced Conversion Technology	Does not apply
Anaerobic Digestion (>5MW)	Does not apply
Dedicated Biomass with CHP	Applies
Energy from Waste with CHP	Applies
Floating Offshore Wind	Does not apply
Geothermal	Does not apply
Hydro (>5MW and <50MW)	Does not apply
Landfill Gas	Does not apply
Offshore Wind	Does not apply
Onshore Wind (>5MW)	Does not apply
Remote Island Wind (>5MW)	Does not apply
Sewage Gas	Does not apply
Solar PV (>5MW)	Does not apply
Tidal stream	Does not apply
Wave	Does not apply

Table F: Sustainability

Technology	Value
Advanced Conversion Technology	Applies
Anaerobic Digestion (>5MW)	Applies
Dedicated Biomass with CHP	Applies
Energy from Waste with CHP	Applies
Floating Offshore Wind	Does not apply
Geothermal	Does not apply
Hydro (>5MW and <50MW)	Does not apply
Landfill Gas	Does not apply
Offshore Wind	Does not apply
Onshore Wind (>5MW)	Does not apply
Remote Island Wind (>5MW)	Does not apply
Sewage Gas	Does not apply
Solar PV (>5MW)	Does not apply
Tidal stream	Does not apply
Wave	Does not apply



Table G: Target Commissioning Window

Technology	Value
Advanced Conversion Technology	12 months
Anaerobic Digestion (>5MW)	12 months
Dedicated Biomass with CHP	12 months
Energy from Waste with CHP	12 months
Floating Offshore Wind	12 months
Geothermal	12 months
Hydro (>5MW and <50MW)	12 months
Landfill Gas	6 months
Offshore Wind	12 months
Onshore Wind (>5MW)	12 months
Remote Island Wind (>5MW)	12 months
Sewage Gas	12 months
Solar PV (>5MW)	3 months
Tidal stream	12 months
Wave	12 months

Table H: Longstop Period

Technology	Value
Advanced Conversion Technology	12 months
Anaerobic Digestion (>5MW)	12 months
Dedicated Biomass with CHP	12 months
Energy from Waste with CHP	12 months
Floating Offshore Wind	12 months
Geothermal	12 months
Hydro (>5MW and <50MW)	12 months
Landfill Gas	12 months
Offshore Wind	24 months
Onshore Wind (>5MW)	12 months
Remote Island Wind (>5MW)	12 months
Sewage Gas	12 months
Solar PV (>5MW)	12 months
Tidal stream	12 months
Wave	12 months



Table I: Total Project Pre-Commissioning Costs

Technology	Value
Advanced Conversion Technology	3,285,000
Anaerobic Digestion (>5MW)	3,580,000
Dedicated Biomass with CHP	4,020,000
Energy from Waste with CHP	7,800,000
Floating Offshore Wind	3,845,000
Geothermal	2,230,000
Hydro (>5MW and <50MW)	1,690,000
Landfill Gas	1,130,000
Offshore Wind	1,305,000
Onshore Wind (>5MW)	955,000
Remote Island Wind (>5MW)	1,025,000
Sewage Gas	2,390,000
Solar PV (>5MW)	395,000
Tidal stream	2,750,000
Wave	3,030,000

Table J: Assumed Load Factor

Technology	Value
Advanced Conversion Technology	70.7%
Anaerobic Digestion (>5MW)	79.1%
Dedicated Biomass with CHP	80.3%
Energy from Waste with CHP	81.4%
Floating Offshore Wind	54.7%
Geothermal	91.0%
Hydro (>5MW and <50MW)	35.0%
Landfill Gas	58.1%
Offshore Wind	60.7%
Onshore Wind (>5MW)	38.1%
Remote Island Wind (>5MW)	46.5%
Sewage Gas	46.0%
Solar PV (>5MW)	10.8%
Tidal stream	35.0%
Wave	30.0%



Table K: Post-Tax Real Discount Rate

Technology	Value
Advanced Conversion Technology	7.3%
Anaerobic Digestion (>5MW)	7.5%
Dedicated Biomass with CHP	8.2%
Energy from Waste with CHP	6.8%
Floating Offshore Wind	7.0%
Geothermal	14.4%
Hydro (>5MW and <50MW)	4.5%
Landfill Gas	5.5%
Offshore Wind	5.7%
Onshore Wind (>5MW)	4.7%
Remote Island Wind (>5MW)	4.9%
Sewage Gas	5.9%
Solar PV (>5MW)	4.5%
Tidal stream	7.8%
Wave	7.7%

Table L: Initial Balancing System Charge¹

Technology	Value
Advanced Conversion Technology	£4.29
Anaerobic Digestion (>5MW)	£4.29
Dedicated Biomass with CHP	£4.29
Energy from Waste with CHP	£4.29
Floating Offshore Wind	£4.29
Geothermal	£4.29
Hydro (>5MW and <50MW)	£4.29
Landfill Gas	£4.29
Offshore Wind	£4.29
Onshore Wind (>5MW)	£4.29
Remote Island Wind (>5MW)	£4.29
Sewage Gas	£4.29
Solar PV (>5MW)	£4.29
Tidal stream	£4.29
Wave	£4.29

¹ Ofgem are currently considering the removal of BSUoS charges from generators. A decision is expected in early 2022.



Table M: Initial Balancing System Charge Window

Technology	Value
Advanced Conversion Technology	01/10/2020 to 30/09/2021
Anaerobic Digestion (>5MW)	01/10/2020 to 30/09/2021
Dedicated Biomass with CHP	01/10/2020 to 30/09/2021
Energy from Waste with CHP	01/10/2020 to 30/09/2021
Floating Offshore Wind	01/10/2020 to 30/09/2021
Geothermal	01/10/2020 to 30/09/2021
Hydro (>5MW and <50MW)	01/10/2020 to 30/09/2021
Landfill Gas	01/10/2020 to 30/09/2021
Offshore Wind	01/10/2020 to 30/09/2021
Onshore Wind (>5MW)	01/10/2020 to 30/09/2021
Remote Island Wind (>5MW)	01/10/2020 to 30/09/2021
Sewage Gas	01/10/2020 to 30/09/2021
Solar PV (>5MW)	01/10/2020 to 30/09/2021
Tidal stream	01/10/2020 to 30/09/2021
Wave	01/10/2020 to 30/09/2021

Table N: Initial TLM(D) Charge

Year	Value
2022	0.0090
2023	0.0090
2024	0.0090
2025	0.0090
2026	0.0090
2027	0.0090
2028	0.0090
2029	0.0090
2030	0.0090
2031	0.0090
2032	0.0090
2033	0.0090
2034	0.0090
2035 and each calendar year thereafter	0.0090



Department for
Business, Energy
& Industrial Strategy

SIGNED

Sarah Redwood

Sarah Redwood, Director Renewable Electricity, Department for Business, Energy and Industrial Strategy

For and on behalf of the Secretary of State

DATED: 25 November 2021



The following is provided for information only and does not form part of the notice:

DERIVATION OF VALUES

Value	Reference
Assumed RQM	Based on BEIS' latest view on electricity generation costs.
Target Commissioning Windows	Published by BEIS in the Allocation Framework for the fourth Allocation Round.
Longstop Period	Unchanged since the first Allocation Round.
Total Project Pre-Commissioning Costs	Derived from capital cost forecasts (low) built on BEIS' latest view on electricity generation costs.
Assumed Load Factor	<p>Offshore Wind, Remote Island Wind and Floating Offshore Wind load factors estimated for specific known projects in the pipeline using BEIS internal models generating power curves (the relationship between the power output of a turbine based on its size, and wind speed²), and combined with site-specific wind speed distribution data from the Met Office (central values from the range across projects have been used).</p> <p>Other technologies based on central assumptions underpinning BEIS' latest view on electricity generation costs.</p>
Post-Tax Real Discount Rate	BEIS' latest view on hurdle rates.
Initial Balancing System Charge	Determined by the CfD Counterparty on behalf of BEIS, employing volume-expanded RCRC and BSC values.
Initial Balancing System Charge Window	
Initial TLM(D) Charge	National Grid, Future Energy Scenarios 2019.

² <https://www.gov.uk/government/publications/contracts-for-difference-cfd-allocation-round-4-administrative-strike-prices-methodology>