



## Contracts for Difference: Stakeholder Bulletin

9 December 2021

### Balancing Services Use of System Charges Explanatory Note

The Low Carbon Contracts Company (LCCC) and the Department for Business Energy and Industrial Strategy (BEIS) have today published an [explanatory note on the treatment of Balancing Services Use of System \(BSUoS\) charges \(PDF, 262KB\)](#) in the fourth Contracts for Difference (CfD) allocation round (AR4).

This follows the policy decision on the treatment of BSUoS charges confirmed in the [government response to the consultation on further drafting amendments to the CfD contract](#) and the [note accompanying the AR4 Budget Notice](#), both published by BEIS on 25 November 2021.

The explanatory note is intended for the information of developers of renewable electricity generating stations planning to participate in AR4. It contains **illustrative** worked examples to help potential applicants understand the practical implications for strike prices awarded through AR4 if Ofgem decides to implement proposed modifications to the Connection and Use of System Code on the removal of BSUoS charges from generation (code modification CMP308).

Ofgem published its ['minded to' consultation on the code modification](#) on 8 December 2021, with a closing date of 19 January 2022. Enquiries about Ofgem's consultation should be directed to Ofgem.

Any enquiries concerning the explanatory note can be submitted via the [AR4 microsite](#).

### UK General Data Protection Regulation

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**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 Contracts for Difference scheme for renewable energy projects (and any direct successor schemes). It is not used for any other purposes.

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