



Department for
Energy Security
& Net Zero

Contracts for Difference Scheme for Renewable Electricity Generation

Allocation Round 6: Draft Allocation
Framework, 2023

November 2023



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1. Title and application

- 1.1 This document may be referred to as the Contracts for Difference Allocation Round 6: Allocation Framework, 2024 (“the Allocation Framework”).

2. Interpretation

- 2.1 Definitions used in the Allocation Framework are set out in Schedule 1, apart from those used in the Valuation Formula and associated definitions which are set out in Schedule 2.
- 2.2 Any reference to “£” or “pounds sterling” is to the lawful currency of the United Kingdom.
- 2.3 Any reference to “MW” is to megawatts and to “MWh” is to megawatt hours.
- 2.4 A reference to “capacity” means the Initial Installed Capacity Estimate unless otherwise stated.
- 2.5 A reference to a “Regulation” is to the regulation of that number in The Contracts for Difference (Allocation) Regulations 2014 (as amended).
- 2.6 Any references to “Pot” or “Pots” means a Monetary Pot and/or any applicable Pot Capacity Cap.
- 2.7 Any references to the “Overall Budget” means the Monetary Budget and/or any applicable Overall Capacity Cap.

3. Determination of eligibility

- 3.1 For the purposes of Rule 3 only, “Relevant Person” means the Secretary of State, the Authority or the CFD Counterparty.
- 3.2 Where the Delivery Body is required to make a determination under Regulation 17, the Delivery Body must perform the checks stated in Schedule 5 that are applicable to a particular Application.
- 3.3 Subject to Rule 3.5 below, where the applicable checks in Schedule 5 are satisfied in respect of an Application, the Delivery Body is entitled to make a presumption that the Application is a Qualifying Application.
- 3.4 The presumption in Rule 3.3 above does not apply where, having regard to credible evidence—

- (a) received in writing by the Delivery Body from a Relevant Person; or
- (b) otherwise in the knowledge of, or presented to, the Delivery Body in its role as the Delivery Body, including that received from a person other than a Relevant Person,

it is apparent to the Delivery Body that the Application may not have satisfied any one or more of the checks in Schedule 5.

- 3.5 If Rule 3.4 above applies, the Delivery Body must determine whether or not the Application is a Qualifying Application having regard to such relevant evidence available to it before the Delivery Body is required to give notice to an Applicant under Regulation 19.

4. Supplemental requirements

4.1 Pursuant to Regulation 28—

- (a) where a relevant CFD Unit is (or is to be) a Phased Offshore Wind CFD Unit, the Applicant must demonstrate that—
 - (i) after all phases are completed, the CFD Unit will have a capacity of no greater than 1500 MW;
 - (ii) the first phase must represent at least 25% of the total capacity of the CFD Unit after all phases are completed;
 - (iii) the first phase is targeted to complete by a date no later than 31st March of the last applicable Delivery Year (subject to any changes to the Target Dates under Regulation 34 as a result of delays to the Allocation Process); and
 - (iv) the Target Commissioning Date of the final phase is no later than 2 years after the Target Commissioning Date of the first phase.
- (b) Where the Technology Type of the relevant CFD Unit is (or is to be) Dedicated Biomass with CHP or Energy from Waste with CHP, the Applicant must confirm that it is aware that—
 - (i) the CFD Agreement requires Generators to deliver a valid CHPQA Certificate to the CFD Counterparty as a 'Further Condition Precedent'; and
 - (ii) the Combined Heat and Power Qualifying Multiplier (CHPQM) will apply in respect of the relevant project (to be calculated by reference to the relevant issue number of CHPQA Guidance Note 44).

- (c) Where the Technology Type of the relevant CFD Unit is (or is to be) Advanced Conversion Technology, the Applicant must demonstrate that the CFD Unit is expected to comply with the Physical Separation Requirement.
- (d) To be eligible to apply for a Private Network CFD Agreement, the Applicant must demonstrate in accordance with Schedule 5 that it is a Private Network Generator (as defined in Schedule 1).
- (e) To be eligible to apply for a Private Network CFD Agreement, the Applicant must confirm in accordance with Schedule 5 that it will not, via a Private Network or directly connected cable, supply electricity to—
 - (i) an Offshore Installation (as defined in Schedule 1); or
 - (ii) a person that supplies electricity via a Private Network or directly connected cable to an Offshore Installation.
- (f) The Applicant must confirm that it is aware that it is a contractual obligation that the BM Unit Metered Volume and, in the case of a Private Network Generator, the Metered Volume comprises all output electricity generated by the Facility.
- (g) Where the Applicant is an Offshore Generating Station, it must confirm that it is aware that an exclusivity agreement granted by Crown Estate Scotland through the Innovation and Targeted Oil and Gas leasing round does not satisfy Regulation 27(2) of the Contracts for Difference Allocation Regulations 2014.

5. Excluded Applications

- 5.1 Pursuant to Regulation 14(14), no Application may be made in respect of a CFD Unit where the CFD Unit is or is part of a Generating Station which has been Commissioned.

6. Valuation of Applications

- 6.1 Pursuant to Regulation 29(1), the Delivery Body must determine the Applications Valuations in respect of each of the years specified in the Budget Notice.
- 6.2 Pursuant to Regulation 29(3)(a), the method of calculation for determining the monetary Applications Valuations (including valuation of Applications to which Minima and/or Maxima that are stated in pounds sterling apply) is set out in Schedule 2 (“Valuation Formula”).
- 6.3 Applications will be valued using 2012 prices (which are set out in Appendices 1 and 2 of Schedule 2).

- 6.4 Where a Pot Capacity Cap or Overall Capacity Cap is stated in the Budget Notice and/or where Minima and/or Maxima are stated in MW, the method for the Applications Valuations of capacity will be the sum of the capacity of all relevant Applications.
- 6.5 For the purposes of these Rules—
- (a) where two or more Pots are specified in the Budget Notice, the Delivery Body should consider the Monetary Pot(s) and/or any applicable Pot Capacity Cap(s) (rather than the Monetary Budget and/or any applicable Overall Capacity Cap); and
 - (b) where a Pot is referred to, this should be taken as a reference to the Pot applicable to the Application(s) under consideration.
- 6.6 Pursuant to Regulation 29(5), the Delivery Body must determine the Applications Valuations—
- (a) within 1 Working Day after the Application Closing Date in respect of all Applications; and
 - (b) where no Review Notices have been given under Regulation 20, within 1 Working Day after the Non-Qualification Review Request Date in respect of Qualifying Applications; or
 - (c) where one or more Review Notices have been given under Regulation 20, within 1 Working Day after the Appeals Deadline Date in respect of Qualifying Applications and Applications subject to a Non-Qualification Review or a Qualification Appeal; and
 - (d) where the Authority have concluded that any appeals are successful under Regulation 46, the Delivery Body must provide the Secretary of State with an updated valuation within 1 Working Day of that determination.
- 6.7 Pursuant to Regulation 29(6), the period after the last Delivery Year for which Applications Valuations are required comprises the applicable Valuation Years specified in the Budget Notice (and at Schedule 4).

7. Notices of determinations

- 7.1 Pursuant to Regulation 19(3), a notice under Regulation 19(1) must be given by the Delivery Body to the Applicant (concerning whether or not the Application made by the Applicant is a Qualifying Application) no later than 20 working days after the Application Closing Date, and Regulation 19(2)(b) applies in respect of this period.

8. Non-Qualification Reviews and Qualification Appeals

8.1 Pursuant to Regulations 20 and 43—

- (a) An Applicant may, by a Review Notice, request a Non-Qualification Review no later than 5 Working Days after the date of the notice referred to in Rule 7.1 above;
- (b) Where an Applicant requests a Non-Qualification Review, the Delivery Body must submit a Non-Qualification Review Notice to the Applicant no later than 10 Working Days after the date the Review Notice is received; and
- (c) An Applicant may make a Qualification Appeal to the Authority no later than 5 Working Days after the date of the Non-Qualification Review Notice.

8.2 A timeline for the key dates relating to the Allocation Round is available at the Contracts for Difference Allocation Round 6 [microsite](#)¹. An indicative start date will be given, but depending on circumstances (such as the volume of appeals or other relevant factors) the Allocation Process may commence on an earlier date which is after the Appeals Deadline Date.

9. Allocation Process

- 9.1 Where, pursuant to Regulation 33, the Delivery Body must commence the Allocation Process, the Delivery Body must carry out the steps in this Rule 9.
- 9.2 Where the Budget Notice specifies that a Soft Constraint applies to a Pot Capacity Cap or Overall Capacity Cap, Minimum or Maximum (subject to Rule 14 below), the Delivery Body must ensure that it does not apply the Soft Constraint in carrying out the following steps (Rules 9.3 – 9.6)—
- 9.3 Where a Pot is specified in the Budget Notice, the Delivery Body must calculate the impact on the Monetary Pot using the Valuation Formula in Schedule 2 and sum the capacity value of all relevant Qualifying Applications in that Pot (including Qualifying Applications of any Technology Type to which a Minimum or Maximum applies) and either—
- (a) where the monetary value and the capacity value of the relevant Qualifying Applications is equal to or less than the Monetary Pot and any applicable Pot Capacity Cap (respectively), the Delivery Body must determine that all such

¹ Material on the microsite will periodically be updated

Qualifying Applications are Successful Applications and the final Strike Price applicable to those Applications is the relevant Administrative Strike Price (subject to the application of any Maxima, as set out at Rule 9.6 below); or

- (b) where the monetary value and/or the capacity value of the relevant Qualifying Applications would exceed the Monetary Pot and/or the applicable Pot Capacity Cap (respectively), assess any Minima in accordance with Rule 9.5 below and hold an auction in relation to those Qualifying Applications in accordance with Rule 17 below.

9.4 Where no Pot is specified in the Budget Notice, the Delivery Body must calculate the impact on the Monetary Budget using the Valuation Formula in Schedule 2 and sum the capacity value of all Qualifying Applications (including Qualifying Applications to which a Minimum or Maximum applies) and either—

- (a) where the monetary value and the capacity value of the relevant Qualifying Applications is equal to or less than the Monetary Budget and any applicable Overall Capacity Cap (respectively), the Delivery Body must determine that all such Qualifying Applications are Successful Applications and the final Strike Price applicable to those Applications is the relevant Administrative Strike Price (subject to the application of any Maxima, as set out at Rule 9.6 below); or
- (b) where the monetary value and/or the capacity value of the relevant Qualifying Applications would exceed the Monetary Budget and/or any applicable Overall Capacity Cap (respectively), assess any Minima in accordance with Rule 9.5 below and hold an auction in relation to those Qualifying Applications in accordance with Rule 17 below.

9.5 Any Minima applying to the Allocation Round can be stated in MW or pounds sterling. Where a Minimum is specified in the Budget Notice for an Allocation Round, for each Minimum the Delivery Body must sum the capacity value and, using the Valuation Formula in Schedule 2, calculate the monetary value of the Qualifying Applications subject to the Minimum and—

- (a) where the capacity or monetary value of the Qualifying Applications (subject to the Minimum) is equal to or less than the Minimum, the monetary value of the Qualifying Applications (subject to the Minimum) does not exceed the Monetary Pot or Monetary Budget, and the capacity value of the Qualifying Applications (subject to the Minimum) does not exceed any applicable Pot Capacity Cap or Overall Capacity Cap, determine that all such Qualifying Applications are Successful Applications and the final Strike Price applicable to those Applications is the relevant Administrative Strike Price; or
- (b) where the capacity or monetary value of the Qualifying Applications (subject to the Minimum) is equal to or less than the Minimum but the monetary value of the Qualifying Applications (subject to the Minimum) would exceed the Monetary Pot

or Monetary Budget and/or the capacity value of the Qualifying Applications (subject to the Minimum) would exceed any applicable Pot Capacity cap or Overall Capacity Cap, hold an auction in relation to those Qualifying Applications, in accordance with Rules 15 and 16 below; or

- (c) where the capacity or monetary value of the Qualifying Applications (subject to the Minimum) exceeds the Minimum, hold an auction in relation to those Qualifying Applications in accordance with Rules 15 and 16 below.

9.6 Any Maxima applying to the Allocation Round can be stated in MW or pounds sterling. Where a Maximum is specified in the Budget Notice for that Allocation Round, for each Maximum the Delivery Body must sum the capacity value and, using the Valuation Formula in Schedule 2, calculate the monetary value of all Qualifying Applications subject to the Maximum and either—

- (a) where the capacity or monetary value of the Qualifying Applications subject to the Maximum would exceed the Maximum, if the Monetary Pot or Monetary Budget would be exceeded by the cumulative monetary value of all Qualifying Applications and/or any applicable Pot Capacity Cap or Overall Capacity Cap would be exceeded by the cumulative capacity value of all Qualifying Applications, consider the Qualifying Applications subject to the Maximum as part of the auction to be held in accordance with Rule 17 below; or
- (b) where the capacity or monetary value of the Qualifying Applications subject to the Maximum is equal to or less than the Maximum, consider those Qualifying Applications as part of the Monetary Pot or Monetary Budget and/or any applicable Pot Capacity Cap or Overall Capacity Cap as set out in Rules 9.3 or 9.4 above, as applicable; or
- (c) where the capacity or monetary value of the Qualifying Applications subject to the Maximum would exceed the Maximum, if the Monetary Pot or Monetary Budget would not be exceeded by the cumulative monetary value of all Qualifying Applications and any applicable Pot Capacity Cap or Overall Capacity Cap would not be exceeded by the cumulative capacity value of all Qualifying Applications, hold an auction in relation to only the Qualifying Applications subject to the Maximum in accordance with Rule 18 below.

10. Notice of Auction

10.1 If one or more auctions are to be held pursuant to Rule 9 above—

- (a) the Delivery Body must notify the Secretary of State, as soon as practicable, that it intends to hold an auction; and
- (b) the Delivery Body must then wait 5 Working Days.

- 10.2 If, during that period the Secretary of State issues a Budget Revision Notice, the Delivery Body must assess whether the Qualifying Applications would exceed the revised Monetary Budget, Overall Capacity Cap, Pots, Minima and/or Maxima (as appropriate) as set out in the Budget Revision Notice, in accordance with Rule 9 above.
- 10.3 If an auction is required, the Delivery Body must, as soon as practicable—
- (a) notify the Secretary of State that it will hold an auction; and
 - (b) issue a notice (“Notice of Auction”) to the relevant Applicants, inviting the submission of sealed bids.
- 10.4 If no Budget Revision Notice is issued by the Secretary of State, the Delivery Body must issue a Notice of Auction to the relevant Applicants, inviting the submission of sealed bids.
- 10.5. The Notice of Auction must state the following—
- (a) that an auction is to be held;
 - (b) that sealed bids are invited in the form and manner prescribed in the Notice of Auction; and
 - (c) the sealed bid Submission Closing Date (“Submission Closing Date”), which must be a Working Day no less than five Working Days after the day the Delivery Body issues the Notice of Auction.

11. Submission of sealed bids

- 11.1 Each sealed bid must—
- (a) be submitted on or before the Submission Closing Date;
 - (b) be submitted in accordance with the instructions set out in the Notice of Auction;
 - (c) contain the following—
 - (i) the Applicant’s proposed Strike Price in pounds sterling (using 2012 prices) that it will accept for each megawatt hour of Metered Output, which must not be more than the relevant Administrative Strike Price;
 - (ii) the Applicant’s Target Dates; and
 - (iii) the capacity of the CFD Unit.

- 11.2 Subject to Rule 13 below, for each Application, the Applicant may submit only one sealed bid (and one Strike Price) for the same Target Dates and for the same capacity as specified in the Original Application.
- 11.3 Only one sealed bid per Application may be a Successful Application.
- 11.4 The lowest Strike Price bid in each Delivery Year must be expressed to be to the nearest £0.01.
- 11.5 For each Application, the Applicant may submit up to four Flexible Bids, which are sealed bids with varying capacities and/or Target Dates, of which no more than two bids may have a Target Commissioning Window Start Date in the same Delivery Year.
- 11.6 All Flexible Bids made by the Applicant must—
- (a) be made at different Strike Prices;
 - (b) subject to Rule 11.4 above, be expressed to be to the nearest £0.001;
 - (c) subject to Rule 12.2 below, have a Target Commissioning Window Start Date that is no earlier than the Target Commissioning Window Start Date specified in the Original Application;
 - (d) subject to Rule 12.2 below, have a capacity that is no greater than the capacity specified in the Original Application; and
 - (e) satisfy Rule 4 above and Rule 5 above if applicable.
- 11.7 All bids—
- (a) should be requested and submitted using 2012 prices; and
 - (b) will be valued using 2012 prices (which are set out in Appendices 1 and 2 of Schedule 2).
- 11.8 Where no sealed bid is submitted by the Applicant by the Submission Closing Date, subject to Rule 13.1 below, the Delivery Body must assign the Application a bid of the relevant Administrative Strike Price for its Technology Type, and the Target Dates and capacity, as specified in the Original Application.
- 11.9 The Delivery Body must not accept any sealed bids submitted after the Submission Closing Date.

12. Phased Offshore Wind CFD Units

- 12.1 In respect of Applications for Phased Offshore Wind CFD Units—

- (a) a sealed bid must include a single Strike Price to apply to all phases (but Flexible Bids may be submitted in accordance with Rule 11.5 above);
- (b) the Target Dates for the first phase will be treated as the first Target Dates; and
- (c) all phases must be taken into account when the Delivery Body is assessing the impact of a Phased Offshore Wind CFD Unit on the Budget Profile in the Applications Valuation and/or any relevant auction.

12.2 In respect of a Flexible Bid made by an Applicant in relation to an Application for a Phased Offshore Wind CFD Unit—

- (a) No such bid may have:
 - (i) Target Commissioning Window Start Dates for any phase which are earlier than a Target Commissioning Window Start Date for the first phase specified in the Original Application; or
 - (ii) a capacity for the first phase which is greater than the capacity for the first phase specified in the Original Application.
- (b) Subject to (a), the bid may have:
 - (i) a Target Commissioning Window Start Date for any later phase which is earlier than the corresponding Target Commissioning Window Start Date specified in the Original Application; and
 - (ii) a capacity for any later phase which is greater than the corresponding capacity specified in the Original Application (subject to Rule 4.1(a) above).

13. Withdrawal of Applications and sealed bids

- 13.1 Pursuant to Regulation 16(3), an Application may be withdrawn by the Applicant up to and including the Application Closing Date, and, pursuant to Regulation 16(4), where a Notice of Auction has been issued by the Delivery Body, an Application may be withdrawn by the Applicant up to and including the Submission Closing Date. Such withdrawals must be made by giving notice to the Delivery Body.
- 13.2 If one or more Applications are withdrawn after the Application Closing Date in accordance with Rule 13.1 above, the Delivery Body is not required to carry out the Applications Valuations again and must proceed with the auctions specified in the Notice(s) of Auction.

- 13.3 The Applicant may withdraw a previously submitted sealed bid and submit a new bid or bids provided that any new bid is submitted to the Delivery Body on or before the Submission Closing Date. If a sealed bid is withdrawn and no new sealed bid is submitted on or before the Submission Closing Date, the Delivery Body must follow Rule 11.8 above.

14. Soft Constraints

- 14.1 Pursuant to Regulation 11(4A), where the Budget Notice specifies that a Soft Constraint applies to a budget expressed in capacity terms such as a Pot Capacity Cap or Overall Capacity Cap, and/or a Minimum or Maximum, the relevant budget may be exceeded in the relevant auction, subject to the following conditions. The Delivery Body must ensure that—
- (a) it only applies a Soft Constraint to a Minimum or Maximum where the Budget Notice specifies that a Soft Constraint applies to the relevant Minimum or Maximum that is expressed in capacity terms, and does not apply a Soft Constraint to a Minimum or Maximum that is expressed in monetary terms;
 - (b) it only applies the Soft Constraint in the consideration of sealed bids in the relevant auction (and it does not apply the Soft Constraint in carrying out the steps in Rule 9 above);
 - (c) where the Budget Notice specifies that a Soft Constraint applies to a Pot Capacity Cap or Overall Capacity Cap, it does not apply a Soft Constraint to the applicable Pot Capacity Cap or Overall Capacity Cap when considering an interleaving bid, in accordance with Rule 17.6 below;
 - (d) where the Budget Notice specifies that a Soft Constraint applies to a Pot Capacity Cap or Overall Capacity Cap, it does not apply a Soft Constraint to the applicable Pot Capacity Cap or Overall Capacity Cap when considering a Flexible Bid in the interleaving bids process (Rule 17.6 below) if the Flexible Bid has the same Strike Price as one or more other sealed bids;
 - (e) it does not apply the Soft Constraint when considering sealed bids in a tiebreaker under Rule 19 below;
 - (f) regardless of the operation of a Soft Constraint, any bid which causes the Monetary Pot or Monetary Budget to be exceeded is unsuccessful;
 - (g) the operation of a Soft Constraint does not affect the operation of any other budget, unless a Pot Capacity Cap is applied as a Soft Constraint, in which case, where the Pot Capacity Cap is exceeded, it will, subject to Rule 14.1(f) above, cause the Overall Budget (as described at Regulation 30(2)) to be exceeded by the same amount as the Pot Capacity Cap has been exceeded.

15. Order of auctions

- 15.1 Where the Delivery Body must hold one or more auctions in relation to Qualifying Applications that are subject to a Minimum, it must carry out that/those auction(s) prior to any other auctions that are required.
- 15.2 Where the Delivery Body must hold more than one auction in relation to Qualifying Applications that are subject to a Minimum or it must hold more than one auction in accordance with Rule 18 below (in relation to Qualifying Applications that are subject to a Maximum), it must carry out those auctions in the order specified in the Budget Notice.

16. Minimum auctions

- 16.1 Where an auction is to be held in relation to Qualifying Applications subject to a Minimum pursuant to Rules 9.3(b) or 9.4(b) above, the Delivery Body must carry out the auction by following the steps in this Rule 16.
- 16.2 The Delivery Body must determine that—
 - (a) any bid which would exceed the Monetary Pot or Monetary Budget (in terms of monetary value) is unsuccessful; and
 - (b) any bid which would exceed any applicable Pot Capacity Cap or Overall Capacity Cap is unsuccessful, unless the Budget Notice specifies that a Soft Constraint applies to the applicable Pot Capacity Cap or Overall Capacity Cap, in which case the bid that would exceed the Pot Capacity Cap or Overall Capacity Cap must be considered in the following steps (subject to Rule 16.2(c) below, proceeding from Rule 16.3); and
 - (c) any bid which would exceed the Minimum (in terms of capacity or monetary value) is unsuccessful, unless the Budget Notice specifies that a Soft Constraint applies to the Minimum, in which case any bid that would exceed the Minimum must be considered in the following steps (proceeding from Rule 16.3).
- 16.3 The Delivery Body must rank the remaining bids subject to the Minimum in order of lowest Strike Price to highest, regardless of Delivery Year.
- 16.4 Starting with the lowest Strike Price bid, the Delivery Body must determine that each Qualifying Application subject to the Minimum, up to but not including the first Application which would result in the Minimum, the Monetary Pot or Monetary Budget, or any applicable Pot Capacity Cap or Overall Capacity Cap being exceeded, is a Successful Application—

- (a) to assess whether the Minimum is exceeded, the Delivery Body must sum the capacity or monetary value of the bid under consideration with that of any relevant Qualifying Application(s) that the Delivery Body has already determined to be Successful Application(s). Where the Minimum is expressed in pounds sterling, the Delivery Body must use the Strike Price of the bid under consideration as the provisional clearing price for that Qualifying Application and any relevant Qualifying Application(s) that the Delivery Body has already determined to be Successful Application(s), capped at the relevant Administrative Strike Price. The Delivery Body must then calculate the impact on the Minimum using the Valuation Formula in Schedule 2; and
- (b) to assess the impact on the Monetary Pot or Monetary Budget, the Delivery Body must use the Strike Price of the bid under consideration as the provisional clearing price for that Qualifying Application and any relevant Qualifying Application(s) that the Delivery Body has already determined to be Successful Application(s), capped at the relevant Administrative Strike Price. The Delivery Body must then calculate the impact on the Monetary Pot or Monetary Budget using the Valuation Formula in Schedule 2; and
- (c) to assess the impact on any applicable Pot Capacity Cap or Overall Capacity Cap, the Delivery Body must sum the capacity of the Qualifying Application under consideration with that of any relevant Qualifying Application(s) that the Delivery Body has already determined to be Successful Application(s);
- (d) if, following the calculation—
 - (i) the cumulative capacity or monetary value of the relevant Qualifying Applications does not exceed the Minimum—
 - (I) where the cumulative monetary value of the relevant Qualifying Applications is at or below the Monetary Pot or Monetary Budget and the cumulative capacity value is at or below any applicable Pot Capacity Cap or Overall Capacity Cap, the Delivery Body must determine that all Qualifying Applications considered up to this point are Successful Applications. The provisional clearing price for all such Applications is the Strike Price of the bid under consideration, capped at the relevant Administrative Strike Price. Where the cumulative capacity or monetary value of the relevant Qualifying Applications is at the Minimum and/or the cumulative capacity value is at any applicable Pot Capacity Cap or Overall Capacity Cap, the provisional clearing price for those Applications is confirmed and the Delivery Body must then close the Minimum auction; or
 - (II) where the cumulative capacity value of the relevant Qualifying Applications would exceed any applicable Pot Capacity Cap or

Overall Capacity Cap, if the Budget Notice specifies that a Soft Constraint applies to the applicable Pot Capacity Cap or Overall Capacity Cap, and the cumulative monetary value of the relevant Qualifying Applications would not exceed the Monetary Pot or Monetary Budget, the Delivery Body must determine that all Qualifying Applications considered up to this point are Successful Applications (if the Monetary Pot or Monetary Budget would be exceeded, Rule 16.4(d)(i)(IV) below applies). The clearing price for all such Applications is the Strike Price of the bid under consideration, capped at the relevant Administrative Strike Price. The Delivery Body must then close the Minimum auction; or

- (III) where the cumulative capacity value of the relevant Qualifying Applications would exceed any applicable Pot Capacity Cap or Overall Capacity Cap, if the Budget Notice does not specify that a Soft Constraint applies to the applicable Pot Capacity Cap or Overall Capacity Cap, the Qualifying Application under consideration is unsuccessful in the Minimum auction. The Delivery Body must close the Minimum auction, unless there are Flexible Bids in relation to that Application, which are to be considered under Rule 16.5 below. All Qualifying Applications that the Delivery Body has already determined to be Successful Applications have a provisional clearing price of the highest Strike Price bid of the Successful Applications, capped at the relevant Administrative Strike Price; and/or
 - (IV) where the cumulative monetary value of the relevant Qualifying Applications would exceed the Monetary Pot or Monetary Budget, the Qualifying Application under consideration is unsuccessful in the Minimum auction. The Delivery Body must close the Minimum auction, unless there are Flexible Bids in relation to that Application, which are to be considered under Rule 16.5 below. All Qualifying Applications that the Delivery Body has already determined to be Successful Applications have a provisional clearing price of the highest Strike Price bid of the Successful Applications, capped at the relevant Administrative Strike Price; or
- (ii) the cumulative capacity or monetary value of the relevant Qualifying Applications would exceed the Minimum, where the Budget Notice does not specify that a Soft Constraint applies to the Minimum, the Qualifying Application under consideration is unsuccessful in the Minimum auction and Flexible Bids must not be considered. All Qualifying Applications that the Delivery Body has already determined to be Successful Applications have a clearing price of the highest Strike Price bid of the Successful

Applications, capped at the relevant Administrative Strike Price, and the Delivery Body must close the Minimum auction; or

- (iii) the cumulative capacity value of the relevant Qualifying Applications would exceed the Minimum, where the Budget Notice specifies that a Soft Constraint applies to the Minimum—
 - (I) if the cumulative monetary value of the relevant Qualifying Applications would not exceed the Monetary Pot or Monetary Budget and the cumulative capacity value of the relevant Qualifying Applications would not exceed any applicable Pot Capacity Cap or Overall Capacity Cap, the Delivery Body must determine that all Qualifying Applications considered up to this point are Successful Applications. The clearing price for all such Applications is the Strike Price of the bid under consideration, capped at the relevant Administrative Strike Price. The Delivery Body must then close the Minimum auction; or
 - (II) if the cumulative capacity value of the relevant Qualifying Applications would exceed any applicable Pot Capacity Cap or Overall Capacity Cap, where the Budget Notice specifies that a Soft Constraint applies to the applicable Pot Capacity Cap or Overall Capacity Cap, and the cumulative monetary value of the relevant Qualifying Applications would not exceed the Monetary Pot or Monetary Budget, the Delivery Body must determine that all Qualifying Applications considered up to this point are Successful Applications (if the Monetary Pot or Monetary Budget would be exceeded, Rule 16.4(d)(iii)(IV) below applies). The clearing price for all such Applications is the Strike Price of the bid under consideration, capped at the relevant Administrative Strike Price. The Delivery Body must then close the Minimum auction; or
 - (III) if the cumulative capacity value of the relevant Qualifying Applications would exceed any applicable Pot Capacity Cap or Overall Capacity Cap, where the Budget Notice does not specify that a Soft Constraint applies to the applicable Pot Capacity Cap or Overall Capacity Cap, the Qualifying Application under consideration is unsuccessful in the Minimum auction and Flexible Bids must not be considered. All Qualifying Applications that the Delivery Body has already determined to be Successful Applications have a clearing price of the highest Strike Price bid of the Successful Applications, capped at the relevant Administrative Strike Price, and the Delivery Body must close the Minimum auction; and/or

- (IV) if the cumulative monetary value of the relevant Qualifying Applications would exceed the Monetary Pot or Monetary Budget, the Qualifying Application under consideration is unsuccessful in the Minimum auction and Flexible Bids must not be considered. All Qualifying Applications that the Delivery Body has already determined to be Successful Applications have a clearing price of the highest Strike Price bid of the Successful Applications, capped at the relevant Administrative Strike Price and the Delivery Body must close the Minimum auction;
 - (e) if two or more sealed bids include the same Strike Price and both/all cannot be Successful Applications because this would result in the Minimum and/or Monetary Pot or Monetary Budget, and/or any applicable Pot Capacity Cap or Overall Capacity Cap being exceeded, they must be evaluated in accordance with the Tiebreaker Rules set out in Rule 19 below;
 - (f) if a sealed bid from the Qualifying Applicant is determined to be a Successful Application, the Delivery Body must not consider any further Flexible Bids from that Applicant in relation to that Qualifying Application.
- 16.5 Where Rules 16.4(d)(i)(III) or (IV) above apply, the Delivery Body must then consider any Flexible Bids from the relevant Qualifying Applicant in order of Strike Price bid (from lowest to highest), provided they are not the same as or higher than the Strike Price of another Qualifying Applicant's sealed bid (if they are the same as or higher than the Strike Price of another Qualifying Applicant's sealed bid, the Qualifying Application under consideration is unsuccessful and the Delivery Body must close the Minimum auction)—
- (a) The Delivery Body must assess the impact on the Minimum, on the Monetary Pot or Monetary Budget, and on any applicable Pot Capacity Cap or Overall Capacity Cap, as set out above;
 - (b) If following the assessment—
 - (i) a Flexible Bid does not cause the Minimum to be exceeded—
 - (I) where the relevant Flexible Bid does not cause the Monetary Pot or Monetary Budget, or any applicable Pot Capacity Cap or Overall Capacity Cap to be exceeded, the Delivery Body must determine that the relevant Flexible Bid results in a Successful Application. Where the relevant Flexible Bid causes the Minimum and/or any applicable Pot Capacity Cap or Overall Capacity Cap to be equalled, after determining that it is a Successful Application, the Delivery Body must then close the Minimum auction; or

- (II) where the relevant Flexible Bid causes any applicable Pot Capacity Cap or Overall Capacity Cap to be exceeded, if the Budget Notice specifies that a Soft Constraint applies to the applicable Pot Capacity Cap or Overall Capacity Cap and the relevant Flexible Bid does not cause the Monetary Pot or Monetary Budget to be exceeded, the Delivery Body must determine that the relevant Flexible Bid results in a Successful Application and then close the Minimum auction (if the Monetary Pot or Monetary Budget would be exceeded, Rule 16.5(b)(i)(III) below applies); or
 - (III) where neither Rules 16.5(b)(i)(I) nor (II) above apply, the relevant Flexible Bid is unsuccessful; or
- (ii) a Flexible Bid causes the Minimum to be exceeded—
 - (I) where the Budget Notice specifies that a Soft Constraint applies to the Minimum, if the relevant Flexible Bid does not cause the Monetary Pot or Monetary Budget, or any applicable Pot Capacity Cap or Overall Capacity Cap to be exceeded, the Delivery Body must determine that the relevant Flexible Bid results in a Successful Application and then close the Minimum auction; or
 - (II) where the Budget Notice specifies that a Soft Constraint applies to the Minimum, if the relevant Flexible Bid causes any applicable Pot Capacity Cap or Overall Capacity Cap to be exceeded, where the Budget Notice specifies that a Soft Constraint applies to the applicable Pot Capacity Cap or Overall Capacity Cap, and the relevant Flexible Bid does not cause the Monetary Pot or Monetary Budget to be exceeded, the Delivery Body must determine that the relevant Flexible Bid results in a Successful Application and then close the Minimum auction (if the Monetary Pot or Monetary Budget would be exceeded, Rule 16.5(b)(ii)(III) below applies); or
 - (III) where neither Rules 16.5(b)(ii)(I) nor (II) above apply, the relevant Flexible Bid is unsuccessful;
- (c) if the Delivery Body determines the Qualifying Applicant's Flexible Bid to result in a Successful Application, the Delivery Body must not consider any other bids from that Applicant in relation to that Qualifying Application in any auction in the same Allocation Round;
- (d) if a Flexible Bid is unsuccessful, the Delivery Body must continue to consider any further Flexible Bids from the Qualifying Applicant (following the steps above in Rule 16.5);

- (e) where consideration of Flexible Bids results in a Successful Application without the Minimum or any applicable Pot Capacity Cap or Overall Capacity Cap being exceeded, the auction continues;
- 16.6 Following the steps of Rules 16.4 – 16.5 above, the Delivery Body must close the Minimum auction.
- 16.7 Any unsuccessful Qualifying Applications under the Minimum auction or that are not subject to the Minimum must be considered in the auction in relation to the relevant Pot or Overall Budget (as appropriate). However, where a bid in a Minimum auction has caused any applicable Pot Capacity Cap or Overall Capacity Cap to be equalled or exceeded and has resulted in a Successful Application, no further bids may result in Successful Applications in the auction in relation to the relevant Pot or Overall Budget which will close.
- 16.8 Where multiple Minima are specified in the Budget Notice, the steps of Rules 16.1 – 16.7 above must be carried out in relation to each Minimum where an auction is required.

17. Auction in relation to Pots or the Overall Budget

- 17.1 Where an auction is to be held in relation to a Pot or Overall Budget pursuant to Rules 9.3 or 9.4 above, the Delivery Body must carry out the auction by following the steps in this Rule 17.
- 17.2 The Delivery Body must determine that—
- (a) any bid that would exceed the Monetary Pot or Monetary Budget is unsuccessful;
 - (b) any bid that would exceed any applicable Pot Capacity Cap or Overall Capacity Cap is unsuccessful, unless the Budget Notice specifies that a Soft Constraint applies to the applicable Pot Capacity Cap or Overall Capacity Cap, in which case the bid that would exceed the applicable Pot Capacity Cap or Overall Capacity Cap must be considered in the following steps (subject to Rule 17.2(c) below, proceeding from Rule 17.3);
 - (c) any bid which would exceed any applicable Maximum (in terms of capacity or monetary value) is unsuccessful, unless the Budget Notice specifies that a Soft Constraint applies to the Maximum, in which case any bid that would exceed the applicable Maximum must be considered in the following steps (proceeding from Rule 17.3).

- 17.3 The Delivery Body must rank the remaining bids in order of lowest Strike Price to highest, regardless of Delivery Year.
- 17.4 Starting with the lowest Strike Price bid, the Delivery Body must determine that each Qualifying Application, up to but not including the first Qualifying Application that would result in the Monetary Pot or Monetary Budget and/or any applicable Pot Capacity Cap or Overall Capacity Cap or any applicable Maximum being exceeded, is a Successful Application (subject to Rule 17.4(e) below)—
- (a) to assess whether any applicable Maximum is exceeded, the Delivery Body must sum the capacity or monetary value of the Qualifying Application under consideration with that of the relevant Qualifying Application(s) that the Delivery Body has already determined to be Successful Applications. Where the Qualifying Application under consideration is subject to a Maximum and that Maximum is expressed in pounds sterling, the Delivery Body must use the Strike Price of the bid under consideration as the provisional clearing price for that Qualifying Application and any relevant Qualifying Application(s) that the Delivery Body has already determined to be Successful Application(s), subject to Rule 17.4(d) below and capped at the relevant Administrative Strike Price. The Delivery Body must then calculate the impact on the Maximum using the Valuation Formula in Schedule 2;
 - (b) to assess the impact on the Monetary Pot or Monetary Budget, the Delivery Body must use the Strike Price of the bid under consideration as the provisional clearing price for that Qualifying Application and any relevant Qualifying Application(s) (subject to Rule 17.4(d) below) that the Delivery Body has already determined to be Successful Application(s), capped at the relevant Administrative Strike Price. Should a Qualifying Application be cleared at a higher price than the clearing price of any relevant Minimum auction(s), then the Qualifying Applications from that/those Minimum auctions should also be cleared at this price. The Delivery Body must then calculate the impact on the Monetary Pot or Monetary Budget using the Valuation Formula in Schedule 2; and
 - (c) to assess the impact on any applicable Pot Capacity Cap or Overall Capacity Cap, the Delivery Body must sum the capacity of the Qualifying Application under consideration with that of any relevant Qualifying Application(s) that the Delivery Body has already determined to be Successful Application(s) (including in any relevant Minimum auction(s));
 - (d) Maximum bids are cleared to a separate Maximum only clearing price for each Maximum, rather than the provisional clearing price of the bid under consideration, unless that bid is subject to the same Maximum—
 - (i) if a Maximum bid is the bid under consideration, the Delivery Body must use the Strike Price of the bid under consideration as the provisional

- clearing price for that Qualifying Application, for any Qualifying Application(s) subject to that same Maximum and that the Delivery Body has already determined to be Successful Applications, and for any relevant Qualifying Application(s) which are not subject to any Maximum and that the Delivery Body has already determined to be Successful Applications, capped at the relevant Administrative Strike Price; or
- (ii) if the bid under consideration is not subject to any Maximum, the Delivery Body must use the Strike Price of the bid under consideration as the provisional clearing price for that Qualifying Application and only any relevant Qualifying Application(s) which are not subject to any Maximum and that the Delivery Body has already determined to be Successful Applications, capped at the relevant Administrative Strike Price;
- (e) if, following the calculation—
- (i) the cumulative capacity or monetary value of the Qualifying Applications outlined at Rule 17.4(a) above would exceed the applicable Maximum, where the Budget Notice does not specify that a Soft Constraint applies to that Maximum, the Qualifying Application under consideration is unsuccessful. Any Qualifying Applications which are subject to that Maximum and which have not been determined to be Successful Applications will be removed from the stack, and the Delivery Body must not consider them further in the auction. Qualifying Applications that the Delivery Body has already determined to be Successful Applications have a provisional clearing price of the highest Strike Price bid of the Successful Applications, capped at the relevant Administrative Strike Price (subject to Rule 17.4(d) above and Rule 17.4(e)(iv) below); or
 - (ii) the cumulative capacity value of the Qualifying Applications outlined at Rule 17.4(a) above would exceed the applicable Maximum, where the Budget Notice specifies that a Soft Constraint applies to the Maximum—
 - (I) if the Qualifying Application that results in the applicable Maximum being exceeded does not result in either the Monetary Pot or Monetary Budget, or any applicable Pot Capacity Cap or Overall Capacity Cap being exceeded, the Delivery Body must determine that all Qualifying Applications considered up to this point are Successful Applications. Subject to Rule 17.4(d) above the provisional clearing price for all such Applications is the Strike Price of the bid under consideration, capped at the relevant Administrative Strike Price. Any Qualifying Applications which are subject to that Maximum and which have not been determined to be Successful Applications will then be removed from the stack, and the Delivery Body must not consider them further in the auction.

Where the Qualifying Application that results in the applicable Maximum being exceeded results in any applicable Pot Capacity Cap or Overall Capacity Cap being equalled, the provisional clearing price for the relevant Applications is confirmed and the Delivery Body must then close the auction; or

- (II) if the Qualifying Application that results in the applicable Maximum being exceeded results in any applicable Pot Capacity Cap or Overall Capacity Cap being exceeded, where the Budget Notice specifies that a Soft Constraint applies to the applicable Pot Capacity Cap or Overall Capacity Cap, but the Qualifying Application does not result in the Monetary Pot or Monetary Budget being exceeded, the Delivery Body must determine that all Qualifying Applications considered up to this point are Successful Applications. Subject to Rule 17.4(d) above, the clearing price for all such Applications is the Strike Price of the bid under consideration, capped at the relevant Administrative Strike Price. The Delivery Body must then close the auction; or
- (III) if the Qualifying Application that results in the applicable Maximum being exceeded results in any applicable Pot Capacity Cap or Overall Capacity Cap being exceeded, where the Budget Notice does not specify that a Soft Constraint applies to the applicable Pot Capacity Cap or Overall Capacity Cap, the Qualifying Application under consideration is unsuccessful. Any Qualifying Applications which are subject to that Maximum and which have not been determined to be Successful Applications will be removed from the stack, and the Delivery Body must not consider them further in the auction. Qualifying Applications that the Delivery Body has already determined to be Successful Applications have a provisional clearing price of the highest Strike Price bid of the Successful Applications, capped at the relevant Administrative Strike Price (subject to Rule 17.4(d) above and Rule 17.4(e)(iv) below); and/or
- (IV) if the Qualifying Application that results in the applicable Maximum being exceeded results in the Monetary Pot or Monetary Budget being exceeded, the Qualifying Application under consideration is unsuccessful. Any Qualifying Applications which are subject to that Maximum and which have not been determined to be Successful Applications are removed from the stack, and the Delivery Body must not consider them further in the auction. Qualifying Applications that the Delivery Body has already determined to be Successful Applications have a provisional clearing price of the highest Strike Price bid of the Successful Applications, capped at

the relevant Administrative Strike Price (subject to Rule 17.4(d) above and Rule 17.4(e)(iv) below); or

- (iii) the cumulative capacity or monetary value of the Qualifying Applications outlined at Rule 17.4(a) above would not exceed the applicable Maximum, or the bid under consideration is not subject to a Maximum—
 - (I) the cumulative monetary value of the relevant Qualifying Applications is at or below the Monetary Pot or Monetary Budget, and the cumulative capacity value of the relevant Qualifying Applications is at or below any applicable Pot Capacity Cap or Overall Capacity Cap, the Delivery Body must determine that all Qualifying Applications considered up to this point are Successful Applications. Subject to Rule 17.4(d) above the provisional clearing price for all such Applications is the Strike Price of the bid under consideration, capped at the relevant Administrative Strike Price. Where the cumulative capacity or monetary value of the relevant Qualifying Applications equals the applicable Maximum and the cumulative capacity value is below any applicable Pot Capacity Cap or Overall Capacity Cap, the provisional clearing price for the relevant Applications is confirmed and any Qualifying Applications which are subject to that Maximum and which have not been determined to be Successful Applications are then removed from the stack, and the Delivery Body must not consider them further in the auction. Alternatively, where the cumulative capacity value of the relevant Qualifying Applications is at any applicable Pot Capacity Cap or Overall Capacity Cap, the provisional clearing price for the relevant Applications is confirmed and the Delivery Body must then close the auction; or
 - (II) the cumulative capacity value of the relevant Qualifying Applications is above any applicable Pot Capacity Cap or Overall Capacity Cap, where the Budget Notice specifies that a soft Constraint applies to the applicable Pot Capacity Cap or Overall Capacity Cap, but the cumulative monetary value of the relevant Qualifying Applications is at or below the Monetary Pot or Monetary Budget, the Delivery Body must determine that all Qualifying Applications considered up to this point are Successful Applications. Subject to Rule 17.4(d) above the clearing price for all such Applications is the Strike Price of the bid under consideration, capped at the relevant Administrative Strike Price. The Delivery Body must then close the auction; or
 - (III) the cumulative capacity value of the relevant Qualifying Applications is above any applicable Pot Capacity Cap or Overall

Capacity Cap, where the Budget Notice does not specify that a Soft Constraint applies to the Pot Capacity Cap or Overall Capacity Cap, the Qualifying Application under consideration is unsuccessful. Qualifying Applications that the Delivery Body has already determined to be Successful Applications have a provisional clearing price of the highest Strike Price bid of the Successful Applications, capped at the relevant Administrative Strike Price (subject to Rule 17.4(d) above and Rule 17.4(e)(iv) below); and/or

(IV) the cumulative monetary value of the relevant Qualifying Applications is above the Monetary Pot or Monetary Budget, the Qualifying Application under consideration is unsuccessful. Qualifying Applications that the Delivery Body has already determined to be Successful Applications have a provisional clearing price of the highest Strike Price bid of the Successful Applications, capped at the relevant Administrative Strike Price (subject to Rule 17.4(d) above and Rule 17.4(e)(iv) below); or

(iv) if two or more sealed bids include the same Strike Price bid and both/all cannot be Successful Applications because this would result in any one or more of any Maxima, and/or the Monetary Pot or Monetary Budget, and/or any applicable Pot Capacity Cap or Overall Capacity Cap being exceeded, they must be evaluated in accordance with the relevant Tiebreaker Rules set out at Rule 19 below;

(v) if a sealed bid from the Qualifying Applicant is determined to result in a Successful Application, the Delivery Body must not consider any further Flexible Bids from that Applicant in relation to that Qualifying Application.

17.5 The Delivery Body must close the auction, unless there are Flexible Bids in relation to a Qualifying Application, which must be considered under Rule 17.6 below when—

(a) the sealed bid under consideration would cause the Monetary Pot or Monetary Budget to be exceeded but would not cause any applicable Maximum to be exceeded (Flexible Bids must not be considered if the sealed bid would cause any Maximum to be exceeded); and/or

(b) the sealed bid under consideration would cause any applicable Pot Capacity Cap or Overall Capacity to be exceeded, where the Budget Notice does not specify that a Soft Constraint applies to the Pot Capacity Cap or Overall Capacity Cap, but would not cause any applicable Maximum to be exceeded (Flexible Bids must not be considered if the sealed bid would cause any Maximum to be exceeded).

17.6 Interleaving bids process

- (a) Where Rules 17.5, 19.6 or 19.7(e) apply, the Delivery Body must consider each bid from other Qualifying Applicants (in order of lowest strike price to highest) across Delivery Years (the interleaving bids) until it considers the next Flexible Bid from the Qualifying Applicant which made the original sealed bid.
- (b) Where the interleaving bid under consideration does not cause any applicable Maximum, or the Monetary Pot or Monetary Budget to be exceeded, and does not cause any applicable Pot Capacity Cap or Overall Capacity Cap to be equalled or exceeded, that bid must be provisionally accepted by the Delivery Body. Where the interleaving bid causes the Maximum to be equalled, any Qualifying Applications which are subject to that Maximum and which have not been determined to be Successful Applications or provisionally accepted are then removed from the stack, and the Delivery Body must not consider them further in the auction.
- (c) Where the interleaving bid under consideration does not cause any applicable Maximum or the Monetary Pot or Monetary Budget to be exceeded, but causes any applicable Pot Capacity Cap or Overall Capacity Cap to be equalled, the interleaving bid under consideration, any other provisionally accepted interleaving bids, and the next Flexible Bid are all confirmed not to have resulted in Successful Applications, and the Delivery Body must close the auction.
- (d) Where the interleaving bid under consideration would cause any applicable Maximum to be exceeded—
 - (i) if the Budget Notice does not specify that a Soft Constraint applies to the applicable Maximum, that bid is unsuccessful and is removed, any Qualifying Applications which are subject to that Maximum and which have not been determined to be Successful Applications or provisionally accepted are removed, and the Delivery Body must not consider them further in the auction. The interleaving process continues; or
 - (ii) if the Budget Notice specifies that a Soft Constraint applies to the applicable Maximum—
 - (I) where the bid under consideration does not cause the Monetary Pot or Monetary Budget, or any applicable Pot Capacity Cap or Overall Capacity Cap to be exceeded, the bid must be provisionally accepted by the Delivery Body, unless it causes any applicable Pot Capacity Cap or Overall Capacity Cap to be equalled, in which case that bid is unsuccessful and is removed. Any Qualifying Applications which are subject to that Maximum and which have not been determined to be Successful Applications or provisionally accepted are removed, and the Delivery Body must not consider them further in the auction. The interleaving process continues; or

- (II) where the bid under consideration causes the Monetary Pot or Monetary Budget to be exceeded, and/or causes any applicable Pot Capacity Cap or Overall Capacity Cap to be exceeded (whether or not the Budget Notice specifies that a Soft Constraint applies to the applicable Pot Capacity Cap or Overall Capacity Cap), that bid is unsuccessful and is removed, any Qualifying Applications which are subject to that Maximum and which have not been determined to be Successful Applications or provisionally accepted are removed, and the Delivery Body must not consider them further in the auction. The interleaving process continues; or
- (e) Where Rule 17.6(d) above does not apply and the interleaving bid under consideration would cause the Monetary Pot or Monetary Budget and/or any applicable Pot Capacity Cap or Overall Capacity Cap to be exceeded (whether or not the Budget Notice specifies that a Soft Constraint applies to the applicable Pot Capacity Cap or Overall Capacity Cap), that bid is unsuccessful. The interleaving bid under consideration, any other provisionally accepted interleaving bids, and the next Flexible Bid are all confirmed not to have resulted in Successful Applications, and the Delivery Body must close the auction.
- (f) If the Delivery Body determines the next Flexible Bid relating to the original sealed bid to result in a Successful Application, any interleaving bids are confirmed to be Successful Applications. The Delivery Body must not consider any further Flexible Bids from the Qualifying Applicant(s) in relation to those Qualifying Applications. The auction remains open and continues (subject to Rules 17.6(g)-(k) below).
- (g) If the Flexible Bid under consideration has the same Strike Price as one or more other sealed bids, the Delivery Body must consider those bids together. If both/all of those bids collectively cause any applicable Pot Capacity Cap or Overall Capacity Cap to be exceeded (whether or not the Budget Notice specifies that a Soft Constraint applies to the applicable Pot Capacity Cap or Overall Capacity Cap), the bids under consideration and any provisionally accepted interleaving bids are confirmed not to have resulted in Successful Applications and the auction will be closed.
- (h) If the Flexible Bid under consideration does not cause any applicable Maximum, the Monetary Pot or Monetary Budget, or any applicable Pot Capacity Cap or Overall Capacity Cap to be exceeded, the Delivery Body must determine that bid and any interleaving bids to result in Successful Applications. Where the Flexible Bid causes the Maximum to be equalled, having determined that it is a Successful Application, any Qualifying Applications which are subject to that Maximum and which have not been determined to be Successful Applications are then removed from the stack, and the Delivery Body must not consider them further in the auction. Where the Flexible Bid causes any applicable Pot Capacity

Cap or Overall Capacity Cap to be equalled, having determined that it is a Successful Application, the Delivery Body must then close the auction.

- (i) If the Flexible Bid under consideration does not cause any applicable Maximum to be exceeded, but does cause any applicable Pot Capacity Cap or Overall Capacity Cap to be exceeded, where the Budget Notice specifies that a Soft Constraint applies to the applicable Pot Capacity Cap or Overall Capacity Cap, and does not cause the Monetary Pot or Monetary Budget to be exceeded, the Delivery Body must determine the Flexible Bid under consideration to result in a Successful Application, confirm any interleaving bids to be Successful Applications and then close the auction.
- (j) If the Delivery Body determines the Flexible Bid under consideration to have caused any applicable Pot Capacity Cap or Overall Capacity Cap to be exceeded where the Budget Notice does not specify that a Soft Constraint applies to the applicable Pot Capacity Cap or Overall Capacity Cap, and/or the Monetary Pot or Monetary Budget to be exceeded, the bid under consideration and any provisionally accepted interleaving bids are confirmed not to have resulted in Successful Applications and the auction will be closed.
- (k) If the Delivery Body determines the Flexible Bid under consideration to cause any applicable Maximum to be exceeded—
 - (i) where the Budget Notice does not specify that a Soft Constraint applies to the applicable Maximum, that bid and any other provisionally accepted interleaving bids are confirmed not to have resulted in Successful Applications, and the Delivery Body must close the auction; or
 - (ii) where the Budget Notice specifies that a Soft Constraint applies to the applicable Maximum—
 - (I) if the Flexible Bid under consideration would not cause either the Monetary Pot or Monetary Budget, or any applicable Pot Capacity Cap or Overall Capacity Cap to be exceeded, the Delivery Body must determine that bid to result in a Successful Application and confirm any interleaving bids to be Successful Applications. Any Qualifying Applications which are subject to that Maximum and which have not been determined to be Successful Applications are removed, and the Delivery Body must not consider them further in the auction. The auction will then continue, unless the Flexible Bid caused any Pot Capacity Cap or Overall Capacity Cap to be equalled, in which case the Delivery Body must then close the auction; or
 - (II) if the Flexible Bid under consideration would cause any applicable Pot Capacity Cap or Overall Capacity Cap to be exceeded, where

the Budget Notice specifies that a Soft Constraint applies to the applicable Pot Capacity Cap or Overall Capacity Cap, and it does not have the same Strike Price as one or more other sealed bids and would not cause the Monetary Pot or Monetary Budget to be exceeded, the Delivery Body must determine that bid to result in a Successful Application, confirm any interleaving bids to be Successful Applications and then close the auction; or

- (III) if the Flexible Bid under consideration has the same Strike Price as one or more other sealed bids and both/all of those bids collectively would cause any applicable Pot Capacity Cap or Overall Capacity Cap to be exceeded (whether or not the Budget Notice specifies that a Soft Constraint applies to the applicable Pot Capacity Cap or Overall Capacity Cap), that bid and any other provisionally accepted interleaving bids are confirmed not to have resulted in Successful Applications, and the Delivery Body must close the auction; or
- (IV) if the Flexible Bid under consideration would cause any applicable Pot Capacity Cap or Overall Capacity cap to be exceeded where the Budget Notice does not specify that a Soft Constraint applies the applicable Pot Capacity cap or Overall Capacity Cap, and/or the Monetary Pot or Monetary Budget to be exceeded, that bid and any other provisionally accepted interleaving bids are confirmed not to have resulted in Successful Applications, and the Delivery Body must close the auction.

- (l) Following an interleaving process where there are one or more Successful Applications, the auction shall continue with the next bid in the stack after the original sealed bid which breached the Monetary Pot or Monetary Budget and/or any applicable Pot Capacity Cap or Overall Capacity Cap, unless the Flexible Bid that resulted in a Successful Application caused any applicable Pot Capacity Cap or Overall Capacity Cap to be equalled or exceeded, in which case the Delivery Body must close the auction (in accordance with Rule 17.6(h), Rule 17.6(i), Rule 17.6(k)(ii)(I) or Rule 17.6(k)(ii)(II) above).
- (m) Where there are no Flexible Bids relating to the original sealed bid which caused the Monetary Pot or Monetary Budget, and/or the applicable Pot Capacity Cap or Overall Capacity Cap to be breached, the auction is closed.

17.7 The Delivery Body must repeat the steps in Rules 17.4-17.6 above until the auction is closed or no more sealed bids remain. When no more bids remain, the Delivery Body must close the auction.

18. Maximum only auction

- 18.1 Where an auction is to be held in relation to Qualifying Applications subject only to a Maximum pursuant to Rule 9.6 above, the Delivery Body must carry out the auction by following the steps in this Rule 18.
- 18.2 The Delivery Body must determine that any bid which would exceed the applicable Maximum (in terms of capacity or cost) is unsuccessful, unless the Budget Notice specifies that a Soft Constraint applies to the Maximum, in which case any bid that would exceed the applicable Maximum must be considered in the following steps (proceeding from Rule 18.3).
- 18.3 The Delivery Body must rank the bids in order of lowest Strike Price bid to highest, regardless of Delivery Year.
- 18.4 Starting with the lowest Strike Price bid, the Delivery Body must determine that Qualifying Applications subject to the Maximum, up to but not including the first Qualifying Application which would result in the Maximum being exceeded, are Successful Applications—
- (a) to assess whether the Maximum is exceeded, the Delivery Body must sum the capacity or monetary value of the Qualifying Application under consideration with that of the Qualifying Application(s) that the Delivery Body has already determined to be Successful Applications. Where the Maximum is expressed in pounds sterling, the Delivery Body must use the Strike Price of the bid under consideration as the provisional clearing price for that Qualifying Application and any relevant Qualifying Application(s) that the Delivery Body has already determined to be Successful Application(s), capped at the relevant Administrative Strike Price. The Delivery Body must then calculate the impact on the Maximum using the Valuation Formula in Schedule 2.
 - (b) If, following the calculation—
 - (i) the cumulative capacity or monetary value of the relevant Qualifying Applications is at or below the Maximum, the Delivery Body must determine that all Qualifying Applications considered up to this point are Successful Applications. The provisional clearing price for all such Applications is the Strike Price of the bid under consideration, capped at the relevant Administrative Strike Price; or
 - (ii) the cumulative capacity value of the relevant Qualifying Applications would exceed the Maximum, where the Budget Notice specifies that a Soft Constraint applies to the Maximum, the Delivery Body must determine that all Qualifying Applications considered up to this point are Successful

Applications. The clearing price for all such Applications is the Strike Price of the bid under consideration, capped at the relevant Administrative Strike Price; or

- (iii) the cumulative capacity or monetary value of the relevant Qualifying Applications would exceed the Maximum, where the Budget Notice does not specify that a Soft Constraint applies to the Maximum, the Qualifying Application under consideration is unsuccessful. All Qualifying Applications that the Delivery Body has already determined to be Successful Applications have a clearing price of the highest Strike Price bid of the Successful Applications, capped at the relevant Administrative Strike Price.

- 18.5 If a sealed bid from the Qualifying Applicant is determined to result in a Successful Application, the Delivery Body must not consider any further Flexible Bids from that Applicant in relation to that Qualifying Application.
- 18.6 The Delivery Body must close a Maximum auction when the Qualifying Application under consideration would cause the Maximum to be exceeded, unless the Budget Notice specifies that a Soft Constraint applies to the Maximum, in which case the Delivery Body must determine that the Qualifying Application that would cause the Maximum to be exceeded is a Successful Application and then close the Maximum auction.
- 18.7 If a Qualifying Application causes the Maximum to be equalled, after determining that the Qualifying Application under consideration results in a Successful Application, the Delivery Body must then close the Maximum auction.
- 18.8 If two or more sealed bids subject to the Maximum include the same Strike Price bid (regardless of Delivery Year) and both/all cannot be Successful Applications because this would result in the Maximum being exceeded, they must be evaluated in accordance with the Minimum or Maximum Only Tiebreaker Rules set out in Rule 19 below, following which the Maximum auction shall be closed.
- 18.9 Any unsuccessful Qualifying Applications under the Maximum auction are not considered further.
- 18.10 Where multiple Maxima are specified in the Budget Notice and auctions are to be held in relation to Qualifying Applications subject only to those Maxima pursuant to Rule 9.6 above, the steps in Rules 18.1 – 18.9 above must be carried out in relation to each Maximum where an auction is required.

19. Tiebreaker Rules

19.1 Where the Budget Notice specifies that a Soft Constraint applies to a Pot Capacity Cap or Overall Capacity Cap, and/or a Minimum or Maximum, the Delivery Body must ensure that it does not apply any such Soft Constraint when considering sealed bids in any tiebreaker under this Rule.

Minimum or Maximum only tiebreaker

19.2 Where two or more sealed bids being evaluated against a Minimum or Maximum include the same Strike Price and both/all cannot be Successful Applications because this would result in the Minimum or Maximum (as relevant) being exceeded (but would not result in the Monetary Pot or Monetary Budget and any applicable Pot Capacity Cap or Overall Capacity Cap being exceeded) (a 'Minimum or Maximum only' tiebreaker)—

- (a) any Qualifying Application which by itself would result in the Minimum or Maximum being exceeded is unsuccessful;
- (b) the Qualifying Application or combination of Qualifying Applications (out of all possible combinations) which comes closest to fulfilling the Monetary Pot or Monetary Budget in the final year of the Budget Profile without resulting in the Minimum or Maximum or any capacity cap being exceeded must be determined by the Delivery Body to be a Successful Application(s);
- (c) if two or more Qualifying Applications or combination of Qualifying Applications come equally close to fulfilling the Monetary Pot or Monetary Budget in the final year of the Budget Profile, the Delivery Body must choose from these Qualifying Applications at random, using an electronic random assignment process.

19.3 Following a Minimum only tiebreaker, the Delivery Body must close the Minimum auction.

19.4 Following a Maximum only tiebreaker—

- (a) where the tiebreaker has been held pursuant to Rule 17.4(e)(iv) above, any Qualifying Applications which are subject to the relevant Maximum and which have not been determined to be Successful Applications will be removed from the stack, and the Delivery Body must not consider them further in the auction, which will continue, unless any applicable Pot Capacity Cap or Overall Capacity Cap has been equalled, in which case the Delivery Body must then close the auction; or

- (b) where the tiebreaker has been held pursuant to Rule 18.8 above, the Maximum auction will close.

Budget only tiebreaker

- 19.5 Where two or more sealed bids in an auction have the same Strike Price and both/all cannot result in Successful Applications because this would result in a Monetary Pot or Monetary Budget and/or any applicable Pot Capacity Cap or Overall Capacity Cap being exceeded (but would not result in a Minimum or Maximum being exceeded) (a ‘budget only tiebreaker’)—
- (a) any Qualifying Application which by itself would result in the Monetary Pot or Monetary Budget and/or (any applicable) Pot Capacity Cap or Overall Capacity Cap being exceeded is unsuccessful;
 - (b) the Qualifying Application or combination of Qualifying Applications (out of all possible combinations) which comes closest to fulfilling the Monetary Pot or Monetary Budget in the final year of the Budget Profile must be determined by the Delivery Body to be a Successful Application(s), provided this does not result in the Monetary Pot or Monetary Budget and/or any applicable Pot Capacity Cap or Overall Capacity Cap being exceeded;
 - (c) if two or more Qualifying Applications or combination of Qualifying Applications come equally close to fulfilling the Monetary Pot or Monetary Budget in the final year of the Budget Profile, the Delivery Body must choose from these Qualifying Applications at random, using an electronic random assignment process.
- 19.6 Qualifying Applications which are unsuccessful under this Rule will trigger the interleaving bids process (Rule 17.6). The next Flexible Bids (for all these projects) must all result in Successful Applications. If this is the case, the auction (whether a Minimum auction or an auction in relation to a Pot or Overall Budget) will then continue, unless any applicable Pot Capacity Cap or Overall Capacity Cap has been equalled or (where the Budget Notice specifies that a Soft Constraint applies to the applicable Pot Capacity Cap or Overall Capacity Cap) exceeded, in which case the Delivery Body must then close the auction. If the next Flexible Bids do not all result in Successful Applications, none of the Flexible Bids will result in a Successful Application and the auction will close.

Minimum or Maximum and budget tiebreaker

- 19.7 Where two or more sealed bids in an auction include the same Strike Price and both/all cannot be Successful Applications because this would result in both a Minimum or Maximum, and the Monetary Pot or Monetary Budget and/or any applicable Pot

Capacity Cap or Overall Capacity Cap, being exceeded (a 'Minimum or Maximum and budget tiebreaker')—

- (a) any Qualifying Application which by itself would result in any one or more of the Monetary Pot or Monetary Budget, any applicable Pot Capacity Cap or Overall Capacity Cap, and/or a Minimum or Maximum being exceeded is unsuccessful;
- (b) the Qualifying Application or combination of Qualifying Applications (out of all possible combinations) which comes closest to fulfilling the Monetary Pot or Monetary Budget in the final year of the Budget Profile must be determined by the Delivery Body to be a Successful Application(s), provided this does not result in the Monetary Pot or Monetary Budget, any applicable Pot Capacity Cap or Overall Capacity Cap, and/or any Minimum or Maximum being exceeded;
- (c) if two or more Qualifying Applications or combination of Qualifying Applications come equally close to fulfilling the Monetary Pot or Monetary Budget in the final year of the Budget Profile without causing any Minimum or Maximum or any capacity cap to be exceeded, the Delivery Body must choose from these Qualifying Applications at random using an electronic random assignment process;
- (d) at the end of a Minimum or Maximum and budget tiebreaker all unsuccessful bids subject to the relevant Minimum or Maximum are removed from the stack—
 - (i) where the tiebreaker has been held pursuant to Rule 16.4(e) above, the Minimum auction will close; or
 - (ii) where the tiebreaker has been held pursuant to Rule 18.8 above, the Maximum only auction will close;
- (e) all other unsuccessful bids will trigger the interleaving process and the next Flexible Bids (for all these projects) must all result in Successful Applications—
 - (i) If this is the case, any Qualifying Applications which are subject to the relevant Maximum and which have not been determined to be Successful Applications will be removed from the stack, and the Delivery Body must not consider them further in the auction, which will continue, unless any applicable Pot Capacity Cap or Overall Capacity Cap has been equalled or (where the Budget Notice specifies that a Soft Constraint applies to the applicable Pot Capacity Cap or Overall Capacity Cap) exceeded, in which case the Delivery Body must then close the auction; or
 - (ii) If this is not the case, then none of the Flexible Bids will result in a Successful Application and the auction will close.

20. Impact of delays on the Administrative Strike Price

- 20.1 Where, pursuant to Regulation 34(5), the Delivery Body is required to re-determine the Applications Valuations, the Delivery Body will invite all Applicants to vary their Target Dates. Any variation must be to dates later than those stated in the Applicant's Original Application.
- 20.2 The Delivery Body then re-determines the Applications Valuations based on the relevant Administrative Strike Prices for the Delivery Years in which they now sit, where they would differ.
- 20.3 Where Rule 20.1 above applies and the Delivery Body is already in receipt of sealed bids, Applicants are invited to adjust and resubmit Target Dates for their sealed bids.
- 20.4 Where Rule 20.1 or Rule 20.3 above applies and the Applicant does not vary its Target Dates or does not adjust and resubmit Target Dates for its sealed bids, information will remain as set out in the Applicant's Original Application, or, if they have been submitted, its sealed bids.
- 20.5 Rules 20.1 - 20.4 above also apply to Pending Applications.

21. Delay after completion of Allocation Processes

- 21.1 Pursuant to Regulation 40, the Delivery Body must re-run the full Allocation Process where the Delay Period has expired. Pursuant to Regulation 40(4), "Delay Period" means:
- (a) Where a Variation Notice was not required to be given when the Allocation Process commenced, a period of more than 6 months has expired since the Application Closing Date; or
 - (b) Where a Variation Notice was required to be given when the Allocation Process commenced, a period of more than 6 months has expired since the date on which the Variation Notice was required to be given.

22. CFD Notifications

- 22.1 Pursuant to Regulation 42(3)(b), the following additional information must be included in a CFD Notification issued by the Delivery Body—
- (a) the Target Commissioning Date and the start of the Target Commissioning Window;
 - (b) the Successful Allocation Capacity;
 - (c) whether the CFD Unit is a Dual Scheme CFD Unit;
 - (d) where the CFD Unit is, or is to form part of, a Dual Scheme CFD Unit, the capacity in megawatts of the whole station;
 - (e) the contact information (including the address and email address) of—
 - (i) the Applicant;
 - (ii) the person, position or group to whom future notices should be addressed; and
 - (iii) where the Applicant is not based in Great Britain, its agent for service of process;
 - (f) a description of the CFD Unit, including the geographical coordinates, provided in the Application;
 - (g) the CFD Standard Terms and Conditions applicable to the Application and, where applicable, the reference number of the modification agreement and the date this was entered into with the CFD Counterparty;
 - (h) whether a Direct Connection, a Partial Connection or no connection applies to the CFD Unit;
 - (i) where a Direct Connection or a Partial Connection applies, whether that connection is to the Transmission System or a Distribution System;
 - (j) where a Direct Connection applies and the CFD Unit is connected only to the Distribution System then the Applicant must indicate whether it intends to be Licence Connected or Licence Exempt Embedded;
 - (k) if the CFD Unit is a Phased Offshore Wind CFD Unit—

- (i) in which of the following Offshore Wind Leasing Rounds the CFD Unit was granted a lease or agreement for lease by the Crown Estate in respect of the location of that CFD Unit—
 - (I) round 2; or
 - (II) round 3 or Scottish Territorial Waters.
 - (ii) the contact information (including name, address and email address) of the Generator, Initial Installed Capacity Estimates, start dates for each of the Target Commissioning Windows and descriptions of the CFD Unit as provided in the Application for each phase of the Phased Offshore Wind CFD Unit; and
 - (iii) whether the Applicant intends to treat phases as individual projects for the purposes of metering or use apportionment methodology to assign net generation to each individual phase based on the overall functionality of that phase;
- (l) where the Technology Type is ACT, the process flow diagram with which the Delivery Body was provided by, or on behalf of, the Applicant at the time of Application;
 - (m) where the Technology Type is a Remote Island Wind CFD Unit, the schematic diagram with which the Delivery Body was provided by, or on behalf of, the Applicant at the time of Application; and/or
 - (n) where the Technology Type is a Floating Offshore Wind CFD Unit, the depth chart or map of the facility and the director's declaration that the relevant CFD Unit will meet all the Floating Offshore Wind conditions, with which the Delivery Body was provided by, or on behalf of, the Applicant at the time of Application.

23. Pending Applications

- 23.1 Where this Rule applies and where a Pending Application is determined to be a Qualifying Application, pursuant to Regulation 51(3), such an Application will be a Successful Application if—
- (a) an auction was held and the Applicant's lowest bid is equal to or lower than the clearing price for the auction for the relevant Pot (or Overall Budget, as relevant), in which case, subject to Rule 23.1(c) below, the Strike Price applicable to the Application is that clearing price, capped at its relevant Administrative Strike Price;

- (b) an auction was held and the Applicant's lowest bid does not result in a Successful Application, however, following an assessment by the Delivery Body of the Applicant's Flexible Bids from lowest to highest, the Applicant has at least one Flexible Bid that is equal to or lower than the clearing price for the auction for the relevant Pot (or Overall Budget, as relevant), in which case, subject to Rule 23.1(c) below, the Strike Price applicable to the Application's lowest successful Flexible Bid is the clearing price for the relevant Pot (or Overall Budget, as relevant), capped at its relevant Administrative Strike Price;
- (c) an auction was held and Rules 23.1(a) or (b) above apply, and the Application is subject to a Maximum, in which case the Strike Price applicable to that bid will be the clearing price for applications subject to that Maximum, capped at its relevant Administrative Strike Price; or
- (d) no auction was held, in which case the Strike Price applicable to such an Application is the relevant Administrative Strike Price.

23.2 Where this Rule applies and where a Pending Application is determined to be a Qualifying Application, pursuant to Regulation 51(3), such an Application will be unsuccessful if none of the conditions in Rule 23.1 above are met.

24. Notification to the Authority and the Secretary of State of auction irregularity

- 24.1 If, in respect of any Qualifying Applicant or member of a Qualifying Applicant's Group, the Delivery Body becomes aware of—
- (a) any conduct which appears to it to indicate anti-competitive practices or attempted anti-competitive practices with respect to the Allocation Process;
 - (b) any irregularity with respect to the participants' conduct in an auction; or
 - (c) any other conduct which appears to the Delivery Body as likely to have the effect of distorting the outcome of the auction process,

the Delivery Body must notify the Authority and the Secretary of State as soon as reasonably practicable.

25. Time and dates

- 25.1 Where a Deadline falls on a Working Day or any period is to run to a Working Day, this is to be taken as meaning 17:00 on that Working Day.

- 25.2 Where something is done after 17:00 on a Working Day or on a day which is not a Working Day, it is to be treated as having been done on the next Working Day.

26. Notification to the Delivery Body

- 26.1 If, in accordance with any provision of these Rules, the Applicant is required, or wishes, to notify the Delivery Body of any fact or circumstance it must do so in accordance with the notice requirements in the Notice of Auction.

27. Changes to timing and submission requirements

- 27.1 If the Delivery Body cannot proceed with or complete any aspect of the Allocation Process or a determination of eligibility in accordance with these Rules because of an IT Auction System failure or other exceptional circumstances, the Delivery Body may—
- (a) alter the method by which any data, information, document or sealed bid is required to be submitted to the Delivery Body under these Rules;
 - (b) extend, on a day for day basis, the Deadline for submitting any data, information, document or sealed bid that is required to be submitted to the Delivery Body under these Rules; and/or
 - (c) extend the Deadline, on a day for day basis, for undertaking any other action that is required to be undertaken under these Rules.
- 27.2 Where the Delivery Body takes action under Rule 27.1 above, the Delivery Body must publish details of the changes made. Where reasonably practicable this must be done using the same method of publication as was used by the Delivery Body to publish the Notice of Auction.

28. Hierarchy of documents

- 28.1 In the event of any conflict or inconsistency between the Allocation Regulations, the Eligible Generator Regulations and these Rules, the Allocation Regulations and the Eligible Generator Regulations prevail over these Rules.

Schedule 1 - Definitions

1. Unless otherwise stated, terms defined in the Allocation Regulations and the Eligible Generator Regulations have the same meaning in these Rules.

2. In these Rules—

“Advanced Conversion Technology” and **“ACT”** has the meaning given in the most recently published version of the CFD Standard Terms and Conditions;

“Administrative Strike Price” has the meaning given in Regulation 2(1);

“Advanced Fuel” has the meaning given in the most recently published version of the CFD Agreement;

“Allocation Process” has the meaning given in Regulation 2(1);

“Allocation Regulations” means the Contracts for Difference (Allocation) Regulations 2014 (as amended);

“Allocation Round” has the meaning given in section 13(2)(b) of the Energy Act 2013;

“Appeals Deadline Date” has the meaning given by Regulation 2(1);

“Applicant” has the meaning given in Regulation 2(1); **“Application”** has the meaning given in Regulation 2(1);

“Application Closing Date” in relation to an Allocation Round has the meaning given in Regulation 2(1);

“Applications Valuations” has the meaning given in Regulation 2(1);

“Associated” has the meaning given in section 67 of the Energy Act 2008 as if that section also applied to Scotland;

“Authority” means the Gas and Electricity Markets Authority established pursuant to section 1 of the Utilities Act 2000;

“BM Unit Metered Volume” has the meaning given in the most recently published version of the CFD Standard Terms and Conditions;

“Budget Profile” means the budget for all Relevant Delivery Years and Valuation Years, as set out in the Budget Notice;

“Budget Notice” has the meaning given in Regulation 2(1);

“Budget Revision Notice” has the meaning given in Regulation 2(1);

“**Cabling**” has the meaning given in Regulation 27A(4);

“**CFD Agreement**” means the agreement entered into between the CFD Counterparty and the Eligible Generator pursuant to an offer made by the CFD Counterparty pursuant to section 14 of the Energy Act 2013;

“**CFD Counterparty**” has the meaning given in Regulation 2 of the Contracts for Difference (Standard Terms) Regulations 2014;

“**CFD Notification**” has the meaning given in section 12(1) of the Energy Act 2013;

“**CFD Standard Terms and Conditions**” means the standard terms pursuant to section 11 of the Energy Act 2013;

“**CFD Unit**” has the meaning given in Regulation 2(1);

“**CHP**” has the meaning given to the term “CHP station” in Regulation 2(1) of the Eligible Generator Regulations;

“**CHPQA**” means Combined Heat and Power Quality Assurance;

“**CHPQA Guidance Note 44**” has the meaning given in the most recently published version of the CFD Standard Terms and Conditions;

“**CMU**” has the meaning given to that term in Regulation 2(1) of the Electricity Capacity Regulations 2014;

“**Combustion Chamber**” means that part of a Facility, the “Facility Generation Technology” of which is Advanced Conversion Technology, in which Advanced Fuel is combusted;

“**Commissioned**” means the completion of those procedures and tests in accordance with applicable industry standards which demonstrate that the Generating Station is capable of commercial operation;

“**Compression Unit**” means a mechanical device, passage through which causes the pressure of an Advanced Fuel to increase;

“**Connection Agreement**” has the meaning given in Regulation 2(1);

“**Crown Estate**” means the Commissioners referred to in section 1 of the Crown Estate Act 1961 or where the Project is in Scotland means the Commissioners referred to in section 90B of the Scotland Act 1998;

“**Deadline**”, in relation to any requirement imposed on any person by or under these Rules, means (as the case may require)—

- (i) the time,

(ii) the date, or

(iii) the date, and the time on that date,

by which that requirement must be fulfilled by that person;

“Dedicated Biomass with CHP” has the meaning given to the term “Dedicated Biomass with CHP Station” in Regulation 2(1) of the Eligible Generator Regulations;

“Delay Period” has the meaning given in Regulation 40 and which period is listed in the Allocation Framework at Rule 21 for this Allocation Round further to Regulation 40(4);

“Delivery Body” has the meaning given in Regulation 2(1);

“Delivery Year” has the meaning given in Regulation 2(1);

“Direct Connection” has the meaning given in Regulation 25(6);

“Distribution System” has the meaning given by Regulation 2(1);

“Dual Scheme CFD Unit” has the meaning given to the term “Dual Scheme Facility” in the most recently published version of the CFD Standard Terms and Conditions;

“Eligible Generating Station” has the meaning given in Regulation 3 of the Eligible Generator Regulations;

“Eligible Generator” has the meaning given in Regulation 3(2) of the Eligible Generator Regulations;

“Eligible Generator Regulations” mean the Contracts for Difference (Definition of Eligible Generator) Regulations 2014 (as amended);

“Energy from Waste with CHP” has the meaning given to the term “Energy from Waste with CHP Station” in Regulation 2(1) of the Eligible Generator Regulations;

“Facility” has the meaning given in the most recently published version of the CFD Agreement;

“Facility Generation Technology” has the meaning given in the most recently published version of the CFD Standard Terms and Conditions;

“Flexible Bid” has the meaning given in Regulation 51(10);

“Floating Offshore Wind CFD Unit” has the meaning given in Regulation 27ZA(2);

“Floating Offshore Wind Conditions” means the conditions set out in Regulation 27ZA(4);

“Generating Station” has the meaning given in regulation 2(1) of the Eligible Generator Regulations;

“**Generation Circuit**” has the meaning given in Regulation 27A(4);

“**Generator**” means an Eligible Generator which enters into one or more CFD Agreement(s) with the CFD Counterparty;

“**Grid Supply Point**” has the meaning given in Regulation 27A(4);

“**Gross Capacity**” means the maximum capacity of the CFD Unit at which an Eligible Generating Station could operate for a sustained period without causing damage to it (expressed in MW);

“**Initial Installed Capacity Estimate**” means the Generator’s initial estimate of the Installed Capacity as notified to the Delivery Body in an Application or Flexible Bid;

“**Installed Capacity**” has the meaning given in the most recently published version of the CFD Standard Terms and Conditions;

“**IT Auction System**” means the IT infrastructure used to submit Applications and sealed bids;

“**Interleaving bids process**” has the meaning given by Rule 17.6;

“**Licence Connected**” means an Applicant which holds a licence to generate electricity and which is connected or is to be connected to the Transmission System or a Distribution System;

“**Licence Exempt Embedded**” means an Applicant which is exempt from the requirement to hold a licence to generate electricity and which is connected or is to be connected to a Distribution System;

“**Map**” means a map showing the scale, name, shape of the CFD Unit and the Longitude and Latitude (in WGS84 format to 3 decimal places) of the Northerly, Easterly, Southerly and Westerly extreme coordinates of the site where the CFD Unit is located. The Ordnance Survey Grid Reference(s) in question B2 of the Application should be for the centre of the site where the CFD Unit is located;

“**Main Interconnected Transmission System**” has the meaning given in Regulation 27A(4);

“**Maxima**” has the meaning given in Regulation 2(1) – a single such budget is referred to as a “Maximum”;

“**Metered Output**” has the meaning given in the most recently published version of the CFD Standard Terms and Conditions;

“**Metered Volume**” has the meaning given in the most recently published version of the Private Network CfD Agreement;

“**Minima**” has the meaning given in Regulation 2(1) – a single such budget is referred to as a “Minimum”;

“Monetary Budget” has the meaning given in paragraph (a) of the definition of Overall Budget in Regulation 2(1);

“Monetary Pot” has the meaning given in Regulation 11(2)(c) in relation to a division of the Overall Budget as defined in Regulation 2(1);

“Non-Qualification Review” has the meaning given in Regulation 2(1);

“Non-Qualification Review Notice” means the Review Notice referred to in Regulation 20(1);

“Non-Qualification Review Request Date” has the meaning given in Regulation 2(1);

“Notice of Auction” has the meaning given in Rule 10;

“Offshore Generating Station” has the meaning given in Regulation 27(3);

“Offshore Installation” has the meaning given in the most recently published version of the Private Network CFD Agreement;

“Offshore Wind CFD Unit” has the meaning given in Regulation 2(1);

“Original Application” means the Application submitted to the Delivery Body prior to the Application Closing Date;

“Overall Budget” has the meaning given in Regulation 2(1);

“Overall Capacity Cap” has the meaning given in paragraph (b) of the definition of Overall Budget in Regulation 2(1);

“Offshore Wind Leasing Round” means a leasing round (or extension thereto) designated as such by the Crown Estate;

“Partial Connection” has the meaning given in Regulation 25(6);

“Pending Application” has the meaning given in Regulation 2(1);

“Phased Offshore Wind CFD Unit” has the meaning given by Regulation 2(1);

“Physical Separation Requirement” means the requirement (the subject of an undertaking by the Generator in the most recently published version of the CFD Standard Terms and Conditions) that at all times the Synthesis Chamber and the Combustion Chamber shall be separated by a pipe or conduct:

(A) which is used for transporting the Advanced Fuel produced in the Synthesis Chamber to the Combustion Chamber;

(B) which will include at least one connection that allows for sampling of the Advanced Fuel;

(C) within which no combustion will occur; and

(D) which has an operating Compression Unit or Purification Unit within it or connected to it;

“**Pot**” has the meaning as given in Regulation 2(1);

“**Pot Capacity Cap**” has the meaning given in Regulation 11(2)(c) in relation to a division of the Overall Capacity Cap as defined in this Schedule;

“**Private Network**” has the meaning given in Regulation 2(1);

“**Private Network CFD Agreement**” is a CFD Agreement for which the Eligible Generator is a Private Network Generator;

“**Private Network Generator**” has the meaning given in the most recently published version of the Private Network CFD Agreement;

“**Private Network Use Agreement**” has the meaning given in Regulation 25(6);

“**Purification Unit**” means a mechanical device (other than one used wholly or mainly for the purpose of removing ash) that removes solids, liquids, gases or vapours from an Advanced Fuel;

“**Qualification Appeal**” has the meaning given in Regulation 2(1);

“**Qualifying Applicant**” has the meaning given in Regulation 2(1);

“**Qualifying Applicant’s Group**” means, in relation to a Qualifying Applicant—

- (i) that Qualifying Applicant; and
- (ii) any person Associated with that Qualifying Applicant;

“**Qualifying Application**” has the meaning given by Regulation 2(1);

“**Regulation**” is reference to the regulation of that number in the Allocation Regulations;

“**Relevant Delivery Year**” means the Delivery Year in which the Target Commissioning Window Start Date specified in an Application falls, unless the Target Commissioning Window Start Date falls before the first applicable Delivery Year, in which case the Relevant Delivery Year will be the first applicable Delivery Year (applicable Delivery Years are set out in the Budget Notice and also at Schedule 4);

“**Remote Island**” has the meaning given in Regulation 27A(4);

“**Remote Island Wind CFD Unit**” has the meaning given in Regulation 2(1);

“**Remote Island Wind Conditions**” means the conditions set out in Regulation 27A(3);

“**Review Notice**” has the meaning given by Regulation 2(1);

“**Rules**” means the rules set out in the Allocation Framework and a reference to any particular Rule is a reference to these rules;

“**Soft Constraint**”, when applied to a Pot Capacity Cap, Overall Capacity Cap, Minimum or Maximum, means that the relevant amount of capacity of electricity generation specified in the Budget Notice may be exceeded, in accordance with Regulation 11(4A) and subject to Rule 14;

“**Strike Price**” has the meaning given in Regulation 2(1);

“**Submission Closing Date**” has the meaning given in Rule 10.5(c);

“**Subsea Cabling**” has the meaning given in Regulation 27A(4);

“**Successful Allocation Capacity**” means the capacity stated in an Application or sealed bid which is determined by the Delivery Body to be a Successful Application pursuant to these Rules;

“**Successful Application**” means an Application in respect of which, further to an Allocation Process, a CFD Notification may be made or, in the case of an Application in respect of a Phased Offshore Wind CFD Unit, more than one CFD Notification may be made;

“**Supplemental Requirements**” has the meaning given in Regulation 28(1);

“**Synthesis Chamber**” means that part of a Facility, the “Facility Generation Technology” of which is Advanced Conversion Technology, in which Advanced Fuel is produced;

“**Target Commissioning Date**” has the meaning given in Regulation 2(1). The earliest date that the Target Commissioning Date can fall is the first day of the first Delivery Year, and (with the exception of later phases of Phased Offshore Wind CFD Units) the latest date that the Target Commissioning Date can fall is the last day of the final Delivery Year;

“**Target Commissioning Window**” has the meaning given in Regulation 2(1);

“**Target Commissioning Window Start Date**” has the meaning given in Regulation 2(1). Following amendments to Regulation 51, The Target Commissioning Window Start Date now determines the initial point of valuation and the Relevant Delivery Year. The earliest date that the Target Commissioning Window Start Date can fall is such that the final day of the Target Commissioning Window falls on the first day of the applicable Delivery Year;

“**Target Dates**” has the meaning given in Regulation 2(1);

“**Technology Type**” means the technology type notified to the Delivery Body in an Application as the CFD Unit’s Facility Generation Technology;

“**Tiebreaker**” has the meaning given in Rule 19;

“Transmission Entry Capacity” has the meaning given in Regulation 25(6);

“Transmission System” has the meaning given in Regulation 2(1);

“Valuation Year” means any of the 12-month periods commencing on 1st April and ending on 31st March which follow the applicable Delivery Years and for which valuations must be determined, as set out in the Budget Notice (and at Schedule 4);

“Variation Notice” has the meaning given in Regulation 2(1); and

“Working Day” has the meaning given in Regulation 2(1).

Schedule 2 - Valuation Formula

Schedule 2 is not included in this draft document. It will be included in the final AR6 Allocation Framework.

Appendix 1 – Administrative Strike Prices (£/MWh in 2012 prices)

Appendix 1 is not included in this draft document. It will be included in the final AR6 Allocation Framework.

Appendix 2 – Reference Prices (£/MWh, 2012 prices)²

Appendix 2 is not included in this draft document. It will be included in the final AR6 Allocation Framework.

Appendix 3 - Load Factors

Appendix 3 is not included in this draft document. It will be included in the final AR6 Allocation Framework.

Appendix 4 - Transmission Loss Multiplier

Appendix 4 is not included in this draft document. It will be included in the final AR6 Allocation Framework.

Appendix 5 - Renewable Qualifying Multiplier

Appendix 5 is not included in this draft document. It will be included in the final AR6 Allocation Framework.

² The technologies that the various reference prices are applied to in the valuation formula are set out at Schedule 3

Appendix 6 – Days

Appendix 6 is not included in this draft document. It will be included in the final AR6 Allocation Framework.

Schedule 3 - Applicable Reference Price

Schedule 3 is not included in this draft document. It will be included in the final AR6 Allocation Framework.

Schedule 4 – Applicable Delivery and Valuation Years

Schedule 4 is not included in this draft document. It will be included in the final AR6 Allocation Framework.

Schedule 5 - Application checks to be carried out by the Delivery Body

Schedule 5 is published as a separate document.

Schedule 6 – Target Commissioning Windows

Schedule 6 is not included in this draft document. It will be included in the final AR6 Allocation Framework.