



Department for
Energy Security
& Net Zero

12 November 2024

Contracts for Difference (CfD): Budget Notice for the Clean Industry Bonus (CIB) Application Window, 2025

From: Secretary of State for Energy Security and Net Zero

**To: 1. National Energy System Operator, EMR Delivery Body
2. Low Carbon Contracts Company Limited (“The CfD Counterparty”).**

This notice is given pursuant to Regulation 13A of the Contracts for Difference (Allocation) Regulation 2014. A copy of that regulation is included in the schedule to this notice.

This notice applies to the seventh Contracts for Difference (CfD) Allocation Round. The Dates of the CfD application window will be published in due course.

CIB Budget allocation

This notice serves as both the indicative budget notice and the draft budget notice for the Clean Industry Bonus, as per regulation 13A of the Contracts for Difference (Allocation) Regulations 2014.

The budget applicable to the Clean Industry Bonus¹ for Allocation Round 7 of the CfD is £27m per GW of capacity applying for a Clean Industry Bonus.

The Secretary of State may revise the draft budget before it is given in its final form. The Secretary of State must give a clean industry bonus budget notice in its final form within the period of three weeks beginning with the day after the last day on which an eligible generator may make a Clean Industry Bonus application, as specified in the Clean Industry Bonus allocation framework.

Use of Floating Offshore Wind Sub-budget

A portion of the budget will be ring-fenced for Floating Offshore Wind proposals, as set out in the CIB Allocation Framework. This is referred to as a ‘sub-budget’. The sub-budget will be applied on a monetary budget basis, to support and encourage the

¹ “Clean Industry Bonus” refers to the scheme set out in the Contracts for Difference (Sustainable Industry Rewards) Regulations 2024, known in the regulations as ‘Sustainable Industry Rewards’ (SIRs). For the avoidance of doubt, Sustainable Industry Rewards as referred to in the regulations have evolved and have become the Clean Industry Bonus. The name SIRs is being superseded though the regulations and other legal documents may still refer to them.

development of the more expensive nascent floating offshore wind supply chain. The value of the sub-budget will not be disclosed publicly to preserve competition.

The Secretary of State may also use their discretionary power when setting the final budget, to revise the floating offshore wind sub-budget, up or down.

SIGNED

A handwritten signature in cursive script that reads "Sarah Redwood".

Sarah Redwood, Director Renewable Electricity, Department for Energy
Security and Net Zero
For and on behalf of the Secretary of State
DATED: 12 November 2024

Schedule to the Draft Budget Notice for CfD Allocation Round

The Contracts for Difference (Allocation) Regulations 2014 Regulation 13A.

Budget notices

13A.— Sustainable industry reward budgets

(1) Where the Secretary of State gives a sustainable industry reward framework notice in relation to an allocation round, the Secretary of State must by notice ("a sustainable industry reward budget notice") specify the sustainable industry reward budget which is available for that allocation round.

(2) The Secretary of State must give a sustainable industry reward budget notice in its indicative form at the same time as the Secretary of State gives the sustainable industry reward framework notice.

(3) The Secretary of State must give a sustainable industry reward budget notice in its draft form no less than 3 months before the date on which the sustainable industry reward allocation process will commence, as specified in the sustainable industry reward framework notice or in a sustainable industry reward framework revision notice.

(4) The Secretary of State may revise a sustainable industry reward budget notice given in its indicative form under paragraph (2) before it is given in its draft form under paragraph (3).

(5) The Secretary of State must give a sustainable industry reward budget notice in its final form within the period of three weeks beginning with the day after the last day on which an eligible generator may make a sustainable industry reward application, as specified in the sustainable industry reward allocation framework.

(6) The Secretary of State may revise a sustainable industry reward budget notice given in its draft form under paragraph (3) before it is given in its final form under paragraph (5).

(7) A sustainable industry reward budget notice, whether in its indicative, draft or final form, must—

(a) be given to the delivery body and the CFD counterparty; and

(b) identify the allocation round to which the sustainable industry reward budget notice applies.

END