

Clean Industry Bonus Post Consultation Version, 05.02.25
Based on the template for AR6 dated 13.03.24. It contains changes related to the Clean Industry Bonus, and does not show all changes that will be made for Allocation Round 7

Dated

[]
(as the **GENERATOR**)

and

LOW CARBON CONTRACTS COMPANY LTD
(as the **CFD COUNTERPARTY**)

CFD (PHASE 3) AGREEMENT
RELATING TO *[name of Project]*

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THIS CFD (PHASE 3) AGREEMENT is dated _____ (the “**Agreement Date**”) and made between:

- (1) [●], a company incorporated under the laws of [●] whose registered office is [●] and whose company number is [●] (the “**Generator**”); and
- (2) **LOW CARBON CONTRACTS COMPANY LTD**, a company incorporated under the laws of England and Wales whose registered office is 10 South Colonnade, Canary Wharf, London E14 4PU and whose company number is 08818711 (the “**CfD Counterparty**”).

BACKGROUND

- (A) This CfD (Phase 3) Agreement is entered into following the applicable contract allocation or negotiation process established under or by virtue of the EA 2013. It relates to the third phase of a Phased Project and separate agreements are also entered into on or about the date of this agreement in respect of the other phases of such Phased Project.
- (B) Project Company 1 has satisfied the relevant Eligibility Criteria in relation to the Phased Project.
- (C) The CfD Counterparty is a company wholly owned by the UK Government and is entering into this CfD (Phase 3) Agreement solely for the purpose of implementing the provisions of the EA 2013.
- (D) This CfD (Phase 3) Agreement is a CfD Agreement for the purpose of the Conditions.
- (E) This CfD (Phase 3) Agreement, together with the terms and conditions set out in version 6 of the document entitled “FiT Contract for Difference Standard Terms and Conditions” as at 13 March 2024, constitute an agreement entered into on “standard terms” (as defined in section 11(1) of the EA 2013).

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 In this CfD (Phase 3) Agreement and its recitals:

“**Agreement Date Provisions**” means Part 1 (*Introduction*), Part 2 (*Term*), Part 3 (*Conditions Precedent and Milestone Requirement*), Condition 8 (*Application*), Condition 9 (*Definitions: Part 5A*), Condition 14 (*Strike Price Adjustments*), Condition 16 (*Application*), Condition 17 (*Definitions: Part 5B*), Condition 20 (*Strike Price Adjustments*), Condition 24 (*Default Interest*), Condition 25 (*Set-off*), Condition 26 (*Deductions and withholdings*), Condition 27 (*Payment accounts*), Condition 28 (*Generator representations and warranties*), Condition 29 (*CfD Counterparty representations and warranties*), Condition 30 (*Generator undertakings: General*), Condition 32 (*Generator undertakings: Information provision and no cumulation of Subsidy, state aid and/or union funding*), Part 12 (*Termination*), Part 14 (*Dispute Resolution*) to Part 17 (*Miscellaneous*) (inclusive), Schedule 1 (*Conditions Precedent*), Annex 1 (*Calculation of Termination Amount*), Annex 2 (*Change Control Procedure*), Annex 3 (*Form of Direct Agreement*), Annex 7 (*FMS arrangements, Sustainability Criteria, RQM Calculation Methodology and*

ACT Efficiency), Annex 8 (*Pro forma notices*), Clauses 6.5 to 6.7 and Clause 12 (*Transfers*);

“CfD (Phase 1) Agreement” means a Contract for Difference between Project Company 1 and the CfD Counterparty entered into on or about the date of this CfD (Phase 3) Agreement in relation to the first phase of the Phased Project;

“CfD (Phase 2) Agreement” means a Contract for Difference between Project Company 3 and the CfD Counterparty entered into on or about the date of this CfD (Phase 3) Agreement in relation to the second phase of the Phased Project;

“CfD Standard Terms Notice” means a notice issued pursuant to regulation 9 of the Contracts for Difference (Standard Terms) Regulations 2014 (as amended);

“Conditions” means the terms and conditions set out in version 6 of the document entitled “FIT Contract for Difference Standard Terms and Conditions” as at 13 March 2024 (as amended, modified, supplemented or replaced by this CfD (Phase 3) Agreement and as may be amended, modified, supplemented or replaced from time to time in accordance with the Conditions);

“Facility” means the generating facility comprising:

(A) all assets (including all Generating Units but excluding all assets forming part of an Electricity Storage Facility) which are used (or intended to be used) to generate or deliver electricity and which:

- (i) were taken into account by the Generator in determining the Initial Installed Capacity Estimate;
- (ii) are (except as otherwise agreed in writing by the CfD Counterparty) situated (subject to paragraph (d)) within the area shaded on the map provided pursuant to paragraph (C)(ii) of Part A of Schedule 1, and which has the geographical coordinates specified in Annex 1 (*Description of the Facility*); and
- (iii) are described pursuant to Paragraph (C)(i) of Part A of Schedule 1,

adjusted where the context requires to take due account of any changes to the composition of such assets arising as a result of, or giving rise to:

- (a) any reduction to the Installed Capacity Estimate pursuant to Condition 5 (*Adjustment to Installed Capacity Estimate: Relevant Construction Event*);
- (b) any adjustment to the Installed Capacity Estimate pursuant to Condition 6 (*Adjustment to Installed Capacity Estimate: Permitted reduction*);

- (c) the agreement or determination of the Final Installed Capacity pursuant to Condition 7 (*Final Installed Capacity; Maximum Contract Capacity*); and
 - (d) any turbine reallocation pursuant to Clause 6.5; and
- (B) all assets owned by the Generator and comprised or to be comprised within the Offshore Transmission System of such generating facility except for the purposes of:
- (i) in Condition 1.1, the definitions of “**Competent Authority**”, “**Curtailment**”, “**Defined Curtailment Compensation**”, “**Defined Partial Curtailment Compensation**”, “**Discriminatory Change in Law**”, “**Eligibility Criteria**”, “**Foreseeable Change in Law**”, “**Generation Tax Liability**”, “**Partial Curtailment**”, “**QCIL Capital Costs**”, “**QCIL Capital Savings**”, “**QCIL Construction Event**”, “**QCIL Construction Event Costs**”, “**QCIL Operations Cessation Event**”, “**Qualifying Curtailment**”, “**Qualifying Partial Curtailment**”, “**Qualifying Shutdown Event**”, “**Required Authorisation**” and “**Specific Change in Law**”;
 - (ii) Conditions 28.2(A), 30.1(E), 31.13, 36.1, 48.2 and 50.1; and
 - (iii) paragraph 9.3 of Annex 3 (*Form of Direct Agreement*) to the Conditions,
- and otherwise excluding all other assets forming part of the Transmission System or a Distribution System;

“**Group Company**” means, in respect of the Generator, any Wholly-owned Subsidiary of the Generator, any company of which the Generator is a Wholly-owned Subsidiary (a “**Parent Company**”) and any other Wholly-owned Subsidiary of any Parent Company;

“**Initial CP Provisions**” means Part 4 (*Adjustments to Installed Capacity Estimate*) and Clause 6.4 and Clauses 6.8 to 6.11, Part 8 (*Changes in Law*), Part 9 (*Generation Tax*), Part 10 (*TLM(D)*), Part 11 (*Curtailment*), Schedule 2 (*Clean Industry Bonus*), Annex 4 (*BMRP*) and Annex 5 (*IMRP*);

“**Phase 1 Installed Capacity Estimate**” has the meaning given to the term “**Installed Capacity Estimate**” in the CfD (Phase 1) Agreement;

“**Phase 1 RCE Reduction Amount**” has the meaning given to that term in Clause 6.8(A).

“**Phase 1 Start Date**” has the meaning given to the term “**Start Date**” in the CfD (Phase 1) Agreement;

“**Phase 1 Target Commissioning Window**” has the meaning given to the term “**Target Commissioning Window**” in the CfD (Phase 1) Agreement;

“**Phase 1 Turbine Reallocation Deadline**” has the meaning given to that term in Clause 6.5(A)(i);

“Phase 2 Installed Capacity Estimate” has the meaning given to the term **“Installed Capacity Estimate”** in the CfD (Phase 2) Agreement;

“Phase 2 RCE-Increased Installed Capacity Estimate” has the meaning given to that term in Clause 6.9(B)(iii);

“Phase 2 RCE Reduction Amount” has the meaning given to that term in Clause 6.8(B);

“Phase 2 Target Commissioning Window” has the meaning given to that term in the CfD (Phase 2) Agreement;

“Phase 2 Turbine Reallocation Deadline” has the meaning given to that term in Clause 6.5(A)(ii);

“Phase 3 RCE-Increased Installed Capacity Estimate” has the meaning given to that term in Clause 6.9(B)(iii);

“Phased Project” means an offshore wind electricity generation project consisting of the Project, the Project as defined in the CfD (Phase 1) Agreement and the Project as defined in the CfD (Phase 2) Agreement, each of which has a separate Target Commissioning Date, and for which a joint application for a Contract for Difference has been submitted to the Delivery Body;

“Project Company 1” means [*legal name of company*];

“Project Company 2” means [*legal name of company*];

“RCE Increase Amount” has the meaning given to that term in Clause 6.9(B)(iii); and

“Wholly-owned Subsidiary” has the meaning given to it in section 1159(2) of the Companies Act 2006.

- 1.2 Except as expressly specified in this CfD (Phase 3) Agreement, words and expressions defined in the Conditions shall have the same meanings when used in this CfD (Phase 3) Agreement. Where a term is defined both in this CfD (Phase 3) Agreement and in the Conditions, the definition in this CfD (Phase 3) Agreement shall apply instead of the definition in the Conditions.

2. AGREEMENT

The Generator

- 2.1 The Generator shall, as from the Agreement Date, comply with this CfD (Phase 3) Agreement (including the Conditions) as the “Generator” and agrees that the Conditions are hereby incorporated into this CfD (Phase 3) Agreement as if they were clauses of this CfD (Phase 3) Agreement.

The CfD Counterparty

- 2.2 The CfD Counterparty shall, as from the Agreement Date, comply with this CfD (Phase 3) Agreement (including the Conditions) as the “CfD Counterparty” and agrees that the

Conditions are hereby incorporated into this CfD (Phase 3) Agreement as if they were clauses of this CfD (Phase 3) Agreement.

Specific terms

2.3 [The Parties have agreed to amend the Conditions as set out in Annex 2 (Modification Agreement).]¹

2.4 The Parties agree that, for the purposes of this Contract for Difference, the Conditions shall be amended, modified, supplemented or replaced in accordance with the terms of this CfD (Phase 3) Agreement.

3. TERM

The “**Specified Expiry Date**” applicable to this Contract for Difference is the 15th anniversary of the earlier of the Start Date and the last day of the Target Commissioning Window.

4. GENERATION TECHNOLOGY TYPE

Facility Generation Technology

4.1 The Facility Generation Technology applicable to this Contract for Difference is Offshore Wind, provided that for the purposes of paragraph (A) of the definition of Specific Change in Law or paragraphs (B) or (C) of the definition of Other Change in Law, Offshore Wind, Onshore Wind and Remote Island Wind may be deemed to be one Facility Generation Technology.

4.2 The Facility Generation Technology is an Intermittent Technology and accordingly:

- (A) Part 5B (*Payment calculations: Intermittent Technologies*) to the Conditions shall apply to this Contract for Difference;
- (B) Annex 5 (*IMRP*) to the Conditions shall apply to this Contract for Difference; and
- (C) in this Contract for Difference, “**Settlement Unit**” means each hour in a day divided into hour-long periods starting at 00:00 on such day.

Renewable Qualifying Multiplier

4.3 The Renewable Qualifying Multiplier shall not apply to this Contract for Difference.

CHP Qualifying Multiplier

4.3A The CHP Qualifying Multiplier shall not apply to this Contract for Difference.

ACT Efficiency Multiplier

¹ Drafting note: Clause to be retained only if specific amendments to any given Contract for Difference are agreed to be made pursuant to Part 3 of The Contract for Difference (Standard Terms) Regulations 2014 (as amended).

4.3B The ACT Efficiency Multiplier does not apply to this Contract for Difference.

Fuelling Criteria

4.4 There are no Fuelling Criteria applicable to this Contract for Difference.

Sustainability Criteria

4.5 The Sustainability Criteria do not apply to this Contract for Difference.

5. CONDITIONS PRECEDENT AND MILESTONE

Interpretation

5.1 The “**Initial Target Commissioning Window**” applicable to this Contract for Difference shall be one year, such period commencing on [*insert date*]².

5.2 The “**Target Commissioning Date**” applicable to this Contract for Difference shall be [*•*]³.

5.3 The “**Longstop Period**” applicable to this Contract for Difference shall be two (2) years or such longer period that results from an extension in accordance with the definition of “**Longstop Date**”.

Further Conditions Precedent

5.4 The following shall be added as additional Further Conditions Precedent applicable to this Contract for Difference after paragraph 2.6 of Part B (*Further Conditions Precedent*) of Schedule 1 (*Conditions Precedent*) to the Conditions:

“2.7. *The Generator having delivered to the CfD Counterparty a certified copy of the Interim Operational Notification issued by the Transmission System Operator under the Grid Code. For the purpose of this paragraph, pursuant to the “Offshore Electricity Transmission: Decision on implementation of the Generator Commissioning Clause in the Energy Act 2013” dated 2 April 2014, the reference in this paragraph to the Interim Operational Notification shall be to ION B.*

2.8. *(Unless the CfD (Phase 1) Agreement has been terminated prior to the Start Date pursuant to Condition 51.8 (Qualifying Change in Law termination) of the CfD (Phase 1) Agreement as a result of the occurrence of a QCiL Construction Event) the Phase 1 Start Date has occurred.”*

² Drafting note: This shall be the date notified to the Delivery Body in the Generator’s FiT CfD Application as the start of the Target Commissioning Window.

³ Drafting note: This shall be the date notified to the Delivery Body in the Generator’s FiT CfD Application as its “Target Commissioning Date” and will be a date falling within the Initial Target Commissioning Window.

Milestone

- 5.5 Condition 4 (*Milestone Requirement*) of the Conditions and the definitions defined therein will not apply to this Contract for Difference.
- 5.6 The definition of “**Milestone Delivery Date**” shall be deleted and replaced by the following:

*“**Milestone Delivery Date**” means the date of the Milestone Delivery Date applicable to the CfD (Phase 1) Agreement, unless the CfD (Phase 1) Agreement is terminated prior to that date pursuant to Condition 51.8 (Qualifying Change in Law termination) of the CfD (Phase 1) Agreement, in which case it shall be on the same date as the Initial Milestone Delivery Date, as defined in the CfD (Phase 1) Agreement.”*

6. ADJUSTMENTS TO INSTALLED CAPACITY ESTIMATE AND REQUIRED INSTALLED CAPACITY

Interpretation

- 6.1 The “**Initial Installed Capacity Estimate**” applicable to this Contract for Difference is [●] MW⁴.
- 6.2 For the purposes of this CfD (Phase 3) Agreement, the “**Installed Capacity Estimate**” shall mean the Generator’s estimate of the Installed Capacity from time to time, being the Initial Installed Capacity Estimate as may be adjusted pursuant to Condition 5 (*Adjustment to Installed Capacity Estimate: Relevant Construction Event*), Condition 6 (*Adjustment to Installed Capacity Estimate: Permitted reduction*) and/or Clause 6.5 (*Turbine reallocation*) of this CfD (Phase 3) Agreement.
- 6.3 The “**Required Installed Capacity**” applicable to this Contract for Difference is 85% of the Installed Capacity Estimate.

Adjustment to Installed Capacity Estimate: Permitted reduction

- 6.4 An ICE Adjustment Notice given pursuant to Condition 6.1 of the Conditions shall be invalid and of no effect unless and until a valid and effective notice has been given to the CfD Counterparty pursuant to Condition 6.1 of the CfD (Phase 1) Agreement and the CfD (Phase 2) Agreement, provided that if the CfD (Phase 1) Agreement has been terminated prior to the Milestone Delivery Date, the ICE Adjustment Notice shall be valid and effective when a valid notice has been given to the CfD Counterparty pursuant to Condition 6.1 of the CfD (Phase 2) Agreement.

⁴ Drafting note: This shall be either (a) the capacity notified by the Delivery Body in the Generator’s FIT CfD Application as the capacity in megawatts, or (b) if the Allocation Round in which the Generator is participating requires them to submit a sealed bid, then the capacity for which successful allocation has taken place under the Allocation Round.

Turbine reallocation

6.5 The Generator may give a notice to the CfD Counterparty (a “**Turbine Reallocation Notice**”). A Turbine Reallocation Notice shall:

- (A) be given jointly by:
 - (i) the Generator, Project Company 1 and Project Company 2 (except any of them whose Contract for Difference has been terminated) if given before the first day of the Phase 1 Target Commissioning Window (the “**Phase 1 Turbine Reallocation Deadline**”); or
 - (ii) the Generator and Project Company 3 if given on or after the Phase 1 Turbine Reallocation Deadline but before the first day of the Phase 2 Target Commissioning Window (the “**Phase 2 Turbine Reallocation Deadline**”);
- (B) constitute a notice given by Project Company 2 under Clause 6.5 of the CfD (Phase 2) Agreement (a “**Phase 2 Turbine Reallocation Notice**”) and, if given by Project Company 1, a notice given by Project Company 1 under Clause 6.5 of the CfD (Phase 1) Agreement (a “**Phase 1 Turbine Reallocation Notice**”);
- (C) specify the proposed reallocation of the offshore wind turbines comprised within the Facility among this CfD (Phase 3) Agreement, the CfD (Phase 2) Agreement and (where applicable) the CfD (Phase 1) Agreement from the effective date of such Turbine Reallocation Notice;
- (D) include details of any change in assets comprising the Facility;
- (E) if the Generator has provided the CfD Counterparty with a Operational CP Notice in respect of the Further Conditions Precedent listed at Paragraph 2.1 (D) of Part B of Schedule 1 (Conditions Precedent) prior to the date of the Turbine Reallocation Notice and there has been a change to the electrical schematic diagram, include an updated date and time stamped copy of the electrical schematic diagram, certified as being correct and up-to-date by a director of the Generator and showing the locations of the Facility Metering Equipment associated with all assets comprised within the Facility; and
- (F) include such Supporting Information as the Generator considers relevant to evidence the turbine reallocation.

6.6 Any Turbine Reallocation Notice shall be invalid and of no effect:

- (A) if given under Clause 6.5(A)(i) on or after the Phase 1 Turbine Reallocation Deadline or under Clause 6.5(A)(ii) on or after the Phase 2 Turbine Reallocation Deadline; or
- (B) unless each of the Installed Capacity Estimate, the Phase 1 Installed Capacity Estimate and the Phase 3 Installed Capacity Estimate in the Turbine Reallocation

Notice is no greater than it was immediately prior to the Turbine Reallocation Notice.

6.7 Any Turbine Reallocation Notice shall be irrevocable.

Adjustment to Installed Capacity Estimate: Relevant Construction Event

6.8 If:

- (A) pursuant to Condition 5 (*Adjustment to Installed Capacity Estimate: Relevant Construction Event*) of the CfD (Phase 1) Agreement, the Phase 1 Installed Capacity Estimate is reduced (the amount of such reduction being the “**Phase 1 RCE Reduction Amount**”); or
- (B) pursuant to Condition 5 (*Adjustment to Installed Capacity Estimate: Relevant Construction Event*) of the CfD (Phase 2) Agreement, the Phase 2 Installed Capacity Estimate is reduced (the amount of such reduction being the “**Phase 2 RCE Reduction Amount**”),

the CfD Counterparty shall, within five (5) Business Days of such reduction having been agreed or determined, give a notice to the Generator and, where it relates to a Phase 1 RCE Reduction Amount, to Project Company 2 (a “**Phasing RCE-Adjustment Notice**”). A Phasing RCE-Adjustment Notice shall:

- (i) be substantially in the form set out in Annex 4 to this CfD (Phase 3) Agreement (*Phasing RCE-Adjustment Notice*);
- (ii) where it relates to a Phase 1 RCE Reduction Amount, constitute a notice given to Project Company 2 under Clause 6.8 of the CfD (Phase 2) Agreement; and
- (iii) specify the Phase 1 RCE Reduction Amount or Phase 2 RCE Reduction Amount, as applicable.

6.9 If the CfD Counterparty gives a Phasing RCE-Adjustment Notice pursuant to Clause 6.7, the Generator may, within twenty (20) Business Days of receipt of such Phasing RCE-Adjustment Notice, give a notice to the CfD Counterparty (a “**Phasing RCE-Adjustment Response Notice**”). A Phasing RCE-Adjustment Response Notice shall:

- (A) be substantially in the form set out in Annex 5 to this CfD (Phase 3) Agreement (*Phasing RCE-Adjustment Response Notice*); and
- (B) where it relates to a Phase 1 RCE Reduction Amount:
 - (i) be given jointly by the Generator and Project Company 2;
 - (ii) constitute a notice given by Project Company 2 under Clause 6.8 of the CfD (Phase 2) Agreement; and
 - (iii) specify the amounts by which the Installed Capacity Estimate and the Phase 2 Installed Capacity Estimate will be increased (the sum of such

amounts being the “**RCE Increase Amount**”) and the Installed Capacity Estimate and the Phase 2 Installed Capacity Estimate which will apply once such increases are made (respectively, the “**Phase 3 RCE-Increased Installed Capacity Estimate**” and the “**Phase 2 RCE-Increased Installed Capacity Estimate**”); or

- (C) where it relates to a Phase 2 RCE Reduction Amount:
- (i) be given by the Generator; and
 - (ii) specify the amount by which the Installed Capacity Estimate will be increased (such amount being the “**RCE Increase Amount**”) and the Installed Capacity Estimate which will apply once such increase is made (the “**RCE-Increased Installed Capacity Estimate**”).

6.10 Any RCE Increase Amount shall not exceed the Phase 1 RCE Reduction Amount or the Phase 2 RCE Reduction Amount, as applicable.

6.11 The Phase 3 RCE-Increased Installed Capacity Estimate shall constitute the Installed Capacity Estimate and, if applicable, the Phase 2 RCE-Increased Installed Capacity Estimate shall constitute the Phase 2 Installed Capacity Estimate, with effect from the date of the relevant Phasing RCE-Adjustment Response Notice.

7. CHANGES IN LAW

7.1 The “**Assumed Load Factor**” applicable to this Contract for Difference is [●]⁵.

7.2 The “**Post-Tax Real Discount Rate**” applicable to this Contract for Difference is [●]⁶.

8. PAYMENT CALCULATIONS: STRIKE PRICE

8.1 The “**Base Year**” applicable to this Contract for Difference is 2012.

8.2 The “**Initial Strike Price**” applicable to this Contract for Difference is £[●] per MWh⁷.

9. TLM(D)

9.1 Part 10 (*TLM(D)*) of the Conditions [*does not apply*]/[*applies*] to this CfD Agreement⁸.

⁵ Drafting note: This is to be equal to the “Assumed Load Factor” applicable to the Facility Generation Technology listed in Table J of the CfD Standard Terms Notice issued on 6 March 2024 by the Secretary of State for Energy Security and Net Zero.

⁶ Drafting note: This is to be equal to the “Post-Tax Real Discount Rate” applicable to the Facility Generation Technology listed in Table K of the CfD Standard Terms Notice issued on 6 March 2024 by the Secretary of State for Energy Security and Net Zero.

⁷ Drafting note: The Initial Strike Price will be provided by the Delivery Body following the Allocation Round.

⁸ Drafting note: Delete as applicable.

- 9.2 The “**Initial TLM(D) Charge**” for each calendar year from (and including) the Agreement Date to the end of the Term is that set out in the CfD Standard Terms Notice published most recently prior to the date of this Contract for Difference.

10. CURTAILMENT

- 10.1 Part 11 (*Curtailment*) of the Conditions applies to this Contract for Difference.⁹

11. TERMINATION

- 11.1 Condition 51.1(A) and Condition 51.3 of the Conditions shall not apply to this Contract for Difference.

- 11.2 A new paragraph (E) shall be added to Condition 51 (*Pre-Start Date Termination*) of the Conditions:

“(E) the CfD (Phase 1) Agreement has been terminated pursuant to any Pre-Start Date Termination Event pursuant to Condition 51 (Pre-Start Date Termination) of the CfD (Phase 1) Agreement,”

- 11.3 Condition 51.12 of the Conditions shall be deleted and replaced with the following provision:

“51.9 The termination rights in this Condition 51 (Termination) or in the CfD Agreement are the only rights that either Party has to terminate the Contract for Difference.”

- 11.4 A new paragraph (I) shall be added to Condition 53.1 (*Termination Events*) of the Conditions:

“(I) the CfD (Phase 1) Agreement has been terminated pursuant to a Termination Event pursuant to paragraph (D) of Condition 53.1 (Termination Events).”

- 11.5 Condition 54.1.B (*Survival*) of the Conditions shall be amended by (i) deleting the full-stop and replacing it with “; and”, and (ii) adding a new Condition 54.(C) (*Survival*):

“(C) for as long as either or both of the CfD Phase 1 Agreement and the CfD Phase 2 Agreement has not terminated or expired (and without prejudice to Condition 54.1(B)), the continued existence and validity of, and the rights and obligations of the Parties pursuant to Schedule 2 (Clean Industry Bonus CfD).”

12. TRANSFERS

- 12.1 Notwithstanding Condition 79.1 of the Conditions, the CfD Counterparty shall not withhold its consent to the novation of the rights, benefits, obligations and liabilities of the Generator under this Contract for Difference provided that:

(A) no Default has arisen and is continuing;

⁹ Drafting note: This will apply in all circumstances in which this agreement applies.

- (B) the rights, benefits, obligations and liabilities of the Generator under this Contract for Difference are transferred to and assumed by a Group Company;
- (C) the Generator shall have given to the CfD Counterparty not less than ten (10) Business Days written notice prior to any such novation specifying the identity of the relevant Group Company to which it intends to transfer its rights, benefits, obligations and liabilities and shall have provided such details in relation to that Group Company as the CfD Counterparty may reasonably request having received such notification;
- (D) the novation relates to all (and not part only) of the rights, benefits, obligations and liabilities of the Generator under this Contract for Difference;
- (E) such novation takes effect prior to the Phase 1 Start Date;
- (F) the rights, benefits, obligations and liabilities of the Generator under all other CfD Documents are also transferred to and assumed by the same Group Company at the same time;
- (G) the Transferee is an Eligible Generator; and
- (H) the novation is entered into in the form set out in Annex 6 to this CfD (Phase 3) Agreement (*Novation Agreement*), with such amendments as the CfD Counterparty may agree.

12.2 Where the CfD Counterparty consents to a novation pursuant to Clause 12.1 it shall enter into a novation agreement in the form described in Clause 12.1(H) with the Generator and the Group Company to which the rights, benefits, obligations and liabilities of the Generator are to be novated.

13. PRO FORMA NOTICES

Where this Agreement permits, or requires, either Party to give a notice to the other Party and the form of such notice is not set out in Annex 8 (*Pro forma notices*), such notice shall be in substantially the form set out in the relevant annex to this Agreement. The foregoing: (i) shall be without prejudice to the requirement for the relevant notice to include such content as may be prescribed by the relevant Clause; and (ii) shall apply only if the form of the notice in respect of the relevant Clause is contained in an annex to this Agreement.

14. NOTICES

14.1 The address and email address of each Party for any notice to be given under this Contract for Difference, and the department or officer (if any) for whose attention the notice is to be made, is:

- (A) in the case of the Generator:

Address:	
----------	--

Email address:	
For the attention of:	

(B) in the case of the CfD Counterparty:

Address:	
Email address:	
For the attention of:	

15. AGENT FOR SERVICE OF PROCESS

15.1 *[Condition 87 (Agent for service of process) shall not apply to this Contract for Difference and there shall be no Service Agent.] / [Condition 87 (Agent for service of process) shall apply to this Contract for Difference and the Service Agent shall be [●] of [●].]*¹⁰

16. CLEAN INDUSTRY BONUS

Schedule 2 (*Clean Industry Bonus*) shall be deleted and replaced by the contents of Annex 7 (*Clean Industry Bonus*).

¹⁰ Drafting note: Delete as applicable. This shall be the agent notified to the Delivery Body in the Generator's FIT CfD Application as its agent for service of process, where the Applicant is not based in England/Wales.

Annex 1
(Description of the Facility)

The Facility is the [NAME OF PROJECT], falling within the area delineated by the following grid references:

Corner Point ID	Latitude	Longitude
Northerly corner	[•]	[•]
Easterly corner	[•]	[•]
Southerly corner	[•]	[•]
Westerly corner	[•]	[•]

[Drafting note: Description of the Facility to be populated using information provided in the [FiT CfD Application] and to include the unique geographical coordinates of the Facility.]

Annex 2
(Modification Agreement)

**Annex 3
(Turbine Reallocation Notice)**

To: [●] (the “CfD Counterparty”)
[Address]

From: [[●] (“Project Company 1”)]
[●] (“Project Company 2”)
[●] (“Project Company 3”)
[Unique reference number(s): [●]]

Date: [●]

CONTRACT FOR DIFFERENCE – TURBINE REALLOCATION NOTICE

Dear Sirs,

1. We refer to the following agreements between you as the CfD Counterparty and us as the Generator (the “**Agreements**”):
 - (A) [the agreement between the CfD Counterparty and Project Company 1 dated [●];]
 - (B) the agreement between the CfD Counterparty and Project Company 2 dated [●];
and
 - (C) the agreement between the CfD Counterparty and Project Company 3 dated [●].

Terms and expressions defined in or incorporated into the Agreements have the same meanings when used in this notice.
2. We further refer you to Clause 6.5 of each of the Agreements.
3. This is a Turbine Reallocation Notice.
4. The proposed reallocation of offshore wind turbines among the Agreements is [●] and the effect of this reallocation is:
 - (A) [Phase 1 Installed Capacity Estimate: [];]
 - (B) Phase 2 Installed Capacity Estimate: []; and
 - (C) Phase 3 Installed Capacity Estimate: [].
5. We enclose evidence of a change in the assets comprising the Facility arising in connection with this turbine reallocation.
6. We enclose such Supporting Information as we consider relevant to evidence this reallocation.

Yours faithfully,

.....

For and on behalf of
[Project Company 1]
Project Company 2
Project Company 3

**Annex 4
(Phasing RCE-Adjustment Notice)**

To: [•] [(the “Generator”)]/[(“Project Company 3”)]
[•] (“Project Company 2”]
[Unique reference number(s): [•]]

From: [•] (the “CfD Counterparty”)
[Address]

Date: [•]

CONTRACT FOR DIFFERENCE – PHASING RCE-ADJUSTMENT NOTICE

Dear Sirs,

1. We refer to the agreement dated [•] between you as the Generator and us as the CfD Counterparty [*and the agreement between the CfD Counterparty and Project Company 2 dated [•]*] (the “**Agreement[s]**”):

Terms and expressions defined in or incorporated into the Agreement[s] have the same meanings when used in this notice.

2. We further refer you to Clause 6.8 of the Agreement[s].
3. This is a Phasing RCE-Adjustment Notice.
4. The [*Phase 1*]/[*Phase 2*] RCE Reduction Amount is [•].

Yours faithfully,

.....

For and on behalf of
the **CfD Counterparty**

**Annex 5
(Phasing RCE-Adjustment Response Notice)**

To: [•] (the “CfD Counterparty”)
[Address]

From: [•] [(the “Generator”)]/[(“Project Company 3”)]
[•] (“Project Company 2”)
[Unique reference number(s): [•]]

Date: [•]

CONTRACT FOR DIFFERENCE – PHASING RCE-ADJUSTMENT RESPONSE NOTICE

Dear Sirs,

1. We refer to the agreement dated [•] between you as the CfD Counterparty and us as the Generator [*and the agreement between you as the CfD Counterparty and Project Company 2 dated [•]*] (the “**Agreement[s]**”):

Terms and expressions defined in or incorporated into the Agreement[s] have the same meanings when used in this notice.

2. We further refer you to Clause 6.9 of the Agreement[s].
3. This is a Phasing RCE-Adjustment Response Notice.
4. The [*Phase 2 Installed Capacity Estimate will be increased by [•] and the*] Phase 3 Installed Capacity Estimate will be increased by [•].
5. The [*Phase 2 RCE-Increased Installed Capacity Estimate will be [•] and the*] Phase 3 RCE-Increased Installed Capacity Estimate will be [•].

Yours faithfully,

.....
For and on behalf of
[the **Generator**]/[**Project Company 3**]
[**Project Company 2**]

**Annex 6
(Novation Agreement)**

THIS NOVATION AGREEMENT (the “**Agreement**”) is dated [●] and made as a deed

BETWEEN:

- (1) [insert name and details of the generator] (the “**Transferor**”);
- (2) [insert name and details of the transferee] (the “**Transferee**”); and
- (3) **LOW CARBON CONTRACTS COMPANY LTD**, a company incorporated under the laws of England and Wales whose registered office is Fleetbank House, 2-6 Salisbury Square, London EC4Y 8JX and whose company number is 08818711 (the “**CfD Counterparty**”),

(each a “**Party**” and together the “**Parties**”).

BACKGROUND

- (A) The CfD Counterparty and the Transferor have entered into a contract for difference dated [●] (the “**Contract for Difference**”).
- (B) The CfD Counterparty has consented to a novation of the Contract for Difference and the other CfD Documents in favour of the Transferee under clause 11 (*Transfers*) of the Contract for Difference.
- (C) The parties to the Contract for Difference have therefore agreed that the Contract for Difference and the other CfD Documents shall be novated to the CfD Counterparty and the Transferee with effect from the Effective Date, subject to the terms of this Agreement.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 In this Agreement and the recitals:

“**CfD Documents**” means the Contract for Difference and each of the agreements entered into between the CfD Counterparty and the Transferor which are listed in Annex 1 to this Agreement;

“**Conditions Precedent**” means delivery to the CfD Counterparty of the following:

- (A) a legal opinion addressed to the CfD Counterparty, in form and content reasonably satisfactory to the CfD Counterparty, from the legal advisers to the Transferee confirming that the Transferee:
 - (i) is duly formed and validly existing under the laws of the jurisdiction of formation; and
 - (ii) has the power to enter into and perform, and has taken all necessary action to authorise its entry into and performance of, this Agreement; and

- (B) evidence, in form and content satisfactory to the CfD Counterparty, acting reasonably, of compliance by the Transferee with “know your customer” or similar identification procedures or checks under all applicable laws and regulations pursuant to the transactions contemplated by this Agreement; and
- (C) if the Generator has provided the CfD Counterparty with a Further CP Notice in respect of the Further Condition Precedent listed at Paragraph 2.1 of Part B of Schedule 1 (*Conditions Precedent*), the CfD Counterparty having received written confirmation from the CfD Settlement Services Provider that:
 - (i) it has received the CfD Settlement Required Information which is required from the Transferee; and
 - (ii) the Transferee has in place the systems and processes which are necessary for the continued provision of the CfD Settlement Required Information; and

“**Effective Date**” means the date on which the CfD Counterparty notifies the Transferee that the CfD Counterparty considers that the Transferee has fulfilled the Conditions Precedent.

1.2 Unless a contrary indication appears:

- (A) words and expressions defined, or defined by reference, in the Contract for Difference have the same meanings in this Agreement and the recitals;
- (B) Conditions 1.10, 1.11(A) and 1.11 (B) of the Contract for Difference shall apply to this Agreement; and
- (C) any reference in this Agreement to a “**Clause**” is a reference to a Clause of this Agreement.

2. **CFD COUNTERPARTY RELEASE AND DISCHARGE**

With effect from the Effective Date, the CfD Counterparty releases and discharges the Transferor from all liabilities, duties and obligations of every description, whether deriving from contract, common law, statute or otherwise, whether present or future, actual or contingent, ascertained or disputed, owing to the CfD Counterparty and arising out of or in respect of the CfD Documents.

3. **TRANSFEROR RELEASE AND DISCHARGE**

3.1 With effect from the Effective Date, the Transferor releases and discharges the CfD Counterparty from all liabilities, duties and obligations of every description, whether deriving from contract, common law, statute or otherwise, whether present or future, actual or contingent, ascertained or disputed, owing to the Transferor and arising out of or in respect of the CfD Documents.

3.2 The Transferor’s obligations under Condition 72 (Confidentiality) of the Contract for Difference shall continue in effect notwithstanding any other provision of this Agreement.

4. TRANSFEREE ASSUMPTION OF LIABILITIES

With effect from the Effective Date, the Transferee undertakes to assume all the liabilities, duties and obligations of the Transferor of every description contained in the CfD Documents, whether deriving from contract, common law, statute or otherwise, whether present or future, actual or contingent, ascertained or unascertained or disputed, and agrees to perform all the duties and to discharge all the liabilities and obligations of the Transferor under the CfD Documents and to be bound by their terms and conditions in every way as if the Transferee were named in each CfD Document as a party in place of the Transferor from the date of each such CfD Document.

5. CFD COUNTERPARTY AGREEMENT TO PERFORM

With effect from the Effective Date, the CfD Counterparty agrees to perform all its duties and to discharge all its obligations under the CfD Documents and to be bound by all the terms and conditions of the CfD Documents in every way as if the Transferee were named in each CfD Document as a party in place of the Transferor from the date of each CfD Document.

6. REPLACEMENT OF TRANSFEROR BY TRANSFEREE

As from the Effective Date, reference to the Transferor (by whatsoever name known) in each CfD Document shall be deleted and replaced by reference to the Transferee.

7. TRANSFEREE'S REPRESENTATIONS AND WARRANTIES

The Transferee shall on the Effective Date represent and warrant to the CfD Counterparty that:

(A) as at the Effective Date, the representations and warranties set out at Conditions 28.1 and 28.2 of the Contract for Difference are, in respect of the Transferee, true, accurate and not misleading on the basis that references to the Generator shall be deemed to be references to the Transferee; and

(B) it is an Eligible Generator.

8. CONTINUANCE OF THE CONTRACT FOR DIFFERENCE

It is hereby agreed and declared that the CfD Documents as novated shall continue in full force and effect and that, as from the Effective Date, the terms and conditions of the CfD Documents have only changed to the extent set out in this Agreement.

9. FURTHER ASSURANCE

With effect from the Effective Date, the Parties shall enter into such further agreements and do all such other things as are necessary to substitute the Transferee for the Transferor in respect of the rights, benefits, obligations or liabilities that are, or are to be, the subject of this Agreement and to give effect to any consequential amendments to the Contract for Difference or any other CfD Document that are necessary to give effect to this Agreement.

10. CONTRACT (RIGHTS OF THIRD PARTIES) ACT 1999

This Agreement does not create any rights under the Contract (Rights of Third Parties) Act 1999 enforceable by any person who is not a party to it.

11. VARIATIONS

No variation of this Agreement shall be effective unless it is in writing and is signed by or on behalf of each of the parties to this Agreement.

12. NOTICES

Any notices to be served on the Transferee pursuant to this Agreement or the Contract for Difference shall be served in accordance with Condition 80 (*Notices*) of the Contract for Difference and to:

Address:	
Email address:	
For the attention of:	

13. COUNTERPARTS

This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

14. GOVERNING LAW AND JURISDICTION

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with the laws of England and the Parties hereby submit to the exclusive jurisdiction of the courts of England.

IN WITNESS WHEREOF this Agreement has been executed and delivered as a deed on the date first stated above.

The TRANSFEROR

EXECUTED and delivered as a **DEED** by)
[*name* *of* *Transferor*])
acting by its director/duly appointed attorney)
Director/Attorney

in the presence of

Signature:

Print Name:

Address:

Occupation:

The TRANSFEREE

EXECUTED and delivered as a **DEED** by)
[*name* *of* *Transferee*])
acting by its director/duly appointed attorney)
Director/Attorney

in the presence of

Signature:

Print Name:

Address:

Occupation:

The CfD COUNTERPARTY

EXECUTED and delivered as a **DEED** by)
LOW CARBON CONTRACTS COMPANY LTD)
acting by its director/duly appointed attorney) Director/Attorney

in the presence of

Signature:

Print Name:

Address:

Occupation:

**Annex 1 to Novation Agreement
CfD Documents**

[List of other CfD Documents to be inserted here]

Annex 7
New Schedule 2 (Clean Industry Bonus)

Schedule 2
Clean Industry Bonus

1. DEFINITIONS: SCHEDULE 2

1.1 In this Schedule 2 (*Clean Industry Bonus*):

"**Aggregate Facility CIB Extra Investment Reward Amount**" has the meaning given to that term in paragraph 6.4;

"**Available CfD**" means:

(A) the **CfD (Phase 2) Agreement** for as long as the following apply:

- (i) the Contract for Difference has terminated; and
- (ii) the **CfD (Phase 2) Agreement** has not terminated;

(B) the **CfD (Phase 1) Agreement** for as long as the following apply:

- (i) the Contract for Difference has terminated; and
- (ii) sub-paragraph (A) does not apply; and
- (iii) the **CfD (Phase 1) Agreement** has not terminated;

"**CIB Allocation Framework**" means the sustainable industry reward allocation framework (as that term is defined in the Contracts for Difference (Allocation) Regulations 2014) that relates to the allocation round in which the FIT CFD Application was made;

"**CIB Extra Investment Reward Amount Instalments**" has the meaning given to it in paragraph 6.6;

"**CIB Extra Investment**" means an investment made or to be made in return for the award of a Clean Industry Bonus, as contemplated in Regulation 28C(a)(iii) of the Contract for Difference (Allocation) Regulations 2014, other than any investment made or to be made to meet CIB Minimum Standards;

"**CIB Implementation Statement**" means a sustainable industry reward implementation statement, as defined in the Electricity Market Reform (General) Regulations 2014;

"**CIB Implementation Statement Application**" means a sustainable industry reward implementation application, as defined in the Electricity Market Reform (General) Regulations 2014;

"**CIB Minimum Standard Performance Amount Instalments**" has the meaning given to it in paragraph 5.3;

"CIB Minimum Standards" means minimum standards of likely contribution to the development and sustainability of supply chains, as set out in the CIB Allocation Framework;

"CIB Refusal" means a refusal to provide a sustainable industry reward implementation statement given by the Secretary of State under regulation 12F(1)(b) of the Electricity Market Reform (General) Regulations 2014, or otherwise;

"CIB Requirements Statement" means a sustainable industry reward statement, as defined in the Contracts for Difference (Allocation) Regulations 2014;

"Clean Industry Bonus" means a sustainable industry reward, as defined in the Contracts for Difference (Allocation) Regulations 2014;

"Facility CIB Extra Investment" means a CIB Extra Investment in relation to the Generating Station, as set out in the Facility CIB Requirements Statement (and if there is more than one CIB Extra Investment in relation to the Generating Station, as set out in the Facility CIB Requirements Statement, **"Facility CIB Extra Investment"** shall refer to any one or more of those CIB Extra Investments or part thereof, as the context requires or permits);

"Facility CIB Extra Investment Reward Amount" means, in respect of a Facility CIB Extra Investment, the Clean Industry Bonus set out in the Facility CIB Requirements Statement as being payable in return for that Facility CIB Extra Investment;

"Facility CIB Implementation Statement" means a CIB Implementation Statement in respect of the Generating Station;

"Facility CIB Minimum Standards Investment" means investment meeting CIB Minimum Standards in relation to the Generating Station, as set out in the Facility CIB Requirements Statement and indexed in accordance with that Facility CIB Requirements Statement;

"Facility CIB Minimum Standard Performance Amount" has the meaning given to that term in paragraph 5.1;

"Facility CIB Refusal" means a CIB Refusal in respect of the Generating Station;

"Facility CIB Requirements Statement" means the CIB Requirements Statement provided by the Generator to meet the requirement in Regulation 27B of the Contracts for Difference (Allocation) Regulations 2014 in relation to the FiT CfD Application, as the same may have been revised or withdrawn by the Secretary of State from time to time;

"Final Start Date" means:

- (A) the Start Date; or
- (B) the Phase 2 Start Date, if (at the time that it occurs) the Contract for Difference has terminated before the Start Date; or
- (C) the Phase 1 Start Date if (at the time that it occurs) both of the following apply:

- (i) the Contract for Difference has terminated before the Start Date; and
 - (ii) the CfD Phase 2 Agreement has terminated before the Phase 2 Start Date, or
- (D) the date of termination of the Contract for Difference if (at the time that it occurs) both of the following apply:
- (i) the Phase 1 Start Date has already occurred; and
 - (ii) the Phase 2 Start Date has already occurred; or
- (E) the date of termination of the CfD Phase 2 Agreement if (at the time that it occurs) both of the following apply:
- (i) the Contract for Difference has terminated before the Start Date; and
 - (ii) the Phase 1 Start Date has occurred;

"Indexed" means adjusted in accordance with paragraph 9.1 in the case of the Facility CIB Minimum Standard Performance Amount and CIB Minimum Standard Performance Amount Instalments, or paragraph 9.2 in the case of the Aggregate Facility CIB Extra Investment Reward Amount and CIB Extra Investment Reward Amount Instalments (as the case may be) (and references to **"Indexation"** or other grammatical variations of **"Indexed"** shall be construed accordingly);

"Instalment Interval" means:

- (A) in respect of the first CIB Minimum Standard Performance Amount Instalment, the month up to but not including the Billing Period in respect of which such CIB Performance Amount Instalment is or is to be a Reconciliation Amount; and
- (B) in respect of each subsequent CIB Minimum Standard Performance Amount Instalment, the period:
 - (i) from and including the Billing Period in respect of which the last CIB Minimum Standard Performance Amount Instalment was a Reconciliation Amount;
 - (ii) up to but not including the Billing Period in respect of which such CIB Minimum Standard Performance Amount Instalment is or is to be a Reconciliation Amount;

"Investment Extension Period" means time after the Final Start Date granted to the Generator by the Secretary of State for obtaining a Facility CIB Implementation Statement;

"Investment Final Date" means the Final Start Date or, if there is an Investment Extension Period, the end of that Investment Extension Period;

"**Payable Share of the Facility CIB Extra Investment Reward Amount**" has the meaning given to that term in paragraph 6.2;

"**Phase 1 Start Date**" has the meaning given to the term "**Start Date**" in the CfD (Phase 1) Agreement;

"**Phase 2 Start Date**" has the meaning given to the term "**Start Date**" in the CfD (Phase 2) Agreement; and

"**Phased CfD**" means each of the Contract for Difference, the **CfD (Phase 1) Agreement** and the **CfD (Phase 2) Agreement**; and

"**Phased Metered Output**" means aggregate of Metered Output and Metered Output as defined in each of the CfD Phase 2 Agreement and the CfD Phase 3 Agreement.

1.2 For the purposes of this Schedule 2 (*Clean Industry Bonus*):

- (A) **CIB Minimum Standards** shall have been met in full in respect of the Generating Station if, in response to a CIB Implementation Statement Application made no later than the Investment Final Date, the Generator has obtained a Facility CIB Implementation Statement; and
- (B) reference to the "**Generating Station**" means the Facility, the Phase 2 Facility and the Phase 3 Facility; and
- (C) reference to the Contract for Difference having "**terminated**" shall include expiry pursuant to Condition 2 (*Term*) and termination pursuant to Condition 51 (*Termination*) and grammatical variations of the term "**terminated**" shall be construed accordingly.

2. **NOT USED**

3. **COMPLIANCE WITH CIB REQUIREMENTS STATEMENT**

The Generator shall comply with the requirements set out in the Facility CIB Requirements Statement.

4. **CLEAN INDUSTRY BONUS INFORMATION REQUIREMENTS**

4.1 The Generator shall, within five (5) Business Days of:

- (A) the Facility CIB Requirements Statement being revised or withdrawn, give notice to the CfD Counterparty accompanied by a Director's Certificate setting out details and a copy of (as the case may be) the revised statement or withdrawal; or
- (B) a Facility CIB Implementation Statement being issued, revised or withdrawn, give notice to the CfD Counterparty accompanied by a Director's Certificate setting out details and a copy of (as the case may be) the issued statement, revised statement or withdrawal; or

- (C) a Facility CIB Refusal being issued, give notice to the CfD Counterparty accompanied by a Director's Certificate setting out details and a copy of the refusal.
- 4.2 The Generator shall, within five (5) Business Days of the Final Start Date give notice to the CfD Counterparty accompanied by a Director's Certificate setting out:
- (A) whether the Facility CIB Requirements Statement has been revised or withdrawn since the Agreement Date or the preparation of the last notice pursuant to paragraph 4.1(A) (as applicable), and if so, a copy of (as the case may be) the revised statement or withdrawal;
 - (B) whether there is an Investment Extension Period, and if there is, details of when it ends;
 - (C) if the Generator has previously given the CfD Counterparty a Facility CIB Implementation Statement:
 - (i) confirmation that such Facility CIB Implementation Statement remains in effect and has not been revised or withdrawn; or
 - (ii) if it has been revised or withdrawn, details and a copy of the revised statement or withdrawal, save to the extent it has already given such details and/or copy notice; and
 - (D) if the Generator has not previously given the CfD Counterparty a Facility CIB Implementation Statement (or if a Facility CIB Implementation Statement given to the CfD Counterparty has been withdrawn):
 - (i) whether any CIB Implementation Statement Application has been made by the Generator and:
 - (a) if one has, a copy thereof and of any notice given by the Secretary of State in response to it, including whichever of the following was included with such notice:
 - (1) a Facility CIB Implementation Statement; or
 - (2) a Facility CIB Refusal; or
 - (b) if one has not (and the Investment Final Date has not occurred), details of whether and if so when the Generator expects to apply for one;
 - (ii) details and a copy of any notice revising or withdrawing a Facility CIB Implementation Statement that has been issued.
- 4.3 Without prejudice to paragraph 4.2, if there is an Investment Extension Period, the Generator shall, within five (5) Business Days after the end of the Investment Extension Period give notice to the CfD Counterparty accompanied by a Director's Certificate setting out the information required under paragraph 4.2, provided that for this purpose:

- (A) the words "*or this paragraph 4.2(A)*" shall be inserted in paragraph 4.2 after the words "*pursuant to paragraph 4.1(A)*"; and
 - (B) the information in paragraph 4.2(B) shall not be required if it has already been provided.
- 4.4 The Generator shall provide any further information that the CfD Counterparty may (acting reasonably) from time to time request about any of the matters referred to in paragraphs 4.1 and 4.2 as soon as reasonably practicable after the CfD Counterparty makes such request.

5. CONSEQUENCES OF NOT FULFILLING CIB MINIMUM STANDARDS

Liability to pay Facility CIB Minimum Standard Performance Amount

- 5.1 Subject to and in accordance with this paragraph 5 (*Consequences of not fulfilling CIB Minimum Standards*) and paragraph 7 (*Nature and conclusiveness of Secretary of State notices*), if CIB Minimum Standards have not been met in full in respect of the Generating Station as described in paragraph 1.2, the Generator shall be required to make a payment to the CfD Counterparty of an amount (the "**Facility CIB Minimum Standard Performance Amount**") determined in accordance with paragraph 5.2, and for these purposes:
- (A) paragraph 5.2(A) shall apply to the determination of the Facility CIB Minimum Standard Performance Amount if, in response to a CIB Implementation Statement Application made no later than the Investment Final Date, the Generator has obtained a Facility CIB Refusal that does not state that the Generator has wholly failed to meet CIB Minimum Standards; and
 - (B) paragraph 5.2(B) shall apply to the determination of the Facility CIB Minimum Standard Performance Amount in cases not within paragraph 5.1(A).
- 5.2 The Facility CIB Minimum Standard Performance Amount shall be:
- (A) where this paragraph 5.2(A) applies, an amount equal to that part of the Facility CIB Minimum Standards Investment that has not been made, as set out in the Facility CIB Refusal;
 - (B) where this paragraph 5.2(B) applies, an amount equal to the whole Facility CIB Minimum Standards Investment,
- in each case Indexed in accordance with paragraphs 5.8 to 5.10 (inclusive).
- 5.3 Save as provided in paragraph 5.7, the Generator shall meet its liability under paragraph 5.1 to pay the Facility CIB Minimum Standard Performance Amount in instalments of such quantum and periodicity (the "**CIB Minimum Standard Performance Amount Instalments**") as the CfD Counterparty shall determine, subject to and in accordance with paragraph 5.5.

- 5.4 To avoid doubt, paragraph 5.2(B) shall (without limitation) apply to the determination of the Facility CIB Minimum Standard Performance Amount if the Generator has not made a CIB Implementation Statement Application by the Investment Final Date.

Determination and notice of instalments

- 5.5 The following shall apply to the determination, notice and payment of CIB Minimum Standard Performance Amount Instalments:

(A) each CIB Minimum Standard Performance Amount Instalment shall be a Reconciliation Amount in respect of a Billing Period nominated by the CfD Counterparty, save as provided in paragraph 5.7 and shall be determined by the CfD Counterparty in its discretion, save as provided in (B);

(B) without prejudice to paragraph 5.7, the quantum of each CIB Minimum Standard Performance Amount Instalment determined by the CfD Counterparty shall incorporate Indexation as set out in paragraphs 5.8 to 5.10 (inclusive) and paragraph 9 (*Indexation of CIB Amounts*) and shall be the lower of:

(i) such amount as the CfD Counterparty shall determine, in its discretion (subject paragraphs 5.8 to 5.10 (inclusive)); and

(ii) an amount determined in accordance with the following formula:

$$Max = SP \times MO$$

where:

Max is the limit on the quantum of the CIB Minimum Standard Performance Amount Instalment concerned;

SP is an amount equal to the Strike Price; and

MO is the CfD Counterparty's reasonable estimate (as at the time of calculation of the CIB Minimum Standard Performance Amount Instalment) of what the aggregate of Phased Metered Output was or will be (as the case may be) during every Settlement Unit during the Instalment Interval.

(C) Subject to paragraphs 5.5(A) and 5.7, the CfD Counterparty shall determine and notify the Generator of the CIB Minimum Standard Performance Amount Instalments and in respect of which Billing Period each shall be payable:

(i) within thirty (30) Business Days of the later of:

(a) the Investment Final Date;

(b) the date on which the CfD Counterparty is satisfied (acting reasonably) that it is aware of whether a Facility CIB Minimum Standard Performance Amount is payable pursuant to paragraphs 5.1 to 5.3 (inclusive); and

- (c) the date that CPI for January of the year in which the notice is being given has been published; and
 - (ii) from time to time thereafter, in its discretion.
- 5.6 Without limitation, the inclusion of a CIB Minimum Standard Performance Amount Instalment as a Reconciliation Amount in a Billing Statement by the CfD Counterparty shall, for the purposes of paragraph 5.5(C), constitute notice of that CIB Minimum Standard Performance Amount Instalment.

Effect of termination

- 5.7 If:
- (A) each of the following applies:
 - (i) the Contract for Difference has terminated before the Start Date;
 - (ii) the CfD (Phase 2) Agreement has terminated before the Phase 2 Start Date; and
 - (iii) the CfD (Phase) 1 Agreement has terminated before the Phase 1 Start Date;

no Facility CIB Minimum Standard Performance Amount shall be payable by the Generator (whether or not a CIB Implementation Statement or a CIB Refusal has been issued in respect of the Generating Station);
 - (B) each of the Phased CfDs has terminated but paragraph 5.7(A) does not apply:
 - (i) the Generator shall pay the lesser of:
 - (a) the balance of any CIB Minimum Standard Performance Amount that has not already been paid to the CfD Counterparty as part of CIB Minimum Standard Performance Amount Instalments; and
 - (b) the higher of (aa) zero and (bb) the Strike Price multiplied by the aggregate of Phased Metered Output in every Settlement Unit since the Final Start Date less the aggregate of the CIB Minimum Standard Performance Amount Instalments that have already been paid to the CfD Counterparty;
 - (ii) for the purposes of sub-paragraph (i), if the termination of each of the Phased CfDs has occurred on or before the Investment Final Date and at the time of termination of the last Phased CfD:
 - (a) the Generator has not made a CIB Implementation Statement Application in respect of the Facility, it shall be deemed that CIB Minimum Standards have not been met in whole or in part; or

- (b) the Generator has made a CIB Implementation Statement Application in respect of the Facility, then, if in response to that application a Facility CIB Implementation Statement or Facility CIB Refusal is issued in respect of the Facility, the CIB Minimum Standard Performance Amount shall be determined accordingly; and
- (iii) the Generator shall pay the amount due under sub-paragraph (i) within thirty (30) Business Days of the later of the Investment Final Date (if applicable), the date that last Phased CfD terminated , and the date that CPI for January of the calendar year in which the last Phased CfD terminated has been published.

Indexation of amounts

- 5.8 CIB Minimum Standard Performance Amount Instalments shall, when notified under paragraph 5.5(C), be Indexed to the value of CPI for January in the calendar year in which the notice is given.
- 5.9 If a CIB Minimum Standard Performance Amount Instalment is payable in a calendar year after the calendar year in which notice of it was given under paragraph 5.5(C), it shall:
 - (A) be Indexed by the CfD Counterparty to the value of CPI for January of the calendar year in which it is so payable and re-notified to the Generator, within thirty (30) Business Days of that value of CPI being published; and
 - (B) not be included as a Reconciliation Amount for a Billing Period until the later of notice having been issued under sub-paragraph (A) or such later date for payment notified by the CfD Counterparty under paragraph 5.5(C).
- 5.10 Any balance of the Facility CIB Minimum Standard Performance Amount payable under paragraph 5.7(B) shall:
 - (A) to the extent it comprises CIB Minimum Standard Performance Amount Instalments already notified and Indexed to the value of CPI in January of the year of termination, not be further Indexed;
 - (B) to the extent it is not within sub-paragraph (A), be Indexed to the value of CPI for January of the year of termination.

6. PAYMENT FOR FULFILLING CIB EXTRA INVESTMENTS

Applicability of this paragraph

- 6.1 This paragraph 6 (*Payment for fulfilling CIB Extra Investments*) shall only apply if there is one (1) or more Facility CIB Extra Investments set out in the Facility CIB Requirements Statement.

Liability to pay Facility CIB Extra Investment Reward Amount

- 6.2 Subject to and in accordance with this paragraph 6 (*Payment for fulfilling CIB Extra Investments*) and paragraph 7 (*Nature and conclusiveness of Secretary of State notices*), if, in response to a CIB Implementation Statement Application made no later than the Investment Final Date, the Generator has obtained a Facility CIB Implementation Statement confirming that a Facility CIB Extra Investment has been made in whole or in part, the CfD Counterparty shall pay to the Generator an amount (such payable amount being the "**Payable Share of the Facility CIB Extra Investment Reward Amount**") for the CIB Extra Investment concerned equal to the proportion of the Facility CIB Extra Investment Reward Amount determined in accordance with paragraph 6.3, and for these purposes:
- (A) paragraph 6.3(A) shall apply if the Facility CIB Implementation Statement confirms that the Facility CIB Extra Investment has been made in part; and
 - (B) paragraph 6.3(B) shall apply if the Facility CIB Implementation Statement confirms that the Facility CIB Extra Investment has been made in full.
- 6.3 The Payable Share of the Facility CIB Extra Investment Reward Amount in relation to a Facility CIB Extra Investment shall be:
- (A) where this paragraph 6.3(A) applies, an amount equal to the proportion of the Facility CIB Extra Investment Reward Amount for that Facility CIB Extra Investment that is equal to the proportion of such Facility CIB Extra Investment that has been made, as set out in the CIB Implementation Statement.
 - (B) where this paragraph 6.3(B) applies, an amount equal to the Facility CIB Extra Investment Reward Amount for that Facility CIB Extra Investment,
- in each case Indexed in accordance with paragraphs 6.10 to 6.12 (inclusive).
- 6.4 If there is more than one Facility CIB Extra Investment, paragraphs 6.2 and 6.3 shall apply in respect of each of them, and the term "**Aggregate Facility CIB Extra Investment Reward Amount**" shall mean:
- (A) if there is one (1) Facility CIB Extra Investment, an amount equal to the Payable Share of the Facility CIB Extra Investment Reward Amount in respect of that Facility CIB Extra Investment;
 - (B) if there is more than one (1) Facility CIB Extra Investment, an amount equal to the aggregate of the Payable Share of the Facility CIB Extra Investment Reward Amounts in respect of each of those Facility CIB Extra Investments.
- 6.5 To avoid doubt, no amount shall be payable by the CfD Counterparty to the Generator in respect of the Facility CIB Extra Investment Reward Amount for a Facility CIB Extra Investment if:
- (A) the Generator has not made a Facility CIB Implementation Statement Application in respect of the Facility on or before the Investment Final Date; or

- (B) the Generator has not obtained (in response to a Facility CIB Implementation Statement Application made no later than the Investment Final Date) a CIB Implementation Statement confirming that such Facility CIB Extra Investment has been made in whole or in part.

6.6 Save as provided in paragraph 6.9, the CfD Counterparty shall meet its liability under paragraph 6.2 to pay the Aggregate Facility CIB Extra Investment Reward Amount in instalments of such quantum and periodicity (the "**CIB Extra Investment Reward Amount Instalments**") as the CfD Counterparty shall determine, subject to and in accordance with paragraph 6.7.

Determination and notice of instalment amounts

6.7 The following shall apply to the determination, notice and payment of CIB Extra Investment Reward Amount Instalments:

- (A) each CIB Extra Investment Reward Amount Instalment shall be a Reconciliation Amount in respect of a Billing Period nominated by the CfD Counterparty, save as provided in paragraph 6.9;
- (B) without prejudice to paragraph 6.9, the periodicity and quantum of CIB Extra Investment Reward Amount Instalments shall be determined by the CfD Counterparty:
 - (i) to ensure that the Aggregate Facility CIB Extra Investment Reward Amount that the CfD Counterparty is liable to pay pursuant to paragraphs 6.2 and 6.6:
 - (a) has been fully paid to the Generator by the 4th (fourth) anniversary of the later of the dates referred to in paragraph 6.7(C)(i); and
 - (b) incorporates Indexation as set out in paragraphs 6.10 to 6.12 (inclusive) and paragraph 9 (*Indexation of CIB Amounts*); and
 - (ii) save as provided in (i), in its discretion;
- (C) subject to paragraphs 6.7(A) and 6.9, the CfD Counterparty shall determine and notify the Generator of the CIB Extra Investment Reward Amount Instalments and in respect of which Billing Period each shall be payable:
 - (i) within thirty (30) Business Days of the later of:
 - (a) the Investment Final Date;
 - (b) receiving the Generator's notice pursuant to paragraph 4.2;
 - (c) the date on which the CfD Counterparty is satisfied (acting reasonably) that it is aware that an Aggregate Facility CIB Extra Investment Reward Amount is payable pursuant to paragraphs 6.2 to 6.5 (inclusive); and

(d) the date that CPI for January of the year in which the notice is being given has been published; and

(ii) from time to time thereafter, in its discretion.

6.8 Without limitation, the inclusion of a CIB Extra Investment Reward Amount Instalment as a Reconciliation Amount in a Billing Statement by the CfD Counterparty shall, for the purposes of paragraph 6.7(C), constitute notice of that CIB Minimum Standard Performance Amount Instalment.

Effect of termination

6.9 If:

(A) each of the following apply:

(i) the Contract for Difference terminates has terminated before the Start Date;

(ii) the CfD (Phase 2) Agreement has terminated before the Phase 2 Start Date; and

(iii) the CfD (Phase) 1 Agreement has terminated before the Phase 1 Start Date;

then no amount shall be payable by the CfD Counterparty in respect of any Facility CIB Extra Investment Reward Amount (whether or not a Facility CIB Implementation Statement or a Facility CIB Refusal has been issued);

(B) each of the Phased CfDs has terminated but Paragraph 6.9(A) does not apply, then:

(i) the CfD Counterparty shall pay the balance of the Aggregate Facility CIB Extra Investment Reward Amount that has not already been paid to the Generator as part of CIB Extra Investment Reward Amount Instalments;

(ii) for the purposes of sub-paragraph (a) , if the termination of each of the Phased CfDs has occurred before the Investment Final Date and at the time of termination of the last Phased CfD:

(a) the Generator has not made a CIB Implementation Statement Application in respect of the Facility, it shall be deemed that there is no Aggregate Facility CIB Extra Investment Reward Amount;

(b) the Generator has made a CIB Implementation Statement Application in respect of the Facility, then if in response to that application:

(1) a Facility CIB Implementation Statement is issued, the Aggregate Facility CIB Extra Investment Reward

Amount (if any) shall be determined by reference to such Facility CIB Implementation Statement;

- (2) a Facility CIB Implementation Statement is not issued, it shall be deemed that there is no Aggregate Facility CIB Extra Investment Reward Amount; and
- (iii) the CfD Counterparty shall pay the amount due under sub-paragraph (a) within thirty (30) Business Days of the later of the Investment Final Date, the date that the Contract for Difference terminated, and the date that CPI for January of the calendar year in which the Contract for Difference terminated has been published.

Indexation of amounts

- 6.10 CIB Extra Investment Reward Amount Instalments shall, when notified under paragraph 6.7(C), be Indexed to the value of CPI for January in the calendar year in which the notice is given.
- 6.11 If a CIB Extra Investment Reward Amount Instalment is payable in a calendar year after the calendar year in which notice of it was given under paragraph 6.7(C), it shall;
 - (A) be Indexed by the CfD Counterparty to the value of CPI for January of the calendar year in which it is so payable and re-notified to the Generator, within thirty (30) Business Days of that value of CPI being published;
 - (B) not be included as a Reconciliation Amount for a Billing Period until the later of notice having been issued under sub-paragraph (A) or such later date notified by the CfD Counterparty under paragraph 6.7(C).
- 6.12 Any balance of the Aggregate Facility CIB Extra Investment Reward Amount payable under paragraph 6.9(B)(i) shall:
 - (A) to the extent it comprises CIB Extra Investment Reward Amount Instalments already notified and Indexed to the value of CPI in January of the year in which the Contract for Difference terminated, not be further Indexed;
 - (B) to the extent it is not within sub-paragraph (A), be Indexed to the value of CPI for January of the year in which the Contract for Difference terminated.

7. NATURE AND CONCLUSIVENESS OF SECRETARY OF STATE DETERMINATIONS

- 7.1 Subject to paragraphs 7.2 and 7.3, the determination of the Secretary of State shall, as between the Parties, be conclusive as to whether:
 - (A) the Facility CIB Minimum Standards have been met;
 - (B) any Facility CIB Extra Investment has been made in whole or in part,

in each case, notwithstanding any unresolved dispute between the Generator and the Secretary of State relating to such determination.

7.2 A notice and/or statement given by the Secretary of State pursuant to Regulation 12F of the Electricity Market Reform (General) Regulations 2014 (including, where applicable, either of Regulations 12F(1) or 12F(3)) shall (without limitation) constitute a determination of the Secretary of State for the purposes of paragraph 7.1.

7.3 Paragraphs 7.1 and 7.2 shall be without prejudice to the dependence of any matter in this Schedule 2 on an application for a Facility CIB Implementation Statement having been made by the Investment Final Date.

8. PAYMENT ADJUSTMENTS AFTER A NEW SECRETARY OF STATE DETERMINATION

8.1 For the purposes of this paragraph 8 each of the following constitute a new determination:

(A) the Secretary of State revises a CIB Implementation Statement, as referred to in Regulation 12F(3)(a) of the Electricity Market Reform (General) Regulations 2014; or

(B) the Secretary of State withdraws the Facility CIB Implementation Statement as referred to in Regulations 12F(3)(b) of the Electricity Market Reform (General) Regulations 2014.

8.2 If there is a new determination, any Facility CIB Minimum Standard Performance Amount and/or Aggregate Facility CIB Extra Investment Reward Amount previously calculated and paid under this Schedule 2 shall (subject to and in accordance with paragraph 7.3 and the other provisions of this Schedule 2) be recalculated in light of such new determination and (in each case as applicable):

(A) any overpaid balance shall be refunded by the recipient; and

(B) any under paid amount shall be paid by the party so liable.

9. INDEXATION OF CIB AMOUNTS

9.1 Any amount required to be Indexed for the purposes of any of paragraphs 5.8, 5.9, or 5.10 shall be calculated by the CfD Counterparty in accordance with the following formula:

$$IA = OA \times CPI_t / CPI_{baseMS}$$

9.2 Any amount to be Indexed for the purposes of paragraphs 6.10, 6.11, or 6.12 shall be calculated by the CfD Counterparty in accordance with the following formula:

$$IA = OA \times CPI_t / CPI_{baseEC}$$

9.3 For the purposes of the formulae in paragraphs 9.1 and 9.2:

(A) *IA* is the amount Indexed;

(B) *OA* is, in each case as applicable:

- (i) a CIB Minimum Standard Performance Amount Instalment as referred to in paragraph 5.8;
 - (ii) a CIB Minimum Standard Performance Amount Instalment, as referred to in paragraph 5.9 and previously Indexed in accordance with paragraph 5.8;
 - (iii) the balance of the Facility CIB Minimum Standard Performance Amount referred to in paragraph 5.10, where and to the extent applicable, as previously Indexed in accordance with paragraphs 5.8 and 5.9;
 - (iv) a CIB Extra Investment Reward Amount Instalments as referred to in paragraph 5.8;
 - (v) a CIB Extra Investment Reward Amount Instalments, as referred to in paragraph 6.11, and previously Indexed in accordance with paragraph 6.10;
 - (vi) the balance of the Aggregate Facility CIB Extra Investment Reward Amount referred to in paragraph 6.12, where and to the extent applicable, as previously Indexed in accordance with paragraphs 6.10 and 6.11; ;
- (C) *CPI_t* is CPI for January of the calendar year in which the calculation is being made;
- (D) *CPI_{baseMS}* is CPI for January of the year in which the Milestone Delivery Date falls or (in the case of an amount being Indexed again) the value of CPI to which it was previously Indexed;
- (E) *CPI_{baseEC}* is CPI for January 2025 or (in the case of an amount being Indexed again) the value of CPI to which it was previously Indexed,

with the intention that the change in CPI from one January to the next is never double counted in an Indexed amount.

10. INTEREST

No Compensatory Interest shall be payable in respect of any of:

- (A) the Facility CIB Minimum Standards Investment Performance Amount or CIB Minimum Standards Investment Performance Amount Instalments; or
- (B) the Aggregate Facility CIB Extra Investment Reward Amount or CIB Extra Investment Reward Amount Instalments.

11. INTERACTION WITH OTHER PHASED PROJECT CFDS

- 11.1 Project Company 1 and Project Company 2 shall be jointly and severally liable with the Generator for the obligations of the Generator under this Schedule 2.

- 11.2 Any amount paid by Project Company 1 or Project Company 2 in respect of the Facility CIB Minimum Standard Performance Amount (including by way of a CIB Minimum Standard Performance Amount Instalment) pursuant to either of the CfD (Phase 1) Agreement or the CfD (Phase 2) Agreement shall (to the extent of that amount) satisfy and discharge the liability of the Generator in respect thereof under this Schedule 2.
- 11.3 Any amount paid to Project Company 1 or Project Company 2 in respect of the Aggregate Facility CIB Extra Investment Reward Amount (including by way of a CIB Extra Investment Reward Amount Instalment) pursuant to either of the CfD (Phase 1) Agreement or the CfD (Phase 2) Agreement shall (to the extent of that amount) satisfy and discharge the liability of the CfD Counterparty in respect thereof under this Schedule 2.
- 11.4 Without prejudice to the generality of Conditions 11.1 to 11.3 (inclusive), if (and for so long as) the Contract for Difference has terminated and there is an Available CfD the following shall apply:
- (A) any requirement for the CfD Counterparty to notify the Generator under this Schedule 2, shall include a requirement to notify "the Generator" as that term is defined under the Available CfD; and
 - (B) the CfD Counterparty shall be permitted to include any CIB Minimum Standard Performance Amount Instalment or CIB Extra Investment Reward Amount Instalment as a Reconciliation Amount in a Billing Statement issued under the Available CfD, and for these purposes the terms "Reconciliation Amount" and "Billing Statement" shall each have the meaning given to them under the Available CfD.

EXECUTION PAGE

The GENERATOR

SIGNED BY)
)
)
.....)

Print Name
for and on behalf of
[*name of the Generator*]

.....
(Signature of named signatory)

The CfD COUNTERPARTY

SIGNED BY)
)
)
.....)

Print Name
for and on behalf of
**Low Carbon Contracts Company
Ltd**

.....
(Signature of named signatory)