

8 December 2025

**THE CONTRACTS FOR DIFFERENCE (ALLOCATION) REGULATIONS 2014  
CONTRACT BUDGET NOTICE FOR ALLOCATION ROUND 7a, 2025**

**From: Secretary of State for Energy Security and Net Zero**

**To: National Energy System Operator Limited**

This notice is given pursuant to Regulation 11 of the Contracts for Difference (Allocation) Regulations 2014 (as amended). A copy of the regulation is included in schedule 1 to this notice.

This notice applies to the Contracts for Difference (CfD) allocation round for all Non-Offshore Wind technologies known as AR7a, which opened to applications on 7 August 2025. It should be read in conjunction with the accompanying note.

**Technology Groups**

The technology groups ('Pots') are as follows:

- Pot 1: Energy from Waste with CHP, Landfill Gas, Hydro (>5MW and <50MW), Onshore Wind (>5MW), Remote Island Wind (>5MW), Sewage Gas and Solar PV (>5MW)
- Pot 2: Advanced Conversion Technology, Anaerobic Digestion (>5MW), Dedicated Biomass with CHP, Geothermal, Tidal Stream and Wave

**CfD Budget Allocation**

The Overall Budget<sup>1</sup> applicable to this CfD Allocation Round and its division amongst the technology groups ('pots') is set out in Table 1. The Overall Budget, in monetary terms, for the Allocation Round is the value given in respect of each Delivery Year<sup>2</sup> and subsequent Valuation Years. A project has a budgetary impact (in monetary terms) in the Delivery Year in which its Target Commissioning Window Start Date falls (or the first applicable Delivery Year if that is later) and all applicable subsequent Delivery and Valuation Years.

---

<sup>1</sup> Overall Budget as defined in Regulation 2 of the Contracts for Difference (Allocation) Regulations 2014 as amended.

<sup>2</sup> Delivery Year as defined in Regulation 2 of the Contracts for Difference (Allocation) Regulations 2014 as amended.

Table 1: CfD AR7a budget, in monetary terms, 2025

	2027/28	2028/29	2029/30	2030/31	2031/32
<b>Overall Budget (£ million in 2024 prices)</b>	295	310	310	310	15
Pot 1	295	295	295	295	-
Pot 2	-	15	15	15	15

Key:

Delivery Year
Valuation Year

### Use of Minima and Maxima in Pot 1

A combined Onshore Wind (ONW) and Remote Island Wind (RIW) minimum on a monetary basis will be applied and operate as a 'hard' constraint. The level of the ONW and RIW minimum is £160m and functions as a ringfenced budget for ONW and RIW projects.

A maximum of £295m will be applied to Solar PV on a monetary basis at the level of the main pot budget and this will operate as a 'hard' constraint. The maximum is purely technical. It is set to ensure the auction separates the clearing price of Solar PV from that of other participating technologies in Pot 1.

## Administrative Strike Prices

The Administrative Strike Prices (ASPs) applicable to technologies in this allocation round are:

**Table 2: CfD Administrative Strike Prices (£/MWh, in 2024 prices)**

Technology Type	ASPs (2024 prices)
Advanced Conversion Technologies (ACT)	307
Anaerobic Digestion (>5MW)	195
Dedicated Biomass with CHP	238
Energy from Waste with CHP	287
Geothermal	219
Hydro (>5MW and <50MW)	168
Landfill Gas	94
Onshore Wind (>5MW)	92
Remote Island Wind (>5MW)	92
Sewage Gas	228
Solar PV (>5MW)	75
Tidal Stream	371
Wave	386

## Rebasing CfD Budgets

The Overall Monetary Budget presented has been calculated in real terms on the basis of a 2024 price level. The price base has been updated to 2024 prices from previous allocation rounds where budgets were presented in 2011/12 prices.

To convert between price bases, a Consumer Price Index<sup>3,4</sup> (CPI) adjustor can be used. To convert from 2024 into a more recently available price base, the following formula can be used:

$$CPI\ Adjustor_{£2024 \rightarrow £current} = CPI_{current} / AverageCPI_{2024}$$

For stakeholders to convert the Overall Monetary Budget from 2024 prices into the most recently available price base (October 2025 at time of publication), the following CPI inflator should be used: 1.0441.

To note, this is purely for information and **all bids for AR7a should be submitted in 2024 values**. The 2024 price for bids should reflect the base year in the relevant version of the CfD contract.

---

<sup>3</sup> Published by the Office for National Statistics (ONS):

<https://www.ons.gov.uk/economy/inflationandpriceindices/timeseries/d7bt>

<sup>4</sup> Please note that CPI index values are subject to the ONS CPI Revisions Policy and may change in future.

Further questions and answers can be found on the Contracts for Difference  
microsite: <https://www.cfdallocationround.uk/>

**SIGNED**

A handwritten signature in blue ink that reads "Sarah Redwood". The signature is written in a cursive, flowing style.

Sarah Redwood,

Director, Renewable Electricity  
Department for Energy Security and Net Zero  
For and on behalf of the Secretary of State

**DATED: 8 December 2025**

## **Schedule 1**

### **11 - Contract Budget Notices**

- (1) The Secretary of State must by notice (“a contract budget notice”) specify—
  - (a) the contract budget which is available for each delivery year applicable to an allocation round;
- (2) The Secretary of State may in a contract budget notice specify any of the following—
  - (a) budgets which are reserved for the descriptions of applications specified in the notice (“minima”);
  - (b) maximum budgets which apply to the descriptions of applications specified in the notice (“maxima”);
  - (c) a division of the contract budget such that a different part (“pot”) of the contract budget applies to the description of applications specified in the pot notice.
- (3) Where maxima or minima are specified, they may be expressed as—
  - (a) a sum of money;
  - (b) an amount of capacity of electricity generation; or
  - (c) a combination of (a) and (b).
- (4) Where—
  - (a) the contract budget is expressed as a sum of money; and
  - (b) that sum is stated by reference to a price which is not current at the date of the contract budget notice, the contract budget notice must include a factor which, when applied to that sum, converts that sum into a price which is current at that date.
- (4A) Where any budget referred to in paragraph (1)(a) or (2) (that is to say, the contract budget, a minimum, a maximum or a pot) is expressed as an amount of capacity of electricity generation, the Secretary of State may specify in the contract budget notice that a soft constraint applies to that amount; and in such a case, the amount of capacity of electricity generation may be exceeded, but only in accordance with the provisions of the contract allocation framework that applies to that allocation round.
- (5) A contract budget notice must—
  - (a) be given to the delivery body at such time as is set out in the contract allocation framework; and
  - (b) identify the allocation round to which the contract budget notice applies.