



UK Government

# The Contracts for Difference Clean Industry Bonus

Government response to the consultation  
on regulatory reforms for Allocation Round 8

February 2026



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# Context

Delivering clean power by 2030 is at the heart of our mission to transform the UK into a clean energy superpower. The Contracts for Difference (CfD) scheme has been critical in supporting renewables deployment. The Clean Industry Bonus (CIB) has been introduced through the CfD to further support that deployment by encouraging the development of more sustainable fixed and floating offshore wind supply chains.

The first round of the CIB ran in 2025 as part of Allocation Round 7, with £204 million of public investment expected to leverage up to £3.4 billion of private investment in manufacturing, factories and ports. We committed to build on the early success of the CIB in the ‘Clean Energy Industries Sector Plan’<sup>1</sup> under ‘The UK’s Modern Industrial Strategy’, by considering whether to expand the scheme to other technologies and adding new eligibility criteria.

This consultation invited views on introducing workforce protection and skills development criteria, given the need to support deployment by building up the skills-base required, and to make sure the offshore wind industry continues to be a magnet for talent. This is in line with the manifesto commitment to make the Bonus conditional on quality jobs, as well as the commitments made in the ‘Clean Energy Jobs Plan’<sup>2</sup> to explore how the CIB could encourage the development of an offshore wind Fair Work Charter and support investment in skills. We also considered expanding the scheme to onshore wind, and implementing policies aimed at improving the design of the scheme. Together, these changes aim to enhance the CIB’s effectiveness in supporting the clean energy superpower mission, help to develop supply chains that are more environmentally sustainable and deliver economic and social value to the regions that need it most.

## Overview of consultation proposals

The consultation proposed the following additions and amendments to the CIB.

### Workforce protection

The consultation presented possible proposals to keep raising the quality of jobs in the offshore wind industry. While this industry is already providing thousands of good jobs to people across the UK, the government is keen to keep raising the bar to make this flagship sector as attractive as possible for workers. The consultation invited respondents to feedback the proposals they thought more effective as well as whether an intervention was welcome and what timeframe would be most appropriate.

The government specifically proposed that CIB beneficiaries should sign-up to a Fair Work Charter for offshore wind, co-developed by industry and trade unions. It would set out the baseline for fair work that both developers and suppliers could commit to. We tested whether an

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<sup>1</sup> [Clean Energy Industries Sector Plan - GOV.UK](#)

<sup>2</sup> [Clean energy jobs plan - GOV.UK](#)

initial agreement could be reached for Allocation Round 8, with a fuller and more developed agreement by AR9.

If a Charter for AR8 or AR9 were agreed, the consultation proposed to encourage participation from developers by:

- 1) Requiring developers to commit to discussions on the Fair Work Charter as part of the CIB minimum standards, and
- 2) Making developers' eligibility to apply for CIB bonuses conditional on their public commitment to discussions on the charter and any early commitments agreed.

To encourage suppliers to participate in the Fair Work Charter, the following options were proposed:

- 1) That eligibility to be part of a bid for CIB Criterion 1 bonuses would require supply chain firms to make public commitments to discussion and early commitments agreed on the fair work charter; or
- 2) That suppliers due to receive grants through the Industrial Growth Plan Delivery Body would only be eligible for this investment if they commit publicly to discussions on the fair work charter.

## Skills

We want to help the clean energy workforce develop the skills it needs to make Britain a clean energy superpower, and to boost the availability of high quality employment opportunities. The consultation proposed two options as approaches to encouraging investment in offshore wind skills through the CIB, inviting feedback on each. These options were:

- 1) Developers could be incentivised to contribute towards a "skills investment fund" that encourages a more collaborative approach; or
- 2) Developers could be incentivised to invest in skills at the project level.

The consultation invited feedback on the best method for delivery of option 1. This included considering whether the Offshore Wind Industrial Growth Plan (IGP) Delivery Body's<sup>3</sup> remit could be expanded to cover skills, or whether other bodies would be appropriate, as well as how regional needs could be balanced with a GB-wide skills fund.

For Option 2, the consultation set out a list of proposed eligible skills activities and invited respondents to feedback whether they agreed with the list, and - if not - what amendments they would like to see.

## Onshore Wind

The consultation considered the introduction of onshore wind into the Clean Industry Bonus, to support supply chain capacity and sustainability of the sector in a similar way to offshore wind. The consultation asked whether this introduction would be most appropriate for AR8 or AR9,

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<sup>3</sup> The Offshore Wind Growth Partnership (OWGP) has been designated as the IGP delivery body.

and whether onshore wind developers would bid for additional funding if the scheme was expanded.

The consultation proposed setting the minimum standard at £25 million per gigawatt of project capacity. It also proposed setting a capacity threshold, below which meeting the CIB minimum standards would not be a requirement to entering the CfD, to recognise the administrative and financial burden that the scheme may pose to smaller projects. However, meeting the minimum standards would still be a requirement to bid for CIB funding, regardless of project size.

The consultation also consulted on finer design aspects, including proposing a list of eligible components, outlining the eligibility criteria that would apply, outlining a proposal to allow developers to group several projects together into a single CIB application ('portfolio-level applications'), and creating a dedicated sub-budget for onshore wind.

## Process improvements

The government proposed ways to improve the CIB regulations to enable a smoother process (not withstanding that further non-regulatory improvements will be proposed in the draft Allocation Framework). The consultation specifically proposed a number of measures to adjust the timelines of the CIB, including reducing the lead-in time between CIBs and CfDs, increasing the time between the application window closing and results being published and shortening the required 30-day period between publishing the final allocation framework and the CIB round opening.

The consultation proposed formalising powers to create different budget structures, including powers to:

- create sub-budgets;
- create wholly separate budget 'pots';
- set 'minima' (minimum spend) and 'maxima' (maximum spend);
- increase or decrease the value of the overall budget and/or sub-budgets (including to zero) in the budget revision process;
- to keep the value of the budget and/or sub-budget hidden, should revealing budgets damage competitiveness of the round.

The consultation also proposed changing how the budget is expressed, from £m/GW to a simple £m figure.

The government also tested whether to formalise "force majeure" provisions by giving them a regulatory footing, rather than having them just in guidance.

We also consulted on a proposal to extend the scheme's sunset clause to any CfD round established before 31 December 2028, to capture projects able to make supply chain investments before 2030 and increase visibility of government support to the sector, while noting that subsidies should not be perpetual.

Further proposals included: allowing CIB payments to be released to developers once the agreed investments have been made to speed-up repayment of CapEx liabilities and improve

financing terms for applicants (“pay on delivery”); amending regulations to allow developers to place bids for whole projects rather than CfD units; and aligning the contract budget revision notice with the first CfD notification given by the Delivery Body.

## Engagement with consultation proposals

The consultation was published online on 23 August and was open until 6 October 2025. Responses were submitted through an online response tool (Citizen Space) or by email. The consultation received 48 responses, including 21 from developers, nine from suppliers, five from trade unions, seven from trade bodies and one from a think tank. The government is grateful to stakeholders for taking the time to engage with the consultation.

In reporting the overall response to each question, the term “majority” indicates a clear view of more than 50% of respondents in response to that question, and “minority” indicates fewer than 50%. The following terms have been used in summarising additional points raised in the responses: “a few responses” indicates less than 25% of those answering a particular question; “some responses” indicates between 25%-50% of responses; “many responses” indicates between 50-75% of responses; and “most responses” indicates between 75-100% of responses. Not all respondents answered all questions, therefore any indication as laid out above refers to the percentage of the responses to each particular question – not the percentage of all 48 responses.

## Next steps

Alongside this government response, we will publish an impact assessment before relevant legislation is laid before parliament later in the first half of 2026.

We will publish a further consultation early in 2026 on changes to the CfD contract that are required. These will not introduce new policy, but operationalise amendments to the contract resulting from this government response.

The CIB application window for AR8 is currently set to open in May 2026, though this is subject to change. Further updates will be posted on gov.uk on the timeline in due course.

# Workforce protection

## Approach to including workforce protection within the CIB

**Question 1 - Do you agree with the government's proposal to strengthen workforce protection in offshore wind through the CIB in AR8?**

Most respondents supported the principle of strengthening workforce protections and creating a Fair Work Charter, often citing benefits for job quality, socio-economic impact, and sector reputation. However, many respondents were opposed to using the CIB as the enforcement mechanism, with concerns about its limited scope, complexity, and potential risk to CfD auction timelines. A few highlighted the need to align with the Employment Rights Bill (now the "Employment Rights Act") and existing frameworks like Fair Work First and the Offshore Wind Sector Deal.

**Question 2 - Do you agree that the proposed approach for AR8 and AR9 would effectively support the charter's creation and adoption?**

Many respondents reiterated their support for the principle of a Fair Work Charter and stronger workforce protections but also reiterated concerns around the role of the CIB in encouraging sign-up to a Fair Work Charter. Many suggested that they would like to see a phased approach with formal/mandatory commitments coming in AR9 or later. Some suggested that AR8 is premature due to short deadlines which risk delaying project delivery and making existing AR8 contracts complex and costly to adjust. Some believed that AR9 is a more realistic timeline than AR8.

### Government response – Questions 1 and 2

After careful consideration, the government has decided to proceed with the option of making the Fair Work Charter a condition of the CIB. A central element of the Clean Energy Jobs Plan is to ensure clean energy jobs are always good jobs and to showcase the sector as one of the very best to work in, which will produce benefits for recruitment and retention. This recruitment and retention will support the acceleration of electricity generation from offshore wind, given the known issues in accessing, developing and retaining a skilled workforce in the sector. Including workforce criteria within DESNZ grants, procurements and subsidies is a key lever through which we can encourage clean energy firms to universally offer good jobs. This should reassure respondents that the approach to strengthening workforce protections will not be limited to the CIB and offshore wind. Rather, the CIB - as an existing policy tool – will complement broader work across the clean energy sector.

The government recognises some of the challenges identified by respondents in seeking to strengthen workforce protection through the CIB, particularly around complexity and timing. These challenges have been factored into our policy-making. To address them, we have done the following: adopted an approach where industry and trade union representatives shape and co-design the Charter's contents; facilitated an agreement on a Charter for AR8 that is impactful but deliverable to a short timeline; and planned careful implementation of the new rules with the

aim that they are simple and enable the scheme to encourage both investment in more sustainable supply chains and the delivery of high-quality jobs. Recognising this is a key priority for industry, DESNZ will continue to endeavour to run timely CIB and CfD rounds.

Following productive negotiations between industry representatives and trade unions which have resulted in the agreement of an interim offshore wind Fair Work Charter, the government will proceed with the proposal to encourage offshore wind eligible generators and suppliers to sign-up to this Charter for AR8. The interim Fair Work Charter is a tripartite agreement that provides a commitment to high quality jobs in offshore wind. It will set a baseline for the sector in AR8, by aligning with the Employment Rights Act, which sets out the government's goal of improving workers' rights across the economy. The interim Charter also reflects and encourages good practice already being demonstrated by many employers in the clean energy sector. Several organisations are already operating at or beyond the standards set out in the Charter, including by working with their recognised trade unions, which demonstrates that the Charter agreed should be manageable for industry.

We appreciate concerns that the timeline to agree the interim Charter for AR8 was very short and we recognise the efforts of industry and trade union representatives in coming together to produce a valuable agreement for the benefit of both businesses and workers – particularly the Trade Union Congress, GMB Union, Prospect, RMT, UNISON, Unite The Union, RenewableUK, the Offshore Wind Industry Council, and Scottish Renewables. The pace at which we have sought to deliver the interim Fair Work Charter reflects the government's commitment, as part of the Clean Energy Jobs Plan, to partner with business and trade unions to help workers in all parts of the country benefit from the opportunities provided by the Clean Energy Superpower Mission. Upcoming CfD allocation rounds are critical to meeting Clean Power 2030 and we consider the provision of good jobs as both a benefit and enabler of meeting our ambitious deployment targets.

As an interim Fair Work Charter has now been agreed, requirements for businesses to participate in Charter discussions will not be taken forward for AR8. Having reflected on the negotiating process, we found that the offshore wind industry engaged positively - through consultation with RenewableUK - without such requirements in place.

Instead, as per the options consulted on, new CIB rules will encourage eligible generators (i.e. CfD/CIB applicants) and suppliers nominated for CIB investments to sign-up to an interim Fair Work Charter in AR8 (see next section for further details).

The government will set out its thinking for Allocation Round 9 and beyond in due course, and will be engaging proactively with industry and trade unions in the weeks following this publication. The government has been clear from the start that the interim Fair Work Charter in AR8 would be a stepping stone to more ambitious proposals in the future.

## How an offshore wind Fair Work Charter will apply to eligible generators through the CIB

Question 3 - Which of the two approaches do you prefer for encouraging developer commitment to discussions on a fair work charter in AR8, option 1 or option 2? Please explain your preference and any concerns or suggestions you have about either option

A few respondents preferred option 1, which proposed including Fair Work Charter requirements as part of CIB minimum standard rules. These respondents suggested it is more enforceable, provides more clarity, and avoids creating a two-tiered system. Meanwhile, some respondents preferred option 2, which makes developers' eligibility to apply for CIB bonuses conditional on meeting Fair Work Charter requirements. Reasons cited included that it is more flexible, less risky and helps maintain CfD participation without strict penalties or complex obligations.

Most respondents reiterated concerns outlined in response to questions 1 and 2, contending that the CIB is not the right mechanism through which to introduce such requirements. Some of these respondents felt that the proposals did not provide sufficient clarity.

### Government response – Question 3

The government will take forward option 1, which will require CfD/CIB applicants to sign-up to the interim Fair Work Charter as part of CIB minimum standards. We consider option 1 to be better aligned with the policy intent to require the provision of high-quality employment from all CIB/CfD offshore wind participants. The introduction of this minimum requirement will result in fairer implementation of the Charter through the CIB and increased sign-up.

The minimum standards requirement to sign-up to the interim Fair Work Charter will apply to the eligible generator applying for the CIB and CfD. The eligible generator is responsible for applying for a CfD and developing the project (i.e. the fixed/floating offshore wind farm). To ensure that the relevant workforce developing the project on behalf of the "eligible generator" is appropriately captured in the scope of the Fair Work Charter, we will also look to apply it – through the CIB Allocation Framework – to contracted service providers of the eligible generator.

"The contracted service providers of the generator" refers to the contractual arrangement that is typically used by developers to staff the eligible generator, where the latter is simply a legal entity used to apply for a CfD. In other words, the eligible generator in practice often employs no staff to whom a Charter could apply, but obtains its staff from other parts of the corporate group(s) that own the generating station (e.g. other subsidiaries, affiliates etc). The eligible generator will typically contract one or more parts of its corporate group to provide the staff for the build-out of the project. For example. Developer A owns Eligible Generator A. Developer A also has Subsidiary A. Eligible Generator A will typically contract Subsidiary A (Developer's A subsidiary) to provide the staff to build Project A. Where such arrangements exist, Subsidiary A and Eligible Generator A are the entities that must sign the Charter. We have also provided a clause to ensure that where a Joint Venture is involved, the same arrangements apply to all Joint Venture partners.

The CIB Allocation Framework drafting will be explicit that where such arrangements exist, the contracted service provider is required to sign up, but the drafting is limited to the contracted service provider(s). We will also make clear that the concept of service provider does not include occasional one-off staff loans, secondments etc.

All eligible generators applying to the CIB, and where relevant, their contracted service providers, will be required to sign-up to the interim Charter by the closing date of the CIB application window. At this stage of the CIB process, developers are required to demonstrate how they have met CIB Minimum Standards (CfD minimum entry requirements). They may also submit “CIB extra proposals”, which are supply chain investment proposals in return for CfD top-up payments. Failure to sign-up to the Charter by CIB application stage would mean generators are not eligible to apply to the CfD in AR8. The Government expects that generators will immediately begin to make progress towards implementing the commitments within the FWC, such as voluntary access agreements, following sign-up.

The CIB can monitor sign-up to the Charter up until the award of a CIB Implementation Statement, which is the point where an eligible generator proves that they can receive CIB payments by evidencing delivery of their commitments. Should an eligible generator or its contracted service providers(s) no longer be signatories of the Charter by that point, either because they withdrew or because the governance process of the Charter identified a severe breach of the charter and removed the signatory, the eligible generator would no longer be able to receive CIB “bonus” payments. This approach uses the non-delivery disincentive from option 2, as we agree with some respondents that tying delivery to eligibility to receive bonus payments is more flexible and will help to maintain CfD participation.

While the CIB will monitor sign-up to the Charter, the means of monitoring delivery of Charter commitments are to be agreed between industry and trade union representatives. This is because the CIB’s contractual reach - through the CfD contract - stops when CIB investments are made. Therefore, life-long enforcement will come from a governance process within the Charter itself.

## How an offshore wind Fair Work Charter will apply to suppliers through the CIB

Question 4 - Which of the two approaches do you prefer for encouraging supplier commitment to discussions on a fair work charter in AR8, option 1 or option 2?

Please explain your preference and any concerns or suggestions you have about either option, including any suggestions on how SMEs and new facilities could be encouraged to participate in discussions.

Of those respondents that expressed a preference for one of the options, many preferred option 1 which was to introduce the new rules as part of eligibility for inclusion in CIB investment proposals under criterion 1. This would involve some or all of the supply chain firms to make a public commitment to discussions and early commitments agreed on the Fair Work Charter. Those that preferred option 1 suggested it aligns more closely with the CIB policy intent as it

applies to a broader section of the supply chain and so will produce a wider impact. Respondents also suggested it would provide stronger and clearer incentives for the supply chain to adopt the provisions. The concerns raised about this option related to unclear definitions and that the scope of exemptions could be too broad.

Many of those that preferred option 2 - which meant that suppliers could only receive IGP Delivery Body funding if they committed publicly to Fair Work Charter discussions – indicated this would be less burdensome and more flexible as it would have less of a potential impact on CfD auctions by not over-burdening the CIB mechanism. A few respondents suggested that the link to IGP funding balances incentivising suppliers to engage in charter discussions whilst maintaining the flexibility to not commit to discussions.

Some respondents did not support either option. These responses felt that there was a lack of clarity surrounding the contents of the Charter, that discussions for AR8 are premature, that the CIB was not the right mechanism and that there could be a risk of increased supply chain costs. Some respondents also proposed that a tiered approach to implementation (e.g. larger developers make early commitments to the Charter while suppliers adopt the commitments over a longer period of time) might be more suitable.

#### Government response – Question 4

The government will be taking forward option 1, but with implementation focused on encouraging suppliers to sign-up to the Charter. This option will drive the greatest take-up of the Charter by incentivising the largest offshore wind suppliers, with facilities in UK deprived areas, to sign-up to the interim Charter.

Whilst the government recognises that option 2 might be more flexible, after further consideration, it is of the view that the effects of implementing this option are too uncertain and there is lower confidence that it could deliver sufficient impact on job quality.

We acknowledge the views of those respondents that do not think the CIB is the right mechanism to introduce these requirements, that supply chain costs could increase and that suppliers should have more time to sign-up. We consider that industry's involvement in co-creating the Charter with trade unions should mitigate against such risks. The interim Charter in AR8 focuses on early operationalisation of the Employment Rights Act requirements on union access, and the large majority of businesses should be able to deliver on these commitments in the timelines set out in the Charter.

With the introduction of option 1, if a facility from a supplier, installer or port is to be eligible to be included in a CIB applicant's investment proposal – whether for minimum standard or bonus proposals – they will need to meet both of the following conditions related to Criterion 1 of the CIB ('investment in shorter supply chains').

1. They must be located in a 'UK deprived area' as defined in the CIB Allocation Framework.
2. They must have signed up to the interim Fair Work Charter.

Note that the above does not apply to extra proposals or minimum standard proposals made under Criterion 2 (investment in cleaner supply chains), given that the Government does not have oversight or influence over working conditions in other jurisdictions.

Relevant suppliers/installers/ports must have signed-up to the interim Charter by the closing date of the CIB application window. If this has not been confirmed to DESNZ, then relevant CIB bids would be considered ineligible and they will not be included in the CIB bidstack. The Government expects that suppliers will immediately begin to make progress towards implementing the commitments within the FWC, such as voluntary access agreements, following sign-up.

If a supplier included within a generator's CIB bid for any given round withdraws as a signatory of the Charter (i.e. the signatory pulls out or is removed by the Charter governance process) before the generator receives a CIB payment, this would result in the supplier being deemed ineligible for CIB investments in the subsequent Allocation Round. DESNZ will set-out a registry for all signatories after the publication of this response.

The eligible generator's CIB payment would be unaffected despite a supplier's withdrawal as a signatory. The reason for this approach is to ensure that eligible generators are not liable for suppliers' continued engagement with the Fair Work Charter and, having made the investment proposal in good faith, will still receive the relevant CIB bonus payment if a supplier is no longer a signatory.

The government understands that delivering on new Charter commitments may be more challenging for certain types of businesses and will therefore exempt small enterprises with fewer than 50 staff and new facilities from criterion 1 eligibility requirements in AR8. The exemptions will apply to small enterprises because they may lack resources to process and implement new requirements in the same timescales as larger businesses. They will apply to new facilities that have yet to commence commercial production because these facilities are unlikely to have established their workforce. These exemptions will not have any effect on the legal requirements that come into force through the Employment Rights Act, and these businesses must comply with these requirements as relevant.

We propose to define Small Enterprises in line with the definition provided in Small Business, Enterprise and Employment Act 2015. To be considered a Small Enterprise means having 50 staff or less. To help provide a fair playing field, for the purposes of the CIB, we also propose Small Enterprises that are subsidiaries of larger businesses do not benefit from any relaxation of requirements as they benefit from the advantages of being in a wider corporate group.

With regard to new facilities, businesses that have both new and existing offshore wind manufacturing facilities (that meet Criterion 1) would not be able to benefit from an exemption. The employer's presence in the UK must genuinely be new or recent.

The government recognises the views of those respondents that suggested exemptions could be too broad. In designing the exemptions, we have sought to ensure that the exemptions will apply only to suppliers that may genuinely not be able to meet the requirements in the timeframe, while enabling the CIB to leverage investment in a wide range of supply chain companies in AR8.

## Evidence and impacts of proposed approach

Question 5 - What proportion of project CapEx and OpEx currently goes towards labour costs? What proportion of the cost of componentry currently goes towards labour costs? Please provide any relevant evidence.

Many respondents provided an answer to question 5 but were unable to provide specific data on labour cost proportions because of commercial sensitivities or due to the relevant data not being held. Some respondents did provide data which indicated that labour costs can range from 15-25% of CapEx and 20-40% of OpEx depending on the activity and project type. A few respondents suggested there are systemic issues such as poor employment conditions, subcontracting practices, wage policy gaps, and a need to implement the voluntary Real Living Wage.

Question 6 - Do you foresee any unintended consequences of the proposed minimum standard on workforce protections? Would it impact your overall investment into CIB-eligible suppliers, or your overall supply chain decisions? Please provide any relevant evidence.

Most respondents suggested possible unintended consequences of the proposed minimum standards on workforce protections. There was support for the policy intent to improve job quality and sustainability, especially if backed by clear guidance and appropriate funding. The unintended consequences suggested by respondents included increased costs, procurement delays, reduced supplier flexibility, and deterrence of international investment. There were a few mixed responses to this question where respondents acknowledged the benefits but suggested a phased or voluntary approach to implementation.

### Government response – Questions 5 and 6

As set out in responses above, the government will take forward the proposal to encourage sign-up to an interim Fair Work Charter through the CIB. This will be implemented as part of eligible generators' minimum standards requirements and as a condition of eligibility for suppliers seeking investment under criterion 1.

Given the interim Charter has been co-agreed by industry and unions, and brings forward what will soon be legal obligations on union access, the government considers there is a low risk of unintended consequences for AR8, not least considering the proposed exemptions for small businesses and new facilities. However, the government will continue to consider the evidence, will monitor the implementation of a Fair Work Charter for any unintended consequences and adopt policy accordingly.

# Skills

## Approach to encouraging investment in skills through the CIB

Question 7 - Do you support option 1 to encourage contributions to a skills investment fund through the CIB? Or do you consider option 2, a project-by-project approach, to be a better means of supporting investments in skills? Please provide further comments to support your answer.

Most respondents could see the merits of both options. However, many respondents preferred option 1 (industry-wide skills fund) over option 2 (asking for project-by-project skills investment), with some suggesting a hybrid approach to combine the strengths of both options. Some favoured delaying the introduction of skills requirements until AR9.

Respondents that preferred option 1 cited various benefits of this approach, including that it would provide a more effective means of supporting investment across the sector as it could drive structural changes at national or industry level and has a greater potential to achieve systemic, long-term improvements in workforce, education and skills development.

Among those respondents that supported option 2, there were suggestions that a project-by-project approach would give developers greater flexibility and control to invest in initiatives that meet project and/or industry needs. Some respondents also suggested that option 2 could help provide local opportunities and benefits, which are important for maintaining community support for offshore wind projects.

Question 8 - Do you foresee any unintended consequences from the proposed changes to minimum standards? Would the introduction of either option 1 or option 2 impact your overall investment into CIB-eligible suppliers or your supply chain decisions? Please provide any relevant evidence.

Respondents raised concerns around the practicalities of implementing a pooled skills investment fund in AR8, due to challenges around governance, administration, transparency, duplication, and respecting devolved responsibilities. Consideration is also needed around interacting with other existing mechanisms such as Development Consent Orders and seabed leasing. There was also a concern that the CIB would place too many restrictions on a pooled skills fund if investments must be located in “deprived areas” (as with CIB Criterion 1) or limited to the construction phase of offshore wind projects.

Concerns raised regarding option 2 highlighted that regions where no, smaller (or fewer projects achieve CfD, would be at a competitive disadvantage over areas where a larger potential capacity is successful. In addition, current projects may not be in the geographic locations of future projects or using the same technology e.g. with the move towards deeper water and floating wind farms. This would reduce the need to invest in future skills needs outside those of the project.

Further concerns raised by some under option 2 were that the lack of coordination and strategic investment may not support the long-term sustainability of the sector, potentially leading to underinvestment in shared training infrastructure. A further risk noted with option 2 was that developers may feel compelled to prioritise activities that meet compliance requirements, rather than those that are most impactful or aligned with their current programmes. This could incentivise superficial activities aimed at compliance, rather than meaningful long-term workforce development.

**Question 9 - What level of contribution (i.e. £/GW) do you think should be allocated to skills through option 1 and option 2? For option 1, would you prefer contributions to remain voluntary? Please provide further comments and evidence to support your answer.**

Respondents expressed a broad range of views on the appropriate level of contribution to skills under Options 1 and 2. Suggestions included that contributions be from existing commitments to the Industrial Growth Plan Delivery Body (i.e. the Offshore Wind Growth Partnership), or a portion of that spend. Other suggestions included figures ranging from £100k to £75million per GW. Views on whether contributions should be mandatory or voluntary were mixed. Some respondents emphasised that any new obligations should recognise existing commitments and to be careful of increasing costs. Where mandatory contributions were considered, respondents stressed the need for integration with wider funding commitments.

**Question 10 - Should option 1 be taken forward, do you consider the IGP Delivery Body to be the most appropriate body to administer a skills investment fund? If yes, are there any other bodies or organisations that should be involved in deciding how funds are distributed and delivered? Please provide further comments to support your answer.**

Opinions were evenly split on whether the IGP Delivery Body is the most appropriate body to administer a skills investment fund. The most common issue raised was the current lack of skills expertise in the delivery body. Many respondents indicated that the IGP Delivery Body could, with appropriate preparation, develop this expertise to meet this new remit. Those with more mixed views agreed that the IGP Delivery Body ought to be involved to provide a sector wide view, but that it should be one part of a broader governance structure with skills experts to support. Some respondents contended it was unlikely the IGP Delivery Body could develop the needed expertise in the timeframe required. Several respondents flagged that the IGP Delivery Body is untested and yet to deliver on its current remit.

The other organisations, as suggested by respondents, that could be involved in the administration and distribution of a skills investment fund included Skills England, Skills Development Scotland, GB Energy and Regional Supply Chain Clusters.

## Question 11 - Should option 1 be taken forward, how could national and regional needs best be balanced with the proposal to develop a GB-wide skills investment fund?

Many respondents did not believe that a one-size-fits-all approach is appropriate, given the regional variation in skills needs across the UK. To balance national and regional needs, respondents considered that devolved governments and regional bodies should have a formal governance role, with ringfenced allocations per nation/region.

A few respondents suggested regional investments should be aligned to priorities set out in national (skills plans published by the devolved administrations) and regional plans (local growth and skills plans). It was suggested that investment proposals should be tested against the priorities set out in the plans prior to investments being made.

A few other respondents thought regional supply chain clusters should also play a key role in identifying local skills priorities, offering that these organisations have the insight, relationships and understanding necessary to ensure that investment is targeted effectively. These respondents indicated that collaboration with regional clusters could help mitigate the risk of fragmentation and ensure that regional needs are factored in to fund allocation. They suggested that such an approach would ensure that the fund remains strategic and inclusive, while delivering targeted support where it is needed most.

## Question 12 - Should option 2 be taken forward, do you agree with the initial suggested list of eligible skills activities? Please provide any suggestions on further skills activities you think should be included that would be both impactful and simple to evidence.

Respondents provided many suggestions for eligible skills activities, as set out in the list below.

- Alignment with the Clean Energy Jobs Plan.
- Apprenticeships such as foundation, modern and graduate apprenticeships.
- Trainee Programmes.
- CPD for teachers and lecturers.
- Higher education collaboration.
- Master's programmes e.g. control systems, SCADA, cybersecurity, foundation design, wake effects modelling.
- STEM engagement.
- Support for education attainment, upskilling and transition support.
- Support for training providers.
- Training facilities and equipment.
- Train-the-trainer programmes, with standardised curricula and digital credentials.
- Work experience and internships, including virtual work experiences for those in hard-to-reach rural and coastal towns.

## Government response - Questions 7 to 12

The government will proceed with option 1, i.e. encouraging developers to contribute to a skills investment fund, in line with the views of many respondents that indicated a preference for a collaborative approach. Such an approach will help to enable longer-term, strategic interventions that individual projects may not undertake alone.

A project-by-project approach is not being taken forward. While we recognise some respondents' views that project-level interventions can, and do, deliver positive local impacts, introducing further project-level requirements through the CIB is more likely to duplicate existing requirements at other stages of a project's development (such as seabed leasing requirements and Development Consent Orders). We are also of the view that evidencing skills at the project level would place greater administrative burden on both projects and on DESNZ, and would replicate some of the deficiencies of a similar approach under historic CfD Supply Chain Plans.

The government (including the Department for Energy Security and Net Zero, the Department for Work and Pensions, Skills England) will work with the offshore wind industry and the Devolved Administrations throughout 2026 to consider how it can best implement a skills investment fund. The aim would be to establish an operational skills investment fund in 2027. Further work through the Offshore Wind Industry Council (OWIC) and other vehicles will help to address the practical delivery challenges raised by respondents, including how the fund will be governed. The timeline presented here is decoupled from Allocation Round timings, noting some respondents' concerns that skills investment via a collaborative fund should not be required in AR8 before the governance of such a fund has been established.

A skills investment fund could be delivered within the framework of the IGP Delivery Body, i.e. the Offshore Wind Growth Partnership (OWGP), due to the existing remit to administer a supply chain investment fund. The OWGP currently invests in supply chains using funding raised by contributions from offshore wind developers who obtain CfDs – the funding levels are agreed between the industry and the OWGP. Note this is not public funding, but pooled industry funding.

The Northern Ireland Executive, Scottish Government and Welsh Government all feature in the IGP's existing governance structure. Along with the UK Government, each devolved administration has one seat each on the Strategy Board which – alongside coordinating wider funding support - reviews investments and provides recommendations with regard to the allocation of funding.

The government will work with OWIC, Renewable UK and Scottish Renewables to explore whether the skills investment fund is best delivered by adding investment in skills to the OWGP remit (on top of its existing mission to invest in supply chains), or whether it should be delivered through a different body. The government will work with industry bodies so that any skills investment fund takes into account:

- The inclusion of the devolved administrations and the UK Government in strategic funding decisions.

- The implications for CIB requirements and how skills funding can be aligned with existing industry commitments to the OWGP.
- Avoiding duplication of other skills training initiatives and bodies.
- The challenge identified by respondents in broadening the expertise of the OWGP to deliver on a new remit not long after being established.
- The other organisations that respondents suggested could be involved in the administration and distribution of skills funding.

Investments made through a skills investment fund could cover skills interventions at any stage during the lifecycle of a project (as opposed to only applying to skills in the construction phase). The areas of intervention will be determined by the governing body of the skills investment fund, which will include OWIC, the UK Government, the devolved administrations, and any other relevant organisations, though funding targets/operational decisions would not involve government. Once the governance of the skills investment fund has been agreed, there will be the option to run pilot activities to build capability and expertise.

Note that from AR8, the government will require CfD applicants to contribute the industry agreed amount to the OWGP investment fund via CIB minimum standards, which will ensure a level playing field between all developers (though the OWGP will no longer have to deliver the funding in a way aligned to CIB criteria, as set out in the new draft CIB Allocation Framework). This decision is independent of any consideration on whether or not the mandate of the OWGP could be widened. However, if a skills investment fund was delivered by the OWGP, the required contributions would not need to be increased beyond the amount already agreed by industry, meaning there would be no additional costs to projects to set up the skills fund. We would envisage OWIC taking a final decision on how the OWGP Delivery Body allocates funding between supply chain and skills development in this scenario.

## Evidence on skills investments

**Question 13 - How much do you currently spend on skills investments such as those listed above? How many jobs do you believe these investments support, and what are their salaries? Please provide any relevant evidence.**

Most respondents could not provide precise figures for skills investment or job numbers, citing variability across projects and delivery partners. Common initiatives include apprenticeships, internships, graduate schemes, and STEM outreach. Salary data was limited but ranges from £17.5k for apprentices to £45k+ for highly skilled roles, with general estimates of £25k–£50k for supported positions.

## Government response – Question 13

The government will continue to consider the evidence and comments provided by respondents to Question 13 and adjust future policy in light of material evidence.

# Onshore Wind

The government has been examining whether and how Onshore Wind (ONW) could be included into future auction rounds. The consultation asked whether industry would welcome inclusion as well as policy details regarding what inclusion could look like.

## Onshore Wind Eligibility and Timeframe to Introduction

Questions 14 and 15 - Would you welcome the introduction of ONW from AR9, and do you think this is an appropriate timeline to construct quality bids? Are there benefits to introducing ONW into the CIB in AR8 instead? Were ONW to be included in the CIB, would you apply for additional funding? What value do you expect to gain from engaging with the scheme, and are there any improvements you would suggest to increase the potential value?

The consultation asked respondents whether they thought including onshore wind into the scheme could produce benefits, highlighting the differences with its offshore counterpart such as smaller project sizes and a less established supply chain. It also laid out the trade-off between introduction in Allocation Round 8 and Allocation Round 9, inviting respondents to comment on the timeframe they would prefer for introduction should it go ahead.

As part of the questions on eligibility the consultation also asked respondents directly whether they would apply for additional funding for ONW projects and what quantum of support they would ask from the scheme if they did.

### Summary of responses

Many responses regarding eligibility were in favour of introduction but called for an AR9 introduction – with only one developer saying they would be content with an AR8 introduction provided their policy concerns could be addressed without causing delays to the CfD auction.

A few responses disagreed with introduction entirely, requesting a more in-depth supply chain analysis prior to consideration. Other reasons include:

- 1) a preference for alternative forms of intervention, e.g. grants and grid upgrades.
- 2) Concern that inclusion could bring additional complexity and costs to the ONW CfD process.

Regarding uptake, many responses did not commit to applying for additional funding, with many answering "no comment" or offering only general reflections. Few responses gave a clear commitment to applying for additional CIB funding, with some offering conditional or indirect interest. Overall, responses reflected cautious engagement, with calls for clearer design, phased rollout, and alignment with broader policy goals. Suppliers who responded to the consultation were more likely to call for ONW inclusion in AR8, however only if inclusion was fully ready and wouldn't result in any delays to the CIB or CfD round.

## Government Response – Questions 14 and 15

The Government has decided to proceed with onshore wind inclusion in Allocation Round 9, not in Allocation Round 8.

Taking account of responses through the consultation, we have decided that proceeding with an AR8 introduction is likely to be too quick for industry to sufficiently engage. An AR8 introduction would be likely to have low additionality given the lead-in times in an annual-auction cycle. However, introducing the scheme as part of AR9 gives more time to prepare, refine and engage with the market.

An AR9 introduction reflects the majority opinion expressed in consultation responses, which strikes the right balance between delivering timely supply chain support and providing time for industry to engage with the policy and construct robust investment proposals. The Government has also decided that the scheme be fully optional when introduced in AR9; see the response to question 19 for further detail.

## Onshore Wind Components

**Question 16 – Are there any key components missing? Are there any components listed you think should not be included?**

We proposed that the following list of onshore wind components would be eligible for CIB extra funding:

CIB eligible components ONW
Blades
Towers
Hubs
Nacelles
Gearboxes
Generators
Cables
Other Electrical Infrastructure including Converters
Transformers
Wider Balance of Plant
Foundations

## Summary of responses

The responses agreed the listed components were broadly correct. However, there were many calls for the Onshore Wind Supply Chain Capability Assessment, currently underway as part of the Onshore Wind Strategy in June 2025, to inform this list. This exercise is set to conclude in Q1 2026.

There were a few requests for small amendments and clarifications, such as including an additional specific component and how 'bundled' contracts (including EPCI contracts which are very common) were difficult to fit within the CIB components list approach.

## Government Response – Question 16

The proposals outlined in the consultation will be retained. The ongoing supply chain mapping exercise will be reviewed in 2026 by considering the market status of components both on and off the above list, to ensure that no inconsistencies or gaps are brought to light. Furthermore, there will be a minor clarification, with "Gearbox" changed to "Gearbox (including drive train)". Regarding contracts which cover more than one component, provided the facilities that make each of the components fulfil one of the criteria (and that this can be evidenced) developers will be able to use these investments in either minimum standards proposals or extra proposals.

## Proposed Criteria

**Question 17 – Do you agree with the proposed criteria? How does the proposed 30% minimum SBTi coverage compare to your anticipated SBTi coverage across tier 1 suppliers? Please provide any relevant evidence.**

The consultation proposed that when onshore wind is introduced the criteria are limited to those used in Allocation Round 7, namely Shorter Supply Chains and Sustainable Supply Chains. In other words, the new criteria being considered on Workforce Protection and Skills would not apply to onshore wind initially.

Currently the CIB uses a map of deprived areas to determine eligibility of OFW and FLOW suppliers under the 'Shorter Supply Chains' criteria. The consultation proposal was to use this same map to assess eligibility for ONW suppliers, for consistency.

For 'Sustainable Supply Chains', the consultation suggested an adjustment to the scoring system. To recognise that fewer onshore wind suppliers have enrolled in the Science Based Target Initiative's (SBTi) target verification, we proposed lowering the "business-as-usual" expectation from 40% coverage to 30%<sup>4</sup>.

## Summary of responses

### Criterion 1, Short Supply Chains: Suppliers located in UK deprived areas.

Continued use of the same map of deprived areas faced some criticism, with some responses arguing the current map excluded too many manufacturers from eligibility. However, much of the concern seemed to stem from responses assuming that all onshore wind projects would be required to meet the minimum standards, which would place pressure on ability to meet these entry requirements due to limited manufacturing capacity.

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<sup>4</sup> SBTi is a not-for-profit organisation which provides an assessment of a given organisation's decarbonisation plans. This was chosen as a third-party verified metric of business decarbonisation.

## Criterion 2, Sustainable Supply Chains: Suppliers who have signed up to the Science Based Targets Initiative (SBTI)

The responses to the ONW proposal was split, with some (4 out of 12) responses saying 30% seemed acceptable and others arguing for it to be lowered. A few responses expressed a desire to see other kind of sustainability practices be acknowledged within the scheme, e.g. related to “circular economy” principles.

### Government Response – Question 17

Consultation proposals will be taken forward, with the two original CIB criteria to be used to assess eligibility of suppliers, but with the option to iterate them through market engagement in 2026. Specifically, the Government will use the longer time frame ahead of introduction in Allocation Round 9 to reexamine the appropriateness of the current maps of deprived areas and of the baseline for supplier SBTi sign up. This will include considering the outcomes of supply chain mapping exercise and considering alternatives if required. Given other policy positions taken, such as greater optionality for scheme participation, much of the concern from respondents may be alleviated, however we are keen to implement improvements if possible.

We will also explore long-term options to incorporate other suitable methods to support sustainability, such as decommissioning.

## Portfolio Level Bids

**Question 18 - Is the introduction of portfolio-level bids effective in enabling one application to be made for multiple projects? Do you agree with the definitions proposed above?**

A key difference between onshore and offshore wind is the size of projects, with the former being much smaller on average. This difference has led some onshore wind developers to procure for multiple projects at once to create economies of scale.

During initial engagement with industry on onshore wind inclusion into the scheme, some developers perceived CIB application design as a potential hindrance to continuing this practice, due a requirement for bids per projects not aligning with procurement strategies at portfolio level. To ensure developers could interact with the scheme in a way that aligns with existing procurement practices, and ensure savings on projects costs from these practices are preserved, the consultation proposed introducing the ability for onshore wind developers to submit applications at the portfolio level.

This means that a developer with several onshore wind projects could group these together for the purposes of the CIB application. In effect, they could submit one CIB application for these projects. They would not need to specify which of their projects/CfD units would bear which CIB investments at point of application; this would instead happen after the associated CfD round , once the developer is aware of which project(s) were successful.

The consultation proposed the following definitions:

- Portfolio: A portfolio is a set of projects, to a minimum of one, owned by the same entity (or set of entities).
- Project: The totality of a leased/owned area of land for which the bidding entity/entities obtain, or will obtain, relevant planning permission. For onshore wind, a project is assumed to be a CfD unit.

## Summary of responses

Many responses for this question were in favour of introducing portfolio level bids, provided that it remains fully optional for developers to engage with.

A few responses asked for clarity regarding how this proposal would work with Joint Ventures (JVs) and Special Purpose Vehicles (SPVs) and the complicated ownership structures that are in place within onshore wind portfolios.

## Government Response – Question 18

The consultation proposal will be taken forward, aiming for this feature to be introduced alongside ONW in AR9, with the adjustment that Portfolio level bids will be fully optional. That is, generators developing several onshore wind projects could choose to submit a CIB application per project, or combine them into one. This lets the policy act as intended, to allow generators to engage with the scheme in a way that matches their existing practices. We will continue to test the details on how this may be implemented with industry ahead of AR9.

We also propose to adjust the definitions of a portfolio, to better capture all possible ownership structures and provide the greatest flexibility to developers on how they engage with the scheme:

**Portfolio:** *A portfolio is a set of onshore wind CfD Units, to a minimum of two, that an eligible generator has grouped together for the purposes of a single CIB application.*

The proposed definition for “project” will not be needed as we will only be taking CfD units into account and for the vast majority of onshore wind projects each project only contains one CfD unit (the entirety of the project).

There are implementation challenges with allowing this kind of bid which we will continue to work to resolve ahead of Allocation Round 9, working with industry. The complete details for how this will work will be laid out in the Allocation Framework and socialised in advanced of Allocation Round 9.

## Onshore Wind Minimum Standards

**Question 19 - Do you agree with applying a 100MW capacity threshold, above which portfolios of projects will be required to meet the minimum standards to be set at £25m/GW? Is the minimum standard of £25m/GW achievable through either criterion 1 or criterion 2?**

Minimum standards are set to ensure developers meet a baseline of investment into the supply chain prior to applying for additional CIB funding. This requirement is set at £100m/GW for fixed

offshore and £50m/GW for floating offshore wind projects. The consultation proposed setting the minimum standards at £25m/GW for onshore wind to reflect difference in supply chain maturity and project size.

However minimum standards also represent an administrative burden which, while larger projects may be able to shoulder, could represent a challenge to smaller onshore wind projects. To resolve this the consultation proposed using a threshold of project capacity, below which projects would not need to meet CIB minimum standards to enter the CfD auction. However, projects of all sizes would need to meet the minimum standards to apply for additional CIB funding (i.e. minimum standards would need to be delivered if “bonus” funding was applied for). The proposed level for this threshold was 100MW, in line with the Nationally Significant Infrastructure Projects (NSIP) requirements coming in to effect at the end of 2025.

To ensure this threshold worked with the proposed portfolio level bids, the consultation proposed that the capacity of the whole portfolio would be used to measure whether a bid exceeded the threshold of 100MW.

## Summary of responses

Most responses (14 out of 17) agreed at least partially with the proposals. The few responses that did not agree requested to see more data on how these figures were reached.

Some responses requested that the threshold only apply to the capacity for individual ONW projects, not the capacity of whole portfolios. Others requested that the threshold be lifted to 300MW, in line with Supply Chain Plans. A few responses were content with the 100MW as proposed.

While there was still a desire to see more information, many responses agreed that £25m/GW was a realistic and reasonable figure to set as a minimum standard for AR9.

## Government Response – Question 19

The proposal to set the minimum standards at £25m/GW will be taken forward in AR9.

As many responses requested different changes be made to the threshold, and argued that minimum standard requirements were likely to result in increased project cost, government has decided to only apply minimum standards to those developers which bid for additional CIB funding in AR9 (i.e. bid for “bonuses”), regardless of project size. If a developer does not apply for CIB funding, then they do not need to meet the minimum standards to enter the CfD auction. In practice this means removing the requirement for onshore wind projects to present a CIB statement to NESO to be eligible for CfD Allocation Round 9. This decision was made as a result of consultation responses raising concerns that either proposed option had distinct challenges, particularly when considered in the context of ONW project sizes. Furthermore, introducing portfolio level bids as fully optional (see above) could provide an incentive for developers to split larger projects to avoid meeting minimum standards.

Retaining minimum standards for those bidding for CIB funding preserves the scheme’s value for money and ensures investments supported through the scheme are ‘additional’.

## Creation of a new Sub-Budget

### Question 20 – Do you anticipate any unintended consequences with this approach?

Government proposed a dedicated onshore wind sub-budget – a budget mechanism which already exists in the CIB for floating offshore wind projects. The sub-budget was originally introduced to ensure that FLOW projects would be able to secure a certain level of CIB funding without risking being completely out competed by fixed-bottom OFW. Given the relative differences in supply chain maturity the consultation proposed that ONW also have a dedicated sub-budget, ensuring it is able to secure support despite being expected to be less competitive.

This sub-budget would be hidden (i.e. not publicly disclosed), in order to maintain competitive tension in a round where a limited numbers of developers and suppliers are expected to bid. It would also be subject to the budget revision once bids have been submitted.

### Summary of responses

Many responses approved of ringfencing funds for onshore wind in a sub-budget. However, many qualified this with a strong preference for the budget amount to be visible as opposed to hidden, for increased visibility on government commitment.

### Government Response – Question 20

The consultation proposal will be carried forward, including keeping the sub-budget hidden where publishing it would affect competitive tension of the auction. While we recognise the benefits of visibility, we believe the case for keeping the sub-budget hidden is stronger. This is due to the small number of eligible suppliers when compared to OFW, making a known budget easier to reverse engineer estimated bid values. Therefore, we consider it is important to hide the sub-budget, with the power to set this sub-budget to zero if needed, to protect value for consumers. Further explanation of this can be found in the next section under “Additional budgetary powers”.

# Process Improvements

After the first round of the CIB, the government identified a number of inefficiencies and ambiguities, and proposed a series of process improvements and clarifications in the consultation.

## Amendments to statutory timelines

**Question 21 – Do you agree with the proposed changes to the statutory timelines? Do you have views on the proposed indicative policy timelines?**

The statutory deadlines proposed aim to strike a balance between giving stakeholders appropriate lead-in times ahead of each CIB round, providing transparency in timings, and allowing for government policy to move rapidly as needed. The current deadlines mean that the minimum amount of time between a notice of CIB application window and the CfD application window opening is 7 months, compromising the feasibility of an annual CfD cycle.

The first round of the CIB highlighted timeline inefficiencies therefore the government proposed to amend the scheme's statutory timeline to reduce the overall time between a CIB round notice and a CfD round. The government proposed to amend the current legislative timelines in the following ways:

- Replace statutory lead-in times with timelines that are published round on round in the Allocation Framework. This would provide government with discretion to move from one stage to the next more rapidly.
- The final Allocation Framework would be published at least 10 days prior to the CIB round opening, but we plan to share a draft of the Allocation Framework well in advance. Only necessary amendments, such as correcting errors or adding clarifications, would be made as the statutory deadline approaches.
- We proposed that the final budget notice would be issued 25 working days after the CIB application window closing date. This allows government more time to assess CIB bids and set a final budget, but it does not increase the overall results processing time. Critically, dispute resolution timelines have been revised to align with the budget setting process.
- CIB results would be released no more than 35 working days after the CIB round closing, sooner than the current 50 working days.
- The CfD window would open as soon as reasonably practicable following the conclusion of the CIB round.

## Summary of responses

A few respondents unequivocally agreed with the government's proposal to compress statutory timelines.

Many respondents offered mixed responses which supported the proposal in principle, stating that setting out the timelines and milestones ahead of AR8 would provide improvements to

transparency, predictability, and clarity for applicants. The responses also approved of the streamlining of timelines. Some concerns raised in the mixed responses included that some of the milestones (particularly the 5-day period between publication of the final Allocation Framework and the CIB round launching) were very tight and that these shorter timeframes could fail to prevent issues identified in AR7 from being repeated in AR8.

## Government Response – Question 21

The consultation proposal will be taken forward. This will enable Allocation Round 8 of the CfD to run in a timely manner, which is a key priority that could not be delivered if current statutory timelines were to be maintained.

The government recognises that many respondents supported the proposal in principle due to it providing additional transparency and predictability for AR8 timelines. The government also understands the concerns raised by respondents relating to the accelerated timelines. To mitigate these concerns, the government will:

- Share early drafts of the Allocation Framework with stakeholders for their review and iterate accordingly.
- Commit to no major amendments to the Allocation Framework in the last 30 working days. This is to provide reassurance that the 10 working day backstop is only for fixing errors or clarifications from the draft issued alongside this government response.
- Share a provisional budget notice as early as possible.

In addition to this, as part of the government response, we are providing an updated timeline to give further visibility and reassurance of processes. Note this remains provisional and is subject to change.

- Engagement on a draft Allocation Framework: ongoing since December 2025. Government will update and refine the framework iteratively following industry feedback;
- Publication of a complete Allocation Framework draft with this government response;
- Government lays legislation on CIB AR8: February 2026;
- Government publishes a provisional budget and notice of CIB round opening: as soon as the regulations are in force;
- Final Allocation Framework is published: as soon as the regulations are in force (though in practice unmodified in policy terms since January 2026);
- CIB round opens: mid-May 2026.
- CIB round closes: end of May 2026.
- CIB results are released: by end of June 2026.

## Additional budgetary powers

Question 22 – Do you agree to using the Allocation Framework to set out the budget structure of CIB rounds? Please describe any unintended consequences which may arise.

The current regulations require that the Department set a provisional budget available to applicants for a CIB allocation round and then communicate this with industry. This budget can be revised but the final budget must be announced within 3 weeks of the CIB round closing. The AR7 Allocation Framework made provisions for a sub-budget for FLOW. These projects could compete separately from fixed offshore wind as they had different technologies and investment needs. To encourage a competitive auction, the sub-budget value was kept hidden.

We proposed formalising the powers to create sub-budgets in the regulations, and continuing to use sub-budgets for AR8. This means that when onshore wind is introduced in Allocation Round 9, a sub-budget could be used specifically for that technology. Furthermore, we proposed amendments to the regulations that formalise powers to set budget structures (e.g., sub-budgets, maxima, minima, pots), round on round, through the Allocation Framework. These powers include setting separate budget pots, setting maxima or flexible minima, keeping the value of budgets and/or sub-budgets hidden and increasing or decreasing the value of budgets and/or sub-budgets as part of the budget revision process.

### Summary of responses

On budget mechanisms, most respondents agreed at least somewhat with the government's proposal to introduce broader budget powers. While some respondents unequivocally agreed with the changes, many respondents agreed with the principle of budget mechanisms but called for more transparency, suggesting that provisional budgets and sub-budgets could be published ahead of time and sub-budgets should not be hidden, arguing that this would improve investor confidence.

### Government Response – Question 22

The government will formalise the creation and functioning of sub-budgets in the regulations for clarity. This includes the powers to set a minima, a maxima and setting separate budget “pots”. The use of these powers will be at the discretion of the Secretary of State, with details on which will be used and how to be set out in the Allocation Framework for a given round. This includes the powers to set a minima, a maxima and setting separate budget “pots”. The use of these powers will be at the discretion of the Secretary of State, with details on which will be used and how to be set out be set out in the relevant documents.

Respondents explained that hidden sub-budgets could decrease developer and investor's confidence and understanding of the opportunities associated with the CIB auction. The government recognises that this could impact engagement with the scheme and bid making. However, this must be balanced with the imperative to protect value for money for bill payers, which the government is committed to. Given the limited pool of components and suppliers eligible for sub-budgets, keeping its value hidden protects competitive tension. The government

will use powers to hide the value of the sub-budget when the potential pool of applicants or suppliers is expected to be limited.

## Events outside of a Generator's Control

**Question 23 – Do you agree with the proposal to include regulatory amendments related to non-delivery due to events outside of generator's control?**

AR7 CIB guidance sets out the process that a generator should follow in the event that it cannot deliver a CIB commitment due to unforeseen circumstances outside of their control (known as force majeure).

The consultation proposed to write this process into regulations. This would allow generators to propose one or several alternative minimum standards investments. As a last resort, the Secretary of State can deem that a generator has met minimum standards when a commitment has not been delivered due to circumstances outside of the generator's control, when every reasonable effort to deliver the original or alternative commitments have been made.

### Summary of responses

Most respondents (26 out of 27 responses) agreed with the government's proposal to introduce a force majeure relief process into the regulations. These respondents did also emphasise the need for clarity on definitions, alignment with existing CfD relief provisions, and objective evidence standards to prevent misuse.

### Government Response – Question 23

The government will implement the proposal to write force majeure into regulations.

The regulations already provide that an applicant's CIB statement can be amended when alternative proposals have been provided if they are unable to meet the minimum standards. If alternatives cannot be found, the Secretary of State will have the power to deem that financial minimum standards have been met where this is due to circumstances outside of the applicant's control, not foreseeable at the time, and reasonable efforts have been made to deliver alternative proposals. 'Financial minimum standards' are financial contribution towards the minimum sum that the generator must invest towards the development of supply chains, and monetary contributions to the IGP Delivery Body.

The government appreciates concerns around further clarity regarding the definitions and evidence needed to meet standards to trigger the relief process. In response to this, the government will provide additional detail in the guidance to clearly set out the principles the Secretary of State would consider in the instance of force majeure. This guidance will need to be balanced with the position that unforeseen circumstances cannot be precisely defined in advance and that the Secretary of State should have final discretion when making this decision.

## Budget Notice Changes

### Question 24 – Do you agree with the proposal to amend regulations to allow for the budget to be expressed in absolute terms?

Under the existing process, the provisional and final budget notices included a budget expressed in millions of pounds per gigawatt of capacity entering the auction. This was to vary the budget so that it reflects the number of projects bidding into the auction. The consultation proposed that the provisional and final budget should be expressed in absolute terms rather than in £m/GW terms, to align more closely with wider government communications.

#### Summary of responses

Many respondents supported the proposal to express the budget in absolute terms because it provided better clarity, simplicity and predictability for planning and investment decisions. Some respondents did warn that this change could reduce transparency, introduce uncertainty and undermine flexibility in managing future budgets across rounds.

#### Government Response – Question 24

The proposal to express the provisional and final budget in absolute terms will be taken forward. The government is taking forward this proposal to simplify communication, remove misinterpretation and provide further clarity for CIB applicants.

Respondents noted that provisional budget should be published as this could impact investor confidence as well as supporting transparency. To provide some reassurance to respondents and show transparency, the government will endeavour to publish provisional budget notices with sufficient lead in times.

## Sunset Clause

### Question 25 - Do you agree with the proposal to extend the scheme's sunset clause to any CIB rounds occurring before 31 December 2028?

The existing regulations set out that the Clean Industry Bonus will apply to the seventh, eighth, or ninth CfD allocation rounds. The consultation proposed to extend this so that the CIB may be applied to any round established prior to 31 December 2028. This would align the scheme's timeline more closely with the government's clean power mission, by extending this support to the last projects receiving a CfD that could deliver renewable energy generation by 2030.

#### Summary of responses

All respondents to this question agreed with the government's proposal to extend the CIB so that it applies to any CfD allocation rounds established prior to 31 December 2028.

#### Government Response – Question 25

The government will take forward this proposal. This change will align the scheme's timeline with the government's clean power mission as support will be extended to the final CfD projects that could deliver investments in supply chains prior to 2030.

This change does not mean that the CIB will automatically apply to all allocation rounds prior to 31 December 2028. The government will make a decision ahead of each CfD allocation round on whether the CIB will apply. After 2028, the government will review evidence of the CIB's effectiveness and decide whether any support schemes are still required.

## Payment on Delivery

**Question 26 – Which, if any, of the proposals related to earlier release of bonus payments do you support? Please describe any additional benefits or unintended consequences you foresee.**

The existing payment system means that an applicant is likely to start receiving CIB payments 1-3 years after relevant supply chain investments have been made. To improve the payment timeline, the consultation proposed the following options:

- Enable payments to be made before the CfD Start Date upon release of the Implementation Statement. This means that as soon as investments towards minimum standards and CIB extra proposals have been made, then CIB payments can begin.
- Enable payments to be made before the CfD Start Date, upon proof that the total share of the CIB extra proposals investments from the generator has been made, demonstrated through a conditional Implementation Statement. This means that payments could be released once investments related to extra proposals have been made but before those related to the minimum standards have been completed.

## Summary of responses

All respondents to this question agreed with the government's proposal to pay on delivery. Some respondents (11 out of 26) expressed a preference for Option 2 which involved a conditional Implementation Statement. 12 out of 26 respondents expressed no preference between either option but agreed with the pay on delivery approach. A common concern throughout these responses was that there must be a comprehensive clawback mechanism in place to protect against non-delivery.

## Government Response – Question 26

The government will take forward the proposal to introduce payment on delivery.

In response to potential concerns raised in the consultation responses, the government has been exploring clawback mechanisms with the LCCC which are needed to implement option 2. Having jointly assessed several proposals, we have concluded that none are feasible or acceptable to implement, as they either risk value for money, would place additional liability on generators (partly cancelling the benefits of the proposal), or damage investor confidence. Consequently, the government does not intend to pursue this option.

The government recognises the support expressed for this proposal in the consultation and still aims to introduce payment on delivery. The Government has therefore decided to implement option 1, where applicable CIB payments to generators can start as soon as they have successfully received an Implementation Statement. A generator can apply for an

Implementation Statement once minimum standards have been fulfilled in full and once further investments related to extra proposals have been made. This application can be made any time after the Milestone Delivery Date, and before the CfD Start Date. The Implementation Statement will confirm financial minimum standards have been met, state the extent to which non-financial minimum standards and other obligations have been met, and confirm bonus amounts generators are entitled to. This will be paid by the LCCC over a maximum period of four years.

To implement this change, the contract will need to be amended. Rules related to generator's rights and obligations in cases where the CfD contract is terminated prior to the start date will be changed, so that once generators have obtained an Implementation Statement, they are entitled to retain their bonus funding and receive any remaining CIB funding they are entitled to in full, irrespective of whether the CfD contract has been terminated prior to the Start Date. We believe this change in rules follows original policy intent, which is that payments should be released if obligations have been fulfilled. Specific changes to the contract will be confirmed in a separate consultation on CfD contract changes.

## Project Level Bids

**Question 27 - Do you agree with the proposal to allow project-level bids by CIB applicants, as described above? Do you agree with the definitions of a 'project' and a 'unit'?**

For AR7, applicants had to submit a CIB application per CfD unit. As it is not uncommon for large offshore wind projects to be made up of several CfD units, this made CIB applications highly administratively burdensome for developers and government alike.

To resolve this, the consultation proposed to create the option for project-level bids. This would allow a single CIB application to cover multiple CfD units. The applicant would not have to specify the number or size of units at the application stage. Only after the CfD auction would applicants need to specify to DESNZ the names and size of all units part of the same project successful in the CfD auction, so that DESNZ can assign the correct CIB Statement to the correct CfD units. The applicant would also need to attribute CIB extra proposals (if applicable) to specific units for the purpose of drafting individual CfD contracts.

The consultation also proposed the following definitions that would be used to implement project-level bids:

- **Project:** The totality of a leased area of sea for which the leasing entity (or entities) have obtained, or will obtain, relevant planning consent.
- **Unit:** As defined in the CfD regulations, the whole or part of an eligible generating statement.

The proposal would apply to offshore (fixed and floating), when onshore wind is introduced in Allocation Round 9 they will be able to use a similar mechanism to apply across a portfolio. Due to differing project sizes and ownership structures, the onshore wind mechanism would work differently, and this has been outlined earlier in the response. For offshore wind, the proposal would allow multiple CfD units in the same leasing zone to put forward a single CIB application.

## Summary of responses

Many respondents agreed with the government's proposal to introduce project-level bids because they could reduce administrative burden for developers. No respondents disagreed with the proposal. Some respondents supported the proposal in principle but emphasised that project-level bidding should remain optional. They also requested clarity on how phased projects across allocation rounds should be treated, the interaction with payments across CfD units, and definitions.

## Government Response – Question 27

The government will take forward the proposal to allow for project-level bids to be submitted.

The government will be using a different definition of 'project', to reflect engagement with industry on the need for more flexible definitions. We propose that the term 'generating station' is used, with the Allocation Framework providing a detailed definition of what is meant by this. This reduces the chance of any edge cases of the size and use of specific leasing arrangements making ownership or responsibility for meeting a given investment unclear.

Full details of how this proposal will be implemented will be released in the Allocation Framework. To note, the intent is for applicants not to have to define at CIB application stage the number or size of CfD units which constitute the generating station. Moreover, while a single CIB application should be submitted per generating station, this does not preclude an additional CIB application which covers CfD units forming part of the same generating station to be submitted in a future round.

In summary, an eligible generator will submit one CIB application per project, stating the name and total capacity of this project. The applicant will not have to specify the number, names or sizes of any constituting CfD units at application stage. If successful, the applicant will receive a single CIB statement that covers the whole of the project (any number of constituting CfD units), for the purpose of NESO checking eligibility into the CfD main auction. After the CfD results have been communicated, the applicants will need to contact the Department for Energy Security and Net Zero to specify the names and sizes of any successful CfD units included in their CIB application, and which of these units will be responsible for delivering the CIB extra proposal investments (if any). This will enable the Secretary of State to update a project's CIB statement to reflect this. Implementation Statements will be issued per unit, to confirm whether a specific unit has delivered their CIB minimum standards and any extra proposal investments that it had been assigned with (if any). Applications can be merged if several units apply for their Implementation Statements at the same time.

## Regulatory alignment with the CfD notification

Question 28 – Please flag any unintended consequences of this change that government may need to consider.

The current Contracts for Difference (Allocation) Regulations 2014 require any Contract Budget Revision Notice to be published as soon as practicable after the contract allocation process has been re-run.

The consultation proposed to amend Regulation 13B to allow for the backstop for publishing a Contract Budget Revision Notice to be when the first CfD notification is given by the Delivery Body. This will clarify that Contract Budget Revision Notices do not need to be published before the results are released.

### Summary of responses

Most respondents agreed with the proposal to make the regulatory amendment to Regulation 13B and no unintended consequences as a result of this amendment were identified.

### Government Response – Question 28

The government will take forward the proposal to amend Regulation 13B.

This publication is available from: [Contracts for Difference: reforms to the Clean Industry Bonus, Allocation Round 8 - GOV.UK](#)

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