



UK Government

Contracts for Difference for Low Carbon Electricity Generation

Revision to the government response to the proposed refinements for Allocation Round 8 and future allocation rounds

Update July 2026



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Introduction

Following the publication of the government response to the proposed refinements for Allocation Round 8 and future allocation rounds, we are amending two policies ahead of the opening of Allocation Round 8. The two policies being amended are:

- Visibility of Sealed Bids
- CfD Price Base

These changes will be in place for Allocation Round 8.

We are also providing further clarification on connection agreement requirements for Allocation Round 8.

Visibility of Sealed Bids

Policy in the government response

The government response stated that we would extend visibility of anonymised sealed bids from Offshore Wind to also include Solar and Onshore Wind (including Remote Island Wind) in AR8. We stated that this would allow us to make better-informed and more cost-effective budget decisions for technologies that are critical to delivering Clean Power 2030.

Amendment from previous government response

We have now decided to extend visibility of anonymised sealed bids to Floating Offshore Wind (FLOW) and Other Deepwater Offshore Wind (ODOW), alongside Solar PV, Onshore Wind, Remote Island Wind and Offshore Wind. Applications for these technologies will only be able to submit one sealed bid during the sealed bid window.

This change takes account of revised internal pipeline assumptions and enhances our ability to shape auction outcomes to achieve better value for money.

Updating the CPI inflation factor in the CfD Standard Terms and Conditions

Policy in the government response

The government response stated that the Base Year CPI will be redefined to be the simple arithmetic mean of all monthly values of CPI for 2024.

Amendment from previous government response

Since publication of the Standard Terms and Conditions, stakeholders have sought clarification on the precise CPI value to apply under the new definition. Additionally, further consideration has been given to the administrative burden placed on the LCCC that implementing this change could entail. Based on these factors we have decided to revert to the previous drafting on the CPI inflation factor, which is as follows:

“Base Year CPI” means the value of the CPI for October in the calendar year immediately preceding the Base Year”

This will be reflected in NESO’s sealed bid guidance and can be found in the updates Standard Terms and Conditions [here](#).

Proposed exclusion of applications with Gate 1 connection agreements

Policy in the government response

We stated in the government response that for AR9 and beyond – we would exclude all Gate 1 projects with the exception of Gate 1 Connection Point and Capacity Reservation (CPCR). This means applicants will be required to be in receipt of either a Gate 1 CPCR or Gate 2 connection agreement at the point of CfD application to be eligible.

We stated that for AR8 only - we would exclude all Gate 1 projects with the exception of Gate 1 CPCR. Gate 1 CPCR and Gate 2 status will be assessed using G2tWQ Notifications which applicants must provide alongside an existing connection agreement, if they are not in receipt of their new connection agreement.

Clarification to the policy

We recognise that following Ofgem's approval of CMP446¹, some projects below the Transmission Impact Assessment threshold were out of the scope of the Gate 2 to Whole Queue process and therefore are not required to evidence Gate 2 requirements.

We are therefore clarifying the eligibility requirements in the AR8 Contract Allocation Framework's Schedule 5 to state that where a project has a valid connection agreement which is below the relevant Transmission Impact Assessment threshold, they will not be required to also evidence Gate 1 Connection Point or Capacity Reservation (CPCR) or Gate 2 status through a G2tWQ notification alongside their connection agreement. This will also apply to AR9 and beyond.

¹ [Connection and Use of System Code \(CUSC\) CMP446: Increasing the lower threshold in England and Wales for Evaluation of Transmission Impact Assessment](#)

This publication is available from: [Proposed refinements for Allocation Round 8 and future rounds - GOV.UK](#)

Any enquiries regarding this publication should be sent to us at:
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