UK Government

19 November 2026

THE CONTRACTS FOR DIFFERENCE (ALLOCATION) REGULATIONS 2014
CONTRACT BUDGET NOTICE FOR ALLOCATION ROUND 8, 2026

From: Secretary of State for Energy Security and Net Zero

To: National Energy System Operator Limited

This notice is given pursuant to Regulation 11 of the Contracts for Difference (Allocation) Regulations 2014 (as amended).[1]

This notice applies to the Contracts for Difference (CfD) Allocation Round 8, which opened to applications on 20 July 2026. It should be read in conjunction with the accompanying note.

Technology Groups

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

- Pot 1: Solar PV (>5MW)
- Pot 2: Onshore Wind (>5MW) and Remote Island Wind (>5MW)
- Pot 3: Offshore Wind
- Pot 4: Floating Offshore Wind and Other Deepwater Offshore Wind
- Pot 5: Advanced Conversion Technology; Anaerobic Digestion (>5MW); Dedicated Biomass with CHP; Energy from Waste with CHP; Geothermal; Hydro (>5MW and <50MW); Landfill Gas; Sewage Gas; Tidal Stream; Wave.

CfD Budget Allocation

The Overall Budget[2] applicable to this CfD Allocation Round and its division amongst the technology groups ('Pots') is set out in Table 1.

For Pots 1 – 4, the Government will have the opportunity to review anonymised bids which do not clear under the initial budget, and to revise the budget upwards to procure additional projects. The Government has set notional initial budgets of £1, meaning no projects will clear under the initial budget and all bids will be viewed anonymously. Budget will only be provided if bid prices are in consumers' interests. If this condition is not met, we will not provide budget. Final budget decisions will be made in conjunction with HM Treasury.

The budget set for Pot 5 (£0) is final and will not be revised upwards. The Government will not allocate budget to Pot 5 technologies in this round.

[1] A copy of the regulation is available here: The Contracts for Difference (Allocation) Regulations 2014
[2] Overall Budget as defined in Regulation 2 of the Contracts for Difference (Allocation) Regulations 2014 as amended.

The Overall Budget for the Allocation Round is the value given in respect of each Delivery Year[3] and subsequent Valuation Years. A project has a budgetary impact (in monetary terms) in the Delivery Year in which its Target Commissioning Window Start Date falls (or the first applicable Delivery Year if that is later) and all applicable subsequent Delivery and Valuation Years.

Table 1: CfD budget, in monetary terms, for AR8, 2026

	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Overall Budget Pots 1- 5 (2024 prices)	£2	£4	£4	£4	£4	£2
Pot 1	£1	£1	£1	£1	£1	-
Pot 2	£1	£1	£1	£1	£1	-
Pot 3	-	£1	£1	£1	£1	£1
Pot 4	-	£1	£1	£1	£1	£1
Pot 5	-	£0	£0	£0	£0	-

Key:

Delivery Year

Valuation Year

Use of Separate Clearing Prices, Minima, and Maxima.

No minima or maxima will be applied to any Pots within the Allocation Round.

As confirmed in the AR8 Price and Pot notice, separate clearing prices will apply in Pot 3 as follows:

Offshore Wind projects that connect to the Transmission System in tariff zones 1-12 or a Distribution System in licence areas 17-18 will have a separate clearing price to Offshore Wind projects that connect to the Transmission System in tariff zones 13-27 or a Distribution System in licence areas 10-16 or 19-23 (and rules about "Specific Separate Clearing Prices" in the Contract Allocation Framework will apply accordingly).

Separate clearing prices will not apply to any other Pots beyond Pot 3.

[3] Delivery Year as defined in Regulation 2 of the Contracts for Difference (Allocation) Regulations 2014 as amended.

Administrative Strike Prices

The Administrative Strike Prices (ASPs) applicable to technologies in AR8 are presented below.

Table 2: AR8 Administrative Strike Prices in 2024 prices (£/MWh)

Technology Type	ASP (£/MWh, 2024 prices)
Advanced Conversion Technology	307
Anaerobic Digestion (>5MW)	195
Dedicated Biomass with CHP	238
Energy from Waste with CHP	287
Floating Offshore Wind	271
Geothermal	219
Hydro (>5MW and <50MW)	168
Landfill Gas	94
Offshore Wind	113
Onshore Wind (>5MW)	92
Other Deepwater Offshore Wind	271
Remote Island Wind (>5MW)	92
Sewage Gas	228
Solar PV (>5MW)	75
Tidal Stream	371
Wave	386

Rebasing CfD Budgets

The overall Monetary Budget presented has been calculated in real terms on the basis of a 2024 price level.

To convert between price bases, a Consumer Price Index[4] (CPI) can be used. To convert from 2024 into a more recently available price base, the following formula can be used:

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

For stakeholders to convert the overall Monetary Budget from 2024 prices into the most recently available price base prior to publication (September 2026 at time of publication), the following CPI inflator should be used: 1.0762.

To note, this is purely for information and **all bids for AR8 should be submitted in 2024 values**. The 2024 price for bids should reflect the base year in the relevant version of the CfD contract.

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

SIGNED



Sarah James,

Director, Renewable Electricity
Department for Energy Security and Net Zero
For and on behalf of the Secretary of State
DATED: 19 November 2026

[4] Published by the Office for National Statistics (ONS): https://www.ons.gov.uk/economy/inflationandpriceindices/timeseries/d7bt. Please note that CPI index values are subject to the ONS CPI Revisions Policy and may change in future.