

Introducing an Oversubscribed Technologies Commitment Fee

CMP470 Workgroup 10

28 May 2026

Interaction between securities floor and cancellation charge

- Original proposal is to:
 - Calculate the OTCF per project based on:
 - $OTCF = [\text{Securities Floor}] - [\text{Current Securities}]$
 - That project-specific OTCF is then added to the cancellation charge, and is required to be fully secured...
 - ...so in effect is added directly to both the cancellation charge and securities
 - That mirrors the structure of the PCF which is added to both
- A potential refinement suggested by a workgroup member:
 - Apply the OTCF as a floor to both cancellation charge and securities separately
 - This means that if the cancellation charge is above the floor but securities are not, the cancellation charge does not change but a greater proportion of it is secured

	Cancellation charge below floor	Cancellation charge above floor
Securities below floor	Original - both increase by the same amount Potential refinement - both increase to the floor	Original - both increase by the same amount Potential refinement - no change to cancellation charge, securities increase to floor
Securities above floor		Original - no change Potential refinement - no change

Interaction between securities floor and cancellation charge – examples

- Worked examples with floor set at £3k/MW, differences highlighted

	Baseline		Original		Potential refinement	
Project archetype	Cancellation Charge	Securities	Cancellation Charge	Securities	Cancellation Charge	Securities
Early stage	£0	£0	£3k/MW	£3k/MW	£3k/MW	£3k/MW
Pre-trigger	£2k/MW	£2k/MW	£3k/MW	£3k/MW	£3k/MW	£3k/MW
Early post-trigger and planning	£10/kW	£1k/MW	£12k/MW	£3k/MW	£10k/MW	£3k/MW
Late post-trigger and planning	£30k/MW	£3k/MW	£30k/MW	£3k/MW	£30k/MW	£3k/MW

Interaction between securities floor and cancellation charge – examples

- Worked examples with floor set at £25k/MW, differences highlighted

	Baseline		Original		Potential refinement	
Project archetype	Cancellation Charge	Securities	Cancellation Charge	Securities	Cancellation Charge	Securities
Early stage	£0	£0	£25k/MW	£25k/MW	£25k/MW	£25k/MW
Pre-trigger	£2k/MW	£2k/MW	£25k/MW	£25k/MW	£25k/MW	£25k/MW
Early post-trigger and planning	£10/kW	£1k/MW	£34k/MW	£25k/MW	£25k/MW	£25k/MW
Late post-trigger and planning	£30k/MW	£3k/MW	£52k/MW	£25k/MW	£30k/MW	£25k/MW