

Welcome to

Introduction to CfD Allocation Round 7

29 July 2025

OFFICIAL

The logo for ofgem, consisting of the word "ofgem" in a lowercase, orange, sans-serif font.The logo for the Low Carbon Contracts Company, featuring a stylized wave icon with blue, green, and yellow segments above the text "LOW CARBON CONTRACTS COMPANY" in a blue, uppercase, sans-serif font.The logo for NESO (National Energy System Operator), featuring the text "NESO" in a large, white, uppercase, sans-serif font above "National Energy System Operator" in a smaller, white, uppercase, sans-serif font, all on a dark purple rectangular background with a white stylized graphic on the right.The logo for the Department for Energy Security & Net Zero, featuring the Royal Coat of Arms crest above the text "Department for Energy Security & Net Zero" in a black, uppercase, sans-serif font.

Introduction to the day

OFFICIAL

CfD delivery partners



Department for
Energy Security
& Net Zero

- Policy
- Regulations



- Registration
- Qualification
- Reviews
- Allocation



- Appeals
- DB Regulation



- Minor and
Necessary
modifications
- CfD Counterparty

Agenda

10:00	Welcome and today's agenda	DESNZ
10:05	Policy context, changes from AR6, core parameters, key dates	DESNZ
10:25	NESO overview (CfD process, registration, application, allocation, CfD portal summary)	NESO
11:10	***Break***	
11:20	Key CfD terms and signing process (M&N, pre-bidding, post-allocation)	LCCC
11:50	Disputes	Ofgem
12:00	*** Break ***	
12:05	Q&A panel	All
12:30	Wrap-up, key takeaways and close	DESNZ



Department for Energy Security & Net Zero

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**LOW CARBON
CONTRACTS COMPANY**

NESO
National Energy
System Operator 


Department for
Energy Security
& Net Zero

Context

Main Changes for AR7

Timings

Auction Parameters

Supply Chain Requirements



Department for Energy Security & Net Zero

Contracts for Difference Team Members

Jamie Balbes – *Head of CfD Policy & Delivery*

Kieran Power – *CfD Policy and Contracts*

Myra Fazal – *CfD Parameters Lead*

Context

We have an ambition to
achieve Clean Power by
2030

The Clean Power Action
Plan highlighted how
the CfD will play an
important role in
achieving this ambition

To ensure we can meet
our ambition, it is
important to adapt the
CfD

We are also guided by
our statutory objective
to deliver for consumers

Main CfD Changes for AR7

Contract Length

- Offering 20-year CPI-indexed contracts from AR7 for fixed-bottom and floating offshore wind, onshore wind, repowered onshore wind, remote island wind, and solar PV.
- To rebalance costs and benefits of the energy transition and boost investor confidence in an increasingly competitive and uncertain market.

Eligibility requirements

- Relax eligibility requirements to allow fixed-bottom offshore wind projects to apply for a CfD while awaiting full planning consent.
- Open the auction to more projects, improving competitive tension. Improved competition should deliver better outcomes for consumers as we aim to scale up renewable deployment, by incentivising developers to bid at their minimum viable price.

Setting budgets

- Visibility of bids will only apply to offshore wind.
- We will also be publishing a budget in advance of the sealed bid window for all technologies.
- The Secretary of State may increase this budget for offshore wind following sight of bids, if it presents good value for money for consumers.

Auction Parameters



AR7 Price and Pot Notice published on 23 July:

- **Pots:** new 4-pot structure.
- **ASPs:** auction backstop, where the budget and (for Offshore Wind, new powers to view bids) will ensure only projects that offer good value for money will clear.
- Clearing prices expected to be significantly lower than ASPs in AR7, as in previous rounds.
- **Delivery years:** Target commissioning date (TCD) should be within the delivery years (DYs).
- **Separate clearing prices:** Maxima will be used to separate clearing prices in Pot 3 into Offshore Wind Scotland and Offshore Wind. Other maxima tbc with budget publication.
- **Budget notice** will be published before the bid window (timing depends on appeals).

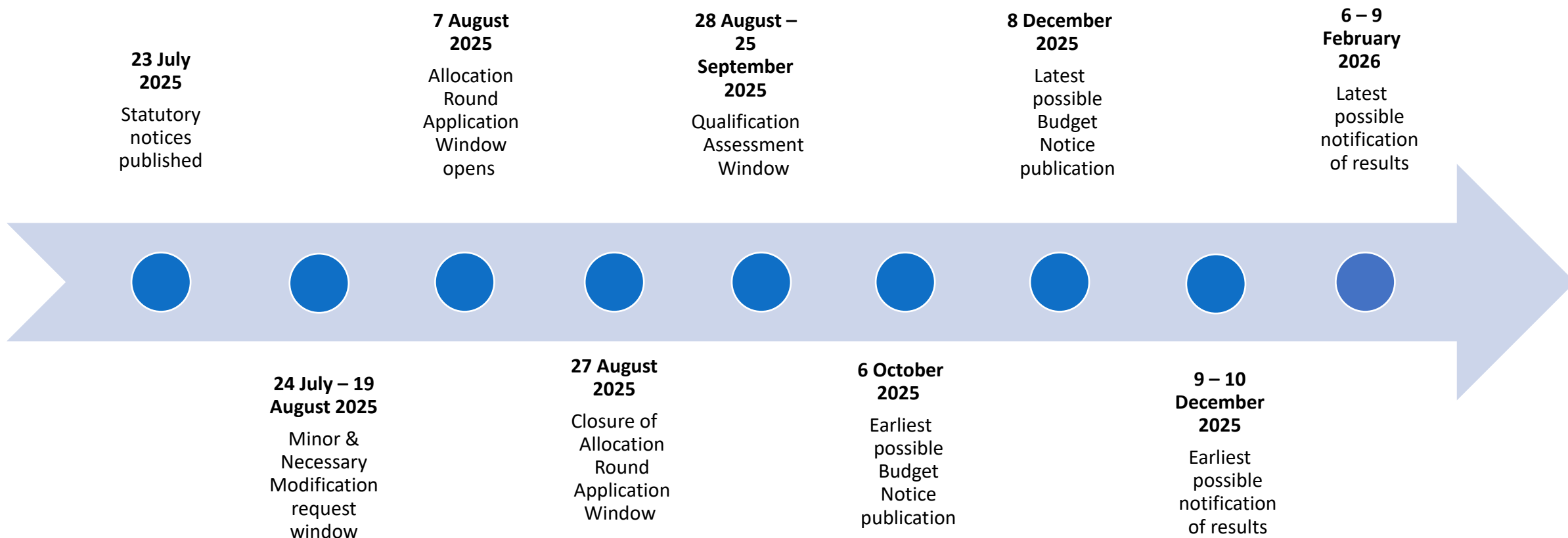
Administrative Strike Prices (£/MWh 2024)

Technology	AR6 ASP	AR7 ASP
ACT	293	307
Anaerobic Digestion	201	195
Dedicated Biomass with CHP	249	238
Energy from Waste with CHP	252	287
Floating Offshore Wind	245	271
Geothermal	219	219
Hydro	142	168
Landfill Gas	96	94
Offshore Wind	102	113
Onshore Wind	89	92
Remote Island Wind	89	92
Sewage Gas	226	228
Solar	85	75
Tidal Stream	364	371
Wave	358	386

Supply chain requirements

- For onshore wind and solar CfD units equal to and above 300MW in capacity, applicants must present a Supply Chain Plan Statement to enter the CfD auction.
- For fixed offshore wind and floating offshore wind units, regardless of capacity, applicants must present a Clean Industry Bonus Statement to enter the CfD auction.

Timings





Contracts for Difference *AR7 Launch Event*
29 July 2025

Public

Contracts for Difference EMR Delivery Body

Allocation Round 7/7A Online Event

Contents:

1. Introduction
2. Contracts for difference Process Overview
3. Registration
4. Application & Qualification
5. AR7 Policy Changes / Updates
6. Allocation / Auction
7. Future Engagement

Public

Introduction

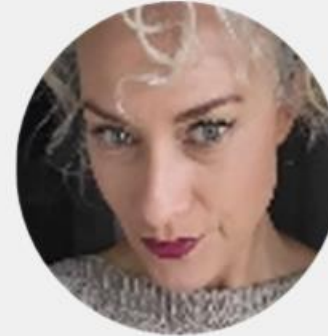
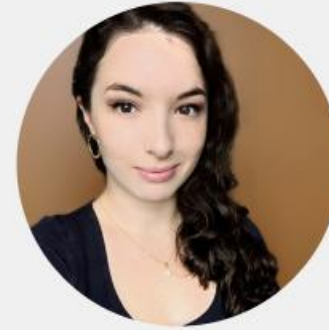
Becky Thomas

The Contracts for Difference (CfD) team

NESO runs the Electricity Market Reform (EMR) Delivery Body. We are responsible for the operational delivery of the CfD scheme.

You can contact our team via phone or email at any stage **excluding** the below windows, details of which you can find on the timeline:

- Assessment window
- Tier One Dispute Assessment Window
- Allocation and Independent audit



CfD Delivery Body Responsibilities

- The Delivery Body manages the Allocation round using the CfD Portal
- We will assess and qualify/disqualify applications, notifying applicants of the decision of qualification
 - We use the policy (Allocation Framework) written by DESNZ to carry out this activity
- We will determine the outcomes of Tier 1 Disputes
 - Again, using the same policy to come to a decision on whether we can overturn our initial assessment
- Throughout the Allocation round the Delivery Body provide DESNZ & the Secretary of State with valuations of all applications
- We will coordinate the CfD Allocation process and produce reports as required by Delivery Partners (DESNZ, OFGEM & LCCC)
- Finally, we provide LCCC with the information necessary to offer a CfD contract to successful Applicants

Key Messages from the CfD Team

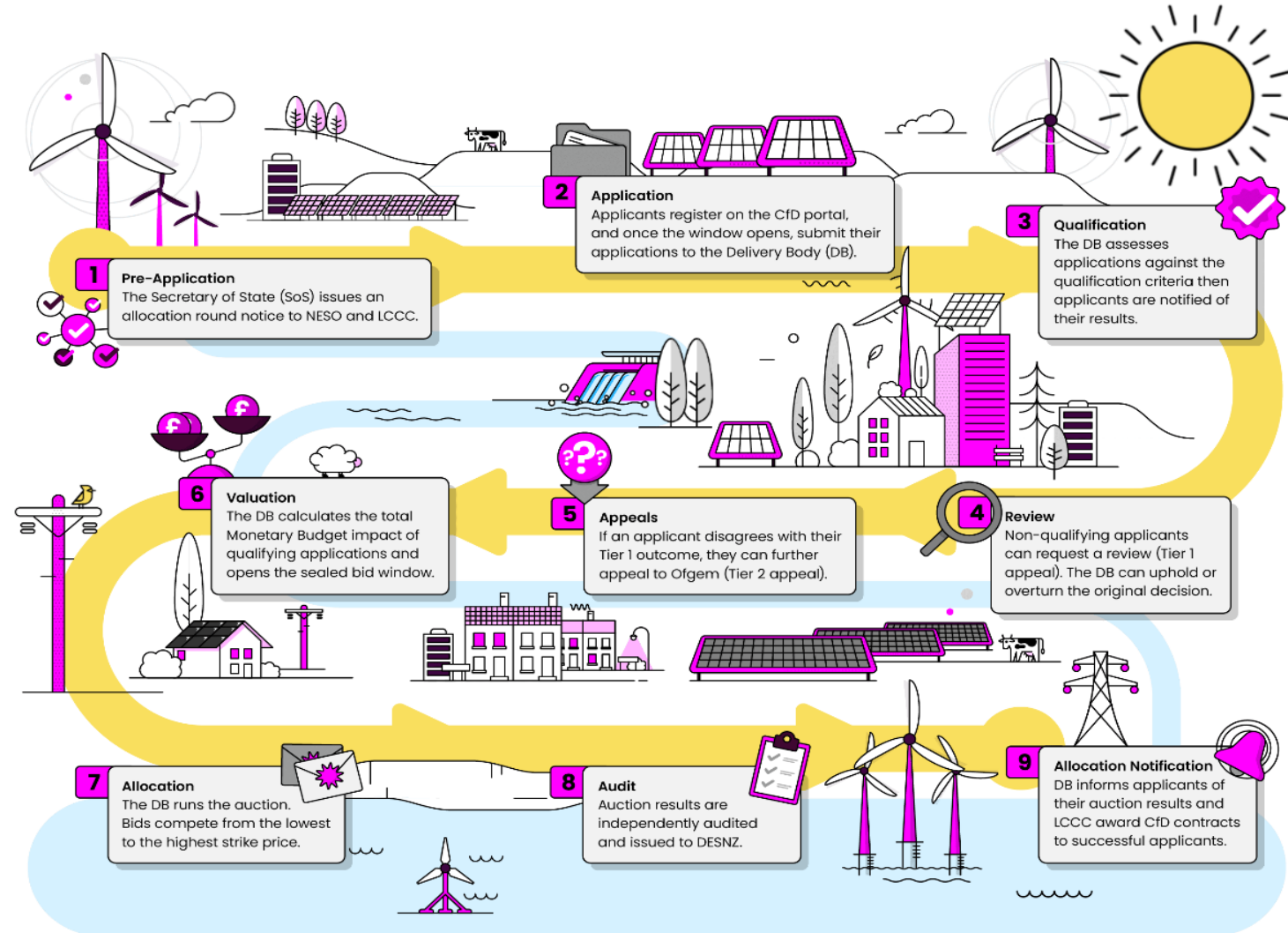
- You must register your company within the CfD Portal before being able to submit an Application (unless previously registered) – **don't leave this too late**
- For those **previously registered**, please ensure your **contact details are updated**
- Read the CfD guidance and Schedule 5 eligibility requirements before applying
 - Ensure all necessary documents are available
 - Take note of the common failure reasons within the slide pack
- **Don't leave your application to the last minute**

The CfD Process

CfD Allocation Process

NESO is responsible for managing and operating the front end of the CfD process. This includes:

- Company registration
- Application submission
- Qualification Assessment
- Tier 1 Reviews
- Sealed Bids and Auction

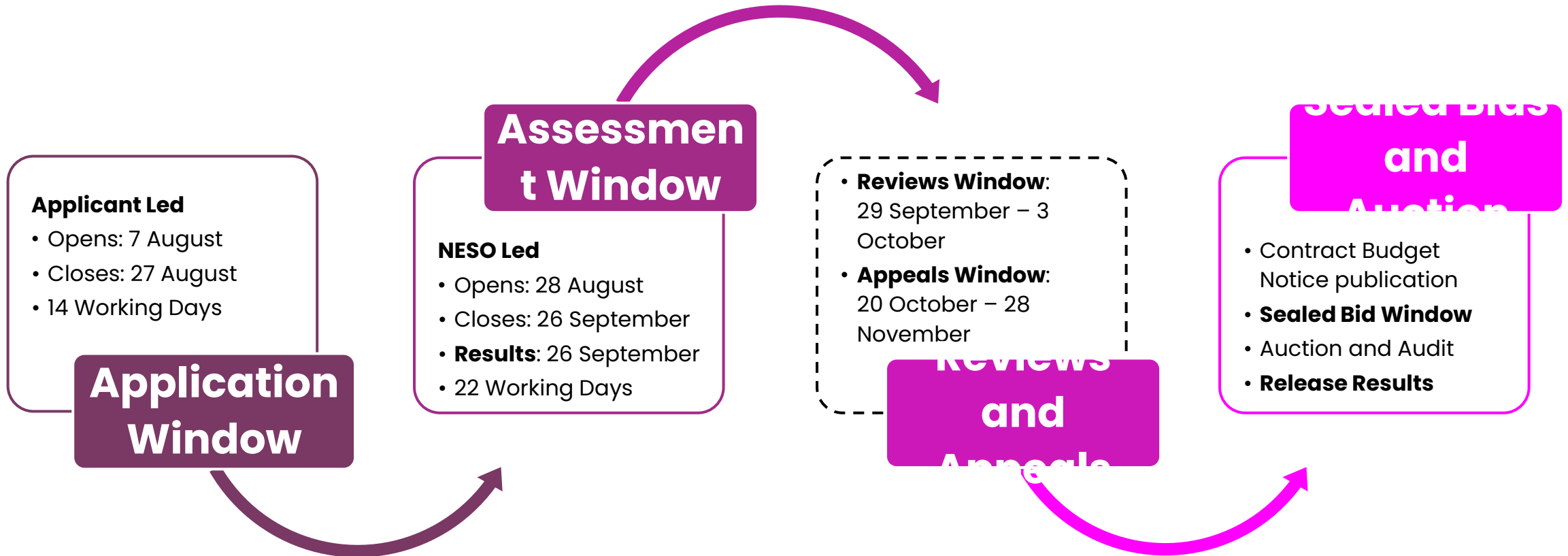


AR7 Timeline

<https://www.cfdallocationround.uk/ar7-timeline>

CfD Allocation Process

Review of Key Allocation Round Activities



Company Registration

Company Registration Process

Any company or organisation that wishes to submit an application in a Contract for Difference Allocation Round must first register on the EMR Delivery Body Portal. The deadline for company registrations ahead of AR7 and AR7A is Wednesday 27 August.



Registration Stage 1

Review the EMR registration and user management guidance



Registration Stage 2

Check for previous company registration on the CFD portal



Registration Stage 3

Complete the registration form and submit to the Delivery Body



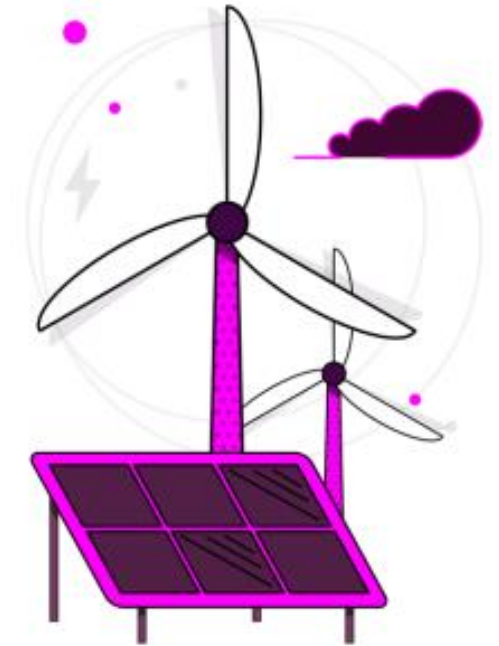
Registration Stage 4

The Delivery Body will validate the form and approve or reject



Registration Stage 5

Company will have Approved status, now able to submit applications

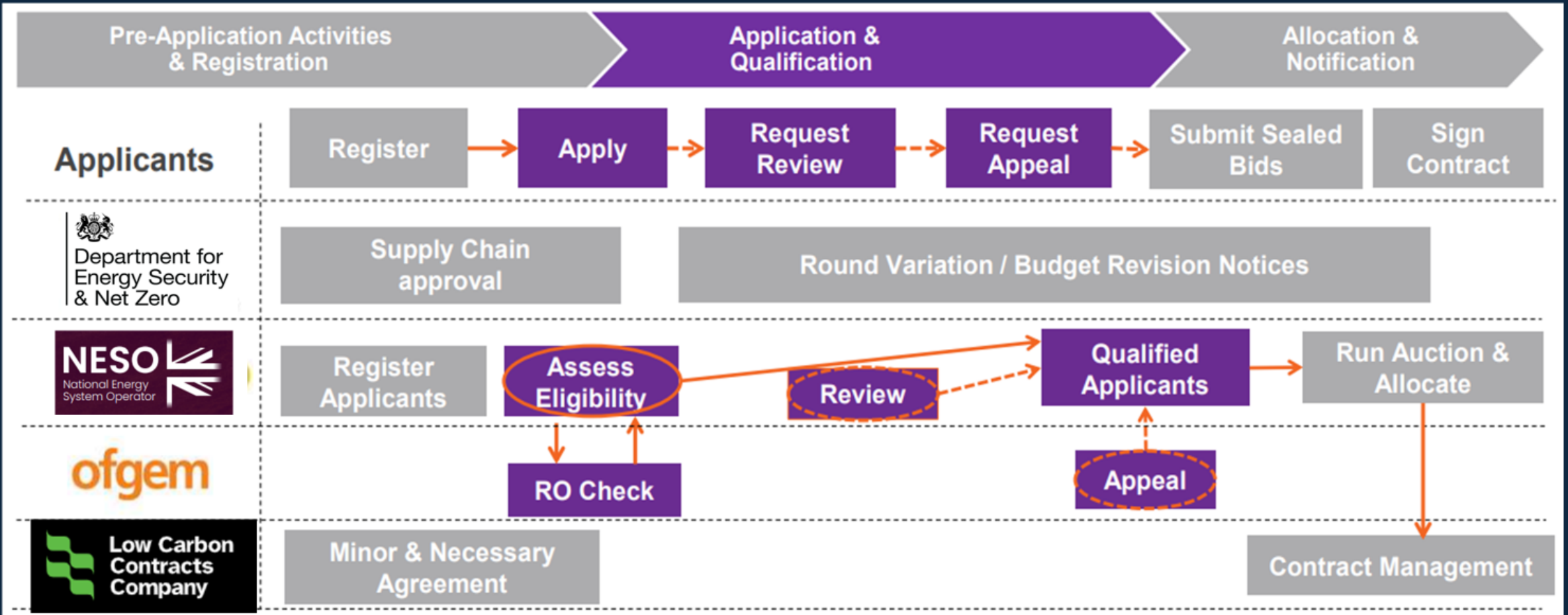


Registration Deadline
Midday, 27 August

AR7 Registration and User Management Guidance
<https://www.neso.energy/document/364176/download>

Application & Qualification

Application & Qualification Process



Key Allocation Documents

Contracts for Difference (Allocation) Regulations 2014

- Establishes the statutory framework for allocating CfDs to low-carbon electricity generators.
- Covers how allocation rounds are run, how budgets are set, how applications are assessed, and the rules that apply to different types of applications

Contracts for Difference (Miscellaneous Amendments) Regulations

- Reflects updates and changes made to the 2014 regulations across previous allocation rounds.

CfD Allocation Round 7/7A Guidance Documents

- NESO Issued Guidance - provides step-by-step guidance on the full process, from registration and application through to sealed bids and allocation, including common errors.

Contracts for Difference Scheme For Renewable Electricity Generation Allocation Round 7 and 7a: Contract Allocation Framework, 2025

- Outlines the rules governing CfDs and the eligibility requirements applicants must meet.

Schedule 5

- Details the eligibility criteria and the checks carried out by the CfD Delivery Team.

Contracts for Difference (Definition of Eligible Generator) Regulations 2014

- Defines which generation technologies qualify for CfD support

Eligibility Criteria

- NESO carries out eligibility checks for the applications to the CfD scheme against Schedule 5 of the Contract Allocation Framework.
- Key document for Applicants during application period.



Key Eligibility Criteria (Technology Specific)



Remote Island Wind (RIW)

Regulation 27A (3)

- A schematic diagram



Offshore Wind (Floating)

Regulation 27ZA (2,4)

- A colour-coded depth chart



Advanced Conversion Technology

Regulation 28

- A process flow diagram

Target Dates – Schedule 1 (AF)

Target Commissioning Window (TCW) – Regulation 2(1)

- Refers to the period during which electricity generation must commence from a CfD Unit once it has been established.

Target Commissioning Date (TCD) – Regulation 2(1)

- This is the intended date for the generation of electricity to begin once the CfD Unit has been established or modified

Target Commissioning Window Start Date (TCWSD) – Regulation 2(1)

- This is the date on which the Target Commissioning Window begins.

Relevant Delivery Year

- This refers to the Delivery Year in which the Target Commissioning Window Start Date (TCWSD) falls.

Target Dates – Worked Examples

Target Commissioning Window

TCWSD

TCD

Delivery Years
Valuation Years

01/04/26

01/04/27

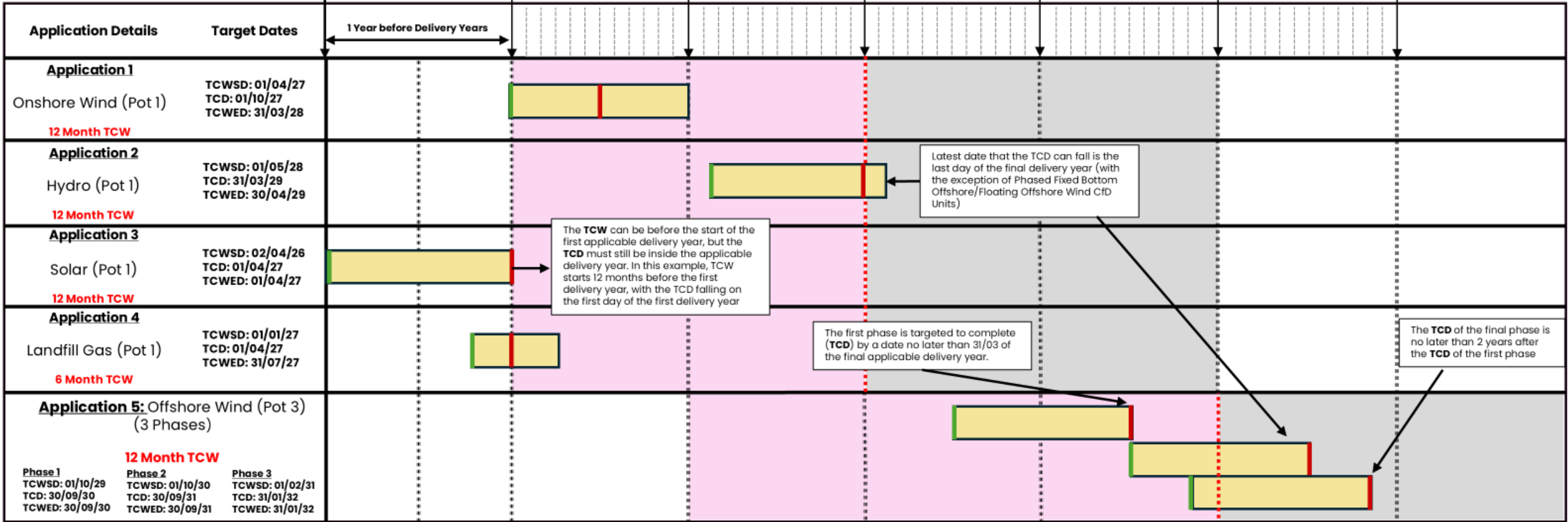
01/04/28

01/04/29

01/04/30

01/04/31

01/04/32



Allocation Round 7: How to Apply?

- Application Period open from 7th-27th August
- Applicants can apply via the EMR [CfD Portal](#)
- Once Registered → Log into Portal → Applications → “Create new Application”

NESO
National Energy System Operator

Contracts for Difference
Delivery Body

Sign in please
Please sign in with credentials provided by your administrator.

UserName

Password

Sign In Register Company

Useful Links
Website | CFD Guidance

NESO Electricity Market Reform Delivery Body

My EMR

Qualification Allocation General

APPLICATIONS SEALED BIDS NOTIFICATIONS

REVIEWS

Create New Application

Application ID	Company	Round	Pot	Status	Submitted By	Submitted On	Locked By
CFD-2025-15-8702	CFD Test	MRoyleTestRoundV2	Pot 1	Qualifying Applicant	mike.royal2	18/03/2025 13:47:54	
CFD-2025-15-1564	CFD Test	MRoyleTestRoundV2	Pot 1	Qualifying Applicant	mike.royal2	18/03/2025 13:47:10	
CFD-2025-15-3521	CFD Test	MRoyleTestRoundV2	Pot 1	Qualifying Applicant	mike.royal2	18/03/2025 13:46:27	

Application Form High Level View

- Each criteria in the Application Form aligns with the information required in Schedule 5
- Applicants can save their Application and return to it at any time before the Application Window Closes
- May withdraw before the deadline and edit / re-submit.
- A prompt appears for any incomplete mandatory fields – **must be reviewed prior to submission**

Create new Application

Save Print Withdraw Cancel Delete **Submit**

General Incorporation CFD Unit Details Cross subsidy scheme Applicable plan consents Connection Agreement(s) CFD Contract
Clean Industry Bonus Declarations

General

A: Does any part of your CFD Unit overlap with any of the excluded sites to which a temporary site exclusion applies (as held by the Low Carbon Contracts Company)? (*)
 Yes No

C: Please select that your CFD Unit is located in Great Britain? (*)

Great Britain

A9: Technology Type (*)

Apart from Offshore Wind and Floating Offshore Wind, technologies can only have a single phase and are therefore identified as Phase 1 in this application form

Offshore Wind

A10: Number of CFD Phases (*)

1

Mandatory fields not completed

There are some invalid fields:
NewA, A2, A11, A12, A12a, A12e, A12f, A12h, A12j, A12l, NewD, A17, A17a, A17e, A17f, A17h, A17j, A20, B1, B1a, B1e, B1g, B2, B3, B3a, B3b, B3c, B3d, B3e, B3f, B3g, New G, New G(i), New G(ii), New G(iii), B10, B11, B12, B13, B14, B15, C1, C6, C7, C8, D1, D17, D25, D33, E1, F1, F2, H1, H2, H3, H4, H5, H6, H9, H10

Are you sure you want to submit? You can submit without filling in mandatory fields, but other validation errors have to be fixed before submitting.

Yes No

Common Failure Reasons

Common Failure Reasons

CfD Unit Map

CfD Grid
Coordinates

Connection
Agreement

VAT Certificates

Missing Documents

Planning Consents

Mandatory Fields -
Application

Common Failure Reasons

Connection Agreements – Reg 25

Incomplete application form
(mandatory fields)

- Fields marked with (*) incomplete

Connection agreement not
uploaded

- Document absent
- Pages Missing

Connection agreement missing
required signatures

- All Connection Agreements must be signed by the relevant parties.

Inconsistencies

- Locational
- Technology

TEC Capacity

- Must be $\geq 75\%$ of the initial installed capacity estimate

Connection date Issues

- Missing Connection Date
- Connection Date / TCD

Common Failure Reasons

CfD Unit Details / Mandatory Fields

Missing Coordinates in Map / CfD Unit details tab	<ul style="list-style-type: none">• All coordinates need to be populated in the CfD unit details tab / Map & must align
Coordinate Typos / Duplication	<ul style="list-style-type: none">• Check that coordinates are not duplicated or entered incorrectly
Incorrect format	<ul style="list-style-type: none">• Format must be to WGS84 as in schedule 5, and not in degrees, minutes and seconds
Mandatory Fields	<ul style="list-style-type: none">• Fields marked with (*) left incomplete
Declarations incomplete	<ul style="list-style-type: none">• All relevant declarations must be completed prior to submission
Documents missing	<ul style="list-style-type: none">• All relevant documentation for each Application criteria must be provided

Common Failure Reasons

Incorporation – AF – Schedule 1 – 1, 2 Planning Consents – Regulation 23/24

VAT	<ul style="list-style-type: none">•Missing VAT Certificate•Group VAT Certificate not listing the CfD company applying
Certificate of Incorporation	<ul style="list-style-type: none">•Certificate of incorporation not included in the Application•Company Registration number does not match the Application
Capacity	<ul style="list-style-type: none">•Planning capacity < Application, must be higher
No planning consents uploaded	<ul style="list-style-type: none">•All relevant Planning Consents must be provided with Application
Expired Planning consents	<ul style="list-style-type: none">•Expired Planning Consents must be clarified – extension given where necessary•Where work has begun – letter from local authority confirming this
Inconsistencies	<ul style="list-style-type: none">• Location (where/if specified)•Technology (where/if specified)
No Expiry date	<ul style="list-style-type: none">• Required as part of schedule 5 checks
Incorrect planning Type	<ul style="list-style-type: none">•Type of planning must match the requirements for the Application
Documents missing	<ul style="list-style-type: none">• All relevant documentation for each Application criteria must be provided

Common Failure Reasons

Supply Chains (Reg 26) / Excluded Sites (Reg 14A)

Supply Chain Statement

- Missing from Application form
- Must be provided for any project > 300MW

Exemption Certificate

- Missing Exclusion Certificate
- For any site in which a temporary exclusion applies, a copy of the relevant exclusion certificate provided in the Application

CfD Unit Map


Common Errors

“Map” means a map showing the scale, name, shape of the CFD Unit and the Longitude and Latitude (in WGS84 format to 3 decimal places) of the Northerly, Easterly, Southerly and Westerly extreme coordinates of the site where the CFD Unit is located. The Ordnance Survey Grid Reference(s) in question B2 of the Application should be for the centre of the site where the CFD Unit is located”

Best practice example

Below is an illustrative example (not to scale) of an acceptable CfD Unit Map submission for a project. Applicants should submit the CfD Unit Map as a PDF and should include all of the following information:

- Be clearly marked
- Indicate the scale used
- States the CfD Unit Name
- State the grid coordinates (longitude and latitude in WGS84 format) to 3 decimal places, showing the northern, eastern, southern and western extremes of the project site.
 - Grid coordinates must be in decimal format (not degrees, minutes and seconds), and must include exactly 3 decimal places (for example: 58.013)
- States the site address, including postcode if available



CfD Unit Name	CfD Unit name matching that as stated on the application form
Company Details	Company Name Company Address
Map Key	CfD Unit Boundary Key Site boundary <input type="checkbox"/>
CfD Coordinates	Lat Lon (NESW) ✘ OS Ref (centre of site) ✘
Scale	Scale used in the map



Qualification Assessment Window

Qualification Assessment Window
28/08/25 – 26/09/25

The Delivery Body reviews each application to determine qualification status.

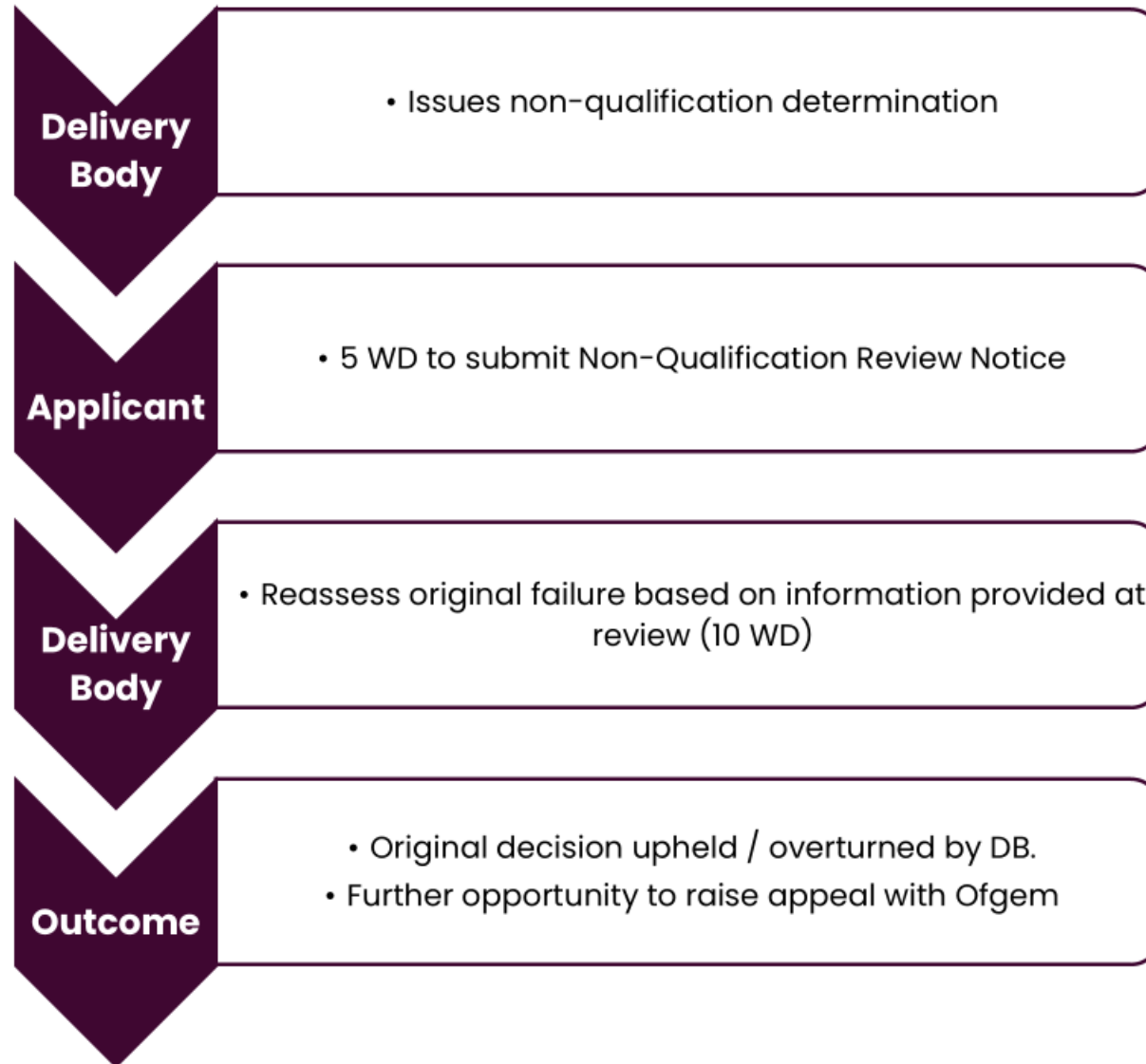
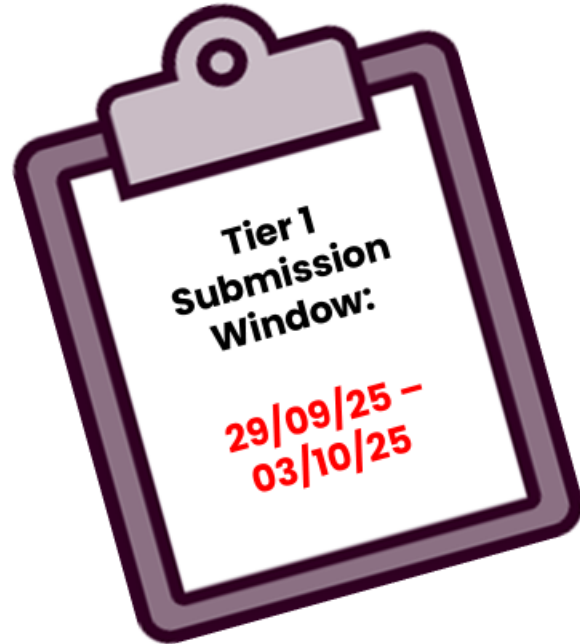
Assessment is conducted in line with the Allocation Regulations, Schedule 5 of the Allocation Framework, and the information provided in the application.

Failure to meet any Qualification or Eligibility Criteria will result in a Non-Qualification determination by the Delivery Body.

QUALIFICATION RESULTS






Notification sent via the EMR Portal on the **26/09/25**

Tier 1 Disputes



Changes for AR7/7a

AR7: Changes on a page

Phased Floating Offshore Wind	Solar PC TCW increased from 3 months to 12 months	Separation of round into AR7 and AR7a
Excluding Permitted Reduction	Changing to 2024 Base Price	Increase in contract terms
No Flexible Bids for Fixed Bottom Offshore Wind	Visibility for DESNZ of the Offshore Wind Bidstack	Clean Industry Bonus (formerly SIR)
Connection Reform*	Generation Use of System Tariff Zones (for Fixed Bottom Offshore Wind) 	Unconsented Offshore Wind 
Repowering of decommissioning projects 	Group VAT Certificates – Applicant Company Required 	Supporting Evidence for Planning and Connection Agreements 

 To be talked about in more detail in the following slides.

*The CfD application process will not be changing as a result of Connections Reform. Eligibility will be determined based on the Connection Agreement held at the point of Application.

Generation Use of System Tariff Zones for Offshore Wind and Offshore Wind – Scotland

Who: Fixed Bottom Offshore Wind

Offshore Wind – Scotland:

connected to

- **TNUoS** Zones **1-12** or,
- **DNO** license areas **17-18**

Offshore Wind: connected to

- **TNUoS** Zones **13-27** or,
- **DNO** license areas **10-16**

Assessed based on connection location as detailed in your Connection Agreement



Unconsented Fixed Bottom Offshore Wind

Eligibility

- Main Generating Site related planning applied for and relevant acceptance notice received prior to **28/08/2024**.
- Planning related to connection (e.g. transmission assets) must have been applied for.

Requirements at Application

- Provide any obtained planning.
- Provide any pending planning, alongside acceptance notices/public notices.
- Director's Declaration confirming non-refusal of consents.

Requirements at Sealed Bid Window

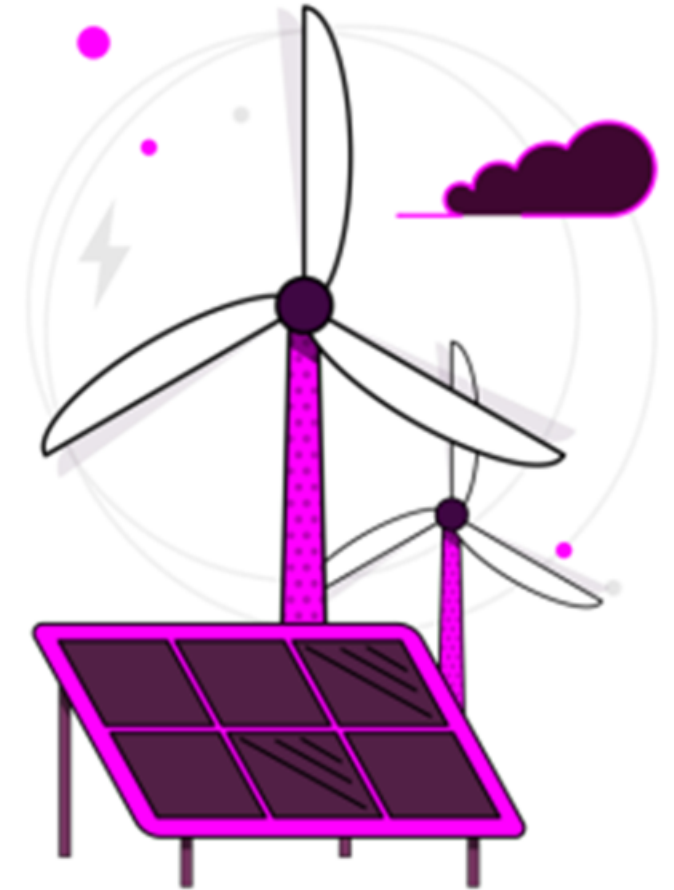
- Provide updated and re-signed Director's Declaration:
 - Must be provided by **5pm** on the **penultimate** day of the SBW;
 - Must be signed **no earlier than 10 working days prior** to being submitted.
- If these conditions are not met the application will be treated as withdrawn.

Repowering

Onshore Wind projects being re-established or altered following the decommissioning of all or part of an existing Eligible Generating Station.

Requirements:

- Applicable Planning Consents must include the decommissioning of the existing eligible generation station (or part of it).
- The consented capacity is equal to or more than the capacity of the CfD Unit in the application.
- Demonstrating the unit has/will have reached the end of its 25-year operating life



Changes you need to act on now:

Group Vat Certificates:

Must include individual Applicant Company (new certificates should be requested)

Planning Consents:

Evidence explaining dates, extensions, commencement of works, or technology changes, as well as capacity for

Repowering Sites (this may require signed letters from the issuing authority)

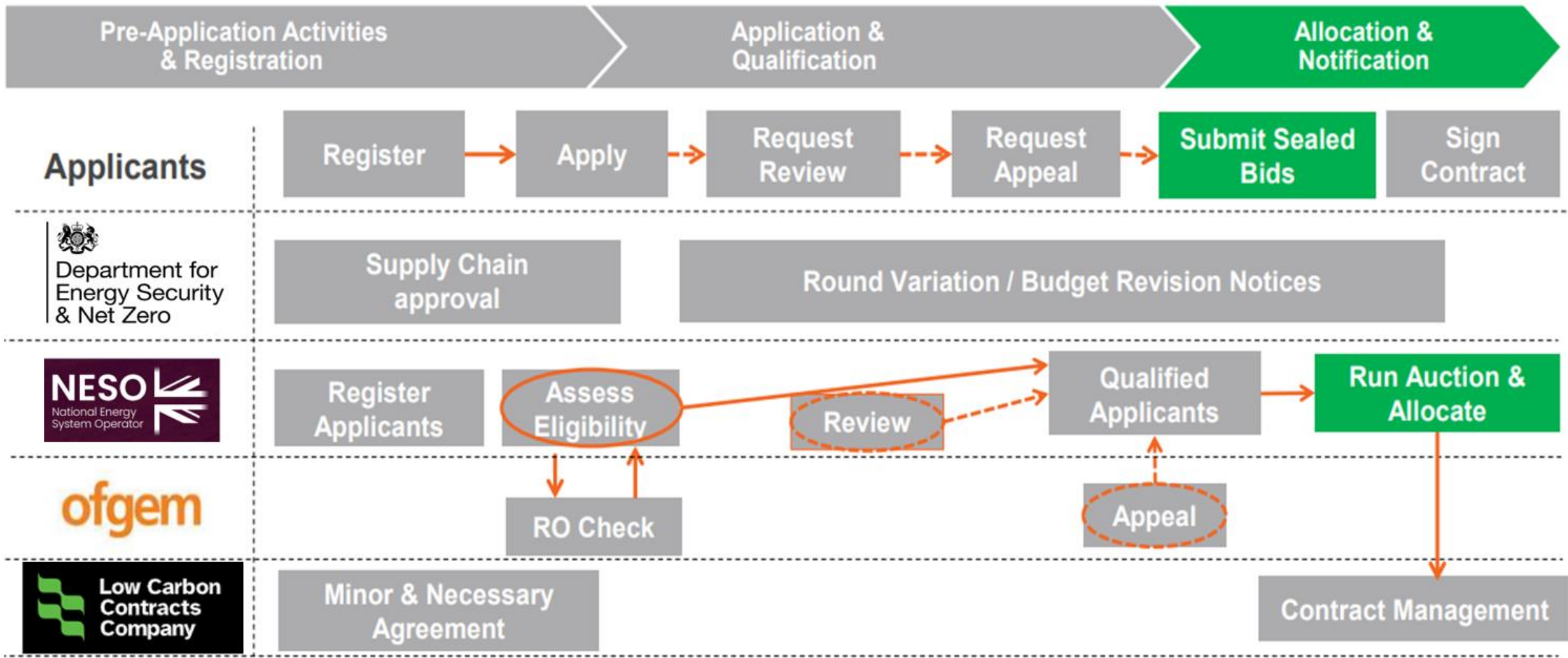
Connection Agreements:

Evidence explaining disparity in technology type.

Allocation / Auction

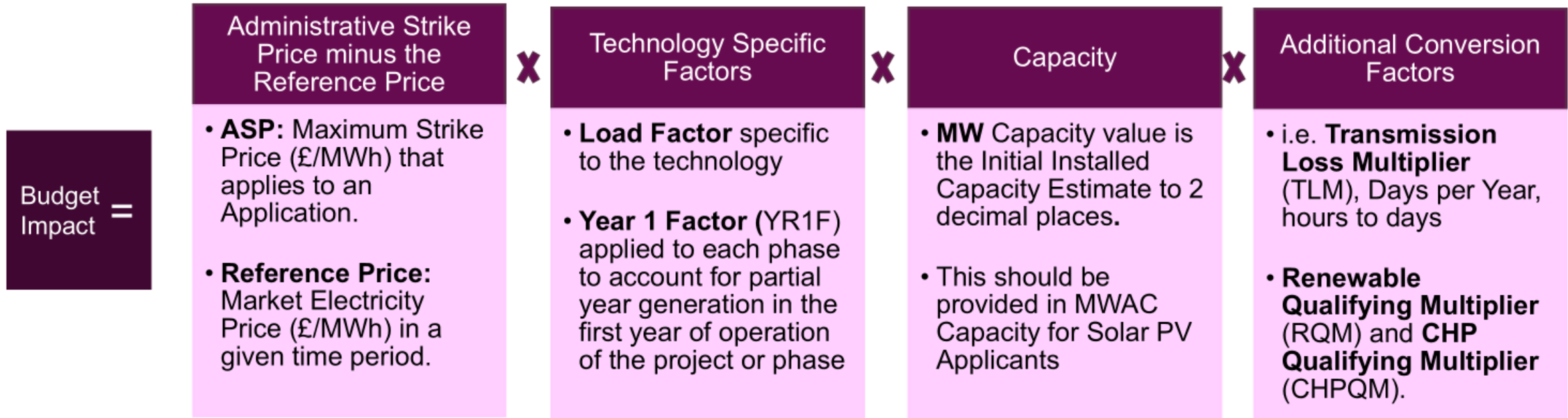
Jat Sembi

Allocation & Notification Process



Valuation of Applications

- All qualifying applications must be valued by the Delivery Body in respect of each of the years specified in the Budget Notice.
- The method of calculation will be set out in Schedule 2 (“Valuation Formula”) of the Final Allocation Framework. The Valuation Formula combines the following four components to calculate the overall budget impact.

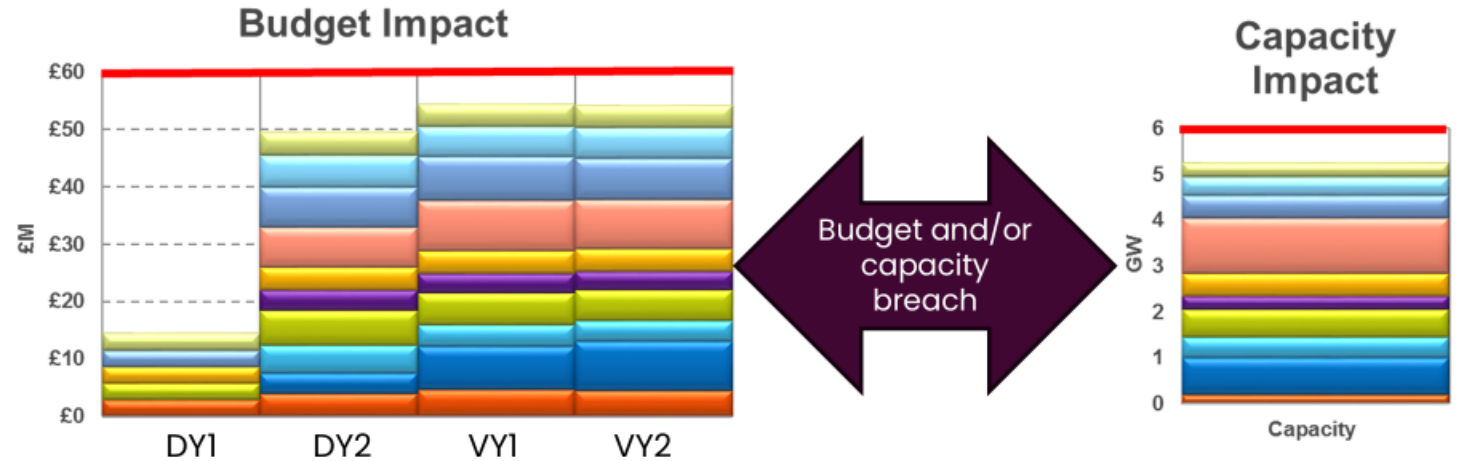


Auction Determination

Unconstrained Allocation

Unconstrained allocation is where all qualifying applications fit within both the budget and capacity constraints.

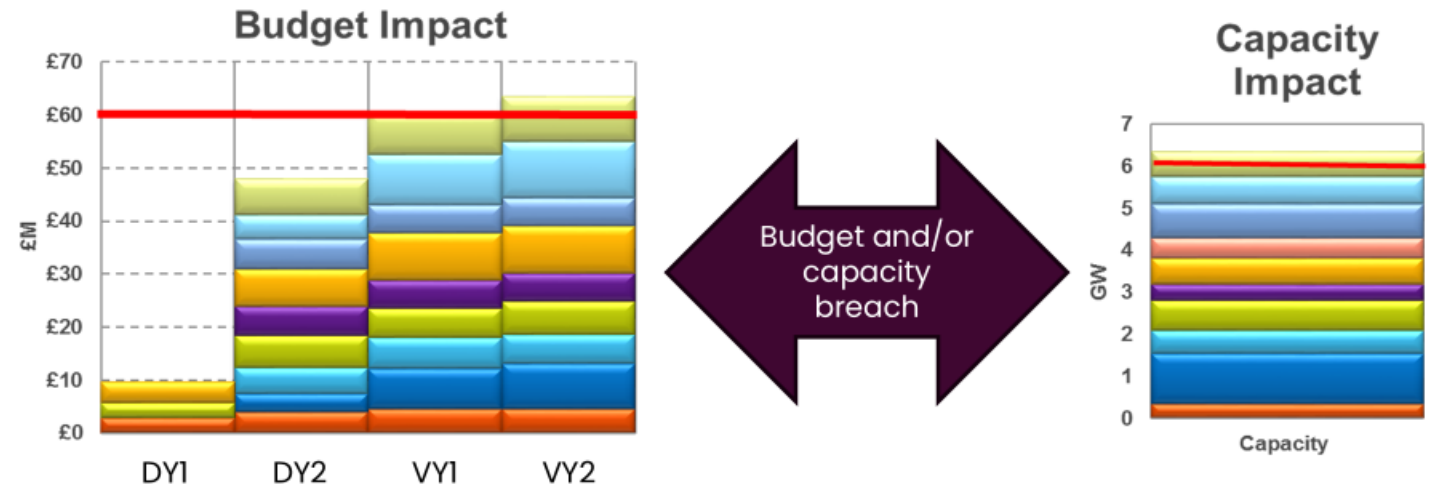
This would result in no auction and all applications shall be awarded a CfD at their respective Administrative Strike Price.



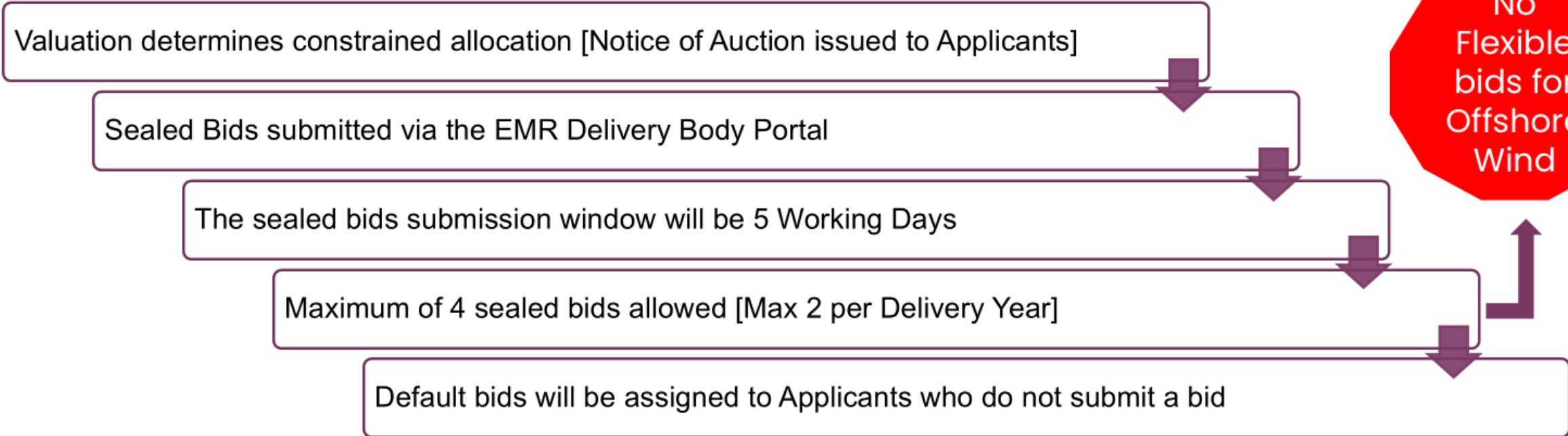
Constrained Allocation

Constrained allocation is where the Delivery Body determines that qualified applications exceed the relevant constraints, i.e. the pot value and/or the overall capacity limit.

This scenario would trigger the requirement to hold an auction to competitively allocate the budget to Applicants.



Applicant Submission of Sealed Bids



Changes that can be made to each Sealed Bid:



Competitive Auction Process

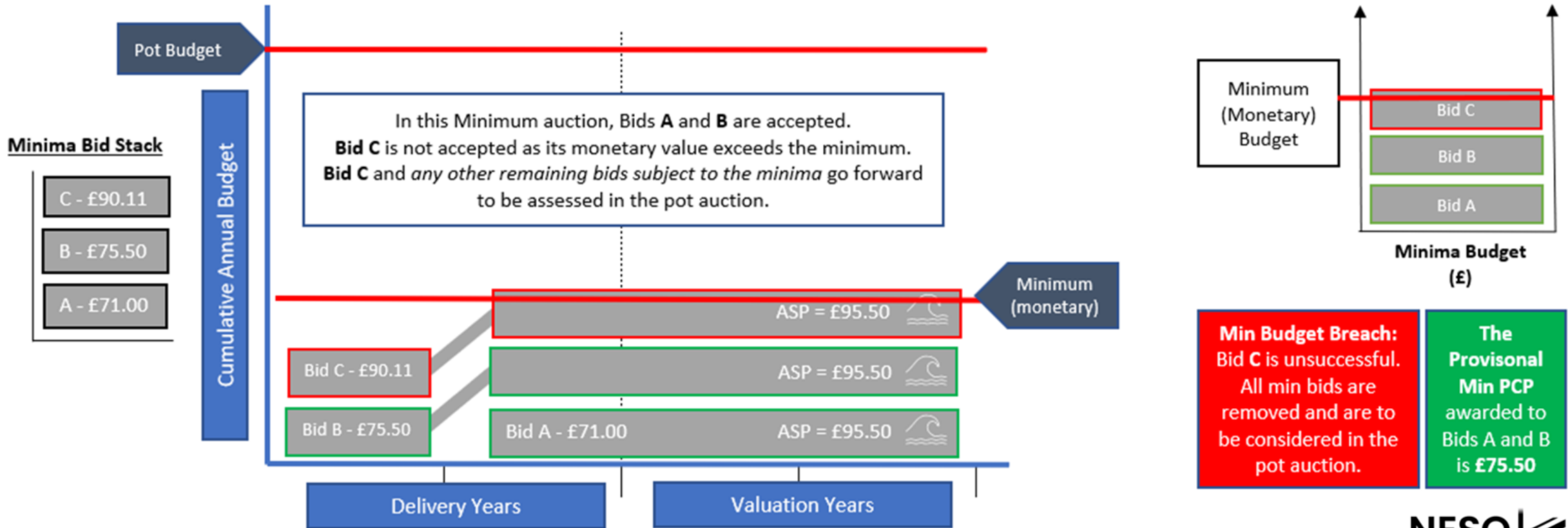


*Flexible bids and interleaving will be considered in certain situations when a bid cannot be allocated.

**This is also subject to administrative strike prices and Max specific clearing prices.

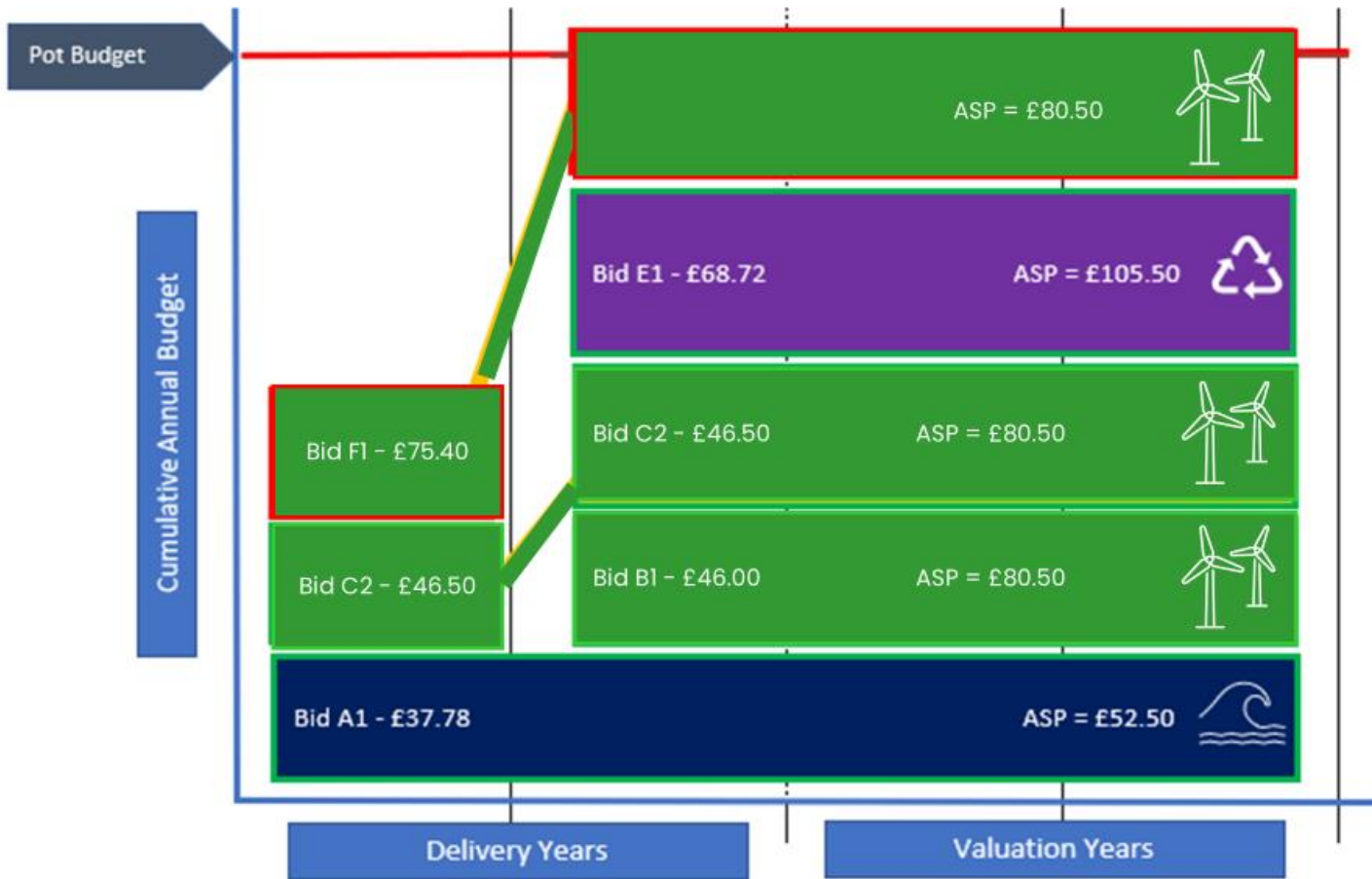
Minimum Auction

The below example demonstrates an auction in relation to the consideration of a monetary minimum, where the minima constraint is breached by a qualifying bid, the specific minima auction will close (no flexible bids will be considered) and all unsuccessful minima applications will be carried over to the auction in relation to the pot budget. Bids are allocated a provisional minima clearing price of the last accepted bid.



Maxima Auction

The below example demonstrates an auction in relation to the monetary pot budget, with a Max Budget constraint applied. Where the Maxima constraint is breached by a qualifying bid, the specific maxima will close and all Maxima applications will be removed, the auction will close. Bids are allocated at their Maxima Clearing Prices and any Administrative Strike Prices if reached.



Budget Breach:
Bid F1 is unsuccessful and the Auction Closes

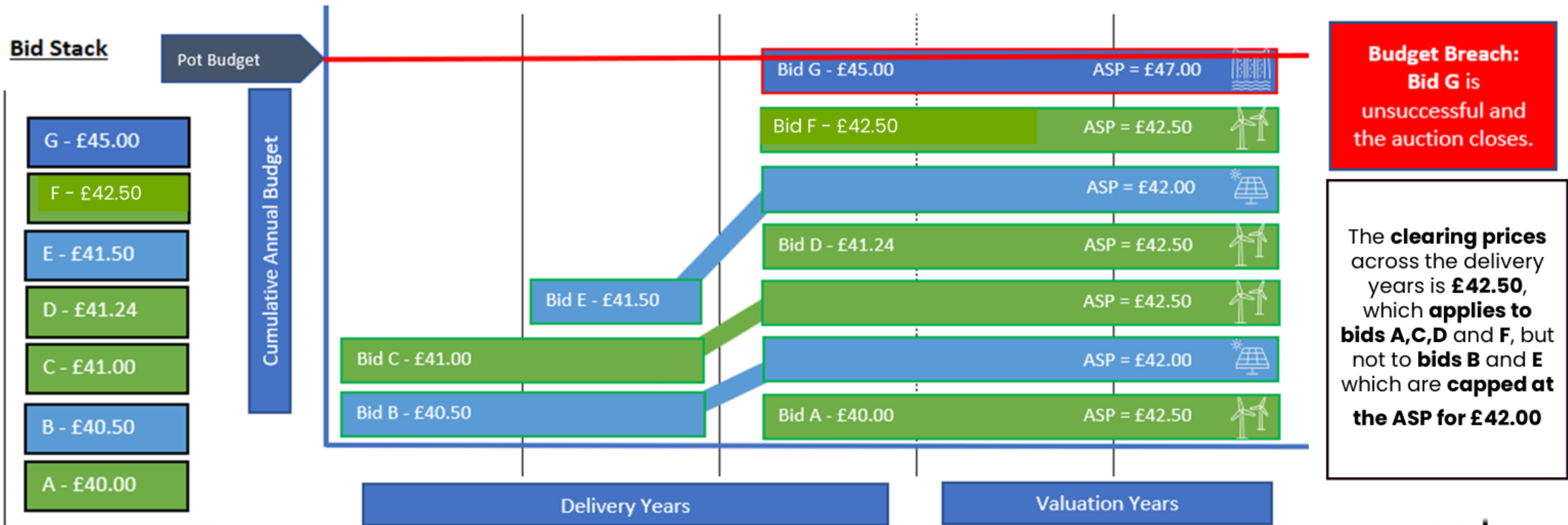
Max Clearing price: £68.72

Max Clearing price: £46.50

Max Clearing price: £37.78

General Auction

The below example demonstrates an auction in relation to the monetary pot budget, where the final considered bid breaches the budget and closes the auction. The final considered bid has no flexible bids in the bid stack and therefore the auction must close. Bids are then allocated a Pot Clearing Price (regardless of delivery years) of the last accepted bid, subject to any Administrative Strike Prices.



CfD Notification – Post Competitive Auction or Allocation Process

Independent Auditor carries out an assessment of the Delivery Body's Allocation Result, along with a controls audit of the whole Allocation Round.

Secretary of State undertakes a review of the Auditors report and Delivery Body's Results, and will decide whether to Proceed, Re-run or Cancel the Allocation Process.

Delivery Body releases the results to the Applicants and the necessary notifications to the Low Carbon Contracts Company, which include:

All Applicants

- All Applicants will be notified via an allocation results letter as to whether the application has been Successful or Unsuccessful in securing a CfD contract.
- Letter is accessible via the EMR Portal.

Successful Qualifying Applicants/LCCC

- The awarded CfD Strike Price
- Successful Allocation Capacity
- Target Dates (TCWSD, TCD, TCW)
- Company Details and relevant contacts for the contract issuing process

Public

NESO Wrap Up

Becky Thomas

Ongoing Support

- The CfD Portal can be found [here](#)
- The CfD team have prepared [guidance documents](#) to help applicants prepare for their application
- The Joint Delivery Partner [Microsite](#) also holds all key documentation
- You can contact us via phone or e-mail Monday to Friday:
 - **Telephone** – [01926 655 300](tel:01926655300) – Open 9am to 4pm
 - **E-mail** – box.emr.cfd@neso.energy
- During **key milestones**, such as the Assessment period, the team are unavailable for queries

Guidance documents	Supporting Information	AR6
CfD registration >	Name	
CfD application >	CfD AR7 Registration and User Guidance	
CfD sealed bids >		
CfD allocation >		
CfD webinars >		



Department for
Energy Security
& Net Zero

Coffee break

11.10am–11.20am



Department for
Energy Security
& Net Zero

Contracts for Difference *AR7 Launch Event*
29 July 2025



Department for
Energy Security
& Net Zero

Contracts for Difference *AR7 Launch Event*
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Contracts For Difference

Ofgem's Role in the CfD Appeals Process



Andrew Macdonell

Ofgem is the Office of Gas and Electricity Markets. We are a non-ministerial government department and an independent National Regulatory Authority, recognised by EU Directives. Our role is to protect consumers now and in the future by working to deliver a greener, fairer energy system.

We do this by:

- **working with Government, industry and consumer groups to deliver a net zero economy at the lowest cost to consumers.**
- **stamping out sharp and bad practice, ensuring fair treatment for all consumers, especially the vulnerable.**
- **enabling competition and innovation, which drives down prices and results in new products and services for consumers.**

“

The information provided in these slides should be read in conjunction with the *Contracts for Difference (Allocation) Regulations 2014 (as amended)* (the “CfD Regulations”).

If there is any inconsistency between the statutory documents and these slides, the statutory documents take precedence.

”

IF an applicant's prequalification submission is rejected

AND

the DB has undertaken a non-qualification ("Tier 1") review and upheld the rejection

THEN

the CfD applicant can submit a ("Tier 2") appeal to Ofgem under Reg 43 of the CfD Regulations

THEN

Ofgem must assess and resolve this appeal between the NESO Delivery Body ("the DB") and the applicant



If the DB has issued a non-qualification notice after a Tier 1 review, the applicant can apply to Ofgem for a Tier 2 review



The appeal notice to submit to Ofgem can be found in Appendix 2 of our [Disputes Guidance](#)

This is submitted to EMR_DR@ofgem.gov.uk within 5 working days of the DB Tier 1 decision

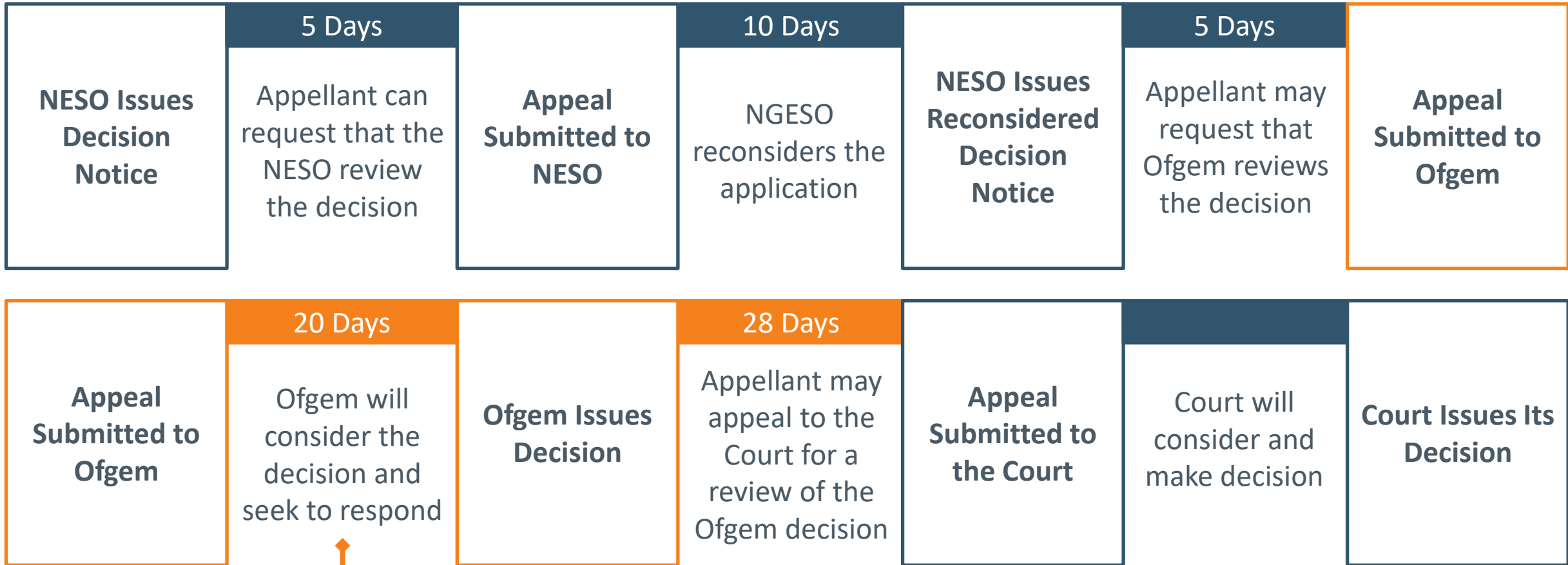
Ofgem will confirm receipt



Ofgem will consider the appeal and will then uphold or overturn the DB decision

This decision will then be published on our website

Indicative Appeal Timeline



Ofgem may exceed the 20-day target if this is necessary, e.g. to reach a robust, rational and procedurally fair decision, or due to a high volume of applications. If this is the case, Ofgem will inform parties to the dispute how much additional time will be required.

Appeal Notice



- Statement identifying disputed part of DB decision and setting out key facts
- Summary of grounds for dispute.
- Succinct arguments supporting each of the grounds
- Schedule listing further documents submitted

- Non-qualification determination
- Tier 1 decision notice
- Evidence submitted to DB for Tier 1 Review
- Indication of what evidence DB had at Tier 1 review
- Other relevant evidence

Accompanying Documents



Upon receiving the appeal notice:



Ofgem will notify the DB that an appeal has been submitted



Ofgem will only review the decision made by the DB - applicants should only provide information submitted with their original application or information that clarifies a believed DB misunderstanding



Ofgem will consider whether the DB correctly applied the CfD Regulations and CfD Allocation framework correctly, based on the evidence they had before them at the time of the decision



Ofgem will send a copy of our decision to the applicant and the DB, and will publish a copy on our website

Successful Tier 2 Appeal



- Ofgem may determine that an appellant does qualify
- Regulations 51 and 52 of the CfD Regulations explain how this affects participation in the allocation process if the round has already commenced

Unsuccessful Tier 2 Appeal



- Once we have issued a decision notice, we will not consider the dispute further
- If we decide not to overturn the DB's decision, the appellant can appeal to the Court to reconsider our decision

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Coffee break

12.00–12.05

Q&A panel



Department for
Energy Security
& Net Zero

Chair: Jamie Balbes, DESNZ

Panellists:



Department for
Energy Security
& Net Zero

- Kieran Power
- Myra Fazal



- Mike Royle
- George Hunt
- Helen Cox
- Jat Sembi
- Becky Thomas



- Andrew Varnava
- Murray Mitchell



Thank you

Contracts for Difference *AR Launch Event*
29 July 2025