Public

CfD Allocation Round 7 and 7a: Changes Overview

Guidance Document

Version 1

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Contents

1. Purpose

The purpose of the guidance document is to outline, at a high level, the changes to the AR7 and AR7a eligibility requirements and application process. For the avoidance of doubt, where Allocation Round 7 is mentioned throughout this document, this also includes 7a.

2. Considerations

This document is accurate at the time of publishing and is based on the information provided in the final Contract Allocation Framework. This document may be updated throughout the Application Submission Window as a result of Applicant queries or feedback.

This guidance document is intended to be used by organisations:

a) considering whether to make an application to participate in a CfD Allocation Round.

b) that have registered a company on the EMR DB Portal.

This document is to be used in conjunction with the CfD (Allocation) Regulations and Contract Allocation Framework relevant to Allocation Round 7. Applicants will still need to familiarise themselves with the Contract Allocation Framework and eligibility requirements of the scheme when applying for a CfD, as this serves as a supplementary document and is not an exhaustive list of the changes to the eligibility requirements.

Referring to Schedule 5 of the Contract Allocation Framework provides a transparent view of the checks that the Delivery Body will undertake at the Qualification Assessment stage.

3. Applicable CfD Regulations / Rules

3.1 Applicable Regulations

Regulation 14 of The Contracts for Difference (Allocation) Regulations 2014 (as amended).

Regulation 16 of The Contracts for Difference (Allocation) Regulations 2014 (as amended).

3.2 Applicable Rules

Rule 3. Determination of eligibility

Rule 4. Supplemental requirements

Rule 5. Excluded Applications

Schedule 5

4. Changes for AR7 and AR7a

4.1 Eligible Technologies

Technology	Delivery Years	Round	Pot
Advanced Conversion Technology	2028/29 & 2029/30	AR7a	2
Anaerobic Digestion (>5MW)	2028/29 & 2029/30	AR7a	2
Dedicated Biomass with CHP	2028/29 & 2029/30	AR7a	2
Energy from Waste with CHP	2027/28 & 2028/29	AR7a	1
Floating Offshore Wind	2028/29 & 2029/30	AR7	4
Geothermal	2028/29 & 2029/30	AR7a	2
Hydro (>5MW and 5MW)	2027/28 & 2028/29	AR7a	1
Landfill Gas	2027/28 & 2028/29	AR7a	1
Offshore Wind (inc. Offshore Wind – Scotland)	2028/29, 2029/30 & 2030/31	AR7	3
Onshore Wind (>5MW)	2027/28 & 2028/29	AR7a	1
Remote Island Wind (>5MW)	2027/28 & 2028/29	AR7a	1
Sewage Gas	2027/28 & 2028/29	AR7a	1
Solar PV (>5MW)	2027/28 & 2028/29	AR7a	1
Tidal stream	2028/29 & 2029/30	AR7a	2
Wave	2028/29 & 2029/30	AR7a	2

4.2 Connections Reform

While Connections Reform is not a CfD specific policy, it is a change that will impact generators during this round.

Eligibility criteria will not be changed as a result of the Connections Reform process, and the Delivery Body will be assessing applicant eligibility based on the Connection Agreement they hold at the point of Application. We cannot assess on the basis of anticipated Connection Agreements.

Once applicants know which gate their connection agreement falls into, they may withdraw their application during the sealed bid window opening.

For more detail on how we assess Connection Agreements, please see section **4.7** of the AR7 Application Guidance

For more information on the Connection Reform programme please check the Connection Reform webpages.

For more information on the contract-management impact of Connection Reform please contact LCCC or check the Allocation Round Resource Portal.

4.3 Repowering

Repowered Onshore Wind projects that meet the eligibility criteria can submit an application for AR7a.

Consultation: Policy considerations for future rounds of the Contract for Difference Scheme

Guidance: section **2.1** and **4.4.6** of the AR7 Application Guidance

There are three groups of eligibility criteria, discussed below in further detail, that a Repowered CFD Unit must meet to be able to apply in AR7a:

- Repowering - Definition: Consent to decommission & sufficient consented repowered capacity;
- Repowering – end of operating life: the unit must have reached the end of its 25-year operating life; and
- Eligible Repowering Technology: For AR7a this is Onshore Wind of more than 5MW capacity.

4.3.1 **Repowering - Definition**

Applicants for a Repowered CFD Unit must demonstrate that their Applicable Planning Consent includes the Decommissioning of the existing Eligible Generating Station, or part of it, and that the consented capacity is equal to or more than the Initial Installed Capacity Estimate of the CFD Unit specified in the Application. The following must be provided:

1. A copy of all Applicable Planning Consent(s) with expiry dates and dates of issue. If dates are not present in planning consent, evidence of this information from issuing authority.
2. Where Applicable Planning Consents have passed their expiration date, evidence of the issuing authority granting an extension.
3. Evidence in the Applicable Planning Consent in the form of an express Decommissioning plan which demonstrates the plan for Decommissioning of the existing Eligible Generation Station or a part of it, including the removal or refurbishment of the foundation.
4. Where Decommissioning work has started, evidence of the issuing authority acknowledging this.
5. A Map of the Existing Generating Station.
6. The geographic coordinates of the Eligible Generation Station to be decommissioned, contained within the Map provided under point 5 and/or the Decommissioning Plan provided under point 3.
7. Where the Applicable Planning Consent does not specify the consented capacity (in MW) of the proposed CfD unit for which the Application is being submitted, the Applicant must provide evidence from the issuing authority confirming this, which may include (without limitation) a signed letter from the issuing authority.

4.3.2 **Repowering – end of operating life**

Applicants for a Repowered CFD Unit must demonstrate that the existing Eligible Generating Station, or part of it, that is the subject of Decommissioning, has or will have reached the end of its 25-year operating life, on or before the Target Commissioning Date of the Repowered CFD Unit specified in the Application. The Generating Station's grid connection date, or alternatively, if in recipient of Renewable Obligation (RO) subsidies, its commissioning date, will be taken as a proxy of commercial operation date. The following must be provided:

1. A copy of the Interim Operational Notification (ION) for the Generating Station OR
2. If the existing Eligible Generating Station is an embedded generator, the grid connection notice from the relevant Distribution Network Operator, OR
3. If the existing Eligible Generating Station has previously received subsidies under the RO Scheme, a document issued by Ofgem that includes the commissioning date OR

4. Where the site is connected via private network, documentary evidence for the date of energisation.

The 25-year operating life of the existing Eligible Generating Station that is the subject of Decommissioning will be calculated based on the difference in time between its Commercial Operation Date (or proxy) and the Target Commissioning Date of the CfD Unit in the Application.

4.3.3 Eligible Repowering Technology

Applicants for a Repowered CFD Unit must demonstrate that the proposed CFD Unit is to (i) have a generating capacity of more than 5MW and (ii) be an Eligible Repowering Technology.

The following must be provided:

1. A Copy of all Applicable Planning Consent(s).
2. The Applicable Planning Consent(s) should contain information setting out the type of technology for the proposed CfD Unit.
3. Where the Applicable Planning Consent(s) specifies a technology that is different from the technology set out in the Application, documentary evidence must be provided from the issuing authority to clarify this.
4.

4.4 Phased Floating Offshore Wind

Consultation: Policy considerations for future rounds of the Contract for Difference Scheme

Guidance: section **2.2** and **4.4.6** of the AR7 Application Guidance

The AR7 Contract Allocation Framework has been updated to allow Floating Offshore Wind to enter an application as a phased project. The requirements for Phased Floating Offshore Wind CFD Units are the same as for a Phased (Fixed-Bottom) Offshore Wind CFD Units.

4.5 Clean Industry Bonus (Sustainable Industry Rewards)

Consultation: Additions to the CfD Contract arising from the introduction of the Clean Industry Bonus

Guidance: section **2.3** and **4.9** of the AR7 Application Guidance

Applications for Offshore Wind and Floating Offshore Wind CfD Units must contain a copy of the statement issued by the Secretary of State pursuant to Regulation 28C(a) of the Contracts for Difference (Allocation) Regulations 2014, as amended (a "CIB Statement").

The Supply Chain Plan requirement no longer applies to Fixed-Bottom Offshore Wind CFD Units or Floating Offshore Wind CFD Units.

Further information of Clean Industry Bonus can be found on the government website

4.6 Fixed-Bottom Offshore Wind Technology Types

Guidance: section **2.4** and **3** of the AR7 Application Guidance

A separate technology has been introduced for **Offshore Wind-Scotland in addition to the existing technology Offshore Wind**.

1. Where the proposed CFD Unit is expected to connect to the Transmission System in Generation Use of System Tariff Zones 13-27 or a Distribution System in Distribution Network Operator Licence Areas 10-16 or 19-23, the applicant should select **Offshore Wind** as the technology.
2. Where the proposed CFD Unit is expected to connect to the Transmission System in Generation Use of System Tariff Zones 1-12 or a Distribution System in Distribution Network Operator Licence Areas 17-18, the applicant should select **Offshore Wind-Scotland** as the technology.
3. If the CFD Unit is located in England or Wales, but connects either in TNUoS zones 1-12 or Distribution Network Operator Licence Areas 17-18, or is located in Scotland and connects in either TNUoS zones 13-27 or Distribution Network Operator Licence Areas 10-16 or 19-23 , you must still select the technology based on connection point, but please contact us for assistance on how to complete the region field of the CfD Unit details.

4.7 Exclusion of Applications containing capacity previously subject to a CfD

Consultation: Further reforms to the CfD scheme for AR7

Guidance: section **2.5** and **4.4.6** of the AR7 Application Guidance

The government has implemented a temporary restriction on CfD capacity surrendered from previous allocation rounds being entered into AR7/AR7a. This is with a view to implement an enduring policy for AR8.

The Applicant must confirm that no part of the relevant CFD Unit was

(i) subject to a CFD Agreement signed pursuant to Allocation Rounds 1-6, and

(ii) surrendered through a capacity adjustment exercised in accordance with Condition 6 (‘ Adjustment to Installed Capacity Estimate: Permitted Reduction’) and/or Condition 7 (‘

Final Installed Capacity: Maximum Contract Capacity') of the CFD Standard Terms and Conditions.

Where the Applicable Planning Consent(s), Connection Agreement, or lease, agreement to lease or option to lease agreement of the proposed CfD unit are shared with an existing CFD Unit or another Eligible Generating Station which has an ongoing CFD Application, the Applicant must provide the name of the existing CFD Unit and the name of the Eligible Generating Station with an ongoing CFD Application.

4.8 Unconsented Fixed-Bottom Offshore Wind CFD Units

Consultation: Policy considerations for future rounds of the Contract for Difference Scheme

Guidance: section **2.6**, **4.6.1**, and **5** of the AR7 Application Guidance

The eligibility requirements for **fixed-bottom offshore wind projects** have been relaxed for AR7 to enable such units to apply for a CfD while awaiting full planning consent.

Fixed-Bottom Offshore Wind CFD Units that wish to use this mechanism must have all relevant Pending Applicable Planning Consent notices for the Eligible Generating Station, dated at least 12 months prior to the closure of the CfD application submission window. The date requirement of pending applications does not apply for consents relating solely to enabling electricity to be supplied to the network e.g. transmission assets.

Applicants must provide:

1. A copy of all relevant Pending Applicable Planning Consent(s) notices relating to the **Eligible Generating Station**—

    Where the Eligible Generating Station is based in England and/or Wales, a signed and dated copy of the notification of decision to accept an application for Examination for an Order Granting Development Consent issued by The Planning Inspectorate which must be dated at least 12-months before the Application Closing Date OR;

    (a) Where the Eligible Generating Station is based in Scotland, a copy of the Public Notice of Application for the relevant Application which must have been first publicised at least 12-months before the Application Closing Date

        i. Publication dates, as provided by the Licensing Operations Team of the Scottish Government, can be found in Appendix A of the Application Guidance, and reflect the position as of 30/6/25

    (b) Where the Applicable Planning Consent for the Eligible Generating Station has been obtained, the Applicant must provide a copy of the relevant Applicable Planning Consent and the notice

2. A signed Director's declaration confirming that at the point of CFD Application, the Applicant has a valid Pending Applicable Planning Consent(s) which has not been refused. This Director's Declaration must be in the form set out in Schedule 7 of the Framework and should not be amended other than as the form instructs.
   (a) A Word document version of this is available on our site, titled "Schedule 7 – Mandatory Template". This template should be used for both the declaration at Application and the declaration made during the Sealed Bid Window.
3. **For connection assets** - for any Applicable Planning Consents that are required to enable the electricity generated by the proposed CfD Unit to be supplied to the Transmission System, Distribution System, or a Private Network:
   (a) If these consents have been obtained they must be provided in the Application, along with the Director's Declaration.
   (b) If these consents are still pending, a copy of the application for the relevant planning consent, along with the Director's Declaration. Unlike the consents related to the generating station, this application does <u>not</u> have to have been accepted prior to 12 months before the Application Closing Date.

Applicants using this mechanism for unconsented projects must be aware that if their application is successful it is mandatory that the Director's Declaration confirming that no Applicable Planning Consents are refused must be **re-signed and resubmitted no later than 5pm on the <u>penultimate</u> day of the Sealed Bid Window**.

Further, **the Directors' signatures must be dated no earlier than 11 working days before the last day of the Sealed Bid Window**.

As per Rule 15.4, if a newly signed Director's Declaration, in the form set out in Schedule 7, is not provided within the mandated timeframes **then the Application will be treated as withdrawn and the project will be unable to take part in the Allocation Round**.

4.9 Solar Target Commissioning Window

Consultation: <u>Policy considerations for future rounds of the Contract for Difference Scheme</u>

Guidance: section **2.7** and **4.4.4** of the <u>AR7 Application Guidance</u>

The length of the Target Commissioning Window (TCW) for Solar PV has increased from 3 to 12 months. The TCW end date is calculated automatically in question B15 of the application form once the TCW Start date has been entered.

4.10 Lease and Sublease

Consultation: Policy considerations for future rounds of the Contract for Difference Scheme

Guidance: section **2.8** and **4.4.5** of the AR7 Application Guidance

Clarity has been added to Schedule 5 around evidence required for projects where the Applicant does not hold the lease document, an agreement for lease or an option to lease agreement with The Crown Estate or Crown Estate Scotland. The following evidence should be provided:

(a) a copy of the signed Crown Estate lease, agreement for lease or option to take a lease, together with the subsequent assignment or other lease document(s) that the Applicant relies on to demonstrate its compliance with Regulation 27(2) and

(b) a letter explaining how the site operates in respect of the location of the relevant CFD unit.

4.11 Clarity on Planning and Connections Evidence

Consultation: Policy considerations for future rounds of the Contract for Difference Scheme

Guidance: section **2.9**, **4.6,** and **4.7** of the AR7 Application Guidance

Clarity has been added to schedule 5 around required supporting evidence for Planning Consents and Connection Agreements.

Planning Consents:

- If either the issue or expiry dates are not included in the Applicable Planning Consent(s) provided, the Applicant must provide evidence of these dates from the issuing authority.
- Where Applicable Planning Consents have passed their expiration date, evidence of the issuing authority granting an extension.
- Where Applicable Planning Consents have passed their expiration date and work has started, evidence of the issuing authority acknowledging this, which may include (without limitation) a signed letter from the issuing authority.
- Where the Applicable Planning Consent specifies a technology, which is different from the technology that is in the Application, evidence to clarify this which may include (without limitation) a signed letter from the issuing authority to confirm that the technology has been updated to what is provided in the Application.

Connection Agreements:

Where the connection agreement specifies a technology, which is different from the technology that the Application relates to, evidence must be provided to clarify this which may include (without limitation) a signed letter from the relevant party to confirm that the technology has been updated to what is provided in the Application.

4.12 Director Definition

Consultation: Policy considerations for future rounds of the Contract for Difference Scheme

Guidance: section **2.10** of the AR7 Application Guidance

A definition of **Director** has been added to Schedule 1 of the Contract Allocation Framework.

"**Director**" means any person who is legally appointed as a Director or authorised signatory of a company or other body, responsible for managing and overseeing the company's operations, as recognised by the jurisdiction in which that company or body is registered. This includes individuals listed as Directors of companies incorporated in the UK and registered with Companies House, as well as individuals holding equivalent roles under the laws of other jurisdictions where the company is incorporated, or, in the case of a body other than a company, an officer of that body, including any authorised signator

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