General

Public

CfD AR8: Changes

Guidance Document

Version 2.0

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NESO
National Energy System Operator

Contents

Please be advised that, due to frequent updates and changes to the Contract Allocation Framework each year, AI tools may produce inaccurate summaries of documents. To ensure accuracy and avoid potential misinterpretation, it is recommended to read all material including the Allocation Regulations, Contract Allocation Framework and guidance thoroughly.

Introduction

This document is intended for organisations seeking to participate in the CfD scheme. It serves as a guide for applicants to highlight the major changes for the 2026 Contracts for Difference (CfD) Allocation Round (AR8). It is not an exhaustive list, and changes to the Contract Allocation Framework may exist that have not been captured here. This guide also does not cover changes related to processes governed by LCCC as part of the contract management processes.

Provided solely as an informational resource, this document should not be considered a substitute for independent professional advice, which applicants are encouraged to obtain where appropriate.

All information contained herein is accurate as of the date of publication and reflects the details outlined in the Contract Allocation Framework. Please note that updates to this document may be made during the Application Submission Window in response to applicant queries or feedback.

1. Key Statutory Documents

All Applications must be completed in accordance with the CfD Regulations and Contract Allocation Framework.:

Regulations

- Contracts for Difference (Allocation) Regulations 2014 (as amended)
- The Contracts for Difference (Definition of Eligible Generator) Regulations 2014 (as amended)
    - Note: The *Contracts for Difference (Allocation) (Amendment) Regulations 2026* are currently going through the draft affirmative procedure. Both the Regulations and their current status are available here This guidance assumes these regulations will be in force before the Contract Allocation Framework is completed.

Rules

- Contract Allocation Framework for Allocation Round 8 (DESNZ have made a summarised list of changes available here).

Statutory Notices

- Pot and Price Notice
- Contract Budget Notice

Overview

Allocation Round 8 (AR8) introduces a range of updates to improve clarity, fairness, and flexibility in the Contracts for Difference (CfD) application and allocation process.

These changes fall into five categories:

Registration process changes (how you register on the CfD Portal)

Application & eligibility updates (what you must submit and declare)

Non-Qualification Review changes (how application decisions are disputed)

Auction & allocation changes (how outcomes are decided)

General (changes unrelated to a specific process)

More information on all of these changes can be found in our Guidance documents.

Many changes refine AR7 (and AR7a) processes, while others introduce new requirements or options for applicants.

2. Registration process Changes

2.1 NESO Single Sign On (CIAM)

The EMR CfD Portal has been integrated into NESO CIAM (Central Identity and Access Management) to ensure compliance with NESO's platform standards and providing Users with a more uniform sign-in experience across NESO services.

To be able to log into the EMR CfD Portal all Users (existing or new) will need to register for their NESO Account with the email address linked to their User ID(s). Guidance on this is available within the CfD AR8 Registration and User Guidance under the AR8 Guidance in the CfD Registration tab of the CfD page.

3. Application & Eligibility Changes

3.1 New Technology: Other Deepwater Offshore Wind (ODOW)

Relevant Rules

Contract Allocation Framework (CAF) Schedule 1;

Contract Allocation Framework (CAF) Schedule 8

Contract Allocation Framework (CAF) Schedule 5

What's changing

A new technology class has been introduced (ODOW) for AR8. Applicants will need to upload supporting evidence demonstrating compliance with the technology definition, similar to FLOW evidence (e.g., depth chart and director statement).

What this means for applicants

If applying as ODOW, you should be prepared to submit documentary evidence demonstrating your project meets the ODOW definition as stated in Schedule 1 of the CAF, and ensure your planning/consenting evidence aligns with the technology requirements in the Allocation Framework.

3.2 Hybrid Metering

Relevant Rules

Contract Allocation Framework – Rule 26.1(q)

Contract Allocation Framework – Rule 4.1(f)

What's changing

AR8 introduces hybrid metering for projects using the same generation technology, allowing CfD and merchant (non-CfD) capacity to split a BMU. Instead of requiring fully separate arrangements, output can now be measured through sub-metering at generation level.

What this means for applicants

Applicants have greater flexibility to structure projects, including splitting a BMU between CfD-backed capacity and merchant exposure without duplicating infrastructure. At Application Applicants wishing to use Hybrid Metering must confirm they are to become a Hybrid BM Unit, and that they are aware this is subject to LCCC approval.

3.3 Connection Requirements (Connections Reform)

Relevant Rules

Regulation 25

Contract Allocation Framework (CAF) Schedule 5: Connection Agreements

What's changing

<u>Gate 2/Gate 1 CPCR</u>

Only projects with either a **Gate 2 or Gate 1 Connection Point and Capacity Reservation (CPCR) status** will be eligible.

This must be evidenced through either the provision of:

- The Applicant's signed and countersigned post-reform Gate 2 Connection Agreement/Gate 1 CPCR Connection Agreement (please note, if the post-reform Connection Agreement has not been signed and countersigned it cannot be used as evidence at Application); or

- the G2tWQ Notification[1]
    - If an Applicant is relying on their G2tWQ Notification their connection date will be evidenced through their most recent pre-reform contractual position (i.e. their previous Connection Agreement or subsequent AtV).

IMPORTANT: **as usual you must still provide the original pre-reform Connection Agreement and any relevant variation documents** regardless of whether you are applying on the basis of a G2tWQ notification or a post-reform fully signed Connection Agreement,

Acceleration/Advancement

Projects applying on an **advancement basis between phases** may apply using a 'Requested Advancement Date', as evidenced in their CMP435 Application. This must be evidenced by providing the CMP435 Application, the G2TWQ Notification indicating phase-to-phase acceleration, and the Existing Connection Agreement.

Where sufficiently evidenced, the 'Requested Advancement Date' will be used as the connection date for eligibility checks. This applies only to projects advancing from Phase 2 to Phase 1, and not to acceleration within a phase.

Unsigned/Countersigned Post Reform Offers

Any Gate 2 or Gate 1 CPCR connection offer that has not been signed and countersigned will be **disregarded** by the Delivery Body. These documents will not be treated as a failure to meet the Regulation 25 definition of a Connection Agreement, (as this requirement will be assessed using Existing Connection Agreements provided).

Distribution Connected Projects Below TIA Threshold

Distribution connected projects with an export capacity below the relevant Transmission Impact Assessment threshold as outlined in CMP446 and which is demonstrated in their connection agreement and therefore do not require a Transmission Impact Assessment , and are not subject to satisfying Gate 2 requirements, do not need to provide evidence of a Gate 1 CPCR or Gate 2 status.

Applicants that do not need to provide evidence of a Gate 1 CPCR or Gate 2 status should explain this in response to question E15(b) where you can provide any further comments on your Connection Status.

3.4 Connection Requirements (Clarification on requiring the full Connection Agreement)

Relevant Rules

Regulation 25;

[1] Any evidence of a G2tWQ Notification contained within an email, letter or similar should be provided in its full context i.e. the entire email or letter should be submitted, not just a screenshot of a table within it.

Contract Allocation Framework (CAF) Schedule 5: Connection Agreements

What's changing

This does not represent a policy change but introduces additional clarification within the Connection Agreements Eligibility Criteria in CAF Schedule 5.

The clarification confirms that, to meet the requirement to provide a Connection Agreement in full, Applicants must submit the complete set of relevant documents. This includes:

- The original Connection Offer or Connection Agreement; and
- Any subsequent related documentation, such as Agreements to Vary.

For example, where an Applicant holds a Bilateral Connection Agreement alongside a subsequent Agreement to Vary, both documents must be provided in their signed form. Submission of only part of this documentation will be considered insufficient to meet the requirement.

It is also clarified that Agreements to Vary which have not been fully executed (i.e. signed and, where applicable, countersigned) are not considered part of the Connection Agreement and will not be accepted.

3.5 Connection Agreement Validity (Clarification on expired or late-signed offers)

Relevant Rules

Regulation 25

Contract Allocation Framework (CAF) Schedule 5: Connection Agreements

What's changing

This introduces additional clarification within the Connection Agreements Eligibility Criteria in CAF Schedule 5 regarding Connection Agreement Offers that have expired or have been signed after their expiry date.

The clarification confirms that, in such cases, Applicants must provide evidence that the validity of the Connection Agreement has been maintained. This includes demonstrating that the offer expiry date was formally extended and that the Connection Agreement remains in force. Supporting evidence may include, but is not limited to, written confirmation (such as a letter) from the relevant counterparty.

What this means for applicants

This applies to any Applicant whose Connection Agreement Offer has expired or was signed after its stated expiry date.

In these cases, Applicants will need to provide clear supporting evidence from the relevant counterparty confirming that the agreement remains valid and effective. Without this, the Connection Agreement may not be accepted as meeting the eligibility requirements.

3.6 Crown Estate Lease – evidence clarification for explanatory letters

Relevant Rules

Regulation 27(2)

Contract Allocation Framework (CAF) Schedule 5: Leasing Arrangements for Offshore Generating Stations

What's changing

This introduces a minor clarification within the Leasing Arrangements Eligibility Criteria in CAF Schedule 5 where the Applicant is not a named party to the lease, agreement for lease, or option to take a lease.

The clarification confirms that, in such circumstances, the location of the CfD unit specified in the Application must align with the location set out in the supporting documentation. This includes either:

- The letter explaining how the site operates in respect of the location of the relevant CfD unit; or
- The relevant berth agreement.

What this means for applicants

This applies to Applicants who are relying on leasing arrangements to which they are not a direct party.

In these cases, Applicants will need to ensure that the CfD unit location provided in the Application is consistent with the location described in the supporting evidence. Any misalignment between these documents may result in the submission being considered incomplete or insufficient to meet the eligibility requirement.

Previously, the Schedule 5 check did not explicitly set out that Applicants who are not party to the lease could evidence location alignment through a berth agreement or an explanatory letter. This update makes that position clear, allowing a wider range of documentation to be used and better aligning the requirement with how these arrangements are typically structured in practice.

3.7 Unconsented Planning (Use of Schedule 7 Director's Declaration template)

Relevant Rules

Regulations 23 & 24

Contract Allocation Framework (CAF) Rule 3.6 & 3.7; 4.1(K); and 5.2

Contract Allocation Framework (CAF) Schedule 5: Unconsented Fixed-Bottom Offshore Wind CfD Units – Applicable Planning Consent(s) and Pending Applicable Planning Consent(s)

Contract Allocation Framework (CAF) Schedule 7 - Unconsented Fixed-Bottom Offshore Wind Planning Update Declaration

What's changing

This introduces a clarification to the requirements for Applicants progressing via the Unconsented Planning route (applicable to fixed bottom offshore wind only). It provides a simpler route to provide the required Director's Declaration and removes aims to remove confusion about the format requirements at different points in the process.

Applicants are now required to use the Schedule 7 Director's Declaration template at both:

- Application stage; and
- Sealed Bid window.

Previously, use of the template was only mandated at the Sealed Bid window.

The template itself has been updated to support this dual use, including amendments to the "Declaration Date" field. When used at Application stage, the declaration must be signed no earlier than 20 working days before the application submission window opens. The requirements for signing the declaration for the Sealed Bid window remain unchanged.

Care should be taken to ensure the declaration is signed first within the specified timeframe for Application submissions and a second declaration, including an updated declaration date and relevant signatures, within the timeframe for the Sealed Bid Window.

The existing requirements at the Sealed Bid stage have not changed.

3.8 Map definition – removing OS reference (still required in application)

Relevant Rules

Contract Allocation Framework (CAF) Schedule 1 – Definition of "Map"

CAF Schedule 5 (Documentary Evidence)

Regulations 24 and 25

What's changing

This introduces a small change to the definition of a "Map" within Schedule 1.

The requirement to include the Ordnance Survey (OS) grid reference on the submitted Map has been removed, reducing duplication across submitted application materials. The Map is still required to show the scale, name, shape of the CfD Unit, and the longitude and latitude of the site (in WGS84 format).

However, applicants must still provide the OS grid reference for the centre of the site within the application form and ensure that all location information across the Map and application is consistent, as these will continue to be cross-checked during assessment.
Applicants reusing pre-existing Maps will not be required to remove the OS grid reference from the Map but may wish to do so. Where a map includes a grid reference it must be consistent with the reference provided in the application.

3.9 Company Registration Evidence -alternative registration documents

Relevant Rules

CAF Schedule 5: Incorporation

CAF Schedule 1

Regulation 17

What's changing

This introduces minor additional flexibility to the Incorporation eligibility criteria in Schedule 5.

Applicants who are Companies but are not registered through Companies House may instead provide registration certificates of their alternative registration body, such as an FCA certificate.

4. Non-Qualification Review Changes

4.1 Permitting Corrections and New Documentary Evidence at Disputes

Relevant Rules

Contracts for Difference (Allocation) Regulations 2014 - Regulation 20(6)

Contract Allocation Framework – Rule 8

What's changing

This introduces a formal mechanism allowing Applicants to correct small errors or submit additional documentary evidence during a Non-Qualification Review (also referred to as a "dispute"), where that evidence addresses a non-material error or omission.

This mechanism would allow the Delivery Body to take into account information or documentary evidence that was not included in the original application as part of a review if the Delivery Body determines that the application contained non-material errors or omissions, and that the newly provided information/evidence is capable of correcting it.

What this means for applicants

Where an application is determined to be non-qualifying due to a non-material issue, Applicants may now provide additional or corrected evidence during the review window to address that issue.

The evidence provided must have existed at the point of application, and cannot materially alter the substance or intent of an application or create inconsistencies with the application as originally submitted.

This change supports a more proportionate approach to assessment, while maintaining the requirement that core eligibility must be established at Application stage.

4.2 Addressing DB Human Error in Assessments

Relevant Rules

Regulation 20A

Contract Allocation Framework (CAF) Section 6

Contract Allocation Framework (CAF) Section 8

Contract Allocation Framework (CAF) Section 9

Contract Allocation Framework (CAF) Schedule 1

What's changing

The introduces a mechanism to allow the Delivery Body to reissue a qualification results notice in ("an amended determination") if:

- The Delivery Body has incorrect qualified an Application, or
- The Delivery Body has missed or incorrectly stated a reason for non-qualification on the original non-qualification results notice.

The Delivery Body will only be able to do this until the end of the Non-Qualification Review window or until the Contract Allocation process has commenced. Any Applicant that receives an Amended Determination will be able to raise an Amended Determination Review Request Notice – i.e. the ability to raise a Review and subsequent Appeal are maintained.

What this means for applicants

Applicants may receive amended determinations, but will be able to raise a Review as they would through the usual process.

4.3 'Pending' Changes

Relevant Rules

Contract Allocation Framework (CAF) Section 16

Contract Allocation Framework (CAF) Schedule 8

What's changing

The removal of default bids (detailed at 6.4 below) applies to Pending Applications as well as non-pending applications. See 6.4 for further details.

What this means for applicants

This means that if you have an Appeal outstanding with Ofgem you must still submit a Sealed Bid. In combination with the removal of default bids this means Applicants who do not submit a Sealed Bid (pending or otherwise) will be treated as Withdrawn.

5. Auction & Allocation Changes

5.1 Locational Clearing Rules – not a separate technology

Relevant Rules

Contract Allocation Framework – Rules 19-23

What's changing

This introduces/clarifies location confirmation requirements for offshore wind, tied to locational clearing rules — applicants must now confirm the relevant Transmission tariff zone or DNO licence area for clearing purposes, and Schedule 5 adds checks that the connection agreement location aligns with what's stated in the application.

This develops the AR7 change that saw separate technologies for English and Welsh, or Scottish, Offshore Wind Projects. Instead of being separate technologies this change allows them to be consolidated back into one technology, but for location to be available as a basis for an auction clearing rules.

What this means for applicants

Applicants for Fixed Bottom Offshore Wind must confirm in their Application whether the unit will be connecting in TNUoS Zones 13-27/DUoS Regions 10-16 or 19-23, or if the unit will be connecting in TNuOS Zones 1-12/DUoS Regions 17-18. This must be consistent with the connection point listed on the provided Connection Agreement documents.

Applicants will then find out via either the Pot and Price Notice, or the Contract Budget Notice, whether location based clearing rules will be used during the Auction. This is part of the wider separate clearing rules change listed below.

5.2 Separate Clearing Rules

Relevant Rules

Contract Allocation Framework – Rules 19-23

What's changing

The Secretary of State may apply specific clearing rules to the Technology Types stated in the Pot and Price Notice and Budget Notice.

The potential categories that may be used are:

- Technology specific;
- Locational specific;
- Repowering specific;

- Project size specific.

What this means for applicants

If any of the above clearing rules are used, Applicants will find out via either the Pot and Price Notice, or the Budget Notice. For phased units, the project size clearing rules (if used) would apply to the Overall Capacity across all phases.

5.3 Bid Stack Visibility

Relevant Rules

Contract Allocation Framework – Rule 14

What's changing

AR7 introduced a mechanism to allow the Delivery Body to send anonymised bid information to the Secretary of State before the Auction is held. In AR7 this was limited to Fixed Bottom Offshore Wind, but for AR8 this is being expanded to further technologies. In the Draft framework these technologies are:

- Offshore Wind (Fixed Bottom only);
- Onshore Wind (>5MW);
- Remote Island Wind (>5MW);
- Solar PV (>5MW)

What this means for applicants

Applicants that are applying with a technology that is subject to Anonymised Bid Information (as specified in Schedule 8 and the technologies stated above) may only submit one sealed bid and may not submit Flexible Bids.

5.4 Applications to be withdrawn if no bid is submitted

Relevant Rules

Contract Allocation Framework – Rule 16

What's changing

Historically, if an Applicant did not submit a Sealed Bid by the close of the Sealed Bid Window they would be entered into the Auction with a Default Bid set at the Administrative Strike Price.

Going forwards, Applicants **must submit a Sealed Bid by the deadline or their Application will be withdrawn.** This includes applications that are Pending, as detailed in Section 5.3 above "Pending Changes".

What this means for applicants

Applicants will no longer receive a Default Bid if they don't submit a Sealed Bid before the deadline. In order to ensure your Application is not withdrawn, please ensure you are ready and available to submit your Sealed Bid during the Sealed Bid Window. As the published Sealed Bid Window is indicative and DESNZ have stated they will consider triggering a Pending timeline, we recommend you have sufficient users registered to account for any planned or unplanned leave.

6. General

6.1 Results Page

What's changing

In response to feedback raised we have introduced a new Results Page in the portal – this isn't a rule or process change, but will make finding your Qualification, Review, and Auction results easier.

6.2 Character Limits

What's changing

Larger text fields (such as those used for raising a Non-Qualification Review) are now a consistent 8000 character limit. This larger and standardised limit has been developed in response to feedback throughout the round and from the customer survey.

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General

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