

Allocation Round 6 Online Webinar Event: Questions and Answers

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Allocation

- 1. Is there a time limit to then construct and commission from point of agreement for an awarded CfD?**

The CfD provides relief for delays to grid connection works provided this is not caused by the generator. Contract dates can be extended by the Low Carbon Contracts Company, the CfD Counterparty, for delays outside the control of the generator. LCCC will work with scheme generators to evidence any such delays.

- 2. How long after being notified of being successfully awarded the CfD in AR6 would the developer have to accept the offer?**

10 business days from receiving the contract. This process sits with LCCC and more information can be found on their guidance page: <https://www.lowcarboncontracts.uk/our-schemes/contracts-for-difference/guidance-and-publications/>

Applications

- 1. If a project is not commissioned when an application is submitted but subsequently commences commercial operations before the application window closes, is it still eligible? Does the applicant's expectation of its commissioning have any impact here?**

Yes, the project would still be eligible. This is because, although Rule 5.1 of the Allocation Framework requires that the project is not commissioned at the point applicants submit their CfD application, applicants are not prevented from commissioning very shortly after applying (e.g. within the CfD application window). We clarified from Allocation Round 5 that generators who have started commercial operations should generate under the CfD from the Target Commissioning Window. As the project expects to complete commissioning shortly after application, we would expect the Target Commissioning Date and the Target Commissioning Window Start Date to be set at the earliest available points.

- 2. Was there a pre-qualification process or an Expression of interest required for eligibility for applying?**

There is no prequalification process for the CfD scheme or Expression of interest required.

- 3. Can one project have two CfD units for the CfD application? If so, I assume these two CfD units are treated as two separate, independent applications?**

Yes, A project can have more than one CfD unit and they would need to submit separate applications for the applicable CfD Round.

- 4. Does the preferred contact person (i.e. when CfD offers are sent) have to be the Authorised Person? Or can it be a Main Admin (or someone else)?**

No, the preferred contact can be anyone/email address.

- 5. Can you change the address of the SPV once registration is approved, and during the application window?**

Yes, the Main Admin of the account can amend the address details. This is documented in the Registration and User Guidance document.

6. Is there a way to submit free-form explanatory/clarifying information alongside the main questions in the application form?

To submit multiple documents for one upload slot, please zip compress the files and submit them together in the EMR Delivery Body Portal

7. Is there a specific naming convention required for files being attached to the application?

There is no required naming convention for documents uploaded to support a CfD application.

8. Can a CFD award be transferred to a different wholly owned company / SPV after the award?

No, currently there is no transfer capability within the EMR Delivery Body portal. Once you submit your application, you will be unable to amend the details of the application until you move into the agreement management phase of the contract. This part of the process is managed by LCCC.

9. Are there exact requirements for wording needed for the connection agreement? Specifically, regarding the DNO providing 'suggested dates' in the variation letter?

There is no specific wording required for the connection agreement. The Delivery Body will conduct a check on the date's connection dates mentioned in the agreement as per Schedule 5 of the Allocation Framework:

'Where the Applicant has specified that a Direct Connection applies or is to apply to the relevant CFD Unit, the Target Commissioning Date specified in the Application for when the CFD Unit is established or altered (as relevant), appears to be on or after the connection date specified in the Connection Agreement.'

10. We have a connection agreement and a variation with two offers - what do we need to do to make clear we are using the earlier offer?

Please provide the Signed Agreement or Offer acceptance between the owner of the CfD Unit and owner of Transmission / Distribution System of the offer that has been accepted. The relevant Connection Agreement provided must be signed and dated in order to be valid.

Auction

1. Will there be technology specific clearing prices? The application of maxima would seem to indicate that is possible but the rules are unclear. Further, is an expired grid connection with a variation letter extending the offer an acceptable form of evidence for a grid connection?

Yes, there will be technology specific clearing prices if the value of the qualified applications breach Minima or Maxima and triggers that specific Auction. On the expired grid connection, if you have a variation to confirm that the grid connection has been extended, we can accept that providing that you upload both the expired agreement and the letter of variation.

- 2. In the following scenario: If NOW bids a lower price (£50) than PR (£60) and utilises £600m of the Pot and the next available project in the NOW stack exceeds the budget. There are no NOW flexible bids to utilise the remaining £200m in the Pot. Can PR be used to utilise the remaining £200 in the Pot even though PR has a higher bid price than NOW? Q2. How many bids (including flexible bids) can a CFD unit submit?**

Yes, if the next NOW bid breaches that will close off the Auction for NOW and the remaining budget will be available for the PR until that breaches. on the Flexible bids, you can submit 2 bids per DY.

- 3. How many bids can be submitted per CFD unit, including flexible bids?**

A CfD unit can submit up to 4 flexible bids (2 per Delivery Year)

Eligibility

- 1. Are commissioned onshore wind farms eligible to apply?**

No, Rule 5.1 of the Allocation Framework requires that the project is not commissioned at the point applicants submit their CfD application.

- 2. So operational projects cannot apply for CfD?**

No, the Contract for Difference Scheme is specific to new build generators.

Registrations

- 1. We have one a site on the portal from last year that was unsuccessful - can we reuse this login or do we need to reregister?**

You do not need to re-register the company in the EMR portal. Once you are registered in the EMR Delivery Body Portal, you can use that account to enter different Allocation Rounds.

System

- 1. To make the process more efficient (ie to avoid having multiple logins per project) is it possible to register one entity and submit AR6 application for multiple projects, this way?**

This is something we are looking at as part of the EMR Portal version 2 project when the future regulatory framework, however unfortunately this will not be implemented for AR6.

- 2. Does the registration have to be on the new portal? We have one on the old portal for example.**

The CfD Portal will remain unchanged for Allocation Round 6.

Valuations

- 1. Could EMR DB please confirm how Permitted Reduction projects will be treated for both Application and Valuation? Will different criteria apply?**

Permitted reduction projects will not be treated differently for Allocation round 6. The Eligibility criteria is set out in Schedule 5 and will be applied to each project fairly.

- 2. We would like to understand how the evaluation year works / constrains the allocation of the bids?**

The Valuation Year works by giving a snapshot of the clearing price bid over the 15-year period of the project(s) and this is how the Delivery Body knows when the monetary pot/budget breaches and when the auction will close inclusive of the constraints that have been triggered