

# Contracts for Difference

14 July 2015



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# Contracts for Difference

## Overview



**Yasharn Smith**  
EMR Delivery Manager

**nationalgrid**





## Agenda 14<sup>th</sup> July 2015

<b>09:30 - 10:00</b>	<b>Introduction, recent news and CfD process overview</b>
<b>10:00 – 10:30</b>	<b>Company/Applicant Registration</b>
<b>10:30 – 11:00</b>	<b>Coffee and Networking Break</b>
<b>11:00 – 11:45</b>	<b>Application, Qualification &amp; Disputes</b>
<b>11:45 – 12:00</b>	<b>Getting you ready for Round 2</b>
<b>12:00 – 12:30</b>	<b>Q&amp;A</b>

# Key Updates

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## *CfD Timeline & Events*



**CfD  
Implementation  
Indicative  
Timeline**

**CfD Round -2  
Kick Off Event**

## *CfD Consultations*



**DECC response to  
CfD Regs  
Consultation**

**Final Modifications  
to BSC for  
Electricity  
Intensive  
Industries**

## *Other News*



**Removal of  
Onshore from the  
RO**

**Change to process  
of planning consent  
approval for  
Onshore Wind  
farms**

# Delivery Partners

DEPARTMENT OF  
**ENERGY  
& CLIMATE CHANGE**

Setting Legislation &  
Energy Policy

Low Carbon  
Contracts Company

Signing and ongoing  
management of CfD  
contracts

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Delivery Body

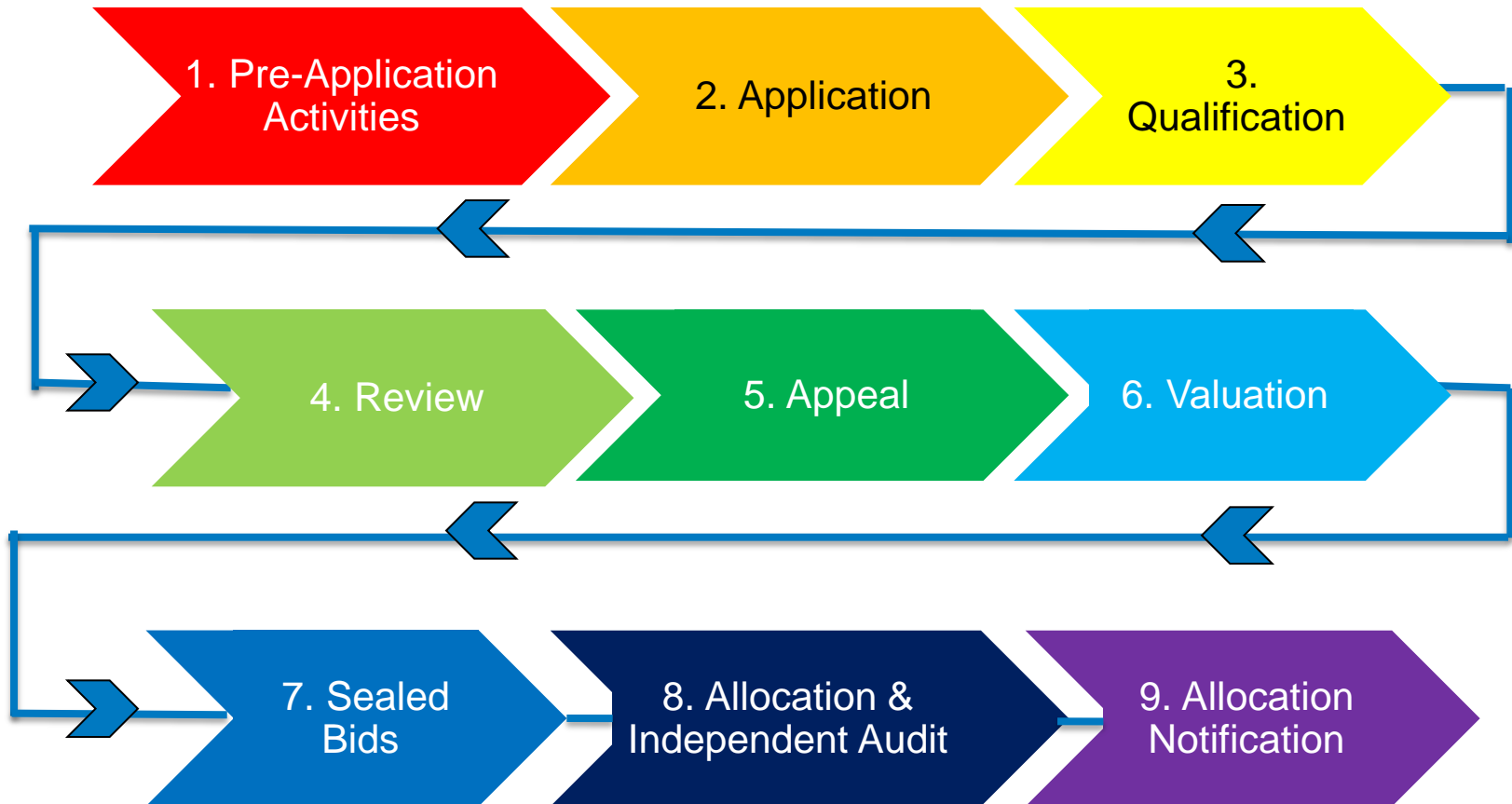
ofgem

Regulates Market  
(inc EMR)

**ELEXON**

EMR Settlement Agent

# CfD Process – End to End



# Contracts for Difference

## Registration

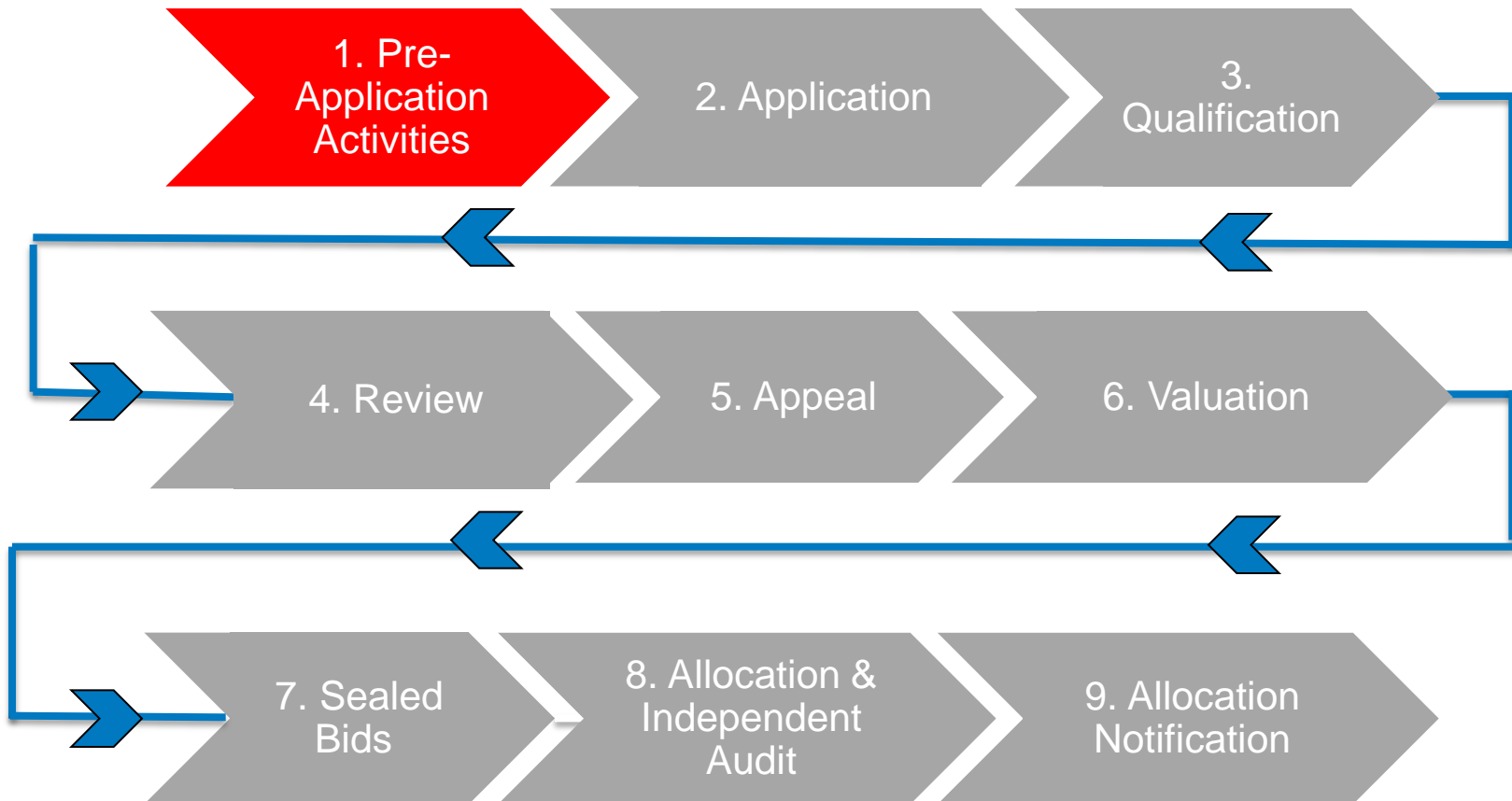


**Nisar Ahmed**  
Senior EMR Analyst

**nationalgrid**



# CfD Process – End to End



# Registration Overview

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**Why is Registration important?**

**Role of the Authorised Person and Main Admin**

**Registration Process**

**Registration Demo**

**Registration Guide**

**Registration plan for future events**

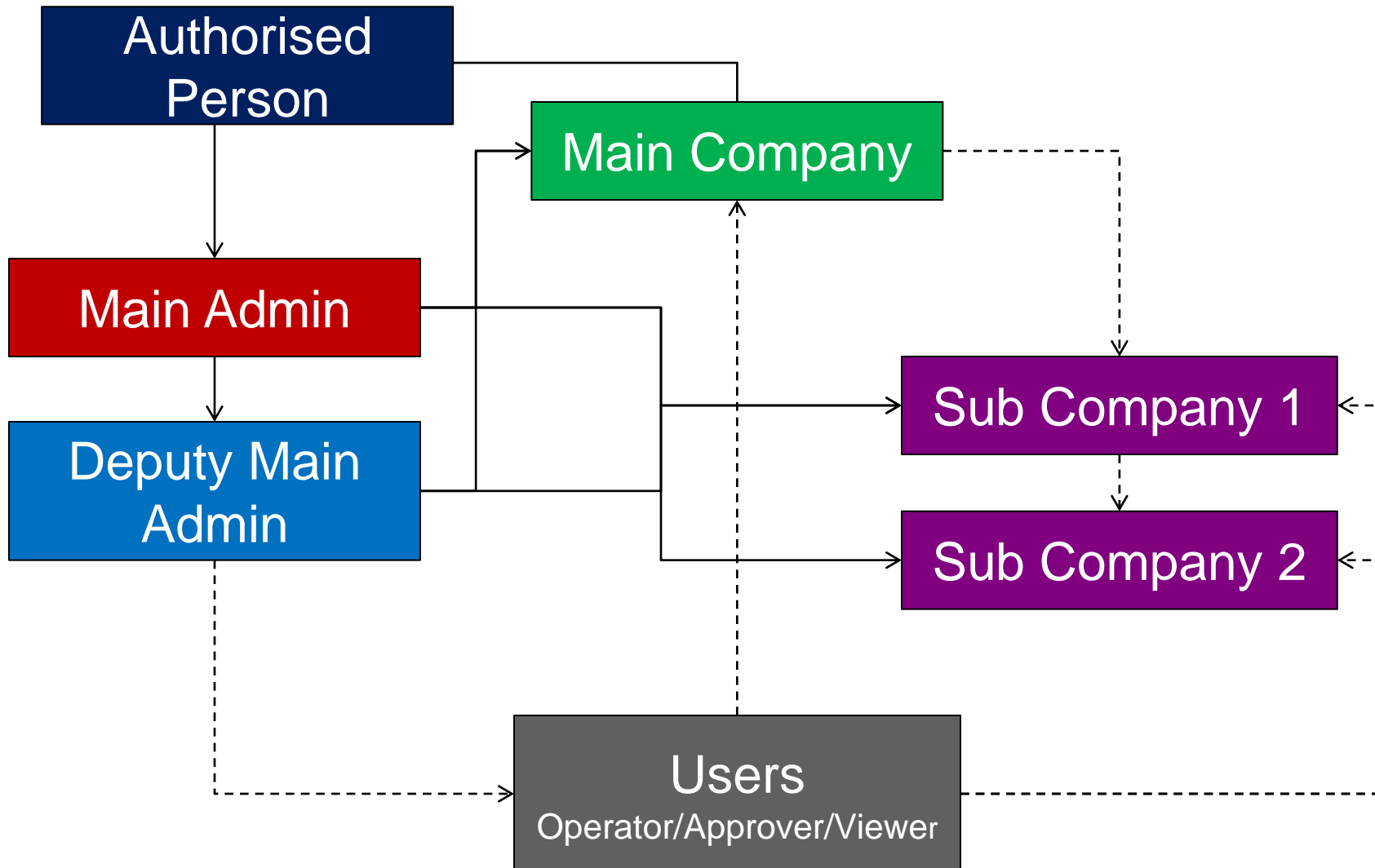
## Registration – Why is it important?

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- ❑ All Companies / organisations that wish to participate in the Contracts for Difference will need to register with the Delivery Body.
- ❑ Necessary to ensure a publically recognised officer of the company / organisation has approved the registration. Usually a Director / Partner – the “Authorised Person”.
- ❑ The Authorised Person can nominate a “Main Admin” to act on their behalf to carry out activities.
- ❑ The Main Admin can also be the same person as the Authorised Person based on structure and governance.



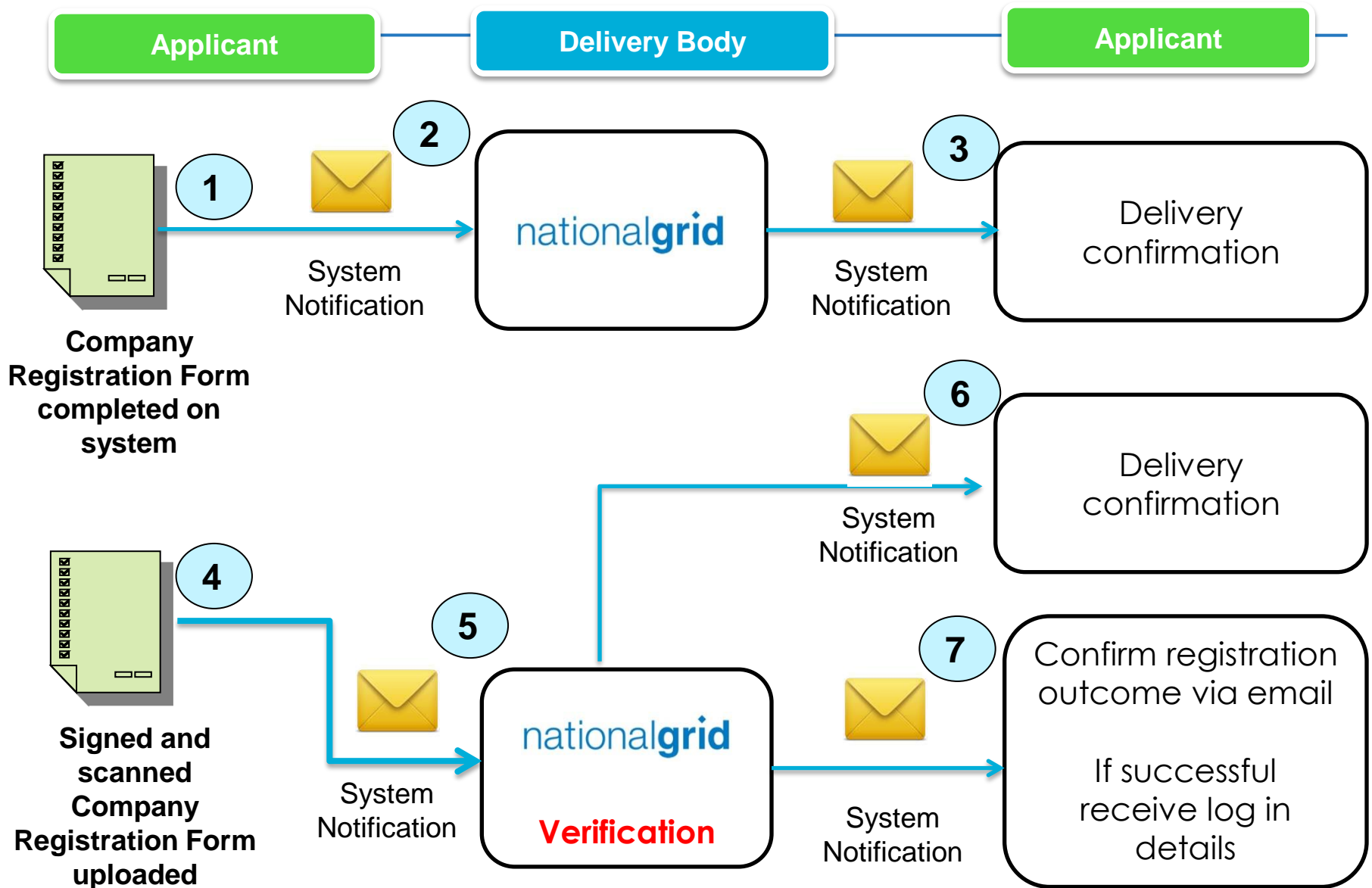
# Registration Setup





# Registration – Process

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## Registration – Demo

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- ☐ Please do not use the form until advised by the Delivery Body.
- ☐ We will make an announcement on our Portal on the commencement of Registration process for CfDs, when other CfD Round dates are formalised by DECC.



**DEMO**

# Registration Guide

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- ☐ Comprehensive step by step guide for CM and CfD Registration with screen shots.
- ☐ Click on the cover page in slide show mode to access hyperlink for actual document on the Delivery Body Portal.

## Registration – Plan for Future Events

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- ❑ Changes to Main Admin's and Authorised Persons
- ❑ Detailed User Management and Privileges
- ❑ Creating sub-companies
- ❑ Assigning Users to Companies
- ❑ Activating / Deactivating Users
- ❑ Password Management



# Contracts for Difference

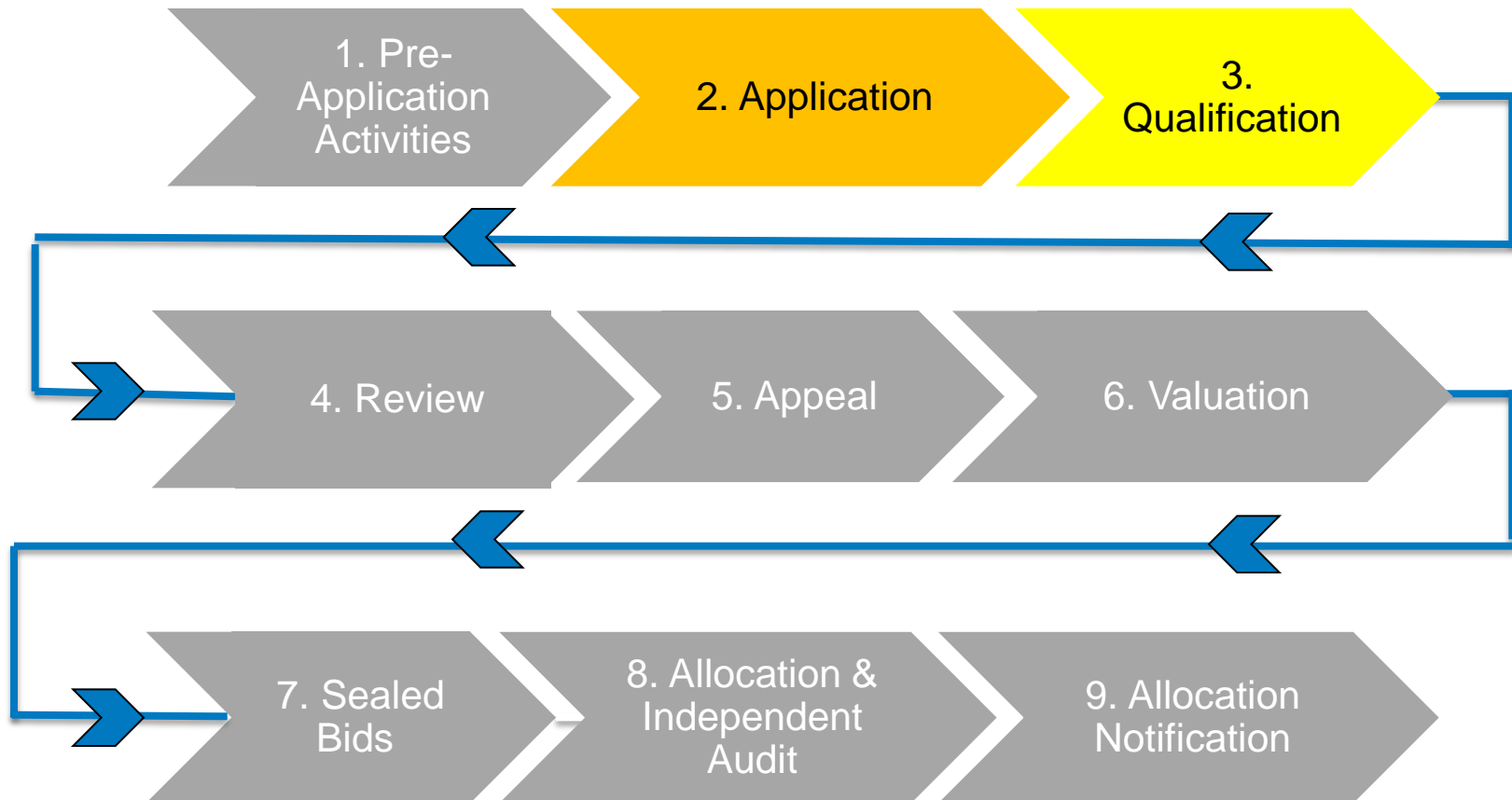
## Application and Qualification



**Paul Mullen**  
EMR Delivery Manager

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# CfD Process – End to End







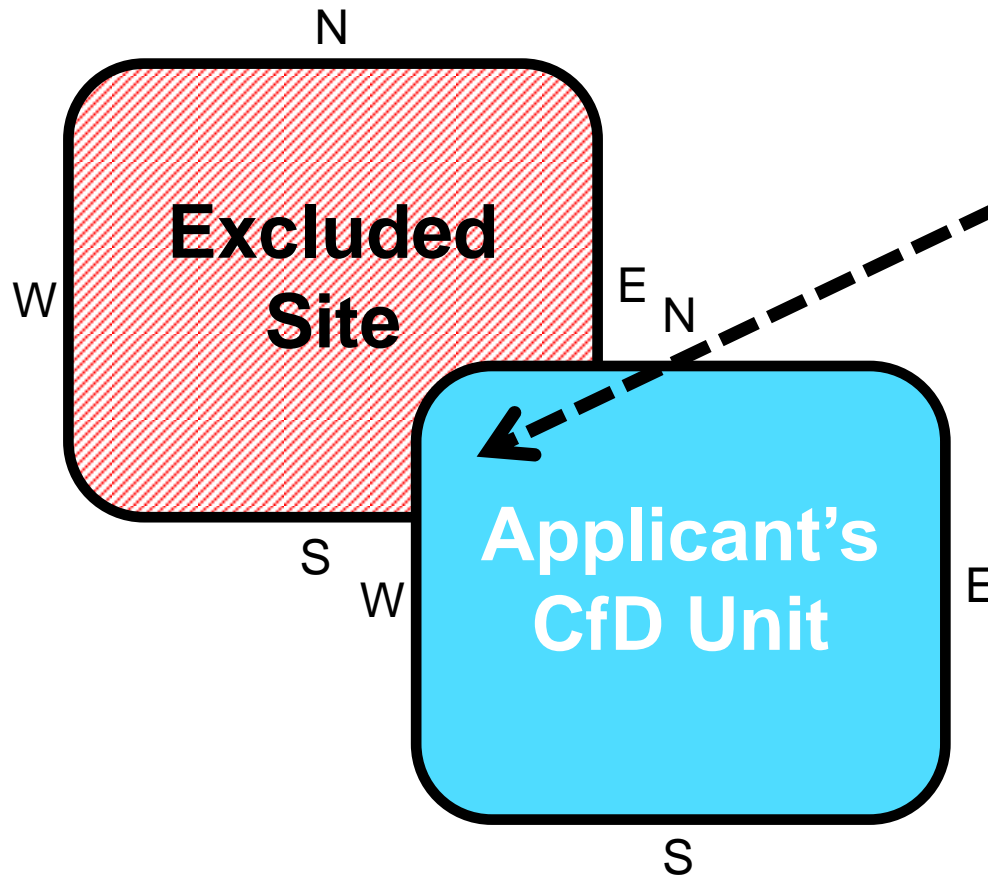
# CfD Qualification Requirements





# Non Delivery Disincentive

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**Site Overlap –  
Exemption  
Certificate from  
DECC required**

**Register of Temporary  
Site Exclusion**

## Non Delivery Disincentive Exemption Certificate

- DECC / Applicant approval process
- Full copy of exemption certificate to be provided with Application
- DB checks yet to be defined

# Supply Chain Plan $\geq 300\text{MW}$

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## Supply Chain Plan $\geq 300\text{MW}$

- DECC / Applicant approval process
- Full copy of approval certificate to be provided with Application
- DB verify name and validity during assessment

# Offshore Wind additional requirements

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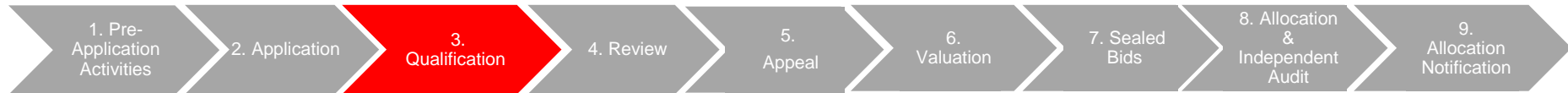
## Offshore

- Full copy of Crown Estate Lease/Agreement for Lease

## Offshore Phased

- Phase 1 MW  $\geq$  25% of total MW of all phases
- $\leq$  1500MW across all phases
- Target Commissioning Date for last phase  $\leq$  2 years from 1<sup>st</sup> Phase

# Excluded Applicants



**CCS and Nuclear**

**AD, Hydro, Onshore Wind, Solar  $\leq$  5MW**

**Non GB**

**Not to be in receipt of another subsidy (RO, CfD, CM, NFFO, RHI if EfW with CHP) except:**

**RO accredited registering additional capacity  $\geq$  5MW**

**RO accredited registering subsequent offshore phases**

**Biomass co-firer station can switch generating unit(s) from RO to CfD as Biomass Conversions**



## Subsidy Cross Check

Provide statements that not in NFFO, CfD, RHI (if EfW with CHP), CM; and

Provide statement whether accredited (in RO) – if accredited, provide type of Dual Scheme Plant

Delivery Body checks

# Connection Agreements

## Direct Connection

- Agreement(s) for connection with TSO and/or DNO for  $\geq 75\%$  of capacity

## Partial Connection

- Agreement(s) between Private Wire Generator and Private Wire Network Operator
- Agreement(s) between Private Wire Network Operator and TSO/DNO

## Islanded CFD Unit

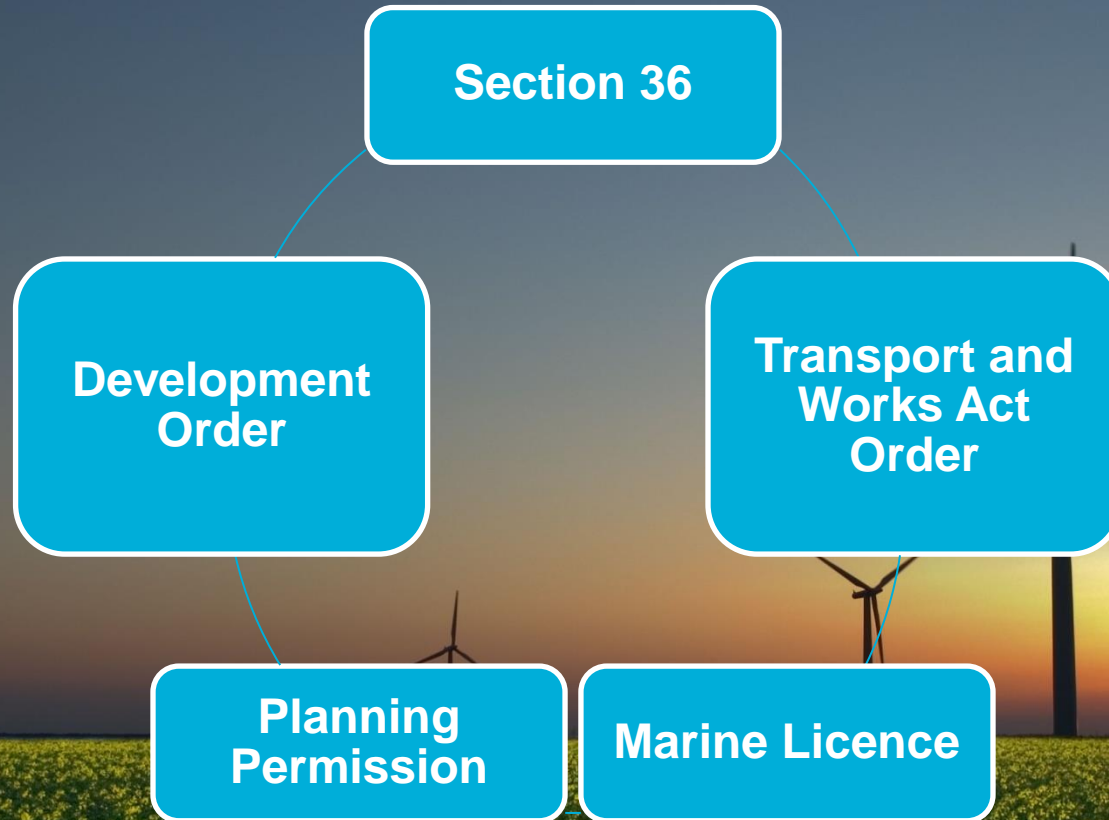
- Agreement(s) between Private Wire Generator and Private Wire Network Operator
- Confirmation that no connection agreement applies or is to apply

# Connection Agreement(s) – DB Checks

Parameter	Direct	Partial	Islanded	Evidence Requirements
Location	x	x	x	Consistent with Application
Transmission Entry Capacity /Capacity	x			Provides for $\geq 75\%$ of capacity requested on Application
Connection Date	x			Target Commissioning Date cannot be earlier than Connection Date
Technology	x	x	x	Technology matches

**For each of the above, Applicant asked to state parameter as shown in connection agreement(s); state where found in connection agreement(s); and provide further comments**

# Applicable Planning Consents



Permissions must relate to CfD Unit and getting the power to the transmission or distribution or private wire network

## Applicable Planning Consents – DB Checks

Parameter	Evidence Requirements
Postcode / OS Map Reference / Grid Coordinates	Information in Application consistent with that specified in Applicable Planning Consent(s)
Capacity	$\geq$ capacity requested in Application
Validity Date	Not expired at date of Application
Technology	Technology matches

**For each of the above, Applicant asked to state parameter as shown in applicable planning consent(s); state where found in applicable planning consent(s); and provide further comments**

# Other Information/Data

1. Pre-Application Activities

2. Application

3. Qualification

4. Review

5. Appeal

6. Valuation

7. Sealed Bids

8. Allocation & Independent Audit

9. Allocation Notification

**Valid  
Incorporation**

**Evidence of incorporation – i.e.  
Certificate of Incorporation and  
Tax Certificate**

**Contract  
terms**

**Identify type of CfD Contract  
and whether on standard or  
modified terms (+ for  
modifications, date entered into  
with LCCC)**

## **Additional Information (inc.)**

- Name, address and contact details of Applicant, Agent (if non GB), Entity to enter into CfD Contract, Entity receiving notices under CfD Contract
- Project name and location
- Capacity (MW)
- Target Commissioning Date and start of Target Commissioning Window
- Technology specific questions
- For LCCC to complete CfD contract



## Some common Qualification Questions

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*Can I still apply for the RO even if I have applied for a CfD?*

*My distribution offer has not been countersigned by the DNO – what evidence do I need to provide here?*

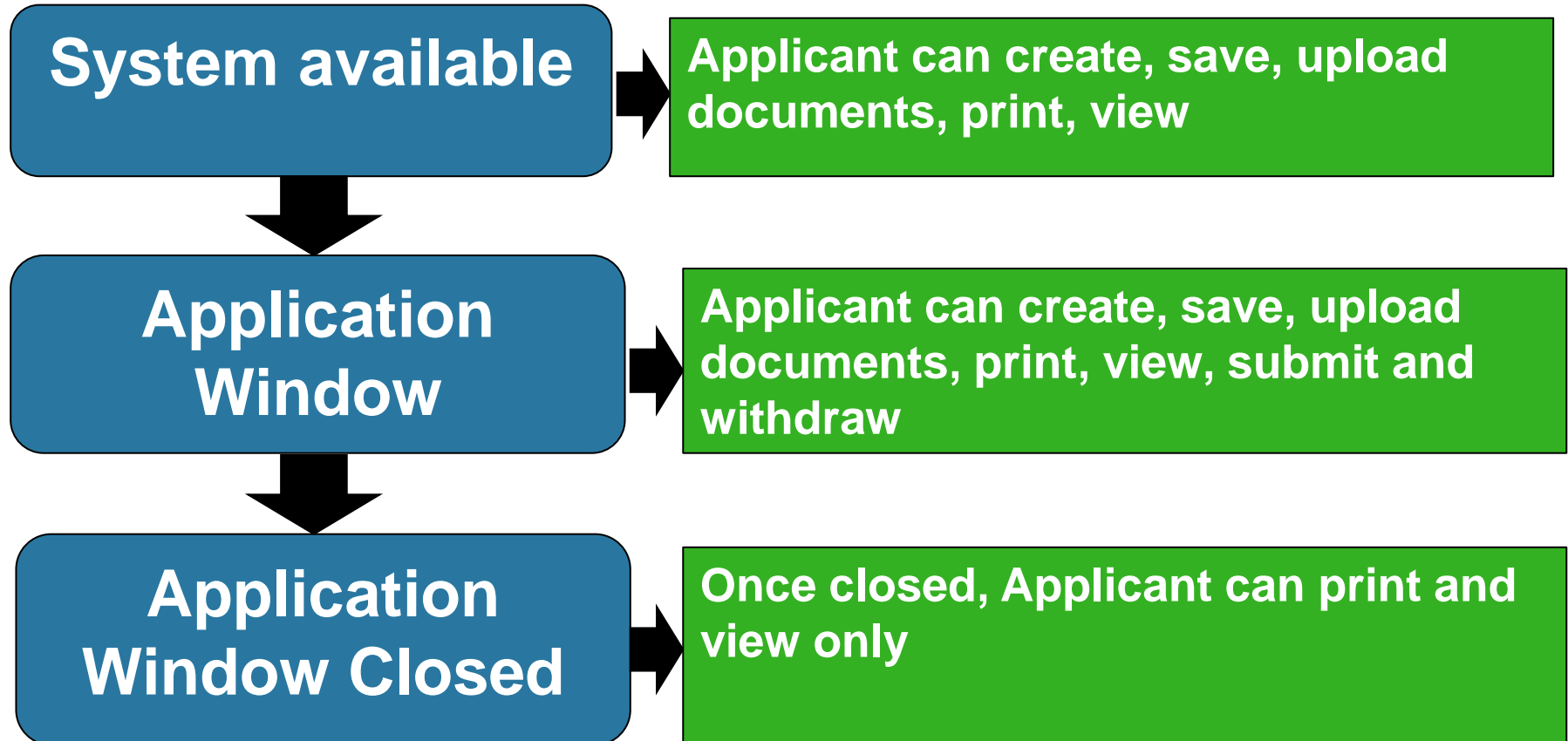
*What considerations do I need to make when determining what my "Initial Installed Capacity Estimate" is?*

*My planning decision notice does not include a MW Limit? Do I need to provide additional clarification?*

*My planning permission/connection agreement is in the name of another entity – what evidence do I need to provide?*

## Application creation and submission

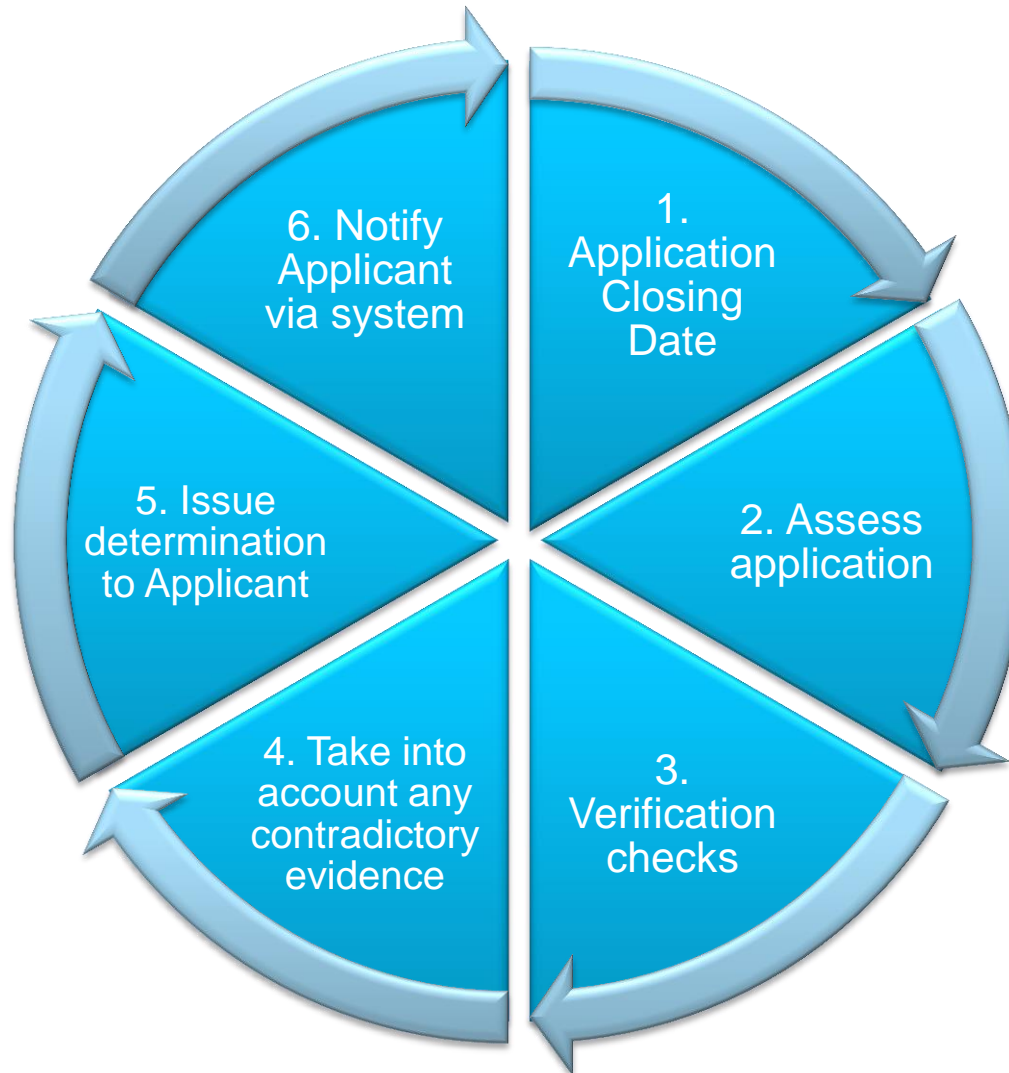
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**Only Applications that are submitted by Application Window closing date will progress to assessment stage**

# CfD Qualification Assessment

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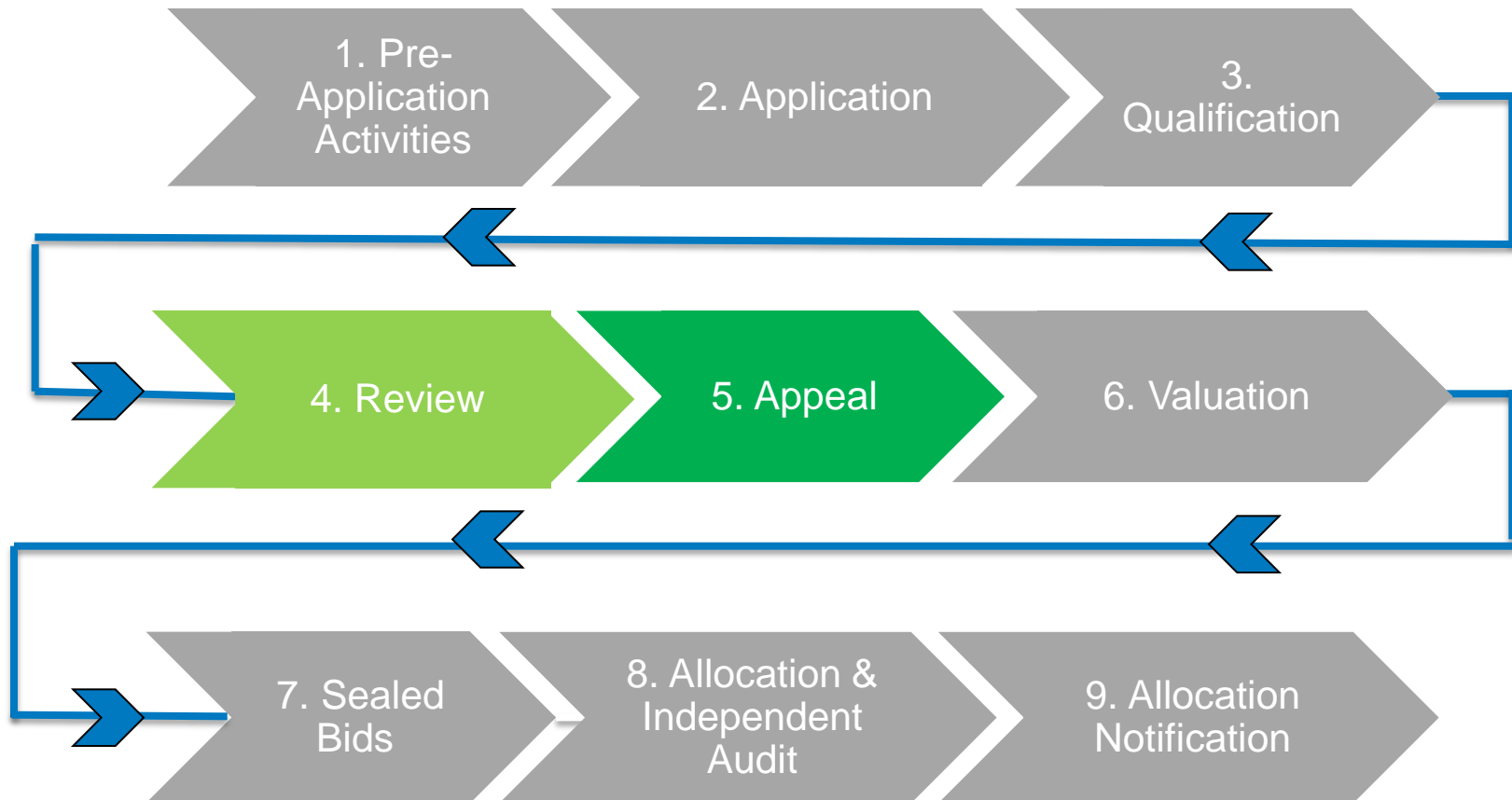


# Contracts for Difference

## Qualification – Reviews and Appeals



# CfD Process – End to End



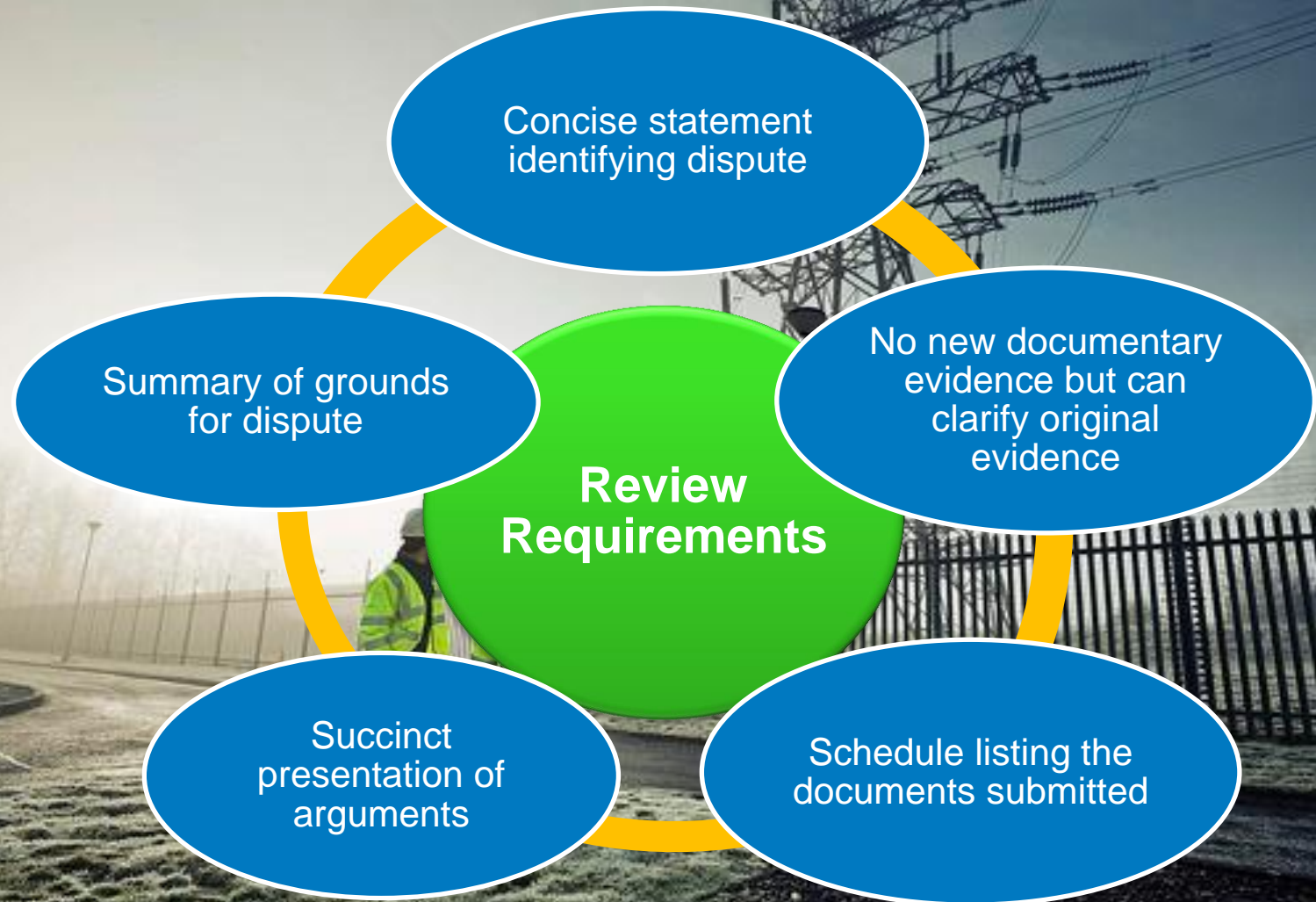


# Reviews

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## Reviews

- Where Delivery Body (“DB”) determine that you are a non qualifying applicant:
  - Applicant can raise non-qualification review via system within defined window
  - Applicant can provide clarification but no new evidence
  - Result communicated via system



# Appeals

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## Appeals

- Where Delivery Body (“DB”) determine that you are a non qualifying applicant after Reviews process:
  - Applicant can raise Appeal to Ofgem (cc DB)
  - Results communicated by Ofgem to Applicant and DB
  - Allocation may proceed if overrunning
  - Applicant can appeal to High Court where Ofgem uphold DB decision

## Round 1 Appeals

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Delivery Body required to establish and maintain an Appeals Register

Ofgem published details of Appeals from Round 1

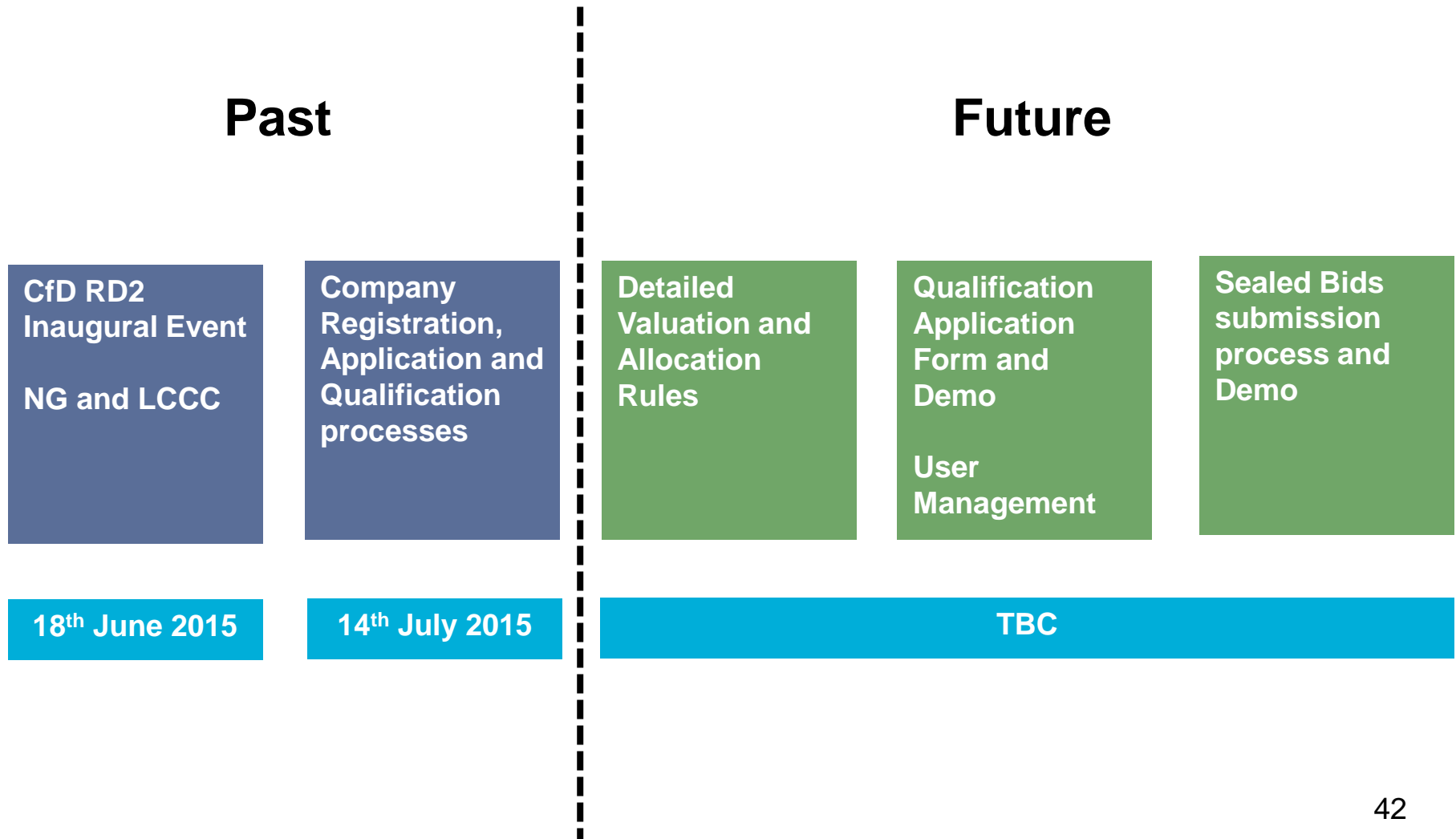
# Contracts for Difference

## Getting you ready for Round 2

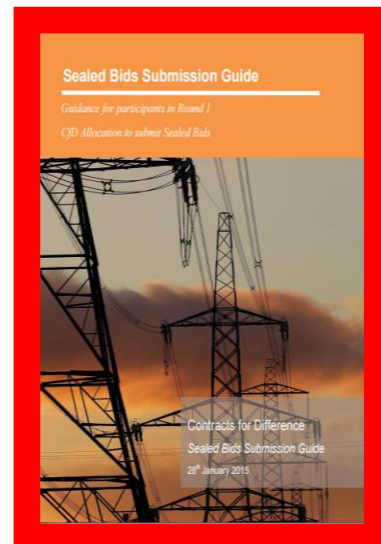
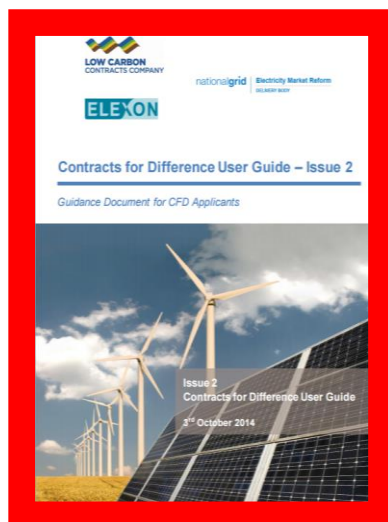
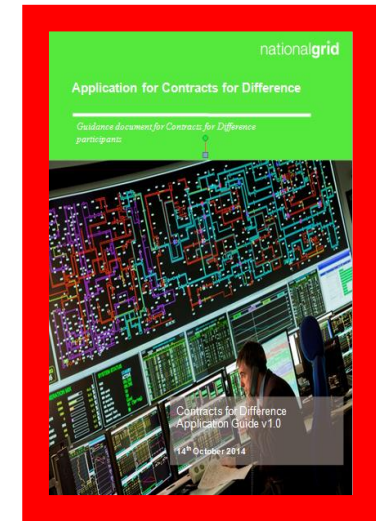
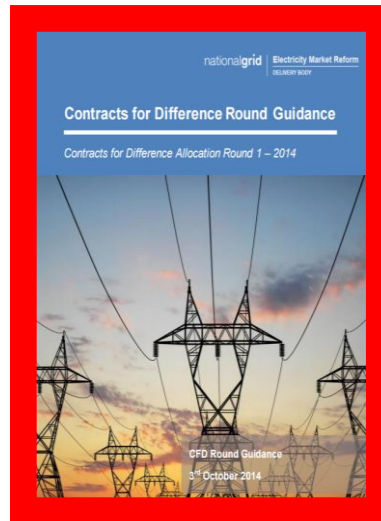
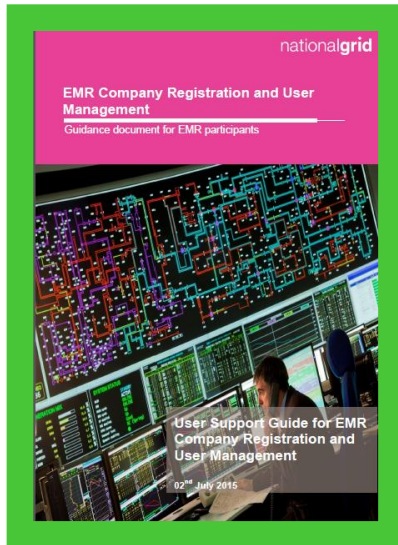




# CfD Stakeholder Events



# Guidance Documents



## Key:



Published for Round 2



Not yet published for Round 2

# Get the latest CfD Information

- Subscribe to the new [National Grid EMR Portal](#) (Please renew your even if registered on old Portal)

Electricity Market Reform  
DELIVERY BODY

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## Contact us

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A photograph of several white wind turbines in a field under a clear blue sky. The turbines are of varying heights and are positioned at different angles, creating a sense of depth. The image is used as a background for the contact information section.

**Contracts For Difference  
Enquiries**

☎ 01926 655300

✉ [box.emr.cfd@nationalgrid.com](mailto:box.emr.cfd@nationalgrid.com)