



Contracts for Difference Allocation Round 4: Pre-Application Activities Guidance

Guidance by the EMR Delivery Body for Allocation Round 4

Final Version 1.1

November 2021

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Capitalised terms used in this document shall have the same meanings given in the Contracts for Difference (Allocation) Regulations or the Allocation Framework, Schedule 1.

Please note that the rules outlined in Contracts for Difference (Allocation) Regulation and the Allocation Framework for AR4 take precedence over this guidance document and participants are encouraged to familiarise themselves with these rules, and if appropriate seek legal advice, before proceeding with an application.

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Version control



The table below will record the page numbers of any new changes to the document for each version. New general changes are highlighted in yellow throughout the guidance document. Any changes due to policy changes are highlighted in baby blue.

#	Changes	Pages	Date
1.0	Original draft for customer comment	-	01/11/2021
1.1	Final Version	-	25/11/2021

Introduction



- National Grid Electricity System Operator Limited (NG ESO) is the Delivery Body for Electricity Market Reform (EMR). Part of this role includes administering the qualification process and running the allocation of Contracts for Difference (CfD), in accordance with the CfD legislative framework and Department for Business, Energy and Industrial Strategy (BEIS) documents, specific to each CfD Allocation round.
- This document is part of a suite of guidance documents prepared by NG ESO which is to be used in conjunction with the relevant [Allocation Framework](#). It is designed to assist you with the technical aspects of completing the application form and the subsequent allocation processes.
- There is a feedback form attached to this document (in the top right-hand corner of this document). Please use the feedback form to provide feedback on this guidance document.
- This guidance document outlines the pre-application activities that Applicants are required to complete, prior to submitting a full application. However, you will still need to familiarise yourself with the [Allocation Framework](#) and eligibility requirements of the scheme when applying for a CfD, as this guidance is a supplementary document and is not an exhaustive list of the rules and eligibility requirements.
- A general overview of the CfD mechanism and Delivery Partners can be found [here](#) on our combined website.
- The Contracts for Difference Delivery Partners are:

nationalgridESO



Department for
Business, Energy
& Industrial Strategy

ofgem


LOW CARBON
CONTRACTS COMPANY

For general enquiries or support in using this guidance, please contact us via:

Phone: 01926 655 300

Email: EMR.CfD@nationalgrideso.com

nationalgridESO

How to use this guide



Our guidance documents have been designed to walk prospective applicants through the application process in a clear, simple and transparent format.

A toolbar runs along the bottom of each page showing which stage in the CfD Journey you are currently in.



Click on the home icon to return to the contents page.



We welcome all feedback so click on the feedback icon to leave any comments you may have regarding this guidance document.



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1.0 Allocation Round 4 readiness

We are aspiring to make our process self-service and deliver more effective, intuitive IT systems and processes that Applicants can easily navigate. These include:

[Guidance documents](#) - a detailed step by step guide to assist you through Allocation Round 4

[National Grid ESO - EMR Delivery Body Website](#) – updated content and made easier to navigate.

[Delivery Partner Website](#) – BEIS, LCCC, Ofgem and the Delivery Body have created a portal that provides a central resource to help applicants navigate the fourth CfD allocation round.

[Online Guidance Videos](#) – a walkthrough video of the Registration, Application and Sealed Bid stages of the CfD Round, in addition to potential Auction Scenarios for AR4.

Queries – Should you have any queries please navigate to the joint Delivery Partners email box. This has been created so that common questions can be addressed more quickly and efficiently. Email: Enquiries@CfDallocationround.uk

For guidance specific queries, please email the Delivery Body: EMR.CfD@nationalgrideso.com

1.1 Essential document links



Please note that this is not an exhaustive list of documents. Please also refer to

<https://www.gov.uk/government/collections/contracts-for-difference-cfd-allocation-round-4>

Regulations		Key Documents	
<u>The Contracts for Difference (Allocation) Regs 2014</u>	Sets out the general rules for qualification and allocation processes	<u>CfD Allocation Round 4: Final Allocation Framework (November 2021)</u>	Set outs the rules by which the fourth Allocation Round will be undertaken and the eligibility requirements that Applicants must satisfy
<u>The Contracts for Difference (Allocation) (Amendment) Regs 2015</u>	Parts of the 2014 legislation (above) amended in 2015	<u>CfD Allocation Round 4: Exemptions Request Notice</u>	Sets out the process for excluded sites to apply for an exemption from their temporary site exclusion.
<u>The Contracts for Difference (Miscellaneous Amendments) Regs 2016</u>	Parts of the 2014 legislation (above) amended in 2016	<u>CfD Allocation Round 4: Budget Notice (November 2021)</u>	Sets out information for the round, including the budget, Technologies within the Pot, Strike Prices, and delivery years
<u>The Contracts for Difference (Miscellaneous Amendments) Regs 2018</u>	Parts of the 2014 legislation (above) amended in 2018	<u>Publications on the CfD Allocation Round 4 Resource Portal: Delivery Partner Website</u>	Collection of all publications relating to AR4 from the CfD Delivery Partners
<u>The Contracts for Difference (Miscellaneous Amendments) Regs 2021</u>	Parts of the 2014 legislation (above) amended in in 2021		

1.2 Delivery Partner roles and responsibilities



BEIS sets the policy and governance arrangements for the scheme, including issuing the Allocation Framework, issuing timelines, setting the Allocation Round Budget and Administrative Strike Prices



The Delivery Body is responsible for managing and operating the Application and Allocation Process including authorising Registrations, assessing eligibility of CfD Applications, conducting non-qualification appeals and CfD Allocation (including auction)



Ofgem is responsible for handling Appeals Applications

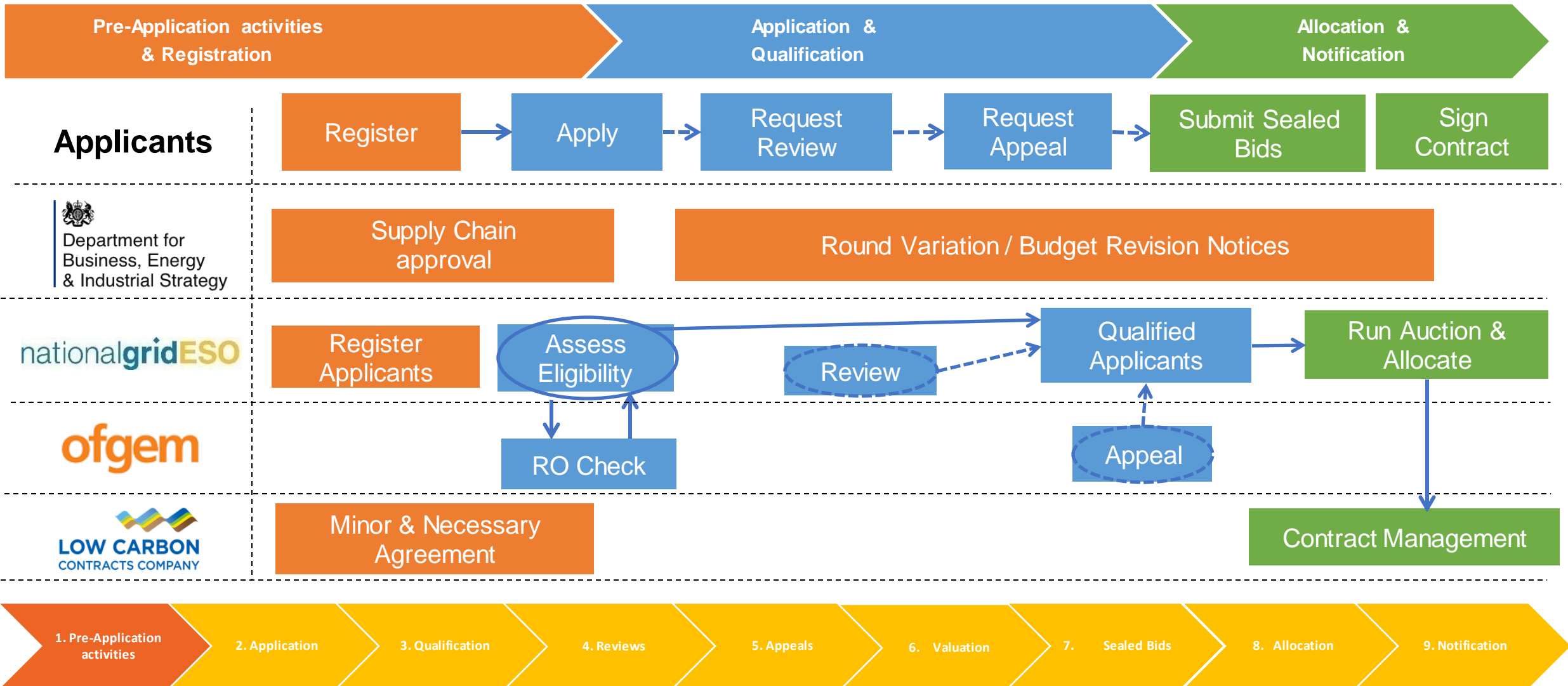


LCCC is responsible for processing requests for minor and necessary modifications at the initial stages of the allocation round, issuing CfDs in accordance with the outcome of the Allocation process and managing them during the project delivery phase

1.3 Allocation process overview



Below is an overview of the Allocation Round process, showing the interactions between Delivery Partners and Applicants.



1.4 EMR Delivery Body Portal system requirements



Please ensure that you are familiar with these recommended requirements before completing your CfD Application in the EMR Delivery Body (DB) Portal:



Recommended PC Operating System:
Microsoft Windows
(e.g. Windows 2003 to Windows 10)

Recommended Internet Browsers:
Microsoft Edge, Google Chrome or Firefox



If multiple file uploads are not accepted:
Please compile files into a single PDF or ZIP

Maximum file size for uploads:
2GB

Mandatory file formats:
Microsoft Office files, PDF or JPEG
(e.g. .docx/.xlsx/.pdf)



1.5 Main menu



The process flow diagram below outlines the main steps in the CfD process from Pre-Application to Notification. The Allocation Round 4 Guidance has been split into 3 documents. The process flow diagram shown through-out the slides outlines where in the whole CfD process you are.



How to use this guide



EMR system information



Useful links

Contents

1.6 Rule changes impacting Allocation Round 4



Category	Change	Description
Eligible Technologies	Removal of coal-to-biomass conversions	Coal-to-biomass conversions are no longer an eligible technology and are, therefore, unable to make an application for AR4.
Eligible Technologies	Floating offshore wind is defined as a distinct technology, with a different administrative strike price, from fixed bottom offshore.	Floating offshore wind will compete against other technologies in Pot 2. To be considered a floating offshore wind project (in addition to meeting the existing requirements for offshore wind) all turbines will need to be floating and situated in offshore water depths of at least 45 metres.
Pot Structure	Introduction of a three-pot structure	A new, third pot introduced for offshore wind projects only.
Allocation	Simplifying the role of delivery years in auctions	If the monetary budget is breached in one delivery year, the whole auction will close (as already happens when a capacity cap is breached) and a single clearing price will apply across the auction, subject to administrative strike prices and separate maximum clearing prices.
Allocation	Amendment to the valuation formula set out in the CfD allocation framework	Use the first day of the Target Commissioning Window (or the start of the first delivery year if that is later) to calculate the budgetary impact of projects/phases instead of the Target Commissioning Date.
Allocation	Operation of Target Dates amended to align with change to valuation formula (Target Commissioning Window Start Date instead of Target Commissioning Date)	Target Commissioning Window Start Date will be used to determine: <ul style="list-style-type: none"> • the relevant delivery year for applications and bids • the relevant ASP, reference price, load factor, transmission loss multiplier and 'days' applicable in the valuation formula • the number and distribution of sealed bids across delivery years for a given application
Maximum	Amendment to the rules for use of a maximum	Following the breach of a maximum all remaining maximum bids are permanently removed from the bid stack; this is applicable in a pot or overall budget auction, in a maximum-only auction, after a maximum only tie-breaker and before any interleaving that follows a maximum and budget tie-breaker. A separate clearing price will apply to each maximum.



2.0 Pre-Application activities



There are several Pre-Application activities that Applicants must where applicable undertake before proceeding to applying for a Contracts for Difference.

Select from the buttons opposite to find out more:

2.1 Register your organisation

2.2 Supply Chain Plan

2.3 Minor & Necessary



2.1 Register your organisation (1/4)



In order to apply for a CfD, all Applicants are required to first register their company and users on the [EMR Delivery Body website](#). The Registration process controls access to the EMR Delivery Body (DB) Portal and seeks to ensure that only legitimate representatives of a company or equivalent may act on its behalf during the Allocation Round.

Select the EMR Company Registration support guide icon or the Registration video icon below for more information on how to complete Registration on the EMR DB Portal.

[EMR Registration
AR4 Video](#)

[EMR Registration
support guide](#)

Please note, Internet Explorer is not supported in the Registration process; we recommend using Chrome, Edge or Firefox.



This video gives an overview of the Registration form, as it appears in the EMR DB Portal.

Click on the button above to watch the video. NB some users may find it easier to access in Google Chrome.

1. Pre-Application activities

2. Application

3. Qualification

4. Reviews

5. Appeals

6. Valuation

7. Sealed Bids

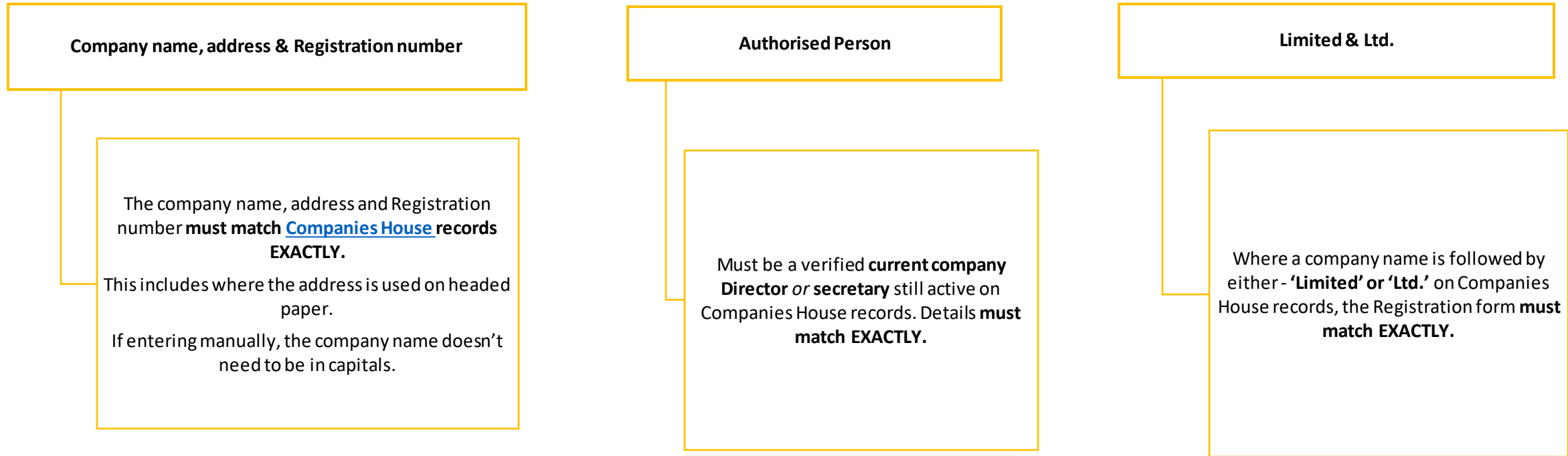
8. Allocation

9. Notification

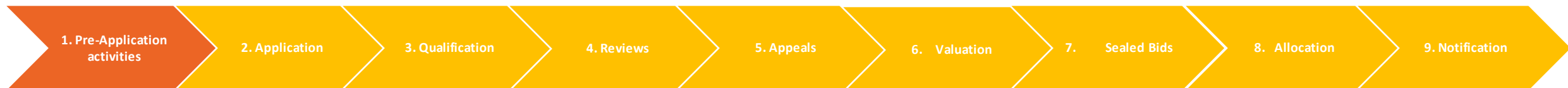


2.1 Mandatory Registration criteria (2/4)

This section outlines the mandatory requirements for Registration of company details on the EMR DB Portal. Find out more below:



Failure to comply with each of these Registration requirements will delay the Registration process and prevent you from being able to access the EMR DB Portal.





2.1 Mandatory Registration criteria (3/4)

The company details provided on the Application form, and any required certificates or declarations, will be validated against Companies House.

Non-registered company / other entity

If you are a non-listed company for any of the following types, then you will need to provide the relevant evidence as detailed below:

- Joint Venture (JV): a JV agreement / structure chart or a letter signed by the Directors on letter headed paper to state that he/she is a Director for the organisation.
- Partnership: a letter signed by the Partner on letter headed paper to state that he/she is a Partner/Owner of the organisation.
- Community Project/Charity: a letter signed by the Head of the organisation on letter headed paper to state that he/she has the relevant decision-making authority.





2.1 User Management (4/4)

User Management responsibilities

Once an Applicant has successfully registered a user account, they are responsible for the management of that account. The ONLY exceptions where we, the Delivery Body, will update user data are:

- Company Name
- Company Address
- Authorised person

NB: We will only update these fields following a written request from a company Director.

Main Admin. Correspondence

Please ensure that your Main Admins are kept up to date as we will only correspond with Main Admins who are active on the EMR Portal.

For more information, please refer to the [EMR Company Registration User Support Guide](#) for information on how to create user accounts.



2.2 Supply Chain Plan



Note: the Supply Chain Plan application window for Round 4 closed on 3rd October 2021.

The first step for **Applicants with projects of 300MW** or more, who wish to apply for a CfD, is to review the Supply Chain guidance provided by BEIS; this can be accessed by selecting Supply Chain Plan guidance button.

Once an Applicant has reviewed the guidance they should then prepare and submit a Supply Chain Plan to BEIS. Information detailed in the plan should include:

- Contact details
- Project details
- Project Summary
- Competition, innovation and skills criteria



Applicants who are successful will receive a Supply Chain Approval Certificate from BEIS. This certificate must be provided to the Delivery Body, as part of the CfD Application.





2.3 Minor and Necessary Modification

The Minor and Necessary Modification process enables prospective CfD Applicants to review the CfD Standard Terms and Conditions and if necessary, apply to the Low Carbon Contracts Company (LCCC) for “Minor and Necessary Modifications”. LCCC will assess all Applications in accordance with the criteria set out in the Regulations.

For more information on how and when to apply to LCCC for a Minor and Necessary Modification, click on the icon below:

NB this slide will be updated with a link to the Minor & Necessary Modification guidance once it has been published





Contact details and feedback

Your feedback is important to us. We are interested in your thoughts regarding this guidance document and how we can meet your customer requirements. So that we can learn more, please remember to fill out the feedback survey.



The CfD Delivery Partners are:



For support using this guide or for general enquiries please contact:

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