## Annex A: Milestone Requirement: “10% spend” overview

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Ref | Requirement | Supporting information | Comments | Provided |
| [insert Evidence Reference] | Condition 4.1:Milestone Requirement Notice | Milestone Requirement Notice | [any comments, e.g. things to note or exceptions] | [insert Evidence Reference and file name] provided in [letter/email] dated: [insert date] |
| [insert Evidence Reference] | Condition 4.2:Directors Certificate accompanying the Milestone requirement notice | Directors Certificate, in file named [insert file name] | [any comments, e.g. things to note or exceptions] | [insert Evidence Reference and file name] provided in [letter/email] dated: [insert date] |
| [insert Evidence Reference] | Condition 4.1(A):Such invoices, payment receipts and other Supporting Information to evidence that the Generator and itsdirect shareholders have in aggregate spent 10% of more of the Total Project Pre- Commissioning Costs on the Project | [‘10% Spend Evidence Spreadsheet’] | [see template 10% Spend Evidence Spreadsheet attached at Annex B of the Milestone Requirement guidance] | [insert Evidence Reference and file name] provided in [letter/email] dated: [insert date] |

Annex B: “10% Spend” evidence spreadsheet6

|  |
| --- |
| [*Project Name*] Version: Dates: LCCC |
|  | Cost Category | Nature of payment | Payment description | Date | Supplier | Net Amount in£GBP | Generator comments | % of total pre- commissioning costs | supporting information provided | timing | comments | status | first review | peer review |
| 1 |  |  |  |  |  |  |  |  | i.e. list relevant invoices and supporting bank statements | Complete/TBC by [date] |  | Complete/ Not Yet Complete |  | [Contract Manager] |
| 2 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 3 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 4 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 5 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | Total Value of evidenced spent | N/A |  | N/A |  |  |  |  |  |  |  |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| Total Value of evidenced spent | N/A | N/A |  |

6 This template is an example of some cost categories that may be relevant for offshore wind, but it should be tailored to suit each Generation Technology and specific Project. We recommend increasing the page size to A3. LCCC can provide word versions of these templates.

Annex C: Milestone Requirement: Project Commitments overview

**Part A- General Project Commitments**

**Template A**

|  |
| --- |
| **A (i). Copy of Resolution of Generator’s Board of Directors (or equivalent) to:*** **undertake the project**
* **approve the total financial commitments required to commission the Project (the Total Project Spend)**
* **approve a timetable for undertaking the project which demonstrates the Facility shall be commissioned no later than the Longstop Date**
 |
| **Document** | **Date** | **File Name and Location** |
| *Board Resolution covering all 3 points listed above* |  |  |
| *Minutes of Board Meeting* |  |  |
| *Project Programme* |  |  |
|  |
| **Document** | **Date** | **File Name and Location** |
| *Directors Certificate following Annex 4 template* |  |  |
| **C (i) Supporting Information Evidencing Financial Requirements** |
| **Document** | **Date** | **File Name and Location** |
| *Could be evidenced by:** *Latest audited financial report and accounts demonstrating sufficient scale, profitability, net assets, liquidity etc. to demonstrate financial robustness historically*
* *Any external evidence of credit standing (external ratings, rating agency reports, broker’s reports etc.) if available*
* *Setting out the track record of experience in delivering projects of a similar size and complexity, including dates, financial commitment involved and a brief project description specifying the particular roles of the parties also involved with the current project*
* *Setting out the proposed Sources and Uses for the planned project, clearly identifying third parties (e.g. lenders, other shareholders), their expected commitment and the stage of commitment reached (e.g. “not yet approached”, “indicative interest only” through to “fully credit approved”) and key suppliers (including evidence of their expected cost to deliver, maturity of discussions etc.)*

*More specific documentation that could support evidence of financial resources might include copies of:** *A financial model developed specifically for the project*
 |  |  |

|  |  |  |
| --- | --- | --- |
| * *Commitment letters from prospective lenders/equity partners or evidence from existing financiers that there is sufficient headroom in existing credit lines to**support the project cost to completion, including letter(s) as evidence of commitment to fund the construction contracts and Material Equipment*
* *Any (draft) Shareholder Agreement demonstrating the relative commitment of shareholders*
* *Any proposed parent company security support including draft guarantees if applicable*
* *Any draft finance agreements, debt instruments, hedging commitments, intercreditor agreements etc. that evidence appropriate maturity of discussions*
* *Evidence of any project expenditure to date including a breakdown of what this expenditure includes (if applicable)*
* *Any (draft) Information Memorandum used (or to be used) to approach sources of third-party finance (debt or equity)*
 |  |  |
| **C (ii) Supporting Information Evidencing Facility Requirements** |
| **Document** | **Date** | **File Name and Location** |
| *For Offshore Wind farm:** *Crown Estate Lease;*
* *Generation Licence,*
* *Development Consent Order;*
* *Marine Licence;*
* *Grid Connection Agreement;*
* *Schedule 1 of the CUSC Framework*
* *Environmental Permits,*
* *Property Rights Consents Matrix/Timetable.*
 |  |  |
| *For ACT Plant:** *Planning Permission or Development Consent Order;*
* *Generation Licence;*
* *Grid Connection Agreement;*
* *Waste Management Licence; Controlled Activities Authorisation; PPC Permit (if required);*
* *Environmental Permits (construction and operation)*
* *Property Rights Consents Matrix/Timetable.*
 |  |  |
| *For Remote Island Wind:** *Planning Permission or Section 36 Consent;*
* *Generation Licence;*
* *Grid Connection Agreement;*
* *Environmental Impact Assessment;*
* *Waste Management Licence;*
* *Controlled Activities Authorisation;*
* *Approval of new Transmission Link;*
* *Property Rights Consents Matrix/Timetable.*
 |  |  |

# **Part B: Technology Specific Project Commitments**

## **Material Equipment Templates**





## Annex D: Directors’ Certificate: General Project Commitments

Directors’ Certificate [Company Name]

Unique Reference Number: [•]

(the “Company”)

CONTRACT FOR DIFFERENCE – DIRECTORS’ CERTIFICATE

To: Low Carbon Contracts Company Ltd. (the “CfD Counterparty”)

I, [•], being a Director of the Company, refer to the contract for difference entered into by the Company and the CfD Counterparty on [•] (the “Agreement”). Terms defined in or incorporated into the Agreement have the same meanings when used in this Certificate.

I hereby certify that, having made all due and careful enquiries,

1. the Generator has, or will have, sufficient financial resources to meet the Total Project Spend; and
2. any contract entered into and provided as Supporting Information pursuant to the Milestone Requirements Notice, in the reasonable opinion of the Generator by reference to the facts and circumstances then existing, is:
	1. legal, valid and binding, and
	2. entered into with one or more counterparties who are each able to perform their obligations under such contract;
3. the Generator has a leasehold or freehold interest in the site where the Facility is based (the “Facility Site”) or a contract to obtain the same;
4. the Facility Site is not subject to any covenants, restrictions, agreements, planning obligations, estate contracts, options, rights of way or other encumbrances which materially inhibit the use of the Facility Site for the purposes of the Project;
5. there are available to the Facility Site such rights, easements and services as are necessary to undertake the Project and operate the Facility;
6. the Generator has identified all necessary consents and planning permissions to undertake the Project (the

“Necessary Consents”); and

1. there is a credible strategy in place to obtain the Necessary Consents and the Necessary Consents are not subject to any condition for which there does not exist a plan approved by the Generator’s board of directors to satisfy that condition, such that the Generator is not aware of any necessary consents and planning permissions which cannot be obtained or complied with.

This Certificate is governed by and construed in accordance with English law.

………………………………………… Name: [•]

Position: Director Dated: [•]

………………………………………… Name: [•]

Position: Director Dated: [•]

OR:

………………………………………… Name: [•]

Position: Director Dated: [•]

in the presence of:

………………………………………… Witness’s name: [•]

Occupation: [•] Address: [•] Dated: [•]

## Annex E: Directors’ Certificate – Technology Specific Project Commitment

[Note: This template has been drafted in relation to the Technology Specific Project Commitment for offshore wind. Generators should tailor this template depending on which one of the three Technology Specific Project Commitments it has elected to satisfy by deleting the text highlighted yellow that is irrelevant to their choice of Technology Specific Project Commitment.]

Milestone Requirement

Contract for Difference Annex 5 Part B: Technology Specific Project Commitment Directors’ Certificate: Support for Technology Specific Project Commitment

To: Low Carbon Contracts Company Ltd (the “CfD Counterparty”)

10 South Colonnade, London

E14 4PU

Date [•]

DIRECTORS’ CERTIFICATE

IN RELATION TO THE [EPC CONTRACT FOR THE SUPPLY AND INSTALLATION [or] CONTRACT(S) FOR THE SUPPLY [or] FRAMEWORK AGREEMENT AND PURCHASE ORDERS FOR THE SUPPLY] OF MATERIAL EQUIPMENT

Dear Sirs,

1. I refer to the [engineering, procurement and construction contract [or] supply contract(s) [or] framework agreement(s) and binding purchase order(s)] entered into between the Generator and relevant [EPC contractor (the “EPC Contractor”) [or] supplier (the “Supplier”)] which are listed at Appendix 1 to this certificate, copies of same [are attached at Appendix 1/ have been provided to the CfD Counterparty ], and a description of each of which

is set out at Appendix 2 to this certificate, which relate to the Project as defined in the Contract for Difference for [*name of Project*] between the Generator and the CfD Counterparty dated [•] (the “CFD”), (each a “Contract” and together the “Contracts”).

1. Terms and expressions which are not otherwise defined within this certificate have the meaning given to them in the CfD.
2. I, [•] being a Director of the Generator, hereby certify on behalf of the Generator that, having made all due and careful enquiries, as at the date of this certificate:
	1. the following equipment comprises all of the Material Equipment as defined in the CfD: i. [•],
		1. [•], and
		2. [etc.].
	2. all of the equipment listed at paragraph 3(a) above, being the Material Equipment, is entirely dedicated to the Project and will not be used for any other project;
	3. the Contracts relate to the supply [and installation ] for the purposes of the Project of all of the equipment listed at paragraph 3(a) above and therefore represent [an engineering procurement and construction contract providing for the supply and installation of the Material Equipment [or] agreements for the supply of all of the Material Equipment [or] a framework agreement for the supply of the Material Equipment and a binding purchase order for the Material Equipment];
	4. the Contracts constitute a significant financial commitment to the Project which is real, genuine and made in good faith and each of the Contracts are real, genuine and made in good faith and are entered into on an arm’s length basis by the Generator with the intent of obtaining the Material Equipment for the Project [and having it installed];
	5. no side letter or other agreement has been entered into between the Generator and [EPC Contractor [or] any of the Suppliers], or is contemplated by the Generator and [EPC Contractor [or] any of the Suppliers], in relation to the subject matter of any of the Contracts which would undermine or affect the accuracy of the statements made in paragraph 3(d), misrepresent the position as set out in paragraph 3(d) or render any of the statements made in paragraph 3(d) misleading; and
	6. so far as I am aware, no material circumstances exist in relation to any of the Contracts which should be brought to the CfD Counterparty’s attention for the purposes of the CfD Counterparty’s evaluation of the Contracts to verify that the Generator has entered into [an engineering procurement and construction contract providing for the supply and installation of the Material Equipment [or] agreements for the supply of all of the Material Equipment [or] a framework agreement for the supply of the Material Equipment and a binding purchase order for the Material Equipment] for the Project in accordance with the Generator’s Technology Specific Project Commitments set out under Part B of Annex 5 of the CFD.
3. This certificate is governed and construed in accordance with English law.

………………………….

Name: [•]

Position: Director of Generator Dated: [•]

………………………….

Name: [•]

Position: Director of Generator Dated: [•]

[OR:]

………………………….

Name: [•]

Position: Director of Generator Dated: [•]

In the presence of:

……………….. Witness’s name: [•] Occupation: [•] Address: [•]

Dated: [•]

Appendix 1

The Contract(s)

1. [Name of Contract] (copy provided to CfD Counterparty by email dated [•]).
2. [Repeat for each contract].

Appendix 2 Description of the Contracts

[Provide a brief description of each of the Contracts – including the following information for each:

* + Name and date of the agreement and parties to it including addresses and company registration details of each party;
	+ Type of contract and subject matter of Contract, e.g. for engineering supply assembly and commissioning of [x number of wind turbines], each being [x number of MWs] for the [name of project];
	+ A brief description of the Contract, to include any relevant dates, e.g.

[This agreement covers storage, transportation and installation of monopoles, transition pieces and offshore substation jackets and topside at [the Project]. The monopoles are to be installed from [metres] in length and [mt] in weight. The installation work is scheduled to commence in [month/year] and to be completed in [month/year]]

## Annex F: Milestone Requirement Notice

Milestone Requirement Notice

To: [•] (the “CfD Counterparty”) [Address]

From: [•] (the “Generator”)

[Unique reference number: [•]] Dated: [•]

CONTRACT FOR DIFFERENCE – MILESTONE REQUIREMENT NOTICE

Dear Sirs,

1. We refer to the agreement dated [•] between you as the CfD Counterparty and us as the Generator (the “Agreement”). Terms and expressions defined in or incorporated into the Agreement have the same meaning when used in this notice.
2. We further refer you to Condition 4.1.
3. This is a Milestone Requirement Notice.
4. [We enclose invoices, payment receipts and other Supporting Information with respect to the Project which we consider to be relevant to evidence expenditure by us and our direct shareholders of ten per cent. (10%) or more of the Total Project Pre-Commissioning Costs, being £ [•].]/[We enclose information as is listed as the Project Commitments and the following Supporting Information which we consider to be relevant to evidence compliance or fulfilment of the Project Commitments: [•].] An index of the information enclosed with this notice, and the means by which each item has been provided is set out in the table at Annex 1 hereto.
5. We enclose a Directors’ Certificate certifying that the information contained in, and enclosed with, this notice is true, complete and accurate in all material respects and is not misleading.

Yours faithfully,

.....................................

For and on behalf of the Generator

Annex 1

Index of information and Supporting Information enclosed with this notice

|  |  |  |
| --- | --- | --- |
| **Document name** | **Description of document** | **File Location**  |
| *e.g. Generation Licence* | *Generation Licence issued by Ofgem to satisfy Part A (c) (ii) of Project Commitments* | *Folder: Consents and Licences, subfolder Generation Licence* |
|  |  |  |
|  |  |  |

## Annex G: Directors’ Certificate: Milestone Requirement Notice

Directors’ Certificate

[Company Name] Unique Reference Number: [•]

(the “Company”)

CONTRACT FOR DIFFERENCE – DIRECTORS’ CERTIFICATE

To: Low Carbon Contracts Company Ltd. (the “CfD Counterparty”)

I, [•], being a Director of the Company, refer to the contract for difference entered into by the Company and the CfD Counterparty on [•] (the “Agreement”). Terms defined in or incorporated into the Agreement have the same meanings when used in this Certificate.

I hereby certify that, having made all due and careful enquiries, the information contained in, and enclosed with, the Milestone Requirement Notice dated [• ] is true, complete and accurate in all material respects and is not misleading, in each case by reference to the facts and circumstances then existing.

This Certificate is governed by and construed in accordance with English law.

………………………………………… Name: [•]

Position: Director Dated: [•]

………………………………………… Name: [•]

Position: Director Dated: [•]

OR:

………………………………………… Name: [•]

Position: Director Dated: [•]

in the presence of:

………………………………………… Witness’s name: [•]

Occupation: [•] Address: [•] Dated: [•]

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10 South Colonnade

London E14 4PU

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Author:

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Company registration number: 08818711