

Government Announces Budget for Next CFD Allocation Round

17 March 2016

Government yesterday announced information in relation to the next allocation round for CFDs including:

- Up to £730million (per year for each year of 15 year contracts) this Parliament for offshore wind and other less established technologies
- £290 million of annual support for the first auction allocated for the next CFD auction
- Support for offshore wind will be capped initially at £105/MWh (2011-12 prices) falling to £85/MWh for projects commissioning by 2026

LCCC is working with DECC and National Grid in preparation for the next allocation round. We expect a further announcement from the Government in relation to the next round this Spring.

National Grid in its role as EMR Delivery Body is responsible for running the CFD allocation and auction process.

LCCC's role is to manage CFDs with low carbon generators throughout their lifetime. LCCC currently manages 27 CFD contracts awarded from the previous CFD allocation round, as well as 13 Investment Contracts. LCCC also sets the Supplier Obligation Levy that funds CFD payments. More information on LCCC's roles and responsibilities can be found [here](#)

If you are a low carbon generator considering an application, we recommend you register on our website for our announcements, event invitations and stakeholder bulletins. These are intended to keep you up to date and informed as the round progresses. You can register [here](#)

Notes to Editor

- LCCC is the independent designated CFD Counterparty and is a private company run by an independent board of directors, wholly owned by the Secretary of State for Energy and Climate Change. In all of its operations, LCCC is led by its guiding principle to "maintain investor confidence in the CFD scheme and minimise costs to consumers."
- Information about all contracts currently managed by Low Carbon Contracts Company can be found on the CFD Register on the company's website: <https://lowcarboncontracts.uk/cfds>
- It currently manages 27 CFDs awarded as a result of the first CFD Allocation Round in 2015 and 13 Investment Contracts awarded under the Department of Energy and Climate Change's Final Investment Decision Enabling for Renewables Process in 2014.
- The CFD auction is managed by **National Grid**. For information about the CFD auction, please see National Grid's EMR Portal <https://www.emrdeliverybody.com/cfd/home.aspx>
- Details on this and the wider budget announcement please see HM Treasury's website: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/508193/HMT_Budget_2016_Web_Accessible.pdf
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