



LOW CARBON
CONTRACTS COMPANY

CFD IMPLEMENTATION PLAN: ROUND 2

Indicative dates for processes leading to CFD Allocation in 2017

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1. Purpose of the Contracts for Difference (CFD) Implementation Plan

This document sets out the indicative timelines for the processes leading to the 2nd CFD Allocation Round announced on 9 November 2016, by the Department for Business, Energy and Industrial Strategy (BEIS)¹. The dates in this Implementation Plan are underpinned by the date of the BEIS Allocation Round Notice (milestone 8). Should there be any changes to the date of publication of this Notice, then there will be consequential impacts on the rest of the dates in the plan.

1.1 CFD Implementation Plan – scenario 1

The following table from page 2 onwards depicts the longest route through the CFD Allocation process, assuming both non - qualification reviews and qualification appeals are triggered. Alternative scenarios are shown in section 1.2.

¹ <https://www.gov.uk/government/publications/contracts-for-difference/contract-for-difference>

Ref No.	Milestone Description	Additional Notes	Indicative Date	Owner	Precursor
1	Indicative CFD Budget Notice published.	Includes strike prices for each technology and other details about the second CFD Allocation Round.	Published with announcement on 9 November 2016	BEIS	
2	Supply Chain Plan Guidance document issued.	Provides detail about the Supply Chain Plan process applicable to projects of 300MW and over.	Published with announcement on 9 November 2016	BEIS	
3	Supply Chain Plan application window.	For Projects of 300MW and over must submit completed Supply Chain Plans onto a secure online document management platform during this period.	From 9am 9 January 2017 to 5pm 13 January 2017	Applicants	2
4.	Draft Allocation Framework published.	Outlines the detailed auction rules that will apply to the second CFD Allocation Round.	By 9 February 2017	BEIS	
5	Draft CFD issued.	Draft versions of the CFD Standard Terms and Conditions and various Agreements that are anticipated to be entered into by successful generators in the second CFD Allocation Round.	By 9 February 2017	BEIS	

6	Engagement on Minor and Necessary Modification requests.	Applicants have preliminary discussions with Low Carbon Contracts Company (LCCC).	From 9 February 2017 to 5 March 2017	Applicants	5
7	Applicants for projects of 300MW or over, notified if their Supply Chain Plan has been accepted or rejected.	If rejected, the rejection notice will set out what needs to be improved for the Supply Chain Plan to receive a certificate of approval.	24 February 2017	BEIS	3
8	Allocation Round Notice.	The Allocation Round Notice sets out the final parameters of the Allocation Round.	13 March 2017	BEIS	
9.	Counterparty Costs Notice and Standard Terms Notice published.	The Counterparty Costs Notice sets out the costs above which a modification to the standard terms is not considered to "minor". The Standard Terms Notice sets out the information that LCCC must use in order to complete standard terms.	13 March 2017	BEIS	
10	Final CFD issued.	CFD Standard Terms and Conditions and various Agreements that are to be entered into by successful generators in the second CFD Allocation Round.	13 March 2017	BEIS	
11	Final Allocation Framework document published.	A revised version of the Allocation Framework published in November 2016.	13 March 2017	BEIS	

12.	Minor and Necessary Modification request window.	Applicants make requests to Low Carbon Contracts Company (LCCC).	13 March 2017 to 22 March 2017	Applicants	9
13	Last date that a revised Supply Chain Plan can be submitted.	If Revised Supply Chain Plans are submitted after this date, they will not be accepted. While the Department will endeavour to notify Applicants of the outcome of the assessment of any Revised Supply Chain Plan submitted before 10 March 2017, by the date on which the CFD application window opens, no guarantee is made that it will be possible to do so.	10 March 2017	Applicants	7
14	Final CFD Budget Notice.	Budget for CFD Allocation Round published as well as final strike prices for each technology and final details about the CFD Allocation Round.	13 March 2017	BEIS	
15	Latest date for Minor & Necessary Determination.	Those who have applied for a Minor & Necessary Modification will receive a determination stating whether their request has been approved or rejected.	12 April 2017	Low Carbon Contracts Company (LCCC)	
16	CFD Allocation Application window.	Window opens with Delivery Body announcement inviting applicants to submit CFD Application, pre-qualification information.	3 April 2017 to 21 April 2017	Delivery Body	

17	Qualification Assessment Window.	Window for Delivery Body to review CFD applications against CFD Qualification criteria.	24 April 2017 to 15 May 2017 (15 working days)	Delivery Body	16
18	Applicants notified of outcome of Qualification Assessment.	Applicants informed of the status of their applications. If all applicants meet the qualification criteria then the process will continue on shortest timeline. If there are non-qualifying applicants the process will involve a number of further steps as described below on the basis of the longest likely timeframe.	15 May 2017	Delivery Body	17
<p>Please Note the remainder of this table from row 19 to 32 depicts Scenario 1, which is the longest possible time between the Qualification Assessment and Contract Signing. The alternative scenarios are shown on page 8 below.</p>					
19	Window for Non-Qualifying applicants to request a non-qualification review.	Window for Non-Qualifying to request a Non-Qualification Review asking Delivery Body to review their decision on qualification status	16 May 2017 to 22 May 2017 (5 working days)	Applicants	
20	Non-Qualifying Review assessment: Applicants notified of outcome.	Delivery Body re-processes applications under Tier 1 review and informs applicants of re-assessed status.	6 June 2017	Delivery Body	19
21	Window for Non-Qualifying applicants to request a Qualification Appeal.	Window for non-qualifying applicants to raise Qualification Appeal to Ofgem.	7 June 2017 to 13 June 2017 (5 working days)	Applicants	20

22	Review Qualification appeals.	Ofgem consider Qualification Appeals including time for Delivery Body to provide necessary information.	14 June 2017 to 2 August 2017 (Target duration 36 Days)	Ofgem	21
23	Confirmation of Valuation of Qualifying Applicants.	This will occur either directly following the Qualification Assessment process or following conclusion of non-qualification reviews or qualification appeals processes	3 August 2017	Delivery Body	22
24	Window for BEIS Secretary of State to consider a budget increase.		4 August 2017 to 10 August 2017 (Maximum 5 working days)	BEIS	23
25	Inform applicants if auction is required and invite sealed bids (if auction).	Delivery Body invites applicants to send sealed bids and confirms auction start date.	11 August 2017	Delivery Body	24
26	Sealed bid window.	Window for applicants to submit sealed bids opens.	14 August 2017 to 18 August 2017 (5 working days)	Applicants	25
27	Run Allocation and Independent Audit process.	Allocation/auction and check accuracy of outcome.	19 August 2017 to 6 September 2017 (maximum 12 working days)	Delivery Body	26

28	Provide BEIS Secretary of State with the Delivery Body Recommendation and Independent Auditor report.	Delivery Body provides BEIS Secretary of state with its recommendation for next steps and the Independent Auditor report for consideration.	6 September 2017	Delivery Body	27
29	Secretary of State considers Delivery Body recommendation and Independent Audit Report. (Maximum 2 working days).	BEIS Secretary of State has two working days to consider Delivery Body recommendation and the Independent Audit report.	7 September to 8 September 2017	BEIS	28
30	CFD Notification.	Delivery Body notifies all Qualified applicants of allocation outcome and notifies LCCC and successful applicants only.	11 September 2017	Delivery Body	29
31	Contracts processed and distributed.	Low Carbon Contracts Company has 10 working days in which to make an offer to applicants.	12 September 2017 to 25 September 2017	LCCC	30
32	Sign contracts and return to Low Carbon Contracts Company.	LCCC must receive signed contracts 10 working days after offer was made.	26 September 2017 to 9 October 2017	Applicants	31

Rows 19 to 32 of the above table set out the timelines should there be non-qualification reviews and qualification appeals. However, it is feasible that non-qualification reviews and/or qualification appeals will not be required and the table below sets out the impact on timelines associated with these possible scenarios.

1.2 CFD Implementation Plan – scenarios, 2, 3, 4 and 5

The following table shows the four alternative scenarios following milestone 17, each with a different corresponding date for the outcome of the allocation (i.e. the CFD Notification, milestone 31) and subsequent contract signing process. Please note that in scenarios 2 and 3 where the CFD Notification is sent to generators in July, the contract signing process takes place during August.

		Scenario 2	Scenario 3	Scenario 4	Scenario 5
		Non-Qualifying Applicants after review; No appeal raised	Non-Qualifying Applicants after application assessment; Review raised	Non-Qualifying Applicants after application assessment; No review raised	All Qualifying Applicants after application assessment
19	Window for Non-Qualifying applicants to request a non-qualification review.	16 May 2017 to 22 May 2017	16 May 2017 to 22 May 2017	16 May 2017 to 22 May 2017	n/a
20	Non-Qualifying Review assessment: Applicants notified of outcome.	6 June 2017	6 June 2017	n/a	n/a
21	Window for Non-Qualifying applicants to request a Qualification Appeal.	7 June 2017 to 13 June 2017	n/a	n/a	n/a
22	Review Qualification appeals.	n/a	n/a	n/a	n/a
23	Confirmation of Valuation of Qualifying Applicants.	14 June 2017	7 June 2017	23 May 2017	16 May 2017
24	Window for BEIS Secretary of State to consider a budget increase.	15 June 2017 to 21 June 2017	8 June 2017 to 14 June 2017	24 May 2017 to 31 May 2017	17 May 2017 to 23 May 2017

25	Inform applicants if auction is required and invite sealed bids (if auction).	22 June 2017	15 June 2017	1 June 2017	24 May 2017
26	Sealed bid window.	23 June 2017 to 29 June 2017	16 June 2017 to 22 June 2017	2 June 2017 to 8 June 2017	25 May 2017 to 1 June 2017
27	Run allocation and independent Audit Process.	30 June 2017 to 17 July 2017	23 June 2017 to 10 July 2017	9 June 2017 to 26 June 2017	2 June 2017 to 19 June 2017
28	Provide Secretary of State with the Delivery Body Recommendation and Independent Auditor report.	17 July 2017	10 July 2017	26 June 2017	19 June 2017
29	Secretary of State considers Delivery Body Recommendation and Independent Audit Report (Maximum 2 working days).	18 July 2017 to 19 July 2017	11 July 2017 to 12 July 2017	27 June 2017 to 28 June 2017	20 June to 21 June 2017
30	CFD Notification.	20 July 2017	13 July 2017	29 June 2017	22 June 2017
31	Contracts processed and distributed.	21 July 2017 to 3 August 2017	14 July 2017 to 27 July 2017	30 June 2017 to 13 July 2017	23 June 2017 to 6 July 2017
32	Sign contracts and return to Low Carbon Contracts Company.	4 August 2017 to 17 August 2017	28 July 2017 to 10 August 2017	14 July 2017 to 27 July 2017	7 July 2017 to 20 July 2017

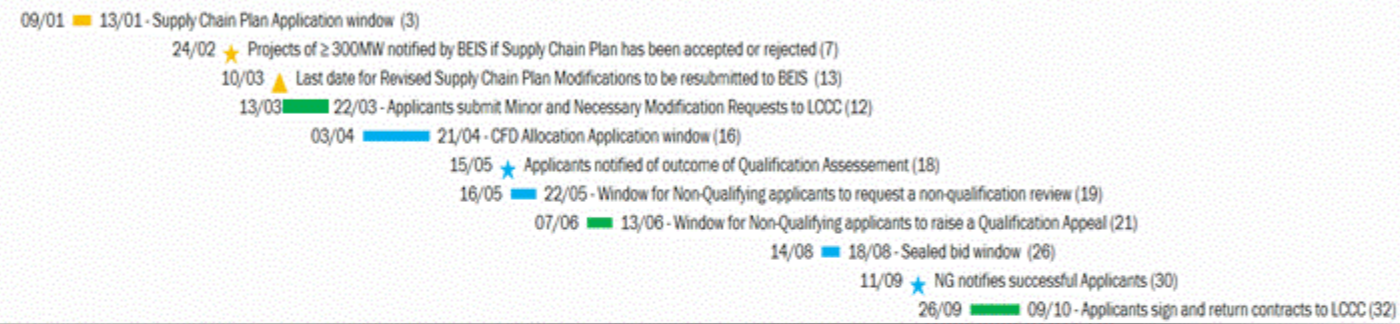
CFD Implementation Plan – scenario 1



CFD Round 2 – SCENARIO 1

Jan '17 | Feb '17 | Mar '17 | Apr '17 | May '17 | Jun '17 | Jul '17 | Aug '17 | Sep '17 | Oct '17 | Nov '17 | Dec '17 | Jan '18

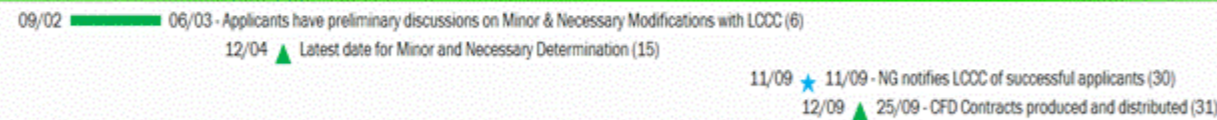
Applicants



BEIS

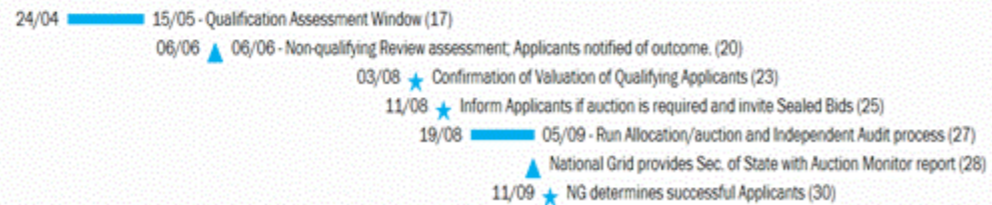


LCCC



National Grid

*NG (in its role as Delivery Body)



Ofgem



Version date: 13/03/2017

This visual shows the indicative timelines for the processes leading to the 2nd CFD Allocation Round announced on 9 November 2016, by the Department for Business, Energy and Industrial Strategy (BEIS). The dates in this Implementation Plan are underpinned by the date of the BEIS Allocation Round Notice (milestone 6). Should there be any changes to the date of publication of this Notice, then there will be consequential impacts on the rest of the dates in the plan.

This plan should be viewed in conjunction with the table within our CFD IMPLEMENTATION PLAN: ROUND 2 publication, which contains additional information on each milestone.

- Window (start, end)
- Deadline
- Publication
- Notification

Supply Chain Plan process

Contract-related processes

Allocation processes (except Appeals)

Qualification Appeals