



# AR6 ICP Webinar for Generators

27<sup>th</sup> June

[lowcarboncontracts.uk](https://lowcarboncontracts.uk)



# Logistics

## Recording

Session will be recorded.  
Slides and recording will  
be circulated shortly

## Mute and cameras

We will keep all  
participants on mute with  
cameras off



Questions welcomed  
throughout, we will answer  
them all at the end

**Duration: 60 mins**

With plenty of time for  
questions.

# AGENDA







# Electricity CfD Team

Introductions  
Team Overview

# Electricity CfD Team

**James King**  
Director Scheme Delivery

Bespoke & New Schemes

**Sarah Nuttall**  
Senior Head of Account & Contract Management



CCUS & H2 team

**Claire Daniels**  
Lead Contract Manager



**Juliet Vuong**  
Senior Contract Manager



**Colette Woodall**  
Contract Manager



**Isoboye Nonju**  
Contract Manager



**Tawfik Aboukhaled**  
Contract Manager



**Manmeet Badh**  
Contract Manager



**Louis Grimer**  
Asst. Contract Manager



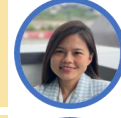
**Andrew Varnava**  
Lead Contract Manager



**Agne Bukaukaite**  
Contract Manager



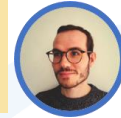
**Malika Kheng**  
Contract Manager



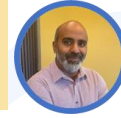
**Donella Abu-Bonsra**  
Contract Manager



**Edward Rose**  
Contract Manager



**Fattaur Rahman**  
Contract Manager



**Nicholas Froud**  
Asst. Contract Manager





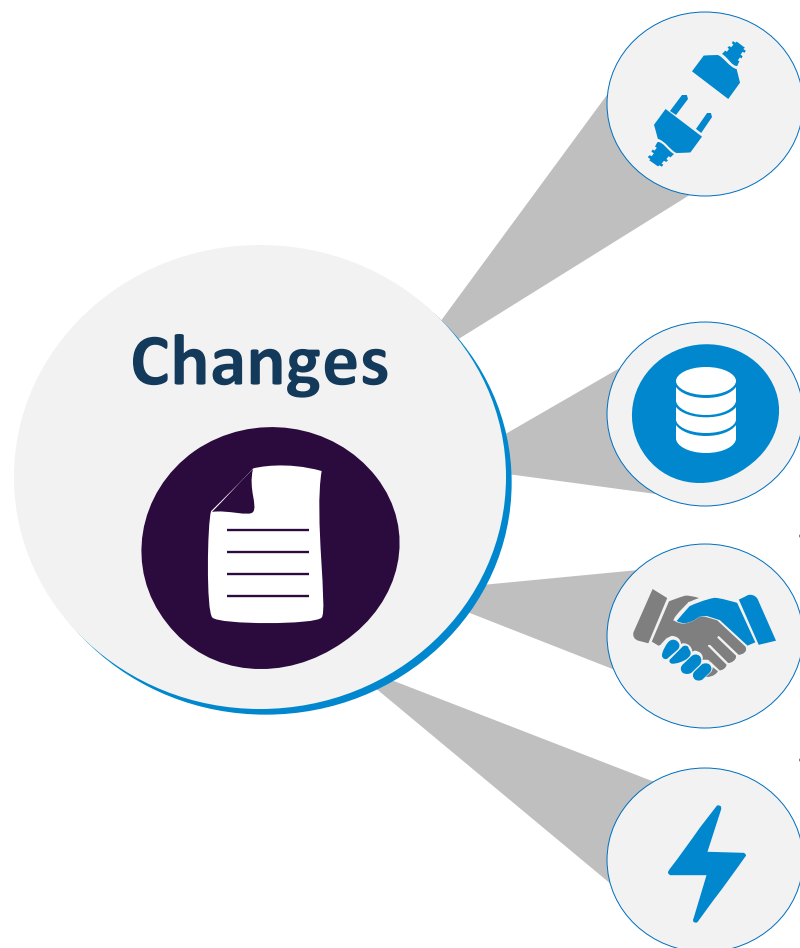


**AR6**

## **Contractual Changes**

**Sakshi Kumawat**  
Policy and Commercial  
Development Analyst

# Allocation Round 6 Terms and Conditions



## Change Control Procedure

- Introduction of a new threshold of more than 50% (a simple majority) of Generators needing to issue a Classification Objection to trigger a dispute.
- Revised dispute resolution process to achieve dispute resolution through a single process.
- Insertion of new definitions to facilitate these changes.

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## Milestone Delivery Date

- Amendments to the definition of Milestone Delivery Date that allow for extensions to the MDD where there are delays relating to potential interference between windfarms and military air defence radar.

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## Private Network Agreement

- Amendments to the Private Network CfD Agreement to make Generators that directly supply offshore oil and gas facilities ineligible for that Agreement from AR6 onwards.

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## Know Your Customer Provision (KYC)

- Strengthen the existing 'Know Your Customer' (KYC) process in the CfD contract by including further obligations upon Generators to provide specific KYC information to LCCC.



# Contract Production

How contracts will be issued and how the Generator will countersign

Slavi Stoencheva  
Legal Advisor



# Allocation Round 6 - Contract Production

## What will the contract production involve for Allocation Round 6?

- Contracts will be issued using DocuSign over a number of days. Generators will then have 10 Business Days from when the contract is issued to sign and return their CfD Agreement to LCCC. We will not accept contract signature in any other format.
- We can only issue a contract to the Generator and notified person as set out in the Allocation Report issued by the Delivery Body ESO. If the notified person has changed since the Allocation Round, please notify LCCC immediately.
- Generator's notified person will receive an email prompting them to review and sign the CfD Agreement. In certain circumstances, Generators can request a second signatory for their CfD Agreement.
- For guidance only, LCCC intends to issue the AR6 CfD contracts in a staggered manner, following the principle below:

Date	Technology Type
Day 2 – 4*	Pot 3
Day 4 – 5	Pot 2
Day 6 – 9*	Pot 1

- If you have any issues, please get in touch with LCCC as early as possible.

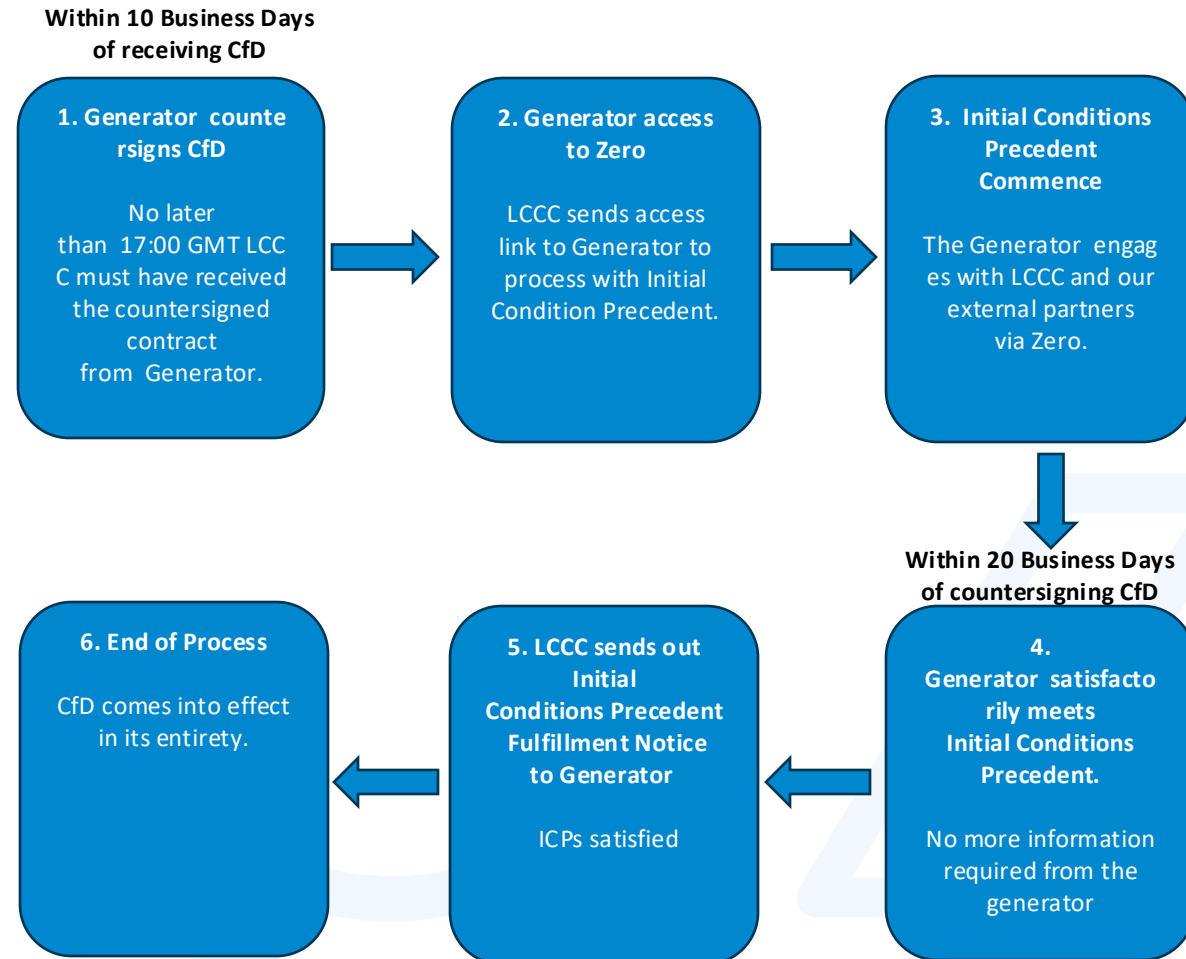
# ICP & Zero

Malika Kheng  
Contract Manager



# Initial Conditions Precedent (ICP) Overview

- ICP is the first milestone in the CfD contract.
- **Part 3 Conditions Precedent** and **Part A Initial Conditions Precedent** of **Schedule 1 Conditions Precedent** of the Terms and Conditions of CfD detail requirements for ICP.
- Three main elements of the ICP which are always applicable are Legal Opinion, Know Your Customer (KYC), and Facility Description, known as ICP A, B & C in Zero.
- Two other elements of the ICP applicable only for certain technologies and sites include Electricity Storage Facility and Physical Separation Requirement for Advanced Conversion Technology.
- Failure to fulfil the ICP within **20 Business Days** risks termination of the CfD.
- For further support, ICP Guidance document is available on our website—[Initial Conditions Precedent \(ICP\) Guidance - AR6 - Low Carbon Contracts](#).





# Zero Overview



[Redacted] (the "Generator")  
[Redacted]

By Email to: [Redacted]  
Electronic copy sent to [Redacted]

Our Reference: [Redacted]  
Dated: [Redacted]

Dear Generator,

**CfD Contract -** [Redacted]

## Re: Initial Conditions Precedents (ICPs) relating to your CfD contract

We have received the CfD notification for the Contract for Difference Allocation Round [Redacted] referred to in Regulation 9(3) of the Contracts for Difference (Standard Terms) Regulations 2014 (as amended) (the "**Regulations**") and accordingly will be offering you a Contract for Difference ("**CfD contract**") for your CfD unit [Redacted].

The Low Carbon Contracts Company Ltd (LCCC) will be the contractual CfD Counterparty to your CfD contract and we have published an **Initial Conditions Precedent guidance** document to assist you through the process of completing the ICPs which can be found in [Initial Conditions Precedent \(ICP\) guidance | Low Carbon Contracts Company](#).

To submit the information required to fulfil ICPs you will be using a LCCC digital platform called **Zero**, and we ask that you check this application regularly and that all documents are submitted via Zero and not by emails. All data will be held in accordance with the confidentiality provisions of your CfD contract and processed in compliance with data protection legislation.

A link to Zero will be sent to you from [no-reply@mail.zero-lccc.uk](mailto:no-reply@mail.zero-lccc.uk) shortly after you have signed and returned your CfD contract via DocuSign. You will also receive notifications and updates from us via Zero, so please ensure that this email address is saved in your direct mail contacts to avoid communications going to spam/junk.

Low Carbon Contracts Company Ltd, 10 South Colonnade, Canary Wharf, London E14 4PU  
T: 0208 187 9308 W: [www.lowcarboncontracts.uk](http://www.lowcarboncontracts.uk) E: [info@lowcarboncontracts.uk](mailto:info@lowcarboncontracts.uk)  
Company registration no: 8818711. VAT Number: 227 7014 21.  
Registered office: 10 South Colonnade, Canary Wharf, London E14 4PU

- When awarding the CfD contracts, a welcome letter (left picture) will be sent from [zero@lowcarboncontracts.uk](mailto:zero@lowcarboncontracts.uk).
- Once Generators sign their CfD, a link to Zero will be sent from the same email address.
- After Generators log into Zero, tasks relevant to the contract like ICP A, ICP B and ICP C will appear in a similar way to the picture above.
- Generators must use this platform to communicate with LCCC and our partners in relation to ICPs.
- Any documentation or information requested of Generators must be submitted via Zero only, and not emails.

# Legal Opinion

Samuel Dickinson  
Senior Legal Advisor



# Legal Opinion

- Schedule 1 (Conditions Precedent) Part A (Initial Conditions Precedent) paragraph A requires an external law firm to provide a legal opinion confirming the Generator:
  - is **duly formed and validly existing** under the laws of the jurisdiction of formation; and
  - **has the power to enter into and perform the CfD** and has **taken all necessary action to authorize** such entry into and performance.
- Generators must use one of LCCC's three templates (England and Wales, Scotland, and Northern Ireland), with the only tailoring allowed to include specific details of the Generator.
- The template legal opinion is set out in Appendix 1 of the [ICP guidance document](#).
- Minor and necessary changes may be proposed if the Generator is incorporated in a jurisdiction outside of UK but must be satisfactory to LCCC. All such alternative forms of wording must provide equivalent assurance to the wording and be submitted in draft form to the LCCC via Zero for consideration.
- Whatever jurisdiction the Generator is incorporated in, the governing law of the legal opinion must be English law to align with the CfD governing law.
- The legal opinion must be dated on or have a date which is within twenty (20) Business Days after the Generator has signed the CfD, but must not contain a date which is more than three (3) Business Days prior to receipt of the legal opinion by LCCC.





# Know your Customer (KYC)

**Emily McGoohan**  
**Lead Operational Assurance Manager**

# Know Your Customer (KYC) information

**This is a process by which LCCC must be satisfied of the legal identity, ownership and control of the Generator**

LCCC's Contract Manager will initiate the KYC checks on behalf of the Generator.

The Contract Manager will be available during the process to provide guidance.

KYC checks are outsourced to industry expert PwC.

PwC primarily use public sources of information, however they might request supporting information directly from Generators.

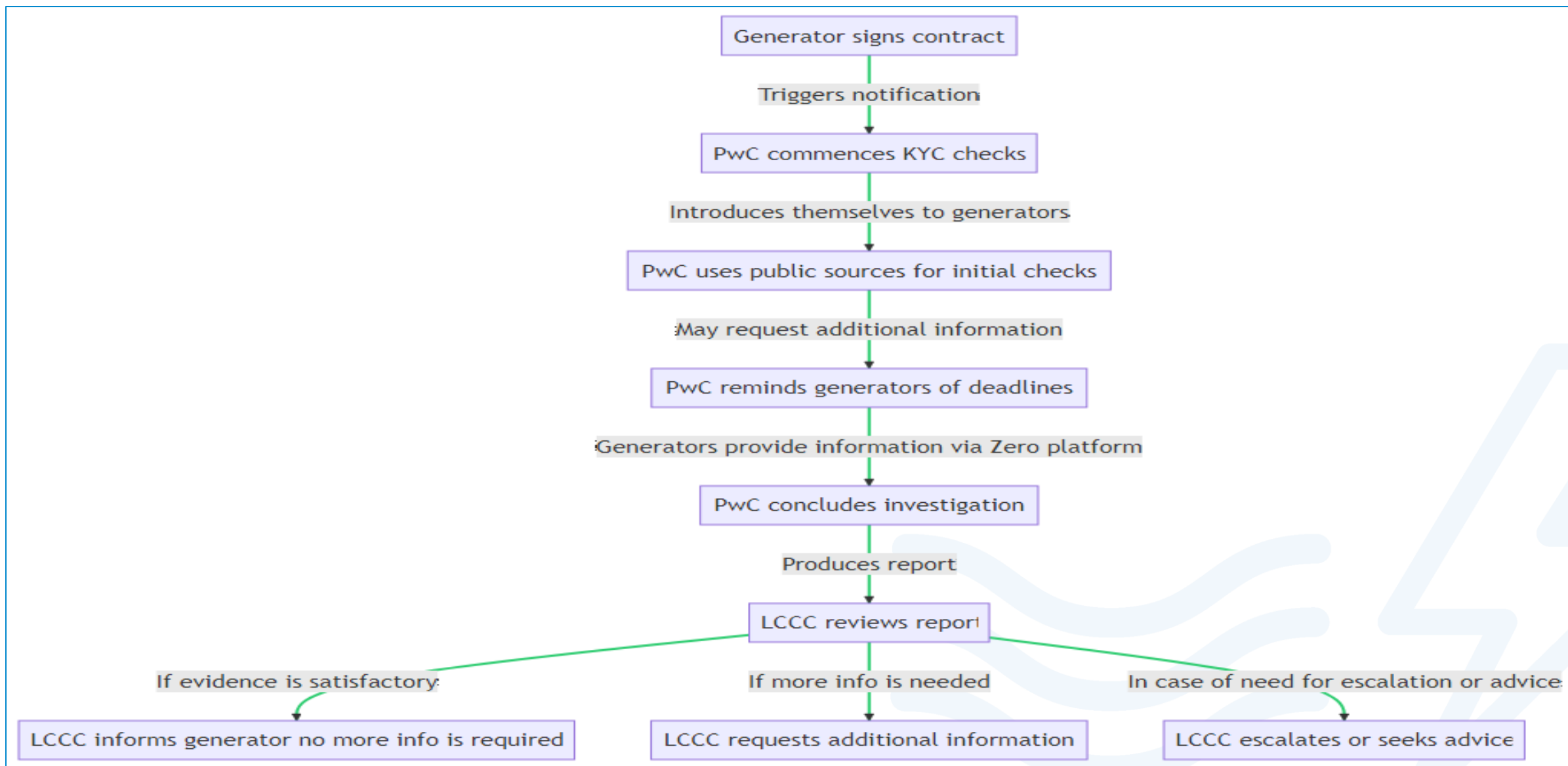
All requests for information will come directly from PwC. Generators don't need to provide any forms up-front.

Any information requested must be submitted exclusively via LCCC's digital platform Zero.

All data will be held within the provisions of the contracts and processed in compliance with data protection legislation.

Additional details and some examples of the type of evidence we may request from generators is available in the [ICP Guidance](#)

# Know Your Customer (KYC) Process outline





# Facility Description

Isoboye Nonju  
Contract Manager



# Facility Description overview

**What is a Facility:** ...means [the generating facility comprising all assets (including all generating Units but excluding all assets forming part of an Electricity Storage Facility) which are used (or intended to be used) to generate or deliver electricity...

- Inverters
- Panels
- Turbines
- Balancing Mechanism Units (BMUs)
- Meters
- Co-ordinates
- Energy Conversion Modules
- Electrical Collector systems
- Feedstock quantum

A 'Facility Description' is required as part of the Initial Condition Precedent Part A (paragraphs C, D & E) of Schedule 1 (Condition Precedent)

Paragraph C – all Generators

Paragraph D – Generators using any Electricity Storage Facility

Paragraph E – Specific to Advanced Conversion Technology (ACT)



# General Rules in preparing Facility Description

Must be:

- I. clear and concise and address the requirements

Must **not**:

- I. be vague or ambiguous in references to assets, location, or Material Equipment,
- II. simply reference the aerial view of the Facility, for example “see map provided...”, or
- III. contain qualifications or disclaimers, for example “the area may change depending on...”.





# Details of assets comprising the Facility (para C (i))

Ref	Question	Answer
1	Expected Start Date	[DD-MMM-YYYY]
2	Net Capacity (MW)	5MW
3	Parasitic/Auxiliary Load of the Facility (%)	20%
4	Electrical Losses of the Facility	0.5%
5	Is storage co-location present?	No
6	Capacity of the battery	N/A
7	Do you intend to enter the battery into the Capacity Market?	N/A

A statement on the total Net Capacity of the Facility

Indication of the assumed Facility wide parasitic/auxiliary loads

Indication of the assumed Facility wide electrical losses

14	Location	The Facility site is located in Hexham, England, approximately 23 miles west of Newcastle and covers an area of approximately 37.2 ha. The PV array will be located on a plot of land leased from Northumberland County Council.
15	Configuration	The Facility is a ground-mounted solar photovoltaic (PV) array featuring 111,111 crystalline modules each with a capacity of 450Wp totalling an installed capacity of 50MW

16	Main Assets	<ul style="list-style-type: none"><li>• 111,111 x 450Wp PV modules arranged into strings consisting of c.30 modules connected in series</li><li>• 182 x 225kW string inverters;</li><li>• Fixed tilt mounting structures with precast concrete foundations;</li><li>• 11 x 415V distribution boards containing low voltage protection devices which aggregates the output from the string inverters;</li><li>• 11 x 4.5MVA 0.4kV/33kV step up transformers;</li><li>• 11 x 630A 33kV Ring Main Units (RMUs)</li><li>• 1 x site meteorological station (including pyranometers and thermometers);</li><li>• site substation which features a 50MVA</li></ul>
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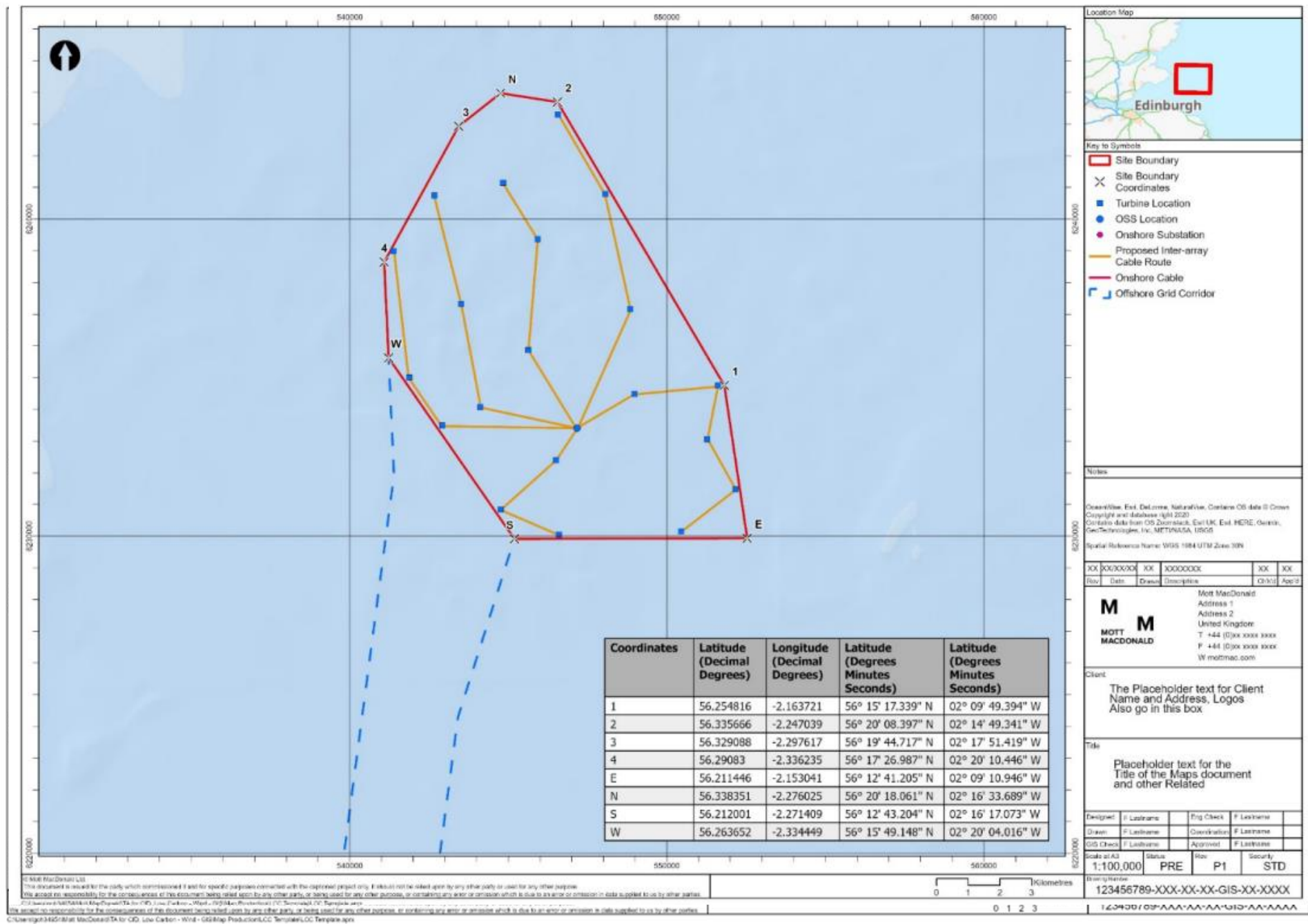
33kV/275kV step up transformer and contains metering and protection equipment; and

- 1 x 275kV 5km underground feeder cable connecting into the [Transmission System Operator (TSO)/ Distribution Network Operator (DNO)] substation.

# Example Solar



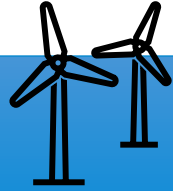
Example of  
Floating  
Wind





# Technology Specific Examples

Generators should also provide the required information in relation to the relevant generating technology



## Onshore Wind & Offshore Wind *(as a minimum)*

- the number of turbines and the expected nameplate capacity of each turbine (expressed in MW)
- the relevant Offshore Transmission System assets (clearly identified as Offshore Transmission System assets)
- expected capacity of the electrical collector system(s)



## ⏻ Floating Offshore Wind

- As above plus
- the foundation system and mooring system for both the WTGs and the relevant substation(s),
- accompanying water depth chart with written explanation & confirmation that depths are greater than 45 meters.



## Solar *(as a minimum)*

- the total number and rating of panels, and
- the type / configuration, total number and size of inverters.

*\*thermal (inc. ACT) and Tidal are further covered in the Published Guidance*

# Boundaries & Phased Projects – offshore wind

- Adjusting the boundaries or coordinates of a project within the extreme boundaries of the total area.
- For phased projects, you can state the co-ordinates for your entire unit
- Facility Descriptions on phased projects will have common factors, but also those specific for the CFD signed/phase. The specific boundary of the CFD unit is relevant to each CFD contract and the assets specific to that Facility Description

- The common assets:

- Onshore cable route
- Cable route to shore
- Offshore substation platform (OSP) – depending on configuration

- Merchant capacity outside the CfD

Wind farm extreme co-ordinates			Phase 1 extreme co-ordinates		
	Decimal Degrees <sup>31</sup>				
Coordinate	Latitude	Longitude	Coordinate	Latitude	Longitude
N	55.130	2.218	Northerly Corner	54.985	2.214
E	54.971	2.502	Easterly Corner	54.957	2.478
S	54.839	2.263	Southerly Corner	54.839	2.263
W	55.011	1.955	Westerly Corner	54.924	2.156

Wind farm extreme co-ordinates			Phase 2 extreme co-ordinates		
	Decimal Degrees <sup>31</sup>				
Coordinate	Latitude	Longitude	Coordinate	Latitude	Longitude
N	55.130	2.218	Northerly Corner	55.072	2.057
E	54.971	2.502	Easterly Corner	54.985	2.214
S	54.839	2.263	Southerly Corner	54.871	2.206
W	55.011	1.955	Westerly Corner	55.011	1.955

Wind farm extreme co-ordinates			Phase 3 extreme co-ordinates		
	Decimal Degrees <sup>31</sup>				
Coordinate	Latitude	Longitude	Coordinate	Latitude	Longitude
N	55.130	2.218	Northerly Corner	55.130	2.218
E	54.971	2.502	Easterly Corner	54.971	2.502
S	54.839	2.263	Southerly Corner	54.954	2.358
W	55.011	1.955	Westerly Corner	55.072	2.057

# Electricity Storage (paragraph (D))

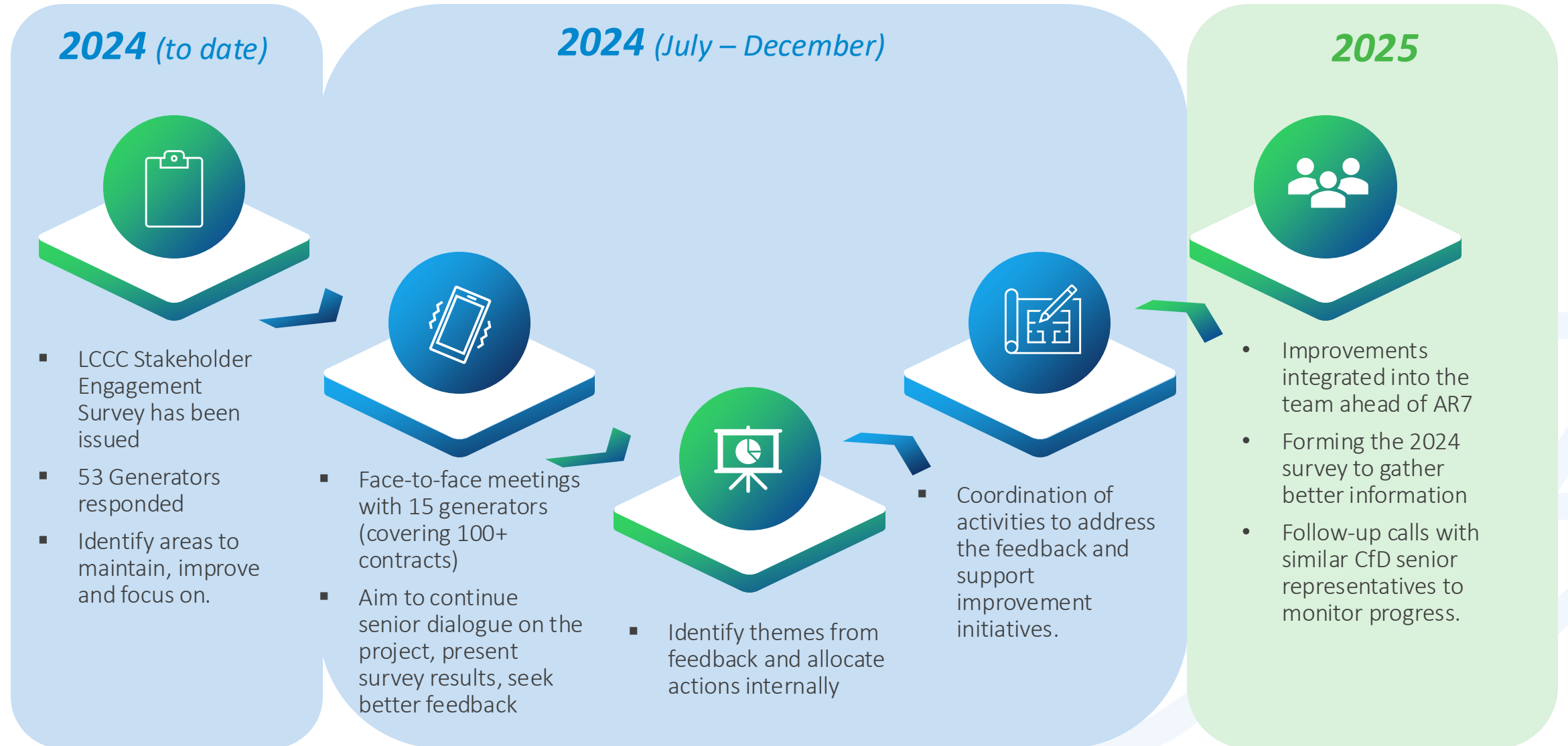
- Paragraph (D) requires Generators to provide a statement of whether the Facility is, or is not, intended to use or be associated with an Electricity Storage Facility. If yes, Generators must provide:
  - a description of any Electricity Storage Facilities, including details of any assets relating to Electricity Storage or Electricity Storage Facilities which are intended to be located within the Facility site and/or be used by or associated with the Facility,
  - a statement as to whether the Facility Metering Equipment (including any BM Units associated with the Facility) are, or will be, separate from and not also constitute the metering equipment (including any BM Units) associated with any Electricity Storage Facilities, and
  - a brief description is required as to how it is intended that such Electricity Storage would operate



# Stakeholder Engagement

**Nicholas Froud**  
Assistant Contract Manager

# The Stakeholder Engagement Journey




# 2023/24 Stakeholder Survey



- 53 of the responses were from CfD Generator, up from the previous survey number of 49 CfD Generators.

- 84% of Generators would speak 'highly' about LCCC

2019	2020	2021	2022	2023	2023/24
33%	47%	69%	81%	68%	84%



- Positivity about LCCC has grown from 68% in Spring 2023 to 84% in Winter 2023/4



- 71% of Generators in their first year of working with LCCC/ESC would speak highly of LCCC, up from the previous survey's 57%.
- 98% believe that LCCC plays an important role in delivering the UK's goals for secure, affordable and sustainable electricity, up from the previous survey's 90%.
- 88% of our shareholders believe LCCC should have an important role in advising on the delivery of sustainable, affordable and secure electricity



# Future Events



AR6 generator welcome events will take place in two locations; London and Edinburgh. Both events are due to take place at the end of November.

Upon a successful AR6 bid you will automatically be invited to the events.



These in person events will provide an insight too;

- LCCC
- Meet the Contract Management team
- Milestone Delivery Date (MDD)
- Networking lunch
- Q&A



**ANY  
QUESTIONS?**

# Get in touch

If you have any feedback or suggestions on how can improve our future webinars, please send them our way



[info@lowcarboncontracts.uk](mailto:info@lowcarboncontracts.uk)



[www.lowcarboncontracts.uk](http://www.lowcarboncontracts.uk)

THANK YOU