

Appendix - Allocation Round 8 - Changes and Implications for Bid Strategy

The changes made are organised by those which:

- apply generally and could impact bid strategy
- apply to a specific technology
- are administrative in nature

Changes which apply generally and could impact bid strategy

Change	DESNZ stated rationale	Implication for bidders
Extending Secretary of State visibility of anonymised sealed bids from fixed bottom offshore wind to solar PV, onshore & remote island wind, FLOW and ODOW. These applicants may submit only one sealed bid.	Final budgets for each pot are informed with sight of the bids above the initial budget enabling the optimisation of pot budgets to capture any good value projects. Visibility of solar and onshore wind in particular with their shorter delivery times could support progress for Clean Power 2030.	A bid which might not get awarded a CfD under the initial budget could still be successful if it is viewed as good value. This slightly improves the likelihood of being awarded a CfD but cannot be relied upon. Removal of flexible bids places more emphasis on single bid price strategy, it's "all or nothing" which could have a downward impact on clearing price.
Separate clearing prices can be applied within pots based on specific factors: • Technology • Location (Offshore Wind only) • Repowering status • Project size The locational constraint is for Offshore Wind only and confirmed in the Pot and Price Notice as either Scotland or England/Wales (unchanged from AR7a). The other factors will be confirmed in the Contract Budget Notice (expected	This is intended to address different cost profiles for the same technologies within a pot depending on the factors listed. For example, a repowering project may have cost advantages vs a new project and the government may choose to apply a separate clearing price to repowering projects, with new projects receiving a different (higher) price.	This separates competition within pots/ technologies and, all else being equal, may result in lower clearing prices. The application of the factors listed (except for location) will be confirmed c. 2 weeks before the sealed bid window opens so bidders need to be prepared to adjust their bid strategy as necessary, e.g. if the project being bid proves to be just above or below a cut off on project size.

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between Sep and Nov 2026), 2 weeks before the bid window opens.		Location has been confirmed as only applying to Offshore Wind and, as in AR7a, is defined as a distinction between Scotland and England/Wales.
Gate 1 Connection Point and Capacity Reservation ('CPCR') or Gate 2 connection agreements are required at the point of application with an exception for projects below Transmission Impact Assessment thresholds. For AR8 only, status may be evidenced by Gate 2 to Whole Queue (G2tWQ) Notifications and an existing connection agreement.	Standard Gate 1 projects lack sufficient certainty on connection date to offer delivery confidence. Gate 1 CPCR projects are allocated a position in the queue and will receive a connection date with their offer and are therefore viewed as more akin to Gate 2 projects.	AR8 applications are already under review. Future applicants require Gate 1 CPCR or Gate 2 connection agreements where above Transmission Impact Assessment thresholds (5MW in England & Wales, 200kW in Scotland).
The temporary AR7 restriction on capacity surrendered* under prior ARs bidding into new ARs is now made permanent. *via 'Permitted Reduction' or 'Final Installed Capacity' mechanisms	Allowing surrendered capacity to bid could reduce value for money by delaying deployment and potentially obstructing new capacity.	This is the same as AR7 so no change to bidder strategy. Capacity can be awarded a CfD once. If it is reduced post-award it is excluded from subsequent allocation rounds. Developers need to ensure the price bid is sufficient to deliver the project under downside scenarios, or they risk losing a vital route to market and critically impairing the project's value.
Allowing hybrid metering where same-technology CfD and merchant assets can share a Balancing Mechanism Unit.	Reduces duplication of metering infrastructure, adds flexibility for additional merchant capacity and improves site efficiency.	Increases flexibility to keep a proportion of a project's capacity exposed to merchant prices by removing the drag of duplicated infrastructure. Guidance has been published by LCCC here: LINK
Requiring near real-time metering access for distribution-connected	Intended to prevent generators delaying the CfD start date while operating on a merchant basis - metering access will	This extends the UCON measure to projects connected to the distribution network, this is

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generators from the point of meter installation.	allow LCCC to determine if operations, and hence the CfD, have commenced.	designed to minimise or eliminate 'merchant nose' periods.

Changes which apply to specific technologies

Change	DESNZ stated rationale	Implication for bidders
'Longstop Period' for floating offshore wind ('FLOW') projects extended to 24 months and the 'Required Installed Capacity' threshold reduced from 95% to 85%.	Changes intended to assist FLOW projects managing greater construction, weather, port and supply chain risks.	Increases flexibility in timeline and capacity, aligning these contractual terms with fixed bottom offshore wind.
Creating a new ODOW technology category.	To distinguish innovative deepwater foundations which do not meet the existing FLOW definition from established fixed bottom technologies.	Developers of ODOW projects can potentially access higher strike prices than competing with fixed bottom projects.
Delivery year extensions for solar and wind to 2030/31.	To better reflect the growing scale, complexity and extended lead times of projects.	Increases eligible capacity which may have downward pressure on clearing prices.

Changes which are administrative in nature

Change	DESNZ stated rationale	Implication for bidders
Removing default bids (at the Administrative Strike Price, 'ASP') for qualifying applicants who do not submit a sealed bid, instead treating these as withdrawn.	To encourage bidders to submit their true viable price and reduce the risk of speculative or unviable projects receiving CfDs at the ASP.	Only impacts successful applicants who do not submit a bid and is unlikely to impact budgets or clearing prices.
Amendment of 'Inside Information' in T&Cs to align with current UK Market Abuse Regulation legislation.	Reflects changes since Financial Services and Markets Act 2000, provides legal clarity.	Update of legal definition. Application may extend beyond the generator to members of their corporate group.