

Renewable Generators
Interested parties

Email: REDevelopment@ofgem.gov.uk

Date: 29 June 2015

Dear Generator,

**CONSULTATION ON DRAFT GUIDANCE: OFFTAKER OF LAST RESORT (OLR):
ESSENTIAL GUIDE FOR RENEWABLE GENERATORS**

We have published our draft guidance 'Offtaker of Last Resort (OLR): Essential Guide for Renewable Generators' today for a six-week consultation period. It is available to view below.

We invite you to give feedback on the draft guidance. The closing date for responses is 10 August 2015.

The draft guidance explains how we will administer the OLR scheme from 1 October 2015, the date the scheme opens to generators. The document has been drafted as if the Power Purchase Agreement Scheme (Amendment) Regulations 2015 are already in force.

Please note that the Essential Guide refers to the Ofgem Tendering Portal and a related handbook. We will publish the handbook on how to use this system in due course. The portal will be available from 1 October 2015. The OLR phone line is not live yet but we will publish the phone number in the final version of the Essential Guide.

How to respond

The purpose of this consultation is to get your views on how we propose to administer the OLR scheme as well as the clarity of this guidance and the associated templates. In responding, please answer:

- Question 1: Having read the document, are you clear about the responsibilities each party has?
- Question 2: Are the timings for certain activities in the OLR process, their dependencies and the consequences of not meeting certain deadlines clear?
- Question 2: Do you believe any part of the process has not been sufficiently covered in this document?
- Question 4: Are you satisfied with our proposed approach to handling potential errors or omissions in Project Information brought to our attention during the BPPA auction?

Please be aware that this is not a consultation on the policy behind the scheme but on how Ofgem intends to administer it within the confines of the Regulations¹. Direct any queries about the policy to the [Department of Energy & Climate Change](#).

Send your responses to either:

REDevelopment@ofgem.gov.uk, or

RE Development Team
Ofgem
9 Millbank,
London SW1P 3GE

It would be helpful if you could submit your responses electronically and in writing.

If you want us to keep your response confidential, please clearly mark the document/s to that effect and include your reasons for requesting confidentiality. (However, this may be subject to any obligations to disclose information, for example, under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004).

Consultation feedback

We are keen to consider any comments or complaints about how this consultation has been conducted. If you have any comments about the overall process which was adopted for this consultation, please send these to:

Andrew.macfaul@ofgem.gov.uk, or

Andrew MacFaul
Consultation Co-ordinator
Ofgem
9 Millbank
London
SW1P 3GE

Yours faithfully,

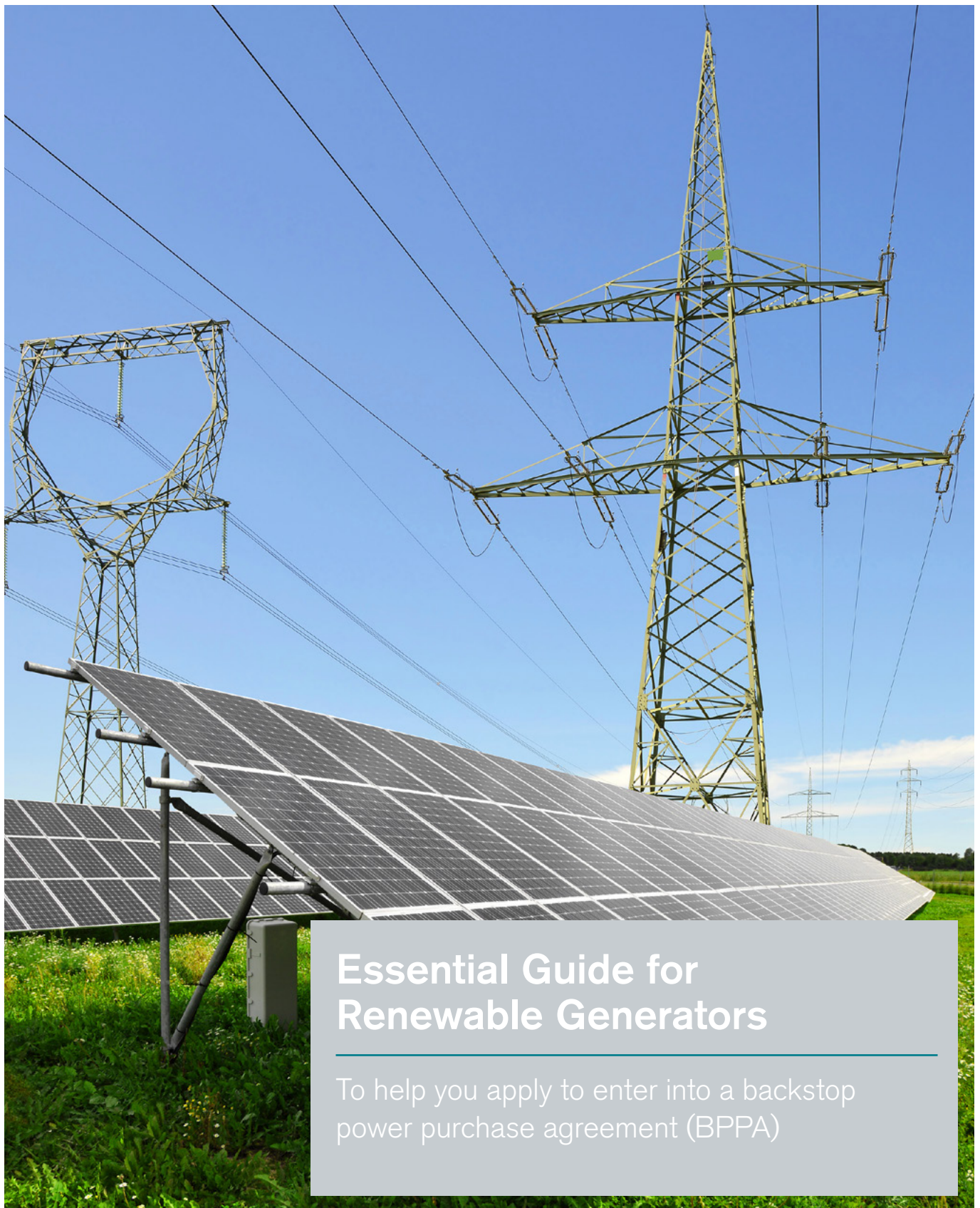
Renewable Electricity Development Team

¹ The Power Purchase Agreement Scheme Regulations 2014, [S.I.2014no.2511](#), as will be amended by The Power Purchase Agreement Scheme (Amendment) Regulations 2015, S.I.2015no.1412 which were laid in parliament 25 June 2015.

Offtaker of Last Resort (OLR)

www.ofgem.gov.uk/olr

DRAFT June 2015



Essential Guide for Renewable Generators

To help you apply to enter into a backstop
power purchase agreement (BPPA)

Essential Guide for Renewable Generators

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Section 1

About this guide

This essential guide gives electricity generators interested in Backstop Power Purchase Agreements an overview of the Offtaker of Last Resort (OLR) scheme, and details on eligibility and how to apply for the scheme.

This guidance is complemented by the documents listed below. It is not a definitive technical or legal guide to the OLR scheme.

This is a draft document which we have published for consultation. Information about the consultation can be found on our [website](#).

Associated documents

The following associated documents provide additional useful information for generators:

- [Introduction to the Offtaker of Last Resort](#)
- [How to submit Project Information for the OLR](#)
- Ofgem Tendering Portal: OLR Generator Handbook
- Record of Ineligible Generating Stations
- Power Purchase Agreement Scheme Regulations 2014¹
- Condition 38A of the [Electricity Supply Standard Licence Conditions](#)

Other documents in this series include:

- [Essential Guide to the OLR for Licensed Suppliers](#)
- Ofgem Tendering Portal: OLR Supplier Handbook

Key terms

Us

All references to 'us' in this document refer to Ofgem, the Office of the Gas and Electricity Markets Authority (GEMA).

You

All references to 'you' refer to a person who operates or participates in the operation of a generating station – an electricity generator, as defined in Regulation 2 of the Power Purchase Agreement Regulations 2014.

Supplier

All references to a 'supplier' refer to an organisation in possession of a license granted by us to supply electricity under section 6 (1)(d) of the Electricity Act 1989, or an authorised signatory who can act on behalf of that organisation.

Explanations of all terms highlighted in bold throughout this document are given in the Glossary.

Contact us

You can contact the OLR team by emailing OLR@ofgem.gov.uk.

¹ [S.I.2014 no 2511](#), as will be amended by The Power Purchase Agreement Scheme (Amendment) Regulations 2015, S.I.2015no.1412 which were laid in parliament 25 June 2015.

Section 2

Scheme overview

What is the Offtaker of Last Resort (OLR) scheme?

The OLR scheme is designed to help eligible generators by providing an alternative route to market for their electricity. It does this by facilitating a backstop power purchase agreement (BPPA) between the generator and a supplier via a competitive auction process.

As its name suggests, it is intended as a last resort to help generators who cannot get a power purchase agreement through the usual commercial routes. So the electricity generated under a BPPA is sold at a specified discount below the market reference price.

The **scheme is only available to renewable generators with an Investment Contract or a Contracts for Difference (CFD) contract**. These generators must also meet specified eligibility requirements as outlined in section 3.

The OLR scheme is part of the wider [Electricity Market Reform](#) programme introduced by government.

Overview of the OLR process

The OLR process is the application and auction process facilitated by us. There is an overview of how this process will run here. Further details on each stage are in sections 4 and 5 of this guide.



Please note, for the process to be completed in line with the timings shown, you must provide full and accurate project information in the second step and chose the earliest possible BPPA commencement date. The step-by-step guide which follows explains why, and by how much, the timeline may be extended.

* Application timelines are based on working days. See the Glossary.

Your role

Activation of the OLR process begins when you correctly submit a valid **expression of interest** to us.

During the OLR process, you should ensure that you:

- comply with the requirements in the legal bases for the OLR scheme
- follow the guidance in this document, and the associated documents for generators
- submit complete, true and accurate project information to help us determine eligibility, and allow suppliers to make an appropriate bid.

Our role

As administrators of the OLR scheme, our primary role is to help you to enter into a BPPA. We do this for you by:

- assessing your eligibility
- liaising with licensed suppliers
- running a BPPA auction.

We also determine each year which suppliers are to be mandatory licensed suppliers and run OLR levelisation, if required.

What else will we do?

In addition, we will communicate with you at key milestones in the process to keep you informed of progress, and to remind you of actions that are required.

We are also available by email or phone (in standard working hours) if you have questions about the OLR process and what you should do.

Please note, the Ofgem tendering portal which is used for OLR auctions has a dedicated external helpline should you experience any difficulties. We will provide

an additional guide to explain how to use the Ofgem tendering portal in due course. The portal will be available from 1 October 2015.

Deadlines

Strict statutory deadlines apply to everyone involved in the OLR process, generators, suppliers and Ofgem².

The OLR scheme is designed so that a BPPA can be entered into very quickly. Deadlines are essential to keeping everything moving and failing to meet them may affect the future eligibility of your generating station.

Further details on eligibility are in section 3. Details of the timings that apply to each section of the process and important deadlines that apply to you are provided in sections 4 to 6.



The law

The legislative bases for the OLR scheme are the Power Purchase Agreement Scheme Regulations 2014³ ('the Regulations') and condition 38A of the [Electricity Supply Standard Licence Conditions](#) ('the SLCs').

Ofgem takes a zero tolerance approach to fraud. We have a dedicated Counter Fraud team who investigates allegations of suspected fraud and will seek to refer the matter to the relevant authorities where appropriate.

² Please be aware, certain deadlines that apply to us may be modified in exceptional circumstance as set out in the Regulations. We will notify you if such modifications are required.

³ [S.I.2014 no 2511](#), as will be amended by The Power Purchase Agreement Scheme (Amendment) Regulations 2015, S.I.2015no.1412 which were laid in parliament 25 June 2015.

Section 3

Eligibility criteria

The following criteria, as set out in the relevant electricity supply standard licence conditions (SLCs), must be met in order for an electricity generator to be able to enter into a Backstop Power Purchase Agreement (BPPA) in respect of a generating station.

(a) Your generating station:

- i. must be an **eligible generating station** as defined in the relevant SLCs
- ii. must be in Great Britain, in the territorial sea adjacent to Great Britain, or in a **renewable energy zone**
- iii. must not be subject to an existing BPPA, unless the existing BPPA is due to expire or terminate on or before the **preferred BPPA commencement date** of the new BPPA being applied for
- iv. cannot have been subject to a previous termination of a BPPA, initiated by and if contested successfully settled⁴ in favour of, the **Offtaker**

(b) With respect to the generating station, you:

- i. must be party to a **Relevant Contract** which was entered into before any OLR scheme closure date
- ii. must be party to a Relevant Contract with a **Contract Commencement Date** which is on or before the date you submit your expression of interest.
- iii. must not have (nor any previous party to the Relevant Contract has) previously withdrawn an **Expression of Interest** after submitting the **Statement of Confirmation**.

The Expression of Interest and Statement of Confirmation are components of your application. Chapter 4 gives more details on these.

- iv. must not have (nor any previous party to the Relevant Contract has) previously failed to enter into a BPPA with respect to the generating station within three days of having received a BPPA contract signed by a supplier.
- v. must not have (nor any previous party to the Relevant Contract has) failed to comply within five days with a notice from us requiring the submission of further **Project Information**
- vi. must not have (nor any previous party to the Relevant Contract has) failed to comply within five days with a notice from us concerning an error or omission identified during the OLR auction.
- vii. must be seeking to enter a BPPA for:
 - the total amount of the **Final Installed Capacity** (FIC), where the generating station has a FIC of less than 100MW, or
 - at least 50% of the FIC, where the generating station has a FIC which is equal to or more than 100MW.

Anything else?

Please note, **eligibility cannot be determined if you have failed to submit all of the Project Information**. All information must be presented in the specified format. In section 4 there are details on how to apply.



⁴ See page 7 for full details on what we mean by successfully settled.

What is the record of ineligible generating stations?

The record of ineligible generating stations for OLR is a public record which lists stations which are not eligible to enter into a BPPA as a result of previous OLR scheme activity relating to the generating station.

We advise that you check your generating station does not feature on this list before you apply for a BPPA. We will publish the record of ineligible generating stations on our website by 1 October 2015.

A generating station which is included on this list will be ineligible for the duration of the Relevant Contract it is subject to.

Why will a generating station be added to the record?

Certain circumstances will result in us adding a station to the record of ineligible generating stations. We will do this if:

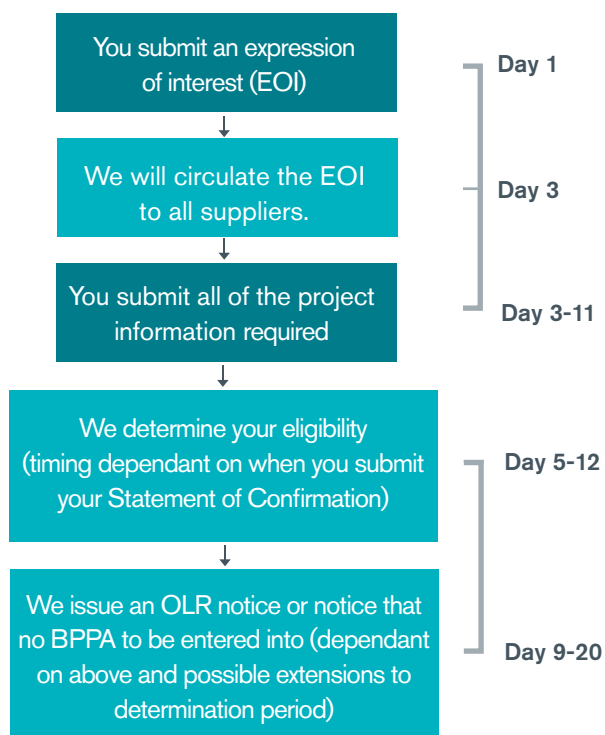
- a. An electricity generator in respect of a generating station:
 - i. fails to comply with a notice from us during our eligibility determination which requests further project information
 - ii. fails to comply with a notice from us during the OLR auction relating to a potential error or omission
 - iii. withdraws an Expression of Interest following submission of the Statement of Confirmation
 - iv. fails to enter into a BPPA within three days of receiving from us a copy of the BPPA signed by a licensed supplier following a BPPA auction.

- b. A BPPA is terminated by the Offtaker exercising a right of termination under the BPPA in its favour, and
 - i. the electricity generator did not begin court proceedings in respect of the exercising of that right, or
 - ii. having begun proceedings, the electricity generator discontinued them, or final judgement⁵ in proceedings was given in favour of the Offtaker.

⁵ A judgment is final if not appealed against, or if appealed against, when the appeal has been disposed of. See regulation 6(7)-(8) of the Regulations.

Section 4

How to apply



- b. the **Final Installed Capacity** of the generating station
- c. if the electricity generator is seeking a BPPA in respect of a proportion of the Final Installed Capacity, the total amount of capacity (expressed in MW) for which a BPPA is sought
- d. the location and **GSP Group**⁶ of, and technology used by, the generating station
- e. the agreement number⁷ of the Relevant Contract that the generating station is subject to, and
- f. contact details of a minimum of two representatives of the generating station.

What happens if information is incomplete?

If we find that any information has been left out or the specified [EOI template](#) has not been used, the OLR process cannot start.

We will notify you by email and phone if this is the case. The OLR process will not begin until your EOI has been correctly submitted.

You should ensure that all the information required is accurate. Any inconsistencies between the EOI you have submitted and the Project Information provided later could prevent us from determining your eligibility.

Preliminary eligibility check

If it is immediately apparent at this stage that you do not meet the eligibility criteria we will notify you by email and phone that your EOI will not be sent to suppliers, giving reasons for our decision.

This check will be based on information provided in your EOI, or on information we already hold.

How to submit an Expression of Interest

You, the **electricity generator**, must start the process by completing the [Expression of Interest \(EOI\) template](#) and sending this to OLR@ofgem.gov.uk.

For extra assurance that the OLR team is alerted, you should phone us to notify us that you have submitted an EOI.

The EOI must contain the following information:

- a. the full name of the electricity generator (and, if applicable, the jurisdiction of its registration and registration number)

If applicable?

If you are a company of limited liability partnership that is incorporated in the UK you need to provide your company registration number and the jurisdiction of your registration.

⁶ A generating station does not have to be connected directly to a GSP Group, but if it is this information must be provided.

⁷ For contracts for difference this will be the unique identifier assigned by the LCCC. For investment contracts see regulation 16 (5)(b) of the Regulations.

EOI circulation to Suppliers

If there are no problems identified, we will circulate the EOI to all licensed suppliers by the end of the second day after we receive it.

At this time, we will contact you to confirm the EOI has been circulated, and to provide you with access details for the online OLR data room, allowing you to submit your full Project information. We will also confirm timings for the next stage of the OLR process.

Submitting Project Information

Following submission of the EOI, you have 10 days to provide us with all of your Project Information, including a signed **Statement of Confirmation**.

The information should be submitted to the data room on the Ofgem tendering portal. The Ofgem Tendering Portal OLR generators' provides detailed step-by-step guidance on how to do this.

If by the end of the 10th day following the day we received your EOI the statement of confirmation still has not been uploaded to the data room, we will send you a notice explaining that your EOI has 'expired'.

If you still wish to enter into a BPPA in respect of your generating station, you must submit a new EOI.

What exactly needs to be submitted?

The Project Information required is:

- a. a completed copy of the Project Information Schedule (contained in the [BPPA contract](#))
- b. a completed [Further Project Information template](#) which includes a confirmation of the number of BPPAs you require, and
- c. a signed [Statement of Confirmation](#) from a director of the electricity generator.

Project Information cannot be considered complete unless all of the above information is provided correctly. To avoid delays please refer to the details in the [How to submit Project Information help sheet](#).

If you provide all information required upfront and correctly, we will be able to determine your eligibility without further delay. If we find information is missing, this will extend the eligibility determination process.

Additional Information

You may wish to provide any additional information which you anticipate could be helpful to suppliers during the OLR auction. If this is the case, documents should be uploaded to the portal with a document title beginning 'Additional' so it is clear to us what you have submitted for consideration as part of the required Project Information, and what is surplus to requirements.

Withdrawal

If you withdraw your EOI before a Statement of Confirmation is submitted, we will simply terminate the process, and if required, we will let suppliers know.

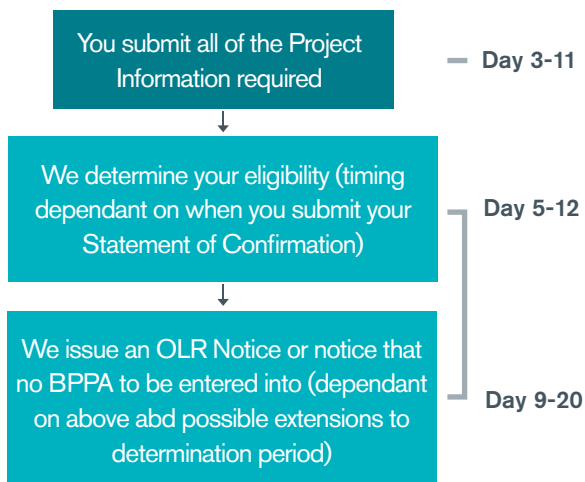
If you withdraw your EOI following submission of the Statement of Confirmation your **generating station will be put on the record of ineligible generating station** (see page 7).

If you do want to withdraw your EOI, please submit the [Request to withdraw Expression of Interest form](#) to us by email.

Determining eligibility

Timings

Your timely provision of complete Project Information is critical to ensuring we are able to open an OLR auction for you quickly.



We will determine your eligibility to enter into a BPPA within five days.

This determination period will start on the first day after either (i) four days after you submit your EOI or (ii) the day you upload your Statement of Confirmation to the data room, whichever is later.

However, our five-day eligibility determination period will be extended by:

- the number of days that we have to wait for missing information to be provided by you, and/or
- the number of additional days we have to wait if the **Low Carbon Contracts Company Ltd (LCCC)** takes longer than two days to respond to a request for information about your Relevant Contract that we send it.

We will tell you the reason for any delay and explain the impact on timelines. Once the delay is passed, we will confirm the revised timetable for the OLR process.

Missing Project Information

If we detect that Project Information is missing, we will contact you to let you know which further Project Information remains to be submitted

You should make sure you monitor your inbox closely during this period so that you can respond as quickly as possible. If you receive such a notification, you **must** provide the missing Project Information requested within five days of us telling you more information is needed.

You should be aware that if you do not provide the missing information by this deadline, no BPPA is to be entered into and **your generating station will be added to the record of ineligible generating stations** (see page 7). We will notify you of this outcome.

Making the determination

Our final determination will be based on an assessment of the following checks:

- the completeness of the Project Information, and
- whether the eligibility criteria set out in SLC 38A.8 are met.

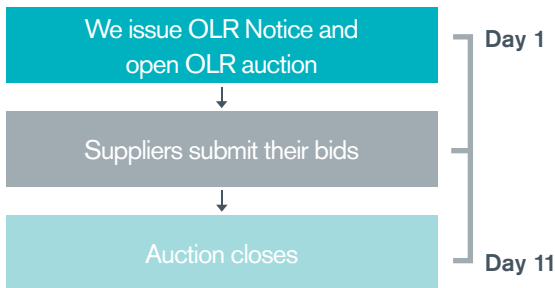
We will make this determination by reference to information provided to us or held by us for the purposes of the OLR. This includes reference to information provided to us by the LCCC.

Following our assessment, which may involve a face-to-face meeting with you if we think it would be beneficial, we will determine whether you are eligible or ineligible to enter into a BPPA.

If we determine that you are ineligible, we will notify you of this determination and provide our reasons. If we determine that you are eligible to enter into a BPPA we will open an OLR auction, see section 5.

Section 5

The auction



Note: this timeline is subject to no errors or omissions being identified during the auction, see page 12.

How the auction will run

If we determine that you are eligible to enter into a BPPA, we will circulate an OLR Notice to all licensed suppliers by the end of the eligibility determination period. We will also send you a copy to keep you informed.

This will open the OLR auction. The bidding period begins from the day after the date the OLR Notice is issued and will normally close at the end of the 10th day.

Suppliers will view your Project Information (excluding your Statement of Confirmation) on the Ofgem tendering portal and place their bids online too.

[Mandatory licensed suppliers](#) must bid in the auction. Voluntary licensed suppliers may choose to bid but do not have to.

Where the auction covers multiple BPPAs⁸, mandatory suppliers must submit a bid for each BPPA. Voluntary suppliers may if they wish bid for any number of the BPPAs available.

Your role during the bidding period

You should monitor your inbox closely and ensure that you are available to respond to requests for information during the bidding period.

More detail on why we might contact you and the deadlines that apply to the response you may need to make to us is given on page 12.

Suppliers may also contact you directly to ask additional questions before submitting their bid.

In line with your Statement of Confirmation, you should provide the requested information directly to the supplier concerned; Ofgem does not facilitate these discussions or broker negotiations. You may also wish to upload the information requested to the Ofgem tendering portal for all other suppliers to view.

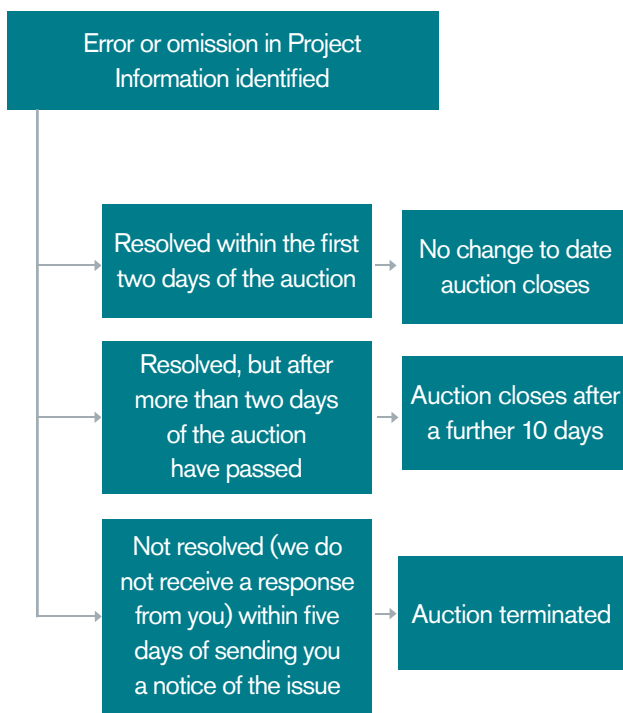
However, if questions from suppliers bring to your attention any errors or omissions in your Project Information we should be informed. Please see page 12.



⁸ Because your OLR application capacity is equal to or greater than 100MW, see our 'How to submit Project Information' help sheet.

Errors and Omissions

If we identify any errors or omissions in your Project Information it will affect how quickly the auction can close, and could even result in the auction terminating.



Problems raised by you

If, before the close of an auction, you find an error in or omission from the Project Information you submitted to us, you should let us know and provide an updated copy of the relevant part of your Project Information as soon as possible.

If you provide an updated copy within two days of the start of the auction, the auction timeline will not be delayed. However if you send an update after this, the auction timeline must be reset. The auction will run for a further 10 days starting from the date we receive your response.

If there is a material error or omission which is not brought to our attention by you and it is later detected by a supplier, it will cause greater delays to the timetable.

Problem raised by a supplier

If a supplier tells us about an error or omission, it must provide full details of the problem it has detected and evidence to support its concern.

We will assess whether the problem amounts to an error or omission that must be resolved before the auction can be closed. This is to ensure that the OLR process is not unduly delayed. Our assessment will be done in line with the indicative table in the Annex to this guide.

If as a result of the supplier communication we identify that there is an error or omission in your Project Information that must be resolved before the auction can be closed, we will ask you to send us updated Project Information or a statement confirming that there is, in your view, no error or omission.

If this situation occurs and we receive your response within two days of the start of the auction, the auction timeline will not be delayed. However if we receive your response after the first two days of the auction, the timeline must be reset. The auction will run for a further 10 days starting from the date we receive your response.

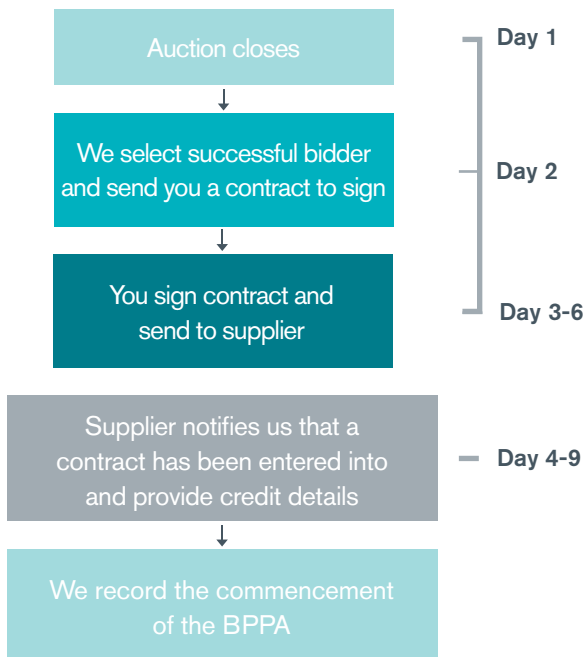
You must respond to our request within five days. If we do not receive a response in the required time we will terminate the auction.

Failure to respond in the required time will also result in your generating station being added to the record of ineligible generating stations (see page 7). We will notify you of this outcome.

We will notify all parties of any extension to the bidding period. If you have sent us updated Project Information, we will issue a revised OLR Notice providing the updated information to suppliers.

Section 6

Entering into a BPPA



Auction result

Within one day of the close of the auction, we will select the successful bidder and notify all parties of the outcome.

Selection of successful bidder

Where your generating station is connected to a GSP group, we will take no account of any bid made by a supplier that is not connected to that GSP group.

If we issue a revised OLR notice during the auction we will not take into account any bid submitted by a supplier before we issued the revised OLR notice.

For single BPPA auctions, the successful bidder will be:

- the bidder which submitted the lowest management fee, or
- if the lowest management fee is submitted by two or more bidders, the bidder which submitted its bid first.

For multiple BPPA auctions, the successful bidders will be selected in line with the following process.

Step 1

We will rank all bids submitted in the auction (irrespective of which BPPA they were submitted for) from lowest to highest.

Step 2

- For the first BPPA we will select the bidder who submitted the lowest management fee, for the second BPPA we will select the bidder who submitted the next lowest management fee, and so on until a bidder is selected for each BPPA in the auction.

or

- If the lowest management fee is submitted by two or more bidders, for the first BPPA we will select the bidder whose bid was submitted first, for the second BPPA we will select the bidder whose bid was submitted second, and so on until either a bidder is selected for each BPPA in the auction, or all bids of the same management fee have been selected.

Notifications

Once we have selected the successful bidder(s) we will, on the same day:

- tell the supplier(s) that it has been selected as the successful bidder for the BPPA
- send you an email to tell you the auction outcome, providing a copy of the signed BPPA contract provided with the winning supplier's bid.

If there are multiple BPPAs in an auction, we will provide you with a copy of each of the relevant signed BPPA contracts.

Actions required by you

You must sign the BPPA contract and return a copy to the supplier within three days of receiving it from us.



This three-day deadline also applies if you are entering into multiple BPPAs.

If you fail to do this within the specified time, you will not be able to enter into that BPPA contract.

Failing to do this will also result in your generating station being added to the 'record of ineligible generating stations' (see page 7), meaning it will not be eligible to enter into a BPPA for the remaining duration of the Relevant Contract.

Offtaker material breach

If the Offtaker has committed a material breach which has resulted in termination of the BPPA within five days of the BPPA commencement date, we will need to select a reserve bidder for you to enter into a BPPA with. To ensure this happens as quickly as possible **you should notify us as soon as you can that you have served a Termination Notice to this effect.** You should do this by sending us a copy of the notice.

The Termination Notice you give to the Offtaker must meet certain requirements, see the Reserve bid process section for more details.

Action required by the successful bidder

Once you provide the successful bidder with the contract they must notify us within three days of the commencement date of the BPPA and provide evidence to us to demonstrate that they:

- meet the required credit rating under the BPPA, or
- have provided the credit support required under the BPPA.

Credit support evidence

Suppliers must provide either:

- Proof that they (or any person acting on their behalf) has deposited cash in the electricity generator's nominated bank account
- A copy of the letter of credit or parent company guarantee they have provided to the electricity generator.

Reserve bid process

We will select a reserve bidder for your BPPA contract if we receive a copy of a Termination Notice you have served on the Offtaker:

- in accordance with the terms of the BPPA,
- on the grounds that the Offtaker has committed a material breach of the BPPA, and
- which has resulted in the termination of the BPPA no more than five days after the BPPA commencement date.

We will select the successful reserve bidder in line with the process described on page 13, though we will disregard any voluntary supplier which elected not to be considered a reserve bidder, and any supplier previously selected in respect of the BPPA.

Also, in the case of a multiple BPPA auction, we will not consider any bid which has already been selected in respect of another BPPA in that auction.

We will then:

- tell the supplier that they have been selected as the successful reserve bidder for the BPPA
- send you an email to tell you the outcome of the reserve bid process, providing a copy of the signed BPPA contract provided with the selected supplier's bid.

However, please note that suppliers' bids are only capable of acceptance by you as a reserve bid up to 10 days after the commencement date of the applicable BPPA.

Within one day of receiving a copy of the Termination Notice you have served, we will notify you and the supplier selected of the outcome of the reserve bidder selection and send to you the signed copies of the BPPA the licensed supplier provided with its bid.



End of the process

Following notification, we will update the public 'Record of BPPAs'. This will conclude the OLR process.

Termination of a BPPA

If anything happens that results in the termination of your BPPA more than five days after the BPPA commencement date, you must resolve them with the supplier in line with the provisions of the BPPA governing termination as a matter of private commercial law.

The Offtaker must notify us if either party serves a Termination Notice, and if there is a dispute, notify us of the outcome.

We will add your generating station to the record of ineligible generating stations if your BPPA is terminated by the Offtaker in exercising a right of termination under the BPPA in favour of the Offtaker, and

- you did not begin court proceedings in respect of the exercise of that right, or
- having begun such proceedings, you discontinued them, or final judgement⁹ in proceedings was given in favour of the Offtaker.

⁹ A judgement is final if not appealed against, or if appealed against, when the appeal has been disposed of. See regulation 6(7)-(8) of the Regulations.

Section 7

Glossary

Backstop power purchase agreement (BPPA)

A power purchase agreement which is entered into under the power purchase agreement scheme.

Contract Commencement Date

The date clearly specified in your relevant contract

Day

A day that is not:

- a. a Saturday, Sunday, Christmas Day or Good Friday, or
- b. a day which is a bank holiday under the Banking and Financial Dealings Act 1971 (b) in England and Wales or Scotland.

Electricity generator

A person who operates or participates in the operation of a generating station.

Eligible generating station

A generating station which meets the definition in paragraph 1 of the Schedule to the Contracts for Difference (Definition of Eligible Generator) Regulations 2014, but excluding a generating station of the type set out in 1(d) and (f) of that Schedule.

Expression of Interest (EOI)

Expression of Interest has the meaning given in regulation 5(1) of the Regulations.

Final Installed Capacity

The final installed capacity for a generating station, as notified by the generator to the LCCC.

Grid Supply Point (GSP) Group

A distinct electrical system, as defined in the Balancing and Settlement Code on 14 February 2015 (the date Standard condition 38A took effect).

Low Carbon Contracts Company Ltd (LCCC)

The government owned company that manages the Contracts for Difference.

Offtaker

A supplier who enters into a BPPA following an OLR auction.

OLR Auction

An auction held by virtue of the SLCs in order to determine the successful and reserve bids for a BPPA.

OLR Notice

A notice that one or more BPPAs are subject to an auction held in respect of an eligible generator.

Preferred BPPA Commencement Date

In respect of any BPPA, the date specified (or, where the context requires, to be specified) as the preferred commencement date in the Project Information Schedule to that BPPA (being a date which satisfies the requirements of 38.12(b)) of the Standard Licence Conditions.

Project Information

Project Information has the meaning given to it in paragraph 38A.12 of the SLCs.

The Regulations

The Power Purchase Agreement Scheme Regulations 2014 as will be amended by the Power Purchase Agreement Scheme (Amendment) Regulations 2015.

Relevant Contract

- a. a contract for difference entered into by an electricity generator pursuant to chapter 2 of Part 2 of the Energy Act 2013; or
- b. an investment contract entered into by an electricity generator pursuant to chapter 4 of Part 2 of the Energy Act 2013.

Renewable energy zone

An area designated as a renewable energy zone under the Energy Act 2004

SLCs

The Standard Electricity Supply Licence Conditions

Statement of Confirmation

Statement of Confirmation has the meaning given to it in SLC 38A.33; it is the component of your application which confirms that you wish to proceed with your application to enter into a BPPA, and must be signed by a director of the electricity generator.

Supplier

An organisation in possession of a license granted by us to supply electricity under section 6(1)(d) of the Electricity Act 1989, or an authorised signatory who can act on behalf of that organisation.

Section 8

Annex

Errors or omissions in OLR Project Information

This table indicates how we will handle errors or omissions raised to us after an OLR auction has been opened to ensure that the government's policy intent for the quick and smooth running of the OLR process is met.

Updated Project Information not required	Updated Project Information required (evidence of errors or omissions must be provided)
	Any error or omission notified by the generator.
Not all address information provided, but enough to determine location of project.	
Spelling, punctuation, grammar errors.	
	If supplier demonstrates an error in calculation of total number of BPPAs which results in an incorrect number of BPPAs being applied for.
	If supplier demonstrates an incorrect contracted electrical output (ie not to nearest whole per cent).
	If supplier demonstrates an incorrect discount figure.
	If supplier demonstrates an incorrect declaration of 'licensed'.
	If supplier demonstrates an incorrect GSP group.
	If supplier demonstrates an incorrect metering arrangement.
	If supplier demonstrates an incorrect LEC/REGO details.
If supplier cites an error has been made in stated negative price trigger.	
If supplier cites an error has been made in the ramp up/down rate.	
If supplier requests more detailed output data in addition to minimum requirements as they can ask the generator directly.	If supplier demonstrates part of the generator data is missing, or historical output data does not cover two years.
If supplier shows that a generator will be undertaking planned maintenance on dates not declared.	
	If supplier demonstrates an incorrect aggregate liability cap.
	If supplier demonstrates an error in 'The Generator' information.

Templates

[Expression of Interest \(EOI\) template](#)

[BPPA Contract \(Project Information Schedule\)](#)

[Further Project Information template](#)

[Statement of Confirmation template](#)

[Request to Withdraw EOI form](#)

Complaints

If you have a complaint about how your application is being handled or about a decision we have made, please email OLR@Ofgem.gov.uk

If you are not happy with how we have handled your concern, you should make a formal complaint in writing and we will try to resolve this with you in 20 days.

London

9 Millbank
London SW1P 3GE
Tel: 020 7901 7000

Scotland

Cornerstone
107 West Regent Street
Glasgow G2 2BA
Tel: 0141 331 2678

Wales

1 Caspian Point
Cardiff Bay
CF10 4DQ
Tel: 029 2044 4042

www.ofgem.gov.uk