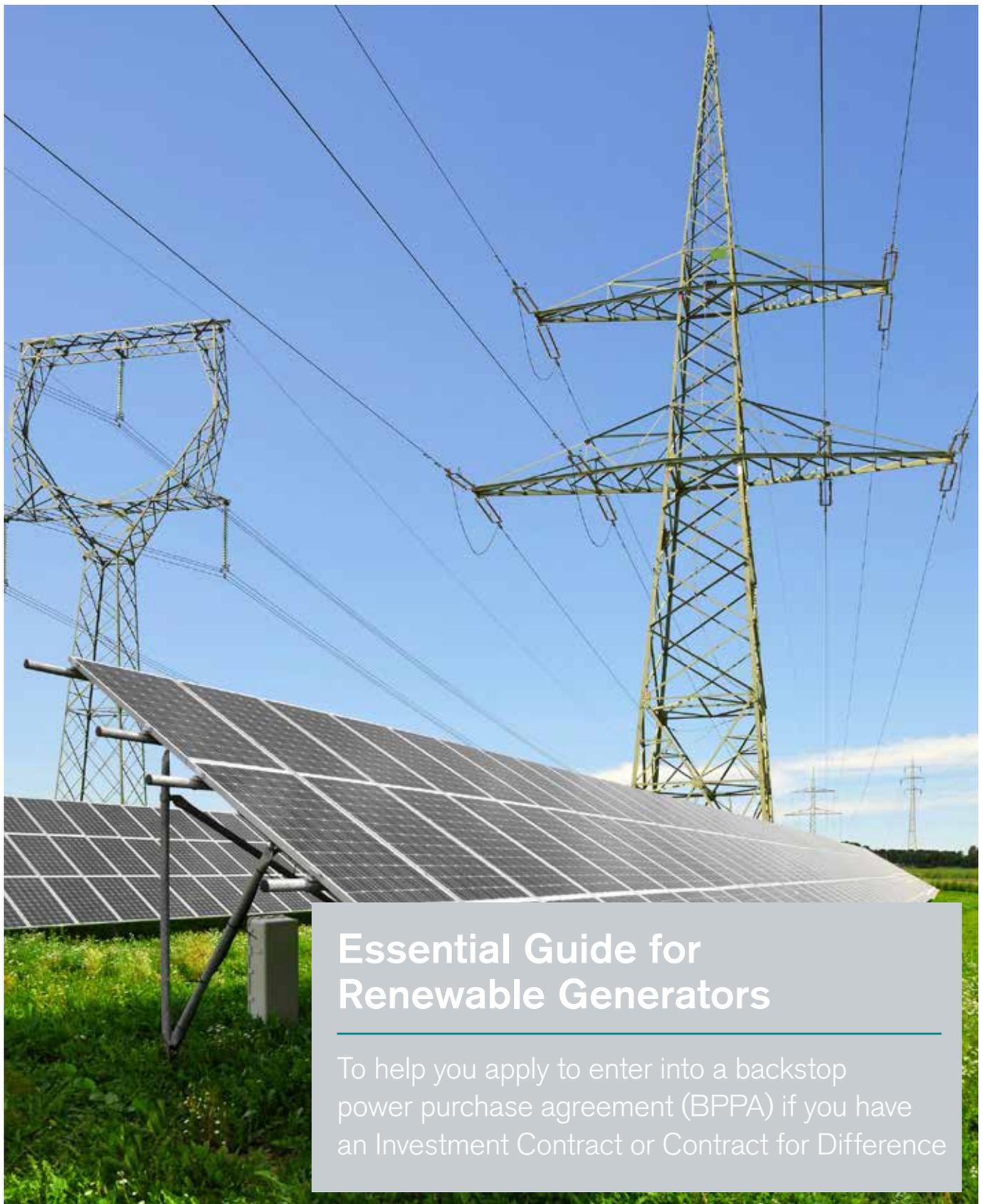


# Offtaker of Last Resort (OLR)

[www.ofgem.gov.uk/olr](http://www.ofgem.gov.uk/olr)

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## Essential Guide for Renewable Generators

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To help you apply to enter into a backstop power purchase agreement (BPPA) if you have an Investment Contract or Contract for Difference

## 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.

The scheme is only available to renewable generators with an Investment Contract or a Contracts for Difference (CFD) contract.

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

## 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 2014](#)
- Condition 38A of the [Electricity Supply Licence Standard Conditions](#)

Other documents in this series include:

- [OLR: Essential Guide 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 Scheme Regulations 2014 (as amended).

### Supplier

All references to a 'supplier' refer to an organisation in possession of a licence 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

To contact the OLR team either email [OLR@ofgem.gov.uk](mailto:OLR@ofgem.gov.uk) or phone 0207 901 3080.

## Section 2

# Scheme overview

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

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 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. We run the auction for the generator and select the supplier who will be the Offtaker for the BPPA.

It is intended as a **last resort** to help generators who cannot get a power purchase agreement through the usual commercial routes.

The terms of the contract that a generator and supplier will enter into have been set by the government. The terms that will apply to you are those that were in effect on the date that you entered into your **relevant contract**.

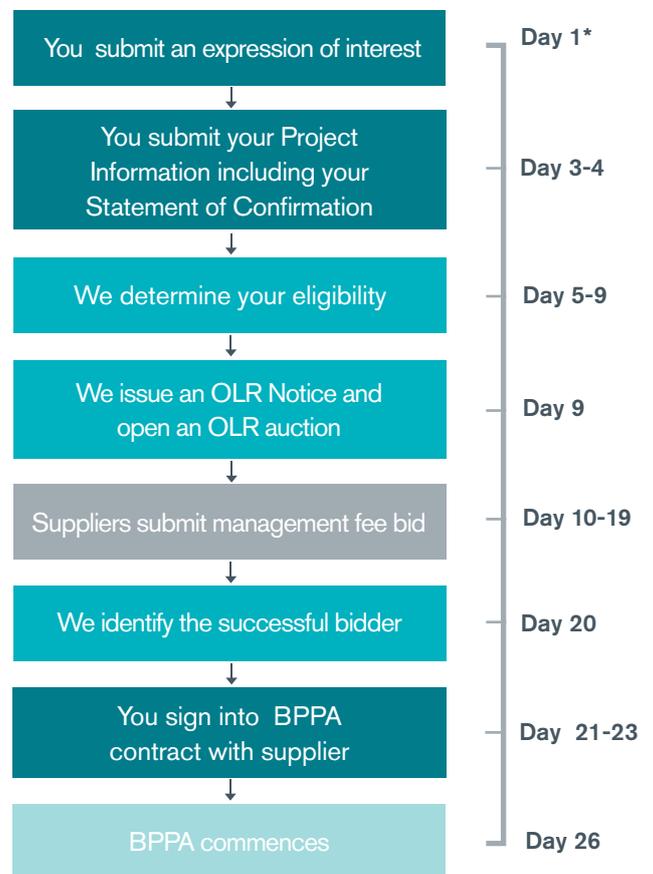
The electricity generated under a BPPA is sold at a discount below the market reference price. The initial discount is set in the BPPA at £25/MWh adjusted by an inflation factor.

A BPPA is a one year contract. However, the generator may terminate it earlier in accordance with the relevant clauses of the BPPA.

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 below. 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.

It is possible for you to withdraw from the OLR process. However, if you do so after you submit the Statement of Confirmation there will be repercussions for your generating station. See section 3.

\* 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 your 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. Our [Ofgem Tendering Portal: OLR Generator Handbook](#) also provides helpful advice on how to use the portal.

## Deadlines

**Strict statutory deadlines apply to everyone involved in the OLR process**, generators, suppliers and Ofgem<sup>1</sup>.

The OLR scheme is designed so that you can enter into a BPPA 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 2014 as amended](#) ('the Regulations') and condition 38A of the [Electricity Supply Licence Standard Conditions](#) ('the SLC').

**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 any matters to the relevant authorities where appropriate.**

<sup>1</sup> 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.

## Section 3

# Eligibility criteria

The following criteria, as set out in the relevant electricity supply licence standard condition (SLC), 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 SLC
- 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 settled<sup>2</sup> 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.

- 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.

You should also note that, to assess whether you meet the eligibility requirements (b) i., ii. and vii. above, we will use information provided to us by Low Carbon Contract Company (LCCC). **We will therefore be unable to determine that you are eligible until you have submitted your Start Date Notice<sup>3</sup> and Final Installed Capacity Notice to LCCC.**

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



<sup>2</sup> See page 7 for full details on what we mean by successfully settled.

<sup>3</sup> The Start Date of your contract is the same as the Contract Commencement Date referred to by legislation which underpins the OLR scheme. See the Glossary.

## 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.

**If your generating station is included on this list it 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.

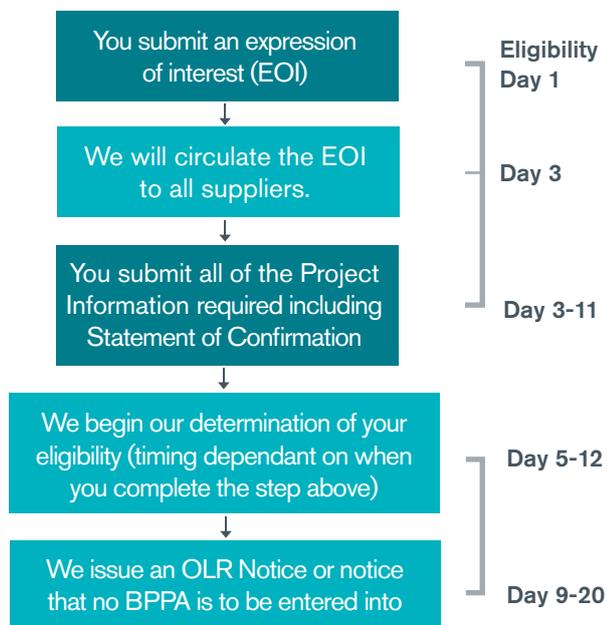
- (b) A BPPA is terminated by the Offtaker exercising a right of termination under the BPPA in its favour, and
  - i. the electricity generator did not begin court proceedings in respect of the exercising of that right, or
  - ii. having begun proceedings, the electricity generator discontinued them, or final judgement<sup>4</sup> in proceedings was given in favour of the Offtaker.



<sup>4</sup> 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 4

# How to apply



**Note:** The timing of the final step depends on our ability to complete our determination. It may be extended for example, if we need to request further information from you.

## 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](mailto:OLR@ofgem.gov.uk).

For extra assurance that the OLR team is alerted as soon as possible, 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.

- b. the **Final Installed Capacity** of the generating station
- c. if the electricity generator is seeking a BPPA (or multiple BPPAs) in respect of a proportion of the Final Installed Capacity, the total capacity (expressed in MW) for which a BPPA is sought<sup>5</sup>
- d. the location and **GSP Group**<sup>6</sup> of, and technology used by, the generating station
- e. the agreement number<sup>7</sup> 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.

If you are not sure how to fill in any fields in the EOI, please contact us. This could prevent easily-avoidable problems arising later.

### What happens if information is incomplete?

If we find that any information has been left out or that 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.

<sup>5</sup> If your generating station has a Final Installed Capacity equal to, or greater than, 100MW you may choose to apply to the OLR for only a proportion of your capacity. This figure must be at least 50% of the Final Installed Capacity.

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

<sup>7</sup> 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, we will send 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 sent, and to provide you with access details for the Ofgem tendering portal where you will have access to a 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 **Statement of Confirmation** signed by a director.

You should be sure that you want to continue with the OLR process before submitting the Statement of Confirmation. If you then withdraw from the process once you have submitted it there will be repercussions for your generating station. See the 'Withdrawal' section, right, for more details.

You should submit the information by uploading it to the data room we set up for you on the [Ofgem tendering portal](#). The [Ofgem Tendering Portal: OLR Generator Handbook](#) 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 has still 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. We strongly recommend that you refer to the [How to submit Project Information help sheet](#), to help you submit everything correctly first time round. Remember, you should not sign the BPPA contract at this stage.

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.

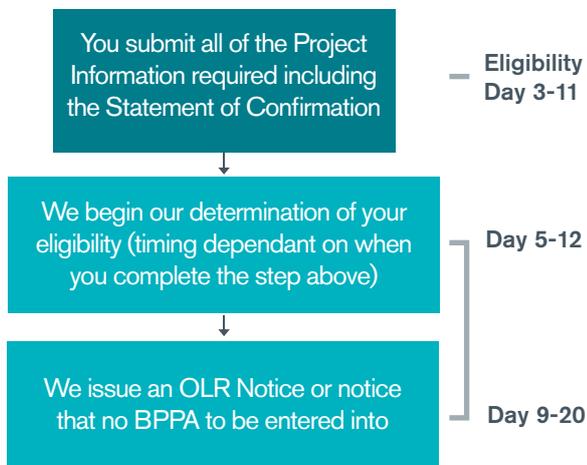
If you withdraw your EOI following submission of the Statement of Confirmation your **generating station will be put on the record of ineligible generating stations** (see page 7).

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

## Determining eligibility

### Timings

Submitting Project Information on time is critical to ensuring we are able to open an OLR auction for you quickly.



**Note:** The timing of the final step depends on our ability to complete our determination. It may be extended for example, if we need to request further information from you.

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 **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 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 BPPAs<sup>8</sup>, 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

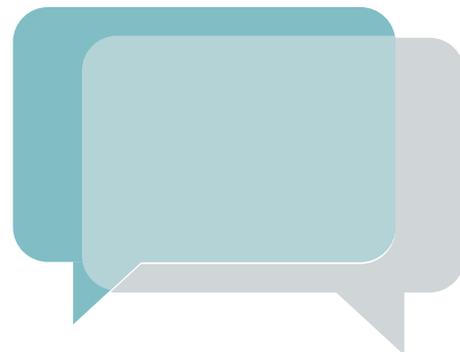
Please ensure that you are available to respond to requests for information during the bidding period.

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; We do not facilitate these discussions or broker negotiations. Nonetheless, to save repeat questions you may also wish to upload the information requested to the Ofgem tendering portal for all other suppliers to view. If you do, please ensure these are uploaded to the 'Additional Project Information' folder.

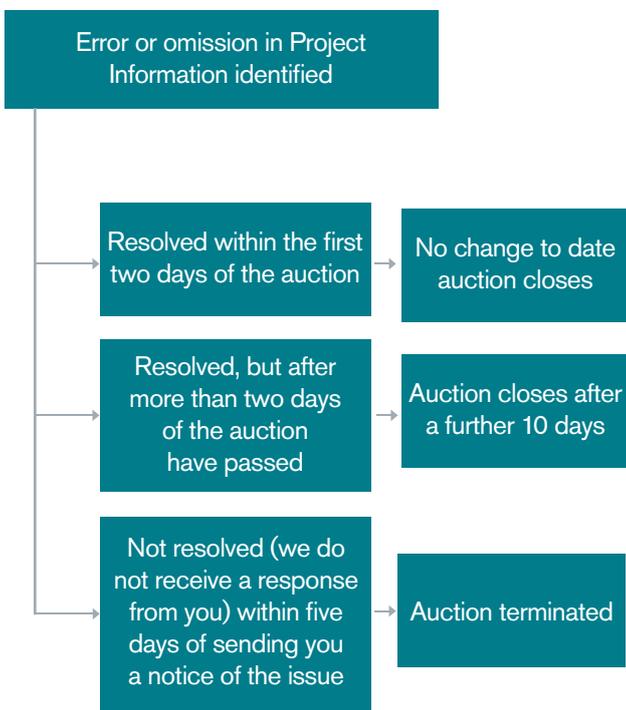
However, if questions from suppliers bring to your attention any **errors or omissions in your required Project Information** we should be informed. Please see page 12.



<sup>8</sup> 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.

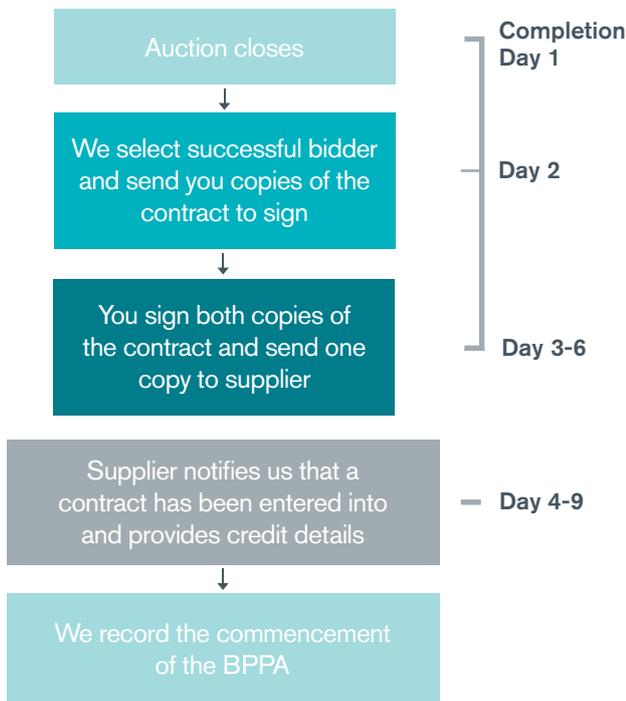
**Failure to respond in the required time will also result in your generating station being added to the record of ineligible generating stations** (see page 7). We will notify you of this outcome.

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.

This revised OLR Notice will require suppliers to bid in respect of the updated Project Information. If they have already submitted a bid, they will need to bid again.

## 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 (see page 12 for details about why we may do this) 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

- a. 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

- b. 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 two copies of the signed BPPA contract provided by the winning supplier when they submitted their bid.

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

## Actions required by you

You must sign the BPPA contract and send a copy to the supplier who is to be the **Offtaker** within three days of receiving it from us. The contract can be sent electronically, but you may wish to also provide a hard copy to the supplier.



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.

Once you have provided a signed copy of the contract to the supplier you will not need to take any further action for the purposes of the OLR process (unless the Offtaker commits a material breach of the BPPA).

### 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, within three days, notify us 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) have deposited cash in your nominated bank account
- A copy of the letter of credit or parent company guarantee they have provided to you.

## 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 from the Offtaker, we will update the public 'Record of BPPAs'. This will conclude the OLR process.

### Termination of a BPPA

A BPPA is expected to last one year but can be terminated early by you, in accordance with the relevant clauses of the contract.

Additionally if there is an event of default by either party that results in the termination of your BPPA more than five days after the BPPA commencement date, you must resolve it 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 judgement<sup>9</sup> in proceedings was given in favour of the Offtaker.

<sup>9</sup> 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

In respect of a Relevant Contract, the start date of the period in respect of which the obligations relating to payments to be made under that Relevant Contract first take effect.

### 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 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 SLC.

### Project Information

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

### The Regulations

[The Power Purchase Agreement Scheme Regulations 2014 \(as amended\)](#)

### Relevant Contract

- a. a contract for difference, or
- b. an investment contract<sup>10</sup>.

<sup>10</sup> See Part 2 of the [Energy Act 2013](#)

**Renewable energy zone**

An area designated as a renewable energy zone under the [Energy Act 2004](#)

**SLC**

Condition 38A of the Electricity Supply Licence Standard 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 licence 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)
Not all address information provided, but enough to determine location of project.	Any error or omission notified by the generator.
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 cites an error has been made in stated negative price trigger.	If supplier demonstrates an incorrect contracted electrical output (ie not to nearest whole per cent).
If supplier cites an error has been made in the ramp up/down rate.	If supplier demonstrates an incorrect discount figure.
If supplier requests more detailed output data in addition to minimum requirements as they can ask the generator directly.	If supplier demonstrates an incorrect declaration of 'licensed'.
If supplier shows that a generator will be undertaking planned maintenance on dates not declared.	If supplier demonstrates an incorrect GSP group.
	If supplier demonstrates an incorrect metering arrangement.
	If supplier demonstrates an incorrect LEC/REGO details.
	If supplier demonstrates part of the generator data is missing, or historical output data does not cover two years.

\*This may lead to the auction closing date being delayed. See page 12.

## 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](mailto: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](http://www.ofgem.gov.uk)**