

Minor and Necessary Modifications





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Useful Acronyms

AR7	Contracts for Difference Allocation Round 7
CfD	Contracts for Difference
DESNZ	Department for Energy Security and Net Zero
ICP	Initial Conditions Precedent
LCCC	Low Carbon Contracts Company Ltd

Disclaimer

This guidance is designed to support understanding but does not replace or override the provisions set out in the CfD. It does not constitute legal or investment advice and should not be relied upon as such. Generators should seek professional advice where required.

LCCC reserves the right to amend this guidance as needed. It should not be interpreted as limiting the evidence, information, or documentation that may be required to assess contractual milestones.

The nature, level, and timing of our review process remain at LCCC's discretion, and we may request further evidence or reconsider previously submitted information at any time.



1. Introduction

- 1.1. This guidance is published by Low Carbon Contracts Company Ltd (“LCCC”) in its capacity as the designated CfD Counterparty pursuant to the Contract for Difference (Counterparty Designation) Order 2014.
- 1.2. The Contract for Difference (Standard Terms) Regulations 2014 (the “Regulations”) allow a generator who is or who is considering making an application for a CfD to also apply to LCCC for a “Minor and Necessary Modification” to the “standard CfD”, comprising of both the relevant CfD Agreement and the CfD Standard Terms and Conditions (STCs).
- 1.3. This document provides guidance on how an applicant may apply to LCCC for a Minor and Necessary (“M&N”) Modification to the STCs once a notice establishing an allocation round has been published by the Secretary of State. It also sets out the application form and the information to be included in the application.

2. Timeframe

- 2.1. Prospective applicants for a CfD in the next allocation round should review the STCs applicable to such allocation round at the earliest opportunity. This will enable them to give early consideration to whether they wish to submit an application for any Minor and Necessary Modifications to the STCs. The variants of the CFD Agreement and the STCs are available on the gov.uk website.
- 2.2. The Regulations require applications for Minor and Necessary (M&N) Modifications to be made promptly and no later than 20 working days before the closing date for CfD applications – see Regulation 5. The closing date for CfD applications is specified in the relevant allocation round notice to be published by DESNZ in due course. As above, the deadline for LCCC receiving applications for M&N Modifications for the 2025 allocation round (the “M&N Cut-off Date”) is at or before the 20th working day before the closing date for CfD applications.
- 2.3. Please note that a working day in this context means 9am to 5pm on Monday to Friday but excluding:
 - 2.3.1. bank holidays (as defined in the Banking and Financial Dealings Act 1971), including those bank holidays in part only of the UK;



- 2.3.2. Good Friday; and
- 2.3.3. when it falls on a day that would otherwise be a working day, Christmas Day.
- 2.4. An application, notice or request given on a non-working day will be treated as given on the next following working day.
- 2.5. Applicants should note that if modification applications are submitted on or shortly before the M&N Cut-off Date and contain insufficient information, the applicant may not have an opportunity to provide additional information before the M&N Cut-off Date and will not be able to re-apply after the M&N Cut-off Date. LCCC therefore encourages early applications in order to provide LCCC with the opportunity to, if it considers it necessary or appropriate, request further information in relation to the modification request. If LCCC wishes to request further information, it will endeavour to do so as soon as reasonably practicable after receipt of a modification application.
- 2.6. The latest timeline for the current CfD Allocation Round can be found [here](#)

3. Description of Process

- 3.1. The Regulations require all applications to set out a description of the proposed modification to the STCs and an explanation as to how the effect of the modification is minor and why it is necessary – see Regulation 5(3).
- 3.2. The Regulations require LCCC to publish guidance on the form of the application and the information to be included in the application. They also state that LCCC may request such further information as it reasonably considers necessary to determine an application. The applicant must, to the extent that it holds the information, comply with such a request as soon as reasonably practicable.
- 3.3. A Minor and Necessary Request Form is attached at Schedule 1 to this document.
- 3.4. This Form requires as a minimum that the following information is provided in order to enable each application to be properly assessed. Please note that publication of this Form shall not limit LCCC's rights to request further information where it considers necessary:
 - 3.4.1. Project and applicant contact details;



- 3.4.2. Clear description of the modification(s) being requested, including identifying to exactly which particular clauses of the CfD Agreement and/or Conditions of the FIT Contract for Difference STCs it applies;
 - 3.4.3. The proposed new drafting, or drafting amendments, showing the changes to each clause and/or Condition of the STCs which are proposed to give effect to the modification request. The proposed changes must be shown in tracked changes against the text of the relevant clauses or Conditions of the STCs. Please note, however, that should LCCC be minded to accept a M&N Modification to the STCs, LCCC shall treat such drafting as an indicative guide only to the amendment. The tracked drafting is provided to aid LCCC's understanding of the nature of the proposed modification;
 - 3.4.4. Why the applicant considers that the modification requested is minor (taking into account those matters set out in Regulation 7) and any additional comments the applicant wishes to provide as to why the modification request is appropriate (including any supporting information which the applicant considers to be relevant); and
 - 3.4.5. Why the applicant considers that the modification requested is necessary (taking into account those matters set out in Regulation 8) and any additional comments the applicant wishes to provide as to why the modification request is appropriate (including any supporting information which the applicant considers to be relevant).
- 3.5. Applicants should submit one form for each unconnected modification to the STCs that they wish to request. Therefore, applicants who wish to request a number of unconnected modifications to the STCs should submit separate forms for each such requested modification.
- 3.6. For any issues or queries relating to the evaluation of applications please use the AR7 Microsite which can be found [here](#)

4. What constitutes a Minor and Necessary Modification?

- 4.1. The concept of M&N Modifications is explained in Regulations 7 and 8 of the Regulations. It should be noted that the effect of the modification should be both minor and necessary.



- 4.2. In particular, applicants should note that Regulation 7 states that a proposed modification will not be “minor” if it decreases the generator’s liabilities under, or increases the generator’s commercial benefit of, a CfD.
- 4.3. LCCC is also required pursuant to Regulation 7(3) of the Regulations to determine that a proposed modification is not minor where it would be likely to cause LCCC (as CfD Counterparty) to incur costs above an amount specified by the Secretary of State pursuant to Regulation 7(6) of the Regulations. The amount is specified by the Secretary of State in the Counterparty Costs Notice¹.
- 4.4. There are a number of other matters which will mean that a proposed modification is not minor. Please review Regulation 7 below for the full set of requirements.

Regulation 7 - Minor modification

(1) The CfD counterparty must determine that the effect of a modification is not minor where, in the opinion of the CfD counterparty, it would be likely to decrease the liabilities of a generator under a CfD or increase the commercial benefit for a generator of a CfD.

(2) The CfD counterparty must determine that the effect of a modification is not minor where it would change provision for any of the following in the STCs—

(a) the period during which a generator may start to receive payments under a CfD;

(b) the period during which the parties to a CfD must make payments under a CfD;

(c) the date by which a generator must—

(i) notify the CfD counterparty that it has incurred a sum specified in the CfD in the development of the generating facility; or

(ii) provide the CfD counterparty with certain documentation specified in the CfD concerning the development of the generating facility;

(d) any methodology which directly or indirectly affects the calculation of sums payable under a CfD;

(e) any time limit for invoicing or for making a payment under a CfD;

¹ The Counterparty Costs Notice will be published by DESNZ ahead of the round and made available on the AR7 portal. LCCC anticipates this amount will not be less than in previous rounds.



(f) which circumstances allow the CfD counterparty to use sums paid by a generator under a CfD as collateral; or

(g) any requirement to provide information to the CfD counterparty where the information is necessary for the performance of any of the CfD counterparty's obligations to make payments to a generator under a CfD.

(3) The CfD counterparty must determine that the effect of a modification is not minor where, in the opinion of the CfD counterparty, it would be likely to cause the CfD counterparty to incur costs above an amount specified by the Secretary of State under paragraph (6) as a result of the CfD counterparty—

(a) carrying out its obligations under a CfD; or

(b) making arrangements for the performance of new obligations required by a modification.

(4) Subject to paragraph (5), the CfD counterparty must determine that the effect of a modification is not minor where it would—

(a) affect any existing contractual arrangements between the CfD counterparty and third parties; or

(b) require the CfD counterparty to enter into any new contractual arrangements with third parties which are not provided for in a CfD.

(5) The CfD counterparty may determine that a modification described in paragraph (4) is minor where, in the opinion of the CfD counterparty, the modification would be likely to provide the CfD counterparty with a commercial benefit.

(6) At the same time as the Secretary of State gives an allocation round notice, the Secretary of State must give the CfD counterparty a notice setting out the specified amount for the purposes of paragraph (3).

(7) The CfD counterparty must publish the notice on its website as soon as reasonably practicable after it is received.

4.5. The concept of “necessary” is set out in Regulation 8 of the Regulations. LCCC may determine that a modification application is necessary where in its opinion the applicant could not accept an offer of a CfD without such modification to the CfD. Applicants should note that LCCC cannot determine



that a modification application is necessary simply because of the reason given for the modification is the circumstances of the ownership or control of the applicant.

- 4.6. As stated above, it is not enough that an amendment might be considered necessary, it must also be minor.

5. Evaluation, Response and Notices

- 5.1. Any request from LCCC for further information will be sent as soon as practicable via e-mail. The Regulations permit communications to be by email.
- 5.2. The Regulations require LCCC to give each applicant for a M&N Modification a notice stating whether it accepts or refuses the relevant application at least 5 working days before the Application Closing Date (the “ACD”). The ACD will be noted in the Allocation Round Notice. Where LCCC accepts an application, the notice must set out the accepted modification of the STCs. Where LCCC refuses an application, LCCC will set out in the notice the reasons for the refusal.
- 5.3. Where a modification is accepted by LCCC, such modification will be included in the relevant CfD awarded to the applicant should the applicant be successful in the allocation round process. The modification will not be made in the CfDs awarded to other successful applicants in the CfD allocation round.

6. CfD Register

- 6.1. In the event that a proposed M&N Modification is accepted by LCCC, and the relevant applicant is subsequently awarded a CfD at the conclusion of the allocation round process, each accepted modification relating to such applicant’s CfD will be published by LCCC in the CfD Register. The CfD Register is published on LCCC’s website at [Schemes Register](#). Such publication is required by Regulation 12 of the Regulations.



Schedule

Minor and Necessary Modification Request Form

Requests for Minor & Necessary Modifications should be sent as scanned PDF attachment to cfmandn@lowcarboncontracts.uk

1. Applicant Details

Applicant's full company name	
Applicant's registered company number	
Applicant's address	
Name of Project	
Brief description of Project, including generation technology and expected capacity of facility (by MW)	
Location of Project	
Contact name of individual making request on behalf of applicant (i.e. Point of contact for all communications with LCCC (as the CfD Counterparty) in relation to this M&N Modification request	
Email address	
Alternative email address	
Telephone number	
Alternative phone number	
Postal address	

2. Dates

Date of application for M&N Modification	
Prior application for modification made	Yes / No
If yes, date of prior application and name of applicant	



- 3. Description of requested M&N Modification(s) (see paragraph 3 of the LCCC guidance). Description to include the reason why the modification is requested. Reminder - in order to be eligible for consideration, the requested modification must be both minor and necessary**

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- 4. Proposed modification(s) to legal wording of Clause(s) in the CfD Agreement and/or Conditions (In tracked changes)**

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5. Is the change permitted by the Regulations?

5.1. Why is the proposed modification considered to be 'minor'?

A large, empty rectangular area with a light green background and a thin black border, intended for the user to provide a response to question 5.1.

5.2. Why is the proposed modification considered to be 'necessary'?

A large, empty rectangular area with a light green background and a thin black border, intended for the user to provide a response to question 5.2.



6. Is the change permitted by the Regulations?

Why Is the proposed modification considered to be 'minor'?

Date of Receipt (to be completed by LCCC)	
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