

Norfolk Vanguard Offshore Wind Farm

Supply Chain

Guidance

Appendix 19.1 (Q19.30 and Q20.155)

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Department for
Business, Energy
& Industrial Strategy

SUPPLY CHAIN PLAN GUIDANCE

For projects of 300MW or more applying for
a Contract for Difference



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Any enquiries regarding this publication should be sent to: supplychainplan@beis.gov.uk

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Purpose of this Guidance Document

- 1.1. In order to qualify to take part in a Contract for Difference (CfD) Allocation Round, Applicants making an application in respect of a generating station with generation capacity of 300MW or more will be required to provide the National Grid (as Delivery Body) with a statement by the Secretary of State approving the Supply Chain Plan submitted in respect of that station.¹
- 1.2. This Supply Chain Plan guidance provides detail for Applicants regarding:
 - a. the process and timetable for submitting Supply Chain Plans to the Department for Business, Energy & Industrial Strategy (BEIS) for assessment;
 - b. the process and timetable for submitting Interim Post Build Reports (iPBR) or Post Build Reports (PBR) to BEIS for assessment;
 - c. the process and timetable which the Department intends to follow in relation to the assessment of submitted Supply Chain Plans and iPBR/PBRs; and
 - d. the evaluation methodology and criteria against which the Secretary of State intends to assess Supply Chain Plans, including guidance as to how Applicants may wish to structure their application.
- 1.3. This Supply Chain Plan guidance document has been prepared in relation to the Third CfD Allocation Round. Details of the allocation round, which is planned to open by May 2019, will be made available in due course.
- 1.4. Dates in this guidance document relating to the third CfD allocation round are indicative only and subject to change. If any dates do change, a new version of this document will be issued.
- 1.5. This guidance is intended to provide Applicants with assistance in considering how they might wish to structure their applications. However, it does not represent a commitment by the Department to approve a Supply Chain Plan in any particular form. Each application will be considered on its merits in accordance with the proper exercise of the Secretary of State's discretion, as further described below.

¹ This requirement applies to all technologies defined in the Contracts for Difference (Definition of Eligible Generator) Regulations 2014 and for which a generic allocation process is provided for in the Contracts for Difference (Allocation) Regulations 2014, subject to the 300MW generating capacity threshold.

Aim of the Supply Chain Plan Assessment Process

- 1.6. The aim of the Supply Chain Plan assessment process is to encourage the effective development of low carbon electricity generation supply chains. In particular, the development of open and competitive supply chains and the promotion of innovation and skills. This will in turn drive down the cost of low carbon electricity generation over the long term and contribute to lower costs for consumers. By delivering low carbon electricity as efficiently as possible and at least cost to consumers, more generation will be supported which will ensure that consumers have access to the secure energy they need at affordable prices.
- 1.7. Further details regarding the specific criteria against which plans will be assessed are set out in the “Assessment Approach” section of this guidance.
- 1.8. Generating stations with a generating capacity of less than 300MW are not subject to the requirement because the Government considers that the policy should capture only those projects large enough to materially influence their supply chains and make a material contribution to development of competition, innovation and skills, in the low carbon electricity generation market. In addition, the Department does not wish to impose additional administrative costs on smaller projects less able to absorb them.

Process and Timetable

Introduction

- 2.1. In order to qualify to take part in the Third CfD Allocation Round, Applicants making an application in respect of a generating station with a generation capacity of 300MW or more will be required to provide National Grid (as Delivery Body) with a statement by the Secretary of State approving the Supply Chain Plan submitted in respect of that generating station.
- 2.2. The Government is committed to working with industry during the process of compiling Supply Chain Plans. Accordingly, staff across BEIS and the Department for International Trade (DIT) will be happy to provide information and advice to developers prior to their submission of Supply Chain Plans. However, it is important to note that plans cannot be endorsed and no assurances that a plan will pass the assessment process can be made at this stage.
- 2.3. Applicants can contact the Department at supplychainplan@beis.gov.uk with any questions.

Assessment Timetable

- 2.4. The Department will publish information on the dates of the Supply Chain Plan Application Window in respect of the Third CfD Allocation Round in due course.
 - 2.5. The Department will not begin the substantive assessment of those Supply Chain Plans until the Supply Chain Plan Application Window has closed. However, if during the Supply Chain Plan Application Window it becomes apparent to the Department that a submission contains material omissions (for example if it is evident that significant sections or annexes are missing), the Department will notify the Applicant as soon as is reasonably practicable.
 - 2.6. The Department will accept further information supplied in response to such a notice if it is received by no later than three working days from the closing of the Supply Chain Plan Application Window.
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2.7. Subject to paragraph 2.11, the Department will endeavour to notify Applicants as to whether or not their Supply Chain Plan (and their iPBR) has been approved within 30 working days of the Supply Chain Plan Application Window closing.

Information Requests during the Assessment Process

2.8. The Department will begin the process of assessing submitted Supply Chain Plans in accordance with the assessment approach, set out at paragraphs 3.1 to 3.20 of this document, from the closure of the Application Window.

2.9. The Department may seek clarification from an Applicant in respect of their Supply Chain Plan (a Clarification Request) during this assessment period. This could, for example, include a request for:

- a. any potentially missing sections or annexes;
- b. clarifications or technical questions regarding the information submitted; or
- c. clarifications in respect of existing data where the Supply Chain Plan appears to include unsubstantiated claims.

2.10. Applicants will need to provide contact details of one or more individuals who will act as the applicant's Authorised Representative(s). Clarification Requests will be raised with the Authorised Representative(s), and should be responded to as soon as possible.

2.11. Failure to respond to a Clarification Request adequately and in a timely fashion may result in the Department being unable to process the application within the timescales described in paragraph 2.7.

Evaluation Results and Exchange of Letters

2.12. Applicants who submit a Supply Chain Plan which passes the assessment process will receive a written certificate of approval.

2.13. A certificate of approval will be valid for the Third CfD Allocation Round only.

2.14. In the event that a Supply Chain Plan is rejected, we will notify the Applicant of that rejection and will provide a written explanation of the reasons for the rejection and the further steps which may be available to the Applicant (a Statement of Rejection).

2.15. The Department will consider revised Supply Chain Plans submitted in response to a Statement of Rejection. However, it is important to note that while the Department will endeavour to notify Applicants as to whether or not their revised Supply Chain Plan has passed the assessment process before the Third CfD Application Window opens, no guarantee is made that the Department will be able to do so. Applicants

are strongly encouraged to submit revised Supply Chain Plans at the earliest opportunity following receipt of a Statement of Rejection.

- 2.16. For the avoidance of doubt, the Department will not accept any Supply Chain Plans other than revised applications submitted in response to a Statement of Rejection from the closing of the Supply Chain Plan Application Window.
- 2.17. If a project has not had a response of any kind (an acceptance or rejection) from the Department after 30 working days following the closure of the Supply Chain Plan Application Window they should contact the assessment team by emailing supplychainplan@beis.gov.uk
- 2.18. The Department will send notification of each approved or rejected Supply Chain Plan to National Grid.

Publishing Supply Chain Plans

- 2.19. In order to share information with the supply chain industry and to support implementation, the Department may publish an approved Supply Chain Plan on or shortly after the date on which the relevant project has signed the CfD contract.
- 2.20. Before publishing an approved Supply Chain Plan at this stage, any information deemed by the Department to be commercially sensitive will be removed. Applicants should clearly mark information which is commercially sensitive in their Supply Chain Plans (for example, by using text of a specified colour). If no commercially sensitive markings are included, the presumption will be that the information is not commercially sensitive and it will be published.
- 2.21. The Department may publish a full, un-redacted version of the Supply Chain Plan, typically 24 months after the award of a CfD. Applicants should therefore clearly mark any information in a Supply Chain Plan which they consider will continue to be commercially sensitive at this stage (for example, by using text of another specified colour).
- 2.22. Further, the Department has a duty to comply with the Freedom of Information Act 2000 and the Environmental Information Regulations 2004. It will be important for the Government to understand the nature of any harm which disclosure of potentially commercially sensitive information might result in when considering whether it is required to disclose Supply Chain Plan information in response to such a request.
- 2.23. The Department may also share Supply Chain Plans with other parts of Government for the purpose of developing a joined up approach to the development of supply chains in the low carbon electricity generation sector.

Assessment Approach

3.1 This section describes the approach that the Government will adopt for the assessment of Supply Chain Plans. It sets out the assessment criteria and evaluation methodology that will be used.

Assessment Criteria

3.2 The Government will assess the extent to which plans:

- support the development of competition in supply chains (the ‘competition’ criteria);
- support innovation in supply chains (the ‘innovation’ criteria); and
- support the development of skills in supply chains (the ‘skills’ criteria)

3.3 Please see **Annex B** of this document for a detailed description of each of these three key criteria and guidance as to the suggested structure and content of Supply Chain Plans. Projects may, of course, set out how they will meet the outcome for each criterion using a different answer structure.

3.4 Applicants should, however, provide an overview of the project and procurement strategy to enable us to take the stage of the project into the consideration when assessing a Supply Chain Plan. This should include (but not limited to):

- The maturity of the project, demonstrating the stage of development, expected date of construction, delivery of first electricity etc;
- A supply chain project plan that shows project milestones including the key actions, procurement decisions and financial commitments and payments made to date and going forward (this should include a GANT chart showing key project milestone and procurement dates);
- Depending on the procurement strategy and how progressed that procurement strategy is at the time of application, this might include, for example, key decision dates, details of companies considered as potential Invitation to Tender or pre-qualification candidates and details of identified barriers or challenges facing existing companies and new entrants to the market (including those not selected or unlikely to be selected for tender or pre-qualification);
- Size of project (expressed in installed capacity MW);
- Ownership structure.

3.5 Vertically integrated developers, Applicants at a later stage of development and those companies pursuing an Engineering, Procurement, Construction and Installation (EPCI) strategy are not excluded from the supply chain plan assessment process, but should tailor their examples to their structure and stage of development.

For example, a vertically integrated developer could illustrate innovation and workforce development within its subsidiary companies rather than the associated supply chain. For EPCI strategies Applicants could set out how they are ensuring that the principles of open competition, innovation and skills are being delivered throughout the supply chain.

- 3.6 The Secretary of State may take into account an Applicant's severe failure to demonstrate they have implemented their previously approved Supply Chain Plan when considering any subsequent Supply Chain Plan submitted by that Applicant (or any consortium of which that Applicant is a member). If the Applicant is able to provide a satisfactory explanation as to why that failure has occurred, this will be considered.
- 3.7 The rationale for considering past performance is that where Applicants have severely failed to demonstrate implementation of their previous SCP, is on the basis that it is difficult to conclude that the project is likely to make a material contribution to the development of the industrial supply chain supporting the low carbon electricity generation sector

Scoring Mechanism

- 3.8 Each Supply Chain Plan will be assessed using a scoring system for the three key criteria (competition, innovation, and skills).
- 3.9 The Department will score each of the criteria out of 100. Applicants should set out the commitments or actions that the project has already undertaken or will undertake in the future, the impact of those actions on the supply chain supporting the project and the wider impacts of the actions on the supply chain supporting the relevant low carbon electricity sector under each of the criteria.
- 3.10 This will enable the Secretary of State to make an assessment of whether the plan sets out sufficient evidence of the projects' approach and the extent to which the project will support the development of competition, innovation and skills across the industrial supply chain supporting the relevant low carbon electricity sector.
- 3.11 A maximum score of 100 will be awarded to each of the three key criteria. These scores will then be aggregated (to a combined maximum of 300) to create a final score, which will be presented as a percentage. The 'pass mark' final score for Supply Chain Plans is 50%. All plans that gain a 50% or higher final score will be accepted.
- 3.12 In exceptional cases, the Secretary of State may also approve a project that has scored extremely highly in certain criteria but does not achieve the required overall pass mark. This would happen if the Department is nevertheless satisfied that if the plan is implemented it will make a material contribution to the development of competition, innovation and skills across the industrial supply chain supporting the relevant low carbon electricity sector.

Supply Chain Plan Monitoring, Interim Post Build Reports and Post Build Reports

- 3.13 The Department monitors the implementation of approved Supply Chain Plans if the project is awarded a CfD, on an ongoing basis. The Department will agree with the relevant developers the process and evidence required to demonstrate continuing progress in implementing approved plans. The Department is likely to request evidence relating to the timely delivery of the commitments/actions identified in the plan to encourage open and competitive supply chains and the promotion of innovation and skills. The evidence and information collated during the Monitoring Process will form the basis of the Post Build Report (or Interim Post Build Report). Details on the monitoring process can be found **Annex D**.
- 3.14 Once the project has been built, the Department may request a Post Build Report (PBR) setting out the degree to which commitments/actions set out in the Supply Chain Plan have been implemented and the reasons for any deviation from the submitted plan. This request is likely to be made within three months of the Generator receiving the first CfD payment.
- 3.15 A PBR will be considered when it has been received from the Project Developer (normally 3 months after the first CfD payment has been received). Once the PBR has been considered, BEIS will write to the Generator to inform them of BEIS's consideration of the PBR as soon as reasonably practicable. The PBR may then be published, any material which the Department deems to be commercially sensitive will be removed prior to publication.
- 3.16 Where an Applicant (or any consortium¹ of which that Applicant is a member) has been awarded a CfD in a previous allocation round for a Project of 300MW or more, if that Applicant submits a subsequent SCP they will be invited to submit either an iPBR (for their most recently awarded CfD project) or the response they received from BEIS in relation to a PBR (for their most recently awarded CfD project).
- 3.17 The Secretary of State may take into account a previous Project where Applicants (or any consortium of which that Applicant is a member) have severely failed to demonstrate implementation of their previous SCP on the basis that it is difficult to conclude that the project is likely to make a material contribution to the development of the industrial supply chain supporting the low carbon electricity generation sector.
- 3.18 The Secretary of State may also take into account an Applicant's failure to provide an update in relation to the implementation of a previously approved Supply Chain

¹ An Applicant is required to submit a PBR or an iPBR if they are an owner or a member of a consortium, with a 20% share or greater of the project between the point of Supply Chain Plan submission and the final project commissioning date. Applicants who purchased a stake after the commissioning date are not required to submit a PBR or iPBR. The 20% figure aligns with the principles of Section 67 of the Energy Act 2008.

Plan when considering any subsequent Supply Chain Plan submitted by that Applicant (or any consortium of which that Applicant is a member). Should an Applicant be unable to submit a iPBR/PBR with their Supply Chain Plan, then they should set out in detail the reasons why they are unable to do so alongside supporting evidence.

3.19 Although the Secretary of State may take account of a PBR/iPBR, an acceptable PBR/iPBR will not necessarily add weight when assessing the merits of a subsequent Supply Chain Plan.

3.20 Further guidance and a template for an iPBR/PBR can be found at **Annex E**.

Submitting a Supply Chain Plan

- 4.1 This section provides a description of the practical process to be followed by Applicants when submitting a Supply Chain Plan for approval. It also provides guidance on the conditions which must be met regarding the format and content of these submissions.
- 4.2 We have provided a Supply Chain Plan template which Applicants may wish, but are not required, to use to structure their Supply Chain Plans (**Annex C**). Please note that answers to each section should begin on a new page.

Response Structure

- 4.3 The Applicant's response should comprise a single document with sub-sections for responses in respect of each of the three key criteria. Any additional material provided to substantiate response statements should be presented as annexes to the main document.
- 4.4 Applicants should note that the total length of their response should be limited to 40 sides. All paragraphs and pages should be numbered. Supporting evidence should be in Annexes and is outside this page limit. It is important that this limit is upheld as this will enable us to process the plans more quickly and efficiently. All supporting evidence in the Annex must be directly relevant to specific parts of the response and Applicants are encouraged to minimise the quantity of supporting material presented by including relevant extracts or sections of papers where appropriate.
- 4.5 Applicants should also note that information presented in Annexes must be clearly referenced within the body of the response, where the relevance of this material should also be highlighted. Material not referenced in this way will not be considered during the assessment process.
- 4.6 Applicants should clearly state any aspects of their responses which are commercially sensitive and why, indicating if this would still be true at:
 - a. the point of CfD contract signing; and
 - b. two years after the CfD contract signing.
- 4.7 All financial information should be denominated in pounds sterling. If it is anticipated that a significant proportion of project expenditure will be transacted in another currency (for instance for the purchase of capital equipment) then details of these costs in the local currency should also be provided together with the exchange rate assumptions used to convert values to pounds sterling.
- 4.8 Applicants who provide an Interim Post Build Report in relation to a previously approved Supply Chain Plan should do so in an Annex.

Response Submission

Application deadline

- 4.9 The Department will provide further information on the dates of the Supply Chain Application Window in due course.

Application Process

- 4.10 A week before the opening of the Supply Chain Plan Application Window, prospective Applicants should email the Department on supplychainplan@beis.gov.uk indicating their intention to submit a Supply Chain Plan for assessment. An area will be set up within a secure online document management platform for each Applicant. A link to the secure area, with instructions on how to submit a Supply Chain Plan (and Interim Post Build Report) electronically will be provided.
- 4.11 Supply Chain Plans will not be assessed until the Application Window closes. In cases where Applicants submit more than one version of any Supply Chain Plan, only the latest submission will be considered.
- 4.12 Projects will receive an email to confirm receipt of their submission within three days of the closing of the Supply Chain Plan Application Window. If Applicants do not receive an email confirmation, or if they encounter any problems submitting documents, they should contact supplychainplan@beis.gov.uk at the earliest opportunity.
- 4.13 If Applicants are required to resubmit any Supply Chain Plans, or if additional information is requested, the Department will also ask for this to be done on the online document management platform.

Evaluation Queries

Raising Queries

- 4.14 Queries regarding the process and response requirements may be submitted during the course of preparing the Supply Chain Plan. Queries should be submitted in writing to supplychainplan@beis.gov.uk

Responses to Queries

- 4.15 The Department will endeavour to respond to queries regarding Supply Chain Plans within three working days of receipt, but no guarantees can be made in this regard.
- 4.16 In the period of time leading up to the Supply Chain Plan Application Window and during the assessment process, individual queries and their responses may be published in a 'question and answer' circular which will be made available online. The identity of the Applicant making the query will not be included in the circular. The Department reserves the right to amend the text of the query when it is published, for example to ensure clarity or to remove any information which may

reveal the identity of the Applicant making the query.

- 4.17 Applicants should state if they wish a query to be treated as confidential and include the reasons why they believe that the query should be so treated. If the Department, in its sole discretion, determines that a question should not be treated as confidential, the Applicant will be given an opportunity to withdraw the query, otherwise the Department may distribute the query and response to some or all other Applicants.
- 4.18 Responses to queries which the Department decides should be treated as confidential will be sent to the originating Applicant only.

Annex A: Indicative Timetable and Process for the Third CfD Allocation Round

The Government announced on 23 July 2018 that the Third CfD Allocation Round would open in May 2019 for Pot 2 technologies. There would be further allocation rounds every 2 years.

The indicative timetable for the Third CfD Allocation Round will be published in due course.

Annex B: Criteria and Scoring Details

Points to note

The Supply Chain Plan should be written for a specific project. There may be actions that would fulfil the criteria that are undertaken by the parent company rather than the project itself (for example if the project is being taken forward by a Special Purpose Vehicle). In this circumstance, the Supply Chain Plan submission should set out how the actions would benefit the project itself.

For each of the three key criterion, the Guidance sets out a suggested answer format to help with the structure and content of each response. Projects may choose to demonstrate how they meet the overall outcome of each criterion using a different structure and content.

In addressing each criterion, applicants should set out the commitments or actions that the project has already undertaken or will undertake in the future, and the impact of those actions on both the supply chain supporting the project and the wider impacts on the supply chain supporting the relevant low carbon electricity sector.

Overall, the objective is to demonstrate that the project makes a material contribution to development of the industrial supply chain supporting the relevant low carbon electricity generation sector.

Criteria

Competition

Overall Desired Outcome

Competitive procurement processes become an industry standard, where appropriate, in order to broaden the supply chain, reduce costs, and minimise supply chain risks by developing a wider and therefore more robust pipeline of suppliers to safeguard the viability of future projects.

Technically competent and cost-efficient suppliers are able to compete for, and win, contracts to ensure that low cost/high value projects are delivered.

Barriers to entry to the supply chain are removed to increase competition amongst suppliers to reduce the cost of low carbon technologies, and therefore minimise the cost to consumers of deploying low carbon generation that requires support.

Suggested Answer Format

In order to demonstrate that the proposed project supports this outcome, the Applicant may wish to structure the submission in a form that addresses some or all of the points below (noting that this is not an exhaustive list and the project could use a different

answer structure, or other examples, to meet the overall outcome described above).

Where relevant to the development of a project, a plan should include a list of actions plus their intended outcomes (or results if the actions have already been undertaken), setting out how the project will deliver any of the following:

- Encourage broader supply chains by supporting new entrants to the sector, including identifying companies considered as potential Invitation to Tender (ITT) or pre-qualification candidates where appropriate
- Identify and remove barriers to entry for new supply chain companies, where these are within the scope of the project
- Share best practice and lessons learned
- Improve awareness of the commercial opportunities among both companies that currently supply to relevant low carbon generation sector and those that have the capability to do so, but have not yet entered the market.
- Encourage competitive procurement processes and more open competition across the supply chain to ensure that the widest pool of candidates are able to bid for, and win, contracts
- For biomass only, work with the feedstock supply chain within the constraints of Government's wider objectives to deliver sustainability and greenhouse gas reduction

Companies using alliancing, EPCI or framework agreements could meet this criterion for example, by actions in servicing of the balance of plant or by working with their alliancing partners to demonstrate the measures taken in the framework to encourage new entrants and open up supporting supply chains. In addition, projects may have on-going measures within the alliancing agreement that encourage and support competition (as well as innovation and skills development).

Innovation

Overall Desired Outcome:

The deployment of more efficient equipment and faster/better installation methods, and new types of procurement and contracting strategies which reduce the cost of developing future projects or operating existing projects, and via innovation, support less established suppliers, reducing the levelised cost of low carbon electricity over time.

We expect that the contribution made by projects under this criterion will balance risk, cost and innovation.

Suggested Answer Format

For the project, we would expect to see how new technology, methods and processes are going to be trialled or used across the project's lifetime from inception to decommissioning.

In order to demonstrate that the proposed project supports this outcome, the Applicant may wish to structure the submission in a form that addresses some or all of the points below (noting that this is not an exhaustive list and the project could use a different answer structure, or other examples, to meet the overall outcome described above).

a) A plan should include a list of actions plus their intended impacts (or results, if the

actions have already been undertaken) demonstrating where the project will include/has included any of the following:

- Research and development, including links to universities and any examples of testing and demonstration
- Technological development
- Innovative procurement or contracting practices – for example allowing less established products or processes to win part of a contract or co-investments in the supply chain which will reduce or manage the allocation of risk in such a way that it supports new entrants or less established suppliers
- Innovative or new installation methods
- Any other practice that is justified as innovative by the project (and its supply chain) or that would boost innovation in the sector – for example, in the build/installation process, the technology used or the way the project is operated
- Examples where the Applicant has, or intends to, share best practice and lessons learned

b) Projects should consider the above for the different elements of a project. For example, for the offshore wind sector, submissions should set out the approach to innovation for each element of the project, including, where relevant, but not limited to:

- Foundations
- Towers
- Turbines
- Cables
- Construction
- Operations and maintenance

This is a broad criterion and could be met by demonstrating innovation in a number of ways. Assessors will be looking for evidence that both projects and the supply chain as a whole are working together to develop ways of delivering low carbon generation more efficiently and driving down costs, in order to minimise costs for consumers.

The lists set out above are not exhaustive and projects may be able to demonstrate that they meet the desired outcome without using these examples or format. We also note that there is a balance to be struck between innovation, risk and cost – hence the broad definition of ‘innovation’. Assessors will therefore typically expect to see that innovation has been considered in at least several elements of the project or that projects have focussed efforts on one or two elements of the project with actions where there is evidence that these will have significant impact on the cost of the relevant technology.

Skills

Overall Desired Outcome:

The supply chain workforce has, and will continue to have, the necessary skills so that skills shortages are minimised and productivity increases that would otherwise increase the cost of labour, as well as the cost of the project itself. Investment in skills to address the current skills shortages should, in the future, allow further deployment of low carbon electricity generation.

Suggested Answer Format

In order to meet this outcome, the Applicant may wish to structure the submission with the following points (noting that this is not an exhaustive list and the project could use a different answer structure to meet the overall outcome described above):

- An assessment of the future skills requirements at each stage of the project: design, construction (including the major supply chain components), and operation and maintenance for the life of the project
- An assessment of whether these skills are currently in place and what, if any, gaps there are likely to be.
- A set of actions that will provide investment in skills and training in order to meet the future needs of the project - as estimated at each stage set out above. For example this could be through internal training or working in partnership with education institutions, colleges, institutions, local or regional authorities, universities, or public or private skills providers, in order to deliver skills that directly benefit the project.
- Plans that the project intends to put in place to maintain and develop the skills necessary for the lifetime of the project
- Actions the project will take to engage apprentices.
- Examples where the Applicant has, or intends to, share best practice and lessons learned.

Assessors will also consider whether the submission sets out the approach to skills and training in the key supply chain companies, where appropriate. They will also consider whether the actions identified are likely to lead to further deployment of the relevant low carbon electricity technology by contributing to improvement of the available pool of skilled workers in the sector and addressing any current shortage of skilled labour across the relevant low carbon electricity generation supply chain.

Scoring

This evaluation marking system will be applied to each criterion:

Assessment Mark	Indication of the quality of response that would achieve this score
100	<p>Response provides a very high degree of confidence and evidence that the project will make a material contribution to the development of the supply chain supporting the relevant low carbon electricity sector.</p> <p>Such a response will provide a cogent and comprehensive explanation of how the project will make the relevant contribution and the explanation will be supported by evidence where appropriate.</p>
75	<p>Response provides a high degree of confidence and evidence that the project will make a material contribution to the development of the supply chain supporting the relevant low carbon electricity sector.</p> <p>Such a response will provide a cogent and thorough explanation of how the project will make the relevant contribution and the explanation will be largely supported by evidence where appropriate.</p>
50	<p>Response provides a good degree of confidence and evidence that the project will make a material contribution to the development of the supply chain supporting the relevant low carbon electricity sector.</p> <p>Such a response will provide a cogent explanation of how the project will make the relevant contribution and the explanation will be largely supported by evidence where appropriate.</p>
25	<p>Response provides a low degree of confidence and evidence that the project will make a material contribution to the development of the supply chain supporting the relevant low carbon electricity sector.</p> <p>Such a response will provide a clear explanation of how the project will make the relevant contribution and the explanation will be supported by some evidence.</p>
0	<p>Response does not provide any material confidence and evidence that the project will make a material contribution to the development of the supply chain supporting the relevant low carbon electricity sector.</p> <p>A response that fails to meet the requirements for a score of 25 will fall into this category.</p>

Annex C Submission Template

Note: This template will be available on request in Rich Text (*.rtf) or *Microsoft Word* (*.docx) formats, by contacting supplychainplan@beis.gov.uk.

Plans should be completed in a minimum font size of 11 point, and using 1½ line spacing. All pages and paragraphs should be numbered. Each criterion should begin on a new page.

Applicants are reminded that the total length for Supply Chain Plans is limited to a maximum of **40 sides** but that supporting evidence included as annexes is outside this limit. All supporting evidence must be directly relevant to specific parts of the response and must be cleared cross-referenced to the Supply Chain Plan submission.

Applicants are encouraged to minimise the quantity of supporting material presented by including relevant extracts or sections of papers where appropriate.

SUPPLY CHAIN PLAN

Contact details

Company name		Authorised Representative (s)	
Address		Contact number (s)	
Email		Alternative contact	
Alternative contact number		Alternative email	

Project details

Project name		Project size (in MW installed capacity)	
Project commissioning date		Project location	
Ownership Structure			
Maturity of project	<i>Demonstrating the stage of development , expected date of construction start, delivery of first electricity,etc. this should include a GANT chart showing key project milestone and procurement dates.</i>		

Project Summary

Please include a brief summary of the project including any information that is not included in the separate criteria, including a Gantt chart showing project milestones and dates.

Competition Criterion

Desired outcome: Competitive procurement processes become an industry standard, where appropriate, in order to broaden the supply chain, reduce costs, and minimise supply chain risks by developing a wider and therefore more robust pipeline of suppliers to safeguard the viability of future projects.

Technically competent and cost-efficient suppliers are able to compete for, and win, contracts to ensure that low cost/high value projects are delivered.

Barriers to entry to the supply chain are removed to increase competition amongst suppliers to reduce the cost of low carbon technologies, and therefore minimise the cost to consumers of deploying low carbon generation that require support.

For full details of the competition criterion please see the guidance document

Plan to meet the Competition Criterion:

Innovation Criterion

Desired outcome: The deployment of more efficient equipment and faster/better installation methods, and new types of procurement and contracting strategies which reduce the cost of developing future projects or operating existing projects, and via innovation, support less established suppliers, reducing the levelised cost of low carbon electricity over time.

We expect that the contribution made by projects under this criterion will balance risk, cost and innovation.

For full details of the innovation criterion please see the guidance document

Plan to meet the Innovation Criterion:

Skills Criterion

Desired outcome: The workforce has, and will continue to have, the necessary skills so that skills shortages are minimised and productivity increases that would otherwise increase the cost of labour, as well as the cost of the project itself. Investment in skills to address the current skills shortages should, in the future, allow further deployment of low carbon electricity generation.

For full details of the skills criterion please see the guidance document

Plan to meet the Skills Criterion:

Annex D - SCP Monitoring Process

Once an Applicant has secured a CfD in the allocation round, the Department will monitor the implementation of their Supply Chain Plan. The purpose is to gather evidence relating to the delivery the commitments/actions identified in the Supply Chain Plan to demonstrate that the project has supported the development of the supply chain and the promotion of innovation and skills.

This outline approach is intended to provide Applicants with an understanding of how the Department intends the process to operate.

There will be a number of steps to the process:

1. The Department will set up a kick-off meeting to set out an agreed monitoring framework. At this meeting, the reporting format for the SCP commitments will be agreed. The Department's preferred approach is to record and manage SCP commitments through a 'risk register' approach (although this is not mandatory).
2. Meetings will be held with the Department every three months.
3. Prior to each meeting, the Applicant will be asked to provide a written update on the project and the commitments. This could include; identification of any issues, any changes to the commitments, any new commitments, and the reasons for these changes. Each meeting should have an agreed agenda.
4. Following each meeting, the Department will prepare a written account of the meeting and the outcomes, to be agreed with the Applicant.

It is expected that the evidence collated during the monitoring process will form the basis of the Post Build Report (or Interim Post Build Report).

Annex E iPBR/PBR Guidance

Guidance for Post-Build Reports and Interim Post-Build Reports

In order to demonstrate that commitments made in a Supply Chain Plan (SCP) have been adhered to, Project Developers with an approved SCP may be requested to submit a *Post Build Report* (PBR). This request is likely to be made at the point of first CfD payment and Projects would be expected to complete the PBR within three months of commissioning the project.

Project Developers (Applicants) wishing to enter a future CfD allocation round who have been awarded a CfD in a previous allocation round and secured a Supply Chain Plan statement in connection with that CfD, will be invited to provide either an *Interim Post Build Report* (iPBR) regarding the implementation of their Supply Chain Plan or a letter from BEIS in response to their PBR together with their SCP application. This includes consortium members with a shareholding of 20% or greater*. The iPBR and PBR should both follow the same format.

The evidence and information collated during the Monitoring Process will form the basis of the Post Build Report (or Interim Post Build Report). Details on the monitoring process can be found **Annex D** of the Supply Chain Plan Guidance.

Assessment Approach

The Government will consider PBRs and iPBRs against the commitments made in the Applicant's approved Supply Chain Plan and the objectives of the Supply Chain Plan policy, as laid out in the Supply Chain Plan Guidance for the particular CfD allocation round that the project secured its CfD.

The assessment, taking into account the development stage of the Project, will examine how the Applicant has implemented the commitments made in its previously approved Supply Chain Plan and how successful it has been in making a material contribution to the development of the supply chain. The assessment will also look at any deviation from the submitted plan; an explanation as to the reasons for this deviation and any actions that replaced this deviation. The conclusion of the assessment will take the form of a recommendation (which will take into account the percentage share the Applicant/Consortium member had in the previous project the iPBR is related to) to the Secretary of State and will not result in a pass or fail conclusion.

Where the Applicant (or any consortium of which that Applicant is a member) has not demonstrated that they have taken sufficient action to support the development of the supply chain in the industry through severely failing to adhere to the commitments made in a Supply Chain Plan, the SoS may take this into account when considering any subsequent Supply Chain Plan submitted by that Applicant (or any consortium of which that Applicant is a member*) on the basis that it is difficult to conclude that the project is likely to make a material contribution to the development of the industrial supply chain supporting the low carbon electricity generation sector.

The SoS may take into account an Applicant's failure to provide an update in relation to the implementation of a previously approved Supply Chain Plan when considering any subsequent Supply Chain Plan submitted by that Applicant (or any consortium of which that Applicant is a member). However, should an Applicant be unable to submit an iPBR/PBR with their Supply Chain Plan, then they would be invited to set out in detail the reasons why they are unable to do so alongside supporting evidence.

Once the assessment of a PBR has been completed, the Government will write to the Project Developer to inform them of the outcome as soon as reasonably practicable. Where the Project Developer makes an application for a future CfD round for a 300MW< project, this letter should accompany any application for a SCP statement.

Once the assessment of an iPBR has been completed, the Applicant will be informed alongside the outcome of the Supply Chain Plan submission.

***Applicant is a consortium member of a previous project.**

An Applicant is required to submit a PBR or an iPBR if they are an owner or a member of a consortium, with a 20% share or greater of the project between the point of Supply Chain Plan submission and the final project commissioning date. Applicants who purchased a stake after the commissioning date are not required to submit a PBR or iPBR. The 20% figure aligns with the principles of Section 67 of the Energy Act 2008.

Publishing Post Build Report and Interim Post Build Reports

In order to share information with the supply chain industry and to support implementation, the Department may publish the PBR and iPBR.

Before publishing a PBR or iPBR, information deemed by the Department to be commercially sensitive will be removed. Developers should clearly mark any information which is commercially sensitive (for example, by using text of a specified colour). If no commercially sensitive markings are included, the Department will presume that the information is not commercially sensitive, and it will be published.

Further, the Department has a duty to comply with the Freedom of Information Act 2000 and the Environmental Information Regulations 2004. It will be important for the Government to understand the nature of any harm which disclosure of potentially commercially sensitive information might result in when considering whether it is required to disclose PBR/iPBR information in response to such a request.

The Department may also share PBRs and iPBRs with other parts of Government for the purpose of developing a joined-up approach to the development of supply chains in the low carbon electricity generation sector.

Suggested structure of a PBR / iPBR

The report should be limited to 10 pages (not including annexes) and be able to demonstrate:

- What the main commitments were in the approved Supply Chain Plan.
- Actions undertaken to meet these commitments.
- A narrative which sets out how these actions contributed to the three criteria individually and overall on how the project supported the development of the supply chain.
- The reasons for any deviation from the approved plan.
- What actions (if any) replaced a deviation from the approved plan and what value did it bring to the aims and objectives of the Supply Chain Plan policy.
- How the project helped drive cost reduction.

Suggested structure

Executive Summary

An overview of the Project and its current development status.

An overview of how the key/overarching commitments made in the SCP have been met and how they have delivered the aims and objectives of the Supply Chain Plan Policy.

Main Section

A detailed account on how the SCP was implemented by category, its successes and areas where they were unable to meet the commitments made. Details as to how each section has had an impact on developing the supply chain and its impact on costs.

The information requested below should not be seen as exhaustive and the information relating to the applicants should incorporate the impacts of its chosen contractors for the project.

Competition

- A description of the procurement process undertaken, and where applicable, for key contract or “package of contracts” (e.g. turbines, foundations, sub-stations, installations etc.) that shows how the overall desired outcomes of the Competition criteria were achieved.
- An overview of the main commitments made in the SCP and whether the commitment was fulfilled or not. Commitments made in the supply chain plan not included here should be included in a register listing all commitments and progress as an annex.
- An explanation of the reasons for any deviation from the submitted plan.
- How effective/useful was supply chain engagement.
- Any issues with the supply chain that Government or industry could help resolve.

Innovation

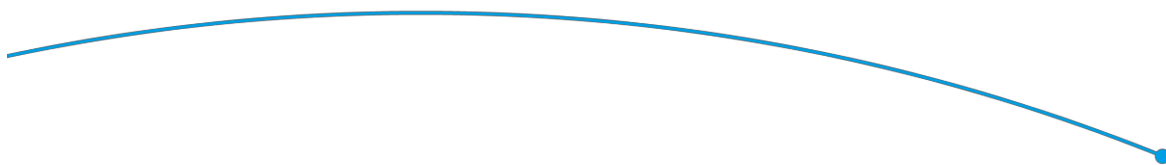
- An overview of the main commitment made in the SCP and whether the commitment was fulfilled. Commitments made in the supply chain plan not included here should be included in a register listing all commitments and progress as an annex.
- An explanation of the reasons for any deviation from the submitted plan.
- An overview of each new innovation introduced into the project and how successful it was.

Skills

- An overview of the main commitment made in the SCP and whether the commitment was fulfilled. Commitments made in the supply chain plan not included here should be included in a register listing all commitments and progress as an annex.
- An explanation of the reasons for any deviation from the submitted plan.
- Overview of the impacts made on the skills base.

Annexes

A developer may wish to include evidence to support statements made in the PBR or iPBR; such as a copy of final risk register, list of innovations developed/deployed, and copy of skills strategy



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