



Department for
Business, Energy
& Industrial Strategy

SUPPLY CHAIN PLAN FINAL GUIDANCE

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



November 2016

© Crown copyright 2016

You may re-use this information (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence.

To view this licence, visit www.nationalarchives.gov.uk/doc/open-government-licence/ or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU or email: psi@nationalarchives.gsi.gov.uk

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

Table of Contents

Purpose of this Guidance Document	2
Aim of the Supply Chain Plan Assessment Process	3
Process and Timetable	4
Introduction	4
Assessment Timetable	4
Information Requests during the Assessment Process	5
Publishing Supply Chain Plans	6
Assessment Approach	7
Assessment Criteria	7
Scoring Mechanism	8
Supply Chain Plan Monitoring, Post Build Reports and Progress Reports	9
Submitting a Supply Chain Plan	10
Response Structure	10
Response Submission	11
Evaluation Queries	11
Annex A Indicative Timetable and Process for the second Allocation Round	13
Annex B Criteria and Scoring Details	14
Annex C Submission Template	19

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 which the Department intends to follow in relation to the assessment of submitted Supply Chain Plans; and
 - c) 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 second CFD Allocation Round, details of which were made available on 9 November at <https://www.gov.uk/government/publications/contracts-for-difference/contract-for-difference> and which opens on 3 April 2017.
- 1.4. Dates in this guidance document relating to the second 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. Note, however, that as a result of the capacity maxima applying to applications for dedicated biomass with CHP, anaerobic digestion and advanced conversion technologies in the second CFD Allocation Round, applications made in respect of generating stations of those technology types are not likely to match or exceed the 300MW 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. The Supply Chain Plan assessment process is intended to encourage 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 skills, competition and innovation 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 second 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
- 2.2. The Government is committed to working with industry during the process of compiling Supply Chain Plans. Accordingly, staff across BEIS and 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 accept Supply Chain Plans in respect of the second CFD allocation round between 9AM on 9 January 2017 to 5PM on 13 January 2017 inclusive (the Supply Chain Plan Application Window).
- 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.

² As result of the maxima applying to applications for dedicated biomass with CHP, anaerobic digestion and advanced conversion technologies in the second CFD Allocation Round, applications made in respect of generating stations of those technologies types are not likely to match or exceed the 300MW threshold.

- 2.7. Subject to paragraph 2.11, the Department will endeavour to notify Applicants as to whether or not their Supply Chain Plan 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 3.17 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:
- any potentially missing sections or annexes;
 - clarifications or technical questions regarding the information submitted; or
 - 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 a period of at least 12 months. However, the Secretary of State may choose to extend the time period for which an approval is valid (at the time it is issued) if there is a compelling reason to do so.
- 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 second 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 by 24 February 2017 they should contact the assessment team by emailing supplychainplan@beis.gov.uk
- 2.18. The Department will send a comprehensive status summary to National Grid on the 31 March 2017 stating which projects have been accepted and which have been rejected.

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 is awarded a CFD.
- 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 on or after the project's Milestone Delivery Date, typically 12 months after the award of a CFD (at which point the Department will assume that the information included in the Supply Chain Plan will no longer be commercially sensitive). 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 the Freedom of Information Act and the Environmental Information Regulations. 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.

3.5 Submissions may wish to set out some of the following where applicable:

- 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.
- 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.

3.6 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.

- 3.7 The Secretary of State may reject a Supply Chain Plan on the basis that the developer (or where the Applicant is a consortium of developers, a consortium member) has failed to implement a previously approved Supply Chain Plan without providing a satisfactory explanation as to why that failure has occurred (on the basis that it is not therefore possible 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).
- 3.8 Applicants who have been awarded a CFD in a previous allocation round should therefore provide an update regarding the implementation of the Supply Chain Plan submitted in connection with that project. The Secretary of State 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).

Scoring Mechanism

- 3.9 Each Supply Chain Plan will be assessed using a scoring system for the three key criteria (innovation, competition and skills).
- 3.10 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.
- 3.11 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 innovation, competition and skills across the industrial supply chain supporting the relevant low carbon electricity sector.
- 3.12 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.

3.13 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 innovation, competition and skills across the industrial supply chain supporting the relevant low carbon electricity sector.

Supply Chain Plan Monitoring, Post Build Reports and Progress Reports

3.14 The Department intends to monitor the implementation of approved Supply Chain Plans if the project is awarded a CFD. 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 project milestones including key procurement decision points and the commitments/actions identified in the plan to encourage open and competitive supply chains and the promotion of innovation and skills.

3.15 Once the project has been built, the Department may request and publish a Post Build Report 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 at the point of first CFD payment. Any material which the Department deems to be commercially sensitive will be removed prior to publication. Projects will be expected to complete the Post Build Report within three months of commissioning the projects.

3.16 Applicants who have been awarded a CFD in a previous allocation round should provide an update regarding the implementation of the Supply Chain Plan submitted in connection with that project (provided that no Post Build Report has yet been delivered). The Secretary of State 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).

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
 - i. the point of a CFD allocation; and
 - ii. the Milestone Delivery Date.
- 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 update in relation to a previously approved Supply Chain Plan should do so in an Annex.

Response Submission

Application deadline

- 4.9 The Department will accept Supply Chain Plans between 9AM on 9 January, and 5PM on 13 January (the Supply Chain Application Window)

Application Process

- 4.10 Before the opening of the Supply Chain Plan Application Window, prospective Applicants should email the Department on supplychainplan@beis.gov.uk, and they will be sent instructions on how to upload a Supply Chain Plan electronically.
- 4.11 Applicants will be invited to upload their Supply Chain Plan onto a secure online document management platform during the Supply Chain Application Window. Applicants will need to register certain details to gain access to this platform, and are encouraged to do this before the Supply Chain Plan Application Window opens.
- 4.12 Supply Chain Plans will not be assessed until the Application Window closes at 5pm on 13 January 2017. In cases where Applicants upload more than one version of any Supply Chain Plan, only the latest upload will be considered.
- 4.13 Projects will receive an email to confirm receipt of their submission by 16 January 2017. Applicants are encouraged to check that all supporting material has been uploaded successfully onto the workspace. **If Applicants do not receive an email confirmation**, or if they encounter any problems uploading documents, they should contact supplychainplan@beis.gov.uk at the earliest opportunity.
- 4.14 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

- 4.15 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

- 4.16 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.
- 4.17 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.

- 4.18 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.
- 4.19 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 second Allocation Round³

Date	Milestone and activity
9AM 9 January to 5PM 13 January	Supply Chain Application window
24 February	Applicants who have not received a response to their application should contact supplychainplan@beis.gov.uk
5pm on 10 March	The last date that revised Supply Chain Plans will be accepted. While the Department will endeavour to notify Applicants of the outcome of the second assessment before the CFD application window opens, <u>no</u> guarantee is made that it will be possible to do so.
3 April	CFD application window opens
21 April	CFD application window closes
CFD awarded (date to be confirmed)	Redacted Supply Chain Plans published, excluding all commercially sensitive material
Milestone Delivery Date (date to be confirmed)	Un-redacted version of the Supply Chain Plan published, excluding material still deemed commercially sensitive
First CFD payment (date to be confirmed)	Post Build Reports requested by the Department

³ All dates in this document are indicative and subject to change. If dates do change, a new version of this document will be issued.

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
<p>Overall Desired Outcome</p> <p>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.</p> <p>Technically competent and cost-efficient suppliers are able to compete for, and win, contracts to ensure that low cost/high value projects are delivered.</p> <p>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.</p>
<p>Suggested Answer Format</p> <p>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</p>

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 confidence⁴ 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>

⁴ In Supply Chain plan guidance for previous CFD Allocation Rounds, this was expressed as “moderate” rather than “good”. This has been changed to “good” to provide clarification of the Government’s expectations when assessing applications.

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.</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:



Department for Business, Energy & Industrial Strategy
3 Whitehall Place, London SW1A 2AW
www.gov.uk/beis

