



Department
of Energy &
Climate Change

Supply Chain Plan Final Guidance

For projects of 300MW or more applying for a
Contract for Difference as part of the Electricity
Market Reform programme

August 2014

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URN 14D/283

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Any enquiries regarding this publication should be sent to us at supplychainplan@decc.gsi.gov.uk .

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Purpose of Supply Chain Plan Guidance Document

- 1.1. The supply chain plan guidance aims to support low carbon electricity projects¹ of 300MW generating capacity or more to submit a supply chain plan in line with the regulations to enable them to take part in the allocation process for a Contract for Difference (CfD). The guidance sets out the process for submitting and assessing supply chain plans. It includes:
 - a. the process and indicative timetable for assessment which the Department intends to follow; and
 - b. the evaluation methodology and criteria, as set out in the regulations that the Secretary of State intends to use to assess these plans against, including detailed guidance on how a project could structure their response.
- 1.2. Projects submitting supply chain plans to DECC should do so between 1 August and 26 August 2014 in order to best ensure that their plans can be considered prior to the first CfD allocation round in October 2014². The Department will endeavour to assess the plans within 30 working days although borderline cases may take longer.
- 1.3. The guidance is intended to provide applicants with assistance in considering how 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 functions under the regulations.
- 1.4. Low carbon electricity generation projects of 300MW capacity or more will not be eligible to pass through to application for a CfD if they do not have an approved supply chain plan. However, once the Secretary of State has approved a supply chain plan, it will have no further bearing on the allocation process for that particular CfD.
- 1.5. The regulations will enable the Secretary of State to approve or reject supply chain plans on the basis of whether they set out sufficient evidence that the project will make a material contribution to the economic growth and viability (development) of the industrial supply chain supporting the relevant low carbon electricity sector. This includes evidence of actions that have been taken or that will be taken in the future.

¹ The supply chain plan applies to all technologies defined in the Eligible Generator Regulations and for which a generic allocation process is provided for in the Allocation Regulations.

² This date is indicative

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. It will do this by encouraging 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. Supply chain plans will be assessed on whether they demonstrate sufficient action is being or will be taken by the project to deliver the Government's objectives of promoting low carbon electricity generation and lowering energy costs to consumers. Evidence will be needed to demonstrate steps already taken and plans in place for future actions, and the impact of those actions on the lower tiers of the supply chain and the relevant low carbon electricity industry/technology. Further details are set out in the assessment process (see paragraphs 3.1 – 3.12).
- 1.8. Projects under 300MW will not be subject to the requirement because the Department considers that the policy should capture only those projects large enough to influence their supply chains and make a material contribution to development of skills, competition and innovation in the low carbon electricity generation market. The Department also does not wish to impose additional administrative costs on smaller projects less able to absorb them.

Process and Timetable

Introduction

- 2.1. All applicants wishing to apply for a generic CfD with projects of 300MW generating capacity or more will need to provide the EMR Delivery Body (National Grid) with a letter from the Department certifying that they have an approved supply chain plan for their project when making an application for a CfD. Until this letter has been received, projects will be unable to go forward to the allocation process.
- 2.2. The Government is committed to working with industry during the process of compiling supply chain plans. Staff across DECC, BIS and UKTI will be happy to provide support to developers prior to their submission of supply chain plans, however, it is important to note that plans cannot be endorsed at this stage and it cannot be guaranteed prior to submission that a plan will pass the assessment process. Projects should email the Supply Chain Plan Team at supplychainplan@decc.gsi.gov.uk with any questions.

Assessment Timetable

- 2.3. The Secretary of State has a legal obligation to assess plans, 'as soon as practicable after a supply chain application is received by the Secretary of State'. To meet this obligation, a process has been put in place to process plans within 30 working days, although incomplete plans or borderline cases may take longer.
- 2.4. Projects submitting supply chain plans to the Department should do so between 1 August and 26 August 2014 if they wish to best ensure that their plans will be considered prior to the first allocation round (due to begin 14 October 2014³). The Department will endeavour to respond to all plans that are submitted by 26 August 2014 before the opening of the CfD allocation process. However, plans that are incomplete or are assessed to be borderline may take longer to process.
- 2.5. We expect all supply chain plans that are submitted in 2014 to be for projects applying for a CfD in the 2014 allocation process. Where an applicant intends to apply for the first allocation round this must be stated in the supply chain plan submission.
- 2.6. If the supply chain plan is submitted with information or detail missing, the Department will request further information and the assessment process (and timeline) will only restart once the required information is provided. If the missing information is provided promptly, the Department will endeavour to meet the original deadline to enable the project to enter the chosen CfD allocation round. If however, the information is not provided promptly (for example if incomplete information was given with less than 30 working days before the CfD closure date) it is unlikely that the plan will be processed in time for the chosen CfD round.

³ This date is currently indicative

Information Requests during the Assessment Process

- 2.7. The Department may seek clarification from any applicant on their supply chain plan during the evaluation period. These could include for example:
- a. A request for missing sections or annexes
 - b. Clarification or technical questions on the information submitted
 - c. A request for additional evidence where there are unsubstantiated claims
- 2.8. Clarification questions will be raised with the applicant's Authorised Representative (see paragraph 4.13) and must be responded to as soon as possible. Failure to respond adequately or in a timely fashion will result in the assessment of the supply chain plan being delayed.
- 2.9. The Authorised Representative should respond to requests for further information noting that the assessment process stops until full information is provided and this may, therefore, impact the timing of the assessment process.
- 2.10. The project can resubmit the supply chain plan, with the necessary amendments if the first supply chain plan is rejected. There is no limit to the number of times a supply chain plan can be submitted and the rejection notice will set out what needs to be improved, for the plan to receive a certificate of approval.

Evaluation Results and Exchange of Letters

- 2.11. On receipt of all necessary information from applicants, the Department will carry out an evaluation exercise to determine whether a supply chain plan is approved or rejected against the criteria as defined by this guidance and the regulations. The Department's intended approach to the assessment of these criteria is described in paragraphs 3.1 – 3.12).
- 2.12. On the basis of this evaluation, the Department will determine whether the project meets the minimum threshold such that the Secretary of State can be satisfied the project will make a material contribution to the development of supply chains, and those projects which meet the required standard will receive written certificate of approval from the Department.
- 2.13. A certificate of approval will be valid for a period of 12 months. However, the Secretary of State may choose to extend the time period for which the approval is valid if there is a compelling reason. For example if a project successfully challenges a supply chain plan decision but misses the preferred year's CfD allocation, the Secretary of State could decide to offer an extension to allow the project to enter into the following year's CfD allocation round without resubmitting their supply chain plan, providing actions were still valid.

- 2.14. The approval certificate only needs to be valid at the point of entry to the CfD allocation process, not for the duration of that process.
- 2.15. In the event of rejection of any application, the Department will notify the applicant of that rejection and will provide the applicant with a written explanation of the reasons for the rejection and what further steps are available to the project.
- 2.16. If a project has not had a response of any kind (an acceptance or rejection) from the Department by 14th October they should contact the assessment team by emailing supplychainplan@decc.gsi.gov.uk.
- 2.17. In relation to the first set of applications, the Department will send a comprehensive status summary to National Grid on the 27th October (the intended closing date of the CfD allocation round) stating which projects are accepted and rejected.

Publishing Supply Chain Plans

- 2.18. The Department may publish plans once the CfD has been awarded in order to share information with the supply chain and support implementation. To preserve commercial confidentiality, it is expected that a shorter version of the plan would be published at this point, and a longer version at the point of the Milestone Delivery Date, which is 12 months after the CfD is awarded (and when we expect that the majority of information is no longer commercially sensitive).
- 2.19. Supply chain plans should have clearly marked what information is commercially sensitive, with reasons, and what will remain so once Milestone Delivery Date is reached. Before publishing, any information deemed by the Department to be commercially sensitive will be removed.
- 2.20. Further, the Department has a duty to comply the Freedom of Information Act and the Environmental Information Regulations. In considering whether information must be disclosed it will be important that the Government understands what information provided by applicants is sensitive and why. Including valid 'reasons' for non-disclosure will enable this assessment and in the event of a Freedom of Information request will be critical to ensure the information remains commercially confidential. Where the Department judges that disclosure would harm the person who provided the information this will be taken very seriously, but applicants will need to assist in identifying such harm.
- 2.21. The Department may also share supply chain plans with other Government Departments with 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 evaluation of supply chain plans. It sets out the evaluation criteria and evaluation methodology that will be used.

Supply Chain Plan 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 for a detailed description of each criterion and guidance on structure and content of the supply chain plan.**

3.4 The Secretary of State has chosen to implement the requirement as an ‘outcome based’ regulation, as opposed to prescribing what each project must achieve. This means that each criterion is described as an outcome that the Secretary of State would like to achieve. The criteria also include a framework of how projects could structure their answer (see Annex B) to demonstrate that they will achieve this. Projects may, of course, set out how they will meet the outcome for each criterion using a different answer structure.

3.5 In year 1, it is recognised that some projects will have been in development prior to the full announcement of the requirement for projects to submit a supply chain plan and projects may have taken procurement decisions prior to the policy announcements. The assessment process will recognise this, and actions will still be relevant, noting that any procurement decisions made prior to the public Supply Chain Plan consultation (published 24 November 2013) would not be expected to take account of the criteria set out in this policy.

3.6 Providing an overview of the project will enable us to take the stage of the project into the consideration when assessing a supply chain plan and for the developer to demonstrate forward looking implementation of the supply chain plan.

3.7 Submissions therefore should also set out:

- 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.
- Size of project (expressed in installed capacity MW)
- Ownership structure

- 3.8 Vertically integrated developers and those at a late stage of development should not be excluded from the requirement, but may include different types of examples relevant 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.

Scoring Mechanism

- 3.9 Each supply chain plan will be assessed using a scoring system for the three criteria: innovation, competition and skills. The three criteria will be equally weighted and projects will need to consider the resulting impacts of the submitted actions under each criterion in their supply chain. We will score each of these main three criteria against the following:

- i. The commitments or actions that the project has either already undertaken or will undertake in the future (score out of 100).
- ii. The impact on the supply chain as a whole, using examples from the contracted supply chain if not a vertically integrated project (score out of 100).
- iii. The wider long term impacts across the relevant low carbon electricity generation industry (score out of 100)

- 3.10 This will enable the Department to make an assessment of whether the plan sets out sufficient evidence of the projects' approach and that those actions give confidence that the project will make a material contribution to the economic growth and viability (development) of the industrial supply chain supporting the relevant low carbon electricity sector.

- 3.11 The scores will then be added to produce a mark for each criterion (innovation, skills, and competition). These marks will then be added to create a final score which will be presented as a percentage. The pass mark for supply chain plans is 50%. All plans that gain a 50% or higher pass mark will be accepted.

- 3.12 In exceptional cases the Department may also approve a project that has met the objectives and scored extremely highly in certain criteria but lacks the required mark in the other criteria. This would happen if the Department is nevertheless satisfied that if the plan is implemented it will make a material contribution to the economic growth and viability of the industrial supply chain supporting the relevant low carbon electricity generation sector.

Post Build Reports and Progress Reports

- 3.13 Once the project has been built, the Department will request and publish a post build report. This is likely to be at the point of first CfD payment and any material deemed commercially sensitive will be removed (paragraph 2.18). The post build report will set out progress implementing the actions set out in the supply chain plan and reasons for any deviation from the submitted plan. Projects will be given one month to complete the post build report from the time it is requested by the Department.

- 3.14 Developers who have not implemented a previously approved supply chain plan will have this taken into consideration should they submit, or be part of a consortium that submits, further supply chain plans. In this event the Department may request a progress report on

the implementation of the previous supply chain plan (or the project may choose to submit this progress report without prompt as part of the evidence). Regardless, the Department may take into consideration the developer's track record of implementation of supply chain plans in future decisions on whether to approve a subsequent supply chain plan submission where that is relevant to determining whether the Secretary of State is able to be satisfied about the contribution that is likely to be made by that project.

Supply Chain Plan Submission

- 4.1 This section provides a description of the 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 The Department has provided a supply chain plan template which should be used by projects (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 criterion. 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 30 pages (and we would expect most to be shorter). 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 the Department 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 may not be considered during the response evaluation.
- 4.6 Applicants should clearly state any aspects of their responses which are commercially sensitive and why, indicating if this would still be true a) at the point of a CfD allocation and b) at 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.

Response Submission

Application deadline

- 4.8 The Government will endeavour to process all supply chain plans that are received by no later than **12 noon on 26 August 2014** in time for the CfD application period. Please note incomplete plans or borderline cases may take longer than 30 working days to process.

Number and format of copies

- 4.9 Applicants must provide three hard copy originals and an electronic copy of the supply chain plan.
- 4.10 Hard copy submissions, including all supporting information, should be submitted in bound folders. There should be no loose papers. A minimum font size of 11 point must be adhered to and line spacing must be at least a single line.
- 4.11 Electronic documents should **not** be password protected and information should not be hidden on protected worksheets or pages.
- 4.12 In the event of a discrepancy between the hard and electronic versions of a supply chain plan the hard copy will be considered definitive.
- 4.13 The applicant's response must provide contact details of an individual who will act as the applicant's Authorised Representative.

Delivery details for applications

- 4.14 Supply chain plans (in hard copy) should be clearly marked "Supply Chain Plan" and addressed to:

Name: Supply Chain Plan Project Team
Address: Area 4E
Department of Energy and Climate Change
3 Whitehall Place
London
SW1A 2AW

- 4.15 Electronic copies should be sent to: supplychainplan@decc.gsi.gov.uk
- 4.16 Projects will receive an email to confirm receipt of their submission. If a developer has not received a confirmation they should contact supplychainplan@decc.gsi.gov.uk immediately.

Evaluation Queries

Raising Queries

- 4.17 Queries regarding the process and response requirements may be submitted during the course of preparing the supply chain plan.
- 4.18 Queries should be submitted in writing to:

Name: Supply Chain Plan Policy Team
Address: Area 4E
Department of Energy and Climate Change
3 Whitehall Place
London

SW1A 2AW

Email: supplychainplan@decc.gsi.gov.uk

Responses to Queries

- 4.19 The Department will endeavour to respond to all queries regarding supply chain plans within three working days of receipt, but no guarantees can be made in this regard.
- 4.20 In the period of time leading up to the submission deadline for a supply chain plan and during the assessment process, individual queries and their responses may be published in a question and answer circular which will be made available via email to all applicants (or potential applicants). The identity of the applicant making the query will not be included in the question and answer circular. The Department reserves the right to amend the text of the query when it is published in the question and answer circular, including in order to remove any information which may reveal the identity of the applicant making the query.
- 4.21 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 at its sole discretion determines that a question should not be treated as confidential, then 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.
- 4.22 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 2014

Date	Milestone and activity
1 August	EMR regulations come into force
1 August	Final guidance on supply chain plans is published and opening date for supply chain plans to be received
26 August	Last date that a supply chain plan should be submitted to be processed in time for the CfD application in 2014
14 October	Projects that have not received an response should contact supplychainplan@decc.gsi.gov.uk CfD application window opens
27 October	CfD application window closes
CfD awarded (tbc)	Supply chain plan published excluding confidential material
Milestone Delivery Date (tbc)	Supply chain plan published excluding confidential material
First CfD payment (tbc)	Post build report requested by the Department

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. In this circumstance, the supply chain plan submission should set out how the actions would benefit the project itself.

For each 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.

The answer to each criterion will be assessed against the following:

- i. The commitments or actions that the project has either already undertaken or will undertake in the future.
- ii. The impact on the supply chain as a whole, using examples from the contracted supply chain if not a vertically integrated project.
- iii. The wider long term impacts across the relevant low carbon electricity generation industry.

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

Each criterion represents a third of the overall marks.

Competition

Overall 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.

Suggested Answer Format

In order to meet this outcome, the applicant may wish to structure the submission with some 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
- 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 the relevant low carbon generation sector and those that have the capability to do so, but have not yet entered the market or have not yet reached critical mass
- 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.

As this criteria relates to the wider low carbon electricity generation supply chain, companies using alliancing or framework agreements can meet this criteria via, for example, actions in 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).

To award maximum marks, the assessor will also consider whether the supply chain plan sets out the approaches across the wider low carbon electricity generation supply chain and the potential or actual impact on the relevant low carbon electricity generation industry.

Innovation

Overall 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.

The applicant therefore may wish to structure the submission using some of the following points in paragraph 1, for each element set out in paragraph 2 (noting that this is not an exhaustive list and the project could use a different answer structure to meet the overall outcome described above):

1. 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

2. 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

For example for biomass the list might also include but not be limited to:

- Storage and transport of biomass
- Improvements to burn efficiency (stability and heat output)
- Reduction in fouling and corrosion

This is a broad criterion and could be met by demonstrating innovation in a number of ways, including via the supply chain, (including for biomass only, the feedstock supply chain). 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 expect to see that innovation has been considered in at least several elements of the project set out in paragraph 2, or that projects have focussed efforts on one or two elements of the project set out in paragraph 2 with actions where there is evidence that these will have significant impact on the cost of the relevant technology

To award maximum marks, the assessor will also consider whether the submission sets out the approach to innovation in the wider low carbon electricity generation supply chain and the impact on the relevant low carbon electricity generation industry.

Skills

Overall 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.

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.
- 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.
These could be actions that have been taken in the past, or that are planned for the future. If it is the former, please set out any results from these actions. If it is the latter, please set out any outcomes expected to occur as a result of these actions.
- Plans that the project intends to put in place to maintain and develop the skills necessary for the lifetime of the project.
- Examples where the applicant has, or intends to, share best practice and lessons learned.

To award maximum marks, the assessor will also consider whether the submission sets out the approach to skills and training in the key supply chain companies too. They will consider whether the actions are likely to lead to further deployment of the relevant low carbon electricity generation industry by contributing to improving the available pool of skilled workers in the sector and addressing the current shortage of skilled labour across the low carbon electricity generation supply chain. This refers to the same low carbon electricity generation industry as the project delivers, but is not limited to this. For example, if there is read-across to onshore wind for the skills developed for an offshore wind project, the submission should set out the evidence for this too.

The evaluation marking system below will be applied to each criterion

Evaluation Marking	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 supply chains.</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 supply chains.</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 moderate degree of confidence and evidence that the project will make a material contribution to the development of supply chains.</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 supply chains.</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 supply chains.</p> <p>A response that fails to meet the requirements for a score of 25 will fall into this category.</p>

Annex C – Template for Supply Chain Plan Submission

(Please see next page)

SUPPLY CHAIN PLAN SUBMISSION TEMPLATE

NOTE: Plans should be completed in font size of 11 point and 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 30 pages 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 applicants are encouraged to minimise the quantity of supporting material presented by just including relevant extracts or sections of papers where appropriate.

Contact details:

Company name		Authorised Representative	
Address		Contact number	
Email		Alternative contact	
Alternative contact number		Alternative email	

Project details:

Project name		Project size (in MW installed capacity)	
Project commissioning date		Project location	
Is a first round CfD application intended to be made?		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.

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 details of the full competition criterion please see Annex B of 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 details of the full innovation criterion please see Annex B of 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 details of the full skills criterion please see Annex B of the guidance document

Plan to meet the Skills Criterion:

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URN 14D/283