



Department for
Business, Energy
& Industrial Strategy

Contract for Difference Supply Chain Plan

Your Questions and Answers 28 September
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Any enquiries regarding this publication should be sent to us at: Supplychainplan@beis.gov.uk

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General and Process Questions

Aims

Q: What is the purpose of a Supply Chain Plan?

The government wants to ensure that Supply Chain Plans, which have been in operation for three allocation rounds, support our Industrial Strategy and government priorities by boosting competitiveness and productivity, harnessing innovation, investing in skills, driving regional growth and advancing the low carbon economy as we achieve net zero.

As a result, we have strengthened the Supply Chain Plan policy for major new renewable energy projects, aligning developers' proposals more closely with sector priorities, and introduced consequences for non-delivery of commitments.

Timing

Q - When does the application window open and close for our Supply Chain Plans (SCP)?

The application window opens at 00:01 on 27 September and closes at 23:59 on 3 October. Applications submitted after the 3 October will not be accepted unless cleared with BEIS before. In line with guidance, if an SCP is failed we are content to accept resubmissions.

Q - Do we need to pre-register our intent before submitting a SCP to BEIS?

Yes, all applicants need to e-mail the inbox: supplychainplan@beis.gov.uk a week before they submit their plan so BEIS can establish them a secure area for uploading their documents.

Assessment Process

Q – Could you please confirm supply chain plans are only related to proposed projects of 300 MW and above?

Yes, please only submit a SCP if your proposed project is 300 MW or more.

Q. How will the initial Supply Chain Plan application be assessed?

When assessing an initial Supply Chain Plan marks will be awarded based on the quality of information provided, specifically: the level of ambition; the feasibility of delivery; and the provision of quantifiable outcomes/measurable metrics and supporting evidence.

Q - How will an application for a Supply Chain Implementation Statement be assessed?

BEIS will assess the evidence provided for each commitment made in a Supply Chain Plan (including amendments made during the monitoring process) and rescore the Supply Chain Plan similarly to the CfD application stage, taking into account the initial level of ambition committed to, to determine the extent to which the Generator has implemented or is on track to implement the commitments made.

Q: Who will assess the SCP's?

This assessment will be undertaken by officials in BEIS and Devolved Administrations (if relevant) alongside an independent panel. Advice will then be submitted to Secretary of State who will decide if a SCP should be passed or failed.

Q: How long will the assessment take and will I get feedback?

Yes, feedback will be provided on all Supply Chain Plan applications, whether they pass or fail. We will endeavour to do our initial assessment within 30 days of the closure of the SCP window.

Q: What happens if my plans change after the SCP window closes but before the CfD round begins?

BEIS have made clear that at application stage ranges, estimates and different options can be submitted, but these would need to become more precise during monitoring, and by implementation assessment.

If an applicant proposes two options under a question because they have yet to decide on which to pursue, they will be awarded a mark that is an average of the score of both options.

If a commitment made at application stage subsequently cannot be delivered, it can always be changed for an alternative commitment (or several) of commensurate impact.

Q: What if I notice an error in my SCP after it is submitted?

Please alert BEIS as soon as possible and we will work with you to agree a resubmission if possible.

Q: Should we still submit a SCP even if we haven't decided yet if we intend to bid into AR4?

Yes. If your project is 300MW or above it's important that the first submission of your SCP is submitted within the application window (27 September to 3 October) otherwise you will not be eligible for a CfD.

Q – Can we submit a single SCP for multiple CfD units?

We can confirm that if your project is split into multiple CfD units, you can submit a single SCP to cover those units (so long as your supply chain are indeed largely identical and you clearly

reference this where appropriate). We understand there may be differences or staggered deployment across the multiple build out phases so please signpost these clearly. If any of your commitments are reliant on volume, this should also be signposted very clearly.

If there are significant differences across the multiple units then please submit multiple SCPs. BEIS will issue individual scores but will still consider the whole portfolio of commitments during assessment. Please signpost any significant overlap or why values may differ significantly.

Q: If a single supply chain plan is submitted for a project zone, which could be made up of more than one CfD unit, and subsequently there is a change in ownership of one of the CfD units or the original owner would like to split their SCP into CfD units, what is the impact on the monitoring process and the Supply Chain Implementation Statement?

This is a decision for the original owner of the project zone. BEIS is content for the project zone to remain as one Supply Chain Plan (SCP) but both the original owner and new owner would be responsible for all the commitments if there was a change in ownership.

If the original owner would like to split the supply chain plan due to new ownership or any other reason, BEIS is content to work with them to agree on how the commitments should be split. BEIS will need to sign off the new SCPs to ensure the demonstrable value remains the same, BEIS retains full discretion on this matter and also if there are any interdependencies between the multiple SCPs, taking into account the commitments made in the original owner's SCP.

Q - What happens if a developer does not deliver on its UK content commitment?

To obtain their Supply Chain Implementation Statement, a generator must obtain at least 50% of the marks available in each section of their Supply Chain Plan. A generator can pass their Supply Chain Plan even if they have not delivered a specific commitment, so long as they obtain at least 50% of the marks overall per section.

Q - What happens if I fail my Supply Chain Plan application?

In the event that a Supply Chain Plan is rejected, BEIS 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).

BEIS will consider revised Supply Chain Plans submitted in response to a Statement of Rejection. However, it is important to note that while BEIS will endeavour to notify Applicants as to whether or not their revised Supply Chain Plan has passed the assessment process before the Fourth CfD Allocation Round Application Window opens, no guarantee is made that BEIS 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.

Applicants can, if they wish, discuss their SCP with BEIS before resubmission.

Q - Once the CfD has been awarded, what happens if a developer does not then deliver on the commitments they made?

Once a CfD has been awarded, a developer will be held account to the commitments they have made in their supply chain plan, taking into account the level of ambition they committed to at application stage. Therefore, a developer with a low-level of ambition in their original commitments will not score very highly overall, even if they have met all their commitments. Conversely, a developer who has set original commitments with a high level of ambition, but has not delivered on all of them, could still receive a high score.

If a developer has implemented their commitments and can obtain at least the 50% pass mark per section, then they will be on course to receive their Supply Chain Implementation Statement regardless of their performance on any individual question.

If a developer fails to implement enough of their commitments to meet the 50% pass mark in a section (regardless of their performance on any individual question), they could face termination of their CfD contract. Developers will be given multiple opportunities to discuss the implementation of their commitments, make adjustments or amend their plans at each stage of the process. These measures provide ample opportunities for developers to adjust their plans to secure a Supply Chain Implementation Statement.

Q - What if I disagree with BEIS' assessment?

The aim of the monitoring meetings is to ensure that there are no surprises for either party relating to the implementation of commitments and the issuing of the Supply Chain Implementation Statement. Monitoring meetings are there to support the implementation of commitments, discuss any issues as they arise and agree on alternative approaches if necessary. The meetings will also agree what evidence is required to demonstrate a commitment has been fulfilled.

Q - On what basis can you fail a Supply Chain Plan at assessment stage?

If a developer fails to implement enough of their commitments to meet the 50% pass mark in a section, they could face termination of their CfD contract. However, BEIS will take into account circumstances beyond the control of the developer and the efforts they have made to deliver commitments. The monitoring programme is designed to pick up issues around implementation and agree a way forward. Developers have the option to make adjustments or amend their plans at each stage of the process to secure a Supply Chain Implementation Statement.

Q - Why are you reintroducing the Post Build Report?

We are restoring the requirement to submit a Post Build Report once the project has been fully commissioned to ensure generators deliver on their remaining commitments after they received an Implementation Statement. This will allow the Secretary of State to consider how a generator fully implemented supply chain plan commitments made in a previous allocation round when assessing a Supply Chain Plan submission in relation to a future round.

The Post Build Report will have no bearing on the Operations Condition Precedent.

Q - Is there a way to pay a fine to avoid plan being failed at supply chain implementation statement?

No, the sanction for failing to deliver Supply Chain Plan commitments is CfD contract termination. However, this is a last resort: the monitoring process, progress report, opportunity to revise or replace commitments with ones of commensurate value and the opportunity to resubmit failed plans should give an applicant ample opportunities to rectify issues preventing them from receiving a pass mark, so long as the appropriate steps are taken to rectify problems.

Q - What happens if a developer does not deliver on its UK content commitment?

To obtain their Supply Chain Implementation Statement, a generator must obtain at least 50% of the marks available in each section of their Supply Chain Plan. A generator can pass their Supply Chain Plan even if they have not delivered a specific commitment, so long as they obtain at least 50% of the marks overall per section.

Assessment Criteria

Q - What is the “pass” mark for an Applicant in order for them to pass their SCP?

An Applicant needs to score at least 50% of the marks available in each of the four sections in order to be sure of passing.

Q - What criteria you are using to assess Supply Chain Plans?

The Supply Chain Plan Guidance and Questionnaire sets out what is required of an Applicant to pass their Supply Chain Plan and the basis on which plans are assessed and scored.

Marks will be awarded based on the quality of information provided, specifically for the ambition, feasibility of deliverability and quantifiable outcomes/measurable metrics contained in the responses and supporting evidence. This includes how delivery will be ensured (e.g. through contractual commitments, details of a company’s internal measurement/monitoring processes and obligations).

We have clearly shown the available marks next to each question to aid transparency and assist Applicants.

An Applicant whose SCP has failed will receive feedback on why it has failed and will be invited to submit a revised SCP for assessment.

Q - What do you mean when you say you will assess developers on their ambition?

At application stage, a significant part of marks will be awarded to deliverable yet ambitious commitments. Later, if you are a successful applicant and win a CfD, when it comes to the assessment of your Supply Chain Plan implementation, you will be scored again against your initial ambition for each commitment, and how you have delivered against that ambition.

Q – Does BEIS accept green steel certificates as contributing towards carbon reduction from the supply chain in the context of question 1.2 in the SCP.?

At the moment there are currently no agreed standards and a decision on such a standard would need x-WH agreement. As a result, we can't accept green steel certificates as part of your supply chain plan for AR4 submission.

Formatting

Q - What format do all the documents need to be in?

A word document or PDF is fine

Q - Are there any requirements in terms of the font size, margins or spacing between lines?

Minimum font should be 11 with 1.5 line spacing and standard margins. Number all pages and paragraphs. Each question should begin on a new page.

Q - Are we okay to include a Contents page at the beginning to have the reader navigate through the document?

Yes, include a contents page if helpful.

Q - Are we able to embed hyperlinks within the text itself or footers if we want to evidence points or should all evidence be included in the appendices instead?

Embedding and footnotes are fine, it would be helpful though if you summarised in an annex the title of each piece of evidence so we have a list of what's been embedded.

Q - Should all the tables and appendices be merged into a single document?

Not necessarily. You can upload multiple documents. The main thing is that information is easy to find.

Q - Is there a file size limit?

No.

Q - Are there any file naming conventions we should use?

No. You can use your own naming convention.

Q: Does table G.1 need to be submitted as part of a SCP submission?

No, it is for your own use to help with calculations.

Q - Where supporting material is available online, is it ok to refer to the weblink or do BEIS want the documents provided?

Yes. You can refer to the weblinks

Q - Should any in text references be referenced in footnotes or a full reference section?

Footnotes are preferable. However, a reference section is also acceptable.

Q - Is it suitable to use the 'cross referencing tool' within the full document to reference different sections?

You can use the 'cross referencing tool' within the full document as long as there is no need for us to download any specialist software to enable it.

Confidentiality

Q – Are we OK to redact any information that is commercially sensitive from our application?

Please provide as much information as possible. We appreciate that some information is commercially sensitive and in line with the guidance please label it **very clearly** as commercially sensitive and it will be redacted from any external publication. Please see section 5 in the guidance documents for more details on SCP publication.

Q - Will you publish the level of UK content each project is providing?

The government will publish the anticipated headline UK content figure for each project. The figure to be published will be the anticipated total lifetime UK content and this figure can be provided as a range to account of the uncertainty of where contracts will be let. The government will not publish the breakdown of how the headline figure was reached.

Questionnaire Questions

Project Summary

Q - Please can BEIS define key locations.

We would like to know: offshore/onshore wind farm, solar farm, onshore landing point, grid connection point.

Q - The project details table asks for the Project location (Grid Coordinates). Please can BEIS confirm that this is for the main project site (e.g. the offshore wind farm area only and not including the offshore or onshore export cable corridor). What format should the Grid coordinates be provided in?

Yes we want the grid co-ordinates of the main project farm / area, we are happy to accept these in any format.

Q - Does the installed capacity need to match with the consented Project capacity?

No, we are looking for the size you are expecting/ aiming to build. If you secure a CfD for a smaller sized project than anticipated in your SCP submission, your SCP is still valid.

Q - Does the Applicant of the SCP (Project name/company name) need to match with that in the relevant Project consent (i.e. DCO as required for CfD eligibility)

No, the parent company / owner of the project can be the Applicant.

Q - For S1 and S3, can BEIS confirm that the project details entered in the SCP should be best estimates at the time of submission, but they are not binding on the CfD bid? That is, if developers' plans change after submission of the SCP, this does not affect the eligibility of the project as regards the CfD?

Your best estimate at time of submission is fine and the information provided is not binding. A change in capacity will not affect the project eligibility. However, if fulfilling a specific commitment is reliant on a certain capacity being secured in the CfD, this should be highlighted in your SCP

We can be flexible on the presentation, as long as all the information requested is provided and is clear.

Summary of Supply Chain Plan Outcomes

Q - For S5(a) of the questionnaire, is it acceptable just to cross-refer to the most impactful activities in each of the other sections, or should we describe them again?

You can cross refer or add a bit more information. What we are looking for is your opinion on what commitments you consider will have the most impact on the supply chain, so we can focus on those commitments and monitor their impacts.

Green Growth

Q - Can you confirm whether the Isle of Man would count as UK for the purposes of UK content calculation?

The Isle of Man is a Crown Dependency like Jersey and Guernsey and is not part of the United Kingdom, as a result it is **not** counted for the purposes of UK content calculations.

Countries included in UK content are England, Scotland, Wales and Northern Ireland.

Q - Can we add to the UK content table within the Supply Chain Plan to include additional items?

It is fine to add rows to Table 1.1 but be careful to adjust the formulas within the spreadsheet accordingly

Q - The questionnaire says that it is acceptable to give ranges for UK content, apprenticeships and jobs estimates, but Tables 1.1, 4.1 and 4.2?

Yes - you can overwrite the formulae if you are using ranges, but this will need to be followed through in all aspects of the table to make sure it's consistent.

Q - On question 1.2, do actions have to be strictly limited to incentivising the supply chain to reduce their carbon footprint, or can we use examples of actions we are taking to reduce the project's carbon footprint?

You can use actions you are taking to reduce the project's carbon footprint as well as actions your supply chain are taking.

Q - Does actions "undertaken to date" mean actions related to a previous project or actions that relate to this project but have already been completed?

A commitment linked to the current project that has already been completed is not counted in the "undertaken to date" limit it only applies to actions from previous projects.

Q - Can BEIS confirm that Table PS3 only needs to include the number of activities listed in the questionnaire, not all activities that the developer carries out that are relevant to the question?

Yes. Table PS3 only needs to list the commitments made in the questionnaire. We are not expecting you to list every activity you are carrying out.

Q - How will UK content be scored ? / For Offshore Wind, do you have to reach the Sector Deal 60% target?

The UK content question will be scored like most of the other questions. It is not the percentage that is marked, it is whether data, explanations and evidence for your choices have been provided, including for your level of ambition. We are looking for evidence that you carefully studied your supplier market. For instance, have you studied the market, supplier capacity, their order books? What was the outcome? How did that influence your choices? Note, however, that if you do not fill in the table under part (i) of the question, you will be given 0 marks.

Q - When you will assess the implementation of the UK content question, will you be assessing us against the commitments made in the UK content table at application stage? Will we need to evidence each row of the table?

At implementation assessment stage, as is the case for every other question, we will assess what you committed to do at application stage, and whether you achieved it - and if not, why not, with the appropriate evidence.

We recognise, however, that plans can change, and that not every aspect of what was planned may be delivered. That is why you will have an opportunity to amend your commitments during the monitoring stage so long as they are of commensurate value (in agreement with BEIS), and why when we assess a commitment's implementation, we will prioritise the overall net impact rather than each sub-commitment. However, at the monitoring stage, you can expect us to look in detail at your progress against various aspects of your commitments, to ensure that things are proceeding according to plan.

Infrastructure

Q - Could you please clarify what you mean in question 2.1 by “coordinate supply chain activity”?

In short, we mean what actions are you undertaking across the planning, construction and operations phase to minimise your impact on the environment/communities in which your project is based. In particular, have you thought about the sequencing of your various activities and whether they can be grouped/done together to minimise the need to disrupt an area several times (and to minimise increased costs by missing opportunities to pursue economies of scale). There is an emphasis on the construction phase because it is the most disruptive to communities and the environment.

Q - Can you clarify the distinction between questions 1.3 and 2.1?

Q2.1 is focused on how you intend to coordinate any building works with your various suppliers and local authority to minimise the negative impacts on the local community, whereas Q1.3 is specifically about identifying gaps in your supply chain (i.e. what do suppliers need) and how you are going to help resolve them.

Q - Can you clarify the distinction between questions 1.3 and 2.2?

Q1.3 is about identifying gaps in the supply chain and how you are helping them to boost their capabilities & productivity. Whether this is through facilitating partnering, improving their quality control process to meet your standards or giving them the confidence they need to trigger investment in their facilities or to enter the market. Whereas Q2.2 is more about the infrastructure that supports the supply chain and how it can be improved to increase productivity and competitiveness. For example, encouraging a supplier to build a new facility, adapt new innovative processes and technologies that could reduce bottlenecks and reduce risks to project delivery or coordinating use of facilities with others.

Innovation

Q - On 3.1, can you clarify what is meant by the requirement for two of the three R&D activities to be 'linked to the project'?

We are looking for what R&D is being carried out to tackle the challenges faced by the current project, even if they are generic to all other projects.

Q – Can we include completed R&D activities that are relevant to the project but are not necessarily solely related to it?

Yes - they must be demonstrably relevant to the project provided you can explain why it is beneficial to project

Q - Can non-UK based Innovation ideas be used within your plan?

Yes, we are open to any innovative products, methods and processes that can increase supply chain competitiveness, capacity and productivity.

Skills

Q - Some questions ask about our strategies or practices (e.g. questions 1.5, 2.3, 2.4, 4.2, 4.5 – 4.7). In these instances what should be included in Table PS3?

For Table PS3 you can simply name the strategies and plans you have in place or intend to put in place. Table PS3 is intended as a quick reference for keeping track of commitments and actions as well as their progress.

Q - On 4.3 and 4.4, the questions do not say that anything should be included in Table PS3, but the table itself has rows for those questions. Can BEIS confirm that we do not need to complete Table PS3 for these questions?

For Q4.3 you should include the anticipated number of apprenticeships etc and the anticipated proportion of positions that will turn into long term employment opportunities. There is no need to include a narrative. However, if you feel a narrative would better support your case, then, you can include a narrative with a one page limit.

On Q 4.4 there is no need to complete Table PS3.

Q - On 4.4(i), the question asks for information on duration of jobs, split between FTE / temp hires, and career progression activities, but the scoring scheme is only based on # of jobs per MW. Can you confirm that none of the other information requested in 4.4(i) will be scored?

The scoring for 4.4(i) is based solely on the number of jobs created by the project. The breakdown is for our information.

Q - For the Question 4.4, how does the scoring mechanism work?

For question 4.4(i), the highest mark will be attributed to the application that proposes and evidences the highest number of positions or direct jobs per MW, and all other applications will be scored against this benchmark with the lowest proposal getting 50% of marks. Not providing any information on this question will award no marks. Note that for 4.4(i) the score is based on total number of jobs (UK and RoW combined), with no distinction made between the two in the marking. All jobs regardless of location carry equal weight. For 4.4 (ii), scoring will be based on the same methodology as the rest of the questionnaire. Question 4.4 will be split equally in terms of marks between parts (i) and (ii).

You will only be scored on the number of jobs created. The information on the anticipated duration of different types of new jobs with examples, which positions will likely be full-time employees versus temporary hires, and what career progression activities will be put in place is very useful information for us and undoubtedly will be asked in the monitoring meeting but does not affect your score. We will update the guidance to make that clearer.

Q - Are we right to assume that in Table 4.1, it is the number of apprenticeship positions rather than apprenticeship FTE years that should be reported? So for example, one 3-year apprenticeship would be reported as 1, rather than 3?

Yes we are looking for the number of apprenticeship positions.

Q – For Table 4.1 what should we do if our supply chain partners are unable to provide this information at application stage?

Where you do not have this information for the supply chain, we are happy for you to use extrapolated figures, provided that it is clear in your submission where you are using extrapolated figures and what they are based on.

Q - Under the jobs question, are you measuring UK jobs only?

We ask for the jobs data to be broken down by UK jobs and jobs created elsewhere ('Rest of the World'), for our information. However, when we score the number of jobs created, this is a total of both UK and Rest of World.

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