
SPECIFICATION FOR THE PROVISION OF OFFSHORE RENEWABLES DECOMMISSIONING TECHNICAL ADVICE

Specification Content

2.1 Glossary

Department for Business Energy & Industrial Strategy	BEIS
Offshore Renewable Energy Installations	OREI
Offshore Transmission Operator (owner of transmission infrastructure - appointed by OFGEM after formal tender exercise)	OFTO
Marine Management Organisation	MMO
Natural Resources Wales	NRW
UK Hydrographic Office	UKHO
The United Nations Convention on the Law of the Sea	UNCLOS
The Convention for the Protection of the Marine Environment of the North-East Atlantic	OSPAR

1.2 Introduction

1.2.1 Part 2, Chapter 3 of the Energy Act 2004 (“the Act”) grants the Secretary of State (“SoS” if used elsewhere) statutory powers to require developers of offshore renewable energy installations (“OREI”) and their related electric lines (and other relevant parties) to submit decommissioning programmes setting out proposals for how the OREI and related lines are to be removed and how that removal will be funded. The SoS may approve decommissioning programmes with conditions attached, including a requirement to provide securities to cover the costs that would accrue to BEIS in the event of a default on its obligations by a developer. The Act grants powers to the SoS to place decommissioning obligations on developers and owners of OREI projects and therefore help to ensure that OREIs are properly decommissioned at the end of their useful life and that funds are available to do so. Guidance notes for industry on OREI decommissioning were published in 2011 but are currently being updated with the revised text due for release soon.

1.2.2 In the event that other parties fail to decommission it may ultimately fall to the SoS to organise and fund decommissioning. The SoS therefore, holds liabilities in this respect.

1.2.3 Process for Decommissioning Programme Approval is as follows;

The SoS issues notices under section 105 of the Act (“s105 notices”) to operators and developers of OREIs to require them to submit a draft decommissioning programme within a specified period of time. The submission of a draft decommissioning programme to the SoS prior to construction and in some circumstances the approval of a decommissioning programme before construction may be needed. The draft decommissioning programme is then

assessed by BEIS officials, with further information requested where gaps are identified.

(ii) BEIS consults its own finance, legal and commercial teams on each programme and additionally with the Crown Estate, Marine Management Organisation (MMO) / Natural Resources Wales, (NRW) – as necessary - and the UK Hydrographic Office (UKHO). When the decommissioning programme and associated financial securities are judged to be satisfactory, it is then put forward for approval. The Energy Act 2004 includes powers to modify approved programmes and conditions should circumstance of the approval of the programme change”. The statutory requirement is on the SoS to review as appropriate rather than a specific requirement on an operator to review their programme. The SoS can set conditions requiring a review of a programme.

(iii) The decommissioning programme process in a typical case is currently*:

Stage 1	Stage 2	Stage 3	Stage 4
Preliminary Discussion between BEIS and the developer	Issue of s105 notice by SoS requiring a Decommissioning Programme	Detailed discussions; submission and consideration of a draft programme (including proposed financial security measures)	Consultation with interested parties
Stage 5	Stage 6	Stage 7	Stage 8
Formal submission of a programme and approval under the Energy Act	In operation and pre-decommissioning reviews and modifications of a decommissioning programme (and any financial security); review or conduct of decommissioning	Developers Executes approved decommissioning programme to remove infrastructure	Monitoring of site and report on decommissioning outcomes

* Please note this process is subject to change in line with our updated guidance due to be published.

1.2.5. A flowchart is included within the Guidance Notes for Industry, setting out how the process of obtaining an approved decommissioning programme operates in practice.

1.2.6. The table below indicates an estimated number of submitted decommissioning programmes as of October 2018*.

Year	Estimated number of Projects	Estimated range of projects requiring technical advice**
2018/2019	23	5-8
2019/2020	23	10-20
2020 onwards	15	10-20

* Please note that this table has been provided to estimate the amount of work that may be expected, however this will be subject to annual review between BEIS Offshore Renewable Energy Decommissioning team and the Provider.

** Please note the difference in the number projects requiring technical advice FY 1 compared to FY 2 & 3. This reflects the shorter time frame that is available for the chosen Provider to complete the outputs listed within 1.5.

1.2.7. This procurement is seeking specialist advice on decommissioning programmes for OREIs and associated cables to ensure they are robust and that the taxpayer, is, as far as possible, protected from the risk of having to pay the costs associated with organising and funding decommissioning activity.

1.2.8. The assessment also uses the Energy Act powers to ensure:

- The industry is taking its obligations seriously and has adequate financial arrangements in place;
- Protection of the marine environment and its users;
- Safety of navigation of vessels after decommissioning;
- Adoption of 'the 'polluter pays' principle for decommissioning, protecting the taxpayer against inherited costs;
- Where relevant, that the UK's international obligations (including UNCLOS and other relevant obligations) (are met).

1.3 Scope

1.3.1 This Contract is for the supply to the Offshore Renewable Energy Decommissioning team in BEIS of specialist technical advice on an ad hoc basis . This advice will include;

- (1) The supply of technical advice to the Offshore Renewable Energy Decommissioning team in relation to our current and future policy and regulation.
- (2) Scrutiny of individual decommissioning programmes which will be done on a case by case basis, with differentiating scope for each project/location. This could include initial and or secondary written reports submitted to BEIS Offshore Renewable Energy Decommissioning team.

Scrutiny of individual decommissioning programmes will include but is not limited to;

- Whether proposals are technically feasible (both generally and in relation to the physical environment of the individual project) and any alternative methods which may be preferable;
- Where less than full removal of infrastructure is proposed, Provider shall provide an assessment of risks, including the likelihood that such infrastructure could become exposed over time, the potential impact of exposure on the marine environment and safety of navigation and if needed, an assessment of OREI developers/owners justification for the leaving of infrastructure in situ as per the minimum standards set out in IMO guidance;
- The reasonableness of developers' and owners estimates of the costs of decommissioning; and a likely cost envelope and best estimate. Costings should be broken down to help BEIS Offshore Renewable Energy Decommissioning team and developers and owners better understand any differences in the cost estimates provided by developers/owners and the Provider;
- Assessment of any cost that may need to be met during any post-decommissioning monitoring period;
- For novel devices, the extent to which the technology may be unreliable or carries risk;
- Where relevant, any opportunities that might exist for developers and owners to lower their decommissioning costs through alternative decommissioning methods that have not yet been considered, without detriment to the impact on the marine environment/safety of navigation/health/ safety during the decommissioning process and increased risk to the taxpayer;
- Advice on the estimated timescales for decommissioning including recommendations for alternative timescales within which the OREI/cables might be removed;

(3) Follow-up discussions with BEIS Offshore Renewable Energy Decommissioning team after initial written advice. Where relevant BEIS Offshore Renewable Energy Decommissioning team will follow up necessary requirements for further information from OREI developers and owners.

(4) Engagement with OREI developers alongside BEIS Offshore Renewable Energy Decommissioning team if further technical advice is requested in relation to the report produced by the Provider

(5) Advising on several back dated programmes for approval in 2019

(6) Advising on high priority decommissioning programmes for approval in 2019

1.3.3. Provider shall respond to requests for written information within two weeks of the receipt of information from the BEIS Offshore Renewable Decommissioning team (these timings can be extended subject to further discussions with Provider based on the complexity of the decommissioning programmes submitted by developers)

1.3.4. Providers should note that the aforementioned scope should be included, unless otherwise communicated within every initial report that the Provider is asked to produce. Secondary reports if needed shall be tailored to provide further clarity on the initial reports findings.

1.3.6. The appointment would be for a three-year period, but this period will be subject to annual break clauses and annual budgetary reviews. With possible extension of the contract until 2023 as a call off contract, with the provider's advice requested on an *ad hoc basis*. Providers should provide a full and detailed breakdown of costs. This should include staff (and day rates) broken down for different levels of staff. A pricing schedule will be required and a pricing sheet (see attachments) should be provided as part of the proposal for assessing and providing practical advice on OREI decommissioning programmes and related electric transmission lines, for both this financial year & subsequent years.

1.3.7. The Provider shall consider the approach taken by other more mature industries, such as the oil and gas sector, and, where applicable, any knowledge of similar decommissioning regimes in other countries to inform its advice to us.

1.3.8. The Provider shall provide recommendations on modifications to draft decommissioning programmes, where appropriate.

1.4 Service Conditions and Environmental Factors

1.4.1 It should be noted that given the offshore location of the OREIs and their electric lines it is unlikely that the physical infrastructure discussed within the programmes will be available for inspection and independent examination.

BEIS Offshore Renewable Decommissioning team and the Provider must, therefore, rely upon information supplied by developers in their assessment of decommissioning programmes and financial securities in the first instance.

1.4.2 It should be noted that at this time there is limited experience in decommissioning best practises within the offshore renewable energy sector. As a result, the scope of decommissioning can vary across industry, Providers should be aware of this limitation and provide evidence of mitigating such in experience in their on-going advice to BEIS Offshore Renewables Energy Decommissioning team

1.4.3 All approved decommissioning programmes must be in line with BEIS's most up to date Guidance for Industry on "Decommissioning of Offshore Renewable Energy Installations under the Energy Act at the time of approval."

1.4.4 BEIS Offshore Renewable Energy Decommissioning team will own the intellectual property on the final written reports and intends to share the reports with the developer. Whilst BEIS does not intend to proactively publish the reports, they could potentially be publishable should a request for information be received under the terms of the Freedom of Information Act or Environmental Information Regulations.

1.4.5. It is expected that most of the work will be undertaken outside BEIS premises, however, the supplier will need to attend meetings at BEIS offices in central London and be available for telephone and video conference. Details of the number and frequency of meetings have yet to be finalised and will be agreed with the successful Provider. Bids should include an indication of any limitations concerning working arrangements, such as: attending meetings at BEIS offices in central London and availability for urgent ad-hoc work.

1.4.6 Due to the commercially sensitive nature of the information, the Provider will be expected to sign a contract with BEIS including confidentiality requirements to protect all information and advice provided by BEIS Offshore Renewable Energy Decommissioning team. The Provider will need to agree certain undertakings about confidentiality. The Provider will also be required to refrain from participation in certain other activities during the operation of this contract which could give rise to a conflict of interest or a perception of a conflict of interest unless suitable protection measures have been agreed with BEIS.

1.4.7. The Provider is expected to declare all conflicts of interest and protect against any and all conflict of interests during the period of the contract. It should be noted that BEIS Offshore Renewable Energy Decommissioning team will consider bids from Providers that currently have conflicts of interest but would expect such conflicts to be managed and mitigated.

(i) Conflicts of interest can arise as follows:

- Direct conflicts of interest exist where a contractor's position creates a moral hazard to share information obtained in its work to advantage a

second client; or to use its position to in such a way as to advantage itself or another client.

- Perceived conflicts of interest occur where a third party views a contractor's position as unfairly advantageous to another person.

(ii) BEIS Offshore Renewable Energy Decommissioning team would consider acceptable conflicts of interest to include*;

1. Provider provides technical support and advice to OREI developers and BEIS Offshore Renewable Energy Decommissioning team but ensures that personal within the organisation do not engage with both OREI developers and BEIS Offshore Renewable Energy Decommissioning team at the same time
2. Provider provides technical support and advice to OREI developers and BEIS Offshore Renewable Energy Decommissioning team but when reviewing decommissioning programme which the Provider has provided technical advice on ensures that this conflict is made transparent to decommissioning case manager and ensures there is impartial and transparent advice given to BEIS Offshore Renewable Energy decommissioning team.
3. Provider provides technical support and advice to OREI developers and BEIS Offshore Renewable Energy Decommissioning team but ensures that any information provided by BEIS Offshore Renewable Energy Decommissioning team is exchanged securely by Provider's personnel.

* This list is not exhaustive but should be used to provide an indication of the types of conflicts BEIS would consider appropriate.

1.5 Bid Requirements

1.5.2. Bidders will be required to provide a methodology on how they propose to deliver the above outputs within financial year 1, 2 & 3. This should include but is not limited to the following;

(1) A indication of what the Bidder would propose to be included within initial and or secondary reports submitted to BEIS taking into account the typical scope expected by BEIS as set out within 1.3 (2) of this specification.

(2) The bidder should outline their proposed process in providing follow up technical support to the BEIS Offshore Renewable Decommissioning team and the resources that will be available to supply technical support and advice in discussions with internal and external stakeholders.

(3) The Bidder should outline their proposed process to respond to calls on an ad hoc basis for advice on future policy and or regulatory matters regarding offshore renewable energy decommissioning.

- (4) The bidder should outline how they will assess OREI developers decommissioning programmes and financial securities in line our most up to date Guidance for Industry on “Decommissioning of Offshore Renewable Energy Installations under the Energy Act”.
- (5) The bidder should outline how they will ensure that the UK Government`s potential liability for OREI decommissioning is accurately assessed through a robust assessment of individual OREI developers` cost estimate
- (6) The bidder should describe how they will provide confidence and encouraging best practice within the OREI decommissioning industry.
- (7) The bidder should describe how they will ensure fair and consistent approach to OREI decommissioning programmes across industry.

1.5.3. Bidders will be required to provide detailed information on their advanced technical knowledge in the delivery the outputs within financial year 1, 2 & 3. This should include but is not limited to the following;

- (1) The bidder should demonstrate technical and advanced knowledge of Offshore renewable technologies and the risks associated with the various stages of deployment
- (2) The bidder should demonstrate technical and advanced knowledge of Marine environments of the most common areas for UK offshore windfarms and wave and tidal projects
- (3) The bidder should demonstrate technical and advanced knowledge of decommissioning techniques and the associated costs.
- (4) The bidder should demonstrate technical and advanced knowledge of Current supply chains and decommissioning best practise.

Key Performance Indicators/Targets

Indicator	KPI/ Targets
Inception meeting with BEIS	Meeting to take place within 2 weeks of the confirmation of the winning tender bid. Agreement on format / template for reports
Provide initial technical advice report to BEIS decommissioning team within two weeks from date of request from BEIS decommissioning team.	Agreement by BEIS that the technical advice matches the methodology / standards set out in the tender bid and (if relevant) amended at the inception meeting.

	(BEIS may require further clarity on details or additional information whilst agreeing that phase 1 requirements have been 'met' but would expect such requests to be limited).
If required a final report to be submitted to BEIS decommissioning team two weeks after receiving comments on first draft.	as above
If required Provider to be present at meetings and or discussions with OREI developers	Provider to actively support BEIS decommissioning team in technical discussions.
If required, participation in discussions with developers/owners of OREI project alongside Offshore Renewable Energy Decommissioning team (where there are disputes on cost).	Amended report to be submitted within 2 weeks of completion of discussions. Nb – The target will be to provide further clarity on costs to BEIS rather than for the Provider to negotiate an agreed figure of estimated decommissioning costs and financial securities with the developer / owner.
If required participation in discussions regarding current & future policy & regulation of OREI industry on technical matters	Provider to actively support BEIS Offshore Renewable Energy Decommissioning team in technical discussions relating to policy & regulatory matters when requested.

1.6 Quality Assurance Requirements

1.6.1. The contracting authority is responsible for;

- Assessing compliance for the technical advice as specified above;
- Assessing the potential providers compliance to the appropriate quality management system.
- Ensuring acceptance/rejection procedures are included within the terms of the agreement.
- BEIS Offshore Renewable Energy Decommissioning team will make available for use OREI developers and owners decommissioning programs to allow for Provider to effectively supply technical advice to BEIS Offshore Renewable Energy Decommissioning team.

1.6.2. The Provider will be responsible for

- Assessing their internal procedures to ensure that all advice is accurate and in line with industry best practise;
- Ensuring all technical advice given has been assessed by technical experts within the marine sector.
- Provider may be required to interact with OREI developers and owners alongside Offshore Renewable Energy Decommissioning team.

1.6.3. We would request that all Providers supply information as to their internal quality assurance processes to evidence 1.6.2.

1.7 Management of the Agreement

1.7.1. A proposed approach to contract management will be agreed between parties as part of the strategic and operational governance of the agreement.

1.7.2. An inception meeting will take place with BEIS to discuss the proposed methodology to be used in providing advice and clarify any points. This meeting will consider whether more detailed advice should be provided in relation to higher priority cases and will cover the order in which cases should be considered. Projects will be placed into 'batches' or order of priority to be assessed within the delivery period.

1.7.3. A "lessons learned" exercise, undertaken by BEIS Offshore Renewable Energy Decommissioning team, shall evaluate the performance of the Provider on a case by case basis.

1.7.4. Overall performance of the Providers technical advice will be evaluated at the end of the current contract, if the contract is extended this performance review shall be conducted annually.

1.7.5. Providers must ensure that advice adheres to our most up to date Guidance for Industry on "Decommissioning of Offshore Renewable Energy Installations under the Energy Act."

1.8 Security

The provider shall have access to commercially sensitive information. Bids should, therefore, provide evidence of the bidders' security compliance mechanisms including;

- (Disclosure and Barring Service (DBS) Checks) for staff directly participating in the contract.
- Evidence of mitigations the Provider has taken to ensure the security of sensitive information is protected.

- Ensuring the confidentiality of personal information under data protection legislation (including the Data Protection Act and General Data Protection Regulation.)
- Conflict of interest declaration (please see attachments).

1.9. Training/ Skills Transfer

1.9.1 Due to the specialist nature of the advice the Provider must be knowledgeable in understanding the marine environments of the most common areas for OREI projects i.e. awareness of how equipment/ installation will be affected by local currents and weather. Providers must also have an in-depth knowledge of OREI and related electric lines and the current offshore renewable energy sectors. Bids should include evidence of the provider's specialist's knowledge within this sector.

1.9.2 The Provider must be able to respond to requests for written information within two weeks of receiving information from BEIS Offshore Renewable Energy Decommissioning team, (this can be extended subject to further discussions with the Provider based on the complexity of the decommissioning programmes submitted by developers).

1.9.3. The quality of the advice should indicate a technical and advanced knowledge of;

- Offshore renewable technologies and the risks associated with the various stages of deployment.
- Marine environments of the most common areas for UK offshore windfarms and wave and tidal projects.
- Decommissioning techniques and the associated costs.
- Current supply chains and decommissioning best practise

1.10. Documentation

1.10.1 Written advice should be provided electronically in a protected format (such as encrypted emails or via a shared access site). Please note that only certain shared access packages will meet Government security rules and BEIS Offshore Renewable Energy Decommissioning team would need to agree to the exact platform used. Providers should outline access packages that they would propose to use.

1.10.2. Any documentation sent to the Provider should be treated with care with accessibility restricted. Bids should include evidence as to how documents shall be protected.

1.11. Required Interface with other Agencies or Services

Provider may be required to interact with OREI developers and owners alongside Offshore Renewable Energy Decommissioning team.

1.12 Governance

1.12.1 The contract will be managed primarily via regular progress teleconferences between the BEIS Offshore Renewable Energy Decommissioning project leader and the supplier project leader / team on a 2-week basis.

1.12.2 Meetings will examine progress, raise any issues in relation to initial draft advice and any requirements for re-drafting or further considerations, and may consider any re-prioritisation of subsequent batches of advice.

2.0 Attachments

- Energy Act 2004
- Draft 2018 Guidance for Industry on “Decommissioning of Offshore Renewable Energy Installations under the Energy Act”
- Guidance for Industry on Decommissioning of Offshore Renewable Energy Installations under the Energy Act (updated 2011) PR18110
Conflict of interest declaration in relation to Question AW7.1
- PR18110 Confidentiality agreement in relation to Question AW7.1
- Resource & Pricing structure template