



Department for
Business, Energy
& Industrial Strategy

Net Zero Innovation Portfolio

Automatic Asset Registration Programme

Phase 1 to 2 & 3 Down-Selection Guidance Notes

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Supporting Documents

The following documents support this Competition Guidance:

Annex 1: SBRI Contract Terms and Conditions

Annex 2: Declarations

- Declaration 1: Statement of non-collusion
- Declaration 2: Form of Bid
- Declaration 3: Conflict of Interest
- Declaration 4: Code of Practice for Research
- Declaration 5: The UK General Data Protection Regulation Assurance Questionnaire for Contractors
- Declaration 6: Standard Selection Questionnaire

1. Competition Overview

The purpose of this Guidance is to give an overview of Phases 2 & 3 of the Automatic Asset Registration Programme and the down-selection process from Phase 1 to Phase 2. This Guidance is supplemented by the Automatic Asset Registration Programme: [Phase 1 – Feasibility Studies SBRI Competition Guidance Notes](#) (the “Phase 1 Guidance Notes”)

1.1 Background

The Automatic Asset Registration (AAR) programme is an up to £2.13m funding opportunity which aims to support the development of an automatic, automated secure data exchange process for registering small-scale demand, generation and storage assets, replacing manual registration and providing a way in which to easily and securely access data associated with these assets.

The Objectives of this programme are to:

- Develop a Solution to asset registration that ensures small-scale, low-carbon energy assets are automatically registered with the relevant authorities upon installation.
- Develop a Central Asset Register/Portal Solution, capable of collecting and managing consumer consent and securely communicating energy asset data from registered energy assets through machine-readable interfaces.
- Demonstrate how Automatic Asset Registration technology and a Central Asset Register can enable real-time exchange of dynamic energy asset data through machine-readable interfaces.
- Provide evidence to inform future policy and regulation with respect to collecting, sharing and using energy asset data.

In order to achieve these aims and objectives, the Automatic Asset Registration Programme is split into three Phases:

Phase 1 will run for 6 months and seeks to demonstrate the feasibility of proposed approaches to developing an Automatic Asset Registration solution. Three projects received funding for Phase 1.

Phase 2 is 12 months long and will fund one project from Phase 1 to develop their proposed technology solution.

Phase 3 will fund the successful Phase 2 project to conduct extensive pilot testing in environments indicative of real-world settings, demonstrating the technology solution's features, resilience and scalability.

As outlined in the [Phase 1 Competition Guidance Notes](#), there will be a competitive down-selection of Phase 1 projects, with the highest scoring project progressing to Phase 2. During this down-selection, projects will be assessed in line with the evaluation criteria in Section 5 of these Guidance Notes.

Phase 1 projects must have submitted all of their Phase 1 deliverables and complied with all monitoring and reporting obligations in order to be eligible to apply for Phase 2. Only projects that participated in Phase 1 are eligible to apply for Phase 2.

1.2 Contract Size

The **total budget for Phase 2 and 3 is £1,700,000.00 (£1,200,000 and £500,000 for Phase 2 and 3 respectively, excluding VAT)**¹, for one project. A stage-gate review will be held between Phase 2 and 3 to ensure that Phase 2 requirements have been satisfactorily met.

BEIS may, at its discretion, choose not to make an award, increase the available budget, or allocate an award that is less than the total budget depending on the quality of applications. Should further budget become available, BEIS may, at its discretion, choose to award funding to additional projects in order of total scores achieved.

IMPORTANT INFORMATION – No Reliance

Nothing in this funding call requires BEIS to award any applicant a contract of any particular amount or on any particular terms. BEIS reserves the right not to award any contracts. Applicants accept the risk that they may not be awarded a contract. BEIS gives no guarantee or warranty as to the nature, or number of projects funded.

¹ SBRI funding is within the scope of VAT, so you can charge output VAT on top of your submitted costs. If you incur non-recoverable input VAT costs, you can pass this on to BEIS, but these non-recoverable VAT costs will be included within the maximum costs. BEIS cannot offer tax planning advice and Applicants should seek their own advice on tax status and recoverability.

2. Phase 2 & 3 Application Process

Stage 1: applications will initially be considered against the eligibility criteria as set out in Section 4 below to ensure compliance.

Stage 2: applications which meet all relevant eligibility criteria detailed at Stage 1 will be further assessed against the Assessment Criteria in Section 5 by a minimum of three assessors (BEIS or BEIS appointed assessors).

Stage 3: Project scores will then be moderated to determine a ranking list that will be used to allocate funding.

A link to the application portal in which projects will upload their responses to assessment criteria 3-5 will be shared during the w/c 2nd January. The Phase 2 application deadline is 27th January 14:00.

Table 1. Timetable for Phase 2 Application

Stage	Activity	Date/Deadline
Launch	Phase 2 & 3 Competition Guidance published	14 th December 2023
	Deadline for clarification questions (submitted to FlexibilityInnovation-AAR@beis.gov.uk)	2nd January 2023
	Application portal opens	w/c 2 nd January 2023
	Responses to clarification questions published	w/c 9 th January 2023
Apply	Submit Phase 2 & 3 application	27th January 2023 14:00
Assess	Eligibility check, technical assessment and moderation	w/c 30 th January 2023
	Notification of award	w/c 13 th February 2023
Award	Contract drafting	w/c 20 th February 2023
	Kick-off	13 th March 2023

3. Eligibility for Funding

To be eligible for Phase 2 & 3 funding, **projects must meet all the following eligibility criteria**. These will be listed in the online application form as Yes/No questions.

1. Project Location

Over 50% of the project's activities (as measured by eligible project costs) must be conducted in the UK.

2. Relevance to the UK energy system

The Solution is for the GB energy system. As such, the Solutions developed at Phase 2 must be appropriate and implementable for the GB energy system. Therefore, the proposed Solutions must align with existing relevant asset registers that currently capture data from energy system assets (as outlined in Section 2) and align with existing registration processes, such as [‘connect and notify’](#) and [‘apply to connect’](#).

3. Innovation

This Competition will support the development of new, innovative Solutions to automatically register small-scale energy assets² in GB. Some of the underlying technology and software components may already exist in other sectors and Solutions may utilise existing open-source software in order to avoid unnecessary costs. For example, Solutions may utilise existing data analytics and visualisation software to avoid costs involved with the development of bespoke front-ends. The Solution must, however, be innovative with respect to:

- its implementation in the GB energy system;
- its ability to facilitate automatic registration of small-scale energy assets¹ and;
- its ability to enable the secure digitalised exchange of energy asset data.

4. Technology Scope

The primary focus of the Automatic Asset Registration programme is to develop an innovative Solution for asset registration and improve the collection and exchange of energy asset data, particularly ‘static’ asset data (such as asset type, maximum demand and rated capacity), but **projects will also need to demonstrate how their Solution can also be used to facilitate the collection and sharing of real-time, dynamic asset data** such as current charge rate, current rate of power generation, voltage, state of charge/discharge etc.

² Assets in domestic and smaller non-domestic buildings, with a maximum capacity of 1MW, which typically require registration by an installer

All projects must demonstrate how their Solution will contribute to a **secure** and **resilient** digital energy system by considering data privacy and cyber security in all stages of technology development. Moreover, Applicants should be able to demonstrate how their Solutions could facilitate the collection and sharing of data that is discoverable, searchable and understandable by system operators, installers and asset owners.

Applicants should also demonstrate how their Solution will facilitate the collection, sharing and management of data in accordance with [Ofgem's Presumed Open principle](#). Proposed Solutions will be required to appropriately redact, anonymise and, where appropriate, encrypt asset data to protect asset owners and energy consumers, such as domestic generation asset owners.

5. Exclusions

BEIS cannot provide funding for:

- Technology Solutions that are already widely deployed and/or the demonstration and trialling of technology solutions which have previously received public funding and are being re-purposed without a significant plan for improvement and further development. At its judgement, BEIS will consider on a case-by-case basis those projects that have previously received public funding in order to ensure all allocated awards are additional.
- Retrospective work on projects or provide funding to projects which have already begun. The value of retrospective work may, however, be considered in the assessment process

6. Project Activity

This competition is unable to fund Experimental Research. To be eligible for funding, the project activity must, instead, be Experimental Development, as defined below.

Experimental Development means:

“Acquiring, combining, shaping and using existing scientific, technological, business and other relevant knowledge and skills with the aim of developing new or improved products, processes or services. This may also include, for example, activities aiming at the conceptual definition, planning and documentation of new products, processes or services.

Experimental Development may comprise prototyping, demonstrating, piloting, testing and validation of new or improved products, processes or services in environments representative of real-life operating conditions where the primary objective is to make further technical improvements on products, processes or services that are not

substantially set. This may include the development of a commercially usable prototype or pilot which is necessarily the final commercial product, and which is too expensive to produce for it to be used only for demonstration and validation purposes.

Experimental Development does not include routine or periodic changes made to existing products, production lines, manufacturing processes, services and other operations in progress, even if those changes may represent improvements”.

7. Additionality

Projects can only be funded where evidence can be provided that innovation would not be taken forwards (or would progress at a much slower rate) without public sector funding.

8. Terms and Conditions

Applicants must agree to the published Terms and Conditions.

9. Contract size

The total Contract Value for Phase 2 and 3 is £1,700,000 excluding VAT. This is comprised of:

- £1,200,000 for Phase 2 and £500,000 for Phase 3 – only one Contract award with a stage gate review between Phases 2 and 3.

The SBRI award must cover 100% of Contract costs.

10. Eligible project costs

BEIS will fund 100% of eligible project costs through this competition, no match or in-kind funding is allowed.

SBRI is aimed at organisations working on research and development (R&D) of an innovative process, material, device, product, or service prior to commercialisation. Projects requesting SBRI funding for commercialisation activities are not eligible. Project teams are not permitted to include profit or contingency costs in the eligible project costs

Further information on eligible project costs is set out in **Appendix 1**.

11. Risk-Benefit Sharing

The sharing of risks and benefits is an important aspect to the SBRI approach. Projects receive financial support and retain any intellectual property generated, with certain rights of use retained by BEIS (see **Section 13**). Project outputs are also expected to be shared widely and publicly and project teams are not permitted to include profit in the eligible project costs.

12. Applicants and project team composition

Phases 2 and 3 can be led by a single organisation or by a consortium. Changes to consortium partners between Phases 1 and 2 are permitted, but the lead organisation must remain the same as Phase 1. Projects must communicate changes to consortium partners as soon as they are known.

For consortium bids, a single project application must be submitted by the lead project member (the project co-ordinator) on behalf of the consortium (please note that all consortium members will be required to sign the declaration form for their bid).

Special Purpose Vehicles are permitted to lead consortia only if they are constituted as legal entities. Projects can be led by a private organisation (SMEs, or large industrial companies and consultancies), universities or other non-commercial organisations (academic, research or public sector organisations). Applicants based in Northern Ireland, or with significant interests or subsidiaries in Northern Ireland, will also be subject to scrutiny from the European Commission in accordance with Article 10 of the Northern Ireland Protocol to the UK/EU Withdrawal Agreement.

13. Multiple Applications

Organisations cannot be the lead on more than one bid. If project consortium members or subcontractors are part of multiple successful bids, they must be able to deliver on them and they must not have applied for funding for the same piece of work more than once.

14. Acceleration Support for SME Applications

The BEIS Acceleration Support Scheme is available to Small & Medium Enterprise (SME) applicants who successfully make it to Phase 2. This support is 100% funded by BEIS and will focus on supporting SMEs during Phases 2 and 3 to prepare commercial plans and actions that will increase the chance of successfully bringing the innovation to market or reduce the time to market. More detail on this scheme, including eligibility, is included in **Appendix 5**.

3.1 General BEIS Conditions

Applicants must not meet any of the BEIS grounds for mandatory exclusion, and as a general rule they should not meet any of the BEIS grounds for discretionary exclusion (**see Appendix 2**). Applicants will be required to declare this as part of completing Declaration 6: Standard Selection Questionnaire.

Conflicts of interest

The BEIS standard terms and conditions of contract include reference to conflict of interest and require Suppliers to declare any potential conflict of interest to the Secretary of State.

For research and analysis, conflict of interest is defined as the presence of an interest or involvement of the Supplier, subcontractor (or consortium member) which could affect the actual or perceived impartiality of the research or analysis.

Where there may be a potential conflict of interest, it is suggested that the consortium or organisation designs working arrangements such that the findings cannot be influenced (or perceived to be influenced) by the organisation which is the owner of a potential conflict of interest. For example, consideration should be given to the different roles which organisations play in the research or analysis, and how these can be structured to ensure an impartial approach to the project is maintained.

This is managed in the procurement process as follows:

- Applicants may contact BEIS to discuss whether or not their proposed arrangement is likely to yield a conflict of interest.
- Suppliers are asked to sign and return Declaration 3 (this is embedded in the online application form) to indicate whether or not any conflict of interest may be, or be perceived to be, an issue. If this is the case, the contractor or consortium should give a full account of the actions or processes that it will use to ensure that conflict of interest is avoided. In any statement of mitigating actions, contractors are expected to outline how they propose to achieve a robust, impartial and credible approach to the research.
- When tenders are scored, this declaration will be subject to a pass/fail score, according to whether, on the basis of the information in the proposal and declaration, there remains a conflict of interest which may affect the impartiality of the research.
- Failure to declare or avoid conflict of interest at this or a later stage may result in exclusion from the procurement competition, or in BEIS exercising its right to terminate any contract awarded.

Applicants will be subject to financial viability checks, as described in Section 5.4 below. BEIS will make a decision as to the eligibility of projects based on the results of these checks.

3.2 Compliance with Project Monitoring and Reporting Requirements

Projects are required to comply with the project management and reporting requirements detailed in Section 6. This includes monthly written reports on the BEIS

monthly project progress report template. Project teams will also be required to support the evaluation of the Flexibility Innovation Programme following the end of their project.

3.3 Financial Eligibility

As outlined in Assessment Criteria 3, projects must complete relevant tabs of the BEIS Phase 2 Project Cost Breakdown Form, provided as an electronic Annex to this document. This document is used to assess the application in line with Assessment Criteria 3 and for projects to set out their fixed funding requirement for the project.

BEIS reserves the right to exclude projects from Phase 2 funding where they cannot satisfactorily evidence the eligibility of costs and overheads in line with the guidance provided at **Appendix 1**. Financial information should include costs for the entire project (both Phases 2 and 3), detailing labour (including personnel day rates), material and capital equipment costs, and any travel subsistence requirements).

3.4 Financial Viability Checks

BEIS will undertake financial viability checks on the provisionally successful project. Where there is more than one organisation in the project group, the required financial information (see below) should be provided – including sub-contractors. Applicants may be asked to respond to clarification questions linked to these financial viability checks and, where relevant asked to provide satisfactory evidence of how identified financial risks are being actively managed and mitigated.

The Applicant's/Project's Financial Viability will take into account (amongst other things) whether the Applicant is able to demonstrate a robust business plan and financially sustainable business model in respect of the relevant Project. Tests of financial viability will be conducted in line with industry best practice. They may include (but are not limited to):

- whether an Applicant/Project/ultimate parent company has sufficient liquidity (it is capable of covering its short-term commitments);
- whether an Applicant/Project/ultimate parent company is financially autonomous (it is capable of covering its debt costs); and
- whether an Applicant/Project/ultimate parent company is solvent (it is capable of covering its medium and long-term commitments).

Checks will include reviewing the latest independently audited accounts filed on the Companies House database. Where a company or organisation is not required to file accounts with Companies House, other financial information will be requested to enable an appropriate financial viability review to be undertaken. This might include:

- A copy of last two years accounts as filed with Companies House; or
- A copy of last two years accounts – if not obliged to file with Companies House; or
- A statement of the turnover, Profit and Loss Account/Income Statement, Balance Sheet/Statement of Financial Position and Statement of Cash Flow for the most recent year of trading for this company or organisation
- Alternative means of demonstrating financial status if any of the above are not available (e.g., forecast of turnover for the current year and a statement of funding provided by the owners and/or the bank, charity accruals accounts or an alternative means of demonstrating financial status).

If you are bidding as a new Project company, we will review letters of support from Project partners / investors and may also review the financial statements of each partner.

Parent Company Guarantees and other potential mitigations

Where an applicant is a special purpose vehicle (SPV), BEIS will require a parent company guarantee(s) (PCG) from relevant companies or organisations. BEIS shall accept this as satisfying the applicant's financial viability checks subject to the necessary financial viability checks being performed on the parent company to BEIS' satisfaction.

The Department may also, at its discretion require PCGs or other satisfactory mitigations to be put in place in relation to other provisionally successful Applicants, ahead of Contract award. Acceptable mitigations may include, but are not limited to those set out in Section 3 to the Government and Commercial Function's' [Assessing and monitoring the economic and financial standing of suppliers guidance note May 2021.pdf \(publishing.service.gov.uk\)](#).

Where provisionally successful applicants are unable to provide mitigations to BEIS' satisfaction they will be excluded from the Competition.

Financial Viability checks Post-Contract Award

During both the Phase 2 and Phase 2 Contract period, successful Applicants must provide to BEIS all subsequent year end accounting data – audited or alternative as set out above – within 30 days of accounts being issued, and this will be subject to the same scrutiny as set out above. Successful applicants should also immediately notify BEIS, in writing, where they believe, on the balance of probabilities, that they will not be able to access sufficient match funding to complete the Project.

BEIS reserves the right to cease payment of allocated SBRI funding where it has reasonable grounds to believe that the successful Applicant is unlikely to be able to complete

Contractual payments

BEIS will not make payments in advance of need and typically makes Contract payments in arrears on satisfactory completion of agreed milestones and deliverables.

BEIS understands, however, the difficulties which small businesses may face when financing this type of project. BEIS will explore cash flow issues with the Applicant as part of developing the revised Deliverables and Payment Milestone Schedule during the Contract Award process. BEIS will offer flexibility in terms of profiles and payments, within the confines of the requirements for use of public money within which it operates.

4. Phase 2 & 3 Requirements

As set out in part 4.2 of the Phase 1 Guidance Notes, successful projects will be funded to develop a fully working end-to-end Solution for automatically registering small-scale energy assets, and an accompanying Central Asset Register. As per the Competition Scope set out in part 2.3 of the Phase 1 Competition Guidance Notes, the requirements for Phase 2 and 3 are set out below.

Table 2. Phase 2 Requirements and Linked Deliverables

Sub-Category	Requirements and linked <u>Deliverables</u> – Phase 2
Solution Development	<p>Projects will be required to deliver:</p> <ul style="list-style-type: none"> <u>A fully working Solution to facilitate automatic registration of small-scale energy assets up to 1MW</u>, as outlined in Section 2.3 of the Phase 1 Competition Guidance Notes. The solution must enable the collection and exchange of both ‘static’ and ‘dynamic’ asset data, or be adaptable to handle the exchange of ‘dynamic’ asset data when available. All software developed as part of this Competition will need to be published under an Open-Source license and steps should be taken to securely make appropriate energy data available in line with Ofgem’s Presumed Open Principle. <u>A fully working Central Asset Register</u> – This will be capable of automatically collecting and securely communicating both static and dynamic energy asset data with all relevant stakeholders, as identified in the feasibility stage, as well as managing consumer consent. As above, all software developed as part of this Competition will need to be published under an Open-Source license and steps should be taken to securely make appropriate energy data available in line with Ofgem’s Presumed Open Principle. A detailed knowledge dissemination plan for Phases 2 and 3, and delivery of at least two knowledge dissemination activities in Phase 2 and a further activity in Phase 3.

Sub-Category	Requirements and linked <u>Deliverables</u> – Phase 2
	<ul style="list-style-type: none"> • <u>An evidence-based detailed engineering design for BEIS</u> – This will detail the design and development of the end-to-end system for automatic asset registration, key successes and lessons learnt. • <u>A detailed Project Plan for the pilot testing (Phase 3)</u> – This will include, as a minimum, key success criteria to be tested, use cases to be demonstrated, proposals for the testing environment and an updated project plan and cost-breakdown. • <u>An updated business plan and proposed operating model</u> – This will include an updated assessment of the steps needed to ensure deployment of the Solution after SBRI funding ends (commercialisation pathway and details of a long-term operating/deployment model).

Table 3. Phase 3 Requirements and Linked Deliverables

Sub-Category	Requirements and linked <u>Deliverables</u> – Phase 3
Pilot Testing	<p>Projects will be required to deliver:</p> <ul style="list-style-type: none"> • A testing facility or environment, indicative of the real-world, and associated maintenance, for the duration of Phase 3. • Pilot-testing, conducted over a period of 6 months, working with energy consumers, energy suppliers, installers, DNOs and other relevant bodies to demonstrate use-cases, carry out stress testing, demonstrate scalability and measure the Solution against key success criteria identified in Phase 2. • <u>An updated fully working Solution for automatically registering small-scale energy assets and collecting and communicating static and dynamic energy asset data</u>

Sub-Category	Requirements and linked <u>Deliverables</u> – Phase 3
	<ul style="list-style-type: none"> • <u>An updated Central Asset Register, directly informed by learnings from the pilot testing.</u> • <u>An evidence-based final report for BEIS,</u> - This will consolidate findings from across Phase 1, 2 and 3 and will include: <ul style="list-style-type: none"> ○ An updated section detailing the design and operation of the Solution developed, including updates made during Phase 3 ○ A final publishable commercialisation pathway/route for deployment and next steps ○ A presentation/teach-in for BEIS and/or other government department and bodies to communicate key successes, findings and learnings, and give a roadmap for next steps following SBRI funding.

4.1 Collaboration and Information Sharing

Due to the interlinking nature of the different contracts within the Flexibility Innovation Programme, the successful Applicants shall work collaboratively with other existing and/or anticipated Flexibility Innovation Programme activities and projects to ensure consistency between work scopes. The successful Applicants will be required to:

- take responsibility for this engagement with relevant projects, where appropriate;
- incorporate information from the other projects into Solution development, where appropriate;

Successful Applicants may work closely with organisations appointed to deliver related and anticipated sub-programmes and projects. In some circumstances successful Applicants may be required to sign collaboration agreements covering logistics, responsibilities and intellectual property with such organisations. An example of the detailed collaboration agreement will be shared with the successful Applicants in advance. Key stakeholders which successful Applicants may be required to enter into a collaboration agreement with organisations such as:

- Representatives and organisations appointed or contracted by BEIS;
- ENA,, e.g. for the purpose of aligning with the Digitalisation of Connections work

5. Assessment and Selection

5.1 Submission Content

In addition to the deliverables agreed at Phase 1 kick-off and responses to the evaluation criteria in Section 5.2, projects are required to submit the following by the end of Phase 1 on January 27th at 14:00 in order to be considered for Phase 2.

- Responses to the down-selection eligibility criteria (Section 3)
- Final Phase 1 Feasibility Study Report* (in response to Assessment Criteria 1 and 2)
- Evidence of knowledge dissemination activities
- A completed Project Cost Breakdown Form and accompanying narrative for costs in Phases 2 and 3 (in response to Assessment Criterion 3)
- A detailed Gantt chart/project plan and accompanying narrative for Phases 2 and 3 (in response to Assessment Criterion 4)
- An updated risk proforma and accompanying narrative for Phases 2 and 3 (in response to Assessment Criterion 5)
- Completed Signed Declaration Forms:
 - Declaration 1: Statement of non-collusion
 - Declaration 2: Form of Bid – agreeing to the terms of the Competition application process
 - Declaration 3: Conflict of Interest
 - Declaration 4: Code of Practice for Research
 - Declaration 5: The UK General Data Protection Regulation Assurance Questionnaire for Contractors
 - Declaration 6: Standard Selection Questionnaire
- A completed Additional Partner Information Form, if you have more than 3 partners in your Project proposal.

Application Validity: Please be aware that applications will be valid for a minimum of 90 calendar days from the submission deadline of 27th February 2023.

Information Sharing: BEIS may share information from applications with other UK Government Departments, UKRI or with Ofgem for evaluation of the programme against broader decarbonisation efforts.

**The Final Phase 1 Feasibility Study Report will be submitted to BEIS on the date agreed in the Deliverables and Payment Milestone Schedule during Phase 1 Contract Award and therefore may be due before the 27th January. No revisions to the Final Feasibility Study Report between the agreed due date and Phase 2 application submission will be permitted.*

5.2 Assessment Criteria

Applicants will be assessed against their responses to the Assessment Criteria below. Each criterion will be scored independently and will be given a score between 1 and 5 consistent with the guidance at Section 5.3. Applicants should ensure that their responses specifically address the requirements as set out in the Guidance section linked to the Assessment Criteria.

Please note: Criteria 1 and 2 will be evaluated using the final Phase 1 Feasibility Study. The submission of your feasibility study report on the date agreed in your Phase 1 Project Plan and Finance Table will be the final version and will be assessed as part of your Phase 2 application. There will be no opportunity to make revisions. Therefore, where projects submit their feasibility study to BEIS before the Phase 2 application deadline, feedback will only be provided where the deliverable does not meet minimum quality standards. Feedback will not be given on how well the report meets overarching Programme aims and objectives, or the suitability of the approach for progression to Phase 2.

Table 4. Assessment Criteria

Assessment Criterion 1 – Feasibility Study Assessment			
Weighting	40%	Maximum Word Count	n/a – Feasibility Study Reports
<p>Guidance</p> <p>The Feasibility Study Assessment will evaluate the extent to which Applicant's Feasibility studies demonstrate that their Solutions are innovative, applicable to the GB energy system and will meet the aims and objectives of this programme. As a minimum, and in line with Section 4 <i>Competition Requirements and Deliverables</i> of the Phase 1 Competition Guidance Notes, this will also include the following for both Workstreams 1 and 2.</p> <ul style="list-style-type: none"> A detailed architectural (flow) diagram of the proposed solution and software components that interface with it (where relevant), detailing how data will move and what is happening at each stage. These diagrams 			

should be accompanied with detailed technical descriptions and should also include:

- A description of any limitations and challenges associated with the proposed Solution
 - A description of the different use-cases for the proposed Solution
 - An assessment of the benefits of the proposed Solution.
 - A clear and robust assessment of the scalability of the proposed Solution
- For the proposed Solution:
 - A robust assessment of the technical, legal, cyber-security, data privacy and data access requirements necessary to develop and deploy the proposed Solution.
 - Evidence of assumptions and detailed, transparent supporting evidence.
 - Detailed evidence of robust stakeholder engagement, especially with DNOs, and outputs of this engagement being incorporated into the overarching proposal.
 - An assessment of how the solution will align with Ofgem's Presumed Open Principle, where relevant.
 - An assessment of how the Solution will dovetail with existing industry datasets and processes, for example the ENA's Digitalisation of Connections work.

Assessment Criterion 2 – Route to Deployment and Future Funding Models Assessment

Weighting	20%	Maximum Word Count	n/a – Feasibility Study Reports
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Guidance

The Route to Deployment and Future Funding Models Assessment will evaluate the extent to which the Feasibility study contains credible proposals for future commercialisation of proposed Solutions at scale, including future business and long-funding models/governance. This assessment will cover both Workstreams 1 and 2.

Specific Feasibility Study elements which Applicants will be assessed on will include:

- Route to Deployment Assessments – Do these present a credible, cohesive and cost-effective approach to deploying and operating the Solutions at scale?

- Identification and assessment of credible future business/funding models to support ongoing development of the Solutions following the end of SBRI funding.

Assessment Criterion 3 – Costed Development Plan

Weighting	10%	Maximum Word Count – <i>not including words in Project Cost Breakdown Form</i>	1000
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Guidance

As set out at Section 4.1, as part of the Feasibility Study process, Projects will be asked to complete a further, more detailed version of the Project Cost Breakdown Form – the ‘**Project Cost Breakdown Form – Future Phases**’.

In addition, Applicants are required to provide overarching commentary (max 1000 words) to accompany the detailed breakdown of their Project costs for Phases 2 and 3 as set out in the Project Cost Breakdown Form. As a minimum, this commentary should:

- Detail how you have satisfied yourself that all costs and overheads are realistic, robust, justified, and fair market value.
- Demonstrate Project **additionality**, clearly setting out why SBRI funding remains necessary for the Project to be taken forward.

Applicants should also note that BEIS will not normally pay overheads of over 50%, and overheads above this amount will need to be fully justified.

Assessment Criterion 4 – Project Management

Weighting	20%	Maximum Word Count – <i>not including Gantt chart/Project Plan</i>	1,250
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Guidance

Applicants’ responses should include:

- A separate A3 Gantt chart – or similarly detailed Project Plan attachment which:
 - Is structured on a monthly basis
 - For Phases 2 and 3:

- Summarises key monthly tasks and assumed milestones to meet subsequent Competition Deliverable requirements as set out Section 4 of these Notes
 - Sets out a high-level knowledge dissemination plan, including events during Phases 2 and 3, taking into consideration lessons learnt from Phase 1. A more detailed knowledge dissemination plan is expected to be delivered to BEIS during Phase 2, as set out in Section 4 Table 2 of these Notes.
 - Identifies any critical dependencies linked to achieving overarching Competition requirements.
- Accompanying narrative detailing how you will ensure effective and appropriate Project management throughout Phases 2 and 3. This should factor in lessons learnt during Phase, including cybersecurity and privacy protocols around the collection, handling and storing of data.
 - Accompanying narrative outlining where plans might have changed since starting Phase 1, and the reasons for this.

Assessment Criterion 5 – Project Risks

Weighting	10%	Maximum Word Count	500 words, not including completion of Risk Proforma – Max 8 pages Arial font 11
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Guidance

Applicants' responses should include:

- A summary of the approach to risk management, including cybersecurity and privacy protocols around the collection, handling, communication and storing of data.

Applicants' should also complete the risk proforma:

- Detail in the provided Risk Proforma what they regard as the:
 - Up to five (5) key risks to successful delivery of the Phase 2 Requirements.
 - Up to five (5) key risks to successful delivery of the Phase 3 Requirements
- Your response should include:

- A summary of the risk – including any dependencies
- Whether this is an update on a previous risk identified at Phase 1, or a new risk identified during Phase 1.
- The potential risk impact; and
- Proposed approach to risk mitigation, including any lessons learned during Phase 1.

5.3 Scoring Guidance

Applicants' Assessment Criteria 1 – 5 responses will be scored based on the system outlined below:

Table 5 Scoring Guidance

Score	Description
1	Not Satisfactory: There is no evidence to very little evidence that the question has been satisfactorily answered and major omissions are evident.
2	Partially Satisfactory: There is little evidence that the question has been satisfactorily answered and some omissions are evident. Much more detail is needed.
3	Satisfactory: There is reasonable evidence that the question has been satisfactorily addressed but some omissions are still evident and further detail is needed.
4	Good: The question has been well addressed with a good evidence base, with only minor omissions or lack of detail.
5	Excellent: There is clear evidence that the question has been completely addressed in all aspects, with questions answered clearly, concisely with a strong evidence base.

5.4 Selection Approach

As set out in Section 1, BEIS anticipates funding 1 project to develop their proposed solution in Phase 2. All applications will be assessed by a minimum of three assessors, which could include BEIS assessors and/or independent assessors (technical and

commercial experts). A moderation meeting will be held at the end of the assessment process to agree the overall weighted scores for each project.

Applications responses to Assessment Criteria 1-5 will be scored using the scoring system outlined in Table 2 above. To be eligible to receive funding for Phase 2, a project must achieve both the following Minimum Threshold Scores:

- Achieve a score of at least 2 out of 5 for Assessment Criteria 1-5
- Achieve an overall minimum weighted score across all 5 Assessment Criteria of 50%.

The project with the highest overall weighted score will be put forward to receive Phase 2 funding of up to £1,200,000 at Phase 2 and £500,000 at Phase 3 (subject to meeting relevant Phase 2 Stage Gate Review requirements). In the event that two or more eligible applications receive the same first ranking overall weighted scores, assessors will reconvene a further moderation session to agree a consensus position.

As outlined in Section 1, should further funding become available BEIS may choose to fund an additional project during Phase 2 and funding will be allocated to additional projects in order of total scores achieved using the ranking agreed at moderation.

5.5 Notification and Publication of Results

Applicants will be informed by email whether their application has been successful.

BEIS may wish to publicise the results of the scheme which may involve engagement with the media. At the end of the assessment process and following Contract Award, BEIS may issue a press release or publish a notice on its website. These public documents may include:

- Identity of the participant and its partners
- Project summary information including aims and expected outcomes of the project and technology area
- Total award value.

The successful Phase 2 project will be required to include reporting and dissemination milestones, agreed as part of the Project Plan and Finance Table, determined after notification of award.

Any organisation that wishes to publicise its project, at any stage, must contact the Competition Project Manager or their Project Monitoring Officer at BEIS and obtain written permission before doing so.

5.6 Feedback

A short summary of key feedback regarding the Phase 2 application will be provided to all applicants. This feedback will be based on the comments of the assessors and

agreed at moderation. No additional feedback will be provided and there will be no further discussion of the application.

BEIS' decision regarding any application is final and no appeal process is in place, so it is important that you make any points that you wish to make clearly and concisely in the Application Form.

6. Reporting, KPIs and Knowledge Sharing

6.1 Project monitoring and reporting

Projects are required to follow BEIS project monitoring and reporting processes in order for Monitoring Officers and BEIS project managers to successfully track project progress and ensure payments are made accurately and on time, in line with the Project Plan and Finance Table agreed after notification of award. Projects are expected to include sufficient time for the approval process to enable timely delivery of all deliverables. Reporting will be in confidence to BEIS and its Monitoring Officers and will not be published. Monitoring and reporting includes regular meetings with BEIS and BEIS appointed Monitoring Officers, as well as submission of reporting documentation. This section sets out the Department's approach to monitoring and reporting.

6.2 Regular reporting requirements

Regular Project monitoring and reporting will take two forms:

- **Monthly Progress Meetings:** Project teams will be required to meet with their Monitoring Officer and BEIS Project team during the first week of each calendar month to discuss Project progress, finance updates and highlight successes, issues, and risks. This meeting will be informed by a monthly Project Progress Report submitted one week prior to the meeting and reviewed by the Monitoring Officer.
- **MO Meeting:** Project teams will also be required to meet their Monitoring Officer (and BEIS Project manager by exception) in the third week of each calendar month for a light-touch update on progress and any risks/issues.
- Each quarter, in place of a Monthly Progress Meeting, Projects will be required to submit a quarterly Project progress report. We expect this report to cover, as a minimum, the following **Quarterly Project Management Information**.

- progress against the Project delivery plan and Project milestones and deliverables
- upcoming work over the next quarter
- financial information (including budget spend so far and budget forecast)
- an updated risk register (including flagging where risk ratings have changed or new risks/issue have emerged)
- any key lessons learnt during delivery, and progress against relevant programme benefits

6.3 Key Performance Indicators

In addition to the regular reporting set out above, BEIS requires all funding recipients under the Net Zero Innovation Portfolio (NZIP) to report on key performance indicators (referred to as NZIP KPIs) to provide a consistent approach to reporting evidence, and to track and measure key outputs, outcomes and impacts. The evidence collected is used to demonstrate the impact of the NZIP on achieving the government's Net Zero ambitions and is necessary to be able to run future competitions. In this instance, the AAR Competition has a requirement to demonstrate the benefits and KPIs that it is seeking to realise for the Flexibility Innovation Programme and the wider Net Zero Innovation Portfolio. This ensures that the Competition can robustly demonstrate its contribution to key benefits such as energy system decarbonisation and security of energy supply.

The successful Phase 2 Project will be required to report on KPIs at Project closure and for three years after Project closure. BEIS will supply funding recipients with a reporting template to complete at set intervals, and recipients are expected to return the template to their Monitoring Officer upon completion, who will review, and quality assure it. **At Project kick-off, your Project Monitoring Officer will provide further details about the calculation of these KPIs and assist with the initial completion and measurement.**

Project teams will also be required to support the evaluation of the Flexibility Innovation Programme following the end of their project, by providing data on programme KPIs through a survey, and taking part in interviews on project delivery and impact. Further information on programme evaluation requirements is set out in Section 6.5 below.

Please note that it may at times be necessary to make changes to the NZIP KPIs, data collection modes or frequencies. We will endeavour to keep all changes to a minimum and communicate any implications to you via the Monitoring Officers in advance of collection.

BEIS will be collecting the following KPIs, with data which *will be provided by Monitoring Officers marked in italics*. Not all data will be collected annually.

Table 6 NZIP KPIs

KPI	KPI description	Metrics
KPI 1	<i>Number of NZIP Projects supported</i>	<ul style="list-style-type: none"> • <i>Project start and completion.</i>
KPI 2	<i>Number of NZIP Projects that have met objectives</i>	<ul style="list-style-type: none"> • <i>Extent to which Project objectives have been met to date</i> • <i>Change in objectives and reasons for change</i>
KPI 3	<i>Number of organisations supported to deliver the Project</i>	<ul style="list-style-type: none"> • <i>Lead partner delivering the Project: name, organisation size and number of jobs supported within the organisation to deliver the Project.</i> • <i>Other partner organisations involved in delivering the Project as named on the Contract or Grant: name, organisation size and number of jobs supported within the organisation(s) to deliver the Project.</i>
KPI 4	<i>Number of active contractual and non-contractual business relationships supported</i>	<ul style="list-style-type: none"> • <i>Number of contractual relationships: name and type of contractual relationship.</i> • <i>Number of formal non-contractual business relationships: name and type of non-contractual relationship</i> • <i>Extent to which your organisation expanded its network of business relationships as a result of the Project</i>
KPI 5	Technology Advancement	<ul style="list-style-type: none"> • Technology Readiness Levels (current and anticipated) • Other technology improvement indicators: patents applied for or granted; academic, technical or non-technical publications generated and knowledge exchange events attended (such as conferences)
KPI 6i	<i>Initial Financial Leverage to deliver Project</i>	<ul style="list-style-type: none"> • <i>Project funding structure: Amount in £m of BEIS, Other Public Sector and Private Funding.</i>
6ii	Follow-on Funding secured	<ul style="list-style-type: none"> • Amount of follow-on funding raised and the source (public or private).
7iii	Increase in energy system flexibility	<ul style="list-style-type: none"> • Scope and scale of impact on energy system flexibility • Route to increasing energy system flexibility
KPI 8	Commercialisation advancement	<ul style="list-style-type: none"> • Commercial readiness levels (current and anticipated) • Steps towards commercialisation incl. licensing agreements, commercial partnerships, product certifications etc.; national/ international standards passed • UK and International sales secured and their value (£m)
KPI 10	Policy influence	<ul style="list-style-type: none"> • Whether, how, and to what effect evidence from the Project has informed policy development

		<ul style="list-style-type: none"> Whether Projects have engaged in activities with industry or civil society
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6.4 Benefits realisation and management

In addition to KPI monitoring and reporting, the successful Phase 2 project will also be required to report against a selection of the benefits listed below in Table 7, using the measures listed to provide evidence for each of these benefits. The corresponding KPIs listed relate to the portfolio-level KPIs discussed in **Section 6**Error! Reference source not found.. This table is **for information only** and serves to outline the expected level of granularity for reporting against benefits.

Based on the benefits selected in their application form, each successful Applicant will be asked to complete a **Benefits Plan (see Appendix 4 for an example) at the Project kick-off meeting**. At the kick-off meeting, successful Phase 1 projects will be asked to select one or more benefits that their project will contribute to. Projects should select benefits for which they can report on a minimum of one measure, and should note that if successful, they will be encouraged to report on more than one measure for their selected benefits. Some benefits will have a quantitative measure that will be tracked using metrics that the Project provides; other benefits are qualitative, the success of which could be determined by the quality of reports and other evidence produced. At this stage, Projects may also identify additional measures that they will report on to demonstrate a particular benefit, although this is not a necessary requirement.

Progress against Projects' Benefits Plans will be monitored on a quarterly basis by the Project Monitoring Officers. Projects will be required to make available any Project data that is reasonably necessary for reporting against the Project benefits. They will also be required to declare where they may need assistance in contributing to the Project benefits.

In the table below the 'Benefit/Measure' column sets out the full list of benefits which Applicants can select from, and the 'Links to KPIs' column highlights the equivalent NZIP KPI (where equivalent) – see Section 7.3 for further detail on NZIP KPIs.

Table 7 Benefits, measures and KPIs

Benefit/Measure	Links to KPIs
Reduction in carbon emissions	
Potential volume of CO2 savings (kT CO2e/yr)	9
Enabling increased renewable energy on the grid	9
Reduction in energy consumption - energy saving per unit/yr (MWh/yr)	7ii
Reduced peak demand for power	7ii
Accelerate Commercialisation	
Value of sales	8
Number and value of contracts signed	8
Amount of private funding leveraged at Project close	6i

Amount of follow-on funding received	6ii
Increased deployment of commercially viable Solutions	7iii
Total value of exports/increased export potential	8
Technology Readiness Level progression	5
Cost reduction of low carbon technologies	
Reduction in cost of the innovation	5
Reduction in the unit cost of energy	7i
Reduced cost to consumers	7i
Demonstrating UK leadership on the innovation	
Number of domestic and international collaborations	4
Number of invitations to speak at international events	N/A
Amount of domestic and international interest in the technology	N/A
Amount of media coverage	N/A
Increased knowledge stimulating further innovation	
Successful completion and publication of Project reports demonstrating viability of new technologies	N/A
Amount of further R+D capital committed to the innovation	6ii
Amount of follow on funding received	6i/6ii
Number of trial consumers recruited and retained during the Project	N/A
Growth and resilience in UK companies	
Number of jobs supported	3
Increase in the market potential of the innovation	5
Developing the supply chain: Number of new companies in the Projects supply chain	4
Amount of follow on funding	6ii
Increased flexibility of supply	
Number of flexible tariffs that were developed and offered	7iii
Number of consumers who signed up to flexible tariffs	7iii/7i/8
Number of low carbon technologies offered to consumers giving access to flexible tariffs	7iii/8

Number of low carbon technologies offered to consumers giving access to flexible tariffs	7iii/8
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6.5 Evaluation requirements

Successful applicants will also be required to participate in and facilitate an evaluation of this programme, which will be delivered by an external contractor commissioned by BEIS. The specific role of the external evaluator and scope of the evaluation is yet to be confirmed, though it is likely to include qualitative and quantitative data collection and analysis in order to assess programme delivery, impact and value for money and identify learnings. Projects will be required to participate in and contribute to the evaluation activities, both during and after final contract payments, including by providing relevant primary and secondary data to the evaluation contractor and by participating in research interviews.

7. Intellectual Property

The proposed arrangements for intellectual property rights (IPR) and exploitation of IPR are set out in the contract terms and conditions for this competition, in **Annex 1**

Subject to the requirements of **Conditions 27 and 28** of the standard terms and conditions (Annex 1) Applicants will retain ownership of the intellectual property generated from the project. Applicants are required to identify and record any such intellectual property and to protect patentable knowledge in accordance with **Condition 28** of the standard terms and conditions. If within five years of its creation Applicants have not commercially exploited intellectual property generated from the work, then in line with **clause 28 (5)** of the standard terms and conditions, BEIS may request the intellectual property be assigned to BEIS.

All software developed as part of this Competition must be published under an Open-Source license.

8. Confidentiality and Freedom of Information

The Freedom of Information Act 2000 ("FOIA") and the Environmental Information Regulations 2004 ("EIR") apply to the Department.

You should be aware of the Department's obligations and responsibilities under FOIA or EIR to disclose, on written request, recorded information held by the Department. Information provided in connection with this procurement exercise, or with any contract that may be awarded through this exercise, may therefore have to be disclosed by the Department in response to such a request, unless the Department decides that one of the statutory exemptions under the FOIA or the exceptions in the EIR applies. Where any request is made to BEIS under the FOIA for the release of information relating to any project or Applicant, which would otherwise be reasonably regarded as confidential information, BEIS will notify you of the request as soon as we become aware of it.

If you wish to designate information supplied as part of your tender as confidential, or if you believe that its disclosure would be prejudicial to any person's commercial interests, you must provide clear and specific detail as to the precise information involved and explain (in broad terms) what harm may result from disclosure if a request is received, and the time period applicable to that sensitivity. Such designation alone may not prevent disclosure if in the Department's reasonable opinion publication is required by applicable legislation or Government policy or where disclosure is required by the Information Commissioner or the First-tier Tribunal (Information Rights).

As part of the application process all Applicants are asked to submit a public description of the project. This should be a public facing form of words that adequately describes the project but that does not disclose any information that may impact on Intellectual Property (IP), is confidential or commercially sensitive. The titles of successful projects, names of organisations, amounts awarded, and the description of the project may be published once the award is confirmed as final.

Additionally, the Government's transparency agenda requires that tender documents (including competition guidance such as this) are published on a designated, publicly searchable web site. The same applies to other tender documents issued by the Department (including the original advertisement and the pre-qualification questionnaire (if used)), and any contract entered into by the Department with its preferred supplier(s) once the procurement is complete. By submitting a tender, you agree that your participation in this procurement may be made public. Aside from the public description of your project (see above), the answers you give in this response will not be published on the transparency web site (but may fall to be disclosed under FOIA or EIR (see above)). Where tender documents issued by the Department or

contracts with its suppliers fail to be disclosed the Department will redact them as it thinks necessary, having regard (inter alia) to the exemptions/exceptions in the FOIA or EIR.

All assessors used during the assessment of applications will be subject to a confidentiality agreement.

9. Terms and Conditions

The Department's Standard Terms and Conditions of Contract as amended for the purposes of this Competition will apply to this contract (**see Annex 1**).

10. Further Instructions to Applicants

The Department reserves the right to amend the enclosed Competition documents at any time prior to the publication of supplier questions and answers during w/c 9th January 2023. Any changes are most likely to include editorial errors and include FAQs from questions asked from stakeholders/applications before **2nd January 2023**. Any such amendment will be numbered, dated and issued on the website. Where amendments are significant, the Department may, at its discretion, extend the deadline for receipt of tenders.

The Department reserves the right to withdraw this contract opportunity without notice and will not be liable for any costs incurred by contractors during any stage of the process. Contractors should also note that, in the event a proposal is considered to be fundamentally unacceptable on a key issue, regardless of its other merits, that proposal may be rejected. By issuing this Competition document, the Department is not bound in any way and does not have to accept the lowest, or any, proposal and reserves the right to accept a portion of any proposal unless the tenderer expressly stipulates otherwise.

10.1 Definitions

Please note that references to the "Department" throughout these documents mean The Secretary of State for Business, Energy and Industrial Strategy acting through his/her representatives in the Department for Business Energy & Industrial Strategy.

10.2 Data Protection and Security

The successful applicant must comply with all relevant Data Protection Legislation, as defined in the terms and conditions applying to this Competition. A guide to the UK General Data Protection Regulation published by the Information Commissioner's Office, can be found [here](#).

Annex 2 contains a "The General Data Protection Regulation Assurance Questionnaire for Contractors" (Declaration 5) to evidence the extent of readiness. The Authority may ask the Contractor to provide evidence to support the position stated in the questionnaire. The Authority may require the successful Contractor to increase their preparedness where the Authority is not satisfied that the Contractor will be in a position to meet its obligations under the terms and conditions. If the Contractor fails to satisfy the Authority that it will be in a position to meet its obligations under the terms and conditions in the event that the Contractor is successful, the Authority reserves the right to exclude the Applicant from this procurement.

10.3 Non-Collusion

No tender will be considered for acceptance if the contractor has indulged or attempted to indulge in any corrupt practice or canvassed the tender with an officer of the Department. **Annex 2** contains a "Statement of non-collusion" (Declaration 1); any breach of the undertakings covered under items 1 - 3 inclusive will invalidate your tender. If a contractor has indulged or attempted to indulge in such practices and the tender is accepted, then grounds shall exist for the Authority to terminate the contract and claim damages from the successful contractors. You must not:

- Tell anyone else what your tender price is or will be before the time limit for delivery of tenders.
- Try to obtain any information about anyone else's tender or proposed tender before the time limit for delivery of tenders.
- Make any arrangements with another organisation about whether or not they should tender, or about their or your tender price.

Offering an inducement of any kind in relation to obtaining this or any other contract with the Department will disqualify your tender from being considered and may constitute a criminal offence.

Appendix 1 - Eligible and Ineligible Costs

General Requirements

Timing: BEIS will only provide the funding to cover eligible costs incurred and defrayed in the period between the project start date specified in the contract, and the deadline specified in the contract for completion of the project.

Who can incur eligible costs: The definition of eligible costs includes the Applicant's own costs, eligible costs incurred by consortium members and eligible costs incurred by companies sub-contracted to the Applicant or consortium members as defined in the application or subsequent agreements between the successful Applicant and BEIS.

Non-sterling costs: Costs must be denominated in GB pounds. If relevant, Applicants should indicate where conversion has been made to GB pounds from other currencies and indicate the conversion rate and assumptions used.

Research and development costs Your application must have at least 50% of the Contract value attributed directly and exclusively to research and development services.

Eligible Costs

Directly incurred costs:

These are costs that are specific to the project that will be charged to the project as the amount spent, fully supported by an audit record justification of a claim. They comprise:

- Labour costs for all those contributing to the project, broken down by individual
- Material costs (including consumables specific to the project)
- Capital equipment costs*
- Sub-contract costs
- Travel and subsistence

*Under SBRI rules, BEIS will only pay full capital equipment costs for equipment that is specialised and bespoke enough that it only has a value for the duration of the project. For capital equipment that has a value at the end of the contract, BEIS will only pay depreciation costs for the duration of the project, in line with your accounting policy for depreciation. For example, if a project budget includes the cost of purchasing six new laptops, it is highly likely that these will still have value at the end of the project. As such, BEIS would only pay depreciation costs on these laptops across the duration of the project.

Indirect costs:

Indirect costs should be charged in proportion to the amount of effort deployed on the project. Applicants should calculate them, using their own cost rates. They may include:

- General office and basic laboratory consumables
- Library services / learning resources
- Typing / secretarial
- Finance, personnel, public relations and departmental services
- Central and distributed computing
- Overheads

BEIS will not normally pay overheads of over 50%, and any overheads above this amount will need to be fully justified.

Ineligible Costs

Under no circumstances can costs for the following items be claimed:

- Commercialisation activities
- Profit (i.e. Applicants should not include profit for themselves or the other project team members within indirect costs or include it as a separate project cost)
- Profit on contractors (i.e., where contractors are used in key posts, these contractors should be paid at the standard market rate)
- Contingency / Contingent costs
- Protection of IPR (including patent costs)
- For activities of a political or exclusively religious nature
- In respect of costs reimbursed or to be reimbursed by funding from other public authorities or from the private sector
- In connection with the receipt of contributions in kind (a contribution in goods or services as opposed to money)
- To cover interest payments (including service charge payments for finance leases)
- For the giving of gifts to individuals, other than promotional items with a value no more than £10 a year to any one individual

- For entertaining (entertaining for this purpose means anything that would be a taxable benefit to the person being entertained, according to current UK tax regulations)
- To pay statutory fines, criminal fines or penalties
- In respect of VAT that you are able to claim from HM Revenue and Customs.

Appendix 2 - Exclusion Grounds

Mandatory Exclusion Grounds

Public Contract Regulations 2015 R57(1), (2) and (3)

Public Contract Directives 2014/24/EU Article 57(1)

Participation in a criminal organisation

Participation offence as defined by section 45 of the Serious Crime Act 2015

Conspiracy within the meaning of

section 1 or 1A of the Criminal Law Act 1977 or

article 9 or 9A of the Criminal Attempts and Conspiracy (Northern Ireland) Order 1983

where that conspiracy relates to participation in a criminal organisation as defined in Article 2 of Council Framework Decision 2008/841/JHA on the fight against organised crime;

Corruption

Corruption within the meaning of section 1(2) of the Public Bodies Corrupt Practices Act 1889 or section 1 of the Prevention of Corruption Act 1906;

The common law offence of bribery;

Bribery within the meaning of sections 1, 2 or 6 of the Bribery Act 2010, or section 113 of the Representation of the People Act 1983;

Fraud

Any of the following offences, where the offence relates to fraud affecting the European Communities' financial interests as defined by Article 1 of the convention on the protection of the financial interests of the European Communities:

- the common law offence of cheating the Revenue;
- the common law offence of conspiracy to defraud;
- fraud or theft within the meaning of the Theft Act 1968, the Theft Act (Northern Ireland) 1969, the Theft Act 1978 or the Theft (Northern Ireland) Order 1978;

- fraudulent trading within the meaning of section 458 of the Companies Act 1985, article 451 of the Companies (Northern Ireland) Order 1986 or section 993 of the Companies Act 2006;
- fraudulent evasion within the meaning of section 170 of the Customs and Excise Management Act 1979 or section 72 of the Value Added Tax Act 1994;
- an offence in connection with taxation in the European Union within the meaning of section 71 of the Criminal Justice Act 1993;
- destroying, defacing or concealing of documents or procuring the execution of a valuable security within the meaning of section 20 of the Theft Act 1968 or section 19 of the Theft Act (Northern Ireland) 1969;
- fraud within the meaning of section 2, 3 or 4 of the Fraud Act 2006;
- the possession of articles for use in frauds within the meaning of section 6 of the Fraud Act 2006, or the making, adapting, supplying or offering to supply articles for use in frauds within the meaning of section 7 of that Act;

Terrorist offences or offences linked to terrorist activities

Any offence:

- listed in section 41 of the Counter Terrorism Act 2008;
- listed in schedule 2 to that Act where the court has determined that there is a terrorist connection;
- under sections 44 to 46 of the Serious Crime Act 2007 which relates to an offence covered by the previous two points;

Money laundering or terrorist financing

Money laundering within the meaning of sections 340(11) and 415 of the Proceeds of Crime Act 2002

An offence in connection with the proceeds of criminal conduct within the meaning of section 93A, 93B or 93C of the Criminal Justice Act 1988 or article 45, 46 or 47 of the Proceeds of Crime (Northern Ireland) Order 1996

Child labour and other forms of trafficking human beings

An offence under section 4 of the Asylum and Immigration (Treatment of Claimants etc.) Act 2004;

An offence under section 59A of the Sexual Offences Act 2003

An offence under section 71 of the Coroners and Justice Act 2009;

An offence in connection with the proceeds of drug trafficking within the meaning of section 49, 50 or 51 of the Drug Trafficking Act 1994

An offence under section 2 or section 4 of the Modern Slavery Act 2015

Non-payment of tax and social security contributions

Breach of obligations relating to the payment of taxes or social security contributions that has been established by a judicial or administrative decision.

Where any tax returns submitted on or after 1 October 2012 have been found to be incorrect as a result of:

- HMRC successfully challenging the potential supplier under the General Anti – Abuse Rule (GAAR) or the “Halifax” abuse principle; or
- a tax authority in a jurisdiction in which the potential supplier is established successfully challenging it under any tax rules or legislation that have an effect equivalent or similar to the GAAR or “Halifax” abuse principle;
- a failure to notify, or failure of an avoidance scheme which the supplier is or was involved in, under the Disclosure of Tax Avoidance Scheme rules (DOTAS) or any equivalent or similar regime in a jurisdiction in which the supplier is established

Other offences

Any other offence within the meaning of Article 57(1) of the Directive as defined by the law of any jurisdiction outside England, Wales and Northern Ireland

Any other offence within the meaning of Article 57(1) of the Directive created after 26th February 2015 in England, Wales or Northern Ireland

Discretionary exclusions

Obligations in the field of environment, social and labour law.

Where an organisation has violated applicable obligations in the fields of environmental, social and labour law established by EU law (as retained in UK law in accordance with Section 4 of the EU Withdrawal Act 2018 (as amended by the EU (Withdrawal Agreement) Act 2020)), national law, collective agreements or by the international environmental, social and labour law provisions listed in Annex X to the Directive (see copy below) as amended from time to time; including the following:-

Where the organisation or any of its Directors or Executive Officers has been in receipt of enforcement/remedial orders in relation to the Health and Safety Executive (or equivalent body) in the last 3 years.

In the last three years, where the organisation has had a complaint upheld following an investigation by the Equality and Human Rights Commission or its predecessors (or a comparable body in any jurisdiction other than the UK), on grounds of alleged unlawful discrimination.

In the last three years, where any finding of unlawful discrimination has been made against the organisation by an Employment Tribunal, an Employment Appeal Tribunal or any other court (or incomparable proceedings in any jurisdiction other than the UK).

Where the organisation has been in breach of section 15 of the Immigration, Asylum, and Nationality Act 2006;

Where the organisation has a conviction under section 21 of the Immigration, Asylum, and Nationality Act 2006;

Where the organisation has been in breach of the National Minimum Wage Act 1998.

Bankruptcy, insolvency

Bankrupt or is the subject of insolvency or winding-up proceedings, where the organisation's assets are being administered by a liquidator or by the court, where it is in an arrangement with creditors, where its business activities are suspended or it is in any analogous situation arising from a similar procedure under the laws and regulations of any State;

Grave professional misconduct

Guilty of grave professional misconduct

Distortion of competition

Entered into agreements with other economic operators aimed at distorting competition

Conflict of interest

Aware of any conflict of interest within the meaning of regulation 24 due to the participation in the procurement procedure

Been involved in the preparation of the procurement procedure

Prior performance issues

Shown significant or persistent deficiencies in the performance of a substantive requirement under a prior public contract, a prior contract with a contracting entity, or

a prior concession contract, which led to early termination of that prior contract, damages or other comparable sanctions.

Misrepresentation and undue influence

The organisation has influenced the decision-making process of the contracting authority to obtain confidential information that may confer upon the organisation undue advantages in the procurement procedure, or to negligently provided misleading information that may have a material influence on decisions concerning exclusion, selection, or award.

Additional exclusion grounds

Breach of obligations relating to the payment of taxes or social security contributions.

ANNEX X Extract from Public Procurement Directive 2014/24/EU

LIST OF INTERNATIONAL SOCIAL AND ENVIRONMENTAL CONVENTIONS REFERRED TO IN ARTICLE 18(2) —

- ILO Convention 87 on Freedom of Association and the Protection of the Right to Organise;
- ILO Convention 98 on the Right to Organise and Collective Bargaining;
- ILO Convention 29 on Forced Labour;
- ILO Convention 105 on the Abolition of Forced Labour;
- ILO Convention 138 on Minimum Age;
- ILO Convention 111 on Discrimination (Employment and Occupation);
- ILO Convention 100 on Equal Remuneration;
- ILO Convention 182 on Worst Forms of Child Labour;
- Vienna Convention for the protection of the Ozone Layer and its Montreal Protocol on substances that deplete the Ozone Layer;
- Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal (Basel Convention);
- Stockholm Convention on Persistent Organic Pollutants (Stockholm POPs Convention)
- Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade (UNEP/FAO) (The PIC Convention) Rotterdam, 10 September 1998, and its 3 regional Protocols.

Consequences of misrepresentation

A serious misrepresentation which induces a contracting authority to enter into a contract may have the following consequences for the signatory that made the misrepresentation: -

- The potential supplier may be excluded from bidding for contracts for three years, under regulation 57(8)(h)(i) of the PCR 2015;
- The contracting authority may sue the supplier for damages and may rescind the contract under the Misrepresentation Act 1967.
- If fraud, or fraudulent intent, can be proved, the potential supplier or the responsible officers of the potential supplier may be prosecuted and convicted of the offence of fraud by false representation under s.2 of the Fraud Act 2006, which can carry a sentence of up to 10 years or a fine (or both).

If there is a conviction, then the company must be excluded from procurement for five years under reg. 57(1) of the PCR (subject to self-cleaning).

Appendix 3 – Completion of Project Cost Breakdown Form

Overview

The BEIS Project Cost Breakdown Form is a standard template used to capture costs and overheads to inform multiple procurement competitions of varying size and scope. As a result, whilst it contains multiple green input tabs, not all will require completing, particularly for lower value or less complex procurements.

AAR SBRI Competition – Mandatory input tabs for all Applicants

Based on project requirements as detailed at Section 4, Applicants must **as a minimum**, complete the following tabs:

Labour & Overhead Costs tab

For all project team members for whom the Applicant wishes to recover costs or overheads they must complete all light blue input cells (columns C,E,G,I,O and S) following the example format provided at Row 18.

Project Quarterly Breakdown tab

At columns [H] and [I] Applicants should provide a quarterly profile for each Cost or Overhead category where £ amounts have been entered. Please note the FY23-24 totals at column [L] must equal the equivalent total on the 'Summary' tab – Thus the 'Total Labour costs' figure at cell [L10] of the Project Quarterly Breakdown tab must equal the 'Total Labour Costs, exc Overheads' figure at cell E 17 of the 'Summary' tab.

AAR SBRI Competition – Other potential input tabs

Applicants intending to claim eligible Travel and Subsistence Costs must complete the relevant blue input fields in the **Travel & Subsistence tab**.

Applicants intending to utilise one or more Sub-Contractors must complete the relevant blue input fields in the **Sub-Contract Costs tab**.

For consortia bids, each Partner must complete the relevant light blue input cells in the **Partner Breakdown tab**.

Applicants intending to claim for other costs should complete the relevant light blue input cells in either the **Material Costs, Capital Equipment or Other Costs tab**. light blue. Given the anticipated desktop nature of work associated with production of the Feasibility Reports, this should include full justification for costs being claimed.

Appendix 4 – Example Benefits Plan

Benefit Name	Description	Timeframe	Measure	Frequency of Measure	Baseline Project Start	Actual	Forecast Project Close	Target
Accelerate Commercialisation	To accelerate delivery of advanced product features. Suitable for sale at volume.	Over 3 years	Value of Sales £	Forms part of quarterly review At Project close 3 years after Project close	0	304,000	1,200,000	8,800,000
Reduction in Carbon Emissions	Reducing the carbon emissions of the product in order to meet revised Net Zero targets	Over 3 years	kT CO2e/yr	Forms part of quarterly review At Project close 3 years after Project close	1	5.3	13.5	29.7
Cost reduction of low carbon technologies	Reducing the manufacturing costs to increase consumer acceptability	Over 5 years	Reduction in cost £	Forms part of quarterly review At Project close 5 years after Project close	160	150	110	100
Increased knowledge stimulating further innovation	Agreed standardisation documents to provide guidance on the DDe design of commercial appliances	At Project Close	Quality rating	Forms part of quarterly review At Project close	N/A	N/A	N/A	N/A

Appendix 5 – Accelerator Support for SMEs

Overview

The Accelerator Support for SMEs offers acceleration support to applicants that successfully progress to Phase 2: Development, and meet the definition of Small & Medium Enterprise (SME) (Table A5.1). This is highly recommended for SME SBRI awardees to help develop their business. This Acceleration Support is 100% funded by BEIS. This support will focus on helping the applicant to prepare commercial plans and actions that will increase the chance of successfully bringing the innovation to market or reduce the time to market.

Table A5.1 Categories for business size definitions - Summary

Company Category	Staff Headcount		Turnover		Balance Sheet Total
Medium	<250 people	AND	≤£45m	OR	≤£39m
Small	<50 people	AND	≤£9m	OR	≤£9m
Micro	<10 people	AND	≤£2m	OR	≤£2m

Nature of support offered

The starting point for acceleration support is to consider the current stage of commercial preparation and identify (with the applicant) critical next steps, business strengths and gaps, benchmarked for the stage of the individual business across all key Acceleration Support focus areas:

- Market engagement and proposition
- Strategy and sales
- Team and board
- Funding and investment
- Product-service design, development and launch
- Business processes and controls

Specialist advisers will be assigned by BEIS to support the company in the development of the appropriate knowledge and skills. Three types of support will be available dependant on company need:

1. Tailored support, including coaching and specialist support across the six focus areas
2. Group training and learning resources, including sector specific masterclasses and techno-market workshops
3. Access to industry and finance networks, providing companies with investor engagement opportunities, pitch training sessions, facilitated market engagement and networking opportunities.

All SME-led proposals that are awarded funding and wish to receive Acceleration Support will need to participate in an Acceleration Support Planning meeting. This planning session will be conducted by The Carbon Trust who have been appointed to deliver Acceleration Support Services on behalf of BEIS. Following the planning meeting an acceleration plan will be created outlining the task delivery plan. These plans will be bespoke and based on company needs identified.

Accelerator Support on SBRI-funded projects

BEIS have historically offered Acceleration Support to help grant recipients achieve maximum commercial impact from the grant. From the experience of the Energy Entrepreneur's Fund (EEF) scheme managed by BEIS, there is a clear distinction between projects that received Acceleration Support and those companies who were high-scoring applications but did not receive funding and Acceleration Support, through the EEF scheme.

It is highly recommended that SBRI recipients take up the offer of Acceleration Support Services and co-operate with both the Acceleration Planning Session and the Acceleration Manager, who will oversee the delivery of the acceleration support. However, unlike the EEF scheme, receiving the identified acceleration support is not a condition of the SBRI contract award.

Participants will also be asked to collaborate in monitoring and evaluation activities and to provide feedback on support provided through the programme.