

Guidance

Conflict Mitigation Methodology

Publication date: ~~(TBC)~~ 24 April 2025

Contact: Onshore ~~Competitions~~ Competition Team

Team: Onshore ~~Competitions~~ Competition

Email: OnshoreCompetitionsPolicy@ofgem.gov.uk

This document sets out the Conflict Mitigation Methodology in accordance with Part D of Special Condition (SpC) 9.21 Conflict Mitigation Arrangements for Onshore Transmission Tender Exercise. -This document ~~will make~~ makes provision ~~about~~ regarding the requirements and reporting framework of the Conflict Mitigation Statement as defined in SpC 9.21.

This document is aimed at Transmission Owners (TOs) who intend to enter an Onshore Transmission Tender Exercise.

This document includes the following:

- Conflict mitigation ~~requirements overview~~
- Conflict Mitigation ~~Methodology Document~~ Statement requirements
- Conflicts Management Register
- Declaration of Interest Form

© Crown copyright ~~2024~~2025

The text of this document may be reproduced (excluding logos) under and in accordance with the terms of the [Open Government Licence](#).

Without prejudice to the generality of the terms of the Open Government Licence the material that is reproduced must be acknowledged as Crown copyright and the document title of this document must be specified in that acknowledgement.

Any enquiries related to the text of this publication should be sent to Ofgem at:

10 South Colonnade, Canary Wharf, London, E14 4PU.

This publication is available at www.ofgem.gov.uk. Any enquiries regarding the use and re-use of this information resource should be sent to: psi@nationalarchives.gsi.gov.uk

Consultation—Title

Guidance – Conflict Mitigation methodology

Contents

Conflict Mitigation Methodology	1
1. Conflict mitigation requirements	4
Appendices	8
Appendix A: Conflict Mitigation Methodology Document	8
A1. Separation of Bidding Unit	8
A2. Employee Transfer Restrictions	10
A3. Managerial Separation	10
A4. Information Sharing Restrictions	11
A5. Financial Separation	12
A6. Monitoring and Reporting Compliance with the CMS and ongoing management of Conflicts	13
A7. Process for agreeing a CMS with Ofgem	14
Appendix B: Conflict Management Register	15
Appendix C: Declaration of Interest Form	18

1. Conflict mitigation requirements

Transmission Owner's Conflict Mitigation Methodology	1
1. Conflict Mitigation Arrangements	6
Background	6
Process	7
Conflict Mitigation Statement overview	12
Conflicts Management Officer (CMO)	13
2. Conflict Mitigation Statement Requirements	16
A. Separation of licensee and Bidding Unit	16
B. Employee Transfer Restrictions	17
C. Managerial Separation	18
D. Information Sharing Restrictions	19
E. Financial Separation	20
F. Monitoring and Reporting Compliance with the CMS and ongoing management of Conflicts	20
G. Process for CMS approval	22
Appendices	24
Appendix A: Conflict Management Register	25
Overview	25
Conflict Management Register Guidance	25
Appendix B: Declaration of Interest Form	28
Overview	28
Declaration of Interests Form in Support of Onshore Transmission Tender Exercise	29

1. Conflict Mitigation Arrangements

Section summary

This section provides an overview of the conflict mitigation process when a TO participates as a Bidder in an Onshore Transmission Tender Exercise.

Background

2.1.1 Transmission Owners (TOs) can fulfil a dual role in an Onshore Transmission Tender Exercise, both supporting the National Energy System Operator (NESO) in its role as the onshore competition Delivery Body, and by participating as a Bidder through a Bidding Unit¹ in an Onshore Transmission Tender Exercise.

3.1.2 Where TOs participate in an Onshore Transmission Tender ~~Exercise~~Exercise, conflict mitigation arrangements are required to ensure that, as a Bidder, TOs receive no unfair advantage through their role undertaking Tender Support Activities or network planning activities.

1.3 This document provides information and guidance for the conflict mitigation arrangements that are required to be in place during an Onshore Transmission Tender Exercise.

4.1.4 Special Condition 9.20 (Tender Support Activities in onshore electricity transmission) in the TOs' electricity transmission licences outlines the obligations of TOs when undertaking Tender Support Activities in support of an Onshore Transmission Tender Exercise.

1.5 For the avoidance of doubt, this document is to be read in conjunction with Special Condition (SpC) 9.21 (Conflict Mitigation Arrangements for Onshore Transmission Tender Exercise). Capitalised terms in this document have the meanings given to them in the TO electricity transmission licences or as defined in the Electricity (Early-Model Competitive Tenders for Onshore Transmission Licences) Regulations 2025.

1.6 Chapter 2 of this document includes the Conflict Mitigation Statement (CMS) requirements, Appendix A provides a template for a Conflict Management Register, and Appendix B provides the Declaration of Interest form.

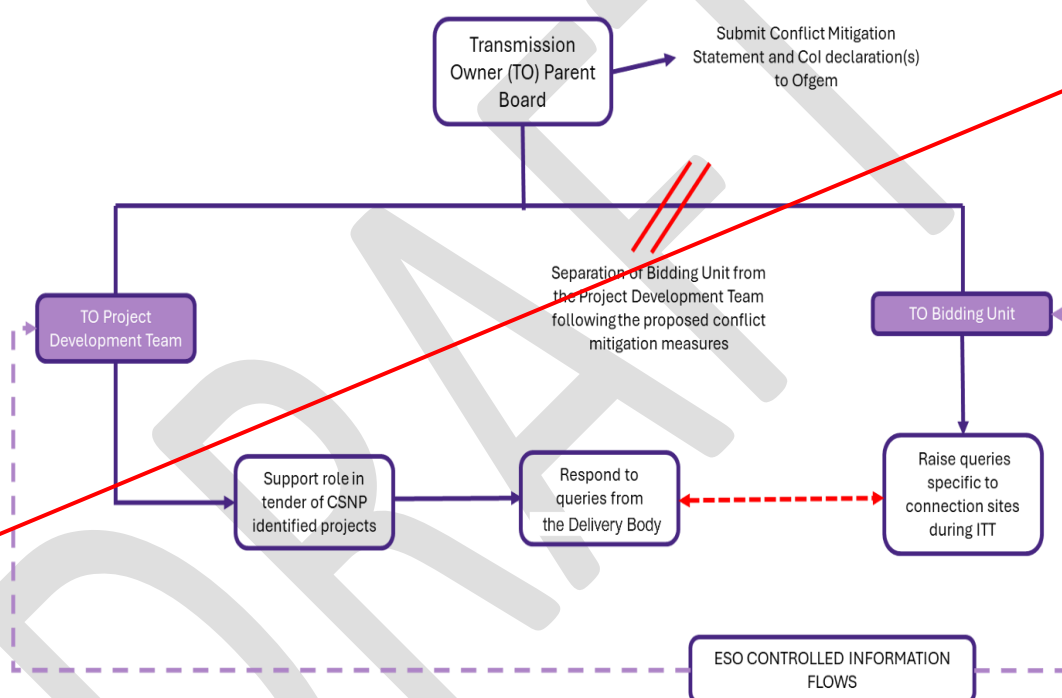
¹ References to Bidding Unit in this document include a TO participating in an Onshore Transmission Tender Exercise through an SPV.

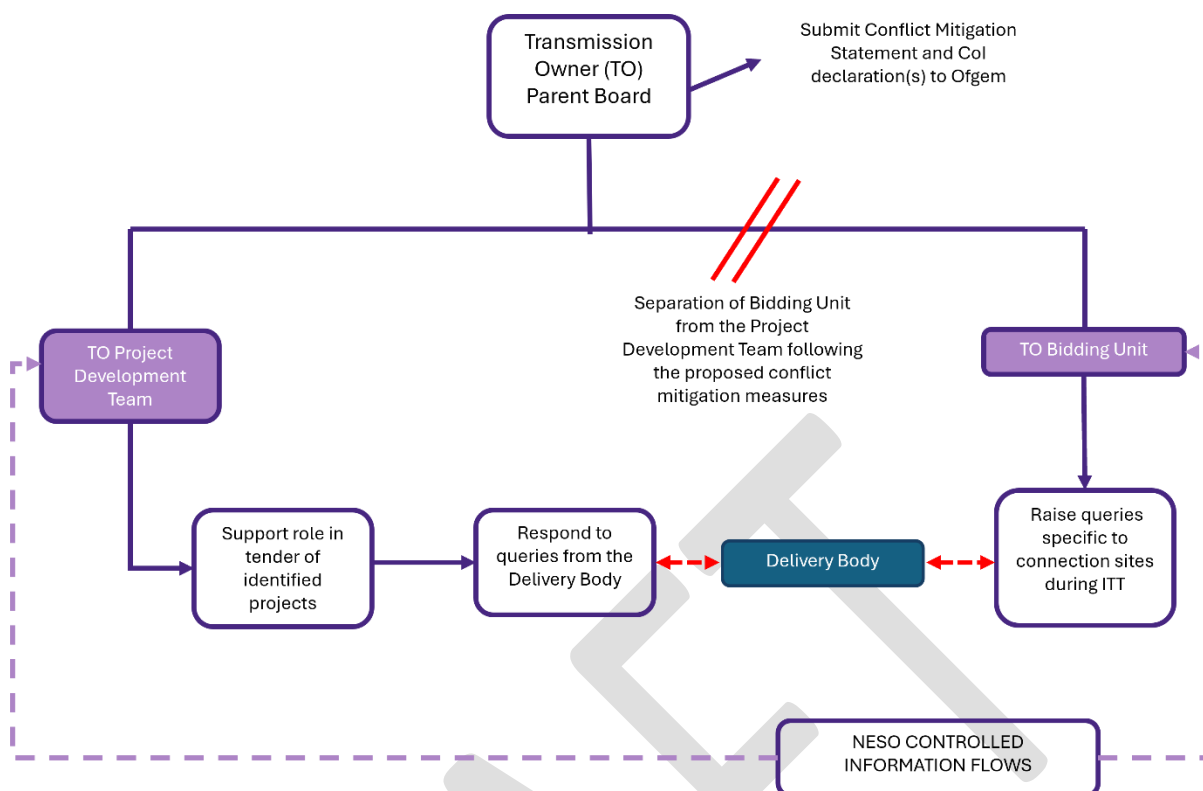
Process

5.1.7 Figure 1 illustrates the potential dual role of the TOs (as a Bidder and whilst undertaking Tender Support Activities) and shows where conflict mitigation arrangements are required to address potential conflicts of interest.

1.8 The project development team in Figure 1 refers to persons engaged in the network planning or project development operations of the licensee.

Figure 1: Required separation of the Bidding Unit under the conflict mitigation measures arrangements detailed in this document





6.1.9 Special Condition 9.21 (Conflict Mitigation Arrangements for Onshore Transmission Tender Exercise) ~~obliges~~requires TOs to submit a Conflict ~~Methodology~~Mitigation Statement (CMS) for approval where the TO notifies Ofgem of its intention to participate as a Bidder through a Bidding Unit before the Pre-Qualification (PQ) stage commences.

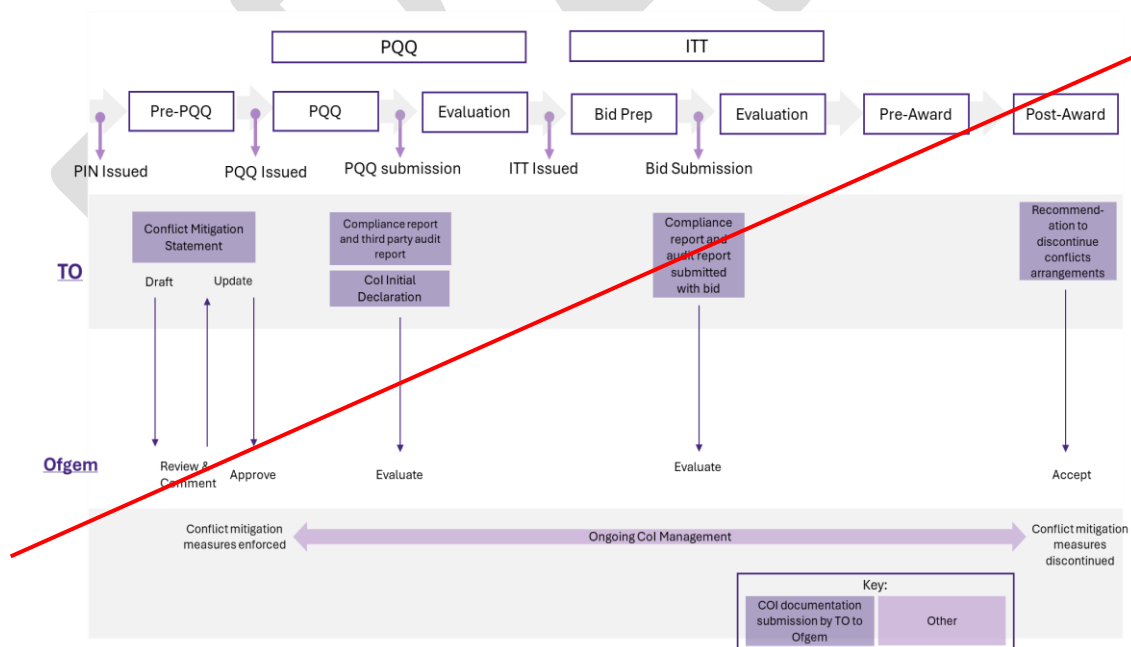
7.1.10 In broad terms, the CMS must address:

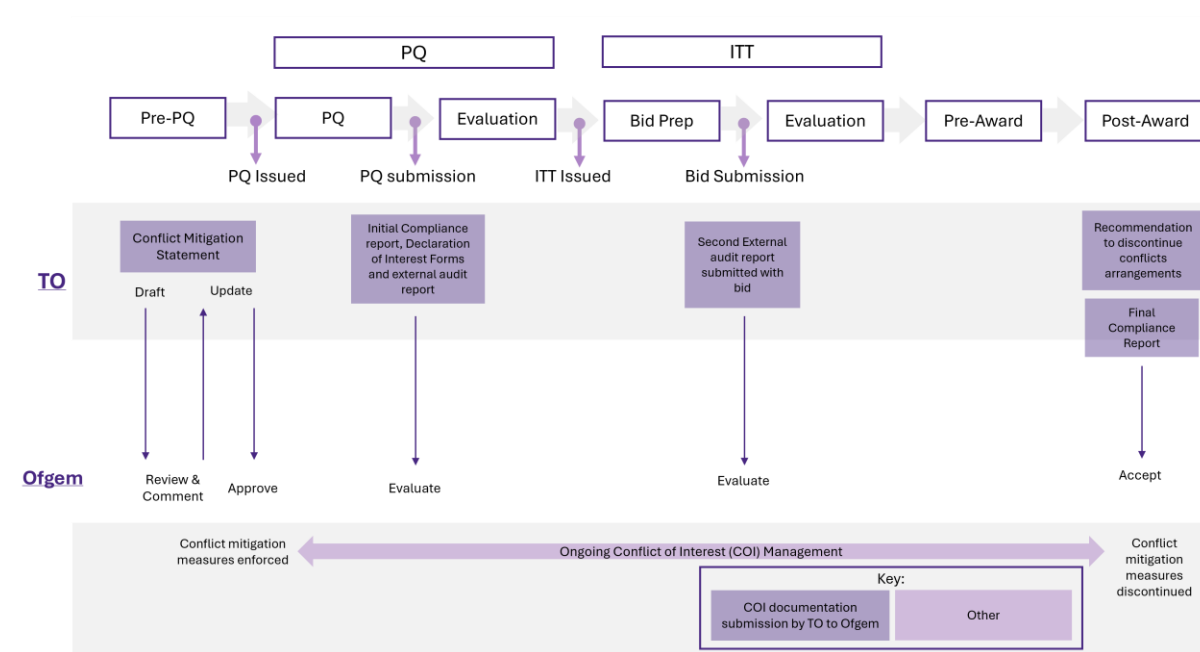
- the separation of the Bidding Unit and the associated management structures;i
- the separation of costs, assets, and financing of the project subject to the tender process;i
- limits on the transfer of TO staff with knowledge of relevant projects, through their involvement with the Network Planning process, to or from the TO Bidding Unit;i and
- additional obligations around sharing of confidential and potentially sensitive information through Tender Support Activities.i

8.1.11 During an Onshore Transmission Tender Exercise, the TO must monitor and demonstrate its full compliance with its CMS to Ofgem and raise any potential non-compliance issues with Ofgem as soon as they are ~~discovered~~identified.

9.1.12 Figure 2 below shows the conflict mitigation arrangements that are required at different stages of an Onshore Transmission Tender Exercise.

Figure 1:2: Conflict of Interest mitigation requirements before and during the tender process.





10-1.13 The key elements of the process are as follows:

- The ~~Delivery Body notifies TOs~~ TO must notify Ofgem of the requirements for its intention to bid before the PQ commences.
- ~~The TO must prepare a CMS and an external auditor.~~
- ~~A submit this to Ofgem for approval before commencement of the PQ stage.~~ Prior to submitting the final CMS, TOs have the option to submit a draft CMS ~~is to~~ Ofgem for review and comment, which must be submitted ~~to Ofgem~~ in sufficient time for Ofgem to comment and for the ~~parties to agree a~~ final form of the CMS to be submitted to Ofgem before the ~~Pre-Qualification (PQ)~~ stage.
- ~~The Declaration of Interest Form(s) in Appendix B are to be completed by all members of the Bidding Unit and submitted to the Conflicts Management Officer (CMO) for approval.~~
- ~~An initial conflict of interest (Col) declaration is submitted by applicants with their PQ submissions.~~
- ~~A Compliance compliance~~ report is ~~also~~ submitted by the TO with the PQ submission ~~with an~~.
- An initial external audit report ~~on~~ must also be submitted at the PQ stage which assesses the TO's compliance with the CMS.
- A bidding TO must provide a time-bound rectification plan if it fails to satisfactorily demonstrate the requisite mitigation arrangements. ~~If it then demonstrates compliance with the plan, it will be allowed to continue participating in the tender exercise.~~

- If a Bidder is non-compliant prior to starting the tender exercise, the Bidder may be ineligible to participate in the tender. ~~For a licence holder, Ofgem may also pursue this as a breach of licence.~~
- ~~The TO must maintain ongoing CoI arrangements throughout the tender process.~~
- ~~A final audit report from the external auditor must also be submitted to Ofgem at the ITT stage, which assesses the ongoing compliance with the CMS.~~
- A final compliance report is submitted to Ofgem ~~with the Bidder's ITT submission, together with a report from the external auditor at the Preferred Bidder Stage.~~
- ~~The TO must maintain ongoing Conflict of Interest arrangements throughout the tender process. Any potential conflicts are to be recorded using the Conflict Management Register in Appendix A and submitted to Ofgem.~~
- Post licence award ~~to the CATO,~~ the TO will submit a request to Ofgem to discontinue the conflict mitigation arrangements.
- ~~In addition to this, and aligned to reporting requirements, an independent Conflicts Management Officer (CMO) is to be appointed by the TO.~~

~~10.1 Appendix A to this document includes the Conflict Mitigation Methodology Document (CMMD), Appendix B provides a template for a Conflict Management Register, and Appendix C provides a generic Declaration of Interest form.~~

Appendices

Appendix A: ~~Removal of~~ Conflict Mitigation Methodology Document Arrangements

Introduction

- 1.14 Conflict mitigation arrangements should remain in place until the determination of a Preferred Bidder.
- 1.15 TOs must inform Ofgem with reason of their intention to remove the arrangements within the Conflict Mitigation Statement when the TO considers the requirement no longer applies and want to revert to a business-as-usual structure. This should be on a letterhead document addressed to Ofgem with the request.
- 1.16 A final compliance report must be submitted to Ofgem following the approval to remove the conflict mitigation arrangements.

Conflict Mitigation Statement overview

- 1.1.17 The obligations on TOs in relation to conflict mitigation are stated within ~~Part B and Part C of~~ Special Condition 9.21 Conflict Mitigation Arrangements for Onshore Transmission Tender Exercise.
- 1.21.18 Prior to commencement of ~~an Onshore Transmission Tender Exercise~~ the PQ Stage, if the TO is bidding through a Bidding Unit, it is obliged to submit a ~~draft~~ Conflicts Mitigation Statement (CMS) to Ofgem for approval. Before a CMS can be submitted for Ofgem ~~to review and comment on and for the parties to agree in final form. The approval, the~~ final form of the CMS must be approved by ~~the TO's and signed by a director of the licensee's board and by Ofgem prior to the commencement of the Pre-Qualification Stage (PQ) as Ofgem require the TO's of directors. The TO must submit the CMS before of the PQ submission to demonstrate full compliance with the CMS prior to commencement of an Onshore Transmission Tender Exercise Stage.~~ Ofgem will then review the CMS before the PQ Stage commences.
- 1.31.19 The CMS must set out all the steps ~~TOs a TO has taken (or will take),~~ with the associate monitoring and reporting, to ensure that ~~the highlighted~~ any identified potential conflicts of interests and risks are suitably mitigated. ~~It should describe the steps the TO has taken, and/or intends to take, to fulfil all its obligations to mitigate potential conflicts of interest. effectively managed.~~

1.41.20 Specifically, the CMS for all TOs who participate in an Onshore Transmission Tender Exercise as a Bidder must address:

1. Separation of licensee and Bidding Unit
2. Employee Transfer Restrictions
3. Managerial Separation
4. Information Sharing Restrictions
5. Financial Separation
6. Monitoring and reporting compliance

7.1.21 The detailed requirements and reporting framework that must be addressed in the CMS are set out below in chapter 2 of this document.

Conflicts Management Officer (CMO)

1.22 The CMO must be an individual appointed by the TO for the purpose of facilitating compliance with the conflict mitigation arrangements outlined in this document.

1.23 The CMO ensures ongoing compliance with the approved CMS, manages and reports conflicts, and oversees the governance and risk assessment of potential conflicts to Ofgem during an Onshore Transmission Tender Exercise.

1.24 The CMO must be appointed by the TO and must be independent of both the TO's Tender Support Activities and the Bidding Unit.

1.25 A TO must appoint a CMO if it participates as a Bidder in an Onshore Transmission Tender Exercise.

1.26 The CMO is responsible for the submission of two compliance reports:

- **PQ Stage:** The CMO must submit an initial compliance report to Ofgem for review. This report should specify the compliance of the conflict mitigation arrangements put in place to achieve the overall obligations on the TO including additional relevant measures (if any) to mitigate conflicts of interest effectively, enabling Ofgem to scrutinise the outcome. This compliance report should be accompanied by the approved CMS, the Declaration of Interest Forms as detailed in paragraph 1.29 and the initial external audit report as detailed in paragraph 1.30.

- **Preferred Bidder Stage:** The CMO must submit a final compliance report. This report should demonstrate compliance with conflict mitigation arrangements put in place from bid submission till the removal of conflict mitigation arrangements.

1.27 The CMO is responsible for the Conflict Management Register in accordance with Appendix A. The purpose of the Conflict Management Register is to identify, document, and manage potential conflicts of interest.

1.28 In respect to the Conflicts Management Register, the CMO must:

- ensure that any identified potential conflicts of interest are logged on the Register and any relevant sections of the Register are completed;
- keep under review any interests that are logged on the Register (including any agreed mitigation plans); and
- provide a monthly review of the Conflict Management Register to Ofgem.

1.29 The Declaration of Interest Form(s) in Appendix B are managed by the CMO. The key elements of this process are as follows:

- The Declaration of Interest forms must be completed by all members of the Bidding Unit and reviewed by the CMO. Upon review, the CMO must log any identified potential conflicts in the Conflicts Management Register and ensure all relevant areas of the register are completed (including any mitigation plans).
- The CMO must then submit the Declaration of Interest Forms with the compliance report at the PQ Stage along with confirmation that all forms have been reviewed, and any potential conflicts have been logged in the Conflicts Management Register and are being appropriately managed (including any mitigation plans).
- Ofgem will review the Declaration of Interest Form(s) and, if necessary, may request further information as soon as reasonably practicable. If Ofgem identifies any declared conflicts that it considers provide the TO with an uncompetitive advantage in the Onshore Transmission Tender Exercise, Ofgem reserves the right to request the removal of the individual(s) from the Bidding Unit.

1.30 The CMO is responsible for the submission to Ofgem of two External Audit Reports as detailed in the Conflicts Management Audit Terms of Reference document published alongside this document.

DRAFT

2. Conflict Mitigation Statement Requirements

Section summary

This section provides an outline of the requirements and reporting framework that must be addressed in the CMS in accordance with paragraph 9.21.15 of SpC 9.21.

A1.A. Separation of licensee and Bidding Unit

1.2.1 **Ofgem requirement**—: the CMS must show the TO has established a Bidding Unit that is either a separate company within the TO group (including an ~~'associate'~~Affiliate), as defined in Standard Condition A1), or a discrete unit within the TO's transmission business (or that of an ~~associate~~Associate). The full legal separation of the Bidding Unit from the TO is ~~NOT~~not necessary.

Reporting requirement in the CMS:

2.2.2 The CMS must include sufficient information for Ofgem to be able to confirm that the requirement set out above has been satisfied. This should include but should not necessarily be limited to the following:

- An explanation of the management structure of the Bidding Unit with signed statements from each member of the Bidding Unit on their potential ~~or~~ perceived conflicts with any member of the TO organisation employed in support of its network planning role or to undertake Tender Support Activities.
- A clear organisation structure that shows the separation of the Bidding Unit up to ~~Board level, but not necessarily~~ including ~~lines of reporting, the TO parent board.~~
- Confirmation that there will be a key decision maker (recommended to be the CEO, MD or equivalent) who makes the final decision on any ~~perceived~~potential conflicts of interest.
- A clear explanation of when the independent Bidding Unit will be fully operational and how long the separation will be in place.
- Details of the physical and/or digital arrangements put in place to separate the businesses at a practical level, for example locating the Bidding Unit in a separate office or a separate part of the office with restricted access to the rest of the office.
- Details on how the Bidding Unit's ongoing separation will be managed.

- A list of supply chain partners including advisers and, for named individuals, either (a) confirmation that there are no conflicts of interest to report or (b) the proposed approach to managing any potential conflicts.

Subsequent requirements during the PQ stage

~~3.2.3~~ After the approval of the CMS the TO must inform Ofgem ~~as soon as reasonably practicable before the changes take effect, of:~~

- any updates to the structure ~~or of~~ the ~~organisation~~ Bidding Unit. These updates need to be communicated to Ofgem as soon as reasonably practicable before the ~~changes~~ updates take effect; or
- any changes to the key decision maker~~s~~. Ofgem need to be informed of any changes as soon as ~~possible~~ reasonably practicable before the changes take effect.

~~4.2.4~~ TOs must inform Ofgem of their intention to remove the arrangements for a separate Bidding Unit when the TO considers the requirement no longer applies and want to revert to a business-as-usual structure.

A2.B. Employee Transfer Restrictions

~~1.2.5~~ **Ofgem requirement**~~—~~: the CMS must demonstrate that the Bidding Unit will not utilise the services of any employees of the TO who are involved in a project's initial design through its network planning role or Tender Support Activities (full time or part time), from the earliest date of implementation of separation arrangements. There is also to be no transfer of employees from the Bidding Unit to the TO to mitigate the risk of the Bidding Unit influencing the TO's approach to the tender. These employee restrictions are limited to the initial 14 weeks of the Invitation to Tender stage as opposed to the entire tender duration. Employee transfer restrictions are not applied to those involved in Shared Services, subject to review from Ofgem in the CMS.

Reporting Requirement in the CMS

~~2.2.6~~ The CMS must include sufficient information for Ofgem to be able to confirm that the requirement set out above has been satisfied. This should include, but should not necessarily be limited to, the following:

- details of the timing and nature of the employee separation arrangements to be adopted.

- details of the involvement of other employees of the TO in the Bidding Unit e.g., employees of ~~shared services~~Shared Services units and employees of central legal teams.
- the rules governing this involvement, in line with the obligations on conduct.
- a clear change control process for the transfer of any employees.
- a defined approval process that governs any employee transfers that links to the notification of any potential ~~or perceived~~ conflicts to Ofgem.
- a conflicts management register (as per ~~the shared template~~appendix A of this document) to ~~record declarations of~~log any identified potential conflicts of interest from all relevant staff.

Subsequent requirements during the PQ and tender preparation stage:

~~A2.1~~—After the approval of the CMS the TO must provide details to Ofgem of

- ~~Any~~any proposed employee transfers into the Bidding Unit (monthly or more frequently if required).

~~A3.C.~~ **Managerial Separation**

~~1.2.7~~ **Ofgem requirement:** the CMS must show that the management of the Bidding Unit is organised in such a way as effectively separates it from the rest of the TO. This ~~will~~may mean the creation of discrete management structures at different levels for the Bidding Unit as determined by the CMS assessment (Ofgem ~~do~~does not require separation at parent board level).

Reporting requirement in the CMS:

~~2.2.8~~ The CMS must include sufficient information for Ofgem to be able to confirm that the requirement set out above has been satisfied. This should include but ~~should~~ not necessarily be limited to the following:

- A clear diagrammatic representation and explanatory text showing how the management structures of the TO and the Bidding Unit are ~~entirely~~effectively separate up to, ~~but not necessarily including,~~ the ~~TO board of directors of an immediate parent company of~~relevant level as justified in the TO CMS.
- Recognition that the appointed key decision maker is the decision maker in the perception of a conflict occurring.

- That the key members of the management team for both units have signed up to project specific confidentiality agreements that do not allow them to share information across business units.
- A detailed change control procedure for any management movements ~~into or out of any of~~ between the ~~business units~~ Bidding Unit and the TO.

Subsequent requirements during the PQ and tender preparation stage

3.2.9 After the approval of the CMS the TO must provide to Ofgem:

- ~~a monthly review of the conflicts register;~~
- notification of any changes to the management teams as soon as they are known; and
- notification of any potential conflict as soon as it is known.

A4.D. Information Sharing Restrictions

1.2.10 **Ofgem requirement:-** the CMS must demonstrate how the TO will ensure it treats information related to its Tender Support Activities, and any other information it comes into possession of during a tender, confidentially. The TO must not disclose such information to any Bidding Unit or other participant in a tender, outside of what is required as part of the tender process or under its licence. Ofgem does not require the TOs and any Bidding Unit to have separate IT systems.

Reporting requirement in the CMS:

2.2.11 The CMS must include sufficient information for Ofgem to be able to confirm that the requirement set out above has been satisfied. This should include but should not necessarily be limited to the following:

- steps taken to protect the confidentiality of all information that it holds in relation to its Tender Support Activities;
- details of the ethical walls / information and digital barriers that have been put in place to ensure no information can be exchanged including what information, where it is stored, who has access and how is access controlled;
- confidentiality or non-disclosure agreement in place and an up-to-date list of who has signed what for members of both teams;
- updated digital / information policy that defines the new operating environment including when and how ~~the TO aims to protect~~ critical/confidential information; and

- acknowledgement that training and education has been completed by all affected parties on the updated data information management policies.

Subsequent requirements during the PQ and tender preparation stage:

3.2.12 After the approval of the CMS the TO must provide details to Ofgem of the following:

- Updates to training matrices to prevent data confidentiality breaches; and
- Any data / information breaches as soon as the TO is aware the breach has occurred including resolution plans to stop breaches re-occurring.

A5.E. Financial Separation

1.2.13 Ofgem requirement: the TO and its Bidding Unit must be financially separated, meaning that the costs incurred by the Bidding Unit are not recovered from regulated revenue related to any other of the TO's activities or assets. Ofgem consider this requirement is already covered by the obligations on the TO contained in Standard Licence Conditions B5 (Prohibition of cross-subsidies) and B6 (Restriction on Activity and Financial Ring Fencing).

Reporting requirement in the CMS:

2.2.14 The CMS must include sufficient information for Ofgem to be able to confirm that the requirement set out above has been satisfied. This should include but should not necessarily be limited to the requirements defined in the Standard Licence Conditions B5 (Prohibition of cross-subsidies) and B6 (Restriction on Activity and Financial Ring Fencing).

Subsequent requirements during the PQ and tender preparation stage

3.2.15 After the approval of the CMS the TO must provide to Ofgem:

- confirmation of which personnel from the TO are undertaking Tender Support Activities ~~tender~~ and which are part of a Bidding Unit, including the management team; and
- monthly cost reporting showing actual costs incurred.

A6.F. Monitoring and Reporting Compliance with the CMS and ongoing management of Conflicts

1.2.16 Ofgem Requirement—: the CMS must set out the TO's proposed arrangements for internal and external scrutiny of the TO's compliance with the measures set out in the CMS. These ~~should~~must include the appointment of:

- a Conflicts Management Officer (CMO) to monitor compliance with the approved CMS on an ongoing basis and ~~provide a Compliance Report for the TO to submit with its ITT submissions~~submit two compliance reports during the tender exercise; and
- an external independent auditor approved by Ofgem to provide an independent opinion on the ~~TO's Compliance Report~~CMS to be submitted as part of the ITT submission.

Reporting requirement in the CMS:

2.2.17 The CMS must include sufficient information for Ofgem to be able to confirm that the requirement set out above has been satisfied. This should include but should not necessarily be limited to the following:

- ~~confirmation that a named individual will be appointed as a Conflicts Management Officer (CMO);~~
- ~~demonstration of how the CMO will ensure responsibility for the TO's compliance with the conflict mitigation measures.~~
- declaration signed by the CMO confirming their understanding and acceptance of the CMS;
- confirmation that the CMO will be independent of both the TO's Tender Support Activities and the Bidding Unit;
- ~~declaration signed by~~demonstration of how the ~~designated~~ CMO ~~confirming their understanding and acceptance of~~will ensure responsibility for the TO's compliance with the CMS;
- confirmation that the CMO will be responsible for demonstrating how the TO is complying with the ~~agreed~~approved CMS by ~~proactively~~effectively managing conflicts and presenting findings and potential conflicts through ~~a conflicts register to~~the Conflict Management Register Ofgem. This includes a risk assessment against all potential conflicts;
- ~~the TO will prepare a report prior to the PQ stage on the measures put in place and how they achieve the overall obligations on the TO (to be sent to Ofgem to review);~~
- ~~the ongoing conflicts management review process (to be approved by Ofgem);~~including governance of different types of conflict; and
- any additional relevant measures to mitigate conflicts of interest effectively.

Subsequent requirements during the PQ and tender preparation stage:

~~3.2.18~~ The TO will be required to submit an audit report from an independent third party as part of its ITT submission. The TO must ensure that the external audit will be expected to follow~~complies with~~ the Conflict Management Audit Terms of Reference.

~~A7.G.~~ Process for ~~agreeing a CMS with Ofgem approval~~

~~1.2.19~~ A ~~draft~~ CMS should be submitted to Ofgem for approval as soon as possible ~~before the tender commences~~ where the TO intends to bid through a Bidding Unit in a tender. Ofgem will assess the ~~methodology~~CMS and request changes ~~where~~if required.

~~A7.1~~ ~~The overall procedure for agreeing the CMS between~~Before submission of its CMS for Ofgem approval, a TO ~~and Ofgem is set out below:~~

~~1.2.20~~ ~~TO develops~~may submit a draft CMS ~~as soon as possible after the Delivery Body notifies TOs of requirement to Ofgem for CMS and external audit at the beginning of the Stage Gate 2 of the Onshore Transmission Tender Exercise~~review and comment.

~~2.21~~ ~~TO sends the~~The overall procedure for submission of the CMS for approval is set out below:

1. TO prepares CMS.
2. The final form of the CMS must be approved and signed off by a director within the TO's board ahead of submission to Ofgem.
3. Before the PQ stage commences, TO submits CMS to Ofgem for approval.
4. Ofgem either approves the CMS following submission of the CMS or gives a direction to the TO on any parts of the CMS that require further development. Ofgem will provide a timeframe for when the TO must submit a revised version of the CMS for approval.

~~2.22~~ Should the TO choose to submit a draft CMS to Ofgem prior to the submission of the final CMS:

- 2.1. Before the PQ stage, the TO is to prepare a draft CMS with sufficient time for Ofgem to review (see step 3 below) and for the final CMS to be submitted before commencement of the PQ stage (step 5).
2. The TO sends the draft CMS to Ofgem for review.
3. Ofgem reviews and, if necessary, provides comments on the draft to the TO within 30 days of receipt of the draft CMS.

4. The TO ~~updates~~finalises the ~~draft~~ CMS and issues final ~~copy~~form for approval and signature ~~by a director of the licensee's board of directors~~, including mobilisation plan and notification of the named ~~conflicts management officer~~CMO.
5. Before the PQ stage commences, TO submits CMS to Ofgem for approval.
6. Ofgem either approves the CMS following submission of the CMS or gives a direction to the TO on any parts of the CMS that require further development. Ofgem will provide a timeframe for when the TO must submit a revised version of the CMS for approval.

Appendices

~~5. Ofgem sign the CMS~~

~~6. TO countersigns the documentation and starts mobilisation and compliance~~

DRAFT

Appendix ~~B~~A: Conflict Management Register

~~Key to the successful management of conflicts is the development and implementation of a conflicts management register.~~ Overview

The aim of the Conflict Management Register is to identify, document, and manage potential conflicts of interest during an Onshore Transmission Tender Exercise where a TO establishes a Bidding Unit as soon as they arise.

The Conflicts Management Register must make provision for all the information listed in sections A1-A9 of the Conflict Management Register Guidance below to be captured (where relevant) Findings and potential conflicts are to be submitted to Ofgem through the Conflict Management Register.

Conflict Management Register Guidance

The elements of this are as defined below for reference and enclosed in the Excel file published alongside this document (Conflict Management Register Template).

~~B1~~A1. Identification Information

- **Employee/Stakeholder Name:** The name of the individual involved in the potential ~~or actual~~ conflict.
- **Position/Title:** The role or job title of the person in the organization.
- **Department:** The department or business unit where the individual works.

~~B2~~A2. Description of the Conflict

- **Nature of the Conflict:** A detailed explanation of the conflict, including the type (e.g., financial, familial, personal relationships, external business interests).
- **Affected Parties:** Identification of any external or internal parties involved in the conflict (e.g., family members, outside organizations, suppliers, clients).
- **Date Conflict Identified:** The date when the conflict was first identified or declared.
- **Duration of Conflict:** Whether the conflict is ongoing, temporary, or anticipated to occur in the future.

~~B3~~A3. Disclosure Information

- **Date of Disclosure:** The date the conflict was formally disclosed by the individual.
- **Disclosure Method:** How the conflict was disclosed (e.g., through a formal declaration, email, reporting form, or during a meeting).
- **Supporting Documentation:** Any relevant documents provided to support the disclosure (e.g., contracts, financial records, correspondence).

B4-A4. Risk Assessment

- **Risk Level:** Assessment of the severity of the conflict and its potential impact on the organization (e.g., high, medium, low).
- **Impact Areas:** Specific areas of the business or operations that might be affected by the conflict (e.g., procurement, decision-making, financial integrity).
- **Compliance Implications:** Whether the conflict violates or potentially violates organizational policies, regulations, or laws.

B5-A5. Management of the Conflict

- **Mitigation Plan:** Details of the strategy or measures put in place to manage or mitigate the conflict (e.g., recusal from certain decisions, transfer of responsibilities, divestment from conflicting interests).
- **Monitoring:** Ongoing monitoring mechanisms to ensure the conflict is effectively managed (e.g., periodic reviews, reporting requirements).
- **Responsible Person(s):** Designated individual(s) responsible for overseeing the resolution or mitigation of the conflict.

B6-A6. Outcome and Resolution

- **Resolution Status:** Whether the conflict has been resolved, remains ongoing, or is under investigation.
- **Resolution Date:** The date on which the conflict was resolved, if applicable.
- **Resolution Actions Taken:** A description of actions taken to resolve the conflict (e.g., disciplinary action, divestiture, resignation from a conflicting position).

B7-A7. Approval and Review

- **Approving Authority:** Name and position of the individual or committee that reviewed and approved the conflict disclosure and mitigation plan.

- **Review Dates:** Dates when the conflict is scheduled for review, especially if it is ongoing or unresolved.
- **Audit Trail:** Documentation of any audits or reviews conducted to ensure compliance with conflict management procedures.

B8-A8. _____ Notes and Comments

- **Additional Remarks:** Any supplementary information or comments that may be relevant to the conflict, including feedback from legal or compliance teams.
- **Employee Acknowledgment:** Confirmation that the individual acknowledges the conflict and agrees to follow the mitigation plan.

B9-A9. _____ Legal and Regulatory Requirements

- **Regulatory References:** Any specific laws, regulations, or industry standards that govern the conflict of interest (e.g., anti-bribery laws, fiduciary duties, sector-specific regulations).
- **Policy References:** Links to relevant internal policies (e.g., Conflict of Interest Policy, Code of Conduct).

Appendix **EB**: Declaration of Interest Form

Overview

The purpose of the Declaration of Interest Form is to require individuals to disclose any personal, financial, or other interest that might influence their role within a Bidding Unit during an Onshore Transmission Tender Exercise. In accordance with the Conflict Mitigation Methodology, the Bidding Unit should not utilise the services of any employee of the TO involved in a project's initial design, through their network planning role or Tender Support Activities (whether full-time or part-time). The Declaration of Interest Form should act as an additional tool for ensuring potential conflicts are appropriately identified.

The Declaration of Interest can be found on the following page. A blank copy of the Declaration of Interest Form can be requested from Ofgem.

Declaration of Interests Form in Support of Onshore Transmission Tender Exercise

1. In order to avoid and ~~manage~~² conflicts of interests in respect of an Onshore Transmission Tender Exercise, Ofgem has produced a Conflict Mitigation Methodology ~~Document~~². Its general purpose is to avoid situations (or manage situations if they have arisen) where your own interests or interests related to your conflict, or could conflict, with your role in an ~~Ofgem~~-Onshore Transmission Tender Exercise. This could be as a Bidder, or as part of a Transmission Owner's business employed in its network development function, involved in Tender Support Activities, or as part of a TO Bidding Unit.
2. Completion of this Form is required to identify whether a conflict of interest exists, or there is a perception that it could occur, in respect of the Onshore Transmission Tender Exercise and it will only be used for that purpose.
3. This Form conforms with the Ofgem detailed requirements for the management of conflict of interests and is in line with the Conflict ~~Methodology~~²Mitigation Statement that a TO or bidding party will provide.
4. The completed Form will be kept by Ofgem for a period of 1 year after the announcement of the Successful Bidder. Thereafter it will be permanently destroyed and no record of it will be kept.
5. Once the Form has been completed² and you have returned it to Ofgem you will be entitled to have access to it.
6. The completed Form will be securely retained by Ofgem and will only be accessed by those who are specifically authorised to access the Form for the sole purpose of identifying conflicts of interest that have or could arise within the terms of the Conflict Mitigation Methodology~~Document~~².
7. The completed Form (or any of its contents) will not be transferred, passed onto or shared in any way with any other body or individual except where Ofgem is required to disclose the form by law, regulation or at the request of Ofgem.
8. Please complete the Form overleaf giving details for you and (if applicable) your spouse or partner. Please then sign and date the declaration at the end of the Form and return the Form to the Ofgem.

²~~See Appendix 1~~

Declaration of Interests Form – Onshore Transmission Tender Exercise			
	Name		Early Competition tender role
1.	<p>Please state your current (a) occupation; and (b) employer:</p>		
2.	<p>Please identify whether you are part of a TO organisation and in what capacity are you supporting an Onshore Transmission Tender Exercise</p>		
	TO support directly to Ofgem / NESO / Network planning <input type="checkbox"/>	TO Bidding Unit <input type="checkbox"/>	
3.	<p>Please detail any potential conflicts of interest you have fulfilling your role within this project. <i>Potential conflicts could be members of the same family or relations working in a different business entity on the same project supporting this tender, management conflicts with dual responsibility cutting across business units support this project or access to data or information that may provide a perceived advantage</i></p>		
4.	<p>If you are part of a TO organisation please confirm you have been briefed on the conflicts management approach, that you understand who the conflicts management officer and you understand the data / digital separation requirements? If you cannot answer yes to all of these please provide comments</p>		
	<p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p>	If no please provide comments:	
5.	<p>Can you confirm if you or any of your family have material financial and / or commercial interests in Ofgem <u>and / or NESO</u>. If yes please provide details</p>		

	<p>No <input type="checkbox"/></p> <p>Yes <input type="checkbox"/></p>	<p>Please provide details if you have material interests (this includes have Director or Non-Executive Director Roles)</p>
<p>6.</p>	<p>Please detail any family connection and/or commercial interests with other Ofgem / NESO employees and others connected with the Onshore Transmission Tender Exercise through you and your spouse or partner.</p> <p>You:</p> <p>Spouse / partner:</p>	
<p>7. <u>7.</u></p>	<p>Please detail any family connection and/or commercial interests with other TO entity personnel acting as support to Network planning or as part of the bidding team.</p> <p>You:</p> <p>Spouse / partner:</p>	
<p>7.8. <u>7.8.</u></p>	<p>Please declare any other interests which you consider a member of the public or a member of another TO or bidding consortium knowing of this interest could reasonably think is significant and relevant and should therefore be brought to Ofgem's attention because those interests may in any way either; provide you with any benefit of any description; and/or impede or prejudice the delivery of the Onshore Transmission Tender Exercise to the optimum benefit of Ofgem and its stakeholders.</p>	

***I confirm that I have attended a Conflicts of Interest presentation and/ I declare that my responses above are true and accurate to the best of my knowledge. (*Please delete the first half of the sentence if you have not yet attended a presentation.)**

Signed: _____

Date: _____