
Enhanced Pre-Qualification Document for Tender Round 13 (TR13)

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We are running a competitive tender round consisting of three tender exercises to appoint Offshore Transmission Owners (OFTO) for the following projects: East Anglia THREE (**EA3**), Inch Cape Offshore Windfarm, Dogger Bank C Offshore Wind Farm (**DBC**).

The first stage of the tender round is an Enhanced Pre-Qualification (**EPQ**) Stage. This document sets out the requirements Bidders need to demonstrate in order to be invited to participate in subsequent stages.

Bidders should demonstrate that they satisfy the requirements set out in this document and demonstrate how they would approach financing, operating and managing offshore transmission assets.

We will evaluate Bidders' submission against the criteria published in this document and select, for each project, a shortlist of Qualifying Bidders who will be invited to participate in the Invitation to Tender (**ITT**) Stage up to a maximum of eight (8) Qualifying Bidders.

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Context

Great Britain continues to be a global leader in the development of offshore wind energy. Since 2009, Ofgem has run competitive tenders to select and licence Offshore Transmission Owners (**OFTOs**) to own and operate the assets that connect offshore wind farms to the onshore network.

From the outset the offshore transmission regime has encouraged innovation and attracted new sources of technical expertise and finance, whilst ensuring that grid connections are delivered efficiently and effectively.

Further details concerning current and previous tender rounds run by Ofgem can be found on our website¹.

TR13 is being run under the Electricity (Competitive Tenders for Offshore Transmission Licences) Regulations 2015. This EPQ document, together with the Tender Process Guidance Document, set out the rules for participation in the EPQ Stage of TR13.

Associated Documents

The following documents are published on the TR13 page of Ofgem's website:²

- Tender Process Guidance Document; and
- Generic OFTO Licence for TR13 and accompanying guidance.

The following documents will be made available through the Ofgem Tendering Portal (the **Portal**):

- the EPQ Questionnaire template, in which Bidders will need to complete their EPQ Submission;
- Information Memorandum (**IM**) for each project; and
- other related material.

We also refer you to the following material published on the internet:

- The Electricity (Competitive Tenders for Offshore Transmission Licences) Regulations 2015³;
- Transmission Licence Standard Conditions (18 June 2020)⁴; and
- Certification of transmission system operators (TSOs) under the ownership unbundling provisions of the Gas Act 1986 and the Electricity Act 1989: End of transition period⁵.

¹ <https://www.ofgem.gov.uk/energy-policy-and-regulation/policy-and-regulatory-programmes/offshore-electricity-transmission-ofto/offshore-electricity-transmission-ofto-offshore-transmission-tenders-and-projects>

² <https://www.ofgem.gov.uk/energy-policy-and-regulation/policy-and-regulatory-programmes/offshore-electricity-transmission-ofto/offshore-transmission-tender-publications>. Please note that to locate TR13 specific documents, viewers should scroll down to the 'Publications and updates' section of the page and then select the filter 'Tender Round 13'.

³ http://www.legislation.gov.uk/ukxi/2015/1555/pdfs/ukxi_20151555_en.pdf

⁴ <https://epr.ofgem.gov.uk/Content/Documents/Electricity%20transmission%20full%20set%20of%20consolidated%20standard%20licence%20conditions%20-%20Current%20Version.pdf>

⁵ <https://www.ofgem.gov.uk/publications-and-updates/certification-arrangements-great-britain-following-amendments-ownership-unbundling-provisions-gas-act-1986-and-electricity-act-1989-end-transition-period>

1. Overview of TR13

Section summary

This Section provides an overview of the process we will follow during the EPQ Stage for TR13.

- 1.1. We are running an EPQ Stage for three Qualifying Projects in TR13: East Anglia THREE, Inch Cape and Dogger Bank C. The EPQ Stage commencement date is 02 September 2025. Information about each Qualifying Project is available in the IM for each project.
- 1.2. Following conclusion of the EPQ Stage, those shortlisted as Qualifying Bidders will be invited to participate in one, two or all of the Invitation to Tender (**ITT**) Stages for the Qualifying Projects. The maximum number of Bidders that may be shortlisted for the ITT Stage for each Qualifying Project is eight (8).
- 1.3. The ITT Stage for each Qualifying Project will run to the anticipated timings provided below, However this will be confirmed to Qualifying Bidders closer to commencement of each ITT Stage.

Legal Framework

- 1.4. The Electricity (Competitive Tenders for Offshore Transmission Licences) Regulations 2015 (the **Tender Regulations**) set out the legal framework for running competitive tenders for OFTO licences.⁶ Regulation 13 sets out the stages of a tender round and regulation 14 details the contents of the EPQ Document – these are covered in greater detail in the following sections.
- 1.5. As a statutory authority, we also have regard to the principles of public procurement.
- 1.6. The Tender Process Guidance Document (**TPGD**) provides participants with further detail about how we will run the tender.⁷

Tender Stages for TR13

- 1.7. The stages of the TR13 tender process will be as follows:⁸
 - an EPQ Stage to identify a shortlist of Qualifying Bidders to progress to the ITT Stage for each Qualifying Project;
 - a separate ITT Stage to select a Preferred Bidder (**PB**) for the Qualifying Project;
 - an optional Best and Final Offer (**BAFO**) Stage; and
 - a PB Stage where the relevant PB is required to demonstrate that it can become the Successful Bidder (**SB**).
- 1.8. We may also re-run a tender stage in accordance with the Tender Regulations.
- 1.9. A BAFO Stage may be conducted in the following circumstances:

⁶ The Authority grants licences under Section 6(1)(b) of the Electricity Act 1989. **Ofgem**, the **Authority** and **we** are used interchangeably in this document.

⁷ In the event of any conflict between this document, the TPGD and the Tender Regulations, the order of precedence is the Tender Regulations first, EPQ Document second and TPGD last.

⁸ The Tender Regulations also allow for separate Pre-Qualification and Qualification to Tender (QTT) stages to run, however Regulation 13(2) also says that 'the Authority may determine not to hold a qualification to tender stage where the Authority considers it is not necessary in relation to a particular tender exercise.' We have not run a QTT stage since Tender Round 3 and therefore, our approach for TR13 remains consistent with this.

- 1.9.1. our evaluation of the ITT Stage determines two or more Qualifying Bidders tie with the lowest Tender Revenue Stream (**TRS**);
 - 1.9.2. our evaluation of the ITT Stage determines that two or more Qualifying Bidders have the lowest TRS that is within a small percentage of each other and in such circumstances all Qualifying Bidders will be invited to submit a BAFO; or
 - 1.9.3. we consider further value can be obtained from the Tender Exercise and in such circumstances all Qualifying Bidders will be invited to submit a BAFO.
- 1.10. The SB for each Qualifying Project will be granted an OFTO Licence, which will include an entitlement to an associated revenue stream of up to 25-years in return for purchasing the Transmission Assets from the Developer and owning, operating, and managing them in accordance with the obligations of the OFTO Licence.

EPQ Document

- 1.11. This EPQ Document sets out the requirements that Bidders must demonstrate, to our satisfaction, to progress to an ITT Stage for each Qualifying Project. It includes:
- a. the timeline for the EPQ Stage, including an overview of the key activities and steps;
 - b. the rules for the EPQ Stage;
 - c. the EPQ Questionnaire;
 - d. the instructions that apply to the EPQ Questionnaire;
 - e. the date, time and manner in which a Bidder must submit the completed EPQ Questionnaire;
 - f. the evaluation criteria against which we will assess EPQ Submissions (the **Evaluation Criteria**);
 - g. details of information available to Bidders to compile their EPQ Submissions;
 - h. the stages of the Tender Round; and
 - i. an overview of the award criteria for the ITT Stages.
- 1.12. Bidders should familiarise themselves fully with this document, the TPGD and the Tender Regulations.
- 1.13. Bidders must specify in the EPQ Submission which Qualifying Project(s) the EPQ Submission relates. Ofgem will announce an ITT Stage shortlist of Qualifying Bidders for each Qualifying Project.

National Wealth Fund (NWF) products

- 1.19 NWF has a number of guarantee products available for bidders to consider when preparing their financing solutions. These cover both credit substitution and credit enhancement guarantees, to support the participation of a variety of bidders and ensure continued access to financing for OFTOs in the event NWF assistance is needed. These products can be made available to all bidders in TR13, as per previous Tender Rounds. Please see the NWF website for more details on the guarantee products⁹

Right to vary a Tender Exercise

- 1.14. Subject to the provisions of the Tender Regulations, we may vary any element of a Tender Exercise, issue supplementary documentation or make additional arrangements at any time during a Tender Exercise in order to clarify any issue or amend any aspects of the Tender Exercise.

⁹ <https://www.nationalwealthfund.org.uk/private-sector-finance/our-products-and-terms>

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- 1.15. Any variation to the Tender Exercise shall be effective if confirmed in writing. This includes where we determine that it is impracticable to complete any action, or to deliver or publish any document or notice, by the time, date or in the manner specified within the Tender Regulations. We reserve the right to delay such action, delivery or publication until such date as we may determine.
- 1.16. Any supplementary documentation issued by us during a Tender Exercise will be deemed to form part of this document to the extent indicated in the amendment. We may decide to extend a Tender Exercise and postpone any EPQ Submission deadline in the event of any such amendment.

Costs and Losses

- 1.17. Each Bidder will bear its own costs of participating in a Tender Exercise and the PB and SB will be responsible for meeting the costs incurred by us in administering that Tender Exercise in accordance with the Tender Regulations and as set out in the TPGD.
- 1.18. We are under no obligation and shall not accept any liability for any costs, expenses, damages or losses incurred by any Bidder, including, without limitation, any unsuccessful Bidder, in connection with a Tender Exercise.
- 1.19. If a Bidder withdraws or is disqualified from a Tender Exercise, or if we cancel a Tender Exercise, in each case in accordance with the Tender Regulations, we shall not incur any liability for any losses whatsoever¹⁰ towards any Bidder or any of their Related Parties.

Timetables

- 1.20. The expected timetable for TR13 is set out below:

Anticipated timings for TR13 EPQ Stage:	
Milestone	Date
EPQ Document published via the Portal along with Confidentiality Agreement and COI declaration	02 September 2025
Earliest date that the IM and draft Transfer Agreement will be made available to Bidders (who have returned correctly completed and signed Confidentiality Agreements and COI declarations as part of their expression of interest for the EPQ)	08 September 2025 (and thereafter within 2 working days of subsequent correctly completed and signed Confidentiality Agreements and COI declarations being returned to Ofgem)
Deadline for Bidders to submit final clarifications	28 October 2025
Anticipated deadline for Ofgem to respond to Bidder clarifications	04 November 2025
EPQ Bid Submission deadline	18 November 2025, by 12 noon
Evaluation of EPQ Submissions (including Ofgem clarifications to Bidders)	November 2025 – February 2026
Bidders notified of outcomes and Qualifying Bidder shortlists published	February 2026

¹⁰ Whether in contract, tort or otherwise and including direct, indirect and consequential losses.

Anticipated timings for the East Anglia THREE ITT Stage:	
Milestone	Date
Estimated launch date for ITT Stage	Early-April 2026
ITT Bid Submission Deadline	July 2026
Announcement of Preferred Bidder	October 2026

Anticipated timings for the Inch Cape ITT Stage:	
Milestone	Date
Estimated launch date for ITT Stage	Q3 2026
ITT Bid Submission Deadline	Q4 2026
Announcement of Preferred Bidder	Q1 2027

Anticipated timings for the Dogger Bank C ITT Stage:	
Milestone	Date
Estimated launch date for ITT Stage	Q3/Q4 2026
ITT Bid Submission Deadline	Q4 2026 / Q1 2027
Announcement of Preferred Bidder	Q1/Q2 2027

1.21. We reserve the right to vary this timetable at our discretion. Any such variation will be communicated via the Portal. Further information regarding the Portal can be found in the TPGD.

Certification of Transmission System Operators

- 1.22. All Bidders are advised to review the requirements for certification. Further information on the procedure for processing applications for certification under the ownership unbundling requirements can be found on Ofgem's website.¹¹
- 1.23. It is important to note that any decisions we take in relation to this Tender Round are taken in our capacity as manager of the competitive tendering process pursuant to Section 6C of the Electricity Act and the Tender Regulations. Any decision we take in this capacity should not be taken as a decision, or any indication of what decision may be taken, on certification.
- 1.24. We are not able to advise Bidders as to the provisions of the detailed certification requirements and strongly recommend that Bidders seek appropriate independent advice in this respect.
- 1.25. We note that all certification applications will be considered on a case-by-case basis by the Authority.

Relevant Guidelines and Other Documents

- 1.26. The list of documents provided in the Associated Documents section at the start of this document contains additional information of which we expect Bidders to be aware.
- 1.27. Bidders should also be familiar with the standard industry framework documents that underpin Great Britain's transmission market, for example the industry codes¹² and technical standards.
- 1.28. We may publish additional information as appropriate during the EPQ Stage. Any such information will be made available to Bidders via the Portal.

¹¹ <https://www.ofgem.gov.uk/publications-and-updates/certification-arrangements-great-britain-following-amendments-ownership-unbundling-provisions-gas-act-1986-and-electricity-act-1989-end-transition-period>

¹² The codes establish detailed rules for industry that govern market operation, the terms for connection and access to energy markets. Further details in relation to the codes relevant to offshore transmission can be found at <https://www.ofgem.gov.uk/licences-industry-codes-and-standards/industry-codes/electricity-codes>

2. Instructions to Bidders

Section summary

This section sets out the instructions to Bidders in respect of the EPQ Stage, including the EPQ Questionnaire, EPQ Submissions, draft Transfer Agreement, and the clarification process.

EPQ Questionnaire

- 2.1. The EPQ Questionnaire, which is included in Section 3, has been produced to enable us to evaluate each Bidder's: i) suitability, ii) economic and financial standing, and iii) technical and professional ability to takeover, finance, and manage the Qualifying Project(s).
- 2.2. Bidders should provide responses to each question in the EPQ Questionnaire by completing the EPQ Questionnaire template provided in the Portal. Bidders must not alter the template structure.
- 2.3. **Page limits for EPQ Submission.** In completing the EPQ Questionnaire template, Bidders must not exceed the page limits where stipulated in the EPQ Questionnaire. **If the Bidder's submission exceeds a stipulated page limit, the additional information beyond the stipulated page limit will not be evaluated.**
- 2.4. Bidders should note that their response to Question 1C must not exceed a maximum of three (3) pages, however there is no maximum limit set for response to the rest of Section 1.
- 2.5. For Sections 2, 3, 9, 10 and 11 there are no maximum page limits set.
- 2.6. For response to Sections 4 to 8 there will be a total page limit set depending on the number of projects a bid relates to. Where there is more than one Qualifying Project in a tender round, each Bidder may utilise up to four (4) additional pages per Project. These pages can be utilised across responses to Sections 4 to 8 as the Bidder sees fit, but must not exceed the following:

Number of Projects bid for	Maximum page limits for Sections 4 to 8
1 Project	54
2 Projects	58
3 Projects	62

- 2.7. A suggested utilisation of pages (for one project) would be as follows:

Section No.	Section Category	Suggested maximum page limit per Section
4	Experience of Asset Takeover, Management and Operations	15
5	Approach to Asset Takeover	5
6	Approach to Management and Operations	18
7	Financing Solution	10
8	Financial and Commercial Risk Management	6

- 2.8. In addition to this, Bidders may provide supporting documentation which they should upload to the Portal. For the avoidance of doubt, any supporting information provided should not be in place

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of an answer, in whole or in part, within the stipulated page limit; rather, where provided, it should only support statements made in the answer itself.

- 2.9. Wherever possible, Bidders should collate all supporting documents into one PDF document per EPQ Questionnaire section. However, we recognise that in some cases it will not be possible for Bidders to collate everything into a single PDF document (for example, where you have provided a supporting document in MS Excel format). In such cases it will be necessary for you to use Zip file or similar functionality to upload and submit multiple items.
- 2.10. Any supporting documentation should be uploaded to the supporting documentation folder for the section to which it relates. Where a Bidder provides documentation in support of any response to this EPQ Questionnaire, there should be clear reference made to this documentation in the text of the Bidder's response. Where multiple documents are being provided in support of a response to a particular section, Bidders are required to collate these into one document per section. Further information on uploading supporting documentation is provided in the 'Instructions to Bidders participating in Tender Round 13' document provided in the Portal.
- 2.11. Bidders should note that the bids will be evaluated only on the basis of their responses to the EPQ Questionnaire, within the specified page limits. Any information in the supporting documentation may only be used to corroborate the statements made within the stipulated page limit in the EPQ Submission.

Bidder Groups

- 2.12. Where a Bidder is formed of a Bidder Group, and unless otherwise permitted explicitly in the section, Sections 1, 2A, 2B and the EPQ Certificate in Section 10 must be completed by each Bidder Group member individually. Any Supporting Organisations which are not members of the Bidder Group, but on whom Bidders or Bidder Groups rely to meet Parts 1 to 3 (comprising sections 1 to 4) of the EPQ Questionnaire (the **Selection Criteria**), must also complete Sections 1, 2A, 2B and the EPQ Certificate (these could be parent companies, guarantors, affiliates, associates, or essential subcontractors). All other questions in the EPQ Questionnaire (Sections 3 to 9 and Section 11) should be answered by the lead member of that Bidder Group.
- 2.13. Some questions require that information be provided in relation to individual members of a Bidder Group, in which case the lead member of a Bidder Group must provide information in relation to each Bidder Group member, ensuring that such information is clearly identified as relating to that Bidder Group member.
- 2.14. We recognise that in the case of a Bidder Group not every member will, for example, be able to provide examples of experience requested. Our evaluation will look at the capabilities of the Bidder Group and/or Supporting Organisations taken as a whole.
- 2.15. We expect the membership of and the respective interests in a Bidder Group to be finalised when that Bidder Group makes its EPQ Submission. However, if this is not the case and a change is proposed to the membership of a Bidder Group after an EPQ Submission, each individual member should make itself aware of the requirements under regulation 33 of the Tender Regulations.

Confidentiality Agreement & Conflicts of Interest (COI) Declaration

- 2.16. We will make available Confidentiality Agreements and COI declarations, along with instructions for those documents, including the date, time and manner that both should be returned to us. Confidentiality Agreements have already been signed by Developers and should not be amended.
- 2.17. Each Bidder must return signed Confidentiality Agreements and COI declarations for the Qualifying Project(s) for which they intend to submit a bid. This is taken as an expression of interest to participate in the tender round. Return of the Confidentiality Agreement and COI declaration will enable us to release the IM and draft Transfer Agreement for each relevant Qualifying Project to

the Bidder. Both the Confidentiality Agreement and COI declaration are required to protect the confidentiality of the IM and draft Transfer Agreement and to ensure that any commercially sensitive information is not compromised.

- 2.18. More generally the COI declaration aims to avoid any distortion of competition in the tender process and to ensure the equal treatment of all Bidders. Bidders should note that they are further required to confirm in their EPQ Submission whether the organisation has a conflict of interest¹³. If a Bidder answers yes to that question, they are required to provide evidence of the measures that they have taken that are sufficient to demonstrate their reliability as a potential OFTO. Bidders whose responses are not sufficient to demonstrate their reliability as a potential OFTO may be excluded from the tender process at the Authority's discretion.

IM

- 2.19. The Tender Regulations require Developers to provide us with certain information for us to issue to Bidders. This is provided in the form of the IM containing a summary of the relevant Qualifying Project. Bidders that have submitted satisfactory Confidentiality Agreements and COI declarations will be granted access, via the Portal, to the IM.
- 2.20. Subject to our satisfaction with the completion of the Confidentiality Agreement and COI declaration by Bidders, the IM and draft Transfer Agreement will be released to Bidders within two working days (but no earlier than 08 September 2025).
- 2.21. The table below sets out key information that can be used as assumptions to inform submissions:

Project	Developer	Size (megawatt)	Initial Transfer Value
East Anglia THREE	<i>East Anglia Three Ltd (100% owned by Scottish Power Renewables Ltd)</i>	1400	£1.4bn
Inch Cape	Inch Cape Offshore Windfarm Ltd (owned by Red Rock Renewables (50%) and ESB (50%))	1000	£964M
Dogger Bank C	Doggerbank Offshore Wind Farm Project 3 Projco Ltd (owned by SSE Renewables (40%), Equinor New Energy Ltd(40%) and Vårgrønn AS (20%))	1200	£1.3bn

- 2.22. The Initial Transfer Values are based on information provided by each Developer. Bidders should use the Initial Transfer Values detailed above for the purposes of completing their EPQ Submissions. We will publish the Indicative Transfer Value for each Qualifying Project during the ITT Stage.¹⁴

Draft Transfer Agreement

- 2.23. The draft Transfer Agreements set out the terms upon which the Transmission Assets for each Qualifying Project will transfer from the Developer to the OFTO.

¹³ Bidders should refer to the meaning of "conflict of interest" as set out in section 81 of the Procurement Act 2023.

¹⁴ Further information concerning the Cost Assessment Process can be found in the document 'Guidance for Cost Assessment (2022)': <https://www.ofgem.gov.uk/sites/default/files/2022-03/Offshore%20Transmission%20Guidance%20for%20Cost%20Assessment%202022.pdf>

- 2.24. We are satisfied that the draft Transfer Agreement for each Qualifying Project is sufficiently advanced to share with Bidders and are available on the Portal to Bidders who have returned a correctly completed and signed Confidentiality Agreements and the COI declaration.
- 2.25. Bidders should use the draft Transfer Agreements to inform their EPQ Submissions. However, Bidders should be aware that the draft Transfer Agreements released at the EPQ Stage are subject to further development.
- 2.26. The EPQ Questionnaire includes a section on the transfer of assets under the draft Transfer Agreements (see Section 9). **Commentary tables on the draft Transfer Agreements are optional at the EPQ Stage and will not be evaluated during the evaluation process.** Notwithstanding this, we encourage all Bidders to provide full and detailed comments on the draft Transfer Agreements at this early stage of the tender process. Ofgem will then strongly urge the Developers to take these comments on board, to facilitate more efficient conversations during the ITT Stages of the tender process.
- 2.27. We will provide any commentary tables completed by Bidders to Developers on an anonymous and confidential basis to enable each Developer to consider the comments as part of the ongoing development of the Transfer Agreements. The final Transfer Agreements for each Qualifying Project will be made available at the ITT Stages.
- 2.28. Bidders should note that in releasing the draft Transfer Agreements to Bidders at the EPQ Stage, we do not endorse the draft Transfer Agreements nor the positions taken by Developers expressed in them. We also do not constrain our discretion as to the terms on which we might make a property transfer scheme under Schedule 2A to the Electricity Act in a particular case.
- 2.29. The TPGD sets out further information on the development of the Transfer Agreement after the EPQ Stage.

EPQ Submission Deadline

- 2.30. All EPQ Submissions for this EPQ Stage must be submitted via the Portal **no later than 12 noon, on 18 November 2025 and no late EPQ Submissions will be accepted.**

Bids on Multiple Projects

- 2.31. Bidders should provide a single EPQ Submission in respect of any/all of the Qualifying Projects. Bidders are requested to specify which Qualifying Project(s) the submission relates to in the tender round. We strongly advise Bidders to consider their ability to deliver multiple projects when making this decision. Ofgem will announce a separate shortlist of Qualifying Bidders for each Qualifying Project.

Content of an EPQ Submission

- 2.32. All EPQ Submissions must be made in the templates provided on the Portal. We will not accept EPQ Submissions in any other form.
- 2.33. The EPQ Submission must be completed in English, including any supplementary supporting documentation. Prior to submitting the completed EPQ Questionnaire, this must first be converted and saved in PDF format and then uploaded to the portal submission area. Further information on making EPQ Submissions via the Portal can be found in the TPGD.
- 2.34. A compliant EPQ Submission must contain the following:
- responses to all requirements set out in the EPQ Questionnaire, together with relevant supporting documentation. Responses must be provided in the templates available on the Portal; and

- a signed Confidentiality Agreement and COI declaration for the Qualifying Project(s) as set out in paragraphs 2.16 to 2.17.
- 2.35. Where page limits are indicated in the requirements for response, these refer to A4 size pages. The font style should be in 'Verdana' and must be in a font size no smaller than 10 point. Any such page limits must be adhered to. We reserve the right to ignore any additional information submitted in excess of these limits.
- 2.36. We reserve the right to amend these requirements during the EPQ Stage prior to the EPQ Submission deadline.

Changes arising after the EPQ Submission

- 2.37. Bidders should note that if, after their EPQ Submission has been submitted and prior to the publication of the Qualifying Bidder shortlists:
- there is a material change or proposed material change in the information provided in their EPQ Submission; or
 - a Bidder, member of a Bidder Group, or Supporting Organisation becomes aware that information previously submitted is no longer true or accurate,

they are obliged to notify us as soon as reasonably practicable. Where a Bidder notifies us of such matters, we will be entitled to re-evaluate the EPQ Submission in light of the change.

Clarifications

- 2.38. Our general approach to dealing with clarifications is set out in the TPGD.

3. EPQ Questionnaire

Section summary

This section sets out the information that Bidders are required to return in their EPQ Submissions for the Qualifying Projects.

- 3.1. This EPQ Questionnaire sets out the information that Bidders are required to return in their EPQ Submission. All questions are numbered. Bidders should provide their response to all questions in the corresponding numbered boxes in the EPQ Questionnaire template, available on the Portal. References throughout the EPQ Questionnaire to 'you' and 'your' refer to the Bidder, Bidder Group and/or Supporting Organisations as applicable.
- 3.2. The EPQ Questionnaire is structured into the following Parts and Sections:
- a. PART 1 - SUITABILITY**
 - Section 1 – Identification Information
 - Section 2A – Grounds for mandatory exclusion
 - Section 2B – Grounds for discretionary exclusion
 - b. PART 2 – ECONOMIC AND FINANCIAL STANDING**
 - Section 3 – Economic and Financial Standing
 - c. PART 3 – TECHNICAL AND PROFESSIONAL ABILITY**
 - Section 4 – Experience of Asset Takeover, Management and Operations
 - d. PART 4 – LIMITATION CRITERIA**
 - Section 5 – Approach to Asset Takeover
 - Section 6 – Approach to Management and Operations
 - Section 7 – Financing Solution
 - Section 8 – Financial and Commercial Risk Management
 - e. PART 5 - OTHER**
 - Section 9 – Draft Transfer Agreement Comments
 - EPQ Certificate
 - Confidentiality
- 3.3. Ofgem will evaluate EPQ Submissions with appropriate support from its Advisers. Information on the evaluation process is set out in Section 4.
- 3.4. Please note that an EPQ Questionnaire template has been provided and is available on the Portal for Bidders to use when answering the following questions.

PART 1 – SUITABILITY

Where the Bidder is formed of a Bidder Group, please ensure that each individual Bidder Group member completes the table below.

Section 1: Identification Information

Please provide your answers to each question in spaces marked 'Answer' below:

Question 1A(i): Name of Bidder/Bidder Group member (if the Bidder is formed of a Bidder Group, please also state the name of each Bidder Group Member and indicate the lead contact).

Answer:

Question 1A(ii): Confirm the Qualifying Project(s) for which you are bidding - East Anglia THREE, Inch Cape and/or Dogger Bank C.

Answer:

Question 1.1B: Please provide as applicable the relevant requested details in the boxes below. Where an address provided is not in Great Britain, provide an address in Great Britain for the service of documents.

- a) Company Registration number or identification (if applicable)
- b) Date of registration in country of establishment
- c) Place of incorporation (or equivalent)
- d) Address of registered office (or equivalent)

Answer:

- a)
- b)
- c)
- d)

Question 1.2B: Advise which of the following best indicates the trading status of the Bidder:

- a) Public limited company
- b) Limited company
- c) Overseas company
- d) Other body corporate
- e) Unincorporated association
- f) Sole trader
- g) Other

Answer:

Question 1.3B: Provide the following details of the immediate parent company (if applicable):

- a) Full name of the immediate parent company
- b) Registered office address (if applicable)
- c) Registration number

Answer:

- a)
- b)
- c)

Question 1.4B: Provide the following details of the ultimate parent company:

- a) Full name of the ultimate parent company
- b) Registered office address
- c) Registration number
- d) Position of Bidder (or Bidder Group member) in the group structure

Answer:

- a)
- b)
- c)
- d)

Question 1C: Provide the following, with your response not exceeding **a maximum of 3 pages in total to this question:**

Details of the shareholding/Bidder Group organisational structure, making clear:

- the identity of the entity that will hold the OFTO Licence for the Qualifying Project(s);
- the relationship which each Bidder Group member and Supporting Organisation, where applicable, will have within and/or with the OFTO, including identification of the Ultimate Controller(s) of the OFTO; and
- key contractual relationships and accountability for managing these.

In the case of a Bidder Group, outline the proposed ownership arrangements, the proposed ownership proportions, and how you propose to share any and all liabilities of the Bidder Group under the project and/or finance documents between members.

Bidders must either:

1. Confirm that the share of liabilities is shared according to the proposed ownership proportions; or
2. Clearly set out the alternative proposed liability apportionment between Bidder Group members.

Answer:

Question 1D: provide the following details in relation to the Bidder (or Bidder Group member):

- a) Full names and addresses of current directors in existing bidding entities including any shadow directors within the meaning of section 251 of the Companies Act 2006.
- b) Authorised signatories.
- c) Principal shareholders.

Answer:

- a)
- b)
- c)

Question 1E: Where any person (other than a person whose name is given in response to Question 1D holds 20% or more of any class of shares of a Bidder (or Bidder Group member), please provide for each person:

- a) Name of person:
- b) Address:
- c) Number of shares held as percentage of the aggregate number of shares of that class represented by such shareholding:

Answer:

Question 1F: Where the Bidder (or Bidder Group member) is neither a body corporate nor a sole trader, please provide the name(s) and address(es) of the person or persons in whom effective control of the Bidder or Bidder Group member rests.

- a) Name
- b) Address

Answer:

- a)
- b)

Question 1G: Where they have already been appointed, provide details of the Bidder's legal, financial, technical, communications, or other key professional advisers in relation to this tender round.

- a) Legal
- b) Financial
- c) Technical
- d) Communications
- e) Other

Answer:

- a)
- b)
- c)
- d)
- e)

Question 1H: Provide details of any licences held by the Bidder (or Bidder Group member) under the Electricity Act 1989 (as amended) or Gas Act 1986 (as amended).

Answer:

Section 2A: Grounds for mandatory exclusion

Bidders whose responses are not sufficient to demonstrate their reliability as a potential OFTO will be excluded from the Tender Exercise unless the Authority considers there are overriding reasons relating to the public interest for those Bidders to participate.

Where we consider the measures taken by the Bidder to be insufficient, and therefore the Bidder will be excluded from the Tender Exercise, we will give the Bidder a statement of reasons for that decision.

Where the Bidder is formed of a Bidder Group, the Bidder must submit a separate completed table (see below) for each Bidder Group member unless the answers to all questions below are 'no' for each Bidder Group member. Where all responses from all Bidder Group members are 'no' to the questions below, the Bidder need only submit one response to this section. If this is the case, please confirm by writing 'NO' in this box:

--

Question 2.1A(a): Mandatory Exclusion Grounds

Please refer to this [webpage¹⁵](#), before completing these questions. The mandatory grounds of exclusion are as set out in **schedule 6 of the Procurement Act 2023**.

Please indicate if, within the past five years your organisation, or any other person who has powers of representation, decision or control in the organisation has been convicted anywhere in the world of any of the offences within the summary below and listed on the same [webpage](#).

- a) Participation in a criminal organisation
- b) Corruption
- c) Fraud
- d) Terrorist offences or offences linked to terrorist activities
- e) Money laundering or terrorist financing
- f) Child labour and other forms of trafficking in human beings

Please type 'Yes' or 'No' next to each space provided as applicable. Where you have indicated 'Yes', further details should be provided in response to Question 2.1A(b).

Answer:

- a)
- b)
- c)
- d)
- e)
- f)

Question 2.1A(b): If you have answered yes to question 2.1A(a), please provide further details in the box below, including:

- a) Date of conviction, specifying which of the grounds listed the conviction was for, and the reasons for conviction;
- b) The identity of who has been convicted; and
- c) If the relevant documentation is available electronically please provide the web address, issuing authority and precise reference of the documents.

Answer:

Question 2.2A: If you have answered 'yes' to any of the points in Question 2.1(a) above, have measures been taken to demonstrate the reliability of the organisation despite the existence of a relevant ground for exclusion? (Self Cleaning).

Answer:

Question 2.3A(a): Tax Offences

Has it been established, for you by a judicial or administrative decision having final and binding effect in accordance with the legal provisions of any part of the United Kingdom or the legal provisions of the country in which the organisation is established (if outside the UK), that the organisation is in breach of obligations related to the payment of tax or social security contributions? Please refer to the meaning of "tax" set out in paragraph 29 of Schedule 6 of the Procurement Act 2023.

Please type 'Yes' or 'No' in the space provided as applicable. Where you have indicated 'Yes', further details should be provided in response to Question 2.3A(b).

Answer:

Question 2.3.A(b): If you have answered 'Yes' to Question 2.3A(a), please provide further details in the box below. Please confirm you have paid, or have entered into a binding arrangement with a view to paying, the outstanding sum including where applicable any accrued interest and/or fines.

Answer:

Section 2B: Grounds for discretionary exclusion

Bidders whose responses are not sufficient to demonstrate their reliability as a potential OFTO may be excluded from the Tender Exercise.

Where we consider the measures taken by the Bidder to be insufficient, and therefore the Bidder will be excluded from the Tender Exercise, we will give the Bidder a statement of reasons for that decision.

Where the Bidder is formed of a Bidder Group, the Bidder must submit a separate completed table (see below) for each Bidder Group member unless the answers to all Questions 2.1B to 2.3B below are 'NO' for each Bidder Group member. Where all responses from all Bidder Group members are 'NO' to the questions below, the Bidder need only submit one response to this section. If this is the case, please confirm by writing 'NO' in this box:

--

Question 2.1B (items a. to i): Discretionary Exclusion Grounds

Please refer to this [webpage¹⁶](#), before completing these questions. The discretionary grounds of exclusion are as set out in schedule 7 of the Procurement Act 2023.

Please indicate if, within the past five years, anywhere in the world any of the following situations have applied to you, your Bidder Group members, Supporting Organisations or any other person who has powers of representation, decision or control in the organisation(s).

- a) Breach of environmental obligations?
- b) Breach of social obligations?
- c) Breach of labour law obligations?
- d) 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?
- e) Guilty of grave professional misconduct?
- f) Entered into agreements with other economic operators aimed at distorting competition?
- g) Aware of any conflict of interest within the meaning of section 81 of the Procurement Act 2023 due to the participation in the Tender Exercise?
- h) Been involved in the preparation of the Tender Exercise?
- i) 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?

Please type 'Yes' or 'No' in the space provided as applicable. Where you have indicated 'Yes', further details should be provided at Question 2.2B.

Answer:

- a)
- b)
- c)
- d)
- e)
- f)
- g)
- h)
- i)

Question 2.1B(j): Answer the following statements by typing 'Yes' or 'No' in the space provided as applicable. Where you have indicated 'Yes', further details should be provided to Question 2.2B.

j)(i) The organisation is guilty of serious misrepresentation in supplying the information required for the verification of the absence of grounds for exclusion or the fulfilment of the Selection Criteria.

j)(ii) The organisation has withheld such information.

j)(iii) The organisation is not able to submit supporting documents as reasonably required by the Authority as part of this EPQ submission.

j)(iv) 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 Tender Exercise, or to negligently provide misleading information that may have a material influence on decisions concerning exclusion, selection or award.

Answer:

j)(i)
j)(ii)
j)(iii)
j)(iv)

Question 2.2B: If you have answered 'Yes' to any of the points in Question 2.1B (points a. to j(iv) above, explain what measures been taken to demonstrate the reliability of the organisation despite the existence of a relevant ground for exclusion? (Self Cleaning)

Answer:

Question 2.3B: Grounds for discretionary exclusion: tax related offences
(Please indicate 'Yes' or 'No' in the space provided as applicable).

We reserve the right to use our discretion to exclude a Bidder where we can demonstrate by any appropriate means the Bidder is in breach of its obligations relating to the non-payment of taxes or social security contributions.

For your organisation and your Bidder Group, have any of the organisation(s)' tax returns submitted anywhere in the world on or after 1 October 2012 given rise to a criminal conviction for tax related offences which is unspent, or to a civil penalty for fraud or evasion? If you have answered 'yes' to this question, please provide further details in the box below.

Answer:

Question 2.4B: Grounds for discretionary exclusion: energy licence issues.

The Bidder should provide details of the circumstances of any licences granted under the Electricity Act 1989 (as amended) or Gas Act 1986 (as amended) which have been revoked or where an application was not successful, and to which Bidder Group member(s) this applies.

Please state to which members of the Bidder Group this question applies and list details of the supporting documentation you have provided.

Answer:

PART 2: ECONOMIC AND FINANCIAL STANDING

Section 3: Economic and Financial Standing

Please respond to all applicable questions relating to the Bidder's financial standing. If the Bidder is formed of a Bidder Group, the lead member of the Bidder group should complete all questions in Part 2 on behalf of the Bidder Group.

Notes to Questions 3A to 3C of this EPQ Questionnaire:

Bidders should take into consideration the following instructions when responding to this section:

- (i) *If the assessment of the Bidder, Bidder Group member or Supporting Organisation (as appropriate) is to be based on the parent company/group, the Bidder or Bidder Group member will need to demonstrate that the parent company/group will further participate in the process. This should be evidenced by the provision of letters of support at an appropriate level offering unqualified guarantees.*
- (ii) *When submitting financial statements disclosed in foreign currencies, Bidders are required to provide their balance sheets in Pounds Sterling at the average annual exchange rate for the financial statement year presented.*
- (iii) *Where there has been a significant reduction in either net assets or exchange rates since the latest balance sheet date such that the net assets do not meet the 110% requirements in Questions 3A and 3B (as applicable) the impact and reason should be disclosed.*

Questions **3A** and **3B** require Bidders to demonstrate their capacity to finance the Qualifying Project(s) for which they are bidding.

Please note that it is expected that financing solutions for the Qualifying Project will be based on either corporate financing or project financing. In the case of **corporate financing** please answer both parts of **Question 3A**. In the case of **project financing** please answer both parts of **Question 3B**.

In the event that a Bidder plans to bid for more than one Qualifying Project and to use more than one financing solution, please answer both 3A and 3B and specify (in Section 7¹⁷) which financing solution applies to which Qualifying Project(s).

Question 3A: Where the Bidder anticipates financing one of more Qualifying Project(s) using **corporate finance** please provide the information requested in **(a) and (b)** below, being:

(a) a letter(s) from the Bidder, Bidder Group or Supporting Organisations detailing a proven track record in the last five years of financing projects of a similar size (or similar complexity) to the proposed investment (i.e. the Initial Transfer Value) in the largest of the Qualifying Project(s) for which they are bidding. The letter should include, as a minimum, the following:

- The name and type of project for which the finance was put forward;
- The amount of financing put forward – split by debt and equity;
- Details of the corporate finance sources (debt) – please include relevant terms and conditions;
- Details of the corporate finance sources (equity) – please include relevant terms and conditions; and
- Details of why the project should be considered of similar complexity (if relevant).

¹⁷ Note that Section 7 requires Bidders to explain their approach for determining an appropriate financing solution for a given Qualifying Project.

The above details should be presented in a table format.

and

(b) evidence to demonstrate that the net assets of the Bidder, Bidder Group or relevant obligors¹⁸ are equal to or more than 110%¹⁹ of the proposed investment, i.e. the Initial Transfer Value, in the Qualifying Project. Net assets should be reconciled to the latest audited accounts available as at the EPQ Submission date and adjusted for any significant changes since that balance sheet date.

If more than one Qualifying Project is being bid for (as outlined in question 1A(ii) above), Bidders/Bidder Groups should demonstrate net assets on the basis of 110% of the proposed investment, i.e. the Initial Transfer Value, for the largest of the Qualifying Projects for which they are bidding.

Where Bidder Group track records are cited, each such track record can be multiplied by the Bidder's share of the consortium and then summed for all Bidders in the Bidder Group.

Question 3B: Where the Bidder anticipates financing one or more the Qualifying Project(s) using **project finance**, please identify the expected debt and equity/risk capital split. Then respond to the relevant sections below (including Question 3B(a) and Question 3B(b)) taking account of this debt and equity/risk capital split (and implications for capital raising).

Question 3B(a): For the proposed **debt finance** in the expected debt and equity/risk capital split, the Bidder must provide evidence of its track record/support letter for its anticipated financing structure by providing the information requested in **one of Question 3B(a)(i) or Question 3B(a)(ii)**. If the Bidder answers more than one of **Question 3B(a)(i)** and **Question 3B(a)(ii)**, the first answer only (in this order) will be evaluated.

(i) A proven track record in the last five years of raising similarly sized or similarly complex limited recourse / project finance debt to the proposed debt finance requirement, i.e. the debt funded proportion of the Initial Transfer Value, in the largest of the Qualifying Project(s) for which they are bidding. Evidence of raising debt finance in the last five years must provide information as to all of the below points for each project:

- The name and type of project for which the finance was put forward;
- The role of Bidder (or Bidder Group member) in raising finance;
- The amount of finance put forward – split by debt and equity;
- Details of the project finance sources and terms (debt) - please include the relevant terms and conditions;
- Details of the corporate finance sources and terms (equity) - please include the relevant terms and conditions;
- Details of why the project should be considered of similar complexity (if relevant).

The examples provided are to be set out in a tabular format under the above headings. The amount of finance raised across the examples are to be totalled.

¹⁸ In the case of a Bidder Group, each Bidder's net assets multiplied by the Bidder's share of the consortium (reflecting each Bidder Group member's proposed equity shareholding) and then summed for all Bidders in the Bidder Group. Where such obligations are guaranteed by an obligor of the Bidder/Bidder Group member, the net assets of the obligor can be used subject to note (i) above.

¹⁹ The rationale for the minimum 110% is to cover potential variation from the Initial Transfer Value to the Indicative Transfer Value and/or future incremental investments.

Where Bidder Group track records are cited, each such track record can be multiplied by the Bidder's share of the consortium and then summed for all Bidders in the Bidder Group.

Or

(ii) A support letter from one or more acceptable independent financial institutions (having at least an 'A' category credit rating (that is, at least any of A-, A or A+/A1, A2 or A3 or equivalent from a recognised credit rating agency) or experience of providing or arranging debt finance which is limited recourse / project finance debt of a similar size or similar complexity) stating its/their intent to provide and/or arrange debt finance to the Qualifying Project which states the level of support provided (whether for all or a proportion of the financing requirement).

If more than one Qualifying Project is being bid for (as outlined in Question 1A(ii) above), Bidders should demonstrate their financial capacity to secure financing solutions on the basis of 110% of the proposed debt requirement, i.e. the debt funded portion of the Initial Transfer Value, for the largest of the Qualifying Projects for which they are bidding.

Question 3B(b) For the proposed **equity finance**, in the expected debt and equity/risk capital split, the Bidder / Bidder Group²⁰ must provide evidence of its capacity/track record for its anticipated financing structure by providing the information requested in one of Question 3B(b)(i) or Question 3B(b)(ii). If the Bidder answers more than one of Question 3B(b)(i) and Question 3B(b)(ii), the first answer only (in this order) will be evaluated.

(i) A proven track record in the last five years of raising equity for a project of similar size, totalling at least 110% of its proposed equity investment, i.e. the equity funded proportion of the Initial Transfer Value, for the largest of the Qualifying Project(s) for which they are bidding.

Evidence of raising equity finance in the last five years must provide information as to all of the below points for each project:

- The name and type of project for which the finance was put forward;
- The role of the Bidder (or Bidder Group member) in raising finance);
- The amount of financing put forward – split be debt and equity;
- Details of the project finance sources and terms (debt) – please include the relevant terms and conditions;
- Details of the corporate finance sources and terms (equity) – please include the relevant terms and conditions; and
- Details of why the project should be considered of similar complexity (if relevant).

The examples provided are to be set out in a tabular format under the above headings. The amount of finance raised across the examples are to be totalled.

Where Bidder Group track records are cited, each such track record can be multiplied by the Bidder's share of the consortium and then summed for all Bidders in the Bidder Group.

Or

(ii) Evidence to demonstrate net assets, and/or undrawn commitments of the relevant bidding vehicles from which they intend to fund, of at least 110% of its proposed equity/risk capital investment in the Qualifying Project, i.e. the equity funded portion of the Initial Transfer Value. Net assets should be reconciled to the latest audited accounts available as at the EPQ Submission date and adjusted for any significant changes since that balance sheet date.

²⁰ In this case, each Bidder's net assets (or undrawn commitments) multiplied by the Bidder's share of the consortium and then summed for all Bidders in the Bidder Group.

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Please indicate which items you have responded to and list details of the supporting documentation you have provided:	
Questions answered. Please insert into square bracket:	[]
Please list supporting documentation provided:	

Question 3C: The Bidder (and where applicable each Bidder Group member) should provide the following:

- (i) copies of the last three years' audited statutory financial accounts (or equivalent) or for the period that is available if trading for fewer than three years. If the Bidder is formed of a Bidder Group, provide this information for each Bidder Group member and (where applicable) the ultimate parent company (or equivalent legal body) of each such entity;
- (ii) a statement, as at the date of the Bidder's EPQ Submission of any contingent liability or loss (where not otherwise reported) that would require disclosure in accordance with International Accounting Standard 10, or, in the event there are none, a confirmation statement that there is no contingent liability or loss that would require disclosure in accordance with IAS 10; **and**
- (iii) if at the time of the EPQ Submission the Bidder's, or where relevant, any Bidder Group member's, most recent audited balance sheet is more than ten months out of date, provide:
 - a statement signed by the Director responsible for financial matters setting out any known significant changes in the current financial position from the last available audited balance sheet; **and**
 - where available, a copy of the Chairman's half-yearly statement.

Bidders should clearly set out in their response to this Question 3C, to the extent relevant or applicable, how their responses to Questions 3A and 3B are consistent with the information provided in this Question 3C. Bidder's response should include clear references to the particular sections in their financial statements or accounts or other submissions to substantiate their submissions in Questions 3A and 3B.

Please list supporting documentation provided:	
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PART 3: TECHNICAL AND PROFESSIONAL ABILITY

Section 4: Experience of Asset Takeover, Management and Operations

Please provide a response outlining the following areas. Any project examples provided should be based on projects in which you have been involved within the past five years.

If the Bidder is formed of a Bidder Group, the lead member of the Bidder group should complete all questions in Part 3 on behalf of the Bidder Group.

Question 4A: Experience of Asset Takeover

Please outline your experience of the takeover of operational infrastructure assets making specific reference to relevant examples including but not limited to mergers and acquisitions, establishing new business units in the infrastructure sector, and expanding business units. Your response should cover your legal, regulatory, commercial, technical and financial experience in this context; include management control arrangements and your approach taken to stakeholder engagement during asset takeover.

Question 4B: Capability in Management and Operations

Please outline your management and operational experience of infrastructure projects of a similar size and/or complexity to the Qualifying Project(s) including, where relevant, reference to your internal policies, codes of conduct and best practice principles. In outlining your experience, please use your example projects to highlight the:

- i. approach your organisation takes to managing and operating infrastructure assets;
- ii. operational outcomes that you have required senior management within your organisation to deliver in relation to operation of the relevant project; and
- iii. approach your organisation took to ensuring best practice and compliance with internal codes of conduct and regulatory requirements of the relevant project.

At least one of the examples referenced in the answer to Question 4B should show familiarity with the operation of electricity transmission or distribution assets.

PART 4 – LIMITATION CRITERIA

The questions contained in this section will be used to determine a Bidder's understanding of and ability to meet the requirements of the tender process, and ultimately the role of an OFTO.

If the Bidder is formed of a Bidder Group, the lead member of the Bidder group should complete all questions in Part 4 on behalf of the Bidder Group.

Section 5: Approach to Asset Takeover

Please provide a response outlining the following:

Question 5A: Please outline the principles you would adopt and the approach you would follow (including your approach to technical due diligence) in taking over the following elements of an offshore transmission system:

- i. onshore substation
- ii. offshore substation
- iii. onshore cable
- iv. subsea cable

Question 5B: Please outline the approach and principles you would follow when setting up an OFTO business. In particular, what in-house technical and financial expertise you would need to procure and what services you would need to subcontract.

Section 6: Approach to Management and Operations

Please provide a response outlining the following in relation to your approach for management and operations. Any project examples provided should be based on projects in which you have been involved within the past five years.

If you are bidding for more than one Qualifying Project, you should explain whether your approach would vary (and how) for different Qualifying Projects.

Question 6A: Please explain how you would approach operating transmission assets and delivering services for an OFTO project in accordance with the required operational performance standards, supported by examples from your experience of approaching the management and operation of transmission assets and/or other infrastructure assets where applicable.

Your response should set out your approach for the full revenue period (of up to 25 years) including the process and factors you intend to take into account. In particular, you should comment on the following:

- i. Procurement of required O&M services;
- ii. Asset maintenance, repair and inspection;
- iii. Spares management and procurement;
- iv. Outage coordination and management strategy;
- v. Network resilience and restoration; and
- vi. Efficient resourcing of activities.

Question 6B: How you would manage and mitigate the impact of the key business and operational risks related to managing and operating an OFTO asset, supported by examples from your experience of approaching the management and operation of transmission assets and/or other infrastructure assets.

Areas to cover:

- i. Poor performance of the asset/asset condition;
- ii. Speed of response on asset failure;
- iii. Failure of supply chain member;
- iv. Events such as collision, extreme weather or fatality scenarios impacting O&M; and
- v. Resources you have/will obtain to cover these risks.

(Note: you are not required to detail here how you would approach dealing with the financial and/or commercial impact of key risks as this is addressed in Section 8 of the EPQ Questionnaire)

Question 6C: How you would approach managing managerial and operational interfaces with key stakeholders and third parties for an OFTO project, referring to past experiences of your contract management capability.

Question 6D: Your understanding of the electricity industry regulatory framework applicable to an OFTO and how you would ensure compliance in operating and managing offshore transmission assets. You should refer to documents referenced under 'Relevant Guidance and Other Documents' in Section 1 of this EPQ Document in considering your response to this question.

Question 6E: How your past experience with applying principles of best practice and following internal codes of conduct for infrastructure projects would help you ensure compliance when operating and managing a transmission system, in terms of:

- i. Applicable health and safety legislation in managing the key health and safety risks to your employees, subcontractors' employees, members of the public and with respect to the safety of the installations themselves; and
- ii. Applicable environmental and planning legislation.

Section 7: Financing Solution

Please explain your approach for determining a financing solution that would be appropriate for each Qualifying Project(s), including why you consider this to be an efficient and effective approach.

Please also describe the approach you would use to derive the financial components of the TRS for an OFTO project and the assumptions you would expect to make in light of your proposed financing solution.

If you are bidding for more than one Qualifying Project, you should explain whether your approach would vary (and how) for different Qualifying Projects.

Question 7: Please explain how you would go about determining an efficient, effective and deliverable financing solution for the Qualifying Project(s), including:

- a) **What you currently consider to be a suitable financing structure** for each Qualifying Project (including what type of finance you currently anticipate using) and what considerations and criteria you have taken into account in determining the financing solution;
- b) **What alternative financing structure** you would propose, the circumstances under which you would consider these further and why this is a suitable alternative;
- c) What **external financing/OFTO specific market factors** have influenced your anticipated financing solution(s), and proposed mitigants for addressing these factors. What further factors you would take into account when proposing a financing solution at the ITT stage;
- d) The **approach** you would take to **due diligence** in relation to your financing solution(s);
- e) Set out **key assumptions** that impact your anticipated financing solution and the basis for these. Areas to cover:
 - i. Indexation approach; and
 - ii. Other Income Items.

Please include any **additional information** that you consider supports your answer. Additional information will be taken into account (where relevant) in the assessment of sub-questions (a)–(e).

Section 8: Financial and Commercial Risk Management

Please provide details of how you would address potential financial and commercial risks related to operation of Transmission Assets. The equivalent technical aspects are addressed in Section 4.

If you are bidding for more than one Qualifying Project, you should explain whether your approach would vary (and how) for different Qualifying Projects.

In your response to Section 8 it is important you illustrate your experience in this area with infrastructure assets you manage and operate, but they do not have to be offshore transmission assets. The approach should include whether you intend to have the requisite skills in house or contracted and if not yet in the group, what you intend to obtain by the time you submit an ITT bid.

Question 8A: Please set out your understanding of the key risks in managing and operating an OFTO asset and how you will look to formulate your approach to managing and mitigating both the **financial** and **commercial** impacts of such risk.

Areas to cover:

- i) Poor performance of the asset / asset condition;
- ii) Speed of response on asset failure; and
- iii) Other risks you have identified.

Question 8B: Please set out how you will look to formulate your approach to mitigate financial risk as part of overall approach to risk mitigation.

Question 8C: Please set out the resources you have / will obtain to cover these risks and how they will manage any contracting relationships.

PART 5 – OTHER

Section 9: Draft Transfer Agreement(s) Comments

Based upon your review of the information about the Qualifying Project(s), as well as information available in respect of the offshore electricity transmission regime more generally, you have the option of commenting on the draft Transfer Agreement(s) for the Qualifying Project(s).

If the Bidder is formed of a Bidder Group, the lead member of the Bidder Group should complete Section 9 on behalf of the Bidder Group.

You are invited to provide comments on the draft Transfer Agreement for the Qualifying Project by way of a **separate commentary table for each Qualifying Project**, using the form of template provided at Appendix 1. The commentary for each Qualifying Project should focus on the potential commercial issues and risk considerations associated with achieving a transfer of assets in accordance with the relevant draft Transfer Agreement, indicating whether the issues are:

- **High:** Significant commercial/legal impact which you expect would materially affect the TRS you would bid at the ITT Stage or could materially affect the fundability of the transfer;
- **Medium:** Commercial/legal impact which could affect the TRS you would bid at the ITT Stage, but not in a material way; or
- **Low:** Amendments which you expect would neither affect the TRS you would bid at the ITT Stage, nor have a significant commercial impact, but which would make the transaction more desirable from your perspective.

As part of the commentary table, where an issue is identified as of high or medium significance, you are invited to explain the nature of these issues and the potential impact on the TRS you would bid at the relevant ITT Stage.

If you wish to also provide a mark-up of any of the draft Transfer Agreements, please provide such a mark-up as a supplementary document.

Bidders have the option of submitting commentary tables and mark-ups of the draft Transfer Agreements. **Section 9 will not be scored, nor will it be considered during the evaluation process.**

As we may make responses to this section available to each Developer (see paragraph 2.26), **your responses should not contain any information (including in footnotes) which could identify or allow ready identification of you or any Bidder Group member (if relevant).**

Responses which highlight issues for us to address, including issues in relation to the Tender Exercise, Offshore Transmission Licence or regulatory regime, should be raised as clarifications in accordance with the TPGD.

Section 10: EPQ Certificate

Where a Bidder is formed of a Bidder Group, each Bidder Group member must complete this Certificate individually. Each Bidder Group member is not required to complete and submit a certificate on behalf of the Bidder Group. Each certificate must be initialled and signed as indicated below by a duly authorised officer of the Bidder or Bidder Group member (as applicable) to indicate confirmation of all of the statements in Sections 10A to 10I below. The initialled and signed copy of the EPQ Certificate(s) must then be uploaded to the Portal as part of your EPQ Submission.

In relation to statement 10C only, if the duly authorised officer is not able to confirm statement 10C then they need not initial this statement, provided that they provide a satisfactory written explanation alongside this statement.

"I, acting as a duly authorised officer of*

and on behalf of **

hereby confirm that:

10A). The information provided in the EPQ Submission is true, accurate, and complete; and I understand that the information will be used in the selection process to assess my Bidder/Bidder Group (as applicable)'s suitability to be invited to participate further in this Tender Exercise.	Initial below
10B). Neither* nor any of [its/their] Related Parties has breached any applicable legislation or regulations including any provision or requirement of the Tender Regulations or the EPQ Document in preparing or making this EPQ Submission.	Initial below
10C). We are not aware of any application to place the Bidder/Bidder Group member (as applicable), or the shareholders of any of the foregoing in liquidation, administration or receivership, or to commence any analogous process or proceeding in any jurisdiction, and that no such process has been commenced.	Initial below
10D). The Bidder/Bidder Group member (as applicable) is acting as a principal in the Tender Exercise and not as an agent for any undisclosed person and the Bidder/Bidder Group member (as applicable) has expressly authorised me to act on its behalf in making this EPQ Submission.	Initial below
10E). The Bidder/Bidder Group member (as applicable) hereby consents to the disclosure by Ofgem to Ofgem's Advisers for the purposes of TR13 of any information given to Ofgem either before or during TR13 by such Bidder or Bidder Group member.	Initial below
10F). The Bidder/Bidder Group member (as applicable) hereby confirms that they have considered the implications of the Electricity Act 1989 Sections 10A-O (as amended) and understands that if appointed as a transmission licensee who participates in the transmission of electricity they will be required to comply with the ownership unbundling provisions therein.	Initial below
10G). In compiling this EPQ Submission, neither I personally nor the Bidder/Bidder Group member (as applicable) has obtained an unfair commercial advantage including, in particular such advantage from a preferential or discriminatory arrangement with associated parent companies or affiliates, any user of the Offshore Transmission System or Licensees.	Initial below
10H). The Bidder/ Bidder Group member (as applicable) understands the obligations of an OFTO to comply with conditions in the OFTO Licence.	Initial below
10I). The Bidder/Bidder Group member (as applicable) acknowledges and agrees that knowingly or recklessly making a false, incomplete, or misleading statement in support of this EPQ Submission may result in: a) disqualification of the Bidder from the Tender Exercise; b) Licence Grant being refused or revoked if the Bidder reaches this stage in the process; and/or c) criminal proceedings being instituted under section 59 of the Electricity Act 1989 (as amended).	Initial below
In providing this statement, I have made all due enquiries on behalf of the Bidder or Bidder Group member (as applicable)."	

Signed	
Name	
Position	
Dated	

* insert name of Bidder or Bidder Group member (as applicable)

** insert name of Bidder or Bidder Group member (as applicable)

Section 11: Confidentiality

The Freedom of Information Act 2000 provides a general right of access to all information held by public authorities. Ofgem is subject to the Freedom of Information Act 2000 and the Environmental Information Regulations 2004.

The Bidder should identify which part(s) of its EPQ Submission are provided in confidence and provide reasons why it considers the information is eligible for exemption under the Freedom of Information Act 2000 and the Environmental Information Regulations 2004 and should therefore be kept confidential. Ofgem is not bound by any such statement but will take it into account in considering whether an exemption applies.

Section of EPQ Submission provided in confidence	Reason(s) for exemption under Freedom of Information Act 2000 and Environmental Information Regulations 2004

4. Evaluation of EPQ Submissions

Section summary

This section sets out how we will evaluate EPQ Submissions. This includes guidance in relation to the Evaluation Criteria we will apply and the processes we will follow to evaluation EPQ Submissions.

Evaluation Process

- 4.1. The purpose of the EPQ Stage is to identify a shortlist of Qualifying Bidders, for each Qualifying Project, who will be invited to participate in the ITT Stages for the relevant Qualifying Project(s).
- 4.2. We will conduct our evaluation over the following sequential stages:
 - an assessment of completeness;
 - an assessment of compliance; and
 - an evaluation of compliant EPQ Submissions in accordance with the Evaluation Criteria and Guidance provided in Appendix 2 to this document, as applicable.

Assessment of Completeness

- 4.3. Prior to the formal evaluation process and following receipt of the EPQ Submissions, we will undertake a completeness check of the information received. If this check identifies any omission(s) in the information required to be provided, we will notify the Bidder of the omitted information. At our discretion, the Bidder will be given a period of time, to be notified by us, in which to rectify the omission(s). In this event, we will only commence evaluation of the EPQ Submission following receipt of the requested information.
- 4.4. We may decline to consider a Bidder's EPQ Submission if the information omitted is substantial or any omitted information requested is not provided within the required time.

Assessment of Compliance

- 4.5. Following the completeness check, we will assess whether EPQ Submissions received are compliant. An EPQ Submission will be considered compliant if all the information requested under 2.28 to 2.30 is provided.
- 4.6. We may decline to consider a Bidder's EPQ Submission if it does not comply in any material respect with the requirements specified in this EPQ Document.

Scoring

- 4.7. EPQ Submissions consist of five parts, of which the first four will be evaluated.
- 4.8. **Part 1** (sections 1 and 2) of the EPQ Questionnaire focuses on suitability. Evaluation of Part 1 will be on a pass/fail basis.
- 4.9. **Part 2** (section 3) of the EPQ Questionnaire focuses on the economic and financial standing of the Bidder. Evaluation of Part 2 will be on a pass/fail basis.
- 4.10. **Part 3** (section 4) of the EPQ Questionnaire focuses on the technical and professional ability of the Bidder. Evaluation of section 4 will be on a pass/fail basis.

- 4.11. A Bidder's EPQ Submission will only be considered further if it passes the Selection Criteria, as set out in Appendix 2. Bidders that pass sections 1 to 4 will be considered to have met the Selection Criteria.
- 4.12. **Part 4** (sections 5 to 8) of the EPQ Questionnaire assesses Bidders' sufficient understanding of key aspects of the OFTO business, as set out in Appendix 2:
- 4.12.1. Section 5: Bidders will be evaluated on the basis of their degree of understanding of asset takeover and the viability of their approaches.
 - 4.12.2. Section 6: Bidders will be evaluated on the basis of their degree of understanding of operating transmission assets and the viability of their approaches.
 - 4.12.3. Section 7: The Bidder will be evaluated on the basis of the viability of the expected financing strategy.
 - 4.12.4. Section 8: Bidders will be evaluated on their understanding of the financial and commercial risks and the viability of their expected approach to managing and mitigating the key risks.
- 4.13. Part 4 will be evaluated on a scored basis, as set out below. Each of the questions in sections 5 to 8 will be scored using an evaluation scale ranging from A to D. There is an averaged minimum threshold of 'B-' to be reached for each individual section for a Bidder to pass and to be shortlisted for the ITT Stage in respect of a relevant Qualifying Project. Where there are more than 8 such bidders, paragraph 4.16 below will apply.
- 4.14. **Part 5, Other:**
- 4.14.1. Section 9 of the EPQ Questionnaire invites Bidders to provide comments on the draft Transfer Agreement(s) for the Qualifying Project(s). This is not evaluated, it is optional;
 - 4.14.2. Section 10 of the EPQ Questionnaire, the EPQ Certificate, must be signed by a duly authorised officer of the Bidder or, if a Bidder is formed of a Bidder Group, each member of the Bidder Group to meet the compliance assessment. A Bidder or Bidder Group who does not do so will have its EPQ Submission rejected and it will not be considered further;
 - 4.14.3. Section 11 of the EPQ Questionnaire invites Bidders to identify confidential information in their EPQ Submissions for the purposes of Freedom of Information requests. This is not evaluated, it is optional. This is requested for information only.

Determining the Shortlist

- 4.15. The Bidders that satisfy Parts 1 to 4 inclusive and section 10 of Part 5 of the EPQ Questionnaire will be shortlisted for the relevant Qualifying Project(s) and so invited to the ITT Stage for such projects subject to paragraphs 4.16 to 4.17 below.
- 4.16. Where there are more than 8 such Bidders for a Qualifying Project, their B- to A+ score for each section in Part 4 will be converted to the following corresponding numeric score. These numerical scores will only be used to limit and determine which Bidders are invited to participate in the ITT stage for a Qualifying Project to comply with the maximum 8 Qualifying Bidder limit for each Qualifying Project:

Mark	Numeric score
A+	10
A	9
A-	8
B+	7
B	6
B-	5

- 4.17. The scores for Part 4 will be weighted as set out below, to determine a score for each Bidder for the relevant Qualifying Project(s):

Section	Multiplier
Section 5	15 per cent
Section 6	40 per cent
Section 7	25 per cent
Section 8	20 per cent

For the avoidance of doubt, each section will be scored as a whole (rather than individual questions within a section having its own score).

Evaluation Scale for Scored Sections

- 4.18. As noted above, each of section 5 to 8 of the EPQ Questionnaire will be awarded an overall grade based on the average of the grades awarded for each question within the section. Bidders that do not meet the minimum threshold of an overall 'B-' grade for any of sections 5 to 8 will not be selected for the competition for the Qualifying Project(s). The Evaluation Criteria is set out in Appendix 2, detailing the standard of responses expected at each grade. In particular:
- 4.18.1. Where a section contains one question, the grade for that section will be the grade awarded to that question.
 - 4.18.2. Where a section contains more than one question, the overall grade awarded to that section will be the average of the grades awarded for each question.
 - 4.18.3. A question may contain numbered sub-questions. The overall grade awarded for such a question will be the average of the grades awarded for each of the numbered sub-questions.
- 4.19. Evaluators may mark a question within a section, or a sub-question within a question, with a + or – where the response generally attracts a particular grade but there is some variation that requires a grade above or below is awarded. An "A+" is awarded where evaluators consider that the requirements for an "A" grade are exceeded.
- 4.20. A question may contain multiple components listed in roman numerals. These components are not individually graded but a response in relation to these components may require that a + or – is awarded for the question.

Notification to Bidders and Publication of Qualifying Bidder Shortlist

- 4.21. We will notify each Bidder (via the Portal) as to whether its EPQ Submission has been successful or unsuccessful.
- 4.22. We are sensitive to the likely level of investment which Qualifying Bidders will have to undertake during the ITT Stage and we consider that it would not be beneficial, either for Ofgem or Bidders, to take too many Bidders beyond the EPQ Stage. Therefore, we limit the maximum number of Bidders who will be invited to take part in the ITT Stage in relation to the Qualifying Project(s) whilst ensuring that effective competition is maintained.

- 4.23. The notices given to Bidders who are invited to the ITT stage will set out the next steps they will need to take in order to participate in the ITT Stage for the Qualifying Project(s).
- 4.24. Once all Bidders have been notified, we will publish the Qualifying Bidders shortlist in respect of the Qualifying Project(s) on the Portal and on our website. We may also make a general public announcement.

Bidder Feedback

- 4.25. We will provide confidential feedback to any Bidder upon request following completion of the EPQ Stage. Requests for feedback should be made within one month of the notification referred to in paragraph 4.21.

ITT Award Criteria

- 4.26. Details of the award criteria will be set out in the ITT Document for each relevant TR13 Qualifying Project.

Appendices

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Appendix 1 – Table of Commentary to Transfer Agreement

Form of Commentary Tables

A1.1. Bidders are invited and encouraged to provide commentary tables using the information provided on the Qualifying Project to prepare the commentary table using the form below and provide it in MS Word format. However, it is not required that Bidders provide commentary, and any commentary provided will not be subject to evaluation. The commentary table is to be provided on an anonymous basis and not contain any information (including in footnotes) which could identify or allow ready identification of the Bidder or any Bidder Group member (if relevant). Qualifying Bidders must ensure that each commentary table submitted refers to one Qualifying Project only. The commentary table will be presented in the following format:

PART A: HIGH IMPACT: Significant commercial and/or legal impact which will materially affect the TRS being bid at the ITT Stage or could materially affect the fundability of the transfer.

No.	Headline issue	Relevant Clause(s)	Commentary

PART B: MEDIUM IMPACT: Commercial and/or legal impact which could affect the TRS being bid at the ITT Stage but not in a material way

No.	Headline issue	Relevant Clause(s)	Commentary

PART C: LOW IMPACT: Amendments which you would expect which would neither affect the TRS that you would bid at the ITT Stage, nor have a significant commercial impact, but which would make the transaction more desirable from your perspective.

No.	Headline issue	Relevant Clause(s)	Commentary

A1.2. Comments which are issues for Ofgem to address, including issues in relation to the Tender Exercise, Tender Round, OFTO Licence or regulatory regime, should be raised as clarifications in accordance with the procedure set out in the TPGD.

Appendix 2 – Evaluation Criteria and Guidance

1. EVALUATION OF EPQ SUBMISSIONS

This document is Appendix 2 of the 'Enhanced Pre-Qualification Document for Tender Round 13 (TR13)' (**EPQ Document**). Participants are expected to have fully read the EPQ Document and all other associated appendices in conjunction with this document for full details of the tender process and how bid submissions will be evaluated.

Section 3 of the EPQ Document provides the 'Enhanced Pre-Qualification Questionnaire' (**EPQ Questionnaire**) which participants are required to respond to and submit as part of their bid. The EPQ Questionnaire is structured into the following parts and sections:

a. PART 1 - SUITABILITY

- Section 1 – Identification Information
- Section 2A – Grounds for mandatory exclusion
- Section 2B – Grounds for discretionary exclusion

b. PART 2 – ECONOMIC AND FINANCIAL STANDING

- Section 3 – Economic and Financial Standing

c. PART 3 – TECHNICAL AND PROFESSIONAL ABILITY

- Section 4 – Experience of Asset Takeover, Management and Operations

d. PART 4 – LIMITATION CRITERIA

- Section 5 – Approach to Asset Takeover
- Section 6 – Approach to Management and Operations
- Section 7 – Financing Solution
- Section 8 – Financial and Commercial Risk Management

e. PART 5 - OTHER

- Section 9 – Draft Transfer Agreement Comments
- EPQ Certificate
- Confidentiality

Section 4 of the EPQ Document ('Evaluation of EPQ Submissions') sets out the evaluation process that will be followed when assessing bids. Paragraphs 4.7 to 4.13 of the EPQ Document sets out the basis on which each section in the EPQ Questionnaire will be scored.

In summary, PARTS 1, 2 and 3 (which consists of Sections 1, 2, 3 and 4) will be evaluated on a pass/fail basis. PART 4 will be evaluated on a scored basis (as set-out in paragraphs 4.15 to 4.20 of the EPQ Document). Each of the questions in sections 5, 6, 7 and 8 will be scored using an evaluation scale ranging from A to D. There is an averaged minimum threshold of 'B-' to be reached for each individual section for a Bidder to pass and to be shortlisted for the ITT Stage in respect of a relevant Qualifying Project. Where there are more than 8 such bidders, paragraph 4.16 of the EPQ Document will apply.

2. PART 1 - SUITABILITY

SECTION 1: IDENTIFICATION INFORMATION

Section 1 Evaluation Criteria

This section is used to gather the necessary details to understand the nature of each organisation and legal entity participating in the Tender Exercise. A Bidder must provide details and evidence of its identity as requested in the EPQ Questionnaire. Where the Bidder is formed of a Bidder Group, each individual Bidder Group member should complete the table provided in section 1 of the EPQ Questionnaire. Bidders are required to provide the information required otherwise they will fail this section.

Scoring methodology for Section 1

Section 1 is scored on a Pass/Fail basis.

Questions and Evaluation Guidance for Section 1

Question 1A(i): Name of Bidder/Bidder Group member (if the Bidder is formed of a Bidder Group, please also state the name of each Bidder Group Member and indicate the lead contact).

Evaluation Guidance for Question 1A(i):

PASS - Bidder has provided details and evidence of its identity, and of each Bidder Group member and lead contact, as applicable.

Question 1A(ii): Confirm the Qualifying Project(s) for which you are bidding - East Anglia THREE, Inch Cape and/or Dogger Bank C.

Evaluation Guidance for Question 1A(ii):

PASS – Qualifying Bidder has provided the information required.

Enhanced Pre-Qualification Document for Tender Round 13 (TR13)

Question 1.1B: Please provide as applicable the relevant requested details in the boxes below. Where an address provided is not in Great Britain, provide an address in Great Britain for the service of documents.

- a) Company Registration number or identification (if applicable)
- b) Date of registration in country of establishment
- c) Place of incorporation (or equivalent)
- d) Address of registered office (or equivalent)

Question 1.2B: Advise which of the following best indicates the trading status of the Bidder:

- a) Public limited company
- b) Limited company
- c) Overseas company
- d) Other body corporate
- e) Unincorporated association
- f) Sole trader
- g) Other

Question 1.3B: Provide the following details of the immediate parent company (if applicable):

- a) Full name of the immediate parent company
- b) Registered office address (if applicable)
- c) Registration number

Question 1.4B: Provide the following details of the ultimate parent company:

- a) Full name of the ultimate parent company
- b) Registered office address
- c) Registration number
- d) Position of Bidder (or Bidder Group member) in the group structure

Question 1C: Provide the following, with your response not exceeding a maximum of 3 pages in total to this question:

Details of the shareholding/Bidder Group organisational structure, making clear:

- the identity of the entity that will hold the OFTO Licence for the Qualifying Project(s);
- the relationship which each Bidder Group member and Supporting Organisation, where applicable, will have within and/or with the OFTO, including identification of the Ultimate Controller(s) of the OFTO; and
- key contractual relationships and accountability for managing these.

In the case of a Bidder Group, outline the proposed ownership arrangements, the proposed ownership proportions, and how you propose to share any and all liabilities of the Bidder Group under the project and/or finance documents between members.

Bidders must either:

1. Confirm that the share of liabilities is shared according to the proposed ownership proportions; or
2. Clearly set out the alternative proposed liability apportionment between Bidder Group members.

Question 1D: provide the following details in relation to the Bidder (or Bidder Group member):

- a) Full names and addresses of current directors in existing bidding entities including any shadow directors within the meaning of section 251 of the Companies Act 2006.
- b) Authorised signatories.
- c) Principal shareholders.

Question 1E: Where any person (other than a person whose name is given in response to Question 1D holds 20% or more of any class of shares of a Bidder (or Bidder Group member), please provide for each person:

- a) Name of person:
- b) Address:
- c) Number of shares held as percentage of the aggregate number of shares of that class represented by such shareholding:

Question 1F: Where the Bidder (or Bidder Group member) is neither a body corporate nor a sole trader, please provide the name(s) and address(es) of the person or persons in whom effective control of the Bidder or Bidder Group member rests.

- a) Name
- b) Address

Question 1G: Where they have already been appointed, provide details of the Bidder's legal, financial, technical, communications, or other key professional advisers in relation to this tender round.

- a) Legal
- b) Financial
- c) Technical
- d) Communications
- e) Other

Question 1H: Provide details of any licences held by the Bidder (or Bidder Group member) under the Electricity Act 1989 (as amended) or Gas Act 1986 (as amended).

Evaluation Guidance for Questions 1.1B to Question 1H:

PASS - Bidder has provided details and evidence of its identity, and of each Bidder Group member and lead contact, as applicable.

SECTION 2A: GROUNDS FOR MANDATORY EXCLUSION

Section 2A Evaluation Criteria

Where the Bidder is formed of a Bidder Group, the Bidder should submit a separate completed table (provided in section 2A of the EPQ Questionnaire) for each Bidder Group member unless the answers to all questions below are 'no' for each Bidder Group member. Where all responses from all Bidder Group members are 'no' to the questions below, the Bidder need only submit one response to this section.

A Bidder must answer yes or no to each question. If a Bidder answers yes to any of the questions in section 2.1A, it must provide evidence of the measures taken, following the relevant conviction, that are sufficient to demonstrate its reliability as a potential OFTO. The answer must also name the organisation or member being referred to.

In assessing whether the evidence provided by a Bidder is sufficient to demonstrate its reliability as a potential OFTO, despite the offence, we will take into account whether the Bidder has:

- i. paid or undertaken to pay compensation in respect of damage caused by the criminal offence or misconduct;
- ii. clarified the facts and circumstances in a comprehensive manner by actively collaborating with the investigating authorities; and
- iii. taken concrete technical, organisational and personnel measures that are appropriate to prevent further criminal offence or misconduct.

We shall also take into account the gravity and particular circumstances of the criminal offence or misconduct.

Notwithstanding the above, we will exclude a Bidder from the Tender Exercise that has answered yes to a question under section 2A where we consider the Bidder has not demonstrated its reliability as a potential OFTO unless there are overriding public interest reasons not to do so.

Scoring methodology for Section 2A

Section 2A is scored on a Pass/Fail basis.

Questions and Evaluation Guidance for Section 2A

Question 2.1A(a): Mandatory Exclusion Grounds

Please refer to this [webpage²¹](#), before completing these questions. The mandatory grounds of exclusion are as set out in **schedule 6 of the Procurement Act 2023**.

Please indicate if, within the past **five years** your organisation, or any other person who has powers of representation, decision or control in the organisation has been convicted anywhere in the world of any of the offences within the summary below and listed on the same [webpage](#).

- a) Participation in a criminal organisation
- b) Corruption
- c) Fraud
- d) Terrorist offences or offences linked to terrorist activities
- e) Money laundering or terrorist financing
- f) Child labour and other forms of trafficking in human beings

Please type 'Yes' or 'No' next to each space provided as applicable. Where you have indicated 'Yes', further details should be provided in response to Question 2.1A(b).

Question 2.1A(b): If you have answered yes to question 2.1A(a), please provide further details in the box below, including:

- a) Date of conviction, specifying which of the grounds listed the conviction was for, and the reasons for conviction;
- b) The identity of who has been convicted; and
- c) If the relevant documentation is available electronically please provide the web address, issuing authority and precise reference of the documents.

Question 2.2A: If you have answered 'yes' to any of the points in Question 2.1(a)above, have measures been taken to demonstrate the reliability of the organisation despite the existence of a relevant ground for exclusion? (Self Cleaning).

Question 2.3A(a): Tax Offences

Has it been established, for you by a judicial or administrative decision having final and binding effect in accordance with the legal provisions of any part of the United Kingdom or the legal provisions of the country in which the organisation is established (if outside the UK), that the organisation is in breach of obligations related to the payment of tax or social security contributions? Please refer to the meaning of "tax" set out in paragraph 29 of Schedule 6 of the Procurement Act 2023.

Please type 'Yes' or 'No' in the space provided as applicable. Where you have indicated 'Yes', further details should be provided in response to Question 2.3A(b).

Question 2.3A(b): If you have answered 'Yes' to Question 2.3A(a), please provide further details in the box below. Please confirm you have paid, or have entered into a binding arrangement with a view to paying, the outstanding sum including where applicable any accrued interest and/or fines.

Evaluation Guidance for Question 2.1A(a) to 2.3A(b):

PASS – A Bidder answers no to all questions or where the Bidder answers yes to one or more questions the evidence provided by the Bidder of the measures taken in response to each relevant conviction are sufficient to demonstrate its reliability as a potential OFTO.

In determining reliability for the purposes of self-cleaning, reference will be made to the relevant provision in the Procurement Act 2023.

The date of the conviction as the period of exclusion is five years from the date of the conviction.

The primary source of information will be provided by the Bidder under the EPQ. However, extrinsic materials are also relevant where available such as news reports.

Section 2B: GROUNDS FOR DISCRETIONARY EXCLUSION

Section 2B Evaluation Criteria

Where the Bidder is formed of a Bidder Group, the Bidder should submit a separate completed table (in section 2B of the EPQ Questionnaire) for each Bidder Group member unless the answers to all questions 2.1B to 2.3B below are 'no' for each Bidder Group member. Where all responses from all Bidder Group members are 'no' to the questions below, the Bidder need only submit one response to this section.

A Bidder must answer yes or no to each question. If a Bidder answers yes to any of the questions in sections 2.1B and/or 2.3B, the Bidder must provide evidence of the measures taken, following the relevant conviction or breach of obligations, that are sufficient to demonstrate its reliability as a potential OFTO. The answer must also name the organisation or member being referred to.

A Bidder that answers yes to question 2.4B concerning licence issues must provide details of the circumstances in which any licences granted under the Electricity Act 1989 or Gas Act 1986 have been revoked or where an application was not successful.

In assessing whether the evidence provided by a Bidder is sufficient to demonstrate its reliability as a potential OFTO, despite the offence, the Authority will take into account whether the Bidder has:

- i. paid or undertaken to pay compensation in respect of damage caused by the criminal offence or misconduct;
- ii. clarified the facts and circumstances in a comprehensive manner by actively collaborating with the investigating authorities; and
- iii. taken concrete technical, organisational and personnel measures that are appropriate to prevent further criminal offence or misconduct.

We shall also take into account the gravity and particular circumstances of the criminal offence or misconduct.

Bidders that have breached obligations relating to tax or social security contributions under section 2B will not be excluded from the Tender Exercise where they have fulfilled their obligations by paying, or entering into a binding agreement with a view to paying, the taxes or social security contributions due, including, where applicable, any interest accrued or fines; or where an exclusion from the Tender Exercise would be clearly disproportionate to the breach. Save for these circumstances, the Authority may exclude a Bidder from the Tender Exercise that has answered yes to a question under section 2B where we consider the Bidder has not demonstrated its reliability as a potential OFTO.

Scoring methodology for Section 2B

Section 2B is scored on a Pass/Fail basis.

Questions and Evaluation Guidance for Section 2B

Question 2.1B (items a. to i): Discretionary Exclusion Grounds

Please refer to this [webpage²²](#), before completing these questions. The discretionary grounds of exclusion are as set out in schedule 7 of the Procurement Act 2023.

Please indicate if, within the past five years, anywhere in the world any of the following situations have applied to you, your Bidder Group members, Supporting Organisations or any other person who has powers of representation, decision or control in the organisation(s).

- a) Breach of environmental obligations?
- b) Breach of social obligations?
- c) Breach of labour law obligations?
- d) 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?
- e) Guilty of grave professional misconduct?
- f) Entered into agreements with other economic operators aimed at distorting competition?
- g) Aware of any conflict of interest within the meaning of section 81 of the Procurement Act 2023 due to the participation in the Tender Exercise?
- h) Been involved in the preparation of the Tender Exercise?
- i) 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?

Please type 'Yes' or 'No' in the space provided as applicable. Where you have indicated 'Yes', further details should be provided at Question 2.2B.

Question 2.1B(j): Answer the following statements by typing 'Yes' or 'No' in the space provided as applicable. Where you have indicated 'Yes', further details should be provided to Question 2.2B.

j)(i) The organisation is guilty of serious misrepresentation in supplying the information required for the verification of the absence of grounds for exclusion or the fulfilment of the Selection Criteria.

j)(ii) The organisation has withheld such information.

j)(iii) The organisation is not able to submit supporting documents as reasonably required by the Authority as part of this EPQ submission.

j)(iv) 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 Tender Exercise, or to negligently provide misleading information that may have a material influence on decisions concerning exclusion, selection or award.

Question 2.2B: If you have answered 'Yes' to any of the points in Question 2.1B (points a. to j(iv) above, explain what measures been taken to demonstrate the reliability of the organisation despite the existence of a relevant ground for exclusion? (Self Cleaning)

Question 2.3B: Grounds for discretionary exclusion: tax related offences
(Please indicate 'Yes' or 'No' in the space provided as applicable).

We reserve the right to use our discretion to exclude a Bidder where we can demonstrate by any appropriate means the Bidder is in breach of its obligations relating to the non-payment of taxes or social security contributions.

For your organisation and your Bidder Group, have any of the organisation(s)' tax returns submitted anywhere in the world on or after 1 October 2012 given rise to a criminal conviction for tax related offences which is unspent, or to a civil penalty for fraud or evasion? If you have answered 'yes' to this question, please provide further details in the box below.

Question 2.4B: Grounds for discretionary exclusion: energy licence issues.

The Bidder should provide details of the circumstances of any licences granted under the Electricity Act 1989 (as amended) or Gas Act 1986 (as amended) which have been revoked or where an application was not successful, and to which Bidder Group member(s) this applies.

Please state to which members of the Bidder Group this question applies and list details of the supporting documentation you have provided.

Evaluation Guidance for Question 2.B to 2.4B:

PASS – A Bidder answers no to all questions or where the Bidder answers yes to one or more questions the evidence provided by the Bidder of the measures taken in response to each relevant conviction are sufficient to demonstrate its reliability as a potential OFTO.

In determining reliability for the purposes of self-cleaning, reference will be made to the relevant provision in the Procurement Act 2023.

The date of the conviction as the period of exclusion is five years from the date of the conviction. Evaluators will check the identity of the legal entity that is subject to the conviction or finding.

The primary source of information will be provided by the Bidder under the EPQ. However, extrinsic materials are also relevant where available such as news reports.

3. PART 2 – ECONOMIC AND FINANCIAL STANDING

SECTION 3: ECONOMIC AND FINANCIAL STANDING

Section 3 Evaluation Criteria

A Bidder must demonstrate that it has the necessary financial strength to be considered viable to support its proposed expenditure on the basis of the Initial Transfer Value for the Qualifying Project.

The financial solvency and strength of each Bidder will be assessed through consideration of its EPQ Submission, along with analysis of the Bidder's annual reports and accounts submitted for the three most recent years and any interim accounts and/or public announcements submitted.

Searches of news information sources and credit ratings may also be undertaken to highlight any issues that are not brought to our attention by the Bidder's responses to the EPQ Questionnaire and the supporting documents provided. Where such information raises material concerns, we reserve the right to request further information from the Bidder and/or the parent company/group (as appropriate). Where this information is not forthcoming, we reserve the right to fail the Bidder against this criterion.

We may request further information from the Bidder in respect of any statement provided as necessary as part of its evaluation.

Bidders should take into consideration the following instructions when responding to this section:

- (i) If the assessment of the Bidder, Bidder Group member or Supporting Organisation (as appropriate) is to be based on the parent company/group, the Bidder or Bidder Group member will need to demonstrate that the parent company/group will further participate in the process. This should be evidenced by the provision of letters of support at an appropriate level offering unqualified guarantees.
- (ii) When submitting financial statements disclosed in foreign currencies, Bidders are required to provide their balance sheets in Pounds Sterling at the average annual exchange rate for the financial statement year presented.
- (iii) Where there has been a significant reduction in either net assets or exchange rates since the latest balance sheet date such that the net assets do not meet the 110% requirements in Questions 3A and 3B (as applicable) the impact and reason should be disclosed.

A Bidder must respond to all applicable questions relating to the Bidder's financial standing. If the Bidder is formed of a Bidder Group, the lead member of the Bidder group should complete all questions in Part 2 on behalf of the Bidder Group.

Scoring methodology for Section 3

Section 3 is scored on a Pass/Fail basis.

Questions and Evaluation Guidance for Section 3

Questions **3A** and **3B** require Bidders to demonstrate their capacity to finance the Qualifying Project(s) for which they are bidding.

Please note that it is expected that financing solutions for the Qualifying Project will be based on either corporate financing or project financing. In the case of **corporate financing** please answer both parts of **Question 3A**. In the case of **project financing** please answer both parts of **Question 3B**.

In the event that a Bidder plans to bid for more than one Qualifying Project and to use more than one financing solution, answer both Question 3A and Question 3B and specify (in Section 7²³) which financing solution applies to which Qualifying Project(s).

Question 3A: Where the Bidder anticipates financing one of more Qualifying Project(s) using **corporate finance** please provide the information requested in **(a) and (b)** below, being:

(a) a letter(s) from the Bidder, Bidder Group or Supporting Organisations detailing a proven track record in the last five years of financing projects of a similar size (or similar complexity) to the proposed investment (i.e. the Initial Transfer Value) in the largest of the Qualifying Project(s) for which they are bidding. The letter should include, as a minimum, the following:

- The name and type of project for which the finance was put forward;
- The amount of financing put forward – split by debt and equity;
- Details of the corporate finance sources (debt) – please include relevant terms and conditions;
- Details of the corporate finance sources (equity) – please include relevant terms and conditions; and
- Details of why the project should be considered of similar complexity (if relevant).

The above details should be presented in a table format.

and

(b) evidence to demonstrate that the net assets of the Bidder, Bidder Group or relevant obligors²⁴ are equal to or more than 110%²⁵ of the proposed investment, i.e. the Initial Transfer Value, in the Qualifying Project. Net assets should be reconciled to the latest audited accounts available as at the EPQ Submission date and adjusted for any significant changes since that balance sheet date.

If more than one Qualifying Project is being bid for (as outlined in question 1A(ii) above), Bidders/Bidder Groups should demonstrate net assets on the basis of 110% of the proposed investment, i.e. the Initial Transfer Value, for the largest of the Qualifying Projects for which they are bidding.

Where Bidder Group track records are cited, each such track record can be multiplied by the Bidder's share of the consortium and then summed for all Bidders in the Bidder Group.

Evaluation Guidance for Question 3A:

PASS - Evidence is provided by the Bidder that its net assets are equal to or more than 110% of the Initial Transfer Value in the Qualifying Project(s) and a letter from the Bidder, Bidder Group or Supporting Organisations detailing a proven track record in the last five years of financing projects from the balance sheet totalling at least 110% of the proposed investment (i.e. 110% of the Qualifying Project's Initial Transfer Value (as set out in the EPQ Document)).

No extrinsic information that undermines the financial integrity of the Bidder's response has been identified or where such information has been identified it has been clarified to the satisfaction of the Authority.

Question 3B: Where the Bidder anticipates financing one or more Qualifying Project(s) using **project finance**, please identify the expected debt and equity/risk capital split. Then respond to the relevant sections below (including Question 3B(a) and Question 3B(b)) taking account of this debt and equity/risk capital split (and implications for capital raising).

Evaluation Guidance for Question 3B:

PASS - Debt and equity split is identified and evidenced.

²³ Note that Section 7 requires Bidders to explain their approach for determining an appropriate financing solution for a given Qualifying Project.

²⁴ In the case of a Bidder Group, each Bidder's net assets multiplied by the Bidder's share of the consortium (reflecting each Bidder Group member's proposed equity shareholding) and then summed for all Bidders in the Bidder Group. Where such obligations are guaranteed by an obligor of the Bidder/Bidder Group member, the net assets of the obligor can be used subject to note (i) above.

²⁵ The rationale for the minimum 110% is to cover potential variation from the Initial Transfer Value to the Indicative Transfer Value and/or future incremental investments.

Question 3B(a): For the proposed **debt finance** in the expected debt and equity/risk capital split, the Bidder must provide evidence of its track record/support letter for its anticipated financing structure by providing the information requested in **one** of **Question 3B(a)(i)** or **Question 3B(a)(ii)**. If the Bidder answers more than one of **Question 3B(a)(i)** and **Question 3B(a)(ii)**, the first answer only (in this order) will be evaluated.

(i) A proven track record in the last five years of raising similarly sized or similarly complex limited recourse / project finance debt to the proposed debt finance requirement, i.e. the debt funded proportion of the Initial Transfer Value, in the largest of the Qualifying Project(s) for which they are bidding. Evidence of raising debt finance in the last five years must provide information as to all of the below points for each project:

- The name and type of project for which the finance was put forward;
- The role of Bidder (or Bidder Group member) in raising finance;
- The amount of finance put forward – split by debt and equity;
- Details of the project finance sources and terms (debt) - please include the relevant terms and conditions;
- Details of the corporate finance sources and terms (equity) - please include the relevant terms and conditions;
- Details of why the project should be considered of similar complexity (if relevant).

The examples provided are to be set out in a tabular format under the above headings. The amount of finance raised across the examples are to be totalled.

Where Bidder Group track records are cited, each such track record can be multiplied by the Bidder's share of the consortium and then summed for all Bidders in the Bidder Group.

Or

(ii) A support letter from one or more acceptable independent financial institutions (having at least an 'A' category credit rating (that is, at least any of A-, A or A+/A1, A2 or A3 or equivalent from a recognised credit rating agency) or experience of providing or arranging debt finance which is limited recourse / project finance debt of a similar size or similar complexity) stating its/their intent to provide and/or arrange debt finance to the Qualifying Project which states the level of support provided (whether for all or a proportion of the financing requirement).

If more than one Qualifying Project is being bid for (as outlined in Question 1A(ii) above), Bidders should demonstrate their financial capacity to secure financing solutions on the basis of 110% of the proposed debt requirement, i.e. the debt funded portion of the Initial Transfer Value, for the largest of the Qualifying Projects for which they are bidding.

Evaluation Guidance for Question 3B(a):

PASS - Bidder has provided evidence to support the **debt finance** element of their project finance solution addressing all the requirements set out in either Question 3B(a)(i) or Question 3B(a)(ii) as applicable.

For any examples provided, the completion date or financial close has occurred within the last 5 years from the date of the EPQ Submission.

No extrinsic information that undermines the financial integrity of the Bidder's response has been identified or where such information has been identified it has been clarified to the satisfaction of the Authority.

Question 3B(b) For the proposed **equity finance**, in the expected debt and equity/risk capital split, the Bidder / Bidder Group²⁶ must provide evidence of its capacity/track record for its anticipated financing structure by providing the information requested in one of Question 3B(b)(i) or Question 3B(b)(ii). If the Bidder answers more than one of Question 3B(b)(i) and Question 3B(b)(ii), the first answer only (in this order) will be evaluated.

(i) A proven track record in the last five years of raising equity for a project of similar size, totalling at least 110% of its proposed equity investment, i.e. the equity funded proportion of the Initial Transfer Value, for the largest of the Qualifying Project(s) for which they are bidding.

Evidence of raising equity finance in the last five years must provide information as to all of the below points for each project:

²⁶ In this case, each Bidder's net assets (or undrawn commitments) multiplied by the Bidder's share of the consortium and then summed for all Bidders in the Bidder Group.

- The name and type of project for which the finance was put forward;
- The role of the Bidder (or Bidder Group member) in raising finance);
- The amount of financing put forward – split be debt and equity;
- Details of the project finance sources and terms (debt) – please include the relevant terms and conditions;
- Details of the corporate finance sources and terms (equity) – please include the relevant terms and conditions; and
- Details of why the project should be considered of similar complexity (if relevant).

The examples provided are to be set out in a tabular format under the above headings. The amount of finance raised across the examples are to be totalled.

Where Bidder Group track records are cited, each such track record can be multiplied by the Bidder's share of the consortium and then summed for all Bidders in the Bidder Group.

Or

(ii) Evidence to demonstrate net assets, and/or undrawn commitments of the relevant bidding vehicles from which they intend to fund, of at least 110% of its proposed equity/risk capital investment in the Qualifying Project, i.e. the equity funded portion of the Initial Transfer Value. Net assets should be reconciled to the latest audited accounts available as at the EPQ Submission date and adjusted for any significant changes since that balance sheet date.

Evaluation Guidance for Question 3B(b):

PASS - Bidder has provided evidence to support the **Equity Finance** element of their Project Finance solution addressing all the requirements set out in either Question 3B(b)(i) or Question 3B(b)(ii) as applicable.

No extrinsic information that undermines the financial integrity of the Bidder's response has been identified or where such information has been identified it has been clarified to the satisfaction of the Authority.

For any examples provided, the completion date or financial close has occurred within the last 5 years from the date of EPQ Submission.

In the event of credit rating lower than BBB, this will be highlighted to evaluators.

Question 3C: The Bidder (and where applicable each Bidder Group member) should provide the following:

Evaluation Guidance for Question 3C:

Note: We will consider other documents that appropriately demonstrate the Bidder's (and, where applicable, each Bidder Group member's) economic and financial standing where the Bidder (or Bidder Group member) has a valid reason for not providing what is requested.

Question 3C(i): copies of the last three years' audited statutory financial accounts (or equivalent) or for the period that is available if trading for fewer than three years. If the Bidder is formed of a Bidder Group, provide this information for each Bidder Group member and (where applicable) the ultimate parent company (or equivalent legal body) of each such entity;

Evaluation Guidance for Question 3C(i):

PASS - Bidder provided copies of the information requested in [3C](i) for each member of the Bidder Group and (where applicable) the ultimate holding company/parent entity (or equivalent legal body) of each such entity.

Question 3C(ii): a statement, as at the date of the Bidder's EPQ Submission of any contingent liability or loss (where not otherwise reported) that would require disclosure in accordance with International Accounting Standard 10, or, in the event there are none, a confirmation statement that there is no contingent liability or loss that would require disclosure in accordance with IAS 10; **and**

Evaluation Guidance for Question 3C(ii):

PASS – Clean submission with no declarations or otherwise no material declarations in light of the nature and quantum of contingent liability.

Question 3C(iii): if at the time of the EPQ Submission the Bidder's, or where relevant, any Bidder Group member's, most recent audited balance sheet is more than ten months out of date, provide:

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- a statement signed by the Director responsible for financial matters setting out any known significant changes in the current financial position from the last available audited balance sheet; **and**
- where available, a copy of the Chairman's half-yearly statement.

Evaluation Guidance for Question 3C(iii):

PASS - Where applicable, the Bidder has provided the information required in Question 3C(iii).

Question 3C: Bidders should clearly set out in their response to this Question 3C, to the extent relevant or applicable, how their responses to Questions 3A and 3B are consistent with the information provided in this Question 3C. Bidder's response should include clear references to the particular sections in their financial statements or accounts or other submissions to substantiate their submissions in Questions 3A and 3B.

Evaluation Guidance for Question 3C:

PASS - Bidder provides evidence that addresses the requirements set out in Question 3C. Where appropriate, Bidder has demonstrated a clear link between financial statements and the evidence provided in response to Question 3A and Question 3B, including reconciliations between the two that identify changes since the date of submitted statements.

4. PART 3 – TECHNICAL AND PROFESSIONAL ABILITY

SECTION 4: EXPERIENCE OF ASSET TAKEOVER, MANAGEMENT AND OPERATIONS

Section 4 Evaluation Criteria

A Bidder must demonstrate it has the capability to acquire, take over and manage an infrastructure business from a third party. Bidders will be evaluated by reference to the extent to which the experience evidenced is relevant to OFTO assets and demonstrates professional capability in the areas of expertise referred to.

A Bidder must also demonstrate its capability to operate the Qualifying Project. This will be evaluated through the provision of example infrastructure projects of a similar size and/or complexity to the Qualifying Project from within the past five years. Responses may draw on relevant experience from other sectors, in which case similarities and differences in approach should be explicitly explained and expected mitigation strategies set to cope with significant differences should also be highlighted. Bidders will be evaluated on the basis of their demonstrated professional ability in respect of the management and delivery of operational requirements for such projects, including their approach to managing and mitigating risks.

Any project examples provided should be based on projects in which you have been involved within the past five years. If the Bidder is formed of a Bidder Group, the lead member of the Bidder group should complete all questions in Part 3 on behalf of the Bidder Group.

Scoring methodology for Section 4

Section 4 is scored on a Pass/Fail basis.

Questions and Evaluation Guidance for Section 4

Questions **4A** and **4B** require Bidders to demonstrate their business and technical capability to acquire, take over and manage the Qualifying Project for which they are bidding.

Question 4A: Experience of Asset Takeover

Please outline your experience of the takeover of operational infrastructure assets making specific reference to relevant examples including but not limited to mergers and acquisitions, establishing new business units in the infrastructure sector, and expanding business units. Your response should cover your legal, regulatory, commercial, technical and financial experience in this context; include management control arrangements and your approach taken to stakeholder engagement during asset takeover.

Evaluation Guidance for Question 4A:

PASS: Bidder outlines it has the capability to undertake takeover of operational infrastructure assets.

The examples provided are relevant to transmission assets and demonstrate that the Bidder has the professional capability to acquire, take over and manage an infrastructure business of the size and complexity of the Qualifying Project(s).

Takeover experience may include information such as:

- i. Examples of previous experience of mergers and acquisitions; and/or
- ii. Track record in establishing new business units in a similar or related infrastructure sector; and/or
- iii. Experience of expanding business units in a similar or related infrastructure sector; and/or
- iv. Experience of involvement in design, construction, and/or operation and maintenance of electrical power infrastructures.

Bidder's response covers the elements requested (i.e. legal, regulatory, commercial etc.) and largely demonstrates professional capability of the nature required for the Qualifying Project. The response also includes details of the management control arrangements and approach to stakeholder engagement during the asset takeover.

Bidder demonstrates a sufficient understanding of the key principles and considerations that apply to the takeover of operational infrastructure assets.

Question 4B: Capability in Management and Operations

Please outline your management and operational experience of infrastructure projects of a similar size and/or complexity to the Qualifying Project(s) including, where relevant, reference to your internal policies, codes of conduct and best practice principles. In outlining your experience, please use your example projects to highlight the:

- i. approach your organisation takes to managing and operating infrastructure assets;
- ii. operational outcomes that you have required senior management within your organisation to deliver in relation to operation of the relevant project; and
- iii. approach your organisation took to ensuring best practice and compliance with internal codes of conduct and regulatory requirements of the relevant project.

At least one of the examples referenced in the answer to Question 4B should show familiarity with the operation of electricity transmission or distribution assets.

Evaluation Guidance for Question 4B:

PASS - all elements of the question have been addressed.

Bidder outlines examples of experience in management and operations of infrastructure projects of a similar size and complexity to the Qualifying Project(s). At least one of the examples should show familiarity with the operation of electricity transmission or distribution assets.

Experience demonstrates it has the capability in respect of the management and delivery of operational requirements for such projects, and includes viable approaches to managing and mitigating risks.

Responses may draw on relevant experience from other sectors, in which case similarities and differences in approach are explicitly explained and expected mitigation strategies set to cope with significant differences are also highlighted.

5. PART 4 – LIMITATION CRITERIA

SECTION 5: APPROACH TO ASSET TAKEOVER

Section 5 Evaluation Criteria

A Bidder must demonstrate that it has sufficiently good understanding of efficient and effective processes for taking over an offshore transmission system. The Bidder should include the principles that they would employ to ensure that asset takeover is achieved both smoothly and successfully within required timescales.

A Bidder must also set out what they regard to be the key principles and approaches for how they would go about setting up an OFTO business. This should include a summary of any key challenges that a Bidder considers it might face in establishing an OFTO business and how these would be suitably managed to ensure successful asset takeover. Where relevant, a Bidder may draw on relevant experience to highlight their understanding of the principles they would adopt in taking over the transmission assets/setting up an OFTO business.

Bidders will be evaluated on the basis of their degree of understanding of asset takeover and the viability of their approaches.

This section has a **total weighting of 15%**.

Scoring methodology for Section 5

Section 5 is evaluated on a scored basis. Each of the questions in this section will be scored using an evaluation scale ranging from A+ to D. An averaged minimum threshold score of 'B-' must be reached to pass this section. Please refer Section 4 of the EPQ Document for further details concerning the scoring approach in this tender process.

Questions and Evaluation Guidance for Section 5

Question 5A: Please outline the principles you would adopt and the approach you would follow (including your approach to technical due diligence) in taking over the following elements of an offshore transmission system:

- i. onshore substation
- ii. offshore substation
- iii. onshore cable
- iv. subsea cable

Evaluation Guidance for Question 5A:

- A + Grade

Principles and approach outlined for taking over the stated elements of an offshore transmission system demonstrates an excellent understanding of the nature of the business and a viable approach to the takeover of each of the four elements. Application of the principles is comprehensive and robust, and any uncertainty is considered to have no impact on deliverability.

Approach to taking over the elements is very detailed, comprehensive and clear with no material concerns.

Application of principles relating to all elements is deliverable and/or viable.

- B + Grade

Principles and approach outlined for taking over the stated elements of an offshore transmission system demonstrates a satisfactory understanding of what would be appropriate given the nature of the business and a viable approach to the takeover of each of the four elements. Any uncertainty is considered to have little impact on deliverability and/or viability.

Approach to taking over the elements is satisfactorily detailed, but raises some minor concerns.

Approach to applying certain elements is good but may lack detail.

- C + Grade

Principles and approach outlined for taking over the stated elements of an offshore transmission system demonstrate only a limited understanding of what would be appropriate given the nature of the business. There are a number of minor uncertainties, or one major uncertainty, which are/is considered to materially undermine deliverability and/or viability.

Limited detail provided on approach to taking over the elements may lack sufficient detail and significant issues or concerns with the response identified.

Limited detail provided in relation to the actual application of the approach in respect of the four elements of the system, undermining the extent to which approach can be considered deliverable and/or viable.

D Grade

Fails to demonstrate any understanding or only limited understanding of what is required to take over an offshore transmission system and viable approaches to the takeover of significant infrastructure assets generally.

Major concerns identified which are fundamental to the response which undermine the response as a whole.

Question 5B: Please outline the approach and principles you would follow when setting up an OFTO business. In particular, what in-house technical and financial expertise you would need to procure and what services you would need to subcontract.

Evaluation Guidance for Question 5B:

- A + Grade

Principles and approach to setting up an OFTO business demonstrate an excellent understanding of the OFTO business including the potential challenges and how these could be effectively managed. Excellent application of principles to the set-up of an OFTO business. Application of the principles is deemed viable. Excellent use of experience to demonstrate capability. Any issues or concerns identified with the response are considered to be very minor or immaterial.

- B + Grade

Principles and approach to setting up an OFTO business demonstrate a satisfactory understanding of the OFTO business including the potential challenges and how these could be effectively managed. Application of the principles is sufficiently detailed. Sufficient use of experience to demonstrate capability. Response raises some minor concerns in terms of viability of approach but these are considered unlikely to significantly impact upon the viability of the submission.

- C + Grade

Principles and approach outlined for setting up an OFTO business demonstrate only a limited understanding of the nature of the business. Application of the principles lacking key detail and consideration of the challenges is not generally included. No or limited use of experience to demonstrate capability. Response raises a number of minor concerns or one or more significant concerns in terms of viability of approach.

D Grade

Fails to outline a viable set of principles and approach to the set-up of an OFTO business.

Major concerns identified which are fundamental to the response, which undermine the response as a whole.

SECTION 6: APPROACH TO MANAGEMENT AND OPERATIONS

Section 6 Evaluation Criteria

A Bidder must set out its understanding and approach to operating transmission assets, including how it would deliver fit for purpose services for an OFTO project, how this might change over the full revenue term period and how the Bidder would manage such changes. A Bidder must also identify the key business and operational risks and explain how it would manage and mitigate these. Where appropriate the Bidder's response should be evidenced by experience-based management approaches, including relevant experience from other sectors that reflect a similar operational and safety critical environment as OFTO assets.

A Bidder must also set out how it would approach managing the key stakeholder interfaces which might be associated with an OFTO project, including identifying who the key stakeholders are and how any specific requirements would be managed.

Bidders are required to explain their understanding of the electricity industry regulatory framework applicable to an OFTO and set out how they would approach compliance. Bidders should provide details of their past experience in applying principles of best practice and following industry codes and regulations for infrastructure projects.

Bidders will be evaluated on the basis of their degree of understanding of operating transmission assets and the viability of their approaches. Any project examples provided should be based on projects in which the Bidder has been involved within the past five years.

This section has a **total weighting of 40%**.

Scoring methodology for Section 6

Section 6 is evaluated on a scored basis. Each of the questions in this section will be scored using an evaluation scale ranging from A+ to D. An averaged minimum threshold score of 'B-' must be reached to pass this section. Please refer Section 4 of the EPQ Document for further details concerning the scoring approach in this tender process.

Questions and Evaluation Guidance for Section 6

Question 6A: Please explain how you would approach operating transmission assets and delivering services for an OFTO project in accordance with the required operational performance standards, supported by examples from your experience of approaching the management and operation of transmission assets and/or other infrastructure assets where applicable.

Your response should set out your approach for the full revenue period (of up to 25 years) including the process and factors you intend to take into account. In particular, you should comment on the following:

- i. Procurement of required O&M services;

- ii. Asset maintenance, repair and inspection;
- iii. Spares management and procurement;
- iv. Outage coordination and management strategy;
- v. Network resilience and restoration; and
- vi. Efficient resourcing of activities.

Evaluation Guidance for Question 6A:

- A + Grade

Bidder demonstrates excellent understanding of how it would approach operating transmission assets and delivering services for an OFTO project to the required operational performance standards e.g. SQSS, Grid code, BSEN, IEC and IET standards or guidance.

An excellent explanation containing a comprehensive level of detail provided as to how the Bidder would approach operation of transmission assets.

A comprehensive level of detail and/or explanation is given around:

- i. operation and maintenance of the assets; and
- ii. obtaining and managing the necessary resources and contracts to deliver the transmission services required for an OFTO project.

Response entirely satisfies requirements or any issues identified are considered to be immaterial. A high level of confidence is provided that a viable approach would be taken.

Excellent examples of the delivery of previous relevant projects, in this or a similar industry, are provided. The Bidder may have indicated how it would use best practice from these in respect of OFTO projects.

- B + Grade

Bidder demonstrates a satisfactory understanding of how it would approach operating transmission assets and delivering services for an OFTO project to the required operational performance standards e.g. SQSS, Grid code, BSEN, IEC and IET standards or guidance.

A good explanation containing a sufficient level of detail provided as to how the Bidder would approach operation of transmission assets.

A sufficient level of detail and/or explanation is given around:

- i. operation and maintenance of the assets; and
- ii. obtaining and managing the necessary resources and contracts to deliver the transmission services required for an OFTO project.

Response raises some issues or concerns but these are considered insignificant. A sufficient level of confidence is provided that a largely viable approach would be taken.

Good examples of the delivery of previous relevant projects, in this or a similar industry or sector, are provided.

- C + Grade

Bidder demonstrates basic understanding of how it would approach operating transmission assets and delivering services for an OFTO project to the required operational performance standards e.g. SQSS, Grid code, BSEN, IEC and IET standards or guidance.

A basic explanation containing limited detail is provided as to how the Bidder would approach operation of transmission assets.

Only basic detail and/or explanation is given around:

- i. operation and maintenance of the assets; and
- ii. obtaining and managing the necessary resources and contracts to deliver the transmission services required for an OFTO project.

Response raises significant issues or concerns with regards to its completeness and demonstration of viability.

No or few references to examples of the delivery of previous relevant experience, in this or a similar industry or sector, are provided.

D Grade

Bidder fails to demonstrate an understanding of how it would approach operating transmission assets and delivering services for an OFTO project to the required operational performance standards e.g. SQSS, Grid code, BSEN, IEC and IET standards or guidance.

Major concerns identified which are fundamental to the response, which undermine the response as a whole.

Question 6B: How you would manage and mitigate the impact of the key business and operational risks related to managing and operating an OFTO asset, supported by examples from your experience of approaching the management and operation of transmission assets and/or other infrastructure assets.

Areas to cover:

- vi. Poor performance of the asset/asset condition;
- vii. Speed of response on asset failure;
- viii. Failure of supply chain member;
- ix. Events such as collision, extreme weather or fatality scenarios impacting O&M; and
- x. Resources you have/will obtain to cover these risks.

(Note: you are not required to detail here how you would approach dealing with the financial and/or commercial impact of key risks as this is addressed in Section 8 of the EPQ Questionnaire)

Evaluation Guidance for Question 6B:

- A + Grade

Bidder demonstrates excellent understanding of the key risks that would have a business and/or operational impact on managing and operating infrastructure.

Approach to managing the identified risks is comprehensive, clear and viable with no or only immaterial concerns identified.

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Excellent examples are provided of previous relevant experience of managing and mitigating key business or operational risks in this or a similar industry or sector that reflects a similar operational and safety critical environment as the OFTO assets.

- B + Grade

Bidder demonstrates a satisfactory understanding of the key risks that would have a business and/or operational impact on managing and operating infrastructure.

Approach to managing some/most of the identified risks is sufficiently detailed and viable, but raises some minor concerns

Good examples are provided of previous relevant experience of managing and mitigating key business or operational risks in this or a similar industry or sector that reflects a similar operational and safety critical environment as the OFTO assets.

- C + Grade

Bidder demonstrates basic understanding of the key risks that would have a business and/or operational impact on managing and operating infrastructure.

Approach to managing the identified risks is basic and may lack detail. Significant issues or concerns with the response identified with respect to viability.

No, few, or poor examples are provided of previous relevant experience of managing and mitigating key business or operational risks in this or a similar industry or sector that reflects a similar operational and safety critical environment as the OFTO assets.

D Grade

Bidder fails to demonstrate an understanding of the implications of the key business and operational risks in relation to managing and operating infrastructure.

Major concerns identified which are fundamental to the response, which undermine the response as a whole.

Question 6C: How you would approach managing managerial and operational interfaces with key stakeholders and third parties for an OFTO project, referring to past experiences of your contract management capability.

Evaluation Guidance for Question 6C:

- A + Grade

Bidder demonstrates excellent understanding of the managerial and operational interface management.

Proposed approach is viable and deliverable and indicates how the Bidder would successfully manage interfaces with key stakeholders and third parties. Detailed evidence of relevant past experience is provided in support.

An excellent level of detail provided on how the Bidder intends to engage with stakeholders. There are either no reservations or any that exist are considered immaterial and will not impact on the overall deliverability of the approach.

- B + Grade

Bidder demonstrates satisfactory understanding of the managerial and operational interface management.

Proposed approach is largely viable, indicating that the Bidder should be able to manage interfaces with key stakeholders and third parties without significant difficulty. Some past relevant experience has been demonstrated.

A satisfactory level of detail provided on how the Bidder intends to engage with stakeholders. Any reservations are not likely to significantly impact on the overall deliverability of the approach.

- C + Grade

Bidder demonstrates limited understanding of the managerial and operational interface management.

Proposed approach is not considered to be viable indicating that the Bidder may experience difficulties in managing interfaces with key stakeholders and third parties. Evidence in support of the Bidder's ability to achieve this is not provided.

A basic level or no detail provided on plans for how the Bidder intends to engage with stakeholders and/or a major reservation is identified with regard to a particular aspect of the response.

D Grade

Bidder fails to demonstrate an understanding of the management of managerial and operational interfaces with key stakeholders and third parties.

Major concerns identified which are fundamental to the response, which undermine the response as a whole.

Question 6D: Your understanding of the electricity industry regulatory framework applicable to an OFTO and how you would ensure compliance in operating and managing offshore transmission assets. You should refer to documents referenced under 'Relevant Guidance and Other Documents' in Section 1 of this EPQ Document in considering your response to this question.

Evaluation Guidance for Question 6D:

- A + Grade

Bidder provides excellent approach to ensuring compliance with electricity industry regulatory framework applicable to an OFTO.

Proposed approach (supported by detailed evidence) provides a high level of confidence of the Bidder's understanding of, and ability to comply with, applicable codes and the wider regulatory regime. Approach is described in detail and demonstrates a comprehensive understanding of the duties and responsibilities required.

Comprehensive cross references to the relevant code and licence requirements are provided.

- B + Grade

Bidder provides a good approach to ensuring compliance with electricity industry regulatory framework applicable to an OFTO.

Proposed approach provides a good level of confidence of the Bidder's understanding of, and ability to comply with, applicable codes and the wider regulatory regime. Approach is considered largely viable in terms of achieving compliance but is deficient of some of the supporting detail linking all aspects.

A satisfactory level of cross referencing to the appropriate code and licence requirements is provided.

- C + Grade

Bidder provides basic approach to ensuring compliance with electricity industry regulatory framework applicable to an OFTO.

Enhanced Pre-Qualification Document for Tender Round 13 (TR13)

Proposed approach provides limited confidence of the Bidder's understanding of, and ability to comply with, applicable codes and wider regulatory regime. Approach is provided in outline only without any supporting detail.

No or limited cross references made to the appropriate code and licence requirements.

D Grade

Bidder fails to demonstrate through its approach how it will ensure compliance with electricity industry regulatory framework applicable to an OFTO.

Major concerns identified which are fundamental to the response which undermine the response as a whole.

Question 6E: How your past experience with applying principles of best practice and following internal codes of conduct for infrastructure projects would help you ensure compliance when operating and managing a transmission system, in terms of:

- i. Applicable health and safety legislation in managing the key health and safety risks to your employees, subcontractors' employees, members of the public and with respect to the safety of the installations themselves; and
- ii. Applicable environmental and planning legislation.

Evaluation Guidance for Question 6E:

- A + Grade

Comprehensive response provided which makes reference to the relevant health and safety legislation demonstrating the Bidder's full understanding of obligations and responsibilities for infrastructure projects and how these might apply to a transmission system. This is supported by excellent examples of previous experience on similar projects.

Comprehensive HS&E control process/procedure documents, that the Bidder proposes are applicable, are identified and provided.

Excellent understanding of key health and safety risks demonstrated and a clear explanation of how these would be managed.

Excellent understanding of applicable environmental and planning legislation and comprehensive level of detail provided as to how the activities will be delivered in accordance with this legislation.

- B + Grade

A good level of detail is provided which makes reference to the relevant health and safety legislation, demonstrating the Bidder's understanding of obligations and responsibilities for infrastructure projects and how these might apply to a transmission system. This is supported by good examples of previous experience on similar projects.

Detailed HS&E control process/procedure documents, that the Bidder proposes are applicable, are identified.

Good understanding of key health and safety risks demonstrated and explanation of how these would be managed.

Good understanding of applicable environmental and planning legislation and good level of detail provided as to how the activities will be delivered in accordance with this legislation.

- C + Grade

Limited detail provided, with only headline reference made to relevant health and safety legislation and demonstrating limited understanding of the Bidder's obligations and responsibilities for infrastructure projects and how these might apply to a transmission system.

No HS&E control process/procedure documents, that the Bidder proposes are applicable, are identified.

Basic understanding of key health and safety risks demonstrated and explanation of how these would be managed.

Basic reference to applicable environmental and planning legislation and limited detail provided as to how the activities will be delivered in accordance with this legislation.

D Grade

Bidder fails to demonstrate through its approach how it will ensure compliance with health and safety as well as environmental and planning statutory requirements.

Major concerns identified which are fundamental to the response which undermine the response as a whole.

SECTION 7: FINANCING SOLUTION

Section 7 Evaluation Criteria

A Bidder must outline its approach for determining a financing solution that would be appropriate for each Qualifying Project included in its EPQ Submission, including why it considers each solution to be suitable for the relevant Qualifying Project. A Bidder must also explain what alternative approaches have been considered and provide details of how it would identify and evaluate alternative financing solutions to ensure that the approach remains competitive throughout the Tender Exercise. The Bidder will be evaluated on the basis of the viability of the expected financing strategy or strategies.

This section has a **total weighting of 25%**

Scoring methodology for Section 7

Section 7 is evaluated on a scored basis. Each of the questions in this section will be scored using an evaluation scale ranging from A+ to D. An averaged minimum threshold score of 'B-' must be reached to pass this section. Please refer Section 4 of the EPQ Document for further details concerning the scoring approach in this tender process.

Questions and Evaluation Guidance for Section 7

Question 7: Please explain how you would go about determining an efficient, effective and deliverable financing solution for the Qualifying Project(s), including:

Question 7(a):

What you currently consider to be a suitable financing structure for each Qualifying Project(s) (including what type of finance you currently anticipate using) and what considerations and criteria you have taken into account in determining the financing solution;

Evaluation Guidance for Question 7(a):

- A + Grade

Bidder has provided an excellent description of the suitable financing structure (corporate finance, project finance, etc.) for a Qualifying Project with significant detail regarding – inter alia:

- i. Anticipated sources (commercial bank debt, public bond, private placement, cash reserves, corporate facilities etc.).
- ii. Approximate gearing levels/coverage ratios.
- iii. Other debt covenants or restrictions applicable to financing structure.
- iv. Key conditions attached to drawing corporate finance.
- v. Target credit rating requirements.
- vi. Letters of support / indicative terms for corporate finance, project finance debt and/or equity approval processes and/or timescales.
- vii. A description of any reserve accounts/facilities.
- viii. A detailed timetable against the bid development plan, including the steps adopted to deliver such a strategy.

Bidder has provided a detailed explanation of considerations and criteria to be used in determining the appropriate financing solution for each Qualifying Project, including a description and explanation as to why each is appropriate.

There is a strong rationale/application of criteria for selecting this structure for each Qualifying Project, with clear evidence as to how the Bidder has reached this conclusion in the context of the Qualifying Project.

Bidder has provided a detailed explanation of their approach for engaging with financiers.

- B + Grade

Bidder has provided a good description of the suitable financing structure (corporate finance, project finance, etc.) for each Qualifying Project including detail regarding – inter alia:

- i. Anticipated sources (commercial bank debt, public bond, private placement, cash reserves, corporate facilities etc.).
- ii. Approximate gearing levels/coverage ratios.
- iii. Other debt covenants or restrictions applicable to financing structure.
- iv. Key conditions attached to drawing corporate finance
- v. Target credit rating requirements.
- vi. Letters of support consistent with the preferred financing structure for a Qualifying Project.
- vii. A description of any reserve accounts/facilities.
- viii. A brief timetable against the bid development plan, including the steps adopted to deliver such a strategy.

Bidder has provided a clear outline of considerations and criteria to be used in determining the appropriate financing solution(s), including a description and explanation as to why each solution is appropriate for the relevant Qualifying Project, however detail is lacking in some instances.

There is a good rationale/application of criteria for selecting the structure for the relevant Qualifying Project, however the response may lack some detail.

Bidder has provided a good explanation of their approach for engaging with financiers, although there are some elements still to be fully developed.

- C + Grade

Bidder has provided a limited description of suitable financing structure(s) which fails to provide detail on fundamental aspects of the structure or raises concerns about the viability of the proposed approach.

Bidder has provided an outline of considerations and criteria to be used in determining the appropriate financing solution for each Qualifying Project, including a description and explanation as to why each solution is appropriate, however the considerations stipulated are not considered to be particularly relevant in the context of the relevant Qualifying Project(s).

There is a poor rationale/application of criteria for selecting a financing structure for a Qualifying Project.

Bidder provides limited explanation regarding their approach to engaging with financiers and/or the timetable for their plan is unsuitable.

D Grade

Bidder has not selected their preferred financing solution for each Qualifying Project included in the EPQ Submission.

AND

Bidder has failed to set out the considerations and criteria to be used in determining their appropriate financing solution/solutions, or has set out unsuitable / incomplete criteria.

OR

No or very poor rationale/application of criteria for choosing the selected structure(s) which causes significant concerns over the viability and deliverability of the selected approach/approaches.

OR

Bidder has not considered their approach to engaging with financiers or a suitable timetable for their plan(s).

Question 7(b): What alternative financing structure you would propose, the circumstances under which you would consider these further and why this is a suitable alternative;

Evaluation Guidance for Question 7(b):

- A + Grade

Bidder has provided a comprehensive description of at least one alternative solution for each Qualifying Project which outlines all of the details outlined in the first bullet of Question 7A(a) above.

Bidder has compared the alternative structure(s) against proposed structure and criteria identified in Question 7(a).

Bidder has provided a clear explanation of the circumstances under which each alternative structure would be considered further.

Bidder instils confidence that they have the flexibility to implement their alternative solution(s), should the need arise. Bidder has experience closing more than one financing solution.

- B + Grade

Bidder has provided a substantive description of at least one alternative financing solution for each Qualifying Project which outlines some of the details described in the first bullet of [7A](1) above.

Bidder has compared the alternative structure(s) against proposed structure and criteria identified in Question 7(a).

Bidder has provided a brief outline of the circumstances under which each alternative structure would be considered further.

There are some minor concerns over the Bidder's ability to implement their alternative solution(s), should the need arise.

- C + Grade

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Bidder has provided a poor description of one or more alternative financing solution(s).

Bidder has compared the alternative structure(s) against proposed structure and criteria identified in Question 7(a) but their response for each such alternative(s) lacks detail.

Bidder response lacks detail on the circumstances under which each alternative structure would be considered further.

Bidder does not demonstrate the ability to implement an alternative solution or an understanding of the issues related thereto.

D Grade

Bidder has not provided details of any alternative financing solutions that have been considered.

AND

Bidder has failed to provide detail on the circumstances under which an alternative structure would be considered further.

Question 7(c): What **external financing/OFTO specific market factors** have influenced your anticipated financing solution(s), and proposed mitigants for addressing these factors. What further factors you would take into account when proposing a financing solution at the ITT stage;

The **approach** you would take to **due diligence** in relation to your financing solution(s);

Evaluation Guidance for Question 7(c):

- A + Grade

Bidder has provided a comprehensive list of external market factors (including OFTO performance) taken into consideration when selecting their proposed financial structure(s), including how these factors were reflected in their solution choice and how these factors will be considered during the development of ITT submissions.

Bidder has clearly considered how they will mitigate the effect of a comprehensive set of external factors, (where possible) and these mitigants are considered to be robust/viable.

- B + Grade

Bidder has provided a substantive list of some external market factors taken into consideration when selecting their proposed financial structure(s), including how these factors were reflected in their solution choice and how these factors will be considered during the development of ITT submissions, however some key external market factors have been omitted.

Bidder has considered how the effects of only some external factors, or the proposed mitigants are not considered to be robust/Bidder has outlined some potential mitigants for these external factors but their response lacks detail.

- C + Grade

Enhanced Pre-Qualification Document for Tender Round 13 (TR13)

Bidder has provided a basic list of some external market factors taken into consideration when selecting their proposed financial structure(s), including how these factors were reflected in their solution choice and how these factors will be considered during the development of ITT submissions, however the majority of key external market factors have been omitted.

Bidder has not considered how the effect of the external factors can be mitigated, or the proposed mitigants are not considered to be robust/viable.

D Grade

Bidder has not considered any relevant external factors when selecting their proposed financing structure(s).

AND

Bidder has not considered how the effect of the external factors can be mitigated.

Question 7(d): The **approach** you would take to **due diligence** in relation to your financing solution(s);

Evaluation Guidance for Question 7(d):

- A + Grade

Bidder has provided a comprehensive description of the full due diligence process for an OFTO project, including steps already undertaken and those to be completed and an anticipated timetable for completion of due diligence process.

Bidder has clearly considered the key inputs required to progress the due diligence process and dependencies in the due diligence process.

Bidder has engaged in discussions with third parties responsible for most due diligence areas (including consideration of plan to achieve any required credit ratings) and identified these parties where appropriate / had detailed fee & scoping discussions / appointed advisors.

Where corporate finance is used, Bidder has provided a clear and comprehensive explanation of how the financial robustness of the project will be tested, demonstrated and maintained in the absence of third party lender due diligence, with reference to the creditworthiness of the group now and in the future.

- B + Grade

Bidder has provided an outline of the due diligence process for an OFTO project, including steps already undertaken and those to be completed.

Bidder has clearly considered some of the key inputs required to progress the due diligence process and dependencies in the due diligence process, however some key inputs and dependencies have been omitted or the response lacks detail.

Bidder has engaged or demonstrates a satisfactory plan to engage in discussions with third parties responsible for key due diligence areas (e.g. technical) but discussions are relatively unprogressed. Bidder has identified potential providers for other due diligence areas (e.g. model audit).

Where corporate finance is used, Bidder has provided some explanation of how the financial robustness of the project will be tested, demonstrated and maintained in the absence of third party lender due diligence, with some reference to the creditworthiness of the group now and/or in the future.

- C + Grade

Enhanced Pre-Qualification Document for Tender Round 13 (TR13)

Bidder has provided a basic outline of the due diligence process for an OFTO project, however there is limited confidence that the Bidder has understood the process required.

Bidder has failed to consider the majority of the key inputs required to progress the due diligence process and dependencies in the due diligence process.

Bidder has failed to engage or demonstrate a satisfactory plan to engage in discussions with third parties responsible for due diligence.

Where corporate finance is used, Bidder has provided a poor explanation of how the financial robustness of the project will be tested, demonstrated and maintained in the absence of third party lender due diligence. Reference to the creditworthiness of the group now and in the future is not made or unclear.

D Grade

Bidder's response does not demonstrate an understanding of the due diligence process required for an OFTO project.

Where corporate finance is used, Bidder has not addressed the demonstration of financial robustness.

Question 7(e): Set out **key assumptions** that impact your anticipated financing solution and the basis for these. Areas to cover:

- i. Indexation approach; and
- ii. Other Income Items.

Evaluation Guidance for Question 7(e):

- A + Grade

Bidder has provided a detailed outline of their understanding of the implications of the key assumptions.

The source of each assumption has been clearly identified and is supported by a strong rationale.

Bidder has clearly considered the suitability of their assumptions in light of their preferred financing solution(s).

- B + Grade

Bidder has provided an outline of their understanding of the implications of the key assumptions.

The source of some, but not all, of the assumptions has been clearly identified.

Bidder has considered the suitability of their assumptions in light of their preferred financing solution(s).

- C + Grade

Bidder demonstrates a limited understanding of the implications of the key assumptions.

The source of most assumptions is unclear.

Bidder has provided limited consideration of the suitability of their assumptions in light of their preferred financing solution(s).

D Grade

Enhanced Pre-Qualification Document for Tender Round 13 (TR13)

Bidder demonstrates no or incoherent understanding of the implications of the key assumptions.

The source of each assumption is unclear.

Bidder has clearly not considered the suitability of their assumptions in light of their preferred financing solution(s).

SECTION 8: FINANCIAL AND COMMERCIAL RISK MANAGEMENT

Section 8 Evaluation Criteria

All questions in this section relate to the commercial and financial implications of operating offshore electricity transmission assets and should be consistent with the responses provided in Section 6. A Bidder must demonstrate an understanding of the key risks and how it might respond appropriately to them. Bidders will be evaluated on their understanding of these risks, and set out in broad terms their approach to managing and mitigating such risks.

It is important you **illustrate your experience** in this area **with infrastructure assets you manage and operate**, but they **do not have to be offshore transmission assets**. The approach should include whether you intend to have the requisite skills in house or contracted and if not yet in the group, what you intend to obtain by the time you submit an ITT bid.

This section has a **total weighting of 20%**.

Scoring methodology for Section 8

Section 8 is evaluated on a scored basis. Each of the questions in this section will be scored using an evaluation scale ranging from A+ to D. An averaged minimum threshold score of 'B-' must be reached to pass this section. Please refer Section 4 of the EPQ Document for further details concerning the scoring approach in this tender process.

Questions and Evaluation Guidance for Section 8

Question 8A: Please set out your understanding of the key risks in managing and operating an OFTO asset and how you will look to formulate your approach to managing and mitigating both the **financial** and **commercial** impacts of such risk.

Areas to cover:

- i) Poor performance of the asset / asset condition;
- ii) Speed of response on asset failure; and
- iii) Other risks you have identified.

Evaluation Guidance for Question 8A:

- A + Grade

Bidder demonstrates excellent understanding of the key risks that would have a financial and commercial impact on managing electricity transmission assets.

Approach to managing key risks is detailed, clear and coherent.

Enhanced Pre-Qualification Document for Tender Round 13 (TR13)

The Bidder's answer is supported by detailed examples of relevant experience from the Bidder's own experience to demonstrate an excellent understanding of these types of risks.

- B + Grade

Bidder demonstrates good understanding of the key risks that would have a financial and commercial impact on managing and operating electricity transmission assets.

The Bidder's answer is supported by clear examples with sufficient detail of relevant experience from the Bidder's own experience to demonstrate a good understanding of these types of risks.

- C + Grade

Bidder demonstrates basic understanding of the key risks that would have a financial and commercial impact on managing and operating electricity transmission assets.

The Bidder's answer is supported by limited or less relevant examples of experience from the Bidder's own experience to demonstrate a basic understanding of these types of risks.

Approach to managing key risks may be deliverable in parts but significant issues or concerns with the overall approach response identified.

D Grade

Bidder demonstrates no or incoherent understanding of the implications of the key financial and commercial risks in relation to managing and operating electricity transmission assets.

The response suggests the Bidder has a limited understanding of the risks specific to transmission assets that undermines the response as a whole.

The Bidder's answer is supported by no examples of relevant experience from the Bidder's own experience.

Question 8B: Please set out how you will look to formulate your approach to mitigate financial risk as part of overall approach to risk mitigation.

Evaluation Guidance for Question 8B:

- A + Grade

Approach to use of e.g. insurance, reserve accounts, warranties, as part of an overall approach to managing risk is considered excellent. Any concerns identified are considered to be immaterial.

The Bidder's answer is supported by detailed examples of relevant experience from the Bidder's own experience to demonstrate an excellent understanding of these types of risks.

- B + Grade

Approach to use of e.g. insurance, reserve accounts, warranties, as part of overall approach to risk is considered good with some minor concerns but these are considered unlikely to materially impact upon the likely approach to deliverability. Clear approach to how the bidder will look to obtain satisfactory skills to manage these risks by the time the Bidder submits its ITT bid.

The Bidder's answer is supported by clear examples with sufficient detail of relevant experience from the Bidder's own experience to demonstrate a good understanding of these types of risks.

- C + Grade

Limited detail provided in relation to the use of e.g. insurance, reserve accounts, warranties and/or significant concerns how it fits with their suggested overall approach.

The Bidder's answer is supported by limited or less relevant examples of experience from the Bidder's own experience to demonstrate a basic understanding of these types of risks.

D Grade

Major concerns identified with the overall approach proposed to managing the commercial and /or financial impact of the risks outlined, nor has a plan been proposed for how to obtain the expertise needed to do so.

The Bidder's answer is supported by no examples of relevant experience from the Bidder's own experience.

Question 8C: Please set out the resources you have / will obtain to cover these risks and how they will manage any contracting relationships.

Evaluation Guidance for Question 8C:

- A + Grade

Relevant skills to manage these risks in the Bidder group / supply chain demonstrated already as existing.

The Bidder's answer is supported by excellent examples of relevant experience from the Bidder's own experience.

- B + Grade

Approach to managing key risks is considered to be largely deliverable but may have some gaps.

Any material gaps are covered off by the bidder setting out an approach on how these issues would be tackled by the time the Bidder submits its ITT bid. The Bidder's answer is supported by good examples of relevant experience from the Bidder's own experience.

- C + Grade

Limited detail on their relevant expertise or how it will be acquired by the time the Bidder submits its ITT bid.

Enhanced Pre-Qualification Document for Tender Round 13 (TR13)

The Bidder's answer is supported by limited examples of relevant experience from the Bidder's own experience.

D Grade

Major concerns demonstrated by a lack of detail on their relevant expertise or how it will be acquired by the time the Bidder submits its ITT bid.

The Bidder's answer is not supported by examples of relevant experience from the Bidder's own experience.

6. PART 5 - OTHER

Section 9 – Draft Transfer Agreement Comments

Section 9 of the EPQ Questionnaire invites Bidders to provide comments on the draft Transfer Agreement for the Qualifying Project. This is not evaluated, it is optional.

Section 10 – EPQ Certificate

Section 10 of the EPQ Questionnaire, the EPQ Certificate, must be signed by a duly authorised officer of the Bidder or, if a Bidder is formed of a Bidder Group, each member of the Bidder Group to meet the compliance assessment. A Bidder or Bidder Group who does not do so will have its EPQ Submission rejected and it will not be considered further.

Section 11 - Confidentiality

Section 11 of the EPQ Questionnaire invites Bidders to identify confidential information in their EPQ Submissions for the purposes of Freedom of Information requests. This is not evaluated, it is optional. This is requested for information only.

Appendix 3 – Disclaimer and Notices

Non-reliance, Accuracy of Information and Exclusion of Liability

- A4.1. It is the responsibility of each Bidder to ensure that it has all of the information it needs to prepare its EPQ Submission(s).
- A4.2. While information provided by Ofgem and/or its Advisers in this EPQ Document or otherwise in relation to the Tender Round has been prepared in good faith, neither Ofgem nor any of its Advisers make any representation or warranty (express or implied) in relation to the Tender Round or any information provided by the Developers through the Portal or otherwise. Ofgem and its Advisers expressly disclaim any and all liability (other than in respect of fraudulent misrepresentation) based on or relating to any such information or representations or warranties (express or implied) contained in, or errors or omissions from, this EPQ Document (and other related documentation) or based on or relating to its use by a Bidder and/or any other interested party.

Use of Information

- A4.3. This EPQ Document is not intended to provide the basis of any investment decision, nor is it intended to be considered as an investment recommendation by Ofgem or by any of its Advisers. Each Bidder and any other interested party must make its own independent assessment of the Qualifying Project(s) after making such investigation and taking such professional advice as it deems necessary.
- A4.4. The material in this EPQ Document is not and should not be regarded as legal or professional advice. Bidders and other interested parties should seek their own legal or other professional advice where appropriate.
- A4.5. Nothing in this EPQ Document is intended to, or shall be deemed to establish any partnership or joint venture between Ofgem and any Bidder.
- A4.6. Advisers acting for Ofgem in relation to the Tender Round will not regard any Bidder or other interested party as their client or be responsible to anyone other than Ofgem for providing the protections afforded to their clients or for advising any other person on the Tender Round or any matter related to it.

Freedom of Information

- A4.7. The Freedom of Information Act 2000 provides a general right of access to all information held by public authorities. The Environmental Information Regulations 2004 provide a general right of access to all environmental information held by public authorities. Ofgem is subject to the Freedom of Information Act 2000 and the Environmental Information Regulations 2004.
- A4.8. Bidders should identify which parts, if any, of their submissions are provided to Ofgem in confidence and provide reasons why they consider the information to be eligible for exemption under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004 and should be kept confidential. Ofgem will take any such statement of confidentiality into account in considering whether an exemption applies, but Ofgem is not bound by any such statement.
- A4.9. Although Ofgem is not under any statutory obligation to consult with a Bidder in relation to requests for information made under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004, Ofgem will endeavour to

inform the relevant Bidder of requests wherever it is reasonably practicable to do so. However, all decisions in respect of disclosure of information will be made at the sole discretion of Ofgem regardless of whether or not a Bidder has identified any information as being in its opinion eligible for exemption. For further information and guidance, Bidders' attention is drawn to the Codes of Practice issued under Sections 45 and 46 of the Freedom of Information Act 2000²⁷.

Data Protection

A4.10. In participating in the Tender Round, Bidders must comply with the Data Protection Act 2018, General Data Protection Regulation 2018, and all other relevant regulations, together with any codes of conduct and guidance issued by the Information Commissioner. Bidders must not do, or cause or permit to be done, anything which may cause or otherwise result in a breach by Ofgem of such requirements. BravoSolution UK Ltd, on behalf of Ofgem, will collect, hold and use personal data obtained from and about Bidders. In order to participate in the Tender Round, Bidders must agree to such data being collected, held and used.

Confidentiality and Publicity

A4.11. Bidders must comply with their obligations under the Confidentiality Agreement they are required to sign with the Developer of the Qualifying Project(s) at the start of each EPQ Stage. Bidders must procure compliance by their directors, employees, advisers, subcontractors, etc., as provided for under such agreements.

A4.12. Bidders shall not undertake (or permit to be undertaken) at any time during the Tender Round any publicity activity with any section of the media in relation to the Qualifying Project(s) other than with the prior written agreement of Ofgem. Such agreement shall extend to the content of any publicity. In this paragraph the word 'media' includes (without limitation) radio, television, newspapers, trade and specialist press, the internet (including social media) and e-mail accessible by the public at large and the representatives of such media.

Copyright

A4.13. The information contained within this EPQ Document is subject to Crown copyright protection unless otherwise indicated. The Crown copyright protected material may be reproduced free of charge in any format or medium provided it is reproduced accurately and not in a misleading or derogatory manner. Where any of the Crown copyright material in this EPQ Document is being published or copied to others, the source of the material must be identified and the copyright status acknowledged.

National Audit Office

A4.14. The Comptroller and Auditor General of the National Audit Office is the auditor for central government. Ofgem and any documents and information held by Ofgem in connection with the Tender Round (including commercially sensitive information and information marked as confidential) may be subject to audit by the Comptroller and Auditor General.

A4.15. Accordingly, Bidders should be aware that for the purposes of the National Audit Act 1983 the Comptroller and Auditor General may:

²⁷ <http://www.justice.gov.uk/information-access-rights/foi-guidance-for-practitioners/code-of-practice>

- examine and take copies of documents and information held by Ofgem in connection with the Tender Round (including commercially sensitive information and information marked as confidential) and request such information as he may reasonably require; and
- has the right to publish information related to the Tender Round (including commercially sensitive information and information marked as confidential) in its report to Parliament. In this context, please refer to the report published by the National Audit Office in June 2012 on the Offshore Transmission regime²⁸.

²⁸ http://www.nao.org.uk/publications/1213/offshore_electricity.aspx

Appendix 4 – Glossary

A

Advisers

In relation to Ofgem, its employees, officers, directors, officials, insurers, agents, consultants, advisers, contractors, sub-contractors (of any tier) and affiliates.

Authority

The Gas and Electricity Markets Authority established by section 1(1) of the Utilities Act 2000. The Authority governs Ofgem.

B

Best and Final Offer (BAFO) Submission

A selected Bidder's response to the BAFO Document.

BAFO Stage

A stage of a Tender Exercise which the Authority may decide to run after the ITT Stage in order to determine which Bidder shall become the Preferred Bidder in respect of a Qualifying Project(s). This stage starts from the distribution by Ofgem of the BAFO Document to selected Bidders, including BAFO preparation, Submission and evaluation, and ending when a Preferred Bidder is selected and notified.

Bid

The submission made by a Bidder to Ofgem in response to the EPQ Document.

Bidder

Any person or Bidder Group that is intending to make, or makes, an EPQ Submission, a Preferred Bidder or a Successful Bidder (as applicable).

Bidder Group

Two or more persons acting together as a consortium for the purposes of any EPQ, ITT or BAFO Submission to Ofgem in accordance with the Tender Regulations. This includes both equity and non-equity consortium members.

C

Certification

The process for demonstrating compliance with ownership unbundling requirements in accordance with the Electricity Act 1989.

Confidentiality Agreement

The agreement between a Developer and a Bidder or Bidder in respect of confidential information disclosed in connection with a Tender Exercise.

Corporate Finance

Any finance provided by the company without recourse to external parties, e.g. intercompany loans, where the shareholders or parent company are the sole source of finance.

Crown Estate Scotland

The body that manages Crown property in Scotland and that is responsible for awarding offshore wind leases for access to the seabed to wind farm operators in Scotland. Each OFTO must enter into a lease or licence with Crown Estate Scotland to be able to operate and maintain its Offshore Transmission System on the seabed.

D

Data Room

In respect of a Qualifying Project(s), a secure electronic data room populated and maintained by Ofgem with information provided by Ofgem, the relevant Developer and other third parties, which is made available to Bidders through the Portal.

Debt Finance

Any non-recourse or limited recourse senior debt finance including any enhancement or mezzanine structures.

Developer

The Tender Regulations define a 'developer' as 'any person within section 6D(2)(a) of the 1989 Act or within a developer group'. Section 6D(2)(a) of the Electricity Act 1989 defines such person as 'the person who made the connection request for the purposes of which the tender exercise has been, is being or is to be, held'. In practice, such person is also the entity responsible for the construction of the generation assets and, under Generator Build, the transmission assets. Under Generator Build, this is the person who requests that Ofgem commences a Tender Exercise in respect of a proposed Qualifying Project.

Developer Group

The Tender regulations define a 'developer group' as two or more persons acting together for the purpose of developing a Qualifying Project.

E

Electricity Act

The Electricity Act 1989 as amended from time to time.

Enhanced Pre-Qualification (EPQ) Stage

The stage of a Tender Exercise starting from the publication of the EPQ Document, including the preparation, submission and evaluation of EPQ Submissions and ending once Ofgem has published the shortlist of Qualifying Bidders who have been invited to participate in the ITT Stages of the Tender Exercise.

EPQ Document

The document prepared and issued by Ofgem for the purpose of selecting a shortlist of Bidders to progress to the ITT Stage, and which sets out the rules and requirements of the EPQ Stage.

EPQ Questionnaire

The questionnaire that forms part of the EPQ Document.

EPQ Submission

A Bidder's response to the EPQ Document.

Evaluation Criteria

The criteria against which Ofgem will evaluate EPQ Submissions set out in Section 4.

G

Generator Build

A model for the construction of offshore transmission assets. Under the generator build option, the Developer carries out the preliminary works, procurement and construction of the Transmission Assets. The OFTO operates, maintains and decommissions the Transmission Assets.

I

Indicative Transfer Value

Ofgem's estimate of the economic and efficient costs which ought to be incurred in connection with:

- (a) for a Generator Build Tender Exercise, the development and construction of the relevant Transmission Assets; or
- (b) for an OFTO Build Tender Exercise, obtaining the relevant preliminary works.

Information Memorandum (IM)

The document prepared by, or on behalf of, the Developer for a Qualifying Project containing detailed information for such Qualifying Project which is issued to Bidders at the EPQ Stage via the Portal, providing they have returned the completed Confidentiality Agreement and COI declarations via the Portal.

Initial Transfer Value

The initial transfer value for a Qualifying Project(s) based on information provided by the relevant Developer.

Invitation to Tender (ITT) Stage

The stage of a Tender Exercise during which the Authority may determine which Bidder becomes the Preferred Bidder or whether to hold a BAFO stage. This stage starts from the distribution of the ITT Document to Bidders by Ofgem, and includes the preparation, submission and evaluation of ITT Submissions.

ITT Document

The document prepared and issued by Ofgem to each Qualifying Bidder invited to make an ITT Submission, and which sets out the rules and requirements of the ITT Stage.

ITT Submission

A Bidder's response to the ITT Document.

L

Licence Grant

Following its determination to grant an OFTO Licence to the Successful Bidder, the Authority confirms such determination in accordance with regulation 28(2) of the Tender Regulations and grants such OFTO Licence to the Successful Bidder pursuant to section 6(1)(b) of the Electricity Act 1989.

Limitation Criteria

Part 4 (comprising sections 5 to 8) of the EPQ Questionnaire.

N

National Electricity Transmission System (NETS)

The system consisting (wholly or mainly) of high voltage electric lines owned or operated by transmission licensees within Great Britain, in the territorial sea adjacent to Great Britain and in any Renewable Energy Zone and used for the transmission of electricity from one generating station to a sub-station or to another generating station or between sub-stations or to or from any interconnector and includes any electrical plant or meters owned or operated by any transmission licensee within Great Britain, in the territorial sea adjacent to Great Britain and in any Renewable Energy Zone in connection with the transmission of electricity.

National Energy System Operator (NESO)

The entity responsible for coordinating and directing the flow of electricity over the NETS.

O

Offshore Transmission Owner Licence (OFTO Licence)

The licence awarded under section 6(1)(b) of the Electricity Act 1989 following a Tender Exercise authorising an OFTO to participate in the transmission of electricity in respect of the relevant Offshore Transmission System. The licence sets out an OFTO's rights and obligations as the offshore transmission asset owner and operator.

Offshore Transmission Owner (OFTO)

The holder of an OFTO Licence.

Offshore Transmission System

A Transmission System made up of Transmission Assets that is used for purposes connected with transmission of electricity in offshore waters, where offshore waters means:

- (a) waters in or adjacent to Great Britain which are between the mean low water mark and the seaward limits of the territorial sea;
- (b) waters within an area designated under section 1(7) of the Continental Shelf Act 1964; and
- (c) waters within an area under section 84(4) of the Energy Act 2004.

Ofgem

Office of Gas and Electricity Markets. Ofgem, "the Authority" and "we" are used interchangeably in this document.

OFTO Build

A model for the construction of offshore assets. Under the OFTO build option, the Developer obtains the connection offer and undertakes high level design and preliminary works. The OFTO constructs, operates, maintains and decommissions the Transmission Assets.

P

PB Matters

The matters to be resolved by the Preferred Bidder to the Authority's satisfaction as specified in regulation 20(4)(a) or (b) of the Tender Regulations, as the case may be, before that Preferred Bidder becomes the Successful Bidder in accordance with regulation 28 of the Tender Regulations.

PB Stage

The stage of a Tender Exercise during which the Preferred Bidder has to resolve certain matters in order that Ofgem may grant the OFTO Licence. This stage starts at the date of Ofgem's notice to a Qualifying Bidder that it has been selected as Preferred Bidder and ending at the date Ofgem determines that the Preferred Bidder has become the Successful Bidder and publishes a notice to that effect in accordance with regulation 28(2) of the Tender Regulations.

Portal

The electronic tendering Portal described in the Tender Process Guidance Document.

Preferred Bidder (PB)

In relation to a Qualifying Project/Projects, the Bidder determined by Ofgem following its evaluation of the submissions received, to which Ofgem intends to grant the OFTO Licence subject to the satisfaction of the conditions specified by Ofgem in accordance with the Tender Regulations in force at that time.

Project Finance

Financing based upon a non-recourse or limited recourse financial structure where project debt and equity are used to finance the project.

Q

Qualifying Bidder

A Bidder who will be invited to participate in the ITT Stage for one or more Qualifying Projects.

Qualifying Project

An offshore transmission project in respect of which Ofgem determines that the Developer has satisfied the requirements described in:

- (a) for Generator Build projects, paragraph 2 of Schedule 1 to the Tender Regulations, or will use its reasonable endeavours to satisfy the Qualifying Project requirements within a period specified by Ofgem; or
- (b) for OFTO Build projects, paragraph 1 of Schedule 1 to the Tender Regulations.

S

SB Stage

The period starting at the date of Ofgem's notice to a Preferred Bidder that it has become the Successful Bidder and ending at the date when the Successful Bidder is granted an OFTO Licence in relation to a particular Qualifying Project(s).

Security

Includes a charge over a bank account or any other asset, a deposit of money, a performance bond or bank guarantee, an insurance policy or a letter of credit.

Selection Criteria

Parts 1 to 3 (comprising sections 1 to 4) of the EPQ Questionnaire.

Submission(s)

A Bidder's or Qualifying Bidder's response to the requirements and criteria set out in the relevant stage specific tender document.

Successful Bidder (SB)

The Preferred Bidder in a Tender Exercise who has resolved the PB Matters to the Authority's satisfaction, such that the Authority intends to grant to it an OFTO Licence.

Supporting Organisations

Entities that are not Bidders or members of a Bidder Group but on whom Bidders or Bidder Groups rely to meet the Selection Criteria as part of their EPQ Submission.

System Operator – Transmission Owner Code (STC)

The industry code that defines the high level relationship between the NETSO and Transmission Owners setting out the roles, responsibilities, obligations and rights etc. of the NETSO and the Transmission Owners.

T

Tender Entry Conditions

The requirements that a Developer must meet before commencement of a Tender Exercise, as described in paragraph 1 (for OFTO Build projects) or paragraph 2 (for Generator Build projects) of Schedule 2 to the Tender Regulations.

Tender Exercise

The competitive process run by Ofgem in accordance with the Tender Regulations in order to identify a Successful Bidder to whom a particular OFTO Licence is to be granted.

Tender Process Guidance Document (TPGD)

Guidance on the tender process published by Ofgem.²⁹

Tender Regulations

The Electricity (Competitive Tenders for Offshore Transmission Licences) 2015.

Tender Revenue Stream (TRS)

The revenue established through the tender process, which is the value set out in paragraph 4 of amended standard condition E12–J2 (Restriction of Transmission Revenue: Revenue from Transmission Owner Services) of the OFTO Licence.

Tender Round

²⁹<https://www.ofgem.gov.uk/energy-policy-and-regulation/policy-and-regulatory-programmes/offshore-electricity-transmission-ofto/offshore-transmission-tender-publications>. Please note that to locate TR13 specific documents, viewers should scroll down to the 'Publications and updates' section of the page and then select the filter 'Tender Round 13'.

One or more Tender Exercises being held or to be held by Ofgem with a view to determining the Successful Bidders to whom OFTO Licences are to be granted for each Qualifying Project subject to such Tender Exercises.

Tender Round 13 (TR13)

The thirteenth competitive Tender Round for the grant of an OFTO Licence (for the East Anglia THREE, Inch Cape and Dogger Bank C Qualifying Projects).

The Crown Estate

The body that manages Crown property in England and Wales and that is responsible for awarding offshore wind leases for access to the seabed to wind farm operators in England and Wales. Each OFTO must enter into a lease or licence with The Crown Estate to be able to operate and maintain its Offshore Transmission System on the seabed.

Transfer Agreement

The agreement to transfer any:

- (a) property interests, rights or liabilities in relation to Transmission Assets;
- (b) shares or other interests in an undertaking in which any property interests, rights or liabilities in relation to Transmission Assets are vested; or
- (c) beneficial interest in any property interests, rights or liabilities or shares or other interests relating to Transmission Assets;

from a Developer to a Successful Bidder in respect of a Qualifying Project(s) subject to a Tender Exercise.

Transmission Assets

Are defined in paragraph 1(3)(a) of Schedule 2A of the Electricity Act 1989 as 'the transmission system in respect of which the OFTO Licence is (or is to be) granted or anything which forms part of that system'. The Transmission System is expected to include subsea export cables, onshore export cables, onshore and offshore substations, and any other assets, consents, property arrangements or permits required by an incoming OFTO in order for it to fulfil its obligations as a transmission operator.

Transmission System

Is defined in Section 4(4) of the Electricity Act 1989 as 'a system which consists (wholly or mainly) of high voltage lines and electrical plant, and is used for conveying electricity from a generating station to a substation, from one generating station to another or from one substation to another'.

Transmission Services

Those services which are provided or are to be provided to the system operator by another transmission licensee pursuant to standard condition E15 (Obligation to provide transmission services) of the OFTO Licence.

U

Ultimate Controller

Is defined in the standard conditions of the OFTO Licence.