



Department for
Business, Energy
& Industrial Strategy

Future Nuclear Enabling Fund

Request for Information from stakeholders

May 2022



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Introduction

The Future Nuclear Enabling Fund (FNEF) is a £120m fund and was announced in the government's Net Zero Strategy in 2021.

The primary objective of the FNEF is to help mature potential nuclear projects ahead of any government process to select the next nuclear projects. We expect that the £120m fund will support a limited number of nuclear projects through grant funding to be awarded following a competitive process.

We are today asking interested parties to register their interest in bidding for funding and inviting further information on projects to inform fund design. We are also inviting nuclear stakeholders who are not planning on bidding for the FNEF to provide information from their experience that will help to mature fund design ahead of opening the bid window in summer 2022.

The role of nuclear in our energy system

Low-carbon nuclear supplies 15% of UK electricity as a steady source of electricity generation complementing intermittent renewables. Nuclear is the only form of reliable, low-carbon generation which has been deployed at scale to date.

As announced on 7th April in the British Energy Security Strategy (BESS), the government's long-term ambition is to increase our plans for the deployment of civil nuclear power to up to **24GW¹ by 2050**, around 25% of our projected 2050 electricity demand, as well as to **take one project to Final Investment Decision (FID) this Parliament and two projects to FID in the next Parliament**, including Small Modular Reactors, subject to technology readiness, Value for Money (VfM), and relevant approvals. The BESS set out that this is not a cap on our ambition, but a challenge to industry to come forward and compete for projects with the aim of coming online this decade.

The role of the FNEF in our nuclear deployment strategy

The BESS sets out the interventions that government will take to achieve the up to 24GW deployment ambition.

¹ This does not place a limit on the number of development consent orders which may be granted for any type of generating infrastructure set out in the energy national policy statements.

These include:

- Launching the FNEF in 2022 to mature potential nuclear projects through grant funding awards;
- Scoping and setting up Great British Nuclear (GBN) to help nuclear projects throughout the development process;
- Expecting to launch a selection process in 2023 with the intention that government will enter negotiations with the most credible nuclear projects; and
- Making policy interventions such as developing an overall siting strategy, working with regulators to explore the possibility of regulatory harmonisation, and collaborating with other countries to accelerate work on advanced nuclear technologies².

As the first of these interventions, the FNEF will play a role in maturing the UK's nuclear project pipeline and ensuring the sector is match fit to benefit from any subsequent government support interventions. **Any successful FNEF award will *not* influence whether projects can participate in the selection process in 2023 or whether they can receive any other government awards in the future. Additionally, those projects who choose not to bid for the FNEF or bid and are unsuccessful will *not* be excluded from the anticipated selection process in 2023 or consideration for other future government awards.**

The aims of the FNEF

The aim of the FNEF is to provide targeted support to address barriers to entry to the UK market. Our understanding of the barriers to entry to the UK market are detailed in Table 1.

As the FNEF is the first of multiple government interventions to support the sector, it is not intended to address all barriers we have identified. We therefore expect the FNEF to offer grant funding to a limited number of projects with credible proposals to tackle one or more of these barriers. In this way, the FNEF will accelerate the commercialisation of different technologies and help companies demonstrate readiness for the UK market.

Whilst the FNEF aims to support new nuclear deployment, FNEF awards will not constitute a government decision to proceed with a project or on long-term funding, which will be subject to the anticipated future selection process announced in the BESS, as well as VfM and all relevant approvals.

² Government's definition of advanced nuclear technologies can be found here: <https://www.gov.uk/government/publications/advanced-nuclear-technologies/advanced-nuclear-technologies>

Table 1: Barriers to entry to the UK Market

- **Technology readiness for deployment** (including that measured through design readiness/technology readiness levels, reactor physics and design maturity, degree of regulatory engagement/confidence, and visibility of/conformity to regulatory requirements for each technology type, etc.);
- **Development capability gaps** (including capability and resources to deliver safety case development, nuclear project planning, management and analysis, controls software and expertise, operations arrangements and procedures, etc.);
- **Financing** (including the expected ability of project sponsors to attract funding during the pre-development, development and then construction phase, investors and lenders understanding of commercial challenges of developing new build nuclear projects in UK, etc.);
- **Siting** (including any land access and the ability to acquire all relevant property rights, understanding approach to land management, site characterisation and selection, geo-technical work, road improvements, offshore and onshore ground investigations, etc.); and
- **Consenting** (including plans for site licensing, Development Consent Order strategy, engagement and compensation strategies with local residents, funded decommissioning plans, etc.).

Fund design principles

We have developed several design principles to use as a basis for maturing the expected competitive process and our eligibility and evaluation criteria, detailed in Table 2.

Table 2: FNEF Design Principles

- **Delivering Value for Money**, to ensure the FNEF delivers for the taxpayer in a responsible and sustainable manner, with a focus on proposals which include industry co-investment/match-funding offers where relevant, alongside ongoing VfM assessments.
- **Enabling competition and building resilience in the UK nuclear pipeline**, to ensure that the overall cost of future nuclear projects is minimised and to create a viable pipeline.

- **Diversifying our civil nuclear programme**, the FNEF will be open to both established market players and new entrants, including consortia, from the UK and overseas and operating at a range of scales.
- **Creating industrial opportunity** to ensure that support is provided to projects which build on existing UK nuclear and manufacturing capabilities and provide opportunities for the UK supply chain to compete for contracts, subject to the UK's legal commitments.

Proposed Bid Evaluation Process

We envisage that the process will be composed of separate eligibility and evaluation stages, as detailed in Figure 1. There may be some overlap between the different stages.

BEIS reserves the right to modify the outline process detailed in Figure 1 based on responses to this RFI and future policy development.

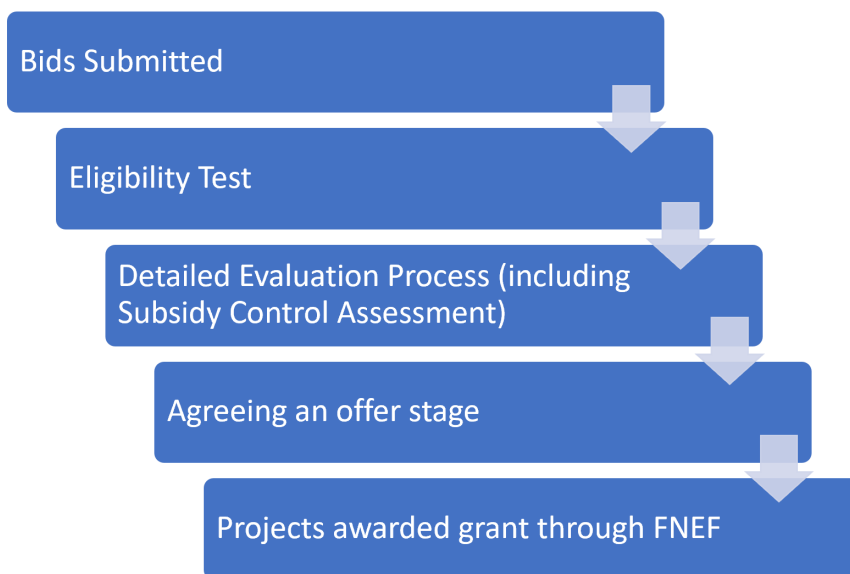


Figure 1: Proposed bid evaluation process

Potential Eligibility Criteria

The FNEF will be open to established nuclear market players and new entrants, including consortia, and may include technology vendors, developers, and/or operators.

We envisage that each bid received through the FNEF will be subject to an eligibility test which will be pass or fail. The eligibility test will have two key components:

- whether bids meet core FNEF eligibility requirements (potential requirements outlined in Table 3); and
- whether the applicant has submitted the required information alongside their bid to enable the subsequent detailed evaluation process to be carried out.

Table 3: Potential FNEF Eligibility Criteria

Eligibility Criterion	Definition
UK company branches	Bidders must be UK based or have a UK company branch if headquartered overseas.
Nuclear Fission Technology	Bids must incorporate nuclear fission, which can be GW-scale, Small Modular Reactors, or Advanced Modular Reactors.
Near term proposition	Bidders must demonstrate ambition and a credible plan for a commercial operations date by the early 2030s.
On-grid electric	Bids must present potential nuclear projects which provide long-term on-grid electricity.
Subsidy Control	Bidders must submit the required information to enable a subsidy control assessment.
National Security	Bidders must submit the required information to enable a national security assessment.

Potential Evaluation Areas

We envisage that bids that successfully pass the eligibility test will progress to a detailed assessment which will be carried out by a panel.

The panel will assess each bid against criteria that may address some or all of the areas set out in the Table 4.

Table 4: Potential FNEF Evaluation Area

Evaluation Area	Definition
Deliverability	<p>Assesses:</p> <ul style="list-style-type: none"> • whether the proposal is commercially viable; • whether the proposal can be realistically delivered within required timeframes; and • the level of technical maturity demonstrated.
Strategic	<p>Assesses the contribution that the proposal will make to:</p> <ul style="list-style-type: none"> • the UK nuclear sector • achieving HMG’s strategic objectives; and • demonstrating a positive social impact.
Financial	<p>Assesses bidding organisations against financial due diligence requirements and strategic financial requirements (e.g., co-investment, profitability).</p>
Economic	<p>Assesses the overall VfM of the proposal in line with Green Book requirements.</p>

Indicative Application Form

We envisage that the FNEF application form will contain the components outlined in Table 5. Please note this is indicative at this stage and subject to change.

Table 5: Indicative FNEF Application Form

1. General overview of your project proposal (FNEF and through to deployment)

Please provide an overview of the project you are associated with, including a brief overview of your plans for deployment in the UK. This could include details such as: whether you have a reactor with GDA or in the GDA process; whether you own a site specified for nuclear development or the plans you have to acquire one; etc.

Please indicate how much FNEF funding you will be bidding for and identify the areas where you envisage spending FNEF funding. Please explain why the level of funding sought from FNEF is necessary to advance your project in the UK.

You could also include a summary of the future market you have identified for your project and a description of how your project is expected to interact with the (UK and international) supply chain, as it progresses.

2. Development timelines

a. Overall project development timelines

Please provide an overview of the overall development plan for your project and an indicator of schedule maturity. Please highlight any key dependencies.

Please indicate how FNEF funds could impact your development schedule.

If one is available, please share a high-level project plan (in addition to the written response for this question).

b. FNEF work package development timelines

Please provide an overview of the development for the work packages you would like to use FNEF funding to complete. As above, please provide an indicator of schedule maturity, key dependencies and, if one is available, please share a high-level project plan.

3. Development risks and dependencies

Please provide a high-level overview of the major risks to the project and what mitigating plans and actions are in place.

Please indicate how FNEF funds could contribute to mitigating project risks.

Please set out any dependencies, including any areas you consider are dependent on action by government.

4. Funding and development costs

a. Overall project costs

Please provide the expected deployment costs for your project, including:

- Cost to FID; and
- Cost to Commercial Operations Date.

If possible, please give an indication of cost maturity and explain any contingencies built in. How could government assistance via the FNEF contribute to maturing the project?

If applicable, please set out your approach to attracting private investment and the main challenges in doing this. If you have made any assumptions about the role of government in your approach, please set this out.

b. FNEF work package costs

Please provide a cost breakdown for the costs for the work packages you would like to use FNEF funding to complete. As above, please give an indication of cost maturity and explain any contingencies built in.

5. Current commercial engagement

Please provide an overview of the level of engagement you have had with the wider nuclear sector, including key supply chain partners, proposals for UK facilities, and potential funding/investor partners.

6. Envisaged operating approach

If relevant, please provide detail of the commercial model you envisage using to operate any future nuclear power plant. This should include an overview of your existing capability (and that of any consortium partners you are responding with) and your plans to build capability.

7. Public Sector Equality Duty

To fulfil the requirements of the Equality Act 2010, BEIS is required to pay due regard to the Public Sector Equality Duty. More information on the Public Sector Equality Duty can be found [Gov.uk](https://www.gov.uk/government/publications/public-sector-equality-duty)³.

Please provide information on how your proposal would support the aims of: eliminating discrimination, harassment and victimisation; advancing equality of opportunity; and, fostering good relations, particularly in relation to those who share a protected characteristic and those who do not. We would also be grateful if you could provide a breakdown of your workforce by the following protected characteristics: age; disability;

³ <https://www.gov.uk/government/publications/public-sector-equality-duty>

gender reassignment; marriage or civil partnership; pregnancy and maternity; race; religion or belief; sex; and sexual orientation.

Indicative timeline

An indicative timeline for each stage of the allocation process is set out below. Please note that precise dates are subject to change (as is the outline process in Figure 1) and further details will be provided in the application guidance document:

- **Launch application window** – July 2022.
- **Close application window** – August 2022
- **Evaluate bids and conduct negotiations** – September/October/November 2022
- **Confirm grant awards** – December 2022

The July/August bid window is to help us to provide support to the market at the earliest opportunity. We are interested in potential bidders' views on whether this bid period and duration is appropriate noting that extending it or moving back the closing date may affect subsequent steps. **Please indicate your views clearly in your response to this RFI.**

Request for Information

We are inviting the nuclear industry and developers of potential new nuclear projects in the UK and who wish to register their interest to be considered for support through the FNEF to send the information outlined in Table 6.

Please provide all information as a word or PDF attachment with a maximum of one side per section in Table 6 and please present any financial information in £ sterling. We ask that responses are provided to BEIS at FNEF@beis.gov.uk by **Friday 27th May**. We would request that you limit response to one side of A4 per question/ topic, including diagrams. Please send information with the subject heading '**Request for Information Response**' and the name of your project. Please include contact details for follow up discussions. We are happy to respond to queries via the same address. Any responses for consortia should be co-ordinated, with only one response per consortium or prospective consortium.

This will support us in finalising the fund design and may lead to further engagement, before we invite bid submissions into the FNEF for consideration.

Please note that providing this information will not guarantee access to future government funding, and we reserve the right to stop or restart this process at any time. In addition, information submitted via this RFI may be used for policy development and will not prejudice the outcome of any future evaluation process for the award of funds, the details of which will be set out in a future publication.

Table 6: Request for Information Form

1. Responder information

Please identify the capacity in which you are responding (prospective FNEF bidder, trade association, nuclear sector stakeholder, potential investor, etc.) and briefly describe your organisation's (or consortium's) interest in the UK nuclear sector.

2. The FNEF and UK nuclear market

a. Barriers to nuclear market in the UK

Please provide your reflections on the government's view of a successful nuclear project as set out in Table 1. What barriers do you believe exist in bringing new projects to the market in the UK? Which are faced by your project and what is required to address these?

If you are a prospective bidder into the FNEF, please briefly indicate how you could use FNEF funds to help address barriers to entry. Please provide a clear explanation of the expected benefits of any FNEF award and how these would be realised.

b. Design Principles

Do you agree with the Design Principles for the FNEF outlined in Table 2? Please explain your answer.

c. Eligibility Criteria

Do you agree with the potential eligibility criteria for the FNEF outlined in Table 3? Please explain your answer.

d. Evaluation Criteria

Do you agree with the potential evaluation criteria for the FNEF outlined in Table 4? Please explain your answer.

e. Public Sector Equality Duty

As set out above, BEIS is required to pay due regard to the Public Sector Equality Duty. We would therefore be very grateful if you could provide a statistical breakdown of your workforce by the following protected characteristics as part of your response to this RFI: age; disability; gender reassignment; marriage or civil partnership; pregnancy and maternity; race; religion or belief; sex; and sexual orientation. Moreover, we would also welcome your initial views on how the FNEF could support: a) eliminating discrimination, harassment and victimisation; b) advance equality of opportunity; and, c) foster good relations, particularly in relation to those who share a protected characteristic and those who do not.

f. Indicative Application Form

Please provide your reflections on the indicative application form outlined in Table 5, including on industry readiness to respond within the bidding window. Please explain your answer.

Next Steps

We intend to process the responses received to this request and conduct informal follow up discussions as required to inform the further development of the FNEF. At this stage, any information provided to BEIS is submitted on an indicative basis. If, as expected, BEIS proceeds to open a bid window this summer, a set of evaluation criteria, against which all proposals will be scrutinised, will be communicated when the bidding window is opened. We will endeavour to ensure that all parties are given an opportunity to engage with BEIS and, other government representatives (as appropriate) to access information relevant to the scheme.

Assessment processes for any award made via FNEF will ensure VfM and that government support is both required and likely to be effective. As an indication of the type of material that may be required at this later stage, information typically needed to appraise and scrutinise proposals includes detailed technical specifications of proposals and envisaged commercial models and project plans. Applicants will normally also need to share a wide range of financial accounts including, financial forecasts and statutory accounts.

Confidentiality and information sharing

All information provided throughout all parts of this process may be considered by BEIS and other government departments and their advisors for use in policy development. In providing the information requested in this document you confirm that you are providing written consent that the information provided may be shared with other departments, agencies, public bodies and their advisors.

Information you provide in response to this Request for Information, including personal information, may be disclosed in accordance with any applicable law (including the Freedom of Information Act 2000 and the Environmental Information Regulations 2004), by order of a court or as required by any body or inquiry which has the power to compel disclosure.

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