

The Department of Energy & Climate Change and the
Technology Strategy Board's

**Offshore Wind Component Technologies
Development and Demonstration Scheme –**

Second Call for Proposals:

Guidance Notes

10 May 2012



Introduction

This Call for Proposals Guidance document sets out the scope and criteria for applications to the second call of the Offshore Wind Component Technologies Development and Demonstration Scheme.

Note: All applications must be received by DECC in electronic form by 12pm on the 29 June 2012. A signed hard copy of the completed application form must be received within 10 working days of submitting the electronic application (see the final section of this document for details of how to apply).

Pre-Submission Briefing Event and Contact for Enquiries

The contact for enquiries is:

Sally Fenton

Department of Energy and Climate Change

Tel: 0300 068 6503

Email: s.fenton@decc.gsi.gov.uk

A pre-submission briefing for this call will be held in **London on Tuesday, 22 May 2012**, 10.30am to 12.30pm, to provide applicants with further information on the purpose of the scheme, project scope, eligibility criteria and to answer any other questions in relation to this call.

Please register for this event by emailing Innovation@decc.gsi.gov.uk by **12pm on Thursday, 17 May 2012**. Please include the text 'offshore wind' in the email title.

Context

The Department of Energy and Climate Change (DECC) and the Technology Strategy Board share a common aim of supporting innovation in offshore wind to reduce the cost of energy and support economic growth. DECC & the Technology Strategy Board are therefore working together, and with other innovation funders in the Low Carbon Innovation Coordination Group (LCICG), to ensure our support programmes for offshore wind innovation are well aligned.

In the UK Renewables Roadmap, published in July 2011, DECC announced funding of up to £30m, subject to value for money assessments, for offshore wind innovation. DECC expects to fund two schemes from this budget: the Offshore Wind Accelerator¹ and the Offshore Wind Component Technologies Development and Demonstration Scheme (referred to below as the OSW Components Scheme). DECC has provisionally allocated up to £15m to the OSW Components Scheme and expects to use that budget to run three Calls for Proposals. The first Call for the Scheme was launched in November 2011: the first Call is now closed and details of the successful bidders have been announced². This second Call has an indicative Capital budget of up to £5m.

DECC and the Technology Strategy Board are working together on this scheme. The second call is funded and managed by DECC, but the Technology Strategy Board are participating in the appraisal process. The Technology Strategy Board has funding allocated to this area from 2012/13 onwards and will provide further details on the use of that funding later in 2012. The third call under this Scheme is likely to be co-funded by DECC and the Technology Strategy Board.

This call has been developed in light of the conclusions of the Low Carbon Innovation Coordination Group's (LCICG's) Technology Innovation Needs Assessment (TINA) on offshore wind power. The offshore wind TINA³ concludes that innovation is critical to enabling the deployment and cutting the cost of offshore wind power. The call is intended to complement the technology support in this area currently offered by other LCICG members i.e. UK public-sector-

¹ The Offshore Wind Accelerator (<http://www.carbontrust.com/our-clients/offshore-wind-accelerator>) is a collaborative research and development programme managed by the Carbon Trust which targets specific technology challenges. The Offshore Wind Accelerator is two-thirds funded by industry and one-third funded by DECC; the DECC contribution over the four years from April 2011 is up to £15m.

² Details of the successful bidders from the first Call of the OSW Components Scheme can be found on the DECC website (at www.decc.gov.uk/innovation).

³ Summary Report of the Offshore Wind Power TINA, published February 2012; <http://www.decc.gov.uk/assets/decc/11/funding-support/fund-opportunities/4467-tina-offshore-wind-summary.pdf>

backed investors in low carbon innovation including the Research Councils, the Technology Strategy Board the Energy Technologies Institute, the Carbon Trust and the Devolved Administrations.

Decisions on the focus of the third Call (expected to be launched in Autumn 2012) will be made in light of our experiences with the first two Calls.

Aims and Objectives

The primary aim of this second Call under the Offshore Wind Components Scheme is to reduce the cost of offshore wind energy by accelerating the commercialisation of component technologies for the offshore wind systems that will be deployed in the run up to 2020 and in the subsequent decade. The primary objectives are:

- a. To demonstrate component technologies for >5MW offshore wind turbines or associated technologies that could be incorporated into the offshore wind systems or farm designs of the major original equipment manufacturers (OEMs) and developers.
- b. To provide support to tackle the new challenges and innovation required to design and build components that - in terms of scale and/or complexity - go beyond current understanding and experience.
- c. To generate learning and practical experience which can improve confidence in innovative offshore wind systems and can help reduce future costs.

Call Scope

This second Call will support the development and demonstration of component technologies of next generation offshore wind systems. DECC welcomes individual bids and collaborative bids from businesses or consortia of businesses, including businesses which are not currently established within the UK or which are seeking to expand within the offshore wind sector. However, the grant is only available for projects taking place primarily within the UK. Grants will be awarded on a competitive basis to companies developing and demonstrating component technologies or processes where there is genuine innovation taking place and where there is a realistic chance of success. The commercialisation of the innovation will be one of the selection criteria, so, for example, partnerships with others who can maximise the uptake of the innovation (e.g. OEMs or farm developers) will be strongly encouraged. Note, however, that bids from consortia will only be accepted from the lead partner.

The contribution that projects will make to developing the offshore wind supply chain will also be considered in the selection process.

This second Call has a broad scope, and can potentially support innovation in the component technologies for all sub-areas of the offshore wind system including, but not limited to the following:

- Turbines (large scale i.e. 5MW+),
- Foundations,
- Connection & Transmission,

- Installation
- Operation and Maintenance (O&M).

Budget

This second Call has a Capital budget of up to £5m – though DECC may choose to allocate less than or more than £5m depending on the quality of applications.

DECC expects to support between 4 and 8 projects with individual grant awards expected to be in the range £500k to £2m. In exceptional circumstances, DECC will consider the allocation of a capital grant above or below this range, but the minimum size of grant that will be considered is £250k and the maximum size is £4m.

Only Capital funding is available and as such the funding may only be spent on expenses consistent with that definition⁴.

Funding under this Call is only available until 31st March 2015. Whilst projects may continue past this date (for up to one year), all grant-supported expenditure must be incurred by 31st March 2015.

Whilst projects may incur cost throughout this period, DECC may choose to prioritise projects with some planned spend in the current financial year (to 31 March 2013). As a guide only, the indicative budget profile for all grant payments under this Call is: £3m in FY2012/13, £1.5m in FY2013/14, £0.5m in FY2014/15. Applicants will be expected to provide a robust costed delivery plan as evidence of delivery in the timescales.

Please Note: Nothing in this grant Call requires DECC to award any applicant a grant, or to award a grant of any particular amount or on any particular terms. DECC reserves the right not to award any grants, in particular if DECC is not satisfied by the bids received or if the funding assigned to this grant is required for other, unforeseen, purposes. DECC will not, in any circumstances, make any contribution to the costs of bids and applicants accept the risk that they may not be awarded a grant.

⁴ Grants from government to the private sector, which are used by the recipient to acquire a capital asset, are classified as capital grants. Capital assets can include development expenditure, i.e. expenditure on scientific or technical activity in order to “produce new or substantially improved materials, devices, products or services, to install new processes or systems prior to the start of commercial production or commercial applications, or to improve substantially those already produced or installed” (definition taken from HM Treasury Capital Classification Document: http://www.hm-treasury.gov.uk/d/capital_classification_paper.pdf).

Application & Assessment Process

Overview

Applicants are asked to complete an Application Form detailing their proposed project and the grant being applied for.

Completed Application Forms must be received in hard copy and electronic form by DECC by 12pm on the 29th June 2012. See ‘How to Apply’ Section at the end of this document for full details.

Incomplete applications and any containing incorrect or false information will very likely be rejected. However, DECC will consider applications which have provided enough project and technical information to make the initial assessment, and may, at its discretion, request clarification or additional data before making a final decision. However, please note that every effort must be made to submit applications in full and complete form, as DECC may not necessarily seek any missing information from applicants.

Selection Process

Applications that meet the ‘Requirements on Applicants’ and the ‘Project Eligibility Criteria’, detailed below, will be assessed by an Assessment Panel which will comprise DECC and Technology Strategy Board personnel and several independent advisers. The final decision as to whether to award a grant will be made by DECC.

Where necessary DECC or its representatives may contact applicants – to discuss details of shortlisted applications, to request additional information and/or to propose changes to aspects of the project – before the final decision is made.

The underlying rationale behind the assessment process is that it should be as objective as possible. Provided the project meets the minimum criteria it will be considered against all other applications. Successful projects will be those that best fit the overall objectives, as set out in this Call document, and score highest against the Selection Criteria.

Timetable

| Activity | Dates |
|--|---|
| Call for Proposals issued | 10th May 2012 |
| Briefing event for potential applicants | 22 nd May 2012 |
| Optional: Notify DECC of intention to apply* | 8 th June 2012 |
| Closing date for applications | 12pm on Friday 29 th June 2012 |
| Assessment process & clarification of | From 2 nd July 2012 |

| | |
|---|---------------------------|
| bid information | |
| Due diligence, detailed negotiation and financial close | From early August 2012 |
| Grant offers awarded | From early September 2012 |

* *It would be helpful if you could notify DECC by the 8th June 2012 (by email to Innovation@decc.gsi.gov.uk) that you intend to submit an application. However, you are not required to do this and a notification of intention does not oblige you to subsequently submit an application.*

Notification of Decisions

The outcomes of the assessment of individual applications – whether rejection, approval or requests for further information or clarification – will be notified as soon as possible after the assessment process concludes. DECC aims to make at least some grant awards by early September 2012.

If an application is successful, DECC will carry out the following steps:

1. Write to the applicant informing them that their application has been successful – highlighting, if necessary, any areas that require further clarification, discussion or revision.
2. If necessary – arrange a discussion with the applicant to explore and agree any amendments, prior to a grant offer.
3. Issue a Grant Offer Letter to the successful applicant.
4. Arrange a project kick-off meeting between the applicant and DECC.

If an application is unsuccessful, DECC will write to the applicant informing them that their application has not been successful and outlining the reasons for rejection. DECC's decisions are final.

International collaboration

DECC is exploring opportunities for collaborative innovation projects with other European Union governments. As part of the appraisal process for this Call, DECC will look to identify whether any of the projects that meet the criteria of this Call might be suitable for such collaborations. If any such projects are identified, then DECC will contact the applicant to discuss whether the applicant is interested in exploring that possibility further. There is no obligation on applicants to pursue this opportunity if it arises, and we do not require applicants to specifically address this possibility in their applications.

Funding Levels and Funding Requirements

Grants awarded under this Call will be awarded under Article 31 of the EU State Aid General Block Exemption Regulation⁵ (“the Block Exemption”), as Experimental Development (as defined under Article 30).

The terms of the Grant Offer Letter will be designed to reflect the requirements of the Block Exemption, and companies will need to be aware that a failure to comply with those terms may result in DECC, the European Commission or a court requiring the grant to be repaid together with interest. In particular, applicants will wish to note the following:

Grant use

Companies may only use the grant to cover eligible costs within the meaning of Article 31(5) of the Block Exemption (subject to the additional restrictions on eligible costs set out below). Companies should note that the grant may not be used to subsidise commercial activities and that where DECC awards a grant for the purpose of the development of commercially usable prototypes or pilot projects any revenue generated from such commercial use will be deducted from the grant (and, where the grant has already been paid, will be required to be returned to DECC).

Public funding limit It is important that public funding for the project does not exceed the limit of €7.5m set out in Article 6 of the Block Exemption. In this context, and that of aid intensity below, public funding includes the grant and all other funding from, or which is attributable to, other government departments, UK public bodies, other Member States or the EU institutions. Such funding includes grants or other subsidies made available by those bodies or their agents or intermediaries (such as grant funded bodies).

In applying to this Call you must state if you are applying for, or expect to receive, any funding for your project from public authorities (in the UK or in other Member States) or the EU or its agencies. Any other public funding will be cumulated with DECC funding to ensure that the aid intensities permitted by the same regulation are not exceeded.

Aid intensity

Grants awarded under this scheme may only fund a percentage of the total eligible costs incurred on the project. The maximum percentage of public funding that can be provided for the project is summarised in the table below.

Applicants should note, however, that whilst these are the maximum allowable funding intensities, since DECC is seeking to maximise the impact of government funding, projects

⁵ http://ec.europa.eu/competition/state_aid/reform/gber_final_en.pdf

looking for public funding intensities lower than the applicable maximum are likely to be marked higher in the appraisal process.

Given the aid intensity rules, it is necessary that applicants demonstrate evidence of private funding to cover the balance of the eligible costs. Such funding may come from a company's own resources or external private sector investors, but may not include funding attributable to any public authority or EU institution.

| Research Category | Size of Enterprise | Maximum amount of aid towards eligible Project Costs |
|---|--------------------|--|
| Experimental Development - Single Companies | Small | 45% |
| | Medium | 35% |
| | Large | 25% |
| Experimental Development - Collaborations (either Business to Business or between Business and research organisations) Note: certain conditions must be fulfilled for collaboration (See Article 31(4) of the Block Exemption ⁶) | Small | 60% |
| | Medium | 50% |
| | Large | 40% |

Additional requirements relating to eligible costs

In addition to the requirements of the Block Exemption, DECC will only provide the grant to cover eligible costs incurred and defrayed in the period between acceptance of the DECC grant and the deadline specified in the grant offer letter for completion of the project.

The definition of eligible costs includes the applicant's own costs, eligible costs incurred by consortium members and eligible costs incurred by companies connected to any of these. The

⁶ http://ec.europa.eu/competition/state_aid/reform/gber_final_en.pdf

cost of work contracted to connected companies, to consortium members or to companies connected to consortium members should be on the basis of eligible costs.

Costs must be denominated in GB pounds. Applicants should indicate where conversion has been made to GB pounds from other currencies and indicate the rate and assumptions used.

Other Requirements

The grant will be offered on the basis of reimbursement of costs against satisfactory completion of agreed milestones. Payments will be made on receipt of reports describing the work undertaken and evidence provided that milestones have been satisfactorily completed (and that the project remains on track), including detailed evidence that the costs have actually been incurred, together, where required, with an auditor's report certifying that the reported costs are true and accurate and the grant conditions have been complied with.

Applicants should note that grant payments will not be paid unless the company provides evidence that it has actually spent the money claimed on the relevant eligible costs. It will not be sufficient for the company to have entered into a contractual obligation if, by the milestone deadline, it does not have further evidence of actual spend.

Requests for increases to the grant (either the percentage or the absolute value in pounds) to projects will not be considered.

Entitlement to support under the scheme ceases on change of control (within the meaning of section 1124 of the Corporation Tax Act 2010 or any take-overs, merger and de-merger of the grantee). Such entitlement will also cease in the case of any change within the constituent membership of a consortium. In these cases, the grant payments will cease and any grant already paid will become repayable together with interest. DECC may, however, at its absolute discretion, and by notification in writing, continue payment of the grant, where it considers this appropriate.

Terms of the Grant Offer

Grant Offer Letter

Any offer of a grant under this Call will be made in the form of a DECC Grant Offer Letter and will be subject to the company agreeing to the terms and conditions set out in that letter and thereafter complying with them. Any grant offer must be accepted within 1 month of offer date.

The terms and conditions within that letter will include an entitlement for DECC to monitor the project, as well as reflecting the requirements of the General Block Exemption. It will also include a condition entitling DECC to require repayment of the grant, together with interest, in certain circumstances including (but not limited to): breach of the grant terms and conditions; on grounds of EU law relating to State Aid; and risk or jeopardy to the project.

Applicants will be expected to provide a robust costed delivery plan with delivery and payment milestones, which will be referenced in the Grant Offer Letter.

The grant will be payable in instalments on the achievement of specific project milestones.

DECC will withhold final payment of a grant (in the region of 10%) until a satisfactory final report has been submitted to DECC, and may also withhold grant payments in reasonable circumstances.

For the agreed payment milestones, there is scope to move (by mutual agreement) a milestone within the financial year (1st April to 31st March) to which it has been assigned, but not over a boundary into a subsequent financial year.

Any funding under this scheme will only be available until 31 March 2015. Whilst projects may continue past this date (for up to one year), all grant-supported expenditure must be incurred by 31 March 2015. No invoices for expenditure committed after 31 March 2015 will be paid by DECC.

Post Project Evaluation

Any successful applicants to this Call will be expected to participate in an evaluation of the scheme to assess whether funds have been used effectively. Evaluation may take place up to several years after completion of the project. The terms of the grant offer letter will include a requirement to this effect.

Requirements on Applicants

Applicants must meet the following requirements. Applications that fail to show compliance with these requirements may be rejected outright.

- a. Applicants may either be individual companies or consortia. The scheme will be open to businesses or consortia of businesses that are either, legal entities across the EU, or operating through a collaborative agreement.
- b. Consortia proposing to operate through a collaborative agreement must have the collaboration agreement in place at the time they submit their proposal and must furnish a copy of the signed legal agreement with their application. They must also, as part of the application, nominate a lead partner to whom the grant would be paid on their behalf. DECC may require consortia members to accept joint and several liability under the grant award.
- c. Applicants / lead partners must be the legal entities who would hold beneficial ownership of the completed project. This would include equity investors but not financial organisations or individuals lending money to finance a project.
- d. Applicants must provide evidence that they have sufficient technical resources and ability to carry out a project of this nature. This could include, for example, evidence of similar work carried out previously. They should also confirm that they have the legal right to all necessary intellectual property.
- e. All applicants and each partner in any consortium must provide copies of their annual accounts for the last two years. If the latest annual accounts are more than 12 months old, then the organisation must provide management accounts. If the applicant or each

partner has been trading for less than two years then they must submit cash flow forecasts and trading forecasts for the next two years.

- f. Applicants may not be Public sector organisations. Proposals involving any public sector organisation, acting on its own or as part of a consortium, are not eligible.
- g. Applications from Large Enterprises (as defined in Annex I of the Block Exemption) must establish that the aid will lead to a material increase in either the size, scope or speed of the activity or the total amount spent. The Large Enterprise must submit a credible analysis of the viability of the aided project or activity with and without the aid.
- h. Authorised representatives of the applicant and all its partners must endorse the application before submission to DECC. For applications made on behalf of consortia operating through a joint venture company, an authorised representative of each partner must endorse the application before submission to DECC and a representative of the joint venture company must also endorse the application.
- i. Where an applicant or partner in a consortium is wholly owned by a parent company (within the meaning of the Companies Act 2006), an authorised representative of the parent company must endorse the proposal. In the case of companies within a group, DECC is likely to require the parent company (or any other company within the group) to provide a parent company guarantee.
- j. Authorised representatives endorsing the application must be the Company Secretary, President, Chairman, Managing Director, Chief Executive, Chief Operating Officer or Finance Director of the organisation concerned.
- k. All signatures required must be on the same side of a single sheet of paper and must be witnessed.
- l. Each applicant and all the partners in any proposal from a consortium must undertake to proceed with the project if the requested grant is awarded (subject to force majeure).
- m. Applicants(s) must be financial viable. i.e. undertakings must not be subject to an outstanding order from the Commission to recover incompatible aid already granted or in difficulty i.e. rescue and restructuring aid territory.

Project Eligibility Criteria

Proposed projects must meet all of the following criteria:

- n. **Technology Scope**: Projects must involve the development and demonstration of component technologies for large scale (5 MW+) offshore wind systems.
- o. **Innovation stage**: Applications should demonstrate that the innovative technology or technologies), that are the focus of the project, are at the appropriate stage of their development i.e. the innovation is not yet commercial viable or proven but it is in the later stages of its development with its potential already shown – perhaps by the construction of early prototypes or through non-operational trials – and it will be ready during the project's lifetime for demonstration at full or near-full commercial scale. Note: a credible demonstration of the technology within the project is an essential requirement but doing so in 'real-world' conditions, whilst highly desirable, is not essential.
- p. **Project Status**: Projects must not have commenced prior to the award of a Grant. Projects that have already commenced activity will not be eligible for funding under the Call. Applicants must confirm this in their application.
- q. **Project Location**: The project's activities must primarily take place in the UK.
- r. **Incentive Effect**: The grant funding requested must have a clear incentive effect i.e. the grant must lead to new or expanded activities that would otherwise have not taken place - as defined in article 8 of the Block Exemption regulation⁷.
- s. **Research category**: the planned activity must be consistent with the EU State Aid Block Exemption definition of 'Experimental Development'³.
- t. **Aid Intensity including Cumulation**: The funding levels applied for must be consistent with the appropriate Block Exemption aid intensity (including consideration of the cumulative effect of other forms of state aid) and costs must be consistent with the eligible cost criteria³.
- u. **Permissions and consents**: If applicable to your project. Before deployment can take place you may require a number of statutory consents and it is the responsibility of the applicant to identify and carry out all actions needed to obtain these consents.

⁷ http://ec.europa.eu/competition/state_aid/reform/gber_final_en.pdf

- v. Grant size: the total requested grant must be equal to or larger than £250k and smaller than £4m. Note: the preferred grant size is between £500k and £2m however we will consider larger or smaller grant requests as long as they fall within the absolute limits described above.

Project Selection Criteria

Applications that meet the ‘Requirements on Applicants’ and the ‘Project Eligibility Criteria’ (see above) will then be assessed against the following Selection Criteria. The relative weighting of each criterion is listed as a guide to their relative importance but a successful application will need to demonstrate some impact against all 5 criteria. The information provided in the application will also be used to inform an assessment of the cost-benefit ratio of each project which will also be a factor in the final decision.

| Criterion 1 | The project’s contribution to the goal of reducing the cost of offshore wind energy |
|--------------------|--|
| Weighting | 30% |
| Guidance | <p>A ‘cost of energy’ calculator is available online on the DECC website with the scheme application form and guidance notes (at www.decc.gov.uk/innovation) to enable applicants to assess the cost reductions expected from their proposed project.</p> <p>Applicants are asked to use the calculator to produce an estimated quantitative assessment of the impact of the proposed project on the levelised cost of offshore wind energy (cost per predicted kWh generated) assuming the project is successful and the innovation is subsequently commercialised and taken up.</p> <p>To help provide an evidence-based justification for the cost of energy assessment, applicants are asked to provide the following information (where relevant):</p> <ul style="list-style-type: none"> • Current lifecycle component costs, including capital costs (equipment, installation and commissioning) and all costs associated with operation and maintenance of the system How these compare to costs for current industry-standard components • Where relevant, the impact on generation capability (per turbine basis), including any effect on load factor, availability and/or expected lifetime of the system • How costs might reasonably be expected to change over time with increased deployment (e.g. through economies of scale in production or improved performance), including an outline of key uncertainties and risks. |
| Scoring | Highest marks will be awarded to projects that can demonstrate that the innovation supported by the project has the potential, if successful, to have of a significant impact on the cost of energy in the run up to 2020 and/or in the subsequent decade. |

| Criterion 2 | The likelihood of successful project delivery |
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| Weighting | 30% |

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| Guidance | <p>In assessing this criteria we will consider a range of factors that might impact on successful delivery of the projects goals – these will include but are not limited to factors such as such as:</p> <ul style="list-style-type: none"> • the completeness and quality of the proposed plans; • the appropriateness and realism of the milestones and stage payments; • appropriate consideration of health and safety and other regulatory requirements; • the track record of the team(s) involved in the project; • the project’s access to the necessary skills and facilities; • the quality of risk assessment and contingency planning. |
| Scoring | <p>Highest marks will be awarded to applicants that the panel considers have taken all reasonable steps to maximise the likelihood of successfully delivering the projects aims (whilst recognising the innate technical risk in any innovation project). High scoring applications will, for example:</p> <ul style="list-style-type: none"> • present a well thought-out, robust, credible, project plan; • show a realistic and robust approach to risk management; • have a strong delivery team with proven experience of successfully delivering comparable projects; • demonstrate that match funding and any other necessary resources will be available when needed; • can guarantee access to any necessary specialist facilities and skills required to execute the project; • can show the strong commitment of all participating organisations; • are not heavily dependent for success on external factors beyond the project’s direct control e.g. weather. |

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| Criterion 3 | The suitability of the project’s financing i.e. its materiality, leverage, and affordability |
| Weighting | 15% |
| Guidance | <p>In assessing this criterion we will consider:</p> <ul style="list-style-type: none"> • the materiality of the proposed project given the level of grant funding applied for i.e. is the project and funding sufficient to deliver the impacts sought; • the degree of leverage that the project will deliver i.e. an evidence-based assessment of the level of private sector funding and in-kind activity that grant funding applied for will enable. • the fit with the available funding profile. As a guide only, the indicative budget profile for all grant payments under this Call is: £3m in |

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|---------|--|
| | FY2012/13, £1.5m in FY2013/14, £0.5m in FY2014/15. DECC may choose to prioritise projects with planned spend in the current financial year (to 31 March 2013). |
| Scoring | Highest marks will be awarded to projects that can demonstrate that: the funding will have a material effect; where leverage levels exceed the de-minimis levels defined by state aid regulations; and, which have funding plans that fit well with the Call's budget profile. |

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| Criterion 4 | The likelihood of the subsequent commercial availability and success of the innovation |
| Weighting | 15% |
| Guidance | In assessing this criterion we will consider how likely the outcomes of the project are to be commercialised and deployed by reviewing the applicants post-project plans for the further development, commercialisation and exploitation of the innovation, if successful. Evidence of a credible commercialisation plan might, for example, include connection/collaboration between smaller/new-to-market innovator companies and more established players such as the OEMs or offshore wind farm developers. |
| Scoring | Highest marks will be awarded to applicants who have a clear considered plan for the commercialisation of the innovation and can credibly delivery that plan. |

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| Criterion 5 | The contribution of the project to the expansion of the offshore wind sector |
| Weighting | 10% |
| Guidance | In assessing this criterion we will consider a number of factors that will determine the effect that a successful project outcome is likely to have on the offshore wind industry and supply chain. These will include, but are not limited to, factors such as: <ul style="list-style-type: none"> • the extent to which the project, if successful, will broaden or strengthen the offshore wind supply chain. • the extent to which the project will provide a learning experience • the number of jobs likely to be created and/or retained by the project • the number of jobs likely to be created and/or retained if the project is successful and the innovation is subsequently commercialised. |
| Scoring | Highest marks will be awarded to those projects that will likely result in a strengthening of the offshore wind sector and its supply chain – for example through new entrants to the supply chain or a strengthening of links between smaller or newer organisations and larger more established players. |

Publication of Results

DECC wishes to publicise the outcome of the Call for Proposals. Therefore, on or after issuing a Grant Offer Letter, DECC will publish the following information:

- Identity of the participant and its partners;
- Type of technology involved;
- Summary details of the aims and expected outcomes of the project
- Estimated total eligible project costs;
- The size of the DECC Grant;

In addition, after the grant funded elements of the projects have been completed DECC expect to publish on its website a summary of the funded activities and the outcomes achieved – likely including the project definition, a summary of the technical details and the outputs. DECC may also revisit projects at a later date and publish an evaluation report for the Scheme as a whole.

DECC however recognises the need to maintain the confidentiality of commercially sensitive information. Any IP gained prior to or arising from the Project will reside with the participating company or consortia. DECC will consult applicants regarding the nature of information to be published, in order to protect commercially sensitive information.

How to Apply

Application forms and guidance materials are available to download from the website of the Department of Energy and Climate Change, at www.decc.gov.uk/innovation .

Applicants must return the completed application form as a Word document to innovation@decc.gsi.gov.uk with “Offshore Wind Second Call (Project Title, Lead Applicant Name)” in the subject line. The **completed application form and the supporting documents specified in the application form must be submitted by 12pm on Friday, 29 June 2012.**

Please also provide one signed hard copy of the application to the following address within 10 working days of submitting your electronic application:

**Sally Fenton,
Innovation Delivery Team
Department of Energy & Climate Change
Floor 6E, 3 Whitehall Place
London, SW1A 2AW**

You must provide your answers within the application form, and in the specific additional documents requested.

Small graphical appendices that support the answers in the Application Form (e.g. site layout maps) may be appended to the end of the form, embedded in the text, or attached to the email.

Please also include a list of all attachments in the body of the email. Do not put any further information relating to your application in the text of the email.

The maximum size email you can send is 10MB. If your application email is larger than 10MB, break the submission down into smaller sizes and ensure the subject line of each additional email takes the following format “Offshore Wind Second Call (Project Title, Lead Applicant Name) – email x of y”.

Electronic copies of relevant supporting documents are preferred. If electronic copies are not available please send hard copies (not originals) to Sally Fenton at the address above.

Please send the application form as a Word document; it will not be accepted in .pdf format. Appendices can be submitted in other common file formats. Any spreadsheets attached should be saved using the file format .xls rather than any more recent format.

You will receive a response by email letting you know that your email has been received and setting out the timescale for reviewing the application and the next steps.

Note: DECC may in response to enquiries provide additional information or clarification on its website. Potential applicants are therefore strongly advised to check DECC’s innovation pages periodically for any additional information.

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