

# Small Modular Reactors

## Competition: Phase One

### DECC response to questions received during the application period

In the Guidance document for Phase One of the SMR competition, published on 17 March 2016, we stated that DECC would, until 1 April 2016, accept questions about the application process or the Phase One dialogue.

We also indicated that, should questions arise which in our judgement were of material significance, we would publish these questions (unattributed) with our reply by the close of 13 April 2016.

We have received a number of questions which we consider to be of material significance, and our responses to these are shown below.

Applicants are reminded that, at this time, no subsequent phases of the competition have yet been designed. DECC is focused on maximising the value of discussions that will take place within the Phase One dialogue. Your Expression of Interest (EOI) form will be used for the purposes set out in the Guidance document but (as set out in paragraph 2.4 of that document) will not be used to evaluate or assess your project in Phase One or any subsequent phase of the competition. Further eligibility criteria and evaluation criteria may be introduced for any subsequent phase of the competition. For the EOI, please remember that you are only required to answer those questions that you consider to be relevant to your organisation or technology.

Please note that paragraphs 3.1 and 3.2 of the Phase One Guidance document also apply to the material set out in this document.

**1. Question:**

‘Will the list of Deemed Eligible Parties be subject to an appeal process (from Participants or Otherwise).’

**1. DECC response:**

We do not intend to set up or operate a specific appeal process of this kind for the competition.

**2. Question:**

‘Can you confirm that an organisation’s participation or reference in more than one EOI would not prejudice the submission?’

**2. DECC response:**

We can confirm this. We anticipate that some organisations may wish to join more than one consortium (and therefore be represented on more than one EOI), and we are happy to accept these applications to participate in Phase One.

**3. Question:**

‘Is it the intention of DECC to share any material clarifications that may arise through discussions during this Phase One with all participating parties and if so through what forum?’

**3. DECC response:**

Subject to paragraphs 2.17 to 2.19 of the Phase One Guidance document, the only clarifications that DECC will share with other Phase One participants are those that relate to the published eligibility criteria or EOI questions, or any other information already published. These clarifications will be published on the relevant page of the DECC website.

**4. Question:**

‘Will parties be informed of the identity of any (late entry) Eligible Parties that are invited for discussions and which did not appear on the original Eligible party list as posted?’

**4. DECC response:**

As stated in paragraphs 1.13 and 2.13 of the Phase One Guidance document, we strongly encourage all potential interested parties to submit EOIs as requested, in line with the published timescales. Organisations that fail to do so may be excluded from Phase One and any subsequent phase of the SMR competition, or from any other Government process in relation to SMRs. However, should DECC decide to accept a late entry by an eligible organisation or consortium, our intention would be to publish the identity of the applicant(s) and a summary of their submission (see paragraph 2.15 of the Guidance document), in the same way as this information is or has been published in respect of other applications.

**5. Question: [Regarding question 2 of the EOI]**

‘Please clarify what is meant by “project” and “proposal” in the context of this and subsequent questions.’

**5. DECC response:**

For the purposes of the EOI, these words can be considered interchangeable, and should be taken to mean a brief summary of what your organisation would bring to any potential collaboration with the UK Government on the development of an SMR design, including for example the areas listed under the question, such as fuel type, generating capacity, maturity of design etc.

**6. Question: [Regarding question 2 of the EOI]**

‘Please clarify what is meant by “independent validation”.’

**6. DECC response:**

By ‘independent validation’ we mean any validation of your SMR technology’s potential (e.g. in terms of performance or cost) undertaken by a reputable organisation that does not have a continuing financial interest in the success of your design. This might, for example, be a validation undertaken by a regulator, or a university or commercial laboratory. While it would be acceptable for this validation to have been provided in return for a fee paid by Phase One applicants, the validating organisation should not have any on-going financial interest in the technology that might call their independence into question.

**7. Question: [Regarding question 3 of the EOI]**

‘Please clarify whether your definition of the “project” in the context of this and subsequent questions, refers only to a proposed project in the UK?’

**7. DECC response:**

As stated in paragraph 1.4 of the Phase One Guidance document, the UK Government has announced £250m for nuclear research and development that will enable the UK to be a global leader in innovative nuclear technologies. This includes a competition to identify the best value SMR design for the UK.

As set out in relation to question 5 above, your project or proposal should reflect what your organisation would bring to any potential collaboration with the UK Government in relation to the development of an SMR design.

Eligibility and evaluation criteria for any subsequent phases of the competition have not yet been determined. However, given the context set out above, DECC is likely to be interested in SMR proposals that have tangible UK aspects.

Applicants’ attention is drawn to paragraph 2.4 of the Guidance document. For Phase One of the SMR competition, applicants are reminded that the information provided in your EOI will not be used to evaluate or assess your project.

**8. Question: [Regarding question 5 of the EOI]**

‘Please elaborate on the use or meaning of the word “advanced” in question 5c (this term is also used in EOI questions 7 and 9).’

**8. DECC response:**

We intend the words ‘advanced design’ to mean detailed design work that might be undertaken after successful completion of Generic Design Assessment.

**9. Question: [Regarding question 5 of the EOI]**

‘Please clarify what information you require in relation to a best estimate of funding required for “operation”.’

**9. DECC response:**

We are looking for applicants to provide an indication of the commercial proposition necessary for viable on-going operation of their SMR design. It would be useful to have an estimate of your expected costs for (a) fuel (b) operation and maintenance, and, if possible (c) nuclear waste handling and (d) decommissioning. It would also be helpful if you can state the expected price of the electricity generated (in £/MWh) and the type and level of any other support needed.

On a further point of clarification, for construction costs (EOI question 5d), it would be useful to have these expressed in terms of the overnight cost of capital.

**10. Question: [Regarding question 6 of the EOI]**

‘Please provide an example of what could be “key internal dependencies”.’

**10. DECC response:**

This EOI question relates to the governance and decision-making within your organisation or consortium. We are interested in knowing what prior conditions or approvals would need to be obtained by you before you would be in a position to proceed with the development of your SMR design. For example, these might include internal ‘stage gate’ approvals at key points of the development sequence, or the prior allocation of funding by a parent organisation.

**11. Question: [Regarding question 8 of the EOI]**

‘Can you clarify whether your definition of “proposal” refers only to a proposed development project in the UK?’

**11. DECC response:**

See answer to question 7 above. For this EOI question, we are interested in knowing whether, if you were successful in a subsequent phase of the competition, you have a standing team that could work on the development of the selected SMR design.

**12. Question: [Regarding question 8 of the EOI]**

‘Please can you clarify whether this is in respect of the delivering of a Generic Design Assessment-ready design or the resource position through to operation?’

**12. DECC response:**

This EOI question relates to the delivery of a Generic Design Assessment-ready design only.

**13. Question:**

‘Can you confirm that it is not DECC’s expectation to enter into Non-Disclosure Agreements with eligible parties for the purposes of conducting these Phase One discussions?’

**13. DECC response:**

We can confirm this. We do not at present intend to enter into Non-Disclosure Agreements for Phase One of the competition. However, Non-Disclosure Agreements are likely to be required for subsequent phases of the competition.

**14. Question:**

‘We would like to confirm whether the 25 page limit mentioned in [section 4 of the EOI] Documents to Be Returned, refers to the total page count for all materials or the total for any further information provided by a respondent.’

**14. DECC response:**

As set out in paragraph 2.9 of the Phase One Guidance document, the 25 page limit applies to all material submitted by the applicant, including the completed EOI, Declaration Sheet, any other material you wish to provide (optional), and any annexes. The total material you submit at this stage should not exceed 25 pages. There may be an opportunity for participants to submit more detailed information in future phases of the competition.

**15. Question:**

‘What arrangements will be in place with respect to the engagement by DECC of any Consultants/ Advisors that it may appoint to support it during Phase One? Specifically, will such advisors be restricted from providing support to Participating Parties?’

**15. DECC response:**

Should DECC decide to appoint advisers, organisations that wish to be considered for that role will need to demonstrate that there is no conflict between their proposed advisory position with DECC and any involvement with participants in the Phase One dialogue.

**16. Question:**

‘Save for the ‘500 word summary’ referred to in Section 2.15 of the Guidance, is it the intention of DECC to post or make information contained within a Party’s EOI available to other members (provided it is not marked as per section 2.16 to 2.19)?’

**16. DECC response:**

We do not intend to make the other information contained in EOIs available to other applicants or participants in Phase One, or to the public, subject to the provisions of paragraphs 2.17 to 2.19 of the Phase One Guidance document. We may share information contained in EOIs with our professional advisers and with other Government Departments and the UK regulatory authorities for the purposes of the

SMR competition. In the case of confidential information which you identify as such, we will share such information only in confidence.

**17. Question:**

‘Please outline the current indicative schedule for each phase of the competition, including the predicted division of workload across the steps.’

**17. DECC response:**

We have not yet designed future competition phases, beyond Phase One, and therefore cannot provide the information requested.

**18. Question:**

‘Please indicate any likely conditions for accessing UK Government funds made available for the SMR development programme. In particular, please indicate whether there will be any preferential access to these funds for UK companies over non-UK technology providers.’

**18. DECC response:**

We have not yet designed, or formulated any criteria for, future competition phases. However, in doing so, DECC will comply with all applicable EU and international legal obligations, including those relating to procurement law and State aid.

**19. Question:**

‘Please confirm that corporate IP will be fully protected throughout the competition process.’

**19. DECC response:**

As set out in the Phase One Guidance document, where you provide us with confidential information and identify it as such, DECC will treat this information as confidential and will not disclose it publicly or to other participants in Phase One, subject to paragraphs 2.17 to 2.19 in the Guidance document. Confidentiality arrangements for any subsequent phases of the competition have not yet been determined.

**20. Question:**

‘Please indicate whether UK Government investment - either in technology development directly, or in related work - would raise a challenge to the ownership of existing corporate IP.’

**20. DECC response:**

We will consider this issue when designing future phases of the SMR competition, and we would hope to discuss it with participants during the Phase One dialogue if they wish to do so. While it is yet to be determined, it is possible that the UK Government may wish to seek a share in the ownership of existing IP in return for any investment we offer for design development.

**21. Question:**

‘Will the competition be structured in a way which permits sufficient time for non-UK technology providers to secure relevant and necessary Export Control permissions?’

**21. DECC response:**

We have not yet designed future competition phases, and so cannot provide the assurance requested at this time. Eligible participants may use the Phase One dialogue to tell us more about export control issues, and any other potential barriers, so that we can consider whether or how to address them in the competition design.

**22. Question:**

‘Please indicate the clearances, rules and qualifications required in the competition. For example, will compliance with BPSS be necessary?’

**22. DECC response:**

For Phase One of the SMR competition, we do not at present intend to require the application of any clearances, rules or qualifications beyond those included in the published eligibility criteria. However, as stated in paragraph 2.3 of the Phase One Guidance document, for any subsequent phase of the competition or for any other competitive process in relation to SMRs, DECC may apply different (including more stringent) eligibility and evaluation criteria. For example, it is possible that, for future competition phases, criteria relating to security and/or non-proliferation will be applied.

**23. Question:**

‘Would it be possible to arrange a meeting now [before the anticipated start of the SMR Phase One dialogue in late May] between our organisation and the DECC SMR Policy Team, to discuss the competition and any queries we have?’

**23. DECC response:**

As we are now in a competitive environment on SMRs, we regret that it will not be possible to hold ad hoc meetings at this time. We hope you will understand that it is important for DECC to maintain a position of equal treatment towards all potential applicants. We intend the Phase One dialogue to be the first opportunity for organisations to have meetings with DECC.

Applying to enter Phase One of the competition does not imply any commitment on your part to participate in subsequent phases.

**24. Question:**

‘For criterion 2 (‘Offences’) can you clarify whether this also applies to enforcement by regulatory authorities against activities that are not criminal offences?’

**24. DECC response:**

The eligibility criteria for Phase One are as set out in the competition documents. Criterion 2 relates only to convictions for the offences set out in regulation 57(1) of the Public Contracts Regulations 2015.

However, as set out in paragraph 2.3 of the Guidance document, different eligibility criteria, which may be more extensive or stringent, may be imposed in any subsequent phases of the competition.

END