

Supply Chain Plan Questionnaire

Contracts for Difference Allocation Round 6

Floating Offshore Wind projects under 300MW

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How to complete this questionnaire

This questionnaire is specifically designed for all Floating Offshore Wind projects that are below 300MW in size. Projects of 300MW and above should complete the Questionnaires for Offshore (including Floating) and Onshore Wind projects equal or greater than 300MW.

Please read the Supply Chain Plan guidance before completing this form, which provides valuable information on how to answer the questionnaire. Please ensure your submission is complete and includes all required documentation. Details of any additional documentation required are included in the Supply Chain Plan guidance.

Applicants must provide the information in the format shown in this document. This means that each heading in each scoring table must be explicitly addressed. Applicants may use the Department for Energy Security & Net Zero tables, adapted to their own corporate templates, or make their own response template that sets out explicitly the headings provided in each question. Any use of an applicant's own corporate template must be subject to the formatting rules set out in the guidance.

Where appropriate, all questions need to be answered with a clear, specific, measurable, unambiguous commitment, except where otherwise stated in the scoring table (some questions do not ask for commitments). Any commitment that does not meet those criteria will be awarded no points, regardless of any of the supporting information provided.

Note that applicants cannot include commitments that merely reflect the fulfilment of their legal obligations, unless the commitment in question goes well above and beyond the minimum legal requirement. For example, if the planning process requires an applicant to perform a specific action, that action cannot count as a commitment to the Department for Energy Security & Net Zero, unless it is demonstrably going beyond what is legally expected.

The project summary section is not scored. All subsequent sections of the Supply Chain Plan questionnaire, excluding annexes, are scored and will count towards the assessment for your Supply Chain Plan Statement of Approval. Examples of what is being sought under most questions can be found in Annex A. Key definitions of terms can be found under Annex B.

Each question comes with a full breakdown of how it will be scored. You must obtain at least 50% of the marks available in total across the questionnaire¹, to receive your Supply Chain Plan statement of Approval. Table 1 shows how many points are available.

Supply Chain Plans for Floating Offshore Wind projects that are below 300MW in size will be considered in the context of the size and maturity of the technology.

Table 1: summary of Supply Chain Plan questions and marks available.

Question	Marks available
1. Green Growth	
1.1 Supply Chain Competition	23
1.2 Floating Offshore Wind Collaboration	80
1.3 Sustainable Procurement	18
2. Infrastructure	

¹ This differs from the questionnaire for 300MW+ offshore/onshore projects, where individual sections must be passed with 60% of the marks available in each section, in order to obtain a Supply Chain Plan Statement of Approval from the Secretary of State.

2.1 Supply Chain Infrastructure	80
3. Innovation	
3.1 Investment in and use of innovative ideas, products and process	54
4. Skills	
4.1 Skill Gaps and Shortages	50
4.2 Equality of Opportunities and reducing the disability employment gap	24
Total number of points	329

Project summary

Contact details

Company name		Authorised representative(s)	
Company address		Preferred contact number(s)	
Preferred email (s)		Preferred contact person	

Project details

Project name		Project size (MW installed capacity)	
Expected Project commissioning date		Project location (Grid Coordinates)	
Expected Project Life		Ownership structure (including ownership share)	

Key statistics

This section is not scored and does not count towards the assessment of your Supply Chain Plan Statement of Approval, nor towards your Supply Chain Plan Implementation Statement. You must, however, complete it. Your application will not be assessed until the relevant information has been submitted.

PS1. UK content

Please anticipate the levels of UK Content to be delivered over the project lifetime, broken down by DevEx, CapEx, OpEx and DecEx (decommissioning) and by the project's major components. Only the headline total lifetime UK content figures will be published.

The method to calculate anticipated UK Content is provided in Annex C and should be followed closely. Note that where a precise figure cannot yet be derived, ranges are acceptable.

Alternatively, an Applicant may use an industry-agreed UK content methodology for the technology they intend to use.

1. Green Growth

Green Growth is about efficient, competitive and innovative supply chains that can make a material contribution to Net Zero, in a sustainable manner. Any major renewable energy project is a significant opportunity to support business creation, and the growth of new industries, but only if a wide range of businesses are given the chance to take part in this new industrial revolution. For Floating Offshore Wind in particular, the growth of the industry will depend on collaboration to achieve scale, and on seeking a wide range of competitive partners.

This is why, in this section, we are looking for actions that:

- Demonstrate a fair, open and competitive procurement process.
- Rewards actions that contribute to collaboration and upscaling of the nascent Floating Offshore Wind sector.

Question 1.1 Supply Chain Competition

The Government is keen to understand who the most capable and competitive key component suppliers are, whether in the UK or internationally, for your Floating Offshore Wind project. Please describe the procurement rationale for each key component of your generating station (see Annex B for definitions of key components). Note that you must provide answers for all the key components listed for your technology.

Your answer should be no more than 8 pages.

Please answer the following questions, covering all key components:

Information requested	Points available
Who are the main suppliers being considered, per key component? This can include preferred bidders if you are still in your in the early stages of procurement. Please specify the location of the facilities. Note: the location is not scored, it is asked to elicit precise answers about where capacity bottlenecks are.	1 point if information provided. 0 points if no information provided.
Why were these suppliers chosen (i.e. what was strong about their bids)?	8 points if comprehensive information is provided against all key components. 6 points if detailed information is provided against all key components. 4 points if basic information is provided against all key components. 2 points if superficial information is provided against key components.

	0 points if no information is provided.
Whether you have set up conditional contracts with any of these suppliers?	8 points if you have set up conditional contracts or preferred supplier agreements with the majority of the suppliers identified. 6 points if you have set up at least one conditional contract. 4 points if you can evidence substantial progress in setting up several conditional contracts, e.g. MOUs. 0 points if no conditional contracts have been set up or none are in progress.
What alternatives were considered, and why were they rejected?	6 points for providing a comprehensive description of alternative suppliers and reasons for rejection. 4 points for providing a detailed description of alternative suppliers and reasons for rejection. 2 points for providing a basic description of alternative suppliers and reasons for rejection. 1 point for a superficial description of alternative suppliers and reasons for rejection. 0 points for not providing any information.
Total number of points	23 points available

Q1.2 Floating Offshore Wind collaboration

Are you taking action to support the wider development of the Floating Offshore Wind sector by collaborating with other entities to accelerate the development of the technology. Relevant examples of collaboration could include, but are not limited to, sharing data, pooling resources or assets, working with regional clusters, or working with other supply chain participants to attract greater interest from the supply chain? At least one action must demonstrate collaboration that aims to bring forward the development of infrastructure. Please state:

- your 4 most impactful actions in terms of supporting the wider development of the floating Offshore Wind sector.
- evidence of how each action is supporting the development of the sector as a whole.
- key measurable outcomes/KPIs for each action.
- how delivery will be assured for each action.

Your answer should be no more than 4 pages.

The question will be scored as follows:

Information requested	Points available per action
Evidence of how each action is supporting the development of the sector as a whole.	10 points if comprehensive evidence is provided for either data sharing, pooling of resources and attempts to create scale through collaboration. 7 points if some detailed evidence is provided. 4 points if basic evidence is provided. 2 points if superficial evidence is provided. 0 points if no evidence is provided.

Key measurable outcomes / KPIs for each action.	<p>5 points for providing clear numerical or objectively measurable targets or outcomes to be completed within a specific timeframe.</p> <p>2 points for providing qualitative targets or outcomes within a specific timeframe.</p> <p>1 point for setting out aspirations but no hard targets or outcomes.</p> <p>0 points if no measurable KPIs provided.</p>
How delivery will be assured for each action.	<p>5 points for setting out clear delivery plan which includes target delivery dates, key milestones building up to final delivery; clear explanation of dependencies necessary to ensure delivery, including known risks, and commitment or enrolment of key stakeholders.</p> <p>3 points for setting out target delivery dates and key milestones building up to final delivery but lacking clear explanation of dependencies.</p> <p>1 point for lack of clear deliverables, milestones, and dependencies.</p> <p>0 points if no delivery assurances set out.</p>
Total number of points	20 points per action, 80 points in total.

Q1.3 Sustainable Procurement

Are you taking action to support the growth of sustainable supply chains that integrate environmentally responsible practices, by encouraging the sustainability of the procurement, operations and maintenance phases of your project? See Annex B for definitions.

Examples could include, but are not limited to, work that displays planning for: using recycled materials, minimising carbon emissions from transportation, adopting new technologies for reducing carbon impacts across the supply chain (e.g. alternative fuels, adopting new technologies for reducing carbon impacts through the use of remote monitoring systems), collaborating with suppliers to work towards decarbonising their practices, modular design or design for repair.

Please state:

- Your 2 most impactful actions in terms of **increasing the sustainability of the procurement, operations and maintenance phases of your project**;
- evidence of ambition compared to existing industry standards or common practice for each action;
- key measurable outcomes/KPIs for each action; and
- how delivery will be assured for each action.
-

Your answer should be no more than 3 pages.

The question will be scored as follows:

Information requested	Points available per action
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Evidence of ambition compared to existing industry standards or common practice, for each action.	<p>3 points if ambition significantly exceeds industry standards or common practice.</p> <p>2 points if ambition is only an incremental improvement on industry standards or common practice.</p> <p>1 point if ambition is in line with industry standards or common practice.</p> <p>0 points if ambition is below industry standards or common practice.</p>
Key measurable outcomes / KPIs for each action.	<p>3 points for providing clear numerical or objectively measurable targets to be completed within a specific timeframe.</p> <p>2 points for providing qualitative targets within a specific timeframe.</p> <p>1 point for setting out aspirations but not hard targets.</p> <p>0 points if no measurable KPIs provided.</p>
How delivery will be assured for each action.	<p>3 points for setting out clear delivery plan which includes: target delivery dates, key milestones building up to final delivery; clear explanation of dependencies necessary to ensure delivery, including known risks, and commitment or enrolment of key stakeholders.</p> <p>2 points for setting out target delivery dates and key milestones building up to final delivery but lacking clear explanation of dependencies.</p> <p>1 point for lack of clear deliverables, milestones, and dependencies.</p> <p>0 points if no delivery assurances set out.</p>
Total number of points	9 points per action, 18 points in total.

2. Infrastructure

This section looks at the activities you are undertaking that contribute to the development and upscaling of the nascent Floating Offshore Wind sector. In particular, upgrades are needed to Floating Offshore Wind supply chain infrastructure to increase scale, facilitate commercialisation, and drive down costs, as well as to develop supportive supply chain logistics.

The questions ask about work being done to:

- Invest in infrastructure that supports supply chain capacity and logistics.

Q2.1 Supply Chain Infrastructure

Part 1

Are you (or your tier one suppliers) supporting investments in the infrastructure necessary for increasing the capacity and capability of your suppliers? Please set out:

- your 2 most impactful actions in terms of increasing supplier capacity.

- the nature and extent of your support (significant investment, small investment, other forms of support);
- key measurable outcomes/KPIs for each action.
- how delivery will be assured for each action.

Part 2

Are you supporting investments in any other infrastructure, specifically around supply chain logistics (e.g. ports), not referenced above or in earlier questions? Please set out:

- your 2 most impactful actions in terms of strengthening other infrastructure that supports supply chains;
- the nature and extent of your support (significant investment, small investment, other forms of support);
- key measurable outcomes/KPIs for each action.
- how delivery will be assured for each action.

Your answer should be no more than 5 pages.

In this question, two of your actions can relate to a previous project, so long as there are demonstrable links between the activity undertaken between the past and current project. See Annex B for definitions of ‘demonstrable links’.

The Department for Energy Security & Net Zero acknowledges that projects are at different stages in terms of the planning process and making contracting decisions. To account for this, applications can contain multiple serious and feasible scenarios being considered, provided serious and sustained negotiation efforts can be evidenced.

This question will be scored as follows²:

Information requested	Points available per action
Extent and nature of the support (significant investment, small investment, other forms of support).	<p>10 points if investment triggers or will lead to major infrastructure upgrades (new or expanded infrastructure)</p> <p>7 points if investment triggers or will lead to incremental infrastructure upgrades (e.g. improving existing infrastructure)</p> <p>5 points if providing other forms of support only (e.g. guaranteeing pipeline to enable investment)</p> <p>0 points if no material support is offered.</p>
Key measurable outcomes / KPIs for each action.	<p>5 points for providing clear numerical or objectively measurable targets to be completed within a specific timeframe.</p> <p>3 points for providing qualitative targets within a specific timeframe.</p> <p>1 point for setting out aspirations but not hard targets.</p> <p>0 points if no measurable KPIs provided.</p>
How delivery will be assured for each action.	<p>5 points for setting out clear delivery plan which includes: target delivery dates, key milestones building up to final delivery; clear explanation of dependencies necessary to</p>

² Note: The Department for Energy Security and Net Zero considers the following when assessing the strength of evidence supporting an activity: Financial commitments; one off payments; long terms investments; Level of commercial assurance; MoUs; collaboration agreements; Contracts.

	<p>ensure delivery, including known risks, and commitment or enrolment of key stakeholders.</p> <p>3 points for setting out target delivery dates and key milestones building up to final delivery, but lacking clear explanation of dependencies,</p> <p>1 point for lack of clear deliverables, milestones, and dependencies.</p> <p>0 points if no delivery assurances set out.</p>
Total number of points	20 points per action, 80 points in total.

3. Innovation

Innovation drives growth, creates jobs and helps make our technology cleaner. Developing and deploying new ideas, products and processes is central to our ambition of being the world's most innovative economy.

The growth of the Floating Offshore Wind sector will be driven by innovation in product design, and construction techniques. Floating Offshore Wind will also be at the centre of new products and processes in the UK and internationally. By delivering against the Innovation objectives, you will ensure that ongoing research and development will prepare the ground for future mass deployment of Floating Offshore Wind.

This section therefore asks about:

- Your project's investment in R&D.

Q3.1 Investment in and use of innovative ideas, products and processes

Are you taking action through your project to prepare for wider deployment in the future, by investing in and/or using innovative ideas, products and/or processes?

- your 2 most impactful actions.
- expected/Desired impact(s) on the project for each action.
- your level and type of involvement in the innovation activity.
- key measurable outcomes/KPIs for each action.
- how delivery will be assured for each action.

Your answer should be no more than 3 pages.

In this question, one of your actions can relate to a previous project, so long as there are demonstrable links between the activity undertaken between the past and current project. See Annex B for definitions of 'demonstrable links'.

The question will be scored as follows:

Information requested	Points available per action
Expected/Desired impact(s) on the project for each action.	5 points if comprehensive description of expected impacts is provided.

	<p>3 points if detailed description of expected impacts is provided.</p> <p>2 points if basic description of expected impacts is provided.</p> <p>0 points if no description of expected impacts is provided.</p>
Your level and type of involvement in the innovation activity.	<p>2 points if leading the activity or part of a wider partnership.</p> <p>1 point if delegated to a third party.</p> <p>0 points for no information.</p>
Evidence of ambition for each action.	<p>10 points if impact significantly exceeds industry standards or common practice.</p> <p>5 points if impact is only a small incremental improvement on industry standards or common practice.</p> <p>3 points if impact is in line with industry standards or common practice.</p> <p>0 points if impact is below industry standards or common practice</p>
Key measurable outcomes / KPIs for each action.	<p>5 points for providing clear numerical or objectively measurable targets to be completed within a specific timeframe.</p> <p>3 points for providing qualitative targets within a specific timeframe.</p> <p>2 points for setting out aspirations but not hard targets.</p> <p>0 points if no measurable KPIs provided.</p>
How delivery will be assured for each action.	<p>5 points for setting out clear delivery plan which include: target delivery dates, key milestones building up to final delivery; clear explanation of dependencies necessary to ensure delivery, including known risks, and commitment or enrolment of key stakeholders.</p> <p>3 points for setting out target delivery dates and key milestones building up to final delivery but lacking clear explanation of dependencies.</p> <p>1 point for lack of clear deliverables, milestones, and dependencies.</p> <p>0 points if no delivery assurances set out.</p>
Total number of points	27 points per action, 54 points in total

4. Skills

This section looks at action you are taking to invest in the skills needed to support the accelerating deployment of Floating Offshore Wind. In particular, it is concerned with the actions taken to ensure the right people have access to the growing range of opportunities, to ensure the sustainability of the sector's rapid growth.

The questions in this section ask about:

- work done around identifying and addressing skills gaps and shortages.

- ensuring a diverse, fair and safe workforce that will contribute to a strong, sustainable supply chain.

Q4.1 Skill gaps and shortages

As a Floating Offshore Wind developer, what skills challenges does the project propose to address throughout its lifetime and how will that help ensure the industry can scale up rapidly in the future? Please state:

- the main skill gaps, shortages or barriers you are facing.
- the two main skills challenges your project proposes to address through its lifetime;
- explanation of how addressing these challenges will help ensure the industry can scale up rapidly in the future.

Your answer should be no more than 4 pages.

In this question, one of your actions can relate to a previous project, so long as there are demonstrable links between the activity undertaken between the past and current project. See Annex B for definitions of 'demonstrable links'.

The question will be scored as follows:

Information requested	Points available per action
Description of gaps and shortages.	10 points if comprehensive description is provided. 7 points if detailed description is provided. 3 points if basic description is provided. 0 points if no description is provided.
Description of each of the two main skills challenges the project proposes to address in its lifetime.	10 points if comprehensive description is provided. 7 points if detailed description is provided. 5 points if basic description is provided. 2 points if superficial description is provided. 0 points if no description is provided.
Explanation of how resolving each of the two skills challenges will help ensure the industry can scale up rapidly in the future.	10 points if comprehensive description is provided. 7 points if detailed description is provided. 5 points if basic description is provided. 2 points if superficial description is provided. 0 points if no description is provided.
Total number of points	20 points per challenge, 50 points in total.

Q4.2 Equality of opportunity and reducing the disability employment gap

Are you taking action to **promote equality of opportunities in the workforce, which includes reducing the disability employment gap**? Please state:

- your 2 most impactful actions in terms of promoting equality of opportunities in the workforce and to reducing the disability employment gap.
- evidence of ambition compared to existing industry standards or common practice for each action.
- key measurable outcomes/KPIs for each action.
- how delivery will be assured for each action.

Note: stating or summarising your overall corporate strategy does not count as an individual action.

Your answer should be no more than 3 pages.

The question will be scored as follows:

Information requested	Points available per action
Evidence of ambition, for each action.	<p>6 points if ambition significantly exceeds industry standards or common practice.</p> <p>3 points if ambition is only a small incremental improvement on industry standards or common practice.</p> <p>1 point if ambition is in line with industry standards or common practice.</p> <p>0 points if ambition is below industry standards or common practice.</p>
Key measurable outcomes / KPIs for each action.	<p>3 points for providing clear numerical or objectively measurable targets to be completed within a specific timeframe.</p> <p>2 points for providing qualitative targets within a specific timeframe.</p> <p>1 point for setting out aspirations but not hard targets.</p> <p>0 points if no measurable KPIs provided.</p>
How delivery will be assured for each action.	<p>3 points for setting out clear delivery plan which includes target delivery dates, key milestones building up to final delivery; clear explanation of dependencies necessary to ensure delivery, including known risks, and commitment or enrolment of key stakeholders.</p> <p>2 points for setting out target delivery dates and key milestones building up to final delivery but lacking clear explanation of dependencies.</p> <p>1 point for lack of clear deliverables, milestones, and dependencies.</p> <p>0 points if no delivery assurances set out.</p>
Total number of points	12 points per action, 24 points in total.

5. Additional comments

Please disclose any additional information you wish the Department for Energy Security & Net Zero to consider when evaluating your Supply Chain Plan.

Your answer should be no more than 3 pages.

Note that this section is not scored and will be used only to provide context to answers.

Annex A: Examples of what is being sought

Question	Example
Green Growth	
1.1 Supply Chain Competition	Guidance in question.
1.2 Floating Offshore Wind Collaboration	Examples can include working with other Developers or organisations to place orders or secure a pipeline; support or collaborate with facilities such as ports; share data, innovation, lessons learnt, etc
1.3 Sustainable Procurement	Guidance in question.
Infrastructure	
2.1 Supply Chain Infrastructure	<p>Part 1: Examples of actions that support suppliers could include the following: supporting supply chain companies to make investments improving their own capability/capacity (e.g. factory upgrades, new facilities, etc), whether via direct funding or firm assurance in a future order pipeline to provide confidence in taking investment decisions, or by securing Tier 1 collaboration with lower tiers.</p> <p>Part 2: Examples of other actions that strengthen infrastructure that supports supply chains could include the following: building enabling infrastructure, e.g., access roads, providing funding support to upgrade existing port facilities, collaborating with other projects to set up shared or joint infrastructure or providing confidence in infrastructure projects by committing pipeline.</p>
Innovation	
3.1 Investment in Development	Examples include any work you are doing to contribute towards the development of FOW projects that clearly link to opening the way for larger projects. This could include employing new or innovative technologies or processes, investing in R&D, strengthening supply chain capacity.
Skills	
4.1 Skill Gaps and Shortages	A description of the key skills challenges you might face could include: finding suitably qualified workers; finding sufficient numbers of workers; facing barriers for workers transitioning from other industries such as recognition of qualifications or training programmes; lack of skills programmes (STEM programmes, apprenticeships).
4.2 Equality of opportunities	Examples of actions that promote equality of opportunities in the workforce and reduce the disability employment gap could include the following: work to support in-work progression to help people from diverse backgrounds, perspectives and needs, which include age, ethnicity, education and other abilities, to move into the industry or into higher paid work by developing new skills relevant to the contract; working to increase the representation of disabled people in the contract workforce; working to support disabled people in developing new skills relevant to the contract, including through training schemes that result in recognised qualifications; work to influence staff, suppliers, customers and communities through the delivery of the contract to support disabled people.

Annex B: Key definitions

“Key components”

Key components for **Floating Offshore Wind** are as follows:

1. Turbines
 - a. Blades
 - b. Nacelles
 - c. Towers
2. Foundations (mooring, anchoring, substructures)
3. Cables
 - a. Export
 - b. Array
4. Electrical Infrastructure Balance of Plant (BoP)
 - a. Electrical
 - b. Structural
 - c. Onshore
5. Installation
 - a. Turbine
 - b. Foundation
 - c. Electrical / Cable (export, inter-array and onshore installation)

“Demonstrable links” between past activity undertaken, and current project

A demonstrable link means evidence of how activity in a previous project has direct, practical implications for the current project. This could be, for instance, lessons learnt applied to the current project, a procurement exercise that covers several projects, R&D investment or new technologies being rolled across several successive projects, infrastructure that is being used across several projects. Activities by parent companies or consortium members can be used provided the link to the project is within this definition.

“Ambition”

Floating Offshore Wind projects have so far largely been small (below 50MW) demonstrator projects. As the scale of forthcoming projects increases, so is their expected level of ambition for the development of their supply chain.

“Highly ambitious” means, in practical terms, any action that contributes to increasing the scale of the industry, or that represents a new approach to a given scenario not yet tried in the Floating Offshore Wind industry.

“incrementally ambitious” means any action that demonstrably builds on lessons learnt from previous demonstrator projects.

“In line with standard industry or common practice” means any action that has routinely been undertaken by previous Floating Offshore Wind projects in a given scenario, and therefore does not attempt to do things differently or at a larger scale than in the past.

Floating Offshore Wind will ambition will not be compared to other industries, and the size of projects will be taken into account.

“Key measurable outcomes / KPIs”

This refers to the key outcomes you will be monitored against. These should ideally be clear numerical or objectively measurable targets to be completed within a specific timeframe. Qualitative targets (e.g. producing a report) are also acceptable but will score less highly than numerical KPIs.

“How delivery will be assured”

This requires a summary of how your intent, policy or initiative will be translated into concrete outcomes. This usually would include timelines for delivery and an overview of the key steps necessary to translate an intent into an outcome.

“Detailed” or “comprehensive” information vs. “some” or sufficient information vs. superficial” or “insufficient” information

Comprehensive: clear statement of desired effects, timelines, key risks, mitigations, wider context, and industry impacts.

Detailed: clear statement of desired effects with supportive details on at least three of the following: timelines, key risks, mitigations, wider value and industry impacts.

Basic: clear statement of desired effects but with supportive detail on two or fewer of the following: timelines, key risks, mitigations, wider value and industry impacts.

Superficial: information on desired effects is unclear.

Annex C: UK content calculation methodology

The methodology to be applied to calculate anticipated UK Content in relation to the unscored Key Statistics section PS1. UK content, is the methodology endorsed by the Offshore Wind Industry Council described in *BVG Associates (2015) Methodology for Measuring the UK content of UK offshore wind farms, for UK Government, Department of Energy and Climate Change, RenewableUK and The Crown Estate, May 2015.*³

Appendix G provides summary guidance to support the consistent application of the methodology by developers across different renewable power generation technologies, both for forecasting UK Content in uncommitted expenditure and for tracking and reporting UK Content within committed expenditure. This summary is provided as an aid to developers in applying the full methodology, which should be followed in detail and is that contained in the document by BVG (2015).

Table G.1 of this questionnaire is provided as a template to guide the calculation of anticipated lifetime UK Content in a project.

Tables can be found following link to excel document on this page:

<https://www.gov.uk/government/publications/contracts-for-difference-cfd-allocation-round-4-supply-chain-plan-questionnaire-and-guidance>

Table G.1 Template to Guide Calculation of UK Content in Project Expenditure

Definitions

Term	Definition
Generator	A Developer or Generator is the company that owns a project development.

³ You may use other industry approved methodologies, such as the update provided by BVG in 2021: “UK content calculation for AR4: guidance for industry”.

Term	Definition
	<p>The term 'Developer' refers to the owner up to the point that they are awarded a CfD Contract in a specific Contracts for Difference Allocation Round. The term 'Generator' refers to the owner thereafter.</p> <p>In Appendix G the single term 'Generator' is used.</p>
Development expenditure (DevEx)	DevEx costs incurred by the Generator from the award of development rights by The Crown Estate to FID
Capital expenditure (CapEx)	CapEx includes costs incurred from FID to works completion date (WCD). It includes the cost of constructing the transmission assets that will be sold to the Offshore Transmission Owner (OFTO).
Operational expenditure (OpEx)	OpEx includes costs incurred by the project Generator from works completion date (WCD) to the end of active life
Decommissioning expenditure (DecEx)	DecEx includes costs incurred in the decommissioning, dismantling and disposal or recycling of the project
Works Completion Date (WCD)	WCD is the date at which the project's full rated generation capacity has been commissioned
Total expenditure (TotEx)	TotEx includes all costs incurred from award of development rights to the end of decommissioning, and is the aggregation of DevEx, CapEx, OpEx and DecEx
Final Investment Decision (FID)	FID is the point of a project life cycle at which all consents, agreements and Contracts that are required to commence project construction have been signed (or are at or near execution form). At this point there is a firm commitment by equity holders or debt funders to provide or mobilise funding to cover the majority of construction costs
Committed Expenditure	Committed expenditure includes past and current contracts, and future contracts for which expenditure has been committed and the supplier selected
Uncommitted Expenditure	Uncommitted expenditure is all expenditure related to the project for which a supplier has not yet been selected
Customer	A Customer is a purchaser of goods or services for the project, which may be a project Generator or a Supplier at any tier of the supply chain (except the bottom tier)
Supplier	A Supplier is a provider of goods or services to a Customer. A Tier 1 Supplier is a supplier directly contracted by the project Generator
Internal Supplier	An Internal Supplier refers to the activities performed by a Customer that are not passed through to Suppliers, for example, expenditure by a civil works contractor in deploying their own equipment and inhouse (i.e. internal) work teams to execute part of a scope of work, and then sub-contracting the remaining portion of the work scope to Suppliers
Sub-supplier	A Sub-supplier is a company that is two or more steps down the supply chain from the Customer
Contract	A Contract is an agreement between a Customer and a Supplier to provide a goods or services to an agreed value. It covers the aggregated payment by the Customer to the Supplier for a defined scope of work or supply of goods. Purchase Orders (POs) are considered a type of Contract. The total Contract value could be made up of a number of transactions
Sub-contract	A Sub-contract is an agreement between a Supplier and a Sub-supplier
Contract Value	The Contract Value is the price paid by a Customer to a Supplier inclusive of profit margin (exclusive of VAT where applicable)
Base Cost	<p>Suppliers calculate UK Content within their Base Costs.</p> <p>Base Cost is the Contract Value less the Supplier's profit margin, and is comprised of the value of the Supplier's aggregated internal and external Sub-contracts. (Profit margins plus Base Cost form the Contract price to the Customer and the Contract Value to the Supplier). VAT is excluded from all calculations [tbc]</p>
Margin	Margin means profit margin as EBITA [tbc]

Term	Definition
	<p>Suppliers calculate and report percentage UK Content in their Base costs. Total % UK Content across multiple Contracts is the weighted average of UK Content in the Base Cost of each Contract.</p> <p>Total % UK Content is reported by a generator as % UK Content in TOTEX.</p> <p>The country destination of profit margins or the company's taxation are not considered in the calculation of UK Content. Therefore, when applying total % UK Content to TOTEX to derive a monetary figure for UK Content, the level of UK Content within aggregated profit margins will be proportionate to the percentage of UK Content in Base Cost.</p> <p>(An alternative is for the monetary value of UK Content to be % UK Content within aggregated Base Costs x aggregated Base Cost, which will be a lower monetary figure). [tbc]</p> <p>A Supplier may include a margin in the cost of an Internal Sub-contract.</p>
Internal Contract or Sub-contract	<p>An Internal Contract is the discrete volume of expenditure on activities performed by an Internal Supplier.</p> <p>The value of an Internal Contract may include a profit margin, for example, where there is a cross charge between different company operations (ie an internal transaction). Where this is the case, the internal margin is deducted from the Internal Contract value to derive the Base Cost for calculating UK Content within the Internal Contract.</p>
FTE	Direct jobs (employees or direct hires) created or maintained by suppliers, expressed as Full Time Equivalent
UK FTE	UK FTE jobs are direct jobs (employees or direct hires) created or maintained by suppliers operating in the UK as registered companies or with an operating license, expressed as Full Time Equivalent positions.

Summary Guidance for Calculation of UK Content *(Work in Progress)*

Component	Summary of Methodology	UK Content Calculation
UK Content	<p>% UK Content is reported by a generator as percentage of DevEx, CapEx, OpEx and DecEx and as % of TOTEX.</p>	<p>UK Content is calculated as a proportion (%) of Base Cost for each contract or internal contract (or each component or category of unallocated expenditure).</p> <p>Total project lifetime UK Content is calculated as the aggregated weighted average of % UK Content across all current and past contracts (and all components/categories of unallocated expenditure) across DevEx, CapEx, OpEx and DecEx, as follows:</p> <p>Total project lifetime % UK Content = $\frac{\sum (\text{£ UK Content} / \text{£ Base Cost}) \times 100\%}{\text{Total project lifetime } \text{£ UK Content} = \text{Total project lifetime \% UK Content} \times \text{TOTEX}}$</p>
Committed expenditure	<p>Committed expenditure includes past and current contracts, and future contracts for which expenditure has been committed and the supplier has been selected.</p> <p>Committed expenditures are at prices of the day.</p> <p>For committed expenditures:</p> <ul style="list-style-type: none"> Supplier undertakes UK Content calculation for contracts > £10 million Customer undertakes UK Content calculation for contracts < £10 million <p>For committed expenditure with contract values >£10 million, the Customer asks suppliers to undertake the UK Content calculation following in the methodology summarised in Appendix G (this document) and described in detail in BVG (2015).</p>	<p>Calculation of UK Content as % of Base Cost in a Contract</p> <p>V Contract Value M Contract profit margins OH Overheads apportioned to Contract G Expenditure on internal and external Goods S Expenditure on internal and external Services Di Incremental depreciation of asset over contract period</p> <p>cOH UK Content in Overheads, apportioned to Contract value cG UK Content in Goods, apportioned to Contract value cS UK Content in Services, apportioned to Contract Value cDi Incremental depreciation of asset over contract period</p> <p>% UK Content = $\frac{(cOH + cG + cS + cDi)}{(V - M + Di)} \times 100\%$</p>

Component	Summary of Methodology	UK Content Calculation
	For committed expenditure with contract values <£10 million the Customer undertakes the UK Content calculation based on professional judgement following the guidance in Appendix G (this document), supported by the information in BVG (2015).	["Di" in denominator- tbc]
Uncommitted Expenditure	<p>Uncommitted expenditure is all expenditure related to the project for which a supplier has not been selected</p> <p>Uncommitted expenditure is in real terms and undiscounted</p> <p>For all uncommitted expenditure the Customer undertakes the UK Content calculation based on professional judgement following the summary guidance in Appendix G (this document) and the detailed methodology described in BVG (2015).</p>	<p>Calculation of UK Content as % of Base Cost in a project component or goods/service category</p> <p>U Uncommitted expenditure allocated to a specific project component or category of goods/service M profit margin (assumed) Cp % Capacity of UK suppliers to meet demand Pr % Probability of UK suppliers capturing orders</p> <p>cOH UK Content in Overheads, apportioned to component or category cG UK Content in Goods, apportioned to component or category cS UK Content in Services, apportioned to component or category cDi Incremental depreciation of asset over contract period</p> <p>% UK Content = $[(cOH + cG + cS + cDi) \times Cp \times Pr] / (U - M + Di) \times Cp \times Pr \times 100\%$</p> <p>["Di" in denominator- tbc]</p>
Margins	<p>Profit margins</p> <p>Where commercially confidential or otherwise unable to identify Margins, assume margin is 10% of Contract Value or 10% of uncommitted [tbc]</p>	<p>Committed expenditure</p> <p>To derive Base Cost, remove actual profit margin from contract value.</p> <p>Uncommitted expenditure</p> <p>To derive Base Cost, remove assumed profit margin from Uncommitted expenditure allocated to a specific project component or category of goods/service.</p>
Overheads	<p>A portion of corporate overheads are included in the calculation of UK Content as part of Base Cost, and include:</p> <ul style="list-style-type: none"> • asset maintenance • finance • IT • sales • research and development • human resources • training not directly associated with project <p>For committed expenditure with contract values >£10 million, calculation of UK Content in Overheads is by the Supplier as the number of UK FTE within total FTE Overheads workforce, proportioned to the ratio of the contract value to total sales of the company over the contract period.</p> <p>For committed expenditure with contract values <£10 million, calculation of UK Content in Overheads is by the Customer as the number of UK FTE within total FTE Overheads workforce of the supplier, proportioned to the ratio of the contract value to estimated total sales of the Supplier over the contract period.</p> <p>For uncommitted expenditure, expenditure is allocated to a specific project component or category of</p>	<p>Committed Expenditure</p> <p>OH Total Annual Overhead CP Period of Contract in years V Contract Value TS Total sales over the contract period TFOH Total average FTEs in Overheads function in contract period UKFOH Total average UK FTEs in Overheads function in contract period</p> <p>% UK Content in OHs = $[(OH \times CP) \times (V/TS)] \times (UKFOH/TFOH)$</p> <p>Uncommitted expenditure</p> <p>% UK Content in OH = (U - M) x 10%</p>

Component	Summary of Methodology	UK Content Calculation
	<p>service or goods, and UK Content is then calculated as follows:</p> <ul style="list-style-type: none"> assume Overheads are 10% of Base Cost [tbc] assume that for suppliers operating in UK overheads are 100% UK Content* assume that for suppliers not operating in UK overheads are 0% UK Content <p>*given that definition of UKFTE is any employee or direct hire created or maintained by suppliers operating in UK, then can assume all (100%) of FTE Overheads workforce is UKFTE [tbc]</p>	
<p>Supply of Goods (manufactured products, equipment, materials)</p>	<p>For committed expenditure with contract values >£10 million, UK Content is calculated by the Supplier as the actual weighted average (by sales price) of % UK Content in all goods produced by the supplier in the year the Contract is fulfilled. This % UK Content figure is reported to all Customers in that year, regardless of product or product model/type sold to Customer [tbc]</p> <p>For committed expenditure with contract values <£10 million, UK Content is calculated by the Customer as the estimated weighted average (by sales price) of % UK Content in all goods produced by the Supplier in the year the Contract is fulfilled.</p> <p>For uncommitted expenditure, expenditure is allocated to a specific project component or category of service or goods, and UK Content is then calculated as follows:</p> <ul style="list-style-type: none"> for suppliers operating in UK, UK Content is a professional judgement based on 100% minus estimated imported value of intermediary goods used in manufacturing process (equivalent to CIF*). [tbc] for suppliers not operating in UK, UK Content is professional judgement of whether intermediary components in the overseas manufacture process are exported from UK, and if so the UK-retained export value. [tbc] <p>*CIF – IncoTerm 'Cost, Insurance, Freight': https://www.trade.gov/know-your-incoterms</p>	<p>Committed expenditure</p> <p>PT Total sales of all products in final year of contract P1 Total sales of all of product type number 1 in final year of contract P2 Total sales of all of product type number 2 in final year of contract C1 % UK Content in P1 C2 % UK Content in P2</p> <p>% UK Content in Goods = $[\sum (P1 \times C1) + (P2 \times C2) + \text{etc}] / PT$ or % UK Content in Goods = C1 (where P1 is the supplied good)</p> <p>Uncommitted expenditure</p> <p>% UK Content in Goods = $1 - [(CIF / (U - M - OH))]$</p>
<p>Supply of Goods (fuel)</p>	<p>Fuel</p> <ul style="list-style-type: none"> Apply 70% UK Content to expenditures on fuel bought in the UK Apply 0% UK Content to expenditures on fuel bought overseas 	
<p>Supply of Goods (internal manufacturing)</p>	<p>Internal Manufacturing</p> <p>For the purposes of calculation % UK Content, manufacturing processes that are performed by the supplier of a service (eg a marine vessel services company that produces spare parts in their own workshops) are treated as an Internal Supplier. Treat this internal manufacturing as per the calculation for UK Content for external suppliers of goods.</p>	<p>As above</p>
<p>Supply of Services</p>	<p>For all calculations of UK Content in services, first deduct from the Base Cost the value of any goods components within the service (eg products, equipment materials). If these goods are entirely consumed during the contract period (eg aggregates), then calculate % UK Content in these goods as per the Supply of Goods methodology above. If the goods deducted from service are a 'Capital Investment' (eg supplier-owned equipment deployed during contract such as earth movers or vessels, then calculate % UK</p>	<p>Committed Expenditure >£10m</p> <p>V Contract Value M Contract profit margins cOHs Overheads apportioned to Contract value and then pro rata to labour-in-Services only Gs Value of Goods within service contract (includes Overheads apportioned to Contract and pro rata to Goods-in-Service only) TFs Total average FTEs in supplier of service in final year of contract</p>

Component	Summary of Methodology	UK Content Calculation
	<p>Content as per the Capital Investment methodology below.</p> <p>This leaves labour-in-Services as the basis of the calculation for % UK Content in services, as follows.</p> <p>For committed expenditure with contract values >£10 million, UK Content in service contracts is calculated by the Supplier as the actual total number of UK FTEs employed by the Supplier (or division of Supplier) in the last year of the contract, as proportion of total number of FTEs employed by the Supplier (or division of Supplier) in the last year of the contract</p> <p>For committed expenditure with contract values <£10 million, total UK Content is calculated by the Customer as the estimated number of UK FTEs employed by the Supplier (or division of Supplier) in the last year of the contract, as proportion of total number of FTEs employed by the Supplier (or division of Supplier) in the last year of the contract:</p> <ul style="list-style-type: none"> for suppliers operating in UK assume UK Content in total workforce of supplier is 100%* for suppliers not operating in UK assume UK Content in total workforce service is 0% <p>For uncommitted expenditure, expenditure is allocated to a specific project component or category of services, and UK Content is then calculated as follows:</p> <ul style="list-style-type: none"> for suppliers operating in UK assume service (less overheads) is 100% UK Content* for suppliers not operating in UK assume service is 0% UK Content <p>*given that definition of UKFTE is any employees or direct hire created or maintained by suppliers operating in UK, then assume 100% of FTE within services meets the definition of UKFTE</p>	<p>UK Content Calculation</p> <p>UKFs Total average UK FTEs in supplier of service in final year of contract</p> <p>$\% \text{ UK Content in Services (less Goods-in-Services)} = (\text{UKFs/TFs}) * (\text{V} - \text{M} - \text{Gs} - \text{cOHs})$</p> <p>Uncommitted expenditure</p> <p>Gs Value of Goods within service component or category (includes Overheads apportioned to Contract and pro rata to Goods-in-Service only)</p> <p>or category</p> <p>UKFs Total UK FTEs in provision of service component or category</p> <p>cOHs Overheads apportioned to service component or category and then pro rata to labour-in services only</p> <p>$\% \text{ UK Content in Services (less Goods-in-Services)} = (\text{UKFs/TFs}) * (\text{U} - \text{M} - \text{Gs} - \text{cOHs})$</p>
Supply of Services (land rent)	<p>Land rent</p> <p>The UK content is the percentage of UK FTEs involved in administering the land asset. To calculate % UK Content in insurance treat as a 'service'</p>	as above
Supply of Services (insurance)	<p>Insurance</p> <p>UK Content in insurance considers only the premiums paid by the Customer. To calculate % UK Content in insurance treat as a 'service'</p>	as above
Supply of Services (warranty)	<p>Warranty</p> <p>To calculate % UK Content in a warranty treat as a 'service'</p>	as above
Supply of Services (internal services)	<p>Internal Services</p> <p>For the purposes of calculation % UK Content, services that are performed by the suppliers' own workforce (excluding labour in Overheads) (eg engineering services, construction team) are treated as an Internal Supplier. Treat this internal service as per the calculation for UK Content for external suppliers of services.</p>	as above
Capital Investments (applicable to committed expenditure only)	<p>A Supplier may have made a capital investment in equipment or a manufacturing facility that is used to fulfil a Contract. The equipment or manufacturing facility depreciates during the fulfilment of a Contract. For the purposes of this methodology, % UK Content is calculated as portion of the depreciation cost of the investment.</p> <p>For committed expenditure where the supplier's depreciated investment value over the contract period is >£10 million, UK Content within capital</p>	<p>Committed expenditure - where the supplier's depreciated investment value over the contract period is >£10 million:</p> <p>CP Period of Contract in years</p> <p>V Contract Value</p> <p>TS Total sales over the contract period</p> <p>Di Incremental depreciation of asset over contract period</p> <p>Io % UK Content in original investment</p>

Component	Summary of Methodology	UK Content Calculation
	<p>investments is calculated by the Supplier as the incremental depreciation of the asset over the period of the contract, apportioned to the ratio of the contact value to total sales of the supplier over the contact period.</p> <p>If a Supplier has an established process for attributing an investment cost to a particular Contract, it should use this as a basis for the UK Content calculation. If a Supplier has no established process, a linear depreciation model should be used over 20 years for a marine vessel (ie 5% per year) and 10 years for other capital investments (ie 10% per year).</p> <p>The % UK Content of the depreciation equals the UK Content in the original investment, which is calculated by determining the % UK Content in the original investment from analysing the Contracts awarded at the time. Making this analysis will become more difficult with time, therefore for investments made more than five years before they are used in fulfilling a Contract, a Customer may make its own estimate of the UK Content in the supplier's investment.</p> <p>For committed expenditure where the supplier's depreciated investment value over the contract period is <£10 million (or is >£10 million but investment was made > 5 years before contract) UK Content within capital investments is estimated by the Customer following the guidance above.</p>	<p>% UK Content in Investments = $[(V \times CP) / TS] \times Di \times Io$</p> <p>Committed expenditure - where the supplier's depreciated investment value over the contract period is <£10 million, or is >£10 but investment was made > 5 years before contract):</p> <p>% UK Content in Investments = $[(V \times CP) / TS] \times Di \times Io$ (est.)</p>
Contingency	Treat all contingency sums as Uncommitted expenditure and follow the guidance above.	