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**Project Reference Number:** [INSERT PROJECT REFERENCE NUMBER HERE]

[INSERT CONTACT IN ORGANISATION]

[INSERT POSITION HELD]

[INSERT LEGAL NAME OF GRANT RECIPIENT]

[INSERT ADDRESS]

[INSERT POSTCODE]

[INSERT EMAIL ADDRESS OF GRANT RECIPIENT CONTACT ABOVE]

[INSERT DATE]

Dear [INSERT NAME OF GRANT RECIPIENT SIGNATORY]

**Offshore Coordination Support Scheme (Scheme) – The Grant Offer Letter – Project at [INSERT GRANT RECIPIENT NAME]**

1. I am pleased to tell you that, subject to all the pre-conditions listed in Paragraph 6 being satisfied, The Secretary of State for Energy Security & Net Zero (“**We**”/“**Us**”/“**Our**”/“**the Secretary of State**”), offers [INSERT DETAILS OF GRANT RECIPIENT HERE INCLUDING FULL NAME, COMPANY REGISTRATION NUMBER OR CHARITY NUMBER WHERE APPROPRIATE AND REGISTERED ADDRESS] (“**You**”/“**Your**”) a grant (“**Grant**”) subject to Your agreement to, and compliance with, the Terms and Conditions set out in this Grant Funding Agreement.
2. The offer contained in this Grant Offer Letter is made with regard to your application submitted to the Scheme at [INSERT TIME] on [XX XXXXX 202X], to deliver [INSERT NAME OF ACTIVITY] as more fully described at Schedule 1 attached (the “**Funded Activities**”). Funded Activities are designed to facilitate a coordinated offshore transmission project in respect of [insert summary] as more fully described in Schedule 1 (the “**Qualifying Coordinated Project**”). The Qualifying Coordinated Project is designed to facilitate coordinated offshore transmission for [insert the names of the two or more projects] (“**Projects**”) as more fully described Schedule 1.
3. The Grant is offered under **Section 50 of the United Kingdom Internal Markets Act 2020**.
4. Terms used in this Grant Offer Letter shall have the meaning given to them in Paragraph 2 of the Terms and Conditions contained in Schedule 7 Annex 4 unless the contrary intention appears.

**Amount of grant**

5. A Grant of up to [INSERT MAXIMUM GRANT SUM HERE AND VALUE IN WORDS] (the “**Maximum Sum**”) is offered for the Grant Drawdown Period (as defined in Schedule 5). The Grant awarded is summarised below. See Schedule 3 to this Grant Offer Letter for a more detailed analysis of what the total investment figure is comprised of and Paragraph 4 of the Terms and Conditions and Schedule 4 to this Grant Offer Letter for details of how payments will be made.

Subsidy Vehicle	Total Eligible Project Spend	MAXIMUM	MAXIMUM Intervention
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	to be invested by You £	total Grant payable to You £	Rate ALLOWABLE %
Schedule 4, [INSERT SUBSIDY TYPE]	[INSERT VALUE]	[INSERT VALUE]	xx%
Schedule 4, [INSERT SUBSIDY TYPE]	[INSERT VALUE]	[INSERT VALUE]	xx%
Schedule 4, [INSERT SUBSIDY TYPE]	[INSERT VALUE]	[INSERT VALUE]	xx%
Schedule 4, [INSERT SUBSIDY TYPE]	[INSERT VALUE]	[INSERT VALUE]	xx%
Schedule 4, [INSERT SUBSIDY TYPE]	[INSERT VALUE]	[INSERT VALUE]	xx%
<b>TOTAL</b>	<b>[INSERT VALUE]</b>	<b>[INSERT VALUE]</b>	

### Pre-acceptance conditions

6. The offer of Grant is conditional on You providing Us with the following:
- a) Where legally required, clearance from the relevant authority monitoring state subsidies has been obtained.
  - b) Receipt by Us before [INSERT DATE AGREED WITH THE CASE OFFICER] of an up-to-date Funded Activities and Deliverables Delivery Plan provided by You which covers the scope determined by Us, in a format satisfactory to Us, which demonstrates that You will be able to achieve the Deliverables and complete the Funded Activities.
  - c) You must provide Us with a Parental Undertaking and Guarantee from [PARENTCO] in the same form as Annex 1 of the Terms and Conditions.

### Pre-Payment Conditions

**[Note: Pre-payment conditions are to be discussed.]**

7. Without prejudice to Schedule 4 to this Grant Offer Letter and Paragraph 4 of the Terms and Conditions, the first payment of Grant is conditional upon on You providing Us with the following:
- a) [INSERT PRE-PAYMENT CONDITIONS HERE OR insert "There are no pre-payment conditions" – this will be determined on a case-by-case basis.] **[Note: To be updated.]**

### Purpose of grant

8. The Grant is offered to You to contribute to:
- a) the delivery of the Funded Activities set out in Schedule 1 of the Grant Offer Letter;
  - b) the achievement of the Deliverables set out in Schedule 2 of the Grant Offer Letter; and
  - c) the Eligible Expenditure specified in Schedule 3 of the Grant Offer Letter.

You may not make changes to the Funded Activities. Funded Activities must not proceed before the Commencement Date and must be completed on or before the Conclusion Date.

9. The Grant must not be used other than in accordance with the Terms and Conditions of the Grant Funding Agreement.

### **Eligible Expenditure**

10. The Eligible Expenditure is specified in Schedule 3 and is limited, in all cases, to costs which:
  - a) are incurred and defrayed during the Investment Period (as defined in Schedule 5); and
  - b) comply with the Grant Funding Agreement.
11. Under no circumstances may the Grant be claimed or used for the purposes prohibited in the Terms and Conditions or to cover costs incurred for those purposes (and any such costs do not constitute Eligible Expenditure for the purpose of the Grant Funding Agreement).

### **Availability of grant**

12. Funding for this Grant is only available in respect of Eligible Expenditure incurred and defrayed in the Investment Period.

### **Payment of grant**

13. Before paying any instalment of Grant the Secretary of State must be in receipt of a copy of this Grant Offer Letter which has been signed by You in accordance with the requirements at Paragraph 23 and Paragraph 26 below. Paragraph 4 of the Terms and Conditions and Schedule 4 to this Grant Offer Letter detail how the Grant will be paid to You.

### **Conditions**

14. You must:
  - a) perform the Funded Activities in full;
  - b) complete the Investment as set out in Schedule 3;
  - c) achieve the Deliverables set out in Schedule 2 within the applicable timescales set out in Schedule 2;
  - d) where Schedule 2 details Direct Jobs, Created Jobs and/or Safeguarded Jobs that should be created and/or retained, ensure those jobs are retained for the Job Retention Period;
  - e) comply with the Terms and Conditions, in addition to all other requirements set out or referred to in the Grant Funding Agreement; and
  - f) continue to comply with the Terms and Conditions, in addition to all other requirements set out or referred to in this Grant Funding Agreement (where relevant) after payment of the Grant.
15. You will be the sole recipient of the Grant and, as such, You will be responsible for managing the Grant.
16. You must complete and sign the Confirmation of Bank Details Form in Schedule 6 of this Grant Offer Letter as part of Your acceptance of the Grant. Grant payments will be made into the bank account listed in this form. No payment will be made in advance of receipt of a correctly completed and signed Grant Offer Letter and Confirmation of Bank Details Form. The signatory to Your Confirmation of Bank Details Form must be the Chief Finance Officer or a Director with proper delegated authority, who must be listed on Companies House records. Any change of bank details must be notified immediately on the same form and signed by an Approved Signatory, who should be listed on Companies House record. Any change of Approved Signatory must be notified to the Secretary of State for approval, as soon as known.

### **Grant Review**

17. The Grant may be reviewed at intervals to be determined by the Secretary of State, throughout the Monitoring Period. The Secretary of State may carry out more than one review.
18. As part of any review, You shall provide any assistance and information reasonably requested by the Secretary of State to establish whether You have used the Grant in accordance with the Terms and Conditions set out in the Grant Funding Agreement or that is otherwise required to assess Your delivery of the Funded Activities against the Deliverables and Eligible Expenditure. As part of the review, the Secretary of State may (where applicable) consider monitoring information provided under Paragraph 19 below and Paragraphs 6-8 inclusive of the Terms and Conditions.

### **Grant Monitoring, Evidencing and Verification**

19. In addition to the Monitoring and Reporting requirements set out in Paragraphs 6, 7 and 8 of the Terms and Conditions, you shall provide the Secretary of State the following information during the Monitoring Period:

[INSERT ADDITIONAL MONITORING REQUIREMENTS] OR INSERT "No additional requirements"]

[Note: To be determined by DESNZ.]

### **Day-to-day contact**

20. In communicating with the Secretary of State, or if you have any queries on this Grant award, Your day-to-day contact will be your Monitoring Officer within the Department for Energy Security & Net Zero is [INSERT DESNZ CONTACT HERE INCLUDING ADDRESS, EMAIL AND TELEPHONE NUMBER].

### **Entire agreement**

21. If this Grant Offer Letter is accepted, the Grant Funding Agreement shall form the entire agreement relating to the Grant. The Grant Funding Agreement will supersede previous correspondence and understandings. However, this does not exclude the liability of either party in respect of any previous fraud or fraudulent misrepresentation.

### **Variation**

22. No variation of the Terms and Conditions set out or referred to in the Grant Funding Agreement will be effective unless it is agreed in writing and signed by both parties. This does not prevent the Secretary of State making reasonable changes in relation to the administrative arrangements in this letter (such as day-to-day departmental contact details).

### **Duration of offer**

23. Subject to Paragraph 6 above, the offer contained in this Grant Offer Letter remains open until [INSERT ACCEPTANCE DEADLINE DATE (MAX 14 DAYS)], at which point it expires. If You wish to accept this offer, You must ensure that We receive Your formal acceptance, in full compliance with the acceptance requirements below, on or by that time and that all Pre-Conditions listed in Paragraph 6 have been satisfied.

### **Subsidy Control**

24. The Grant has been awarded on the basis that it is compliant with the requirements of the Subsidy Control Act as well as the principles set out in Article 366 of the Trade and Cooperation Agreement.

### **Other public funding assistance**

25. By accepting this Grant offer You confirm to Us that no other public financial assistance has been sought or offered to You (or any Delivery Partner) for the Funded Activities or Deliverables.

**[Note: In certain cases of declared additional subsidies with which DESNZ agree – DESNZ may use the following:]**

**[We have taken into account the following other public assistance for the Funded Activities or Deliverables in making the offer of support.]**

**[INSERT NAME OF PUBLIC ASSISTANCE, PROVIDER AND AMOUNT]**

You may not apply for any other public support for the Funded Activities in the form of grants, guarantees, loans or tax credits without Our prior written approval. You are obliged to inform Us in writing if You seek or are offered any other public sector support for the Funded Activities or any of the Eligible Expenditure included in this Grant Offer Letter as this may affect the Maximum Intervention Rates defined in Paragraph 5.

### **Acceptance**

26. If You wish to accept this Grant offer, You must sign and date this Grant Offer Letter and return to DESNZ Central Grants and Loans Team at the address indicated below. It must be signed and dated by an Approved Signatory of Your organisation, who is listed on Companies House records. They should also sign and date the duplicate copy of this letter as indicated below.

Yours sincerely,

**[INSERT NAME OF SUITABLE G5 OR HIGHER WITH AUTHORITY TO SIGN],**

DESNZ Central Grants and Loans Team,  
On behalf of the Secretary of State for Energy Security & Net Zero,  
Department for Energy Security & Net Zero  
1 Victoria Street,  
London.  
SW1H 0ET

### **Agreement**

I confirm, for and on behalf of **[INSERT NAME OF GRANT RECIPIENT]**, the agreement of **[INSERT NAME OF GRANT RECIPIENT]** to the terms of this Grant Offer Letter, its Schedules and the Terms and Conditions.

Signed:

Printed Name:

Position:

Date:



## Schedule 1

### Funded Activities

#### Background of the Scheme

The primary objective of the Scheme is to provide grant payments to enable the development of coordinated options for offshore transmission. The Scheme is a competitive process under which one or more Applications may receive Grant funding.

Funded coordinated offshore transmission projects are intended to serve as alternatives to the de facto arrangement where single assets (e.g. offshore windfarms) develop a sole user or radial approach, or an alternative coordinated approach.

The intended outcome of the Scheme is to facilitate the development of coordinated offshore transmission solutions for those projects in scope of the Scheme. Coordinated offshore transmission is a novel concept and projects in scope of this Scheme are already well advanced and have invested substantial time and money in developing their radial/sole use connections.

It is recognised that without support, projects may be reticent to fully develop alternative coordinated connections whilst, in parallel, continuing to progress their existing proposals. The aim of the Scheme is to support certain projects and for those projects to show how a coordinated transmission approach can work, and bring about benefits to communities, the environment, and consumers. Those who benefit from Grants will be required to share certain key learnings.

The Scheme will complement other relevant arrangements being made as part of the Offshore Transmission Network Review (OTNR). As such it should increase the likelihood of more coordinated offshore transmission projects being put forward as part of the consenting process. Coordination of offshore transmission assets is expected to give rise to benefits which include lower transmission infrastructure costs, lower environmental impact from transmission infrastructure, and reduced impacts on local communities from transmission infrastructure. The secondary objective of the Scheme is to learn lessons from funding activities to support coordination in Early Opportunities projects that can be applied to later workstreams of the OTNR.

#### Background of this Award **[Note: this section will be updated to be specific to each Grant issued]**

This grant award contributes to this scheme, and in particular to facilitate the development of coordinated offshore transmission solutions for those projects in scope of the Scheme. Coordinated offshore transmission is a novel concept and projects in scope of this Scheme are already well advanced and have invested substantial time and money in developing their radial/sole use connections.

It is recognised that without support, projects may be reticent to fully develop alternative coordinated connections whilst, in parallel, continuing to progress their existing proposals. The aim of the Scheme is to support certain projects and for those projects to show how a coordinated transmission approach can work, and bring about benefits to communities, the environment, and consumers. Those who benefit from Grants will be required to share certain key learnings.

This basis for this assistance is to support the UK's overall net zero transition. More specifically, it will support the ambition of 50GW of offshore wind by 2030 and target of up to 140GW by 2050. To achieve these targets, the UK will have to accelerate the development of offshore wind significantly.

#### The Funded Activities

The Funded Activities include certain specified development activities and activities that will result in development expenditure. More specifically the Funded Activities are the following activities [insert description, approved activity, total investment, deliverables, and location/s] in respect of the Qualifying Coordinated Project.

For the avoidance of doubt, the Funded Activities do not include construction of the Projects or any part thereof.

### **The Qualifying Coordinated Project**

This means assets that would (if constructed) facilitate the offshore coordination of the Projects. More specifically, the Qualifying Coordinated Project includes [insert description with a list of relevant onshore and offshore assets. Note that it is important to cite the scope to make it clear it is not funding the development of the core substantive part of any Project i.e. if a Project was a windfarm, the design, planning and development of the offshore windfarm itself as opposed to its offshore transmission assets].

### **The Projects**

The Projects are:

- **Project 1:** [insert name of project, owner, type of project (e.g. offshore windfarm), planned location (by reference or by map), capacity and other relevant information]; and
- **Project 2:** [insert name of project, owner, type of project (e.g. offshore windfarm), planned location (by reference or by map), capacity and other relevant information].

**[Note: There should be at least two Projects.]**

### **Completed Qualifying Coordinated Project**

[insert description of what the completed offshore transmission asset may be when completed.]

### **Timing and Detail**

The timing and detail of the Deliverables to be monitored are more fully described in Schedule 2 and the Investment in Schedule 3 of this Grant Offer Letter.

Definitions of key words (such as 'aggregate job target', 'deliverables', 'direct job', 'created job', 'safeguarded job', 'full time equivalent') are available in the Terms and Conditions.

## Schedule 2

### Deliverables

The Deliverables shall be:

[Insert] **[Note: This will be the actual activities promised as part of the Funded Activities but expressed as end outputs.]**

Additionally, the Funded Activities will be monitored against the following Deliverables:

- Invest a total of £ [enter amount] Eligible Expenditure;
- [Invest a total of £ [enter amount] Ineligible Expenditure;]

**[Note: To be updated.]**

Sample



### Schedule 3

#### Investment

**Schedule 3, Table [A]: Eligible Expenditure (£) related to the Funded Activities.**

	Financial Years Ending 31 March			TOTAL
	2023	2024	2025	
[enter cost name]	[insert]	[insert]	[insert]	[insert]
[enter cost name]	[insert]	[insert]	[insert]	[insert]
[enter cost name]	[insert]	[insert]	[insert]	[insert]
[enter cost name]	[insert]	[insert]	[insert]	[insert]
<b>Total expenditure</b>	[insert amount]	[insert amount]	[insert amount]	[insert amount]
<b>Cumulative expenditure</b>	[insert amount]	[insert amount]	[insert amount]	[insert amount]

**IMPORTANT:**

- For money to have been defrayed, liabilities must have been both incurred and discharged by payment. VAT, finance, and interest charges should be excluded.
- Evidence of expenditure defrayed must be retained and available to demonstrate the audit trail of all submitted costs.
- Tangible assets should be at the location/s of the Funded Activities and used exclusively at the Premises.

**Ineligible Expenditure**

Please note that:

- capital expenditure in respect of the Projects themselves; and
- expenditure on actual construction of the Qualifying Coordinated project, will (unless expressly authorised) be Ineligible Expenditure.

Further, please note that any expenditure that in any way relates to any activities, asset or future asset that does not take place within

- Great Britain;
  - in the territorial sea adjacent to Great Britain; and/or
  - in any Renewable Energy Zone,
- will be Ineligible Expenditure.

## Schedule 4

### Payment Schedule (Grant Instalments)

**Schedule 4, Table A: Grant Instalments**

Date of claims [Note: This is the earliest at which the Grant Instalment can be claimed] [Note: The Maximum Grant Instalment is an annual amount however for each annual instalment there will be four dates of claims. DESNZ reserves the right to make quarterly payments of the annual amounts based on the amount of Eligible Expenditure incurred (pro-rated across the year relative to the required annual amount)]	Grant Payment Requirements	No Obligation To Pay Date for the Grant Instalment	Maximum Grant Instalment
xx xxxx [202x] xx xxxx [202x] xx xxxx [202x] xx xxxx [202x]	When You have defrayed <input checked="" type="checkbox"/> (excluding VAT) on Eligible Expenditure, as specified in Schedule 3, for the Funded Activities described in Schedule 1 and You have provided a Monitoring Report in which You have confirmed that You reasonably believe: (i) that the Deliverables described in Schedule 2 will be achieved; (ii) the cumulative total Eligible Expenditure and Ineligible Expenditure as set out in Schedules 3 and 4 will be met; and (iii) that You do not have reason to issue a notice as described in Paragraph 7B of the Terms and Conditions.	xx xxxx 202x]	[£]
xx xxxx [202x] xx xxxx [202x] xx xxxx [202x] xx xxxx [202x]	When You have defrayed <input checked="" type="checkbox"/> (excluding VAT) on Eligible Expenditure, as specified in Schedule 3, for the Funded Activities described in Schedule 1 and You have provided a Monitoring Report in which You have confirmed that You reasonably believe: (i) that the Deliverables described in Schedule 2 will be achieved; (ii) the cumulative total Eligible Expenditure and Ineligible Expenditure as set out in Schedules 3 and 4 will be met; and (iii) that You do not have reason to issue a notice as described in Paragraph 7B of the Terms and Conditions.	xx xxxx 202x]	[£]
xx xxxx [202x] xx xxxx [202x] xx xxxx [202x] Final claim [date]	When You have defrayed <input checked="" type="checkbox"/> (excluding VAT) on Eligible Expenditure, as specified in Schedule 3, for the Funded Activities described in Schedule 1 and You have provided a Monitoring Report in which You have confirmed that You reasonably believe: (i) that the Deliverables described in Schedule 2 will be achieved; (ii) the cumulative total	xx xxxx 202x]	[£]

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Eligible Expenditure and Ineligible Expenditure as set out in Schedules 3 and 4 will be met; and (iii) that You do not have reason to issue a notice as described in Paragraph 7B of the Terms and Conditions.

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**IMPORTANT**

- For money to have been defrayed, liabilities must have been both incurred and discharged by payment. VAT, finance and interest charges should be excluded.
- Tangible assets should be on site and used exclusively at the Premises.
- Evidence of the expenditure defrayed should be retained and made available as per the terms of the Grant Funding Agreement.
- The above table represents triggers for the drawdown of Grant. You are still required to meet the Deliverables and Investment listed in the schedules.
- Details of the subsidy used and the intervention rate is provided in Paragraph 5 of this Grant Offer Letter. We are unable to exceed this intervention rate. If Eligible Expenditure reduces Grant will reduce accordingly.
- Date of claim is a Grant Payment Requirement and is the earliest date on which a Grant Claim for this Grant Instalment can be made

Definitions of key words (such as 'eligible', 'defrayed', 'expenditure', 'incurred', 'discharged' and 'liabilities') are available in the Terms and Conditions.

## Schedule 5

**[Note: This will be populated on a case by case basis in line with the relevant Application and Scheme Guidance. The Grant Drawdown Period will be no later than 31 March 2025]**

### Key Dates and Periods

Milestone:	Explanation:	Date:
<b>Commencement Date</b>	The date investment in Eligible Expenditure for the Funded Activities can commence.	[insert date]
<b>No Obligation To Pay Dates (NOPD)</b>	The dates where the Secretary of State is no longer obligated to pay a Grant instalment, as set out in Schedule 4.	Please see Schedule 4. <b>[Note: There will be differing NOPD's for different instalments as set by DESNZ]</b>
<b>Grant Drawdown Period</b>	The period within which the Grant can be drawn down, if requirements specified in the Grant Funding Agreement have been met.	[insert start and end date] <b>[Note: This will be set on a case by case basis based on allocation of funding across the FY 23/24 and 24/25 – see further the Guidance]</b>
<b>Investment Period</b>	The period in which You will make the investment in Eligible Expenditure and Ineligible Expenditure.	[insert start and end date] <b>[Note: This will be set on a case by case basis based on allocation of funding across the FY 23/24 and 24/25 – see further the Guidance]</b>
<b>Asset Retention Period</b>	The Investment Period and the further period after the <b>Investment Period</b> that the Assets must be retained.	[insert start and end date]
<b>Job Retention Period</b>	The period in which You will deliver the employment Deliverables.	[insert start and end date]
<b>Monitoring Period</b>	The period from the <b>Commencement Date</b> to the <b>Conclusion Date</b> in which the Secretary of State will actively monitor the Funded Activities, Deliverables, Eligible Expenditure and Ineligible Expenditure.	[insert start and end date]
<b>Conclusion Date</b>	The date when ALL the above periods have completed.	[insert date]
<b>Document Retention Period</b>	The period that documentary evidence must be retained being a period of 10 years after the <b>Conclusion Date</b> .	[insert start and end date]

Schedule 6

Confirmation of Bank Details

Guidance: You (the Grant Recipient) must complete Parts 1 to 5. Part 5 must only be completed by the person who signed the Grant Offer Letter, or their replacement in their signatory role.

You should take a photocopy of the form for your records and return the original along with the signed Grant Offer Letter to the address indicated in the Grant Offer Letter.

**Part 1: Grant recipient details**

Name of Main Grant Holder

Address of Grant Holder

  
  
Postcode:

Grant Determination number

[INSERT CASE REFERENCE NUMBER]

Grant name

[INSERT SCHEME OR FUND NAME]

Contact telephone number

**Part 2: Bank details**

Bank / Building Society name

Account name

Branch name

Account number

Bank sort code

 -  - 

Account type

Building Society roll number

Branch address

  
  
Postcode:

**Part 3: Address for remittance advice**

Choose one method only

Method 1 - Send our remittance advice by **post** to:

Postal address (if different from Part 1) or email address

Method 2 - Send our remittance advice by **email** to:

#### Part 4: Authorised signatories

The names and specimen signatures of people authorised to sign claim forms on behalf of the person who signed the Grant Funding Letter are shown below. These signatures are binding on this organisation in respect of the Grant Agreement.

Name

Position in your organisation

Signature

Date

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Name

Position in your organisation

Signature

Date

--	--	--	--	--

#### Part 5: Grant recipient declaration

**[Guidance: to be completed by the person who signed the Grant Offer Letter]**

- I certify that the information given on this form is correct.
- I agree that following discussions, any overpayments can be automatically recovered from future payments.

Name

Signature (the person who signed the agreement)

Date

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**[Guidance: return this form to the address indicated in the Grant Offer Letter, alongside a signed Grant Offer Letter.]**

General Data Protection Regulation (2018): The information on this form will be recorded on the Secretary of State's records, some of this will be computerised. The information provided will be used for paying your fees and will not be passed to anyone outside of DESNZ without the permission of the Grant Recipient.

## Schedule 7

### Terms and Conditions

The Terms and Conditions shall be the Terms and Conditions as set out in the Annex to this Schedule 7. As such the Terms and Conditions are amended by the following amendments (such amendments being deemed to be an appendix to the Terms and Conditions):

1. Amend Paragraph 2.1 of the Terms and Conditions as follows:

a. Insert a new definition of “Completed Qualifying Coordinated Project” as follows:

“**Completed Qualifying Coordinated Project** means the completed, constructed and commissioned coordinated offshore transmission asset (following capital works that are not to be funded by this Grant Funding Agreement) as more fully defined in Schedule 1 of the Grant Offer Letter.”

b. Insert a new definition of “Delivery Partners” as follows:

“**Delivery Partners** means:

- (a) [Insert];
- (b) [Insert]; and
- (c) [Insert],

in each case being the relevant third parties named in the Grant Recipient’s application.” **[Note: Relevant corporate entities to be listed to the extent they are to benefit from the grant funding. These will be the other consortia members.]**

c. Insert a new definition of “Project” as follows:

“**Project** means those projects defined in Schedule 1 of the Grant Offer Letter.”

d. Insert a new definition of “Qualifying Coordinated Project” as follows:

“**Qualifying Coordinated Project** means the project defined as such in Schedule 1 of the Grant Offer Letter.

e. Insert a new definition of “Subsidy Control Act” as follows:

“**Subsidy Control Act** means the Subsidy Control Act 2022.”

2. Insert new Paragraph 4A of the Terms and Conditions as follows:

#### “4A Delivery Partners

- 4A.1 The Grant Recipient may distribute the Grant (or part thereof) to the Delivery Partners:
- (A) in order that the Delivery Partners may use the Grant for Eligible Expenditure; and
  - (B) in accordance with and only to the extent envisaged in the Grant Recipient’s application made in respect of the Grant.
- 4A.2 The Grant Recipient shall be solely responsible for the selection of the Delivery Partners. The Grant Recipient shall not be relieved of any of its obligations under the Grant Funding Agreement, including any obligation to:
- (A) ensure the Grant is only used for Eligible Expenditure and deliver the Funded Activities and the Deliverables;
  - (B) repay the Grant with interest;

- (C) ensuring compliance with relevant Investment obligations (such Investment may in part be made by Delivery Partners provided it otherwise complies with the terms of this Grant Offer Letter);
- (D) complying with all relevant reporting obligations under this Grant Funding Agreement (and ensuring it has sufficient rights in respect of the activities of the relevant Delivery Partners to so comply),

as a result of distribution of any part of the Grant in accordance with Paragraph 4A.1.

- 4A.3 Where the Grant Recipient uses the Grant (or any part of it) as envisaged in Paragraph 4A.1, then expenditure shall only be “incurred” or “defrayed” when used by the Delivery Partner for the purpose of Eligible Expenditure. Distribution by the Grant Recipient to a Delivery Partner shall not (of itself) mean expenditure has been defrayed.
- 4A.4 In the following provisions of these Terms and Conditions the words the “Grant Recipient will”, “Grant Recipient must”, “Grant Recipient will”, “Grant Recipient may” or “Grant Recipient shall” shall be replaced with the words “Grant Recipient shall (and shall ensure that each Delivery Partner shall (whether via the Grant Recipient or otherwise))”:
- A. Paragraph 4.10;
  - B. Paragraph 4.11;
  - C. Paragraph 9.1;
  - D. Paragraph 9.2;
  - E. Paragraph 9.8;
  - F. Paragraph 9.9;
  - G. Paragraph 10.1
  - H. Paragraph 12.2;
  - I. Paragraph 12.3;
  - J. Paragraph 14.10;
  - K. Paragraph 14.13;
  - L. Paragraph 16.1;
  - M. Paragraph 16.2;
  - N. Paragraph 16.3; and
  - O. Paragraph 17.1.
- 4A.5 In the following provisions of these Terms and Conditions the words “Grant Recipient” shall be replaced by the words “Grant Recipient or Delivery Partner”:
- A. Paragraph 5.3.5;
  - B. Paragraph 5.3.11;
  - C. Paragraph 5.3.14;
  - D. Paragraph 5.3.15;
  - E. Paragraph 9.7
  - F. Paragraph 9.10;
  - G. Paragraph 10.3; and
  - H. Paragraph 14.9.
- 4A.6 Where obligations under this Grant Funding Agreement extend so that the Grant Recipient is responsible for the Grant Recipient’s “Representatives” or “Third Parties”, the term “Representatives” and “Third Parties” shall include any Delivery Partner.
- 4A.7 The Grant Recipient acknowledges that the Secretary of State shall have no liability to the Delivery Partners whatsoever in respect of the Grant or otherwise (nor shall the Secretary of State make any payment to any Delivery Partner under this Grant Funding Agreement).
- 4A.8 The Grant Recipient acknowledges that it is responsible to the Secretary of State for the actions and omission of the Delivery Partners and that the Grant Recipient may become liable under this Grant Funding Agreement for the actions of Delivery Partners. The Grant Recipient acknowledges that recovery against such Delivery Partners is a matter for it and that any recovery the Grant Recipient may or may not be able to make will not impact its liability to the Secretary of State.”



3. Insert new Paragraph 7A of the Terms and Conditions as follows:

#### **7A Free Use Report**

- 7A.1 Not later than 3 months following the end of the Investment Period, the Grant Recipient shall produce (in accordance with good industry practice) to the Secretary of State a report in respect of the Funded Activities **"Free Use Report"**.
- 7A.2 The Free Use Report shall include such details as the Secretary of State may reasonably require, including:
- A. A summary of the Qualifying Coordinated Project.
  - B. The likelihood (as at the date of writing) of the Completed Qualifying Coordinated Project being the selected approach for offshore transmission for the Projects and the reasons why this is the case.
  - C. Issues and challenges encountered in cooperating with Delivery Partners, government and regulators.
  - D. Commercial issues that arose or are in discussion in between the Grant Recipient and the Delivery Partners in respect of the Qualifying Coordinated Project and the Completed Qualifying Coordinated Project including:
    - a. Issues of priority in terms of the offshore transmission assets.
    - b. Issues in respect of construction and delay risk.
    - c. Issues in respect of supply chain procurement.
    - d. Issues in respect of consenting.
    - e. Key lessons learned.
  - E. Regulatory issues that have arisen in respect of the Funded Activities and how they were resolved, including:
    - a. Any requirement for an offshore electricity transmission owner ("OFTO") and how the business-as-usual process for the OFTO had been impacted (for example how is any Final Transfer Value allocated).
    - b. Issues in respect of commissioning.
    - c. Compensation arrangements for outage.
    - d. Transmission charges.
    - e. Metering and Grid Entry Point.
    - f. Key lessons learned.
- 7A.3 The Grant Recipient shall consult and ensure the Delivery Partners feed-in to and agree with the contents of the Free Use Report.
- 7A.4 The Parties agree that the Grant Recipient shall not be required to disclose any confidential technical solutions as part of the Free Use Report.
- 7A.5 The Grant Recipient shall ensure that it owns all intellectual property rights (including copyright) relating to the Free Use Report.
- 7A.6 Notwithstanding any other Paragraph of this Grant Offer Letter, the Grant Recipient grants to the Secretary of State, with immediate effect, an irrevocable, non-exclusive, non-terminable, royalty-free licence to copy and make full use of the Free Use Report for any purpose whatsoever. The Grant Recipient acknowledges that it is the intention of the Secretary of State to make available to the public the Free Use Report and the Grant Recipient hereby gives its consent for such use.
- 7A.7 The obligation of the Grant Recipient under this Paragraph 7A shall:
  - (A) subsist regardless of whether any notice issued pursuant to Paragraph 7B;
  - (B) subsist even where the Grant Recipient does not receive the Maximum Sum;
  - (C) survive any termination of this Grant Funding Agreement (including pursuant to Paragraph 23.19)

4. Insert new Paragraph 7B of the Terms and Conditions as follows:

## **“7B No Intention to Proceed to Achieve the Completed Qualifying Coordinated Project**

The Grant Recipient shall notify the Secretary of State as soon as possible if it becomes aware either that:

(A) the Completed Qualifying Coordinated Project is unlikely to be selected for use as the transmission solution (and another approach is likely to be used e.g. radial/single use approach); or

(B) it or any Delivery Partner does not intend to proceed to achieve the Completed Qualifying Coordinated Project (and use the Completed Qualifying Coordinated Project as its transmission solution as opposed to an alternative e.g. radial/single use approach).”

5. Amend Paragraph 12.1 of the Terms and Conditions by adding the words “(and shall ensure Delivery Partners adhere)” after the words “Grant Recipient agrees”.
6. Amend Paragraph 14 of the Terms and Conditions as follows:
  - a. In Paragraph 14.1 insert the words “or the Secretary of State’s domestic obligations” after the words “UK’s international obligations”.
  - b. In Paragraph 14.2 insert the words “and the Secretary of State’s domestic obligations” after the words “UK’s international obligations”.
  - c. In Paragraph 14.3.1 insert the words “or the Grant” after the words “Funded Activities”.
  - d. In Paragraph 14.3.2:
    - (a) insert the words “or any other public body of competent jurisdiction”; and
    - (b) insert the words “or Subsidy Control Act” after the words “Trade and Cooperation Agreement”.
  - e. Delete Paragraphs 14.6 and 14.7 and replace (in each case) with “Not Used.”
  - f. In Paragraph 14.8 insert the words “and the Secretary of State’s domestic obligations” after the words “UK’s international obligations”.
  - g. In Paragraph 14.11 insert the words “(and ensures that the Delivery Partners consent)” after the words “Grant Recipient consents”.
  - h. In Paragraph 14.12 insert the words “and the Secretary of State’s domestic obligations” after the words “UK’s international obligations” in all cases.
  - i. In Paragraph 14.13 insert the words:
    - (a) “(and ensures that the Delivery Partners shall provide)” after the words “Grant Recipient shall provide”
    - (b) “and the Secretary of State’s domestic obligations” after the words “UK’s international obligations”.
7. Amend Paragraph 23 of the Terms and Conditions as follows:
  - a. In Paragraph 23.1.6 insert the words “or Delivery Partner” after the words “Grant Recipient”.
  - b. In Paragraph 23.1.12 insert the following after the words “Secretary of State”, “(this shall include any instances where Duplicate Funding or changes arise as the result or funding of a Delivery Partner)”.
  - c. In Paragraph 23.1.13 insert the following after the words “Terms and Conditions”, “(this shall include any instances where Match Funding arise as the result or funding of a Delivery Partner)”.
  - d. In Paragraph 23.1.15 insert the words “or Delivery Partner” after the words “Grant Recipient”.
  - e. In Paragraph 23.1.16 insert the words “or Delivery Partner” after the words “Grant Recipient”.
  - f. In Paragraph 23.1.21 insert the words “or Delivery Partner” after the words “Grant Recipient”.
  - g. In Paragraph 23.1.22 insert the words “or Delivery Partner” after the words “Grant Recipient”.
  - h. In Paragraph 23.1.27 insert the words “or Delivery Partner” after the words “Grant Recipient”.
  - i. In Paragraph 23.1.28 insert the words “or Delivery Partner” after the words “Grant Recipient”.
  - j. In Paragraph 23.1.31:

- (a) insert the words “or the Secretary of State’s obligations under the Subsidy Control Act” after the words “Trade and Co-operation Agreement”; and
  - (b) Insert the words “or of the Secretary of State’s domestic obligations” after the words “international obligations”.
- k. In Paragraph 23.1.34 insert the words “or Delivery Partner” after the words “Grant Recipient”.

Sample

**Annex 4 Terms and Conditions**

**[Please refer to the Standard Terms and Conditions already published on the OCSS GOV.UK page]**

Sample