



Department for
Business, Energy
& Industrial Strategy

LOW CARBON HYDROGEN SUPPLY 2 COMPETITION: STAKEHOLDER ENGAGEMENT DAY Q&A

An SBRI Competition

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Low Carbon Hydrogen Supply 2 Competition Q&A

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Low Carbon Hydrogen Supply 2 Competition: Stakeholder Engagement Day Question and Answer

This Q&A covers answers to questions from the Stakeholder Engagement Day held on 8 June 2021 that may be relevant to applicants to Stream 1 Phase 1 and Stream 2 of the Low Carbon Hydrogen Supply 2 Competition.

Further details are provided in the Low Carbon Hydrogen Supply 2 Invitation to Tender (ITT)/Guidance Notes documents for Stream 1 Phase 1 and Stream 2 available on the competition [webpage](#). Please read the answers in conjunction with the respective ITTs.

Any further questions, or clarifications about eligibility, should be submitted to nzip.hydrogen@beis.gov.uk by 12 noon BST, 12th July 2021. Questions submitted after this date may not be answered.

The questions submitted via email, which in our judgement, are of material significance will be addressed and published on the competition website.

The following questions apply to both Stream 1 Phase 1 and Stream 2 of the competition, unless stated otherwise.

Abbreviations

TRL	Technology Readiness Level
ITT	Invitation to Tender
NZIP	Net Zero Innovation Portfolio
OEM	Original Equipment Manufacturer
SME	Small and Medium Enterprises
SMR	Steam Methane Reformer
SBRI	Small Business Research Initiative

Section 1: Timetable

1. When will applications to Stream 1 Phase 1, Stream 1 Phase 2 and Stream 2 be open?

The Low Carbon Hydrogen Supply 2 Competition Stream 1 Phase 1 and Stream 2 applications will open on 22 June 2021. Stream 1 Phase 2 applications are scheduled to open in Summer 2022.

Please note that only those who successfully complete Stream 1 Phase 1 will be eligible to apply for Stream 1 Phase 2.

2. When will the applicants be notified about the results of their applications? If successful in the application phase, when are the projects expected to start and to end?

For information on the competition Timetable for Stream 1 Phase 1, please refer to Section 3 of the Low Carbon Hydrogen Supply 2 Stream 1 ITT document.

For Stream 2, please refer to Section 3 of the Low Carbon Hydrogen Supply 2 Stream 2 ITT document.

3. For Stream 2, does the 1 February 2025 deadline mean commissioned, operating or decommissioned?

Projects are expected to end on 1 February 2025. The scope of the project is to be determined by the applicant.

Please refer to the respective ITTs for further information.

Section 2: Eligibility for Funding

Section 2a: Lead applicant/Organisation Structure

4. Is the competition open only to UK based organisations? Can non-UK based organisations lead a project?

At least 50% of the work (on a cost basis) needs to be carried out in the UK.

The competition is open to all organisations, independently of where they are based. Non-UK based organisations can lead a project, however, please note if successful we would expect organisations to provide appropriate financial information about their organisation in order to pass due diligence.

Additionally, as part of Criterion 3 (see Section 7 of the ITT) applicants are required to explain how the project would create UK job/skills, support a resilient UK supply chain and provide export opportunities.

Please refer to the respective ITTs for further information.

5. Are projects required to be collaborative?

Individual organisations as well as consortia are welcome to apply to the Low Carbon Hydrogen Supply 2 Competition.

For further information on Stream 1 Phase 1, please refer to Section 3 of the Low Carbon Hydrogen Supply 2 Stream 1 ITT document.

For Stream 2, please refer to Section 3 of the Low Carbon Hydrogen Supply 2 Stream 2 ITT document.

6. Can you submit multiple applications in partnership with other organisations and will there be any limits in the number of successful applications that organisations can be involved with?

For information on Multiple Applications and their limitations for Stream 1 Phase 1, please refer to Sections 3 and 4 of the Low Carbon Hydrogen Supply 2 Stream 1 ITT document.

For Stream 2, please refer to Sections 3 and 4 of the Low Carbon Hydrogen Supply 2 Stream 2 ITT document.

7. Can a technology provider/OEM be part of different consortia whereby different lead entities are submitting different project proposals?

For information on Multiple Applications and their limitations for Stream 1 Phase 1, please refer to Sections 3 and 4 of the Low Carbon Hydrogen Supply 2 Stream 1 ITT document.

For Stream 2, please refer to Sections 3 and 4 of the Low Carbon Hydrogen Supply 2 Stream 2 ITT document.

8. Are end use organisations allowed to apply jointly with a hydrogen supplier? Does the competition fund end use, demand side and transmission distribution technology?

Any application needs to be in scope of the technology categories/themes outlined in the Stream 1 Phase 1 and Stream 2 ITT documents. BEIS will not fund end use applications for this competition.

For further information on this for Stream 1 Phase 1, please refer to Sections 2 and 4 of the Low Carbon Hydrogen Supply 2 Stream 1 ITT document.

For Stream 2, please refer to Sections 2 and 4 of the Low Carbon Hydrogen Supply 2 Stream 2 ITT document.

9. Can universities work with other organisations in submitting an application? Can universities lead an application?

Yes, academic institutions can submit collaborative applications and they can lead an application.

For further information on Eligibility for Stream 1 Phase 1, please refer to Sections 3 and 4 of the Low Carbon Hydrogen Supply 2 Stream 1 ITT document.

For Stream 2, please refer to Sections 3 and 4 of the Low Carbon Hydrogen Supply 2 Stream 2 ITT document.

10. Will a delegate list from the Stakeholder Engagement Day be shared so we can contact interested parties to engage in possible consortium establishment discussions?

A delegate list of those who agreed to have their contact details shared will be shared with all those who submitted an expression of interest by 7 June 2021.

Section 2b: Technological Scope and Categories

11. Would you consider a novel recombination of commercially available technologies in a new way at a lower TRL than its component parts? What if after reading the ITT documents I still have doubts regarding the eligibility of my project?

Yes, we could consider such recombination if it meets the respective Eligibility Criteria for Stream 1 Phase 1 and Stream 2.

Please refer to the Eligibility Criteria for Stream 1 Phase 1 in Section 4 of the Low Carbon Hydrogen Supply 2 Stream 1 ITT document.

For Stream 2, please refer to Section 4 of the Low Carbon Hydrogen Supply 2 Stream 2 ITT document.

For further enquiries/clarifications on eligibility, please contact BEIS by emailing nzip.hydrogen@beis.gov.uk.

12. Would an existing technology, which is not yet in use in the UK, be in scope for this competition?

Technologies where the core technology has previously been operated commercially (in the UK or Internationally) are excluded.

Please refer to the Eligibility Criteria for Stream 1 Phase 1 in Section 4 of the Low Carbon Hydrogen Supply 2 Stream 1 ITT document.

For Stream 2, please refer to Section 4 of the Low Carbon Hydrogen Supply 2 Stream 2 ITT document.

13. For Stream 1 Phase 1, under which category does grid-connected electrolysis fall? (Stream 1 only)

Grid-connected electrolysis falls under Category 2, however depending on the scope of the project, the process could fall under Category 4. Please refer to Section 2 of the Low Carbon Hydrogen Supply 2 Stream 1 Phase 1 ITT document.

14. For Stream 1 Phase 1, will innovative configurations/supply concepts be eligible (e.g. focussed on developing the financial/business case from particular solutions)? (Stream 1 only)

Exploring innovative financial models is in scope in Category 4. However, they would have to form part of a physical demonstration of their hydrogen supply solution.

Please refer to Section 2 of the Low Carbon Hydrogen Supply 2 Stream 1 Phase 1 ITT document.

15. Is green ammonia synthesis technology innovation in scope?

Yes, green ammonia synthesis would be in scope.

For further information on Technology Scope for Stream 1 Phase 1, please refer to Section 2 of the Low Carbon Hydrogen Supply 2 Stream 1 Phase 1 ITT document.

For Stream 2, please refer to Section 2 of the Low Carbon Hydrogen Supply 2 Stream 2 ITT document.

16. Is supplying hydrogen from waste/biomass waste eligible in this competition?

Yes, hydrogen supply from waste/biomass waste is in scope.

For further information on Technology Scope for Stream 1 Phase 1, please refer to Section 2 of the Low Carbon Hydrogen Supply 2 Stream 1 Phase 1 ITT document.

For Stream 2, please refer to Section 2 of the Low Carbon Hydrogen Supply 2 Stream 2 ITT document.

17. For Stream 1 Phase 1, can a project cover more than one category? (Stream 1 only)

Applicants must choose one category that best suits the project. Please, refer to Section 2 and Section 3 of the Low Carbon Hydrogen Supply 2 Stream 1 Phase 1 ITT document for further information.

18. Are modular (skid-sized) small scale SMR systems exempt from this competition?

Any application needs to be in scope of the technology categories/themes outlined in the Stream 1 Phase 1 and Stream 2 ITT documents.

For further information on this for Stream 1 Phase 1, please refer to Sections 2 and 4 of the Low Carbon Hydrogen Supply 2 Stream 1 ITT document.

For Stream 2, please refer to Sections 2 and 4 of the Low Carbon Hydrogen Supply 2 Stream 2 ITT document.

19. If the TRL is not 4 to 6 or 6/7 at the start of the project, but the solution is considered novel and falls under one of the categories - will it be considered for funding?

This competition supports the development of technologies that are not yet commercial from TRLs 4 to 6 for Stream 1 Phase 1 and 6/7 for Stream 2 at the start of the project.

Please refer to the Eligibility Criteria for Stream 1 Phase 1 in Section 4 of the Low Carbon Hydrogen Supply 2 Stream 1 ITT document.

For Stream 2, please refer to Section 4 of the Low Carbon Hydrogen Supply 2 Stream 2 ITT document.

20. Would a project developing an innovative CCS approach for blue hydrogen be suitable for this competition, or would it better fit in the CCUS Innovation 2.0 Competition?

Please refer to ITT documents of Stream 1 Phase 1 and Stream 2 of the Low Carbon Hydrogen Supply 2 Competition and to the CCUS Innovation 2.0 Competition ITT (when published) to better understand which competition is the most appropriate.

21. Why was offshore wind mentioned at the Stakeholder Engagement Day?

Off-shore wind was used as an example during the Stakeholder Engagement Day. In this competition we do not specify the energy source.

Section 2c: Eligibility

22. Will there be an opportunity for one-to-one meetings to discuss specific project eligibility?

In the first instance, please refer to the Eligibility Criteria for Stream 1 Phase 1 in Section 4 of the Low Carbon Hydrogen Supply 2 Stream 1 ITT document.

For Stream 2, please refer to Section 4 of the Low Carbon Hydrogen Supply 2 Stream 2 ITT document.

Following the publication of the ITTs there will be opportunities for organisations to seek clarifications on eligibility by sending an email to nzip.hydrogen@beis.gov.uk.

23. Is the competition technology agnostic?

Yes, the Low Carbon Hydrogen Supply 2 Competition is technology agnostic, but the innovative solutions need to be within scope.

Please refer to the Eligibility Criteria for Stream 1 Phase 1 in Section 4 of the Low Carbon Hydrogen Supply 2 Stream 1 ITT document.

For Stream 2, please refer to Section 4 of the Low Carbon Hydrogen Supply 2 Stream 2 ITT document.

24. Do Technology Exclusions apply to both streams?

Yes, both Stream 1 Phase 1 and Stream 2 have the same list of technology exclusions.

Please refer to the Eligibility Criteria for Stream 1 Phase 1 in Section 4 of the Low Carbon Hydrogen Supply 2 Stream 1 ITT document.

For Stream 2, please refer to Section 4 of the Low Carbon Hydrogen Supply 2 Stream 2 ITT document.

25. Will a list be produced on what technologies are considered to be operating commercially in the UK?

It is the responsibility of the applicants to demonstrate that their technology is not commercially operated.

26. Will there be a document issued on what TRL a technology is considered to be at?

It is up to the applicant to determine the TRL of their technology. Please refer to Appendix 1 of the respective ITTs for definitions of TRLs.

27. How will efficiency of a hydrogen store be determined?

The applicant will be expected to perform and provide assumptions on how they estimate the roundtrip efficiency.

28. Can experimental trials be included in Stream 1 Phase 1 if it educates Stream 1 Phase 2?

Yes, if they fall within the funding criteria.

29. Can you confirm that the Low Carbon Hydrogen Supply 2 Stream 2 Competition is open to new applicants and not limited to those who were involved in the first Low Carbon Hydrogen Supply 2 Competition?

Both Low Carbon Hydrogen Supply 2 Stream 1 Phase 1 and Stream 2 Competitions are open to new/all applicants.

30. For Stream 1 Phase 1, if a feasibility study has already been undertaken for a similar project but that project has not been developed commercially, can you still use this feasibility study for the competition? (Stream 1 only)

We do not fund retrospective work. Only successful applicants to Stream 1 Phase 1 can apply for funding for a demonstration project in Phase 2. The Stream 2 competition may be of more interest.

Section 3: Commercial

31. Does the requirement for 100% BEIS funding imply that BEIS cannot fund a project for which BEIS is only a partial contributor? Can private sector funding be used on top of public funding to increase project budget?

Eligible project costs must be 100% funded by BEIS. If your project contains ineligible costs (e.g. end use), the applicant will have to fund the ineligible cost and it will not be included in the amount of eligible costs to be funded.

Please refer to the Contract Size and Restrictions on Funding Section for Stream 1 Phase 1 in Section 5 of the Low Carbon Hydrogen Supply 2 Stream 1 ITT document. For Stream 2, please refer to Section 5 of the Low Carbon Hydrogen Supply 2 Stream 2 ITT document.

32. If a technology is currently in development and receiving funding under an Innovate UK Smart grant, can further funding from BEIS be applied for?

BEIS will not fund projects that have already been funded privately or through government funding, however funding can be sought for ongoing development on an eligible project.

33. Do the grants cover CAPEX costs?

This is not a grant competition.
Please refer to the respective ITTs for details about eligible costs.

34. Can questions on Terms & Conditions be raised?

A second Q&A window will open after the publication of the ITT documents for the Low Carbon Hydrogen Supply 2 Competition Stream 1 Phase 1 and Stream 2 on 22 June 2021 and close on 12 July 2021. The ITT documents will be published with the respective T&Cs. We request questions to be raised following this date by emailing nzip.hydrogen@beis.gov.uk.

Please note that the T&Cs published with the ITT documents are final and cannot be varied for individual applicants.

35. Could the sharing of IP between BEIS and the applicant be expanded upon?

Intellectual Property is covered in the Terms & Conditions of the respective ITTs.

36. Can a FEED study be undertaken?

Yes, a FEED study can be undertaken if it falls within funding limits.
Please refer to the Contract Size and Restrictions on Funding Section for Stream 1 Phase 1 in Section 5 of the Low Carbon Hydrogen Supply 2 Stream 1 ITT document. For Stream 2, please refer to Section 5 of the Low Carbon Hydrogen Supply 2 Stream 2 ITT document.

37. What are the expected outputs for the Stream 1 Phase 1 feasibility? (Stream 1 only)

Please refer to the Deliverables Section in Section 6 of the Low Carbon Hydrogen Supply 2 Stream 1 ITT document.

38. Is there a maximum amount of funding available to academic groups working with SMEs for the competition?

No there is not, as long as the funding requested falls within the limits set out in the ITTs.

Please refer to the respective ITTs for further information.

39. Do we need to send two finance forms since the project will be a collaboration (e.g., between two or more companies, a company and a university, etc.) or should everything be included into one finance form?

Costs relating to a partner must be incorporated into a single project Finance Form.

40. The Small Business Research Initiative (SBRI) pre-commercial procurement process is being used to deliver this competition. Does this preclude for-profit companies of a particular size from competing for award funding?

Companies of any size are eligible to apply.

Section 4: Assessment Process and Criteria

41. Can you please provide more details on how each proposal will be assessed, i.e. scoring criteria/ranking?

Please refer to the Competition Assessment Process in Section 7 of the respective ITTs for guidance on scoring criteria.

42. Who will be reviewing & scoring the applications?

Applications will be assessed by three independent assessors (internal and external to BEIS). Please refer to Section 3 of the respective ITTs for further information.

Section 5: Other Related BEIS Competitions

43. BEIS have also launched the CCUS 2.0 Innovation Competition and the Long Duration Energy Storage Competition. Can projects apply to more than one competition?

Projects are not limited to applying to only one competition. However, they will not be double funded if successful in both.

44. Is there a single place where all the BEIS competitions are summarised?

The NZIP webpage collects all the innovation competitions launched at present. You can visit it [here](#).

Section 6: Miscellaneous

45. Is it possible to elaborate on what is meant by delivering “costs savings compared to exclusive development”?

Please refer to Section 7 Assessment Process and Criteria of the respective ITTs for further information.

46. Does the Net Zero Hydrogen Fund support only commercial hydrogen production, or can it include end use applications, storage or transport solutions as well?

The NZHF is intended to support the deployment of new, low carbon hydrogen production, and co-investment will be targeted at production costs rather than wider hydrogen infrastructure, e.g. refuelling stations, or storage and end use.

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