

# Questions and Answers for the Longer Duration Energy Storage Competition

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# 1. Registration and Application process

## **1.1. Can I apply for the competition if we missed the expression of interest deadline?**

Yes, you can apply for the competition without having submitted an expression of interest. However, you must register for the competition by the deadline (14:00 on 23 July 2021) to be able to apply.

## **1.2. When does registration for the competition open? Where do applicants register for the competition?**

Registration is already open for the competition. Before submitting an application, applicants must register [here](#) for the competition, by 2pm on 23 July 2021.

## **1.3. Can I access the application form without registering? Is it possible to have a copy of the application form in order to review it prior to finalising our exact project configuration?**

An offline version of the application form is available to download from the first page of the application portal.

However, you **must complete the online version** of the application form, to submit an application for the competition.

The registration form requires only a small amount of information and does not oblige a respondent to submit an application.

## **1.4. Are the passwords for the application form unique to each applicant?**

No, passwords are not unique to each application. However, when an applicant selects 'Save and Continue' during the application process, the link generated is unique to that application.

## **1.5. What are the page limits for my application?**

The online application form is split into sections, most of which have individual word limits. Where present, any word limits are highlighted in both the online and offline versions of the application form.

## **1.6. What is the submission date for my application?**

Applicants must register here for the competition, by 2pm on 23 July 2021; and submit applications by 14:00 on 13 August 2021.

## **1.7. Does the application form follow the same structure as the previous Demonstrating Innovative Energy Storage at Scale, or the same structure as the Smart Grant?**

The application form is a similar structure as other calls in that it seeks information on the technical, financial and project delivery aspects of the project, however some aspects of the Longer Duration Energy Storage competition are unique and has been designed for this specific competition. All applicants should read the guidance. Further details can be found [here](#).

**1.8. Will we have the opportunity to get feedback from BEIS before the final submission?**

No, feedback on prospective applications will not be provided by BEIS.

**1.9. Can I have a meeting with BEIS to discuss whether my project is in or out of scope?**

In the interests of fairness and transparency, BEIS is unable to offer meetings to discuss specific applicants' projects. Please refer to the competition guidance documents.

**1.10. Which competition offers grants and which offers contracts?**

The competition streams will be delivered through 2 different funding mechanisms. [Stream 1](#) is a Grant competition, whereas [Stream 2](#) is contracted under Small Business Research Initiative (SBRI) rules.

**1.11. Which stream should I apply for?**

BEIS is unable to stipulate which competition stream applicants should apply for. Applicants are advised to consider their projects against the TRL definitions detailed in Appendix 1 to establish whether their projects fall within either Stream 1 or 2 of the Competition.

Further details regarding TRLs are provided in Appendix 1 and additional details regarding funding streams is provided in both competition guidance documents.

**1.12. Which technology category should I apply for?**

BEIS will not stipulate which technology category applicants should apply for.

Please refer to sections 2.2 of both competition guidance documents.

**1.13. What is the difference between the Longer Duration Energy Storage Demonstration competition and the Low Carbon Hydrogen Supply 2 competition?**

The Longer Duration Energy Storage Demonstration and the Low Carbon Hydrogen Supply 2 competitions are two separate funding opportunities, which entail two separate application processes.

The Hydrogen Supply competition has now launched, and the competition guidance is available [here](#).

There are some common aims in the scope of the two competitions, as the Hydrogen Supply 2 competition does offer funding for storage solutions.

The Power-x technology category of the Longer Duration Energy Storage competition would require applicants to be able to produce, store and utilise or supply hydrogen, whereas the production, storage and utilisation solutions are separated into categories for the Hydrogen Supply competition.

**1.14. Can an organisation apply with multiple projects to multiple streams or multiple technology categories?**

Yes, multiple applications for different projects are acceptable for unique projects delivering different energy storage technologies. Where an organisation has applied for multiple projects, they must have sufficient resourcing capability to carry out all projects for which they have applied. As stated in Section 3.4 of the competition guidance documents (both streams), bid evaluation will take into account capacity to deliver multiple proposals simultaneously, where relevant.

**1.15. Can we submit multiple bids for the same technology but proposing different applications/revenue streams/services of the same technology?**

Multiple bids for the same technology cannot be submitted.

**1.16. Can we apply with a project to Stream 1 and with another project to Stream 2, having them located at the same site?**

Co-location of distinct projects is not excluded.

**1.17. Can we make a submission in both streams, on the understanding that we would only be awarded either under Stream 2 or 1, if at all?**

Multiple bids for the same technology cannot be submitted.

## 2. Competition Timelines

### 2.1. Have BEIS extended timelines, considering the delays in publication of the guidance?

BEIS have extended the timelines for supplier questions and application submission in light of the delayed publication of the competition guidance. The application timelines are shown in the competition guidance for both streams and significant dates repeated below for reference.

- Submit supplier questions via email to [storage.innovation@beis.gov.uk](mailto:storage.innovation@beis.gov.uk) by 14:00 on 7 July 2021.
- Publication of supplier questions anticipated on or before 14 July 2021.
- Submit registration online by 14:00 on 23 July 2021.
- Submit proposal online by 14:00 on 13 August 2021.

### 2.2. What is the commencement date for second phases?

**Stream 1:** Phase 2 of stream 1 (Grant) is expected to commence in December 2022.

**Stream 2:** Phase 2 of stream 2 (SBRI) is expected to commence in March 2022.

Further competition dates can be found in the competition guidance documents for both streams.

### 2.3. Does Phase 1 have to begin in November 2021? Is there a chance this date could be delayed?

For both Stream 1 and Stream 2, Phase 1 is planned to commence in November 2021. We currently do not anticipate these timelines changing, but any variation will be at BEIS's discretion and will be communicated clearly to successful projects.

For those projects that are successful, it is expected that applicants will be capable of commencing Phase 1 activities in November 2021.

### 2.4. Does the project have to run for a certain period of time?

The projects will need to be completed according to the timelines included in the competition guidance. There is no requirement for projects to keep running for a certain period of time after completion.

## 3. Applicants, project partners and consortiums

### **3.1. Will BEIS assist with the formation of consortia? Can BEIS share contact details of possible partners that might be able to collaborate with us?**

BEIS is unable to assist with the formation of consortia. BEIS facilitated market engagement through the Longer Duration Energy Storage Competition Event held on 17 June 2021 which was an opportunity for potential partners to meet and engage. BEIS is unable to share contact details of participants. The event presentation recordings are available [here](#) and the presentation slides [here](#).

### **3.2. What is the definition of lead organization?**

For the definition of Lead organization please refer to Section 5.1 of both competition guidance documents.

### **3.3. Who can be a lead organisation?**

The eligibility requirements for the lead organisation are set out in the competition guidance ([Stream 1](#) (Grant) Section 5.11; [Stream 2](#) (SBRI) Section 5.10). There is no specific requirement for the lead organisation to be the technology provider.

### **3.4. Can academic institutions and research organisations lead a project?**

The eligibility requirements for the lead organisation are set out in the guidance ([Stream 1](#) Section 5.11; [Stream 2](#) Section 5.10). For Stream 1 (Grant), academic institutions and research organizations cannot be sole or lead applicants. For Stream 2 (SBRI), academic institutions and research organizations can be lead or sole applicants. However, all projects must demonstrate a credible and practical route to market, i.e., the application must include a plan to commercialise the results, even where the lead is a non-commercial organisation.

### **3.5. What kind of organisations can lead an application under Stream 2 (SBRI)?**

The eligibility requirements for the lead organisation are set out in the [stream 2 \(SBRI\) competition guidance](#) (Section 5.10). Projects can be led by a private organisation (SMEs or large industrial companies), universities or other non-commercial organisations (academic, research or public sector organisations). However, all projects must demonstrate a credible and practical route to market, i.e., the application must include a plan to commercialise the results, even where the lead is a non-commercial organisation. Special Purpose Vehicles are permitted to lead consortia only if they are constituted as legal entities.

### **3.6. Can the lead organization register for the competition and contact partners to form a consortium after registration?**

The lead organisation must register their interest by 2pm on 23 July 2021. Details of partners are not requested at that stage. When an application is submitted, a full list of consortium members needs to be included.

### **3.7. What is the preferred makeup of consortia?**

There is no preferred makeup for consortia. Provided consortia satisfy the eligibility requirements under the heading 'Applicants and project team composition' in section 5 of both competition guidance documents, they will be eligible for the competition, subject to their proposed project's fulfilment of the remaining eligibility criteria.

Academia should note the differing requirements between the stream 1 (Grant) and stream 2 (SBRI) competition guidance documents.

### **3.8. Can lead organisations be international and can financial spending take place outside of the UK?**

Nationality requirements for organisations and geographical spending constraints are detailed in the eligibility criteria for both streams, located in section 5 of both competition [guidance documents](#). Applicants should note that the requirements differ between the two streams. Applicants should also note the assessment criteria for their chosen stream, shown in section 6 of both competition guidance documents, especially those around applicability of the proposed design to the UK electricity grid.

### **3.9. The stream 1 (Grant) competition guidance states that the lead applicant must have a base in the UK to be eligible for the competition. Please could BEIS clarify this point?**

The lead organisation is expected to have a physical presence in the UK to be eligible for the competition. This means a registered office and staff located in the UK.

### **3.10. How many partners would you recommend for Stream 2 (SBRI) Phase 1?**

We cannot provide recommendations on the number of partners in a consortium. This will depend on the project being proposed and the capacity and expertise of different partner organisations. The project team's overall capacity and capability to deliver the project will be assessed under Criterion 4: Project Delivery (see Section 6 of the [competition guidance](#) for stream 2).

### **3.11. Are there any constraints on Research and Technology Organisations (RTOs) participating in the competition?**

All requirements and constraints relating to applicant types and project team composition are set out in the guidance (Stream 1 Sections 5.1 and 5.11; Stream 2 Section 5.10). For Stream 1 (Grant), an RTO must collaborate with at least 1 business. For Stream 2 (SBRI), research organisations can lead consortium bids or be sole applicants regardless of whether they are private sector companies or non-commercial organisations. All projects must demonstrate a credible and practical route to market,

i.e., the application must include a plan to commercialise the results, even where the lead is a non-commercial organisation.

### **3.12. If the leading partner is based in the UK, can a project partner be based outside of the UK?**

Nationality requirements for organisations and geographical spending constraints are detailed in the eligibility criteria for both streams, located in section 5 of both competition guidance documents.

Applicants should note that the requirements differ between the two streams.

Applicants should also note the assessment criteria for their chosen stream, shown in section 6 of both competition guidance documents, especially those around applicability of the proposed design to the UK electricity grid.

### **3.13. Can we apply as a consortium and as a sole applicant? Can we be partners or consortium members for more than one project?**

The eligibility requirements for both streams state that applicants may put in multiple bids or be part of multiple consortia, for unique projects delivering different energy storage technologies.

Where an organisation has applied for multiple projects, they must have sufficient resourcing capability to carry out all projects for which they have applied. As stated in Section 3.4 of the competition guidance documents (both streams), bid evaluation will take into account capacity to deliver multiple proposals simultaneously, where relevant.

### **3.14. Do all partners in a consortium need to be named at the Registration or only the lead applicant?**

All partners in a consortium, at the point of application, should be named. BEIS recognises that arrangements in relation to consortia and sub-contractors may be subject to future change. Bidders should therefore respond in the light of the arrangements as currently envisaged and are reminded that any future proposed changes in relation to consortia and sub-contractors must be submitted in writing to BEIS for approval.

### **3.15. Can consortium partners change between Phase 1 and Phase 2?**

Consortium bids must be led by a lead consortium partner. Changes in the project consortium must be declared and justified to BEIS in writing for consideration and the changes will be subject to BEIS's written approval. Any changes will be, at BEIS's discretion, subject to the financial viability checks described in Section 10 of both competition guidance documents.

### **3.16. How should conflicts of interest be declared?**

Potential conflicts of interest and planned mitigation measures should be declared in Annex 2, declaration 3 of both competition guidance documents.

### **3.17. Can National Grid be a consortium partner?**



National Grid ESO is the electricity system operator for Great Britain. National Grid ESO is part of National Grid PLC, but is a legally separate business within the Group and subject to rules of separation.

The competition guidance documents establish the eligibility requirements for consortium partners. For Stream 1, please refer to section 5.1.11 of the Stream 1 competition guidance. In respect of Stream 2, please refer to section 5.1.10 of the Stream 2 competition guidance

All consortium members should make sure they are compliant with legislation and regulation that govern them, and any potential or perceived conflict of interest should be declared.

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# 4. Technology Readiness Levels

## **4.1. At what stage must a technology be to apply for the two competition streams?**

The two competition streams support technologies at different TRL levels. The TRL requirements for eligibility are discussed in sections 1, 2 and 5 of the [competition guidance](#) documents.

## **4.2. Are technologies which already have a pre-commercial demonstrator eligible for the competition?**

The competition is specifically for the construction of demonstrators and prototypes. Please consider the assessment criteria in section 6 (both competition guidance documents) and the deliverables discussed in section 7 (both competition guidance documents) for further clarification on what applicants for the competition are expected to deliver during their projects.

## **4.3. Does the technology need to be at TRL4/5 or TRL6/7 at the start of Phase 1 or Phase 2 of the competitions?**

The technology needs to be at TRL4/5 (Stream 2) or TRL6/7 (Stream 1) at the time of application, so at the start of Phase 1 of the competition.

For both competition streams, under assessment criteria 1a, projects must describe the technology readiness level (TRL) of your proposed storage system at the start of the project and expected TRL at the end of Phase 2 of the project.

## **4.4. Must our project be fully compliant with the TRL guidance?**

Yes, applicants should consider the TRL guidance thoroughly and in full when deciding which competition stream they will apply for.

Please refer to the TRL guidance in Appendix 1.

## **4.5. Components for my technology are at a number of TRL levels. How should I define the TRL level of my project?**

TRLs should be defined at the system level of the project you are applying with.

Where, for example, a fundamental component of your technology is at an early TRL level, the TRL of that component could justifiably be used as the TRL of the whole system.

However, if an ancillary component of your technology is at an early TRL level but it does not form a fundamental part of the system, the TRL of that component should not be taken as the TRL of the whole system.

Please refer to the TRL guidance in Appendix 1.

## **4.6. How do we demonstrate the TRLs?**

For both competition streams, under assessment criteria 1a, projects must describe the technology readiness level (TRL) of your proposed storage system at the start of the project, and expected TRL at the end of Phase 2 of the project.

Please refer to the TRL guidance in Appendix 1. The choice of TRL for the proposed technology will need to be justified and sufficient evidence provided.

**4.7. At the time of application, our technology is around TRL 5/6. Can BEIS advise which competition stream we should apply to?**

BEIS is unable to stipulate which competition stream applicants should apply for. Applicants are advised to consider their projects against the TRL definitions detailed in Appendix 1 to establish whether their projects fall within either Stream 1 or 2 of the Competition. BEIS shall use these definitions to assess the TRLs of each project in a stream.

**4.8. How will BEIS assess TRL levels?**

The BEIS eligibility team will consider applications against the TRL definitions as defined in Appendix 1 of both competition guidance documents. These checks will be performed during the initial eligibility check stage.

# 5. Technology Scope

## 5.1. What is the BEIS definition of small-scale storage?

Given the broad scope of the competition, BEIS has not sought to define size of storage. As noted in section 5 of the [competition guidance](#) for both streams, technologies which have previously received public funding and are being re-proposed at a smaller or equal scale as previously funded are ineligible for the competition. This is the only eligibility requirement placed on scale. Technical parameters for the proposed design should be defined in the Technical Data form in Annex 3 for each stream and are assessed as part of criterion 1b, as set out in the competition guidance for each stream. This criterion does not define scale.

## 5.2. Are vehicle-to-grid applications eligible for the competition?

Whilst not explicitly excluded, the majority of vehicle-to-grid applications are likely to involve the use of lithium-ion batteries which are themselves explicitly excluded from the competition, as has been noted in sections 1, 2 and 4 of both [competition guidance](#) documents.

## 5.3. Is heat-to-power storage within the scope of the competition?

No, only technologies that charge using electricity are eligible for this competition.

## 5.4. Are electric batteries (including lithium ion, lithium iron phosphate and Vanadium flow batteries) eligible for this competition? What about next-generation battery technologies?

The competition is intended to accelerate commercialisation of innovative longer duration energy storage projects. Technologies that are already commercially or widely deployed for longer durations (i.e., beyond TRL 9) in the UK or elsewhere are excluded from the competition. For this reason, lithium ion batteries are excluded from both Stream 1 and Stream 2 of this competition.

Other electric battery technologies may be eligible if they meet the eligibility criteria, including the appropriate Technology Readiness Levels, as set out in section 5 of relevant competition guidance.

Applicants should note the extensive support being provided to battery technology under the Faraday Challenge.

## 5.5. Is there any limitation/preference for a centralized versus decentralized approach to storage?

There is no specific preference for either approach. All projects must meet the eligibility criteria as set out in the guidance. Eligible projects will be assessed against the criteria set out in section 5 of the [guidance documents](#) for both streams. Project scores will then be moderated to determine a ranking list within each technology category that will be used to allocate the funding.

### **5.6. Is storage in underground caverns within scope?**

Projects are eligible for funding as long as they meet the project scope and eligibility criteria set out in the guidance. There is no specific exclusion of underground storage.

### **5.7. Blending of hydrogen into the natural gas grid is excluded from the competition. Would projects blending synthetic methane be eligible?**

Blending of any form or combination of hydrogen, including synthetic methane, is excluded from the competition.

### **5.8. Is generating hydrogen from wind and storing it as methane in scope?**

Projects proposing blending hydrogen into the gas grid are excluded from the Competition. However, the Competition will consider project proposals where hydrogen and natural gas or biogas are blended together in a standalone storage system, which is isolated from the natural gas grid. Such technologies must demonstrate clear carbon emission savings and outline a clear route to phasing out the blending of natural gas in their proposed design.

### **5.9. Are flywheels eligible for Stream 1 if they provide a minimum supply of 4 hours?**

The competition is intended to accelerate commercialisation of innovative longer duration energy storage projects.

Technologies that are already commercially or widely deployed for longer durations (i.e., beyond TRL 9) in the UK or elsewhere are excluded from the competition. For this reason, lithium ion batteries are excluded from both Stream 1 and Stream 2 of this competition.

Technologies must meet the eligibility criteria, including the appropriate Technology Readiness Levels, as set out in section 5 of both competition guidance.

### **5.10. Are there any requirements on the capacity size, voltage or scale of the storage system?**

There are no specific requirements on capacity size, voltage or scale of the storage system, as long as the proposed project can meet the eligibility criteria set out in Section 5 of both competition guidance documents. Applicants should also note the assessment criteria for their chosen stream, shown in section 6 of both competition guidance documents. There are no further criteria beyond those provided.

Technical parameters for the proposed design should be defined in the Technical Data form in Annex 3 for each stream and are assessed as part of criterion 1, as set out in the competition guidance for each stream.

### **5.11. If the storage technology has the ability to separate power delivered (MW) & total energy stored (MWh), is it still necessary to build the project with at least 4 hours of storage?**

For both Streams, all technologies must demonstrate the ability to remain charged for a period no less than 4 hours, without significant self-discharge, before utilising the stored energy.

**5.12. Will use of or incorporation with on-site renewable generation affect eligibility?**

There is no restriction on using or incorporating on-site renewable generation into the proposal, as long as the proposed project can meet the eligibility criteria set out in Section 5 of both competition guidance documents. Applicants should also note the assessment criteria for their chosen stream, shown in section 6 of both competition guidance documents.

**5.13. We have an energy system that discharges energy as heat or an energy carrier. We have partnered with a power plant owner who will then convert this into electricity. Which technology category would we be part of?**

The technology category should be considered on the basis of the project applying for funding.

Each application must specify which single technology category the project falls within (electrical storage, thermal storage or power-to-x). Any technology that discharges the majority of its energy as electricity should apply to the electrical category, any technology that discharges the majority of its energy as heat should apply to the thermal category and as technology that discharges the majority of its energy as an energy carrier should apply to power-x.

**5.14. What are the expected applications for energy carriers for power-x projects?**

BEIS does not place limitations on the applications for energy carriers yielded from power-x projects. However, please note gas grid blending limitations discussed in section 2.3 of both competition guidance documents.

**5.15. Would energy storage management, monitoring or optimisation systems be eligible for the competition?**

Any projects exploring storage management, monitoring or optimising would still need to meet the core eligibility criteria set out in section 5 of both competition guidance documents.

**5.16. Do thermal and power-x projects have to generate electricity? Are projects required to convert heat or energy carrier stores back into electricity (i.e. power-x-power)?**

Conversion back to power is not a requirement. Please refer to the assessment criteria, as defined in sections 6 of both competition guidance documents.

**5.17. For technologies included in the power-x category, is there a preference between converting to hydrogen or to ammonia as the storage medium?**

BEIS does not give any preference on the storage medium. Please refer to the assessment criteria, as defined in sections 6 of both competition guidance documents.

**5.18. Are both High head and Low head pumped hydro excluded from the competition?**

Technologies that are already **commercially or widely deployed for longer durations** (i.e., beyond TRL 9) in the UK or elsewhere are excluded from the competition. For this reason, pumped hydro solutions that are already commercially or widely deployed are excluded from both Stream 1 and Stream 2 of this competition.

**5.19. What level of self-discharge would be acceptable for the storage technology? Is there a threshold?**

For both Streams, all technologies must demonstrate the ability to remain charged for a period no less than 4 hours, without significant self-discharge, before utilising the stored energy. We expect all projects that are awarded funding to be able to demonstrate their technology's ability to fulfil this requirement. We have not defined a maximum acceptable level of self-discharge into the eligibility criteria, but this aspect will be considered during the technical assessment. Please refer to Section 6 in both competition guidance documents for details of the assessment criteria your technology will be assessed against.

**5.20. Is there any limit on the flexibility services our technology could provide and on the performance of the proposed technology?**

Projects must meet the eligibility criteria as defined in sections 5 of both competition guidance documents. There are no limits on the capabilities and services that could be performed beyond that.

**5.21. The innovative part of our proposed technology would be a specific piece of equipment. Will we have to demonstrate only the innovative part of the technology, or the technology as a whole?**

Please refer to Section 2 of both competition guidance documents, which clearly define the scope for the competition and the expectations required of potential demonstrators.

**5.22. Are microgrid connections eligible for the competition?**

All projects must satisfy the eligibility requirements under 'technology scope' in section 5 of both competition guidance documents.

**5.23. What is the difference between duration and capacity?**

Storage capacity is referred to as the rated power of the proposed technology, whereas storage duration is the length of time that capacity can be stored for.

**5.24. Could you please clarify the criteria "Must be stationary – i.e., operate from 1 primary location". Would a storage technology that can be repositioned within a single site (e.g. seasonally) to optimise**

**asset utilisation and payback be considered as operating from 1 primary location?**

Yes. However, the storage should be located behind a single point of control to the electrical grid infrastructure. The project should meet the other eligibility criteria set out in section 5 of both competition guidance documents.

**5.25. Would a storage vessel on water be eligible?**

Yes, provided that the project meets the other eligibility criteria set out in section 5 of both competition guidance documents.

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## 6. Phased Delivery (Phases 1 and 2)

### **6.1. Why will only one project from each technology type be allowed to move into Phase 2?**

The intention is to fund at least one technology per category (electrical, thermal and power-x) for Phase 2 of both streams. This is because the competition is looking to support a portfolio of technologies across the technology categories. Where budget is available following this initial award, further funding may be awarded in line with the procedure described in section 6.3 of both [competition guidance](#) documents.

### **6.2. What needs to be demonstrated by the completion of a project?**

BEIS anticipates that projects which successfully complete phase 1 and are selected to proceed to phase 2 will have completed all build work, have demonstrated their project and have participated in the required knowledge dissemination activities by the completion date. Details of deliverables and assessment criteria for both streams are provided in the competition guidance.

Provisional completion dates: For Stream 1, 31 March 2025. For Stream 2, 31 March 2024.

### **6.3. What information is required for each phase of the project?**

The required Submission Content for applications, including what is required for Phase 1 and Phase 2, is described in Section 3.2 of both [competition guidance](#) documents. Applicants are not required to submit detailed information on their Phase 2 plans at application stage; however, they are required to submit outline project plans and budgets for Phase 2.

### **6.4. Could a project proceed to Phase 2 earlier than the relevant commencement date?**

Under current planning assumptions, Phase 2 down-selection is planned for October/November 2022 for [stream 1](#) (Grant) and March 2022 for [stream 2](#) (SBRI). Please note BEIS reserves the right to vary these dates. To ensure fairness in the down-selection process, no projects will be allowed to progress to phase 2 before these dates.

### **6.5. Would having a longer Phase 1 for project development and a shorter Phase 2 for building and commissioning be acceptable, if we were still able to meet the final Phase 2 deadline?**

To ensure fairness in the down-selection process, no projects will be allowed to progress to phase 2 before or after the specified dates.

### **6.6. For Stream 2, is it acceptable to compare and contrast two different process and storage options in order to inform the demonstrator design for Phase 2?**

Each application must be for one project only.

Applicants may put in multiple bids or be part of multiple consortia, for unique projects delivering different energy storage technologies.

**6.7. When is planning permission required for the demonstrator or prototype site?**

To be eligible for phase 2 of either stream, projects must have a defined route to full planning permission, at a minimum. Evidence of this would be expected as part of the deliverables for phase 1, which are expected to be submitted October 2022 for stream 1 (Grant) and March 2022 for stream 2 (SBRI). These eligibility requirements are detailed in section 8.2 of both competition [guidance documents](#).

**6.8. What are the requirements of the feasibility study for stream 2 (SBRI)s?**

Please refer to section 7.1 of the Stream 2 competition guidance document.

**6.9. When is a formal grid connection offer required?**

Applicants are required to have engaged with a grid partner at application stage, but the exact nature of this engagement has not been specified. For guidance, a formal grid connection offer is not required until the phase 2 down-selection process for each stream. Evidence of this would be expected as part of the deliverables for phase 1, which are expected to be submitted October 2022 for [stream 1](#) (Grant) and March 2022 for [stream 2](#) (SBRI). Applicants should be aware of this requirement and have engaged sufficiently to be confident of their ability to fulfil this requirement prior to the relevant date for deliverables submission.

**6.10. For Stream 2 (SBRI), is full planning permission required by the end of Phase 1 in order to be eligible for Phase 2?**

Under Stream 2 (SBRI), full planning permission is not a requirement for entry into Phase 2. However, projects must at a minimum have a defined route to full planning permission at their proposed site. The assessment for entry into Phase 2 will be based on the output deliverables of Phase 1, including evidence of planning permission engagement and route to full planning permission. The assessment criteria for Phase 2 are set out in Section 8.3 of the guidance.

**6.11. Is there any requirement for early adopters for Phase 1 of the competition?**

All projects must demonstrate a credible and practical route to market, i.e. the application must include a plan to commercialise the results. The assessment criteria are set out in Section 6.1 of both competition guidance documents. There is no specific requirement for early adopters for Phase 1. Evidence of commercial traction will be particularly relevant for Phase 2 assessments, based on the criteria set out in Section 8.3 of both documents.

**6.12. Our technology is currently not standardised in the UK. Should we do that before phase one, or could we do it during phase 1 and before phase 2?**

Please refer to Section 7 of both competition guidance documents, which outlines the deliverables for Phase 1 and Phase 2 in respect of each competition stream.

For Stream 1, Phase 1 projects will be expected to produce a number of deliverables during or at the conclusion of Phase 1, including relevant sign-off from the Health and Safety Executive/Environment Agency.

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# 7. Assessment

## **7.1. Why am I required to quantify costs that are not eligible for funding?**

Costs outside the scope of funding, such as operation and maintenance and decommissioning costs are indicative of a technology's viability in the absence of public funding. The Longer Duration Energy Storage Competition intends to develop technologies that are likely to be commercialised in the future and their future viability without public funding is an important part of this. Such costs are assessed as part of the relevant assessment criteria in section 6 of both [competition guidance](#) documents.

## **7.2. Do we need to have a detailed financial model for the prototype to submit an application? Is the financial model for the proposed project that uses the technology, or for the technology developer's business?**

For [stream 1](#) (Grant), a detailed financial model of the proposed project is required in the template provided as Annex 4 of the competition guidance.

For [stream 2](#) (SBRI), a detailed financial model is not a requirement at application stage. A discussion of the market potential for the proposed technology is required as part of assessment criterion 3 in section 6. The guidance suggests this could take the form of a business plan or financial model, but a lesser level of detail is required of stream 2 projects than of stream 1 projects, due to their lower technology readiness level. For stream 2 the commercial opportunities are expected to be refined further during the feasibility study and will be assessed again as part of the phase 2 down-selection process detailed in section 8 of the competition guidance.

## **7.3. In terms of return on investment, is the weighting focus on replicability, potential UK stored capacity or carbon reduction?**

The assessment process and criteria are set out in the guidance, including the points assessed under each criterion, the weighting allocated to each criterion and the scoring approach used. Criterion 2 assess Energy system and wider benefits secured by the technology; Criterion 3 assesses Market potential for the product; Criterion 5b assesses Value for money to HM Government (5b).

## **7.4. Will applicants be scored lower if they have applied for the same piece of work twice under different government funding mechanisms?**

All applications will be assessed using the criteria set out in the guidance (Section 6). Within the application form, applicants are asked if they have applied, or are planning to apply, for any other government funding for the project and to provide details if so.

The application form also asks if the project is contingent on receiving government funding from more than one source.

Under Stream 2 (SBRIs), this would make the project ineligible as BEIS will be funding 100% of eligible project costs through this competition.

For Stream 1, use of other government funding is allowable as long as grant intensity limits are not exceeded (See Section 4.2 of guidance). In this case it is also worth noting that Criterion 5a (Project costs and financing) will assess the plan for achieving project finance closure.

#### **7.5. What flexibility services are applicants' technologies expected to support?**

Requirements for flexibility or ancillary services have not been defined for the Competition beyond 'Must have the flexibility to increase electricity demand at times of low demand and high renewable output' in the eligibility criteria. It is the intention that applicants be given sufficient scope to define their flexibility services as they see fit and to base their commercial case on whatever ancillary/flexibility services are appropriate to their proposed design.

#### **7.6. To what extent do you want the project to focus on supporting the creation and subsequent validation of flexibility services to assess the commercial value of different flexibility operating regimes versus proving the technology?**

The assessment criteria for both streams allow applicants a reasonably broad scope to discuss the ways in which their proposal is innovative (Criterion 1), the ways in which it will provide flexibility services to and system benefits for the grid (Criterion 2) and its market potential (Criterion 3). We expect all projects that are awarded funding to make a solid commercial and technical case for their proposed technology and to be able to demonstrate their technology's ability to fulfil these promises during the life of their project. In light of this, we expect projects to demonstrate the flexibility services that they have proposed and to prove their technology.

#### **7.7. What criteria will be used to assess applications?**

All projects must meet the eligibility criteria as set out in Section 5 of both competition guidance documents. Eligible projects will be assessed against the assessment criteria also set out in the guidance (Section 6 for both competition streams).

#### **7.8. Is round-trip efficiency considered in the assessment criteria?**

Round-trip efficiency is one of the requested technical parameters scored as part assessment criterion 1 shown in section 6 of both stream competition guidance documents.

#### **7.9. Is there a criteria for how often the system must charge and discharge?**

There is no direct assessment of this, but capacity factor and charge/discharge cycling should be considered when making the project's commercial case, as part of assessment criterion 3 in section 6 (both competition streams).

Note that, for both Streams, all technologies must demonstrate the ability to remain charged for a period no less than 4 hours, without significant self-discharge, before utilising the stored energy.

**7.10. Are there any more specific metrics for the technology regarding carbon reduction or energy storage criteria (other than the charging period requirements and flexibility)?**

All projects must meet the eligibility criteria as set out in the guidance in Section 5. Eligible projects will be assessed against the assessment criteria defined in Section 6. There are no further criteria beyond those provided.

**7.11. Are parallel demonstration projects allowed, where one unit shows the full 4 hour capability but another shows e.g. higher power for a shorter duration or lower power for a longer duration?**

For both Streams, all technologies must demonstrate the ability to remain charged for a period no less than 4 hours, without significant self-discharge, before utilising the stored energy. There is no explicit restriction on proposing multiple demonstration units. However, applications will be assessed against the criteria set out in Section 6, including Criterion 5 on Project financing. It is expected that applications will represent good use of the funding by supporting projects whose costs are realistic and justified and are likely to secure the expected project aims and deliverables.

**7.12. Will technologies that can store energy for longer amounts of time score higher?**

Projects will be assessed using the assessment criteria listed in Section 6 of both competition guidance documents. For both Streams, all technologies must demonstrate the ability to remain charged for a period no less than 4 hours, without significant self-discharge, before utilising the stored energy.

**7.13. Is there an advantage for capturing low priced or off-peak electricity to charge the energy store?**

The ability to charge the storage system during times of low demand or high supply of electricity will be considered as part of assessment criterion 2 (section 6, both competition streams). The commercial case will be considered as part of assessment criterion 3 (section 6, both competition streams).

**7.14. Does the amount of funding applied for affect the chances of success during assessment?**

The amount of funding applied for does not directly affect chances of success in either stream. Projects will be judged on the commercial case for their technology (criterion 3, section 6, both competition streams) and their project financing (criterion 5, section 6, both competition streams).

**7.15. Are there preferred models for reaching commercial deployment for the different technology categories? Are there any preferred revenue streams (e.g. existing services versus novel services)?**

No, there are no preferred commercial models.

**7.16. For Stream 2, is evidence of strong commercial traction, such as commercial partners being willing to procure the first commercial demonstrator after success of the project, advantageous for the application?**

All projects must demonstrate a credible and practical route to market, i.e. the application must include a plan to commercialise the results. The assessment criteria are set out in Section 6.1 of the guidance. For Stream 2 projects, evidence of strong commercial traction will be particularly relevant for Phase 2 assessments, based on the criteria set out in Section 8.3.

**7.17. How should the case for social value be made for stream 2 (SBRI)?**

Guidance on the social value assessment criteria is provided under criterion 6 in Section 6 of the stream 2 (SBRI) competition guidance. Further explanation is provided in Footnotes 7 and 8 in the same section and in the Procurement Policy Note (PPN) 06/20 'Taking Account of Social Value in the Award of Central Government Contracts' available [here](#).

**7.18. Will applicants who select multiple benefits and KPIs to report on be more successful in the grant competition than those who select just one?**

BEIS does not give any preference on the number of benefits and KPIs. Please refer to the assessment criteria, as defined in sections 6 of both competition guidance documents.

**7.19. How much time is spent evaluating applications?**

Applications will be assessed during the assessment window shown in section 3.1.1. of both [competition guidance](#) documents. Details on the number of assessors and how applications will be assessed are provided in section 6 of the competition guidance documents (both competition streams).

Applications will be assessed by a minimum of three assessors, which could include BEIS assessors and independent assessors (technical and commercial experts). A moderation meeting will be held at the end of the assessment process to agree the overall weighted scores for each of the projects. Current expectations are that this will be during August and September 2021.

**7.20. How will assessors be qualified?**

Assessment panels will include both BEIS assessors and independent assessors with relevant engineering, technical, and financial expertise.

**7.21. The Stream 1 guidance lists the 20% weighting for Criterion 1 as split between 1a (max 100 words; 10%) and 1b (max 1000 words; 10%). How will the answer to question 1 be used/assessed/weighted (max 500 words; \_\_\_%)?**

The assessment and scoring criteria are outlined in section 6.1 and 6.2 in the Stream 1 competition guidance.

**7.22. What is the preferred type of off-taker for projects?**

The competition does not specify any preference for a given off-taker and applicants are encouraged to make their commercial case on any basis they feel is appropriate.

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## 8. Eligibility

### **8.1. Does a novel use of existing technologies meet the eligibility requirements?**

Applicants are strongly encouraged to consider the technology readiness level definitions given in appendix 1 of both stream guidance documents when deciding whether to submit an application. Applicants should also consider how their proposed technology is likely to be assessed against assessment criterion 1 of both streams which will assess how innovative their technologies are. BEIS cannot provide any project-specific guidance to applicants beyond what is in the competition guidance.

In addition, and as noted in section 5 of the [competition guidance](#) for both streams, technologies which have previously received public funding and are being re-proposed at a smaller or equal scale as previously funded are ineligible for the competition.

### **8.2. Are specific locations and identified grid connections required as part of the proposal application?**

Identified locations and grid connections are not required at the application stage. Applicants should note the eligibility criteria in section 5 and the entry requirements into phase 2 in section 8 of both [competition guidance](#) documents which detail the requirements around planning and grid connection for the two stages.

### **8.3. What level of engagement is required for grid connection and off-taker for projects to be eligible for the competition? Is a form of intent from an early-adopter sufficient?**

For both streams, projects are expected to have engaged with a grid partner and off-taker to a such a degree that they have confidence in meeting the eligibility requirements for entry into phase 2 (section 8.2, both competition guidance documents) prior to the deadline for phase 1 deliverables.

An indication of intent from an off-taker would be considered as evidence and assessed as part of the application assessment process.

### **8.4. Do applicants need a grid connection offer/off-taker agreement PLUS a defined route to full planning permission, or just one piece of evidence?**

Applicants need to be able to provide evidence to demonstrate both of these.

### **8.5. For Phase 2 eligibility, does the grid connection offer and/or off-taker agreement have to be tied to the UK grid or to a UK company, or can it be international?**

The objective of this programme is to develop technologies which can operate in and support the UK energy system.

We expect all technologies in scope to be able to demonstrate the ability to charge utilising electricity, in view of delivering key flexibility services to the UK power grid.

Please refer to the eligibility and assessment criteria for each competition stream.

Applicants should specifically note the assessment criteria for their chosen stream, shown in section 6 of both competition guidance documents, especially those around applicability of the proposed design to the UK electricity grid.

**8.6. We have a number of separate potential projects that would be eligible for the funding. If two applications were judged to not be sufficiently unique, or to be beyond the capability of one of the project partners, would that disqualify both of the applications or would BEIS be able to fund their preferred project of the two?**

The eligibility requirements for both streams state that if project consortium members or subcontractors are part of multiple successful bids, they must be able to deliver on them and they must not have applied for funding for the same piece of work more than once.

**8.7. Does the project need to discharge energy to the UK Grid?**

The objective of this programme is to develop technologies which can operate in and support the UK energy system. As such, the Phase 1 preparatory work/feasibility study must cover the UK, and the Phase 2 demonstrator/prototype must benefit the UK energy system. How the technology would integrate with/contribute to flexibility approaches for the UK energy system is part of the Assessment Criteria (1a) as set out in the both [competition guidance](#) documents. We expect all technologies in scope to be able to demonstrate the ability to charge utilising electricity, in view of delivering key flexibility services to the UK power grid. The stored energy should subsequently be utilised to undertake useful work as heat, electricity, or to displace an alternative carbon-intensive energy carrier.

**8.8. Would storage technologies that require the transportation of an energy carrier from the place of production to the off-taker be eligible for the competition?**

This is acceptable within the scope of the competition, subject to the eligibility criteria. Applicants should be sure to ensure the scalability of this approach is fully discussed under assessment criterion 3 (section 6, both competition guidance documents) and the cost implications of the approach are fully discussed under assessment criterion 5 (section 6 in both competition guidance documents).

**8.9. Would distributed energy storage technologies that are controlled from one single location be eligible for the competition?**

This is acceptable within the scope of the competition, subject to the eligibility criteria.

**8.10. Does a demonstrator need to be connected to the transmission grid?**

Provided a demonstration project fulfils all of the eligibility requirements in section 5 of the competition guidance document for the relevant stream, it is eligible to apply.

**8.11. Do power-x and thermal storage projects require a grid connection?**

All projects must satisfy the eligibility requirements under 'technology scope' in section 5 of both competition guidance documents. In particular, they must charge using electricity and must have the flexibility to increase electricity demand at times of low demand and high renewable output. Whilst this does not explicitly necessitate a grid connection, projects must be able to demonstrate the ability to fulfil these requirements.

**8.12. Since this competition is technology focused, do we need to have a project based on the development of a technology to be eligible for this competition?**

The aim of the Competition is to further accelerate commercialisation of innovative energy storage technologies. Projects will need to demonstrate they are able to increase the TRLs of funded technologies by minimum 2 levels.

**8.13. Can activities be done at a University?**

Activities can be developed at a University. For Stream 1, please refer to Section 4.2 for details on maximum funding that can be granted to Universities and Research Organizations.

**8.14. For Stream 1, will the project be bound to what is stated in the grid study included in the application or will it be possible to implement changes during Phase 1 (e.g. replace a site, replace an interconnection)?**

It will be possible to implement changes during Phase 1 as we expect projects to finalize their plans for the Demonstration phase (Phase 2) during the Mobilisation phase (Phase 1).

**8.15. If we were to form a consortium, would it be possible to provide an assurance of income support to pass the financial rules?**

BEIS will undertake financial viability checks on all successful lead applicants. BEIS also reserve the right to undertake financial viability checks on other consortium members. Where a business is not required to file accounts with Companies House, other financial information may be requested to enable an appropriate financial viability review to be undertaken. We will be looking for evidence of your ability to resource the cashflow for the project appropriately, so the information we request will be focused on understanding how your business operates in this respect.

Further guidance on financial viability checks is clearly outlined in both competition guidance documents. For Stream 1, please refer to Section 10.2 of the Stream 1 competition guidance. For Stream 2, please refer to Section 10.1 of the Stream 2 competition guidance.

**8.16. To attract investments for Stream 1 we need to be involved in commercial activities. As per the competition guidance document, commercial activity will not be supported by the Competition. Could you clarify the commercial activities that would not be supported?**

The aim of the Competition is to further accelerate commercialisation of innovative energy storage technologies, which provide longer duration storage capability and can provide novel services/system benefits.

To achieve this, the Competition will fund experimental development as defined in Section 5.5 of the Stream 1 competition guidance and Section 5.4 of the Stream 2 competition guidance.

**8.17. We would be looking to do wholesale trading providing ancillary services. Those would be commercial activities. Are those appropriate activities for a project to be pursuing?**

The aim of the Competition is to further accelerate commercialisation of innovative energy storage technologies, which provide longer duration storage capability and can provide novel services/system benefits.

Ancillary Services balance demand and supply to ensure the security of electricity supply across Britain's transmission system. As such, this would be acceptable activity as the Competition will fund experimental development as defined in Section 5.5 of the Stream 1 competition guidance and Section 5.4 of the Stream 2 competition guidance.

## 9. Funding

### **9.1. Is the funding for phase 2 of the Competition restricted to 1 technology per category?**

The intention is to fund a minimum one technology per category (electrical, thermal and power-x) for phase 2 of both streams. Where there are no projects in a given technology category that meet the requirements for progression to phase 2, the remaining projects may be compiled into a single ranked lists and awarded in order of quality until the budget is depleted. This process for phase 2 is detailed in section 8.3.2 of both competition [guidance documents](#).

### **9.2. If you get lots of applications, would you fund more than three projects for Phase 2 of Stream 2?**

The intention is to fund three projects, one technology per category (electrical, thermal and power-x), for Phase 2 of both streams. Where budget is available following this initial award, further funding may be awarded in line with the procedure described in section 6.3 of the competition guidance (both competition streams).

### **9.3. Will there be any opportunities for funding following the application deadline?**

BEIS will not accept further applications for either competition stream following the competition deadline, and no further bids will be sought. If you were not able to apply for the competition with an eligible project prior to the application deadline, you would be ineligible for funding under the Longer Duration Energy Storage competition.

Other funding opportunities offered through the Net Zero Innovation Portfolio will be advertised on gov.uk [here](#).

### **9.4. Are costs after the contract end date eligible for funding?**

Costs after the expected end dates (31st March 2025 for stream 1 (Grant) and 31st March 2024 for stream 2 (SBRI)) are not eligible for funding.

### **9.5. Are OPEX costs excluded?**

OPEX costs are excluded for stream 1 (Grant) projects only. OPEX costs are eligible expenditure for stream 2 (SBRI), as discussed in Revision A onwards of the stream 2 competition [guidance document](#).

### **9.6. Are patent costs excluded?**

Patent costs are ineligible expenditure for both streams.

### **9.7. What are acceptable forms of match funding for stream 1 (Grant)?**

Sources of match funding are expected to come from an applicant's own funds, or from other private investors. The applicant is required to make clear any sources of match funding prior to project commencement.

### **9.8. Are customer payments an acceptable form of match funding for stream 1 (Grant)?**

The competition is specifically for pre-commercial demonstrators. The presence of customer payments implies commercial activity and would most likely mean that the proposed project would be rendered ineligible under the TRL-related and pre-commercialisation criteria under 'Innovation and Technology Readiness' (section 5, [stream 1 competition guidance](#)).

In addition, match funding is required as a condition of funding. If this match funding were not secured prior to the grant funding agreement being signed, the project would be ineligible for funding.

### **9.9. Are in kind contributions acceptable for stream 1 (Grant) funding?**

For Stream 1 (grants), the level of match funding required is determined by the maximum grant intensity limits (Section 4.2 of guidance document). Within these limits, project teams can only claim grant funding through this competition for eligible project costs, as set out in Section 4.6 of the guidance document and Section 5 of Annex 1 (the Grant Funding Agreement).

Applicants must determine how they 'match' fund the remaining eligible project costs which will not be covered by the BEIS grant or other public sector funding. In kind contributions such as staff time can be included in the match funding total, as long as they relate to eligible project costs, are appropriately costed at a fair market value, and are robust, realistic and justified in terms of the proposed project plans.

This will be assessed under assessment criterion 5 - Project financing (provided in Section 6 of the guidance).

### **9.10. Is there a need to match funds for Stream 2 funding, or does funding available cover 100% of project costs?**

For Stream 2 (SBRI), there is no match funding requirement. BEIS will cover 100% of eligible project costs. Please refer to appendix 3.

### **9.11. Can match funding be sought for stream 2 (SBRI)?**

Under SBRI rules, BEIS will fully fund eligible project costs stream 2 (SBRI). Eligible costs are shown in Appendix 3 of the stream 2 (SBRI) [guidance document](#). Stream 1 (Grant) requires applicants to seek private match funding.

### **9.12. Is in-kind support acceptable for SBRI-funded projects?**

In-kind support is not acceptable within the SBRI rules.

### **9.13. Are duty fees resulting from the import of components cost that can be covered under stream 2 (SBRI)?**

Provided duty fees are as a result of items specifically required for the project then they would be a legitimate cost to include.

**9.14. For Stream 2, is there an upper limit on the percentage of the grant that can be used to fund R&D at a university?**

Please note that Stream 2 is an SBRI (not a grant). Following an update to the competition guidance for Stream 2, published 7 July 2021, universities are eligible to apply as sole applicants or as part of a project consortium, as long as the project can demonstrate a credible and practical route to market, i.e., to commercialise the results.

There is therefore no upper limit on the percentage of funding that can be used towards eligible costs at a university for any one project. Further information on eligible project costs is set out in Section 4.2 and in Appendix 3.

**9.15. What costs are not covered under Stream 2? Does an asset's residual value need to be calculated and excluded from the eligible costs?**

Please refer to Appendix 3 which details eligible and ineligible costs.

Under SBRI rules, BEIS will only pay full capital equipment costs for equipment that is specialised and bespoke enough that it only has a value for the duration of the project. For capital equipment that has a value at the end of the contract (March 2022 for Phase 1 contracts, March 2024 for Phase 2 contracts), BEIS will only pay depreciation costs for the duration of the project, in line with your accounting policy for depreciation.

BEIS would not dictate the depreciation rate, but we would be looking to assess whether eligible costs represent a fair market value, are robust, realistic and justified in terms of the proposed project plans and are sufficient to provide the deliverables sought, as per the evaluation criteria in section 6.

**9.16. How is expenditure classified as research and development funding for stream 2 (SBRI)?**

Eligible project costs for research and development are defined in criterion 8 'Eligible project costs' in section 5 of the stream 2 competition guidance document. Please also refer to Appendix 3 which outlines eligible and ineligible costs.

**9.17. Can members of a consortium each apply up to the funding limit for the relevant stream?**

No, funding limits are per project.

**9.18. How is funding split between members of a consortium?**

The grant funding agreement (stream 1) or the SBRI contract (stream 2) would be between BEIS and the lead applicant. The lead applicant would then be responsible for disseminating funds to consortium members.

As set out in Sections 3.2 and 3.4 of the competition guidance (both streams), funding will not be provided by BEIS until a signed Consortium Agreement for the project has been finalised and signed by all members of the project consortium.

**9.19. Is there any restriction to funding relating to previous grant awards from BEIS?**

BEIS cannot provide funding for retrospective work on projects or provide funding to projects which have already begun. Funding will not be provided for the demonstration and trialling of technologies which have previously received public funding and are being re-proposed at a smaller or equal scale as previously funded. For Stream 1 (Grant), a project can receive up to the maximum grant intensity (including public funding from other sources) as defined in Section 4.2 of the [guidance](#). Table 1 sets out the maximum grant intensity limits. Projects must not be in receipt of other government funding which would take them above allowable grant intensity levels. For Stream 2 (SBRI), BEIS will fund 100% of the eligible project costs through this competition.

#### **9.20. Can we apply for funding from multiple sources of government funding?**

Stream 1 (Grant): Projects are allowed to apply for multiple sources of government funding. (However please note that, as stated in the competition guidance, a project can only make one application for funding to this Longer Duration Energy Storage competition).

The sum total of public funding received for any one project must stay within the grant intensity limits set out in Section 4 of the stream 1 competition guidance. Please therefore consider the match funding you are able to raise when bidding for public funding. Match funding must be available at the time of the grant award.

The application form for stream 1 includes a question on whether your project has applied for other sources of public funding and whether your project is contingent on other sources of public funding. Please provide details whenever answering in the affirmative to either question.

Stream 2 (SBRI): SBRI must fund 100% of public costs. As a result, whilst projects are free to apply for other sources of public funding, SBRI funding cannot be awarded to a project that is, or will be, in receipt of further public funding.

The application form for stream 2 includes a question on whether your project has applied for other sources of public funding. Please provide details whenever answering this question in the affirmative.

#### **9.21. What are the grant intensity limits for stream 1 (Grant)?**

Please refer to the grant intensity limits stated in section 4.2 of the Stream 1 Competition Guidance.

#### **9.22. Will individual grant intensity levels be applied to each consortium member or only to lead applicant?**

The requested grant funding for each project must be compliant with the grant intensity levels included in Section 4 of the Competition Guidance. Grant intensity levels will be applied to each individual consortium member, based on the guidelines outlined in Section 4. The grant claim from each individual partner needs to be set out, so that the correct grant intensity can be applied.



### **9.23. How are the small, medium and large enterprises defined for the grant intensity limits for stream 1?**

A business is defined as an organisation undertaking economic activities. Businesses are categorised as micro, small, medium, or large determined by both their:

- **staff headcount**
- **either turnover or balance sheet total**

<b>Company category</b>	<b>Staff headcount</b>	<b>Turnover</b>	<b>OR</b>	<b>Balance sheet total</b>
Medium-sized	< 250	≤ £45m		≤ £39m
Small	< 50	≤ £9m		≤ £9m
Micro	< 10	≤ £2m		≤ £2m

### **9.24. Can a research organisation receive full funding for their eligible costs as long as they are not undertaking any economic activities under stream 1 (grants) rules?**

Grant intensity guidelines are outlined in Section 4 of the Competition guidance.

Universities may be entitled to receive 80% of Full Economic Costs (based on the TRAC methodology) and other research organisations may be entitled to receive full funding for their eligible project costs, as long as they are not undertaking any economic activities in the project. University and research organisations should confirm the funding position with BEIS prior to application.

### **9.25. What are the eligible costs? Is there a limit on spend for staff? Is cost for hiring people an eligible cost?**

For Stream 1, for a list of eligible costs please see Section 4.6 of the competition guidance document and Section 5 of Annex 1.

For Stream 2, please see Section 4.2 and Appendix 3 of the competition guidance document, and Section 5 of Annex 1.

There are no explicit limits on staff expenditure. Recruitment costs would be considered eligible as long as those recruitment costs also meet the other cost eligibility criteria set out in the guidance.

### **9.26. Is there a limit to the proportion of awarded funds that may be spent on subcontractor costs?**

No, there is no limit to the amount spent on subcontractor costs for either stream of the competition.

### **9.27. Is there any restriction on the amount of funding for academic institutions under stream 2 (SBRI)?**

There is no limit on funding for academic institutions, however all projects must demonstrate a credible and practical route to market, i.e., the application must include a plan to commercialise the results, even where the lead is a non-commercial

organisation. Further guidance on eligibility is provided in section 5 of the competition guidance document for stream 2 (SBRI).

**9.28. When is funding paid? How long does it take for payments to be made?**

Details of grant payments are included in section 4 of the grant funding agreement, annex 1 to the stream 1 (Grant) competition guidance. Details of SBRI payments are included in section 11 of the SBRI contract terms and conditions, annex 2 to the stream 2 (SBRI) competition guidance.

**9.29. Is it allowable to have a total project value greater than the total funding amount available?**

For Stream 1, yes, this is acceptable. Applicants should be aware of the requirement for match funding and the associated grant intensity limits in the stream 1 (Grant) competition guidance.

For Stream 2, BEIS will fund 100% of eligible project costs. This means that the total value of eligible project costs must not exceed the maximum funding amount available. However, applicants are expected to fund ineligible costs as noted in Appendix 3 of the stream 2 (SBRI) competition guidance. Stream 2 applicants should also be aware of the risk sharing requirements (please see Question 11.1 below).

**9.30. For stream 2 (SBRI), what happens if our project costs exceed the amount of funding applied for?**

SBRI allows BEIS to fully fund a project. The contractor is required to take the risk of delivering the agreed deliverables against the funding milestones agreed at the contract award stage. Awardees must be aware that BEIS expects the project scope to be delivered at the agreed amount of awarded funding and take the risks of any cost overruns on this basis.

**9.31. Is profit an eligible cost for stream 2 (SBRI)?**

Profit is ineligible expenditure, as stated in Appendix 3 of the stream 2 (SBRI) competition guidance.

**9.32. What are the terms and conditions of the SBRI contracts? Are they negotiable?**

Terms and Conditions of the SBRI contracts for Stream 2 are included in Annex 1. These are not negotiable.

**9.33. In the case of a storage technology connected to a renewable plant (wind or solar) developed for the purpose of integrating the storage solution, would the grant cover part of the CAPEX of the renewable power plant too?**

No, eligible costs must be directly associated with the development and implementation of the Longer Duration Energy Storage demonstrators. Eligible costs are defined in Section 4.6 of the Stream 1 competition guidance. And Section 4.2 of the Stream 2 competition guidance.

**9.34. Would the full project costs be considered eligible costs, e.g. both the innovative pre-commercial technology the project is seeking to demonstrate as well as all supporting/enabling technologies, or both assets and their installation?**

Eligible Costs are described in Section 4.6 (for Stream 1) and 4.2 (for Stream 2) of the Competition Guidance.

For Phase 1, eligible costs are those directly associated with preparation of the mobilisation report, knowledge dissemination activities and other activities such as securing planning permission and producing FEED (Stream 1) or with preparation of the feasibility study and knowledge dissemination activities (Stream 2).

For phase 2, eligible costs are those directly associated with the development and implementation of the Longer Duration Energy Storage demonstrators (for Stream 1) or prototypes (for Stream 2) and knowledge dissemination activities.

**9.35. Will BEIS support the formation of spin-outs from universities in the same way as Innovate UK, i.e. by offering funding on condition that match funding from private investment is in the bank for a financial health check before BEIS release funding?**

The programme is a £68M funding opportunity for first-of-a-kind Longer Duration energy storage technologies, delivered through two funding streams. The administration and award of funding is clearly outlined in both competition guidance documents.

For the Stream 1 match funding requirements, evidence of the expected level of match funding will be assessed under assessment criterion 5, described in Section 6 of the competition guidance. Evidence of actual leveraging of at least the minimum private finance required will then be required as part of the Phase 1 financial close documentation, as described in Section 7.1.

**9.36. There are different grant values stated between the page on [www.gov.uk](http://www.gov.uk) and the Competition Guidance package, can you clarify what the per project funding for each Phase is?**

The grant values on gov.uk have been updated to match the values included in the Competition Guidance, reported below for reference.

**For Stream 1:** The maximum expected grant value for Phase 1 is £1M per project, and for Phase 2 is £11M per project.

**For Stream 2:** The maximum expected SBRI contract value for Phase 1 is £150,000 M per project, and for Phase 2 is £9.45M per project.

**9.37. What other funding calls is BEIS offering related to the Net Zero Innovation Portfolio?**

Other funding opportunities offered through the Net Zero Innovation Portfolio will be advertised on gov.uk [here](#). Please note that any other opportunities are separate from this Longer Duration Energy Storage competition.

**9.38. In case of having a small enterprise being the lead applicant (being the technology owner) in a consortium with a large enterprise (helping for the demonstration), what will define the intensity of funding?**

The requested grant funding for each project must be compliant with the grant intensity levels included in Section 4 of the Competition Guidance. Grant intensity levels will be applied to each consortium member, based on the guidelines outlined in Section 4. The grant claim from each individual partner needs to be set out, so that the correct grant intensity can be applied.

**9.39. We are a young company without published accounts on company house. What actions should we take to pass the financial due diligence checks carried out during the application?**

If there are no published financial accounts, due to the age of the organisation, BEIS will look for evidence of how the company is able to provide working capital to stay afloat while delivering the project and pay suppliers and staff. This could be a combination of investments or parent company guarantees, if applicable.

**9.40. Noting 'Undertaking in difficulty' has caused challenges in other BEIS funding competitions, are there plans to help address this early within the registration or application process.**

As defined in Section 5.2 of both competition guidance documents: Applicants will be subject to financial viability checks, as described in **Section 10.1**. The Longer Duration Energy Storage programme board will make a decision as to the eligibility of projects based on the results of these checks.

# 10. Engagement Event

## **10.1. Will slides and a recording from the Longer Duration Energy Storage Innovation Demonstration Competition engagement event be made available?**

These are available on the gov.uk website. The event presentation recordings can be found [here](#) and the presentation slides [here](#).

## **10.2. Will contact details of event attendees be published?**

Contact details of attendees will not be published. A recording of the event itself will be published.

## **10.3. Will BEIS be publishing responses to the questions asked during the online event?**

Yes, all questions and responses from the online event are, or will be, included in this Q&A.

WITHDRAWN

# 11. Other

## **11.1. What are the requirements for risk-sharing within the SBRI framework?**

Risk-benefit sharing is discussed in section 5 and section 13.1 of the [competition guidance](#) for stream 2 (SBRI). Evaluation criteria 5 in section 6 also discusses how projects are expected to deliver cost savings under the SBRI contract compared to the case where the project was carried out under an exclusive development contract.

SBRI allows BEIS to fully fund a project. The contractor is required to take the risk of delivering the agreed deliverables against the funding milestones agreed at the contract award stage. The price bid for delivery of the contract and agreed at award stage would act as a price cap for the project. Only actual invoiced costs will be paid for by BEIS, subject to eligibility discussed in Appendix 3 of the stream 2 competition guidance. Awardees must be aware that BEIS expects the project scope to be delivered at or below the agreed amount of awarded funding and take the risks of any cost overruns on this basis.

## **11.2. Which regulations is my project required to comply with?**

All projects are required to comply with all regulations relevant to their technology. BEIS cannot advise further on this point.

## **11.3. Which certifications do we require?**

All projects are required to have all required certifications relevant to their technology. BEIS cannot advise further on this point.

## **11.4. Is BEIS working with the sector to set up market mechanisms for longer duration energy storage?**

BEIS works closely with industry and Ofgem to take actions to remove barriers, reform markets and invest in innovation. In the Energy White Paper, published December 2020, we committed to publishing a new [Smart Systems and Flexibility Plan](#), in partnership with Ofgem, which was published in July 2021. This set out the next steps for removing barriers to the deployment of flexibility on the grid, including large scale and long duration electricity storage.

## **11.5. Will the government be giving local planning authorities additional resources to consider planning applications in light of the timelines/urgency?**

For both competition streams, projects must provide evidence of the viability of their project including a defined route to full planning permission at their proposed site to be eligible for Phase 2.

Project teams will be required to meet with their Monitoring Officer at least once per month to discuss project progress and highlight successes, issues, and risks. Issues with securing planning permission should be raised during these meetings.

**11.6. For Stream 2, does IP generated through the project have to be retained by a UK entity?**

The proposed arrangements for IPR and their exploitation are defined in Section 13 of the Stream 2 competition guidance.

**11.7. When is it that BEIS may request intellectual property to be assigned to BEIS?**

The proposed arrangements for IPR and their exploitation differ between Stream 1 and Stream 2 of the competition. As such, please refer to Section 13 of both competition guidance documents for further information.

**11.8. Is there the option for a candidate to pay back the grant without handing over the Intellectual Property Rights (IPR)?**

No. The proposed arrangements for IPR and their exploitation are set out in the example grant agreement and SBRI terms and conditions for this Competition, contained within Annex 1 of the relevant Guidance Notes.

**11.9. For stream 2 (SBRI), if we are successful with the funding, it is expected that the technology company will eventually set up a base in the UK to exploit the results from the project?**

There is no specific requirement for the technology company to establish a base in the UK. However, it is worth noting the assessment criteria provided in Section 6 of the guidance document. For example, under Criterion 6, it is expected that successful applications will be those that are likely to support services and supply chains in the UK.