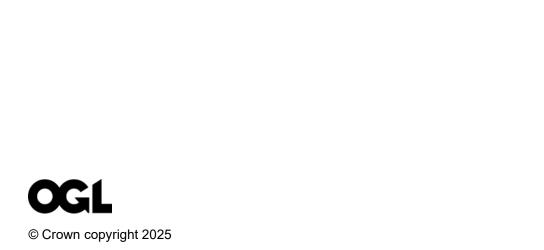


# Mayoral Renewables Fund

Scheme Guidance



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This Mayoral Renewables Fund guidance provides an overview of the fund and its purpose, as well as providing specific guidance on questions in the application form. All information should be provided in the form, within the stated word limits, or within one of the requested attachments. Additional information, including web links, will not be read. Please ensure you answer all questions and complete all declarations.

Pass/fail questions and scored answers are indicated against the relevant question.

### Overview

The Mayoral Renewables Fund (MRF) is a £10m grant scheme for Mayoral Strategic Authorities (MSAs) to develop renewable energy projects in their localities. The scheme forms part of Great British Energy (GBE)'s early delivery phase in 25/26.

The MRF funds are for MSAs, which are developing projects for the benefit of the local community. Funding is for the delivery of projects within the Financial Year 25/26. The scheme's primary objectives are:

- Contribute towards the GBE Local Power Plan ambition of developing up to 8GW
  of clean power in support of Clean Power 2030 through installing renewable
  generation and, where sensible, complementary technologies.
- Increase community benefits from, and support for, clean power by meaningfully
  engaging local people in the development of energy infrastructure, reducing energy bills
  for local communities or local public sector organisations, or reinvesting bill savings or
  any incidental revenue streams directly into community benefits.
- Increase energy resilience and security of the public estate by supporting projects that enable self-consumption of power, reducing reliance on the grid.
- Improve geographic spread of benefits from energy investment by offering funding to MSAs, which are spread across England, providing a focused delivery route, drawing on local skills and expertise, and ensuring benefits from projects are felt by local people.
- Provide an initial platform for GBE to work with, and learn lessons from, regional government to deliver national policy objectives at a local level, developing a basis to build on once GBE is fully established.

To be eligible to apply to the MRF, applications must be from one of the MSAs listed in the applicant eligibility section of this document.

# **Applicant Eligibility**

The scheme will only be available to Mayoral Strategic Authorities (MSAs). This includes the two prospective MSAs that are due to elect Mayors in Spring 2025 (Greater Lincolnshire and Hull and East Yorkshire).

The English Devolution White Paper (December 2024) set out the Government's strong preference for delivery through MSAs given their greater geographical spread, enhanced capacity to deliver and the strong leadership of mayors. The White Paper emphasised this model of delivery as being key for economic growth. It highlights that Mayors will be key partners to the government in delivering its missions and allowing areas to take back control, using their standing and 'soft power' to convene local partners and tackle shared problems, directly exercising devolved powers and attracting inward investment.

#### The full list of eligible authorities:

- West Yorkshire
- Greater Manchester
- North-East
- North Yorkshire
- Tees Valley
- Liverpool City Region
- West Midlands
- East Midlands
- South Yorkshire
- Greater London Authority
- Cambridgeshire and Peterborough
- West of England
- Greater Lincolnshire
- Hull and East Yorkshire

Although all authorities listed above are eligible to apply for the fund, any proposed project will need adhere to the criteria set out in the Project Eligibility section of this guidance document – failure to do so will result in a rejected application.

# **Project Eligibility**

## **Project timelines**

In order for a project to be eligible for funding through the MRF, it must defray - with expenditure incurred and funds left the bank account - all project costs by 31st March 2026.

#### **Technologies**

Funding through the MRF is available to projects that focus on renewable power generation. While some energy storage/flexibility technologies (e.g. batteries, EV charging) may be funded if they are present alongside a form of power generation, the majority of allocated funds for each project must be spent on renewable generation.

#### A full list of the technologies in scope for this fund:

- Solar (photo voltaic)
- Wind power
- Hydropower
- Batteries (or other storage)
- Microgrids or other local network infrastructure
- Electric vehicle infrastructure (publicly available, incorporating generation/storage)

Technologies NOT on this list will be considered on a case-by-case basis and you should contact <a href="MayoralRenewablesFund@energysecurity.gov.uk">MayoralRenewablesFund@energysecurity.gov.uk</a> for advice before applying.

# **Property**

The site of the proposed project must be located within the MSA/GLA region and should be publicly owned, or with a lease agreement that allows for the necessary works. Only non-domestic buildings/land are eligible for this scheme. If a lease agreement is used, the applicant will be required to provide assurances that the equipment will be moved if the lease ends during the equipment lifetime.

# **Funding Models**

It is not the intention that GBE or the Department for Energy Security and Net Zero (DESNZ) will own assets installed through this scheme; rather, it will be owned, installed, operated, maintained and de-commissioned by the recipient authority.

Although not essential to being awarded grant funding, we encourage applications that consider innovative funding models – for example:

Joint ventures, whereby a grant awarded through this scheme is used to leverage
private sector investment for the same project. Any additionality will need to be

- evidenced to ensure external investment would not have occurred without funding through this scheme.
- **Match funding**, whereby the awarded grant amount is matched by the recipient authority with a baseline 50:50 split.

#### **Assessment Process**

Applications will comprise a primary project proposal of up to £700,000 and up to two extension or supplementary projects (which will be considered for support if there is unallocated funding after primary allocations). Assessment of applications will be split into two stages:

- **Primary projects:** Applicants will receive the full amount of funding requested should the pass/fail questions be appropriately answered and scored portions of the applications deemed to have met the necessary pass threshold. The awarded grant amount will not exceed the total cost of the proposed investments.
- Extension/supplementary projects: Any remaining budget after the primary project allocations will be distributed to supplementary/extension projects. Allocations will be made considering the strength of projects, evidence of innovation (either technology or funding models), remaining budget and strategic fit.

All eligible authorities are invited to submit the Primary Project Application form and, should they wish, up to two additional projects using the Supplementary/Extension Project Application form. We would encourage applicants to contact the GBE team in DESNZ (mayoralrenewablesfund@energysecurity.gov.uk) to discuss project feasibility and request clarity on any aspect of the application process they are unsure of, ahead of completing the application form.

A DESNZ/GBE assessment panel will review all applications and scores will be moderated. All 'scored' questions, as indicated in the guidance below, will be awarded a score between 1-5. All primary project proposals that receive the minimum score across the board will be awarded the full amount of funding applied for, up to £700,000. There is further information on supplementary/extension projects on page 11 of this document – for these projects we will award additional scores for innovation (question E4) and lessons learned for GBE (question E5). These scores, together with the scores for the core questions, will help determine how any remaining budget should be allocated.

A Grant Offer Letter will document the monitoring and reporting requirements. It will also set key terms and conditions

Importantly, if a proposed project would involve or facilitate the applicant engaging in economic activity that entails offering goods (including electricity) or services on a market, no grant award

will be made without a review of the subsidy control position and, where appropriate, the successful completion of relevant subsidy control processes.

# **Scoring Methodology**

The below table gives an overview of the requirements to achieve each score for the scored questions of the application form.

Score	Description
0	Fail: Complete failure to address all material elements of the section. No tailoring of responses to meet the requirements. No quality responses providing no confidence that they will deliver.
1	Not Satisfactory: Poorly addresses the material elements of the section. Poor attempt to tailor the response to meet requirements where required. Generally, an unsatisfactory and a low level of quality information and detail leading to a low level of confidence that they will deliver.
2	Partially Satisfactory: Demonstrates a partially satisfactory understanding of the material elements of the section. Only some attempt to tailor the response to and address the requirements. Provides only some level of detail and quality of information to give only some level of confidence that they will deliver.
3	Satisfactory: Demonstrates a satisfactory understanding of the material elements of the section. Responses are tailored where relevant to the many of the requirements and the key areas are addressed. Provides an overall satisfactory level of detail and quality of information to give a suitable level of confidence that they will deliver.
4	Good: Demonstrates a good understanding of the majority of the material elements of the section. Responses are tailored where relevant to the requirements in the majority of aspects and a majority of the areas are addressed. Provides sufficient detail and quality of information to give a strong level of confidence that they will deliver.
5	Excellent: Demonstrates excellent understanding of the majority of the material elements of the section and proposes excellent solutions which address all requirements, and which are innovative where appropriate. Responses are excellently tailored to the requirements in all aspects. Level of detail and quality of information provides the highest degree of confidence in certainty of delivery.

#### Form Guidance

This section provides specific guidance on questions in the application form. All scored and pass/fail questions are covered. Where nuanced information is required from the applicant, this is also covered in this section, regardless of whether the question is scored or pass/fail. Guidance has not been included for questions that have been deemed to be self-explanatory.

#### Section A: Company

As Are you (the Applicant) the legal entity that will own the asset(s) funded using this grant? (Pass/Fail)

As set out in the Project Eligibility section of this guidance document, any assets owned as part of the proposed project should be wholly owned by the applicant Authority.

#### Section B: Eligibility

Please confirm that the project(s) you are proposing in this application will defray (expenditure incurred and funds left the bank account) all project costs before the end of FY 2025/26. (Pass/Fail)

As set out in the Project Eligibility section of this guidance document, all proposed projects must defray by 31st March 2026.

Please explain below how you will meet your proposed timeline for defrayal. (Max 300 words) (SCORED)

We are looking for a clear timeline that sets out the pathway to successful delivery of the project within the time constraints of the scheme (FY25/26).

Please confirm that your project will involve the installation of one of the renewable energy sources described in the scheme guidance (Pass/Fail)

This question should confirm that the proposed project utilises technology with the scope of the scheme. This can be found in the Project Eligibility section of this guidance document. Grants awarded through this scheme must not be used to fund technology outside of those eligible for the scheme.

**B**4

Please confirm that you agree that, post-completion of the investment, you will continue to collect data confirming both energy generated by project and a copy of energy bills to evidence any savings made. (Pass/Fail)

It is DESNZ/GBE's intention to undertake monitoring and evaluation (M&E) as part of the scheme. This question confirms that all funded projects will form part of the process, and the recipient authority agrees to collect and share this data for monitoring and evaluation purposes. Full detail on data in scope for M&E purposes will be set out in the Grant Offer Letter.

**B5** 

Please confirm that your project will contribute towards one or more of the objectives of the scheme:

Contribute towards the GBE Local Power Plan ambition of developing up to 8GW of clean power in support of Clean Power 2030.

Increase community benefits from, and support for, clean power.

Increase energy resilience and security of the public estate.

Improve equality and distributional outcomes.

Provide an initial platform for GBE to work with, and learn lessons from, regional government

(Pass/Fail)

This question confirms that the proposed project aims to achieve at least one of the core targets of the scheme, as detailed in the Overview section of this guidance document.

# Section C: Project

C1 Please outline your proposed project (max 500 words). (SCORED)

We are looking for a concise summary of your proposed project, explaining the types of technology being proposed, sizes, power connectivity arrangement, and detail on the location of delivery.

#### Section D: Deliverability

D1

Please provide a high-level timetable that demonstrates how you will deliver the proposed project in FY 25/26. Please note that the grant must be defrayed within FY25/26. (SCORED)

Applicants should complete the embedded template below the question, adding or deleting rows as necessary. Any additional attachments will be disregarded.

D2

Please set out the approach to project management and governance, to ensure the project will be delivered to budget and time. (max 300 words) (SCORED)

We are looking for an explanation of the governance and project management processes for the proposed project. Please outline any project boards and other regular meetings associated with delivery.

D3

Please set out a risk assessment for your project that identifies the main risks, probability, severity, and mitigation. (SCORED)

We are looking for reassurance that you understand the risks and challenges facing your project and have considered mitigations. Please complete the table with regard to your whole project from development to build completion Applicants should complete the embedded template below the question only, adding or deleting rows as necessary. Any additional attachments will be disregarded.

D4

Please set out any key dependencies for the project's delivery (e.g. grid connection license, planning permission granted, successful environmental assessment) and the approach to obtaining these. (max 300 words) (SCORED)

We are looking for consideration given to all key dependencies that may impact project delivery. Dependencies should be clearly set out and an explanation should be given on the role each plays in the delivery of the proposed project.

#### Section E: Benefits

E1

Please specify the megawatt capacity to be installed through the proposed project, with supporting evidence for your estimate. (SCORED)

Here we are looking for the expected megawatts of power generation capacity the project will provide once fully installed. Although this represents an approximation, we will score responses based on the level of evidence provided to the estimate.

Please provide an estimate of carbon emission savings (tCO2e) achieved over the lifetime of the project. Please include details of the methodology used to estimate and be sure to reflect a decarbonising grid in your baseline/counterfactual. (SCORED)

Here we are looking for an estimate of the lifetime carbon emission savings the project will achieve. Further guidance on how to calculate this can be found in the DESNZ <u>Green Book supplementary guidance</u> on valuation of energy use and GHG emissions for appraisal. The impacts of the installed technologies should be assessed against a baseline/counterfactual to understand the impacts of the intervention. It is important to factor a decarbonising grid (i.e. progressively lower <u>electricity emissions factors</u>) into the baseline/counterfactual. We will score responses based on the level of evidence provided to support the estimate.

Provide details of how the installed technology will integrate with the wider energy system (e.g. connected directly to the grid, private wire, battery storage, onsite EV chargers, etc.) (max 300 words) (SCORED)

This response should explain how the power generated by the project will be distributed. It should include how the various technologies within the project (if there are multiple) will be integrated or complementary to one another. The response should include details of both physical distribution (e.g. exported to grid, consumed locally using battery and private wire) and supporting market arrangements (e.g. power purchase agreement), where possible. It should mention whether a grid connection license is needed and, if so, details of the application status.

Please provide details of any innovation associated with the proposed project.

#### For example:

- Solar linked with EV charging
- Solar co-located with battery and creating a virtual power plant
- Solar with local energy markets
- Multi vector projects looking at solar/heat

(SCORED for extension/supplementary projects)

(max 300 words)

Here we are looking for an explanation as to whether the proposed project exhibits some level of innovative technology, financing arrangement, or application. Some examples are embedded within the question but applicants should not be limited by this list and should include anything they feel is relevant.

Please outline any expected lessons learned for Great British Energy that can be used for future work. For example:

- Partnership working with Local Government
- Innovative use of specific technologies
- Funding mechanisms blended finance, joint ventures, etc

(max 300 words) (SCORED for extension/supplementary projects)

Here we are seeking to understand how the proposed project may provide crucial lessons for GBE as the organisation is established and undertakes further delivery of schemes and projects. In particular we are keen to understand how GBE may work with local government in future, the application of novel technologies and how alternative models of funding have been used/could be used in the future.

Please specify the locations (postcode, LSOA) for the proposed project, and the areas that you expect will benefit from the project, noting the latter may be broader than the specific locations of the renewable infrastructure.

Here we are looking to understand the geographic distribution of the project benefits.

Please provide details of any community engagement that is planned or has already taken place. (max 200 words) (SCORED)

Here we are looking for evidence that the proposed project has a good level of support, particularly among people living in the vicinity of the planned asset(s). if no engagement has taken place, this section should set out a clear plan for engagement with residents, businesses, and interest groups in the project area and with potential customers, if applicable.

Please set out the type and approximate value of community benefits that you expect your project to deliver. This should include energy bill savings (to the public sector or within the community), if applicable. (max 200 words) (SCORED)

The response should include details of how the proposed project will deliver community benefits. This may be via a community benefits fund, using money to directly reduce energy bills of local residents, or otherwise. If a community benefits fund is used, please specify who will manage this fund. Please outline the planned community benefits, and their approximate value.

Please provide detail of how you will identify and select your supply chain. What due diligence will you undertake to ensure the selected contractors are adhering to best practice, in particular around modern slavery requirements, social value and small and medium enterprise engagement. Additionally, what measures will you take to ensure that value for money is considered in the selection and how will the contracts be managed and monitored throughout delivery. (max 500 words) (SCORED)

Responses should provide as much detail on each of the required points in the question:

- Adherence to best practice around modern slavery, social enterprise and SME engagement.
- Value for money.
- · Contract management and monitoring.

E10

Please set out any anticipated benefits for employees of any contracted companies involved in the delivery of the project. In particular:

- Total number of FTE employees directly involved with delivery of project in contracted companies
- Of these FTE posts, how many are Managers, Directors, Senior Officials?
- Of these FTE posts, how many are in skilled trade occupations incl. skilled metal, electrical, electronic, construction and building trades?

Please provide supporting evidence within the body of the answer. Any attachments will be disregarded. (max 500 words) (SCORED)

Responses should provide as much detail as possible on each of the outlined bullet points. One FTE can be one full-time member of staff or multiple part-time employees with employment for one year.

#### Section F: Cost

F1

Please provide a summary of the total cost of the proposed project and the grant requested. Under the Mayoral Renewable Fund, phase one projects will be eligible for a maximum grant award of £700,000. (Pass/Fail)

In the response, include project development and construction costs, but not operational costs.

F2

Please give an approximate indication of when funding will be needed, including milestones. (Pass/fail)

We are looking for evidence of a good understanding of key funded milestones that will ensure the project is delivered on time and as specified in the application form. Applicants should complete the embedded template below the question, adding or deleting rows as necessary. Any additional attachments will be disregarded.

F3

Please detail the total project development/construction costs (from your current position to asset build/service launch) to the best of your ability. We understand you may require the grant award before you can define later costs with confidence. (SCORED)

We are looking for evidence that you have realistic expectations about project costs – estimates and ranges are acceptable for most answers.

Please provide more detail on how any costs related to administration (for example, staffing and project management costs) will be spent.

Please note that under Section 98 of Natural Environment and Rural Communities Act 2006, a maximum of 10% of the grant administered as part of this scheme is permissible to be spent on admin costs to contribute to delivery. Please indicate whether this is your intention and set out how this portion of funding will be spent.

We are seeking clarification on whether there is any intention to spend up to 10% of the proposed grant funding on admin costs. If this is the case, the response should provide assurances that this amount will not exceed 10%.

Please provide details of any alternative sources of funding that will be used to deliver the proposed project, either considered or already obtained. (SCORED)

This response should outline whether the proposed project will be solely funded by the grant amount being applied for, or whether the grant amount will be used in conjunction with other sources of funding to deliver the project. The response should set out whether the additional funding is from private sources and whether it is being sought or already confirmed.

Please explain what would happen to the project if grant funding were not awarded. (max 200 words) (SCORED)

Here we are looking for assurances that the grant being sought is providing additionality and evidence of what would happen without funding from the Mayoral Renewables Scheme. For example, the project may be delayed, downsized, seek alternative funding, or not go ahead at all.

Please explain whether the proposed project would involve or facilitate the applicant engaging in economic activity that entails offering goods (including electricity) or services on a market and, if so, the anticipated scale and importance of this activity in the context of the project as a whole (max 300 words)

Here we are seeking to understand whether the project would involve or facilitate any economic activity involving the offering of goods or services on a market (e.g., selling electricity back to the grid or entering into a power purchase agreement). If economic activity of this type is anticipated, before a grant award can be made it will be necessary to review the subsidy control position and, where appropriate, successfully complete relevant subsidy control processes. In the event that economic activity of this type is anticipated, please contact DESNZ (<a href="mayoralrenewablesfund@energysecurity.gov.uk">mayoralrenewablesfund@energysecurity.gov.uk</a>) ahead of submitting the application.

F7.2

If revenue is expected, please describe where this revenue will be generated and whether it will benefit the local community OR if this is not the case, please provide an explanation of where any generated revenue will be used. (max 300 words)

Here we are seeking to understand the nature of any expected generated revenue. Please set out in detail how and where expected revenue set out in F8.1 will be used.

#### Section H: Team

H1

Please confirm that a schematic showing the management reporting lines for the project management will be attached as an appendix alongside the application

This should include those that have decision-making authority regarding the investment.

This can be shared in 1, or at most, 2 files. Each file must be less than 15 MB. (SCORED)

We are looking for evidence that your organisation has a sustainable governance model with limited risk, i.e. avoiding reliance on a very small number of key decision-makers. This should be attached as instructed in the question text.

H2

Does the project team highlighted in the schematic above have experience of delivering projects of a similar scale and complexity? max 300 words (SCORED)

We are looking for evidence that your organisation involves people with sufficient skills and experience to lead your proposed project and be clear on who is accountable and responsible for delivery.

High scoring proposals will demonstrate experience in developing similar energy projects. You can still score well with transferrable skills and experience from other types of activity, but please ensure the relevance is clear.

#### Section I: Equality

11	Will the project or its outcomes have a disproportionate positive or negative impact against someone due the following:  Select all that apply						
	Age		Disability		Gender reassignment		
	Pregnancy and maternity		Race		Religion or belief		
	Sexual orientation		Sex		Marriage or civil partnership		
	assess the impacts lect each that are re			ed pro	tected characteristics	<b>;</b>	

If any of the above have been selected, please describe the impact or impacts (positive or negative) that the project is expected to have, the group or groups which may be affected, and the steps (if applicable) that will be taken to mitigate any negative impact. (Pass/fail)

Please provide assurances that you have considered the impacts on the protected characteristics listed in question I1, with evidence to support your response. Please also provide detail on how you will mitigate any negative impact.

# Extension/Supplementary Projects

As detailed in the Assessment Process section of this guidance document, eligible authorities are invited to submit up to two additional projects alongside their primary project application. These projects may represent an extension of the primary project or an entirely different proposal.

Any additional projects should be submitted using the Extension/Supplementary Projects form. This form repeats all sections of the primary project application and should be completed in the same way. Where answers for extension or supplementary projects are the same as for the primary project; please cross-reference back to the primary project proposal; **you do not need to duplicate information across proposals.** 

To note, the level of funding for extension/supplementary projects is not guaranteed and is contingent upon funding being available after primary allocations have been made. We will make a decision on the allocation of extension/supplementary projects based optimising the remaining budget and strategic fit – this will take into account value for money, deliverability and innovation as evidenced through the application.

#### **Timescales**

Milestone	Date
Application window opens	21st March 2025
Application window closes	22nd April 2025
Application assessment decisions made	6th May 2025
Successful applicants notified	9th May 2025

