

DECC use AWARD® on £2.1bn Final Investment Decision (FID) Enabling for Renewables

DECC chose AWARD® to help developers of low carbon electricity projects make final investment decisions ahead of the 'Contract for Difference' regime being put in place as part of the Electricity Market Reform.



Department
of Energy &
Climate Change

Customer Profile

The Department of Energy & Climate Change (DECC) works to ensure the UK has secure, clean, affordable energy supplies and promotes international action to mitigate climate change. The department employs around 1600 staff based in London and Aberdeen. It works with eight agencies and public bodies including; Ofgem, Nuclear Decommissioning Authority, The Coal Authority and the Civil Nuclear Police Authority.

DECC are responsible for:

- Energy security—ensuring UK businesses and households have secure supplies of energy
- Renewable energy—sourcing at least 15% of our energy from renewable sources by 2020
- Supporting growth—delivering policies that maximise the benefits of the economy in terms of jobs, growth and investment
- Affordability—delivering low-carbon energy at the lowest cost

- Fairness – making sure the costs and benefits of their policies are distributed fairly so that they protect the most vulnerable, fuel-poor households and address competitiveness problems faced by energy intensive industries.

DECC supports investment in the UK's energy infrastructure, including through the Energy Bill that will unlock up to £110 billion in private sector investment. The Energy Bill takes forward the Electricity Market Reform process, ongoing since 2010.

The Project

DECC launched the Final Investment Decision (FID) Enabling for Renewables programme in March 2013. This government programme is designed to allow developers of low carbon electricity projects to take final investment decisions ahead of the Contract for Difference (CFD) regime being put in place as part of Electricity Market Reform.

“We undertook the use of the AWARD® system very close to the commencement of an evaluation process. With the very tight timescales we were very reliant on the internal knowledge and experience of Commerce Decisions to guide us in the practicalities of best practice use of the system.”

Hugo Robson, Commercial, Department of Energy & Climate Change

The challenge

A key aspect to this project was the allocation of bidder evaluation to a diverse set of evaluators. This to significantly reduced the evaluation window, whilst ensuring a clear audit trail was kept. Maintaining the ability to compare across categories and simultaneously allowing for different assessment guidance for each fuel category was essential. Another consideration was the need to work with preexisting evaluation strategies and products.

Applications for participation in FID Enabling for Renewables closed on 1 July 2013 and DECC published details of the process, evaluation criteria and indicative timetable for Investment Contract allocation the following month. In December 2013, DECC published a summary of the applications that were submitted

and qualified through Phase 2 of the programme. This included details of the FID Enabling for Renewables affordability envelope and an indicative timetable for the contract award process. All applicants meeting the Phase 2 minimum threshold evaluation criteria were sent draft investment contracts and invited to submit binding applications, confirming their wish to apply by March 2014.

“The AWARD® system is Impact level 3 (IL3) which allowed us to meet the key requirement of carrying out secure evaluations from multiple locations while still being extremely simple and straightforward.”

Hugo Robson, Commercial, Department of Energy & Climate Change

The AWARD® solution

AWARD® was utilised to evaluate the FIDeR applications. Due to the specific requirements of the programme, a Commerce Decisions’ consultant created a bespoke project in AWARD® that mapped the evaluation strategy and processes laid down by DECC. This included:

- Allowing for different assessment guidance for varying energy types
- Providing for a precise allocation of evaluators
- Clarification management
- Results reporting

Throughout the programme, there were over 951 documents and 26 submissions involved in this process.

The bespoke structure centred around supporting the pre-existing evaluation strategy. The Commerce Decisions’ consultant configured AWARD® to map the existing evaluation processes that had been developed and provided assurance that the processes had been followed. AWARD® supported the logistics of allocating different criteria and submissions to different evaluators, clarifying and simplifying the process to handle the complex and specific evaluation needs. Alongside this, AWARD® ensured that a clear audit trail was maintained. A defensible, secure, and thorough process was kept simple and easily manageable by applying the bespoke AWARD® solution.

“Commerce Decisions themselves were extremely proactive in helping us meet initial evaluation requirements and targets, and responded very quickly and professionally to any on-going calls for assistance that we needed. AWARD® was a key factor in our ability to meet tight deadlines. We would use the system again in similar circumstances.”

Hugo Robson, Commercial, Department of Energy & Climate Change

AWARD® Benefits

Transparent audit trail that underpins the bidder debriefing process and manages any challenges to the outcome of the procurement.

- AWARD® is highly flexible, enabling full integration of the tender requirements and policies.
- AWARD® enables project users to be managed centrally, optimising the time spent on evaluating suppliers.
- AWARD® is delivered via a security-accredited hosted service. Users can access AWARD® from any workstation with an internet connection and web browser.
- Powerful reporting capabilities allow a range of selected reports to be generated quickly and tailored to your project.
- Enhanced controls allow better management of tender stages leading to efficiencies and on time project delivery.
- AWARD® provides a structured and compliant approach to the execution of a procurement.

Note:

The Department of Energy & Climate Change (DECC) became part of the Department for Business, Energy & Industrial Strategy (BEIS) in July 2016.