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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations set out the process for competitive tenders that will apply to the grant of offshore transmission licences.

Regulation 2 provides saving and transitional arrangements for a tender exercise in respect of a particular qualifying project where the invitation to tender stage has commenced under the 2013 Regulations but the tender exercise has not finished at the date upon which these Regulations come into force.

Regulations 4 and 5 provide for the Authority to undertake an estimate or assessment of the total costs required to develop and construct the transmission assets for a generator build qualifying project and for the Authority to recover its costs in doing so.

Regulations 6 and 7 provide for the Authority to undertake an estimate or assessment of certain costs incurred in relation to an OFTO build qualifying project and for the Authority to recover its costs in doing so.

Regulation 8 sets out how projects qualify for a tender exercise. Schedule 1 contains the details of how a qualifying project will be determined.

Regulation 9 provides for the Authority to determine the amount of a developer's payment for early evaluation of construction phase contracts, and for the Authority to recover certain costs from that payment.

Regulation 10 requires a developer to make a payment and provide security to the Authority in respect of the Authority's tender costs.

Regulation 11 provides that certain conditions must be satisfied by a developer. Schedule 2 contains the details of those conditions.

Regulation 12 requires the Authority to publish a notice specifying the date on which a tender round will begin for one or more qualifying projects.

Regulation 13 sets out the stages of a tender round.

Regulations 14 and 15 describe the pre-qualification stage of a tender round and how qualifying bidders will be determined. Schedule 3 sets out the information in the pre-qualification documentation.

Regulations 16 and 17 describe the qualification to tender stage of a tender round and how qualifying bidders will be determined to participate in an invitation to tender stage. Schedule 4 sets out the information in the qualification to tender documentation.

Regulation 18 describes the invitation to tender stage of a tender round. Schedule 5 sets out the information in the invitation to tender documentation.

Regulation 19 describes how the Authority will determine a preferred bidder. The Authority may also identify a reserve bidder. The Authority may hold a best and final offer stage under regulation 20. The Authority may also identify a reserve bidder at the best and final offer stage. Schedule 6 sets out the information in the best and final offer documentation.

Regulation 21 requires the preferred bidder to resolve certain matters before it becomes the successful bidder and describes the circumstances in which the reserve bidder, if any, must be treated as the preferred bidder.

Regulation 22 requires the developer to meet particular obligations from the preferred bidder stage.

**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

Regulation 23 provides for participants to withdraw from a tender exercise or be deemed to have withdrawn and allows the Authority to retain any payments made to the Authority in the event of a withdrawal.

Regulation 24 provides for the Authority to re-run a tender exercise from a particular stage until a preferred bidder or reserve bidder is identified or determine that a tender exercise has failed. Schedule 7 sets out the events which give rise to the power for the Authority to re-run the tender exercise.

Regulation 25 provides for the Authority to cancel a tender exercise under the circumstances described in Schedule 8. Regulation 26 describes how payments and security will be forfeited, repaid or released in the event of cancellation of a tender exercise.

Regulation 27 allows the Authority to disqualify a participant from a tender exercise or tender round under the circumstances described in Schedule 9 and describes whether payments are to be repaid or security is to be forfeited.

Regulation 28 requires the Authority to publish details of the successful bidder. Regulation 29 requires the Authority to give details of the successful bidder to unsuccessful bidders and allows at least ten working days to elapse before an offshore transmission licence is granted to the successful bidder. The Authority must publish a notice to confirm its determination to grant an offshore transmission licence to the successful bidder.

Regulation 30 allows the Authority to recover its costs in running a tender round and return any overpayment and security where tender costs have been exceeded.

Regulation 31 relates to failure to make payments or provide security.

Regulation 32 allows an application to the Authority for a decision as to the effect of any restriction or requirement resulting from these Regulations.

Regulation 33 describes the rules for changes to bidder groups.

Regulation 34 requires the Authority to take reasonable steps to notify a participant of changes relating to the time at which, or the manner in which, a document is to be delivered or published or an action is to be completed.

Regulation 35 dispenses with sections 6A and 6B of the Electricity Act 1989 for an application in respect of an offshore transmission licence.