

2022 Hydrogen Business Model and Net Zero Hydrogen Fund: Electrolytic Allocation Round Online Application Form Manual



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Overview - Online Application Form Manual

This manual is designed to help Projects complete the Online Application Form for the 2022 Hydrogen Business Model (HBM) and Net Zero Hydrogen Fund (NZHF): Electrolytic Allocation Round.

The Online Application Form is one part of the overall application. This part of the process allows Projects to download, complete and upload the completed Project Application Form along with all additional documents (mandatory and supporting) at Section B. Please ensure that you complete and upload all documents, templates, annexes and the Hydrogen References Matrix (Annex F) before trying to submit your application.

When you have fully completed all sections of the Online Application Form and uploaded all relevant additional documents and completed Templates you will need to submit the Online Application Form. The deadline for submission of your completed Online Application is 11:59 am Wednesday 12 October 2022. The onus will be on you to provide all the necessary information.

The full Project Application Guidance is available from the 2022 Hydrogen Business Model and Net Zero Hydrogen Fund: Electrolytic Allocation Round scheme information page <u>link</u> here. This Guidance provides more information on the 2022 HBM/NZHF: Electrolytic Allocation Round including details of the allocation process.

Each section in this Online Application Form Manual gives general guidance on questions asked and how to present evidence regarding this part of your Project's Application.

Projects may submit clarification questions on the entry process by emailing <u>electrolytic.allocation@beis.gov.uk</u>. In the email, you should explain why the question has been raised so the context is clear.

The question should clearly identify the document and text for which clarification is being sought. Government will publish the question and the response provided, with all identifying data anonymised. The deadline for the submission of clarification questions is 23:59 on 28 September 2022, ahead of the submission window closing on 12 October 2022.

During the appraisal process we will perform additional checks on the credibility of the evidence provided and the robustness of any calculations involved. If Projects fail to provide sufficient evidence in respect of their satisfaction of the eligibility criteria, BEIS will consider these to have failed the eligibility check and they will not progress further in the evaluation process.

A Project can lead on up to four applications, which must be materially different, and can be included as a collaborator, or project partner, in a further four applications. Any subsequent applications beyond this will not be accepted.

Completing an Online Application Form

Privacy Notice and Disclosure of Information Declaration

Initially, the Online Application Form will ask you to accept the terms of the **Privacy Notice**. If you do not accept the terms of the Privacy Notice, you cannot continue with the Online Application Process.

You will then be asked questions relating to **Disclosure of Information**. This section gives information relating to BEIS obligations (including under the Freedom of Information Act 2000 (FOIA), the Data Protection Act 2018 (DPA), UK General Data Protection Regulation (UK GDPR) and the Environmental Information Regulations 2004 (EIR) in the event that a request for information is received). You will also be required to co-operate with the Department in the provision of such information relating to the Department's mandatory reporting obligations.

Failure to complete the Privacy Notice or Disclosure of Information declaration will mean you will not be able to continue with your Online Application.

Online Application Form eligibility criteria

You will be asked to answer initial questions relating to key eligibility criteria and related information about your proposed project.

Questions will require a Yes or No answer, incorrect answers that do not match our eligibility criteria will result in you being advised that you are not eligible to apply to this aspect of the Allocation Round. An exemption from the 'new build hydrogen production facility' criterion will be applicable for hydrogen generation Projects that have received funding from the Net Zero Innovation Portfolio and Energy Innovation Portfolio programmes and may already be under construction/operational but require revenue support via the HBM to operate on an ongoing commercial basis. These Projects will still be required to meet subsidy control requirements.

If you do not meet the eligibility requirements of this Electrolytic Allocation Round you will receive an automated message that you are not eligible and should not continue with the Online Application.

The following gives specific guidance on the various sections of the Online Application Form.

Part 1 Project Information

Section A: Company/Project Information

Section A in the Online Application Form will ask you about your company, the main business activity and company contact details.

You will then be asked to provide details of your immediate and ultimate parent company (if you have one). This will also include details of the main business activities of your company and your immediate and ultimate parent company (if applicable). You will need to provide contact details for the Project Director (this needs to be a company director registered on Companies House) as well as your Project Representative contact details and other key project contacts.

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You will be asked which subsector your project relates to along with the region in which your Project will be located in.

You will be asked to provide your company's Nomenclature of Economic Activities (NACE) code which you will be able to access via a link in the Online Application Form. If you have a parent or ultimate parent, you will also be asked for their NACE code.

You will need to provide details of the location of the Project (the address and postcode) and if relevant, the addresses of your parent and/or ultimate parent company.

If you have an immediate or ultimate parent company, you will need to provide information on the nature of the group/company structure and responsibilities and confirm that they are able to provide a parental company undertaking and guarantee (or a bank guarantee from a bank with an investment grade credit rating) that underwrites the financial commitment to the project. This is compulsory and must be provided. Failure to do so will result in the grant/subsidy not being issued.

You will also be asked about any other public funding you may have received in the last 3 years in this section. If you have received funding in the past three years you will be asked for additional information about this funding.

You will be asked to confirm that you are the legal entity who will own the assets (where applicable) and hold contracts of employment and carry out the agreed Project activity. You may need to provide further explanation on the ownership of the assets and the contracts of employment as well as carrying out the project activity. The Online questions in this section allow you to explain this.

You will be asked further questions about the Project, the region it will take place in and if there is a land or property transaction associated with the Project. You will be required to provide the full address of the site where all or most of the activity will take place. If this is not possible, you will be able to provide an explanation.

Finally in this section, you will be asked to provide a description of your Project that you are happy to see published.

Section B: Document Upload Instructions

1. In this section you will need to download, fully complete, and then upload the following documents. You will also be able to upload associated supporting documentation relating to your Project.

You are responsible for ensuring that completed documents are compatible with the format of the template.

In relation to supporting documentation, please ensure filename and reference numbers are clear and linked. Filename example: [project acronym]-[ref#]-[title].

- The 'project acronym' should be the acronym you set up when creating your application.
- The 'reference number' relates to the section of the Application Form the document is referring to and is provided for you within the Hydrogen References Matrix (Annex F).
- The 'document title' is to be created by you to describe what the document is.

For example: "ABCD - 5.2.1- ABCD Governance Structure".

Please also review the **Hydrogen References Matrix (Annex F)** for further guidance on linking filename to the relevant Project Application Form section.

2. Please download and complete the **Project Application Form.** Upload the completed document in this Section B of the Online Application Form

You are responsible for ensuring that the completed document is compatible with the format of the template.

Upload one file. The file must be less than 15mb.

If you wish to provide associated supporting documentation to the Project Application Form relating to sections listed below, you can do so in this Section B Document Upload.

- Section 3 Eligibility
- Section 4 Hydrogen Project summary
- Section 5 Deliverability
- Section 6 Carbon Emissions and Environmental Factors
- Section 7 Costs
- Section 8 Economic Benefits
- Section 9 Market development and learning
- Section 10 Additionality of electricity source

If you wish to provide associated supporting documentation to the Project Application Form relating to any sections not covered above, you may do so in this Section B. You may upload multiple files in total. Each file must be less than 15MB.

- 3. Please download and complete the following Templates and upload completed documents in this section B of the Online Application Form
 - Annex A Risk Register Template
 - Annex B Technical Datasheet
 - Annex C Economic Benefits Template
 - Annex D Project Costs Template
 - Annex E Emissions Reduction Template
 - Annex F Hydrogen References Matrix

You are responsible for ensuring that the completed documents are compatible with the format of the different templates. Upload one file per template.

The file must be less than 15MB.

4. Please also download and complete the <u>Hydrogen Emissions Calculator</u>. Complete for the **first, second and third years of the calculator** Upload the **at least three completed files** in this Section B. You must upload multiple files in total.

Each file must be less than 15MB

Part 2 Due Diligence

Section C: Due Diligence

If your project is shortlisted, your completed Online Application Form, submitted Project Application Form and attachments will be subject to an in-depth appraisal or 'due diligence'. This exercise will include, but is not limited to, confirmation of:

- The final amount of the award which will be subject to the evidence you provide and will be the minimum necessary for the project to proceed
- The prospective support being compatible with relevant subsidy control regulations in place at the location of your project
- The existence of a financially and business credible alternative option (or counterfactual argument). Where the counterfactual argument is based on a lack of working capital additional supporting information is required
- The deliverability of project investment and employment outputs as set out in the Project Application Form
- The satisfactory financial standing of you, the applying company, and of your parent company (if you have one) and their ability to finance the Project.

This section provides examples of the information you may be asked to provide in terms of capital investment and financial information deliverables. For example:

- Capital Investment deliverables
- Support for purchase of land/buildings
- Rental/lease costs of land/buildings
- Construction CAPEX improvement expenses
- Repairs and maintenance expenses
- Board Minutes
- Accounting and Investment policies
- Alternative investment decision in the absence of grant funding
- Financial information deliverables
- Cashflow/working capital forecasting
- Investment appraisal model
- FX rates
- Prior year approved budgets/forecasting

These examples are not exhaustive, and you are advised that if you do not provide the information requested, your application will not be progressed, through Due Diligence.

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Part 3 – State Aid and Subsidy Control

Section D: State Aid - Subsidy Control

This section of the Online Application Form will ask you questions relating to Subsidy Control and the Northern Ireland Protocol.

We may require additional information from you in relation to Subsidy Control during the appraisal of your application. You will be asked to confirm if you are applying under European Commission State aid rules if you are a Project Applicant who is conducting activities that will affect trade of goods and electricity between Northern Ireland and the EU as envisaged by Article 10 of the Protocol on Ireland/Northern Ireland in the EU Withdrawal Agreement. Your responses to questions relating to the Northern Ireland Protocol will help to determine if you fall within the scope or out of scope of the Protocol.

Further information is included in the Application Guidance.

You should note that, if your application is successful, recovery of funds would be required in the event of non-compliance with subsidy control requirements.

It is expected that grant awards will be made under Section 7 or 8 of the Industrial Development Act 1982.

Part 4 – Completion:

Section E: Equality

In this section you will be asked to respond to questions in relation to the equality impacts of the Project.

Section F: Declarations

In this section you will be asked to confirm you have completed all parts of the Online Application Form correctly including additional information as well as confirming that the application is compliant with the UK's subsidy control requirements.

Section G: Mandatory and Discretionary Exclusion

In this section you will be asked to respond to questions relating to any previous convictions concerning your organisation or any other persons who has powers or representation, decision, or control in the organisation. You will be asked to provide details if applicable.

Check and Submit

Finally, you will be able to check that you have completed all sections satisfactorily after which you can then submit the Online Application Form. This is an automated section, and you will receive notification that your Project Application **submission** has been successful.

If your application is progressed to a formal offer following successful Due Diligence, We will set out the terms of the grant/subsidy, including the level of grant/subsidy the Department is prepared to offer, in the form of a Grant Offer Letter.

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Further guidance is included in the Project Application Guidance document. If you have any concerns over your progress, please contact electrolytic.allocation@beis.gov.uk

If you need a version of this document in a more accessible format, please email enquiries@beis.gov.uk. Please tell us what format you need. It will help us if you say what assistive technology you use.