STATUTORY INSTRUMENTS

2025 No. 446

ELECTRICITY

The Electricity (Early-Model Competitive Tenders for Onshore Transmission Licences) Regulations 2025

Made - - - -	*3rd April 2025*
Coming into force	*25th April 2025*

The Gas and Electricity Markets Authority, with the approval of the Secretary of State, makes these Regulations in exercise of the powers conferred by sections 6C, 6CA, 6CB, 6CC and 60 of the Electricity Act 1989(**a**).

PART 1

Introductory

Citation, commencement and extent

1.—(1) These Regulations may be cited as the Electricity (Early-Model Competitive Tenders for Onshore Transmission Licences) Regulations 2025 and come into force on 25th April 2025.

(2) These Regulations extend to England and Wales and Scotland.

Interpretation

2.—(1) In these Regulations—

"the 1989 Act" means the Electricity Act 1989;

"application" means an application for an onshore transmission licence;

"application form" means the form required for an application in accordance with regulation 26(2);

"best and final offer" means a submission by a qualifying bidder to the Authority in response to the best and final offer documentation;

"best and final offer documentation" means those documents issued in accordance with regulation 14(3);

"bid costs" means the costs incurred by a qualifying bidder in the preparation of a tender in respect of a qualifying project;

"bidder" means a person, or a group of two or more persons acting together, that submits a pre-qualification questionnaire to the delivery body in accordance with these Regulations;

(**a**) 1989 c.29. Sections 6C-6CD were substituted for section 6C and 6D by section 203 of, and paragraph 3 of Schedule 15 to, the Energy Act 2023 (c. 52).

"bidder group" means two or more persons acting together as bidder, qualifying bidder, provisional preferred bidder, preferred bidder, reserve bidder or successful bidder;

"confidentiality agreement" means the standard form agreement between the holder of an electricity system operator licence, the holder of a transmission licence which may be affected by the qualifying project, as the case may be, and, at the relevant time, a bidder in respect of confidential information disclosed in connection with an onshore transmission tender exercise;

"conflict of interest" means, in relation to an onshore transmission tender exercise, if a person acting for or on behalf of a tender party in relation to the onshore transmission tender exercise has a conflict of interest;

"data room" means a secure store of information in respect of a qualifying project to be maintained by the delivery body;

"delivery body" means the body designated by regulation 3 of the Electricity (Designation of Delivery Bodies) (Transmission) Regulations 2023(**a**);

"delivery body functions assessment report" means the report prepared by the delivery body in respect of the exercise of its functions conferred by these Regulations which must include the information specified in Schedule 6;

"early-model tender exercise" means a tender exercise which relates to a project before the completion of preliminary works;

"entry conditions" means the conditions specified in paragraph 1 of Schedule 2;

"information memorandum" means a memorandum of that description issued by the delivery body containing in summary form information in respect of a qualifying project;

"information notice" means a notice issued in accordance with regulation 32;

"intention to commence notice" means a notice published in accordance with regulation 8(1) or updated in accordance with regulation 8(2)(a);

"interest" in relation to a conflict of interest includes a personal, professional or financial interest and may be direct or indirect;

"invitation to tender documentation" means those documents issued in accordance with regulation 12(2);

"onshore transmission" means transmission which is not offshore transmission;

"onshore transmission licence" means a transmission licence that authorises anything that forms part of a transmission system to be used for purposes connected with onshore transmission;

"onshore transmission tender exercise" means the steps to be taken in accordance with these Regulations with a view to determining the person to whom an onshore transmission licence in respect of a qualifying project is to be granted;

"preferred bidder" means a qualifying bidder determined as a preferred bidder in accordance with regulation 17(1);

"preliminary market engagement" is to be construed in accordance with regulation 4(2);

"preliminary works" means—

(a) in respect of a project's electricity solution which principally comprises an asset—

  (i) the completion of the detailed design of the asset, and

  (ii) the acquisition of all necessary planning consents and property rights for its construction and maintenance; or

(b) in respect of a project's electricity solution which is a service—

  (i) the completion of the detailed design of the service, and

(**a**) S.I. 2023/1228.

(ii) where relevant, the acquisition of any necessary property rights for maintenance of any assets associated with the service;

"pre-qualification documentation" means those documents issued in accordance with regulation 10(1)(a);

"pre-qualification questionnaire" means a questionnaire of that description published by the delivery body in accordance with regulation 10(1);

"provisional preferred bidder" means a qualifying bidder determined as a provisional preferred bidder in accordance with regulation 13(1)(a) or regulation 14(4) as the case may be;

"qualifying bidder" means a bidder determined as a qualifying bidder in accordance with regulation 11(1)

"qualifying project" means a project as determined as a qualifying project in accordance with regulation 6(3);

"reserve bidder" means a qualifying bidder determined as a reserve bidder in accordance with regulation 17(2);

"security" includes a charge over a bank account or any other asset, a deposit of money, a performance bond or bank guarantee, an insurance policy or a letter of credit;

"signed" includes signed in a manner which would be an electronic signature for the purposes of section 7 of the Electronic Communications Act 2000(**a**);

"system specification" means the requirements for the design and construction of a transmission system specified by the delivery body;

"tender" means a submission by a qualifying bidder to the delivery body in response to the invitation to tender documentation issued in accordance with regulation 12(2);

"tender documentation" means the pre-qualification documentation, the invitation to tender documentation and, if applicable, the best and final offer stage documentation;

"tender parties" means the Authority and the delivery body;

"transmission services" has the meaning given in the standard conditions of a transmission licence.

(2) Each tender party must, when giving notice under these Regulations, publish a notice, in such manner as the tender party considers appropriate for the purposes of bringing it to the attention of persons likely to be affected by it.

PART 2

Onshore Transmission Tender Exercise Objectives

Onshore Transmission Tender Exercise Objectives

3.—(1) In carrying out an onshore transmission tender exercise, the tender parties must have regard to the importance of—

(a) sharing information for the purpose of allowing bidders and others to understand each tender party's tender policies and decisions;

(b) acting, and being seen to act, with integrity.

(2) In carrying out an onshore transmission tender exercise, a tender party must treat bidders the same unless a difference between the bidders justifies different treatment.

(3) If a tender party considers that different treatment is justified in a particular case, the tender party must take all reasonable steps to ensure it does not put a bidder at an unfair advantage or disadvantage.

(**a**) 2000 c.7.

PART 3

Preliminary Market Engagement

Preliminary market engagement

4.—(1) In respect of a project, a tender party may engage with any persons for the purpose of—

(a) developing a tender party's requirements and approach to the onshore transmission tender exercise;

(b) designing a procedure, conditions of participation or evaluation criteria;

(c) preparing the tender documentation;

(d) identifying persons that may be able to become bidders;

(e) identifying likely onshore transmission licence terms and conditions;

(f) building capacity among persons in relation to the onshore transmission licence being awarded.

(2) Engagement under paragraph (1) is called "preliminary market engagement".

(3) In carrying out preliminary market engagement, a tender party must take steps to ensure that—

(a) persons participating in the preliminary market engagement are not put at an unfair advantage, and

(b) competition in relation to the onshore transmission tender exercise is not otherwise distorted.

Preliminary market engagement notices

5.—(1) If a tender party conducts, or intends to conduct, preliminary market engagement—

(a) where the Authority is the tender party conducting, or intending to conduct, such engagement it must notify the delivery body, and

(b) the delivery body must—

(i) publish a preliminary market engagement notice before publishing an intention to commence notice, or

(ii) provide reasons for not doing so in the intention to commence notice.

(2) A "preliminary market engagement notice" means a notice setting out—

(a) that the Authority or the delivery body intends to conduct, or has conducted, preliminary market engagement,

(b) either—

(i) the date on which the delivery body intends to close preliminary market engagement on behalf of both itself and the Authority, or

(ii) the date when the preliminary market engagement closed, and

(c) a description of the process by which a tender party proposes to engage, or has engaged, with suppliers during the preliminary market engagement, for example—

(i) the location, date and time of events, and

(ii) any periods for the submission of expressions of interest and information by suppliers.

PART 4

Qualifying Projects

Qualifying Projects

6.—(1) The delivery body must make a request in writing to the Authority if it wishes to commence an onshore transmission tender exercise in respect of a project that relates to the total system and to publish a notice in accordance with regulation 8(1).

(2) Where the Authority receives a request under paragraph (1), the Authority must, as soon as reasonably practicable, determine whether the request relates to a qualifying project in accordance with paragraph (3).

(3) A project that relates to the total system will be a qualifying project if the Authority is satisfied that each requirement specified in paragraph 1 of Schedule 1 is met.

(4) The Authority may issue an information notice to require the delivery body or any other person to provide any other information it considers necessary in order to carry out its assessment in relation to paragraph 1 of Schedule 1.

Entry conditions in respect of qualifying projects

7.—(1) In respect of a qualifying project, the Authority must, at a time determined by the Authority, notify the delivery body of—

(a) the information that the Authority requires in order to be satisfied that the entry conditions have been met in respect of that qualifying project, and

(b) the date by which each of the entry conditions must be met by the delivery body in respect of that qualifying project.

(2) The Authority may issue an information notice to require the delivery body to provide any other information it considers necessary in order to satisfy itself that the entry conditions specified in paragraph 1 of Schedule 2 have been met.

(3) The delivery body may issue an information notice to require any person excluding the Authority to provide any information it considers necessary in order to meet the entry conditions specified in paragraph 1 of Schedule 2.

(4) Where the Authority is satisfied that the entry conditions have been met in accordance with paragraph (1), it must give notice to that effect to the delivery body.

PART 5

Commencement of an Onshore Transmission Tender Exercise

Commencement of an onshore transmission tender exercise

8.—(1) As soon as reasonably practicable after the entry conditions have been met in respect of a qualifying project, the delivery body must publish a notice of its intention to commence an onshore transmission tender exercise specifying the date on which the onshore transmission tender exercise is to commence.

(2) Subject to paragraph (3), where the delivery body has published a notice under paragraph (1) and the delivery body subsequently determines that it is impracticable to commence an onshore transmission tender exercise on the date specified in that notice—

(a) if it is practicable for the onshore transmission tender exercise to be commenced within a reasonable period of the date specified in that notice, the delivery body must publish a notice specifying a revised date on which that onshore transmission tender exercise is to commence and such updated notice is then deemed to be the relevant notice under paragraph (1), or

(b) if it is impracticable for the onshore transmission tender exercise to be commenced within a reasonable period of the date specified in that notice, the project ceases to be a qualifying project and the delivery body must publish a notice to this effect.

(3) Nothing in this regulation prevents the delivery body from making a new request to the Authority in accordance with regulation 6(1) to commence an onshore transmission tender exercise in respect of a project which has previously ceased to be a qualifying project in accordance with paragraph (2)(b).

PART 6

Stages of an Onshore Transmission Tender Exercise

Stages of an onshore transmission tender exercise

9. An onshore transmission tender exercise held in accordance with these Regulations is made up of the following stages—

(a) a pre-qualification stage for the delivery body to determine which bidders are to become qualifying bidders in respect of that onshore transmission tender exercise;

(b) an invitation to tender stage for the delivery body to determine which qualifying bidder is to be selected to become the provisional preferred bidder in respect of that onshore transmission tender exercise;

(c) where the delivery body determines, in accordance with the criteria set out in the invitation to tender documentation, that there is to be a best and final offer stage in respect of the onshore transmission tender exercise;

(d) a delivery body functions assessment stage for the Authority to review the exercise by the delivery body of the functions conferred on it by these Regulations in respect of the onshore transmission tender exercise;

(e) a preferred bidder stage for the delivery body to determine the successful bidder in respect of that onshore transmission tender exercise, who will be proposed to be granted an onshore transmission licence in respect of the qualifying project subject to these Regulations.

PART 7

Pre-Qualification Stage

Pre-qualification

10.—(1) For a qualifying project, on the date specified in the intention to commence notice the delivery body must commence the pre-qualification stage by—

(a) subject to the approval of the pre-qualification documentation by the Authority, publishing the pre-qualification documentation, which must include the information specified in Schedule 3,

(b) subject to approval by the Authority, publishing a notice stating whether the Authority will reimburse a qualifying bidder's bid costs in accordance with regulation 22(4) or 28(6) and, if applicable, the maximum amount of reimbursement,

(c) publishing the confidentiality agreement in respect of the qualifying project to which the intention to commence notice relates, to be signed and submitted to the tender parties by bidders, and

(d) issuing any instructions that apply to the confidentiality agreement including the date, time and manner in which that confidentiality agreement is to be submitted to the tender parties.

(2) As soon as reasonably practicable after a bidder has submitted a signed confidentiality agreement in respect of a qualifying project to the tender parties in accordance with paragraph (1)(d), the delivery body must issue to that bidder such confidential information in respect of the qualifying project as is appropriate to be issued at the pre-qualification stage.

Determination of qualifying bidders at the pre-qualification stage

11.—(1) The delivery body must evaluate each completed pre-qualification questionnaire submitted to it by a bidder in accordance with the evaluation criteria set out in the pre-qualification documentation, to determine in respect of that onshore transmission tender exercise which bidders are to become qualifying bidders and be invited to participate in the invitation to tender stage in accordance with regulation 12.

(2) The delivery body may decline to consider a pre-qualification questionnaire submitted to it by a bidder where the delivery body determines that the submitted pre-qualification questionnaire does not comply in any material respect with the requirements specified in the pre-qualification documentation issued in accordance with regulation 10(1)(a).

(3) The delivery body must give notice to each bidder of its determination in accordance with paragraph (1) or (2) and give reasons for its determination.

PART 8

Invitation To Tender Stage

Invitation to tender

12.—(1) In respect of the invitation to tender stage, the delivery body may give notice to qualifying bidders requiring each bidder to—

(a) make a payment to the Authority of an amount determined by the Authority to be reasonable for the purpose of recovering each tender party's tender costs, or

(b) provide the Authority with security, in a form approved by the Authority, in respect of any liability that each bidder has, or may in the future have, under these Regulations in respect of each tender party's tender costs.

(2) The delivery body must issue all qualifying bidders the invitation to tender documentation following approval of the invitation to tender documentation by the Authority, which must include the information specified in Schedule 4.

(3) The delivery body must invite all qualifying bidders who have been issued the invitation to tender documentation in accordance with paragraph (2) to submit a tender in respect of the qualifying project in accordance with the requirements set out in the invitation to tender documentation.

Determination of provisional preferred bidder at the invitation to tender stage

13.—(1) The delivery body must evaluate each tender in respect of a qualifying project submitted to it by a qualifying bidder in accordance with the evaluation criteria set out in the invitation to tender documentation, in order to determine—

(a) which qualifying bidder is to become the provisional preferred bidder in respect of the qualifying project, or

(b) whether to hold a best and final offer stage in accordance with the criteria set out in the invitation to tender documentation in respect of the qualifying project.

(2) The delivery body may decline to consider a tender submitted to it by a qualifying bidder where the delivery body determines that the submitted tender does not comply in any material respect with the requirements specified in the invitation to tender documentation.

PART 9

Best And Final Offer Stage

Best and final offer

14.—(1) Where the delivery body determines to hold a best and final offer stage in accordance with regulation 13(1)(b), the delivery body must determine in accordance with the evaluation criteria set out in the invitation to tender documentation which qualifying bidders are to be invited to participate in a best and final offer stage in respect of that qualifying project.

(2) The delivery body must give notice to each qualifying bidder as to whether they have or have not been invited to participate in a best and final offer stage.

(3) Subject to approval of the best and final offer stage documentation by the Authority, the delivery body must issue to the selected qualifying bidders the best and final offer stage documentation, which must include the information specified in Schedule 5.

(4) The delivery body must evaluate each best and final offer in respect of a qualifying project submitted to it by a qualifying bidder in accordance with the evaluation criteria set out in the best and final offer documentation, to determine which qualifying bidder is to become the provisional preferred bidder in respect of that qualifying project.

(5) The delivery body may decline to consider a best and final offer submitted to it by a qualifying bidder where the delivery body determines that the submitted best and final offer does not comply in any material respect with the requirements specified in the best and final offer documentation.

PART 10

Delivery Body Functions Assessment Stage

Delivery Body Functions Assessment Report

15.—(1) Before making a determination in accordance with regulation 13(1) as to which qualifying bidder is to become the provisional preferred bidder or whether to hold a best and final offer stage, the delivery body must issue to the Authority the delivery body functions assessment report, which must include the information specified in Schedule 6.

(2) Following receipt, the Authority must review the delivery body functions assessment report as soon as is reasonably practicable and must notify the delivery body once it has done so.

PART 11

Preferred Bidder Stage

Notification of provisional preferred bidder to qualifying bidders

16.—(1) Subject to paragraph (3), as soon as reasonably practicable after—

(a) the delivery body has made a determination in accordance with regulation 13(1)(a) or 14(4), and

(b) the Authority has notified the delivery body that it has reviewed the delivery body functions assessment report in accordance with regulation 15(2),

the delivery body must give notice to each qualifying bidder of its determination in relation to the provisional preferred bidder in respect of that qualifying project.

(2) The notice referred to in paragraph (1) must include—

(a) the evaluation criteria applied by the delivery body in evaluating tenders;

(b) the reasons for the determination, including the characteristics and relative advantages of the provisional preferred bidder's tender;

(c) the result obtained by—

(i) the qualifying bidder which is to receive the notice; and

(ii) the provisional preferred bidder;

(d) the name of the provisional preferred bidder;

(e) a statement of when the period specified in paragraph (4) is expected to end.

(3) The delivery body may withhold any information to be provided in accordance with paragraph (1) where the disclosure of such information—

(a) would impede law enforcement,

(b) would otherwise be contrary to law,

(c) would otherwise be contrary to the public interest,

(d) would prejudice the legitimate commercial interests of any qualifying bidder, or

(e) could prejudice fair competition between qualifying bidders.

(4) Where the delivery body gives a notice in accordance with paragraph (1), the delivery body—

(a) must consider any representations or objections which are duly made and not withdrawn, and

(b) must not determine which qualifying bidder is to become the preferred bidder or the reserve bidder (as the case may be) before the end of ten working days beginning with the day on which the notice was given.

Determination of preferred bidder and reserve bidder

17.—(1) As soon as reasonably practicable after the expiry of the period set out in regulation 16(4), the delivery body must determine which qualifying bidder is to become the preferred bidder in respect of the qualifying project having regard to—

(a) its evaluation of each tender in respect of a qualifying project submitted to it by a qualifying bidder in accordance with the evaluation criteria set out in the invitation to tender documentation or, if applicable, its evaluation of each best and final offer in respect of a qualifying project submitted to it by a qualifying bidder in accordance with the evaluation criteria set out in the best and final offer documentation, and

(b) any representations or objections which are duly made and not withdrawn by any qualifying bidder during the period set out in regulation 16(4) which directly concern the evaluation of a tender or, if applicable, best and final offer.

(2) As soon as reasonably practicable after the expiry of the period set out in regulation 16(4), the delivery body may determine which qualifying bidder is to become the reserve bidder in respect of the qualifying project having regard to—

(a) its evaluation of each tender in respect of a qualifying project submitted to it by a qualifying bidder in accordance with the evaluation criteria set out in the invitation to tender documentation or, if applicable, its evaluation of each best and final offer in respect of a qualifying project submitted to it by a qualifying bidder in accordance with the evaluation criteria set out in the best and final offer documentation, and

(b) any representations or objections which are duly made and not withdrawn by any qualifying bidder during the period set out in regulation 16(4) which directly concern the evaluation of any tender or, if applicable, best and final offer.

Notification of preferred bidder and reserve bidder

18.—(1) As soon as reasonably practicable after the delivery body has determined the preferred bidder in respect of a qualifying project in accordance with regulation 17(1), it must publish a notice to that effect.

(2) As soon as reasonably practicable after the delivery body has determined the reserve bidder in respect of a qualifying project in accordance with regulation 17(2), the delivery body must give notice to that effect to that reserve bidder.

(3) The notice referred to in paragraph (1) must—

(a) be approved by the Authority;

(b) specify the name and address of the preferred bidder;

(c) describe, in general terms, the matters to be resolved by the preferred bidder to the delivery body's satisfaction as specified in paragraph (4) before that preferred bidder becomes the successful bidder in accordance with regulation 24(1).

(4) The matters referred to in paragraph (3)(c) must include—

(a) that the preferred bidder has established necessary arrangements to commence the delivery of the qualifying project;

(b) that the preferred bidder has in place a bilateral agreement with the holder of an electricity system operator licence to provide transmission services for the qualifying project;

(c) that the preferred bidder has acceded to, or has a robust plan in place to enable it to accede to, the contractual framework which defines the relationship between the holder of an electricity system operator licence and any provider of transmission services that an electricity system operator licence requires the holder of an electricity system operator licence to have in force;

(d) any other matters which the delivery body may determine are necessary in relation to the qualifying project.

(5) As soon as reasonably practicable after the delivery body has published a notice in accordance with paragraph (1), the delivery body must give notice to the preferred bidder—

(a) as to the detail of the matters referred to in paragraph (4), how such matters must be resolved and by what date, and

(b) requiring the bidder to—

(i) make a payment to the Authority of an amount determined by the Authority to be reasonable for the purpose of recovering each tender party's tender costs, or

(ii) provide the Authority with security, in a form approved by the Authority, in respect of any liability that the bidder has, or may in the future have, under these Regulations in respect of each tender party's tender costs.

(6) Where—

(a) the matters referred to in paragraph (4) are not resolved by the preferred bidder to the delivery body's satisfaction in accordance with the notice issued by virtue of paragraph (5)(a),

(b) the preferred bidder fails to make the payment or provide the security referred to in paragraph (5)(b),

(c) the preferred bidder withdraws from the onshore transmission tender exercise in accordance with regulation 19(1), or

(d) the preferred bidder is disqualified from an onshore transmission tender exercise in accordance with regulation 23(1) or 23(2),

the delivery body may withdraw the notice published in accordance with paragraph (1) by publishing a further notice to that effect.

(7) Where the delivery body has published a further notice in accordance with paragraph (6), the delivery body must discontinue the onshore transmission tender exercise with the preferred bidder and the delivery body must treat the reserve bidder (where such reserve bidder has been determined in accordance with regulation 17(2)), as if that reserve bidder were the preferred bidder in respect of the qualifying project.

(8) Paragraphs (1), (3), (4), (5) and (6) apply where the delivery body treats the reserve bidder as if it were the preferred bidder.

(9) The delivery body must give notice to any qualifying bidder of the fact that it is not a preferred bidder or a reserve bidder.

PART 12

Withdrawal

Withdrawal

19.—(1) A bidder, qualifying bidder, provisional preferred bidder, preferred bidder, reserve bidder or successful bidder may withdraw from an onshore transmission tender exercise by giving notice to that effect to the delivery body.

(2) A bidder or qualifying bidder who has not withdrawn under paragraph (1) but who fails to submit responses to pre-qualification documentation, a tender or a best and final offer within the date and time specified by the delivery body is to be treated as having withdrawn from that onshore transmission tender exercise.

(3) A provisional preferred bidder who has not withdrawn pursuant to paragraph (1) but fails to make an application within the date and time specified by the Authority is to be treated as having withdrawn from that onshore transmission tender exercise.

(4) Where a bidder or qualifying bidder withdraws from an onshore transmission tender exercise in accordance with paragraph (1) or is treated as having withdrawn in accordance with paragraph (2), that bidder or qualifying bidder may only be re-admitted to that onshore transmission tender exercise where there has been a permitted change to the membership of a bidder group incorporating that bidder or qualifying bidder in accordance with regulation 34.

(5) Where a provisional preferred bidder, preferred bidder, reserve bidder or successful bidder withdraws from an onshore transmission tender exercise in accordance with paragraph (1) or is treated as having withdrawn in accordance with paragraph (3), that provisional preferred bidder, preferred bidder, reserve bidder or successful bidder must not be re-admitted to that onshore transmission tender exercise.

(6) Where a bidder, qualifying bidder, provisional preferred bidder, preferred bidder, reserve bidder or successful bidder has withdrawn from an onshore transmission tender exercise in accordance with paragraph (1) or a bidder or qualifying bidder is treated as having withdrawn in accordance with paragraph (2) or a provisional preferred bidder is treated as having withdrawn in accordance with paragraph (3), the Authority must—

(a) with respect to any payment that has been made by a bidder, qualifying bidder, provisional preferred bidder, preferred bidder, reserve bidder or successful bidder in accordance with these Regulations, including any interest which may have been accrued on the whole or part of that payment, not repay that payment wholly or in part, and

(b) with respect to any security that has been provided by a bidder, qualifying bidder, provisional preferred bidder, preferred bidder, reserve bidder or successful bidder in accordance with these Regulations, including any interest which may have been accrued where that security provided is a monetary deposit, not release that security.

PART 13

Re-Run, Cancellation and Treatment of Payments and Security on Cancellation

Re-run, and re-run leading to cancellation

20.—(1) Where the delivery body is satisfied that any of the events in Schedule 7 are occurring or have occurred in respect of a qualifying project, it may, subject to the approval of the Authority, re-run that onshore transmission tender exercise from the beginning or from a particular stage in accordance with these Regulations.

(2) In the event that no provisional preferred bidder, preferred bidder, reserve bidder or successful bidder is or can be determined pursuant to an onshore transmission tender exercise run as a consequence of a decision taken in accordance with paragraph (1), the delivery body may, subject to the approval of the Authority—

(a) further re-run that onshore transmission tender exercise from the beginning or from a particular stage in accordance with these Regulations, or

(b) determine that the onshore transmission tender exercise is to be cancelled.

(3) Where an onshore transmission tender exercise is to be cancelled in accordance with paragraph (2)(b), the delivery body may, in the circumstances specified in paragraph (4), publish a notice cancelling that onshore transmission tender exercise.

(4) The circumstances in which the delivery body may publish a notice in accordance with paragraph (3) are that the delivery body has—

(a) given seven days' notice of its intention to cancel the onshore transmission tender exercise, and

(b) considered any representations which have been duly made in relation to the notice published in accordance with sub-paragraph (a).

(5) In the event that no provisional preferred bidder, preferred bidder, reserve bidder or successful bidder is or can be determined pursuant to an onshore transmission tender exercise run as a consequence of a decision taken in accordance with paragraph (1), the Authority may direct the delivery body to—

(a) further re-run that onshore transmission tender exercise from the beginning or from a particular stage in accordance with these Regulations, or

(b) give seven days' notice of the Authority's intention to direct the delivery body to cancel the onshore transmission tender exercise.

(6) Where notice has been published in accordance with paragraph (5)(b) and the Authority has considered any representations which have been duly made in relation to such notice, the Authority may direct the delivery body to publish a notice cancelling that onshore transmission tender exercise.

(7) Where the delivery body has published a notice in accordance with paragraph (3) or as directed to do so by the Authority under paragraph (6), that onshore transmission tender exercise is finished.

Cancellation

21.—(1) Where the delivery body is satisfied that any of the events in paragraph 1 of Schedule 8 are occurring or have occurred in respect of a qualifying project, it may, in the circumstances specified in paragraph (2), publish a notice cancelling that onshore transmission tender exercise.

(2) The circumstances in which the delivery body may publish a notice in accordance with paragraph (1) are that—

(a) the delivery body has given seven days' notice of its intention to cancel the onshore transmission tender exercise, and

(b) the delivery body has considered any representations which have been duly made in relation to the notice published in accordance with sub-paragraph (a).

(3) Where the Authority is satisfied that any of the events in paragraphs 1 or 2 of Schedule 8 are occurring or have occurred in respect of a qualifying project, it may, in the circumstances specified in paragraph (4), direct the delivery body to publish a notice cancelling that onshore transmission tender exercise.

(4) The circumstances in which the Authority may direct the delivery body to publish a notice in accordance with paragraph (3) are that—

(a) the Authority has given seven days' notice of its intention to direct the delivery body to cancel the onshore transmission tender exercise, and

(b) the Authority has considered any representations which have been duly made in relation to the notice published in accordance with sub-paragraph (a).

(5) Where the delivery body has published a notice in accordance with paragraphs (1) or (4), that onshore transmission tender exercise is finished.

Treatment of payments and security on cancellation

22.—(1) This regulation applies where an onshore transmission tender exercise is cancelled in accordance with regulation 20(2), 20(6) or 21.

(2) Where the event in paragraph 1(k) of Schedule 7 is occurring or has occurred in respect of a qualifying project, the Authority must—

(a) with respect to any payment that has been made by a bidder, qualifying bidder, provisional preferred bidder, preferred bidder, reserve bidder or successful bidder in accordance with these Regulations, including any interest which may have been accrued on the whole or part of that payment, not repay that payment wholly or in part, and

(b) with respect to any security that has been provided by a bidder, qualifying bidder, provisional preferred bidder, preferred bidder, reserve bidder or successful bidder in accordance with these Regulations, including any interest which may have been accrued where that security provided is a monetary deposit, not release the security.

(3) Subject to paragraph (4), where any of the events in paragraphs 1(a), 1(b), 1(c) or 1(d) of Schedule 7 or paragraphs 1(b) or 1(c) of Schedule 8 are occurring or have occurred in respect of a qualifying project, the Authority must—

(a) with respect to any payment that has been made by a bidder, qualifying bidder, provisional preferred bidder, preferred bidder, reserve bidder or successful bidder in accordance with these Regulations, including any interest which may have been accrued on the whole or part of that payment, repay to the person who made the payment so much of the payment as remains after each tender party has recovered an amount determined by the Authority to be reasonable for the purpose of recovering each tender party's tender costs, and

(b) with respect to any security that has been provided by a bidder, qualifying bidder, provisional preferred bidder, preferred bidder, reserve bidder or successful bidder in accordance with these Regulations, including any interest which may have been accrued where that security provided is a monetary deposit, release the security.

(4) Where—

(a) any of the events in paragraph 1(a) of Schedule 7 or paragraphs 1(b) or 1(c) of Schedule 8 are occurring or have occurred in respect of a qualifying project, and

(b) the delivery body has published a notice under regulation 10(1)(b) stating that the Authority will reimburse a qualifying bidder's bid costs in accordance with this regulation,

the Authority must reimburse a qualifying bidder, provisional preferred bidder, preferred bidder, reserve bidder or successful bidder that has neither withdrawn nor been disqualified so much of its bid costs that do not exceed the maximum amount stated in the notice.

PART 14

Disqualification From an Onshore Transmission Tender Exercise

Disqualification

23.—(1) Where the delivery body is satisfied that any of the events in Schedule 9 are occurring or have occurred and that the occurrence would materially affect the outcome of an onshore transmission tender exercise, the delivery body must disqualify that bidder, qualifying bidder, provisional preferred bidder, preferred bidder, reserve bidder or successful bidder, as the case may be, from the onshore transmission tender exercise and any other onshore transmission tender exercise in which it is participating by giving notice to that effect to that bidder, qualifying bidder, provisional preferred bidder, preferred bidder, reserve bidder or successful bidder, as the case may be.

(2) Where the Authority is satisfied that any of the events in Schedule 9 are occurring or have occurred and that the occurrence would materially affect the outcome of an onshore transmission tender exercise, it may direct the delivery body to disqualify that bidder, qualifying bidder, provisional preferred bidder, preferred bidder, reserve bidder or successful bidder, as the case may be, from the onshore transmission tender exercise and any other onshore transmission tender exercise in which it is participating by giving notice to that effect to that bidder, qualifying bidder, provisional preferred bidder, preferred bidder, reserve bidder or successful bidder, as the case may be.

(3) Where a bidder, qualifying bidder, provisional preferred bidder, preferred bidder, reserve bidder or successful bidder has been disqualified in accordance with this regulation, the Authority must—

(a) with respect to any payment that has been made by that bidder, qualifying bidder, provisional preferred bidder, preferred bidder, reserve bidder or successful bidder in accordance with these Regulations, including any interest which may have been accrued on the whole or part of that payment, not repay that payment wholly or in part, and

(b) with respect to any security that has been provided by that bidder, qualifying bidder, provisional preferred bidder, preferred bidder, reserve bidder or successful bidder in accordance with these Regulations, including any interest which may have been accrued where that security provided is a monetary deposit, not release the security.

(4) Where a bidder, qualifying bidder, provisional preferred bidder, preferred bidder or reserve bidder, as the case may be, has been disqualified from the onshore transmission tender exercise in accordance with paragraphs (1) or (2), no document, tender or any information submitted by that bidder, qualifying bidder, provisional preferred bidder, preferred bidder or reserve bidder to the delivery body may be taken into consideration for the purpose of determining the successful bidder in respect of that onshore transmission tender exercise or any other onshore transmission tender exercise in which it is participating.

PART 15

Notification of Successful Bidder

Notification of successful bidder

24.—(1) Where the delivery body is satisfied that the preferred bidder has resolved the matters described in the notice published in accordance with regulation 18(5)—

(a) the delivery body is to determine that the preferred bidder is to become the successful bidder, and

(b) the delivery body must publish a notice to that effect.

(2) The notice must specify the name and address of the successful bidder.

(3) The delivery body must give notice to the successful bidder requiring the bidder to—

(a) make a payment to the Authority of an amount determined by the Authority to be reasonable for the purpose of recovering each tender party's tender costs, and

(b) where the delivery body has published a notice under regulation 10(1)(b) stating that the Authority will reimburse bid costs in accordance with regulation 28(6) make a payment to the Authority of an amount that is equal to the Authority's costs in reimbursing bid costs.

PART 16

Onshore Transmission Licence Application

Manner of application

25. An application in respect of a qualifying project must be—

(a) made in writing, addressed to the Authority and delivered or sent by prepaid post to the Authority at its principal address or sent by electronic mail to an address specified by the Authority,

(b) signed and dated by or on behalf of the provisional preferred bidder, preferred bidder or the reserve bidder (as the case may be), stating, where signed on behalf of the provisional preferred bidder, preferred bidder or the reserve bidder, the capacity of the signatory,

(c) made by the provisional preferred bidder, preferred bidder or reserve bidder within the date and time specified by the Authority in the application form which must be following the determination of a provisional preferred bidder by the delivery body, and

(d) accompanied by the fee prescribed in the application form.

Application form

26.—(1) The Authority must issue the application form to the provisional preferred bidder.

(2) An application in respect of a qualifying project must be made by completing in full, and providing the information and documents requested under, the application form.

(3) The Authority must determine the form of the application form.

(4) An application in respect of a qualifying project must not be considered by the Authority unless it is made in accordance with these Regulations.

(5) The Authority may issue an information notice to require the provisional preferred bidder, the preferred bidder, the reserve bidder or any other person to provide any other information it considers necessary in order to approve or refuse an application in respect of a qualifying project.

Procedure for applications

27.—(1) Subject to paragraph (2), where the Authority proposes to refuse or cancel an application in respect of a qualifying project, it must give to the delivery body and the preferred bidder or the reserve bidder (as the case may be) a notice—

(a) stating that it proposes to refuse or cancel the application;

(b) stating the reasons why it proposes to refuse or cancel the application;

(c) specifying the time within which representations with respect to the proposed refusal or cancellation may be made,

and consider any representations which are duly made and not withdrawn.

(2) In making a determination to refuse or cancel an application in respect of a qualifying project, the Authority must not take account of information known to the Authority only as a result of that information being part of the delivery body functions assessment report.

(3) Where a provisional preferred bidder, preferred bidder or reserve bidder has permanently withdrawn its application in respect of a qualifying project, the Authority must give notice of this to the delivery body.

(4) The Authority is not required to give notice in accordance with paragraph (1) where the Authority proposes to refuse or cancel an application in respect of a qualifying project on the basis that the Authority has granted an onshore transmission licence to the successful bidder in accordance with regulation 28(3).

Approval of applications

28.—(1) Where the delivery body publishes a notice in accordance with regulation 24(1), as soon as reasonably practicable the Authority must determine whether to propose to grant an onshore transmission licence to the successful bidder in respect of the qualifying project.

(2) Before granting the onshore transmission licence to the successful bidder, the Authority must give notice to each qualifying bidder—

(a) stating that it proposes to grant the onshore transmission licence,

(b) stating the reasons why it proposes to grant the onshore transmission licence, and

(c) specifying the time (not being less than ten working days from the date of publication of the notice) within which representations or objections with respect to the proposed onshore transmission licence may be made,

and must consider any representations or objections which are duly made and not withdrawn.

(3) Where the Authority grants the onshore transmission licence to the successful bidder it must—

(a) publish a notice to that effect, and

(b) give notice to the reserve bidder (where such reserve bidder has been determined in accordance with regulation 17(2)) of the fact that it is being stood down.

(4) Where the Authority does not grant the onshore transmission licence to the successful bidder it must give notice to the delivery body and the successful bidder in accordance with regulation 27(1).

(5) If—

(a) notice has been given in accordance with regulation 27(1), the Authority has considered any representations duly made and not withdrawn and the Authority maintains its decision not to grant on onshore transmission licence to the successful bidder, and

(b) a reserve bidder has been determined in accordance with regulation 17(2),

the Authority must direct the delivery body to discontinue the onshore transmission tender exercise with the successful bidder and to treat the reserve bidder as if that reserve bidder were the provisional preferred bidder.

(6) Where a notice has been published—

(a) by the Authority in accordance with paragraph (3)(a), and

(b) by the delivery body under regulation 10(1)(b) stating that the Authority will reimburse a qualifying bidder's bid costs in accordance with this regulation,

the Authority must reimburse a qualifying bidder who has received a notice in accordance with paragraph (2) so much of the bidder's bid costs that do not exceed the maximum amount stated in the notice.

(7) Where the Authority publishes a notice in accordance with paragraph (3)(a), that onshore transmission tender exercise is finished.

(8) In making a determination to approve an application in respect of a qualifying project, the Authority must not take account of information known to the Authority only as a result of that information being part of the delivery body functions assessment report.

PART 17

Cost Recovery

Recovery of tender costs by the Authority

29.—(1) The Authority may recover its tender costs in relation to an onshore transmission tender exercise in accordance with these Regulations.

(2) As soon as reasonably practicable after an onshore transmission tender exercise is finished, the Authority must—

(a) calculate its total tender costs incurred for the purposes of the onshore transmission tender exercise,

(b) calculate such proportion as the Authority considers appropriate of its tender costs that—

(i) have been incurred by the Authority under these Regulations, and

(ii) are not directly attributable to the onshore transmission tender exercise, and

(c) undertake an aggregation of—

(i) the payments made in accordance with these Regulations by a bidder or qualifying bidder and not repaid or repayable, and

(ii) the value of any security forfeited relating to the onshore transmission tender exercise in accordance with these Regulations.

(3) Subject to paragraph (4), as soon as reasonably practicable after the Authority has undertaken the steps in accordance with paragraph (2), the Authority must issue a notice to the successful bidder in respect of its tender costs specifying—

(a) the amount of the payment or the nature of the security which is to be made or provided by the successful bidder, which must not exceed the amount calculated in accordance with paragraph (2),

(b) the date and time by which the payment is to be made or the security is to be provided, and

(c) the manner in which the payment is to be made or the security is to be provided.

(4) The amount of the payment to be made or the nature of the security to be provided by the successful bidder in accordance with paragraph (3) must not exceed—

(a) the amount calculated in accordance with paragraph (2)(a), plus

(b) the amount calculated in accordance with paragraph (2)(b), minus

(c) the amount aggregated in accordance with paragraph (2)(c).

(5) After an onshore transmission tender exercise is finished and the preferred bidder has been determined to be the successful bidder the Authority may:

(a) repay to a qualifying bidder the amount paid by it to the Authority pursuant to regulation 12(1)(a), or

(b) release the security provided by it to the Authority pursuant to regulation 12(1)(b).

Recovery of tender costs by the delivery body

30.—(1) Subject to paragraph (6), the delivery body may recover its tender costs in relation to an onshore transmission tender exercise in accordance with these Regulations.

(2) As soon as reasonably practicable after an onshore transmission tender exercise is finished, the delivery body must—

(a) calculate—

(i) its total tender costs incurred for the purposes of the onshore transmission tender exercise, and

(ii) such proportion as the delivery body considers appropriate of its tender costs that—

(aa) have been incurred by the delivery body under these Regulations, and

(bb) are not directly attributable to the onshore transmission tender exercise, and

(b) if applicable, notify the Authority of its tender costs calculated in accordance with sub-paragraph (a).

(3) As soon as reasonably practicable after being notified of the delivery body's tender costs in accordance with paragraph (2), if applicable, the Authority, or a person appointed by the Authority, must determine the proportion of such costs which the delivery body can recover in accordance with this regulation.

(4) Subject to paragraph (5), as soon as reasonably practicable after any determination of tender costs which the delivery body can recover in accordance with paragraph (3), the delivery body must issue a notice to the successful bidder in respect of its total tender costs for that onshore transmission tender exercise specifying—

(a) the amount of the payment to be made or the nature of the security to be provided by the successful bidder, which must not exceed the amount determined in accordance with paragraph (3),

(b) the date and time by which the payment is to be made or the security is to be provided, and

(c) the manner in which it is to be made or provided.

(5) If it is determined that the delivery body cannot recover all of its tender costs in accordance with paragraph (3)—

(a) the delivery body may re-calculate its tender costs in accordance with paragraph (2),

(b) if applicable, the process set out in paragraph (3) may be reapplied, and

(c) where the process set out in paragraph (3) is to be reapplied, the delivery body must not issue a notice to a successful bidder in respect of its total tender costs for that onshore transmission tender exercise until that process has been reapplied.

(6) This regulation does not entitle the delivery body to obtain payment or reimbursement more than once in respect of the same tender costs where such payment or reimbursement has been received in relation to electricity conveyed by transmission systems.

PART 18

Authority Review of Delivery Body Functions

Authority review of delivery body functions

31.—(1) The Authority can at any time conduct a review of the exercise by the delivery body of functions conferred on it by these Regulations.

(2) The Authority can appoint another person to conduct such a review on the Authority's behalf.

PART 19

Miscellaneous

Information notices

32.—(1) This regulation applies if a tender party decides to issue an information notice to another person in accordance with regulations 6(4), 7(2), 7(3), or 26(5).

(2) An information notice must—

(a) specify or describe the information sought, and

(b) specify the time by which the information must be provided.

(3) The delivery body must share an information notice issued by the delivery body and information obtained in pursuance of it with the Authority within a reasonable period of the time specified in the information notice by which the information must be provided.

(4) Subject to paragraph (6) a tender party is not required to publish or otherwise disclose information received pursuant to an information notice if the tender party is satisfied that the information is sensitive commercial information and there is an overriding public interest in it being withheld from publication or other disclosure.

(5) In this regulation "sensitive commercial information" is information which—

(a) constitutes a trade secret, or

(b) would be likely to prejudice the commercial interests of any person if it were published or otherwise disclosed.

(6) This regulation does not limit the circumstances in which information may be disclosed under section 1 of the Freedom of Information Act 2000(**a**) or under any other enactment or rule of law.

Failure to make payments or provide security

33. Where either a bidder or a qualifying bidder fails to make any payment or provide any security before the date specified in a notice given under these Regulations, the delivery body may, or the Authority may direct that the delivery body must, disqualify that bidder or qualifying bidder from that onshore transmission tender exercise in accordance with regulation 23 if that failure is not remedied within a period not exceeding ten days specified by the delivery body by notice to that bidder or qualifying bidder.

Changes to bidder groups

34.—(1) No change may be made to the membership of a bidder group unless the delivery body has permitted the change in accordance with paragraph (3), (4), or (5).

(2) Where a bidder group seeks to change its membership it must notify the delivery body in writing of the proposed change as soon as reasonably practicable.

(3) Where a bidder group seeks to change its membership between the pre-qualification stage of an onshore transmission tender exercise and before submitting a pre-qualification questionnaire to the delivery body, the delivery body must permit that change provided that the new membership of that bidder group meets the pre-qualification evaluation criteria set out in the pre-qualification documentation issued in accordance with regulation 10(1)(a).

(4) Any proposed change to the membership of a bidder group notified to the delivery body after a pre-qualification questionnaire has been submitted to the delivery body and before the delivery body has published a notice in accordance with regulation 16(1), may be permitted by the delivery body provided that—

(a) the delivery body determines that change would be fair and equitable to all other bidders or qualifying bidders participating in that onshore transmission tender exercise, and

(b) the new membership of that bidder group meets the evaluation criteria set out in the later of—

(i) the pre-qualification documentation,

(ii) the invitation to tender documentation, or

(iii) the best and final offer documentation.

(**a**) 2000 c.36. Definition substituted by section 135(4) of the Energy Act 2004 (c. 20) for the purpose specified in article 2(1) of SI 2004/2184.

(5) Any proposed change to the membership of a bidder group notified to the delivery body after the delivery body has published a notice in accordance with regulation 16(1) may be permitted by the delivery body provided that—

(a) the delivery body determines that change would be fair and equitable to all other qualifying bidders who were invited to participate in the latest stage of the onshore transmission tender exercise, being either the invitation to tender stage or the best and final offer stage, and

(b) the new membership of that bidder group—

(i) meets the evaluation criteria set out in the later of the invitation to tender documentation or the best and final offer documentation, and

(ii) where applicable, confirms in writing to the delivery body that where the matters specified in the notice given in accordance with regulation 18(5) have previously been resolved by the preferred bidder to the delivery body's satisfaction, such matters remain resolved by the new membership of that bidder group.

(6) Where a bidder group gives notice in accordance with paragraph (2), the delivery body may give notice to the bidder group to make a payment to the delivery body of an amount equal to the delivery body's costs in determining whether to permit the proposed change.

Changes to delivery of documents or actions

35.—(1) Paragraph (2) applies where a tender party determines that it is impracticable—

(a) for any document or notice which must be delivered to or published by the tender party in accordance with these Regulations to be delivered or published by the time, date or in the manner specified in accordance with these Regulations, or

(b) for any action which must be undertaken in accordance with these Regulations, to be completed by the time, date or in the manner specified.

(2) Where this paragraph applies, the tender party must give notice to a bidder, qualifying bidder, provisional preferred bidder, preferred bidder, reserve bidder or successful bidder, as the case may be, that—

(a) delivery or publication must be made by a different time or date or in a different manner, or

(b) the action must be completed by a different time or date or in a different manner.

Conflicts of interest: duty to identify

36.—(1) Each tender party must take all reasonable steps to identify, and keep under review, in relation to an onshore transmission tender exercise any—

(a) conflicts of interest, or

(b) potential conflicts of interest.

(2) A person who influences a decision made by or on behalf of a tender party in relation to an onshore transmission tender exercise is to be treated as acting in relation to the onshore transmission tender exercise.

Conflicts of interest: duty to mitigate

37.—(1) Each tender party must take all reasonable steps to ensure that a conflict of interest does not put a person involved in an onshore transmission tender exercise at an unfair advantage or disadvantage in relation to that onshore transmission tender exercise.

(2) Reasonable steps may include requiring a person involved in that onshore transmission tender exercise to take reasonable steps.

Conflicts assessments

38.—(1) Before publishing an intention to commence notice in relation to an onshore transmission tender exercise, each tender party must prepare its own conflicts assessment in relation to the onshore transmission tender exercise.

(2) A conflicts assessment must include details of—

(a) conflicts or potential conflicts of interest identified in accordance with regulation 36, and

(b) any steps the tender party has taken or will take for the purposes of regulation 37.

(3) If a tender party is aware of circumstances that it considers are likely to cause a reasonable person to wrongly believe there to be a conflict or potential conflict of interest, a conflicts assessment must also include details of any steps the tender party has taken or will take to demonstrate that no such conflict or potential conflict exists.

(4) Each tender party must—

(a) keep any conflicts assessment under review,

(b) revise the assessment as necessary, and

(c) when an intention to commence notice is published or a notice is published in accordance with regulation 24(1)(b), confirm that a conflicts assessment has been prepared and revised in accordance with this regulation.

(5) Paragraph (4) does not apply after—

(a) the Authority has published its determination to award an onshore transmission licence pursuant to regulation 28(3)(a), or

(b) an onshore transmission tender exercise has finished.

Existing licence holders

39. Where the successful bidder already holds a transmission licence—

(a) the Authority may make such modifications of the existing licence as are necessary for the purpose of giving effect to the determination resulting from the onshore transmission tender exercise, and

(b) references in these Regulations to the application for and grant of an onshore transmission licence are to be read accordingly.

Applicability of certain provisions

40.—(1) These Regulations do not prevent the Authority from considering or granting applications for onshore transmission licences in accordance with sections 6A and 6B of the 1989 Act(**a**) except where an application for an onshore transmission licence relates to a qualifying project.

(2) Sections 6A and 6B of the 1989 Act and any regulations made under them are dispensed with insofar as they relate to an application for an onshore transmission licence made pursuant to these Regulations.

The seal of the Gas and Electricity Markets Authority here affixed is authenticated by the signature of

L.S.

Mark McAllister

26th March 2025 A member of the Gas and Electricity Markets Authority

(**a**) 1989 c.29. Sections.6, 6A and 6B substituted for section 6 by Utilities Act 2000 (c. 27).

Signed by authority of the Secretary of State for Energy Security and Net Zero

Michael Shanks
Parliamentary Under Secretary of State
3rd April 2025 Department of Energy Security and Net Zero

SCHEDULE 1

Regulation 6

Qualifying Projects

1. The requirements in this Schedule are that the delivery body has provided to the Authority the following information to the Authority's satisfaction—

(a) its assessment as to how the project has met each criterion of a relevant electricity project suitable for an early-model tender exercise pursuant to the Electricity (Criteria for Relevant Electricity Projects) (Transmission) Regulations 2024(**a**),

(b) its assessment that there will be sufficient competition in an onshore transmission tender exercise for the project that the award of an onshore transmission licence in respect of that project will contribute to the protection of the interests of existing and future consumers in relation to electricity conveyed by distribution systems or transmission systems,

(c) the indicative dates and times for key milestones for the onshore transmission tender exercise, and

(d) any other such information in relation to the pre-qualification stage of the onshore transmission tender exercise as the Authority may determine is necessary.

SCHEDULE 2

Regulation 7

Entry Conditions

1. The conditions in this paragraph are that the delivery body has, to the Authority's satisfaction—

(a) obtained sufficient information to issue an information memorandum and establish a data room,

(b) provided the proposed pre-qualification documentation to the Authority, which must include the information specified in paragraph 2,

(c) provided to the Authority an update of its assessment required in accordance with paragraph 1(b) of Schedule 1,

(d) provided to the Authority updated indicative dates and times for key milestones required in accordance with paragraph 1(c) of Schedule 1,

(e) provided to the Authority a system specification in respect of the project completed, as far as possible, with all relevant information available to the delivery body and provided an undertaking in writing to the Authority to continue to complete the system specification with all relevant information,

(f) provided to the Authority its conflicts assessment prepared in accordance with regulation 38(1),

(g) subject to approval of the confidentiality agreement by the Authority, received a confidentiality agreement signed by the holder of an electricity system operator licence

(**a**) S.I. 2024/168.

and the holder of any transmission licence which could be affected by the qualifying project, and

(h) complied with such other conditions as the Authority may determine are necessary in relation to that project.

2. The information specified in this paragraph for pre-qualification in relation to an onshore transmission tender exercise is as follows—

(a) the proposed rules particular to the pre-qualification stage of the onshore transmission tender exercise,

(b) the proposed pre-qualification questionnaire,

(c) the proposed instructions that apply to the pre-qualification questionnaire,

(d) the proposed date, time and manner in which the completed pre-qualification questionnaire is to be submitted to the delivery body,

(e) the proposed evaluation criteria to be applied by the delivery body in evaluating a completed pre-qualification questionnaire submitted to the delivery body, and

(f) any other such information in relation to the pre-qualification stage of the onshore transmission tender exercise as the delivery body may determine is necessary.

SCHEDULE 3

Regulation 10

Pre-Qualification

1. The information specified in this Schedule is as follows—

(a) the rules particular to the pre-qualification stage of the onshore transmission tender exercise,

(b) the pre-qualification questionnaire,

(c) the instructions that apply to the pre-qualification questionnaire,

(d) the date, time and manner in which the completed pre-qualification questionnaire is to be submitted to the delivery body,

(e) the evaluation criteria to be applied by the delivery body in evaluating a completed pre-qualification questionnaire submitted to the delivery body, and

(f) any other such information in relation to the pre-qualification stage of the onshore transmission tender exercise as the delivery body may determine is necessary.

SCHEDULE 4

Regulation 12

Invitation To Tender

1. The information specified in this Schedule is as follows—

(a) the rules particular to the invitation to tender stage of the onshore transmission tender exercise,

(b) a description of the information required by the delivery body for the submission of a tender,

(c) the date, time and manner in which a tender is to be submitted to the delivery body,

(d) the evaluation criteria to be applied by the delivery body in evaluating tenders,

(e) the criteria to be applied by the delivery body in determining whether to hold a best and final offer stage, and

(f) any other such information in relation to the invitation to tender stage of the onshore transmission tender exercise as the delivery body may determine is necessary.

SCHEDULE 5

Regulation 14

Best And Final Offer

1. The information specified in this Schedule is as follows—

(a) the rules particular to the best and final offer stage of the onshore transmission tender exercise,

(b) a description of the information required by the delivery body for the submission of a best and final offer,

(c) the date, time and manner in which a best and final offer is to be submitted to the delivery body,

(d) the evaluation criteria to be applied by the delivery body in evaluating best and final offers, and

(e) any other such information in relation to the best and final offer stage of the onshore transmission tender exercise as the delivery body may determine is necessary.

SCHEDULE 6

Regulation 15

Delivery Body Functions Assessment Report

1. The information specified in this Schedule is as follows—

(a) the reasons for the determination by the delivery body in evaluating the pre-qualification stage, including the scoring for the evaluation criteria and result obtained by each bidder,

(b) where applicable, justification by the delivery body for its decision to undertake a best and final offer stage,

(c) any changes to the qualifying project,

(d) the progress of the onshore transmission tender exercise against the indicative dates and times for key milestones provided by the delivery body to the Authority in accordance with paragraph 1(d) of Schedule 2,

(e) details of any withdrawals or disqualifications of bidders, and

(f) any other such information in relation to any stage of the onshore transmission tender exercise as the Authority may determine is necessary in relation to the exercise by the delivery body of its functions conferred by these Regulations.

SCHEDULE 7

Regulation 20

Events Of Re-Run

1. The events in this Schedule are—

(a) a material change to the qualifying project,

(b) the delivery body does not receive any completed and compliant pre-qualification questionnaires in accordance with regulation 11,

(c) the delivery body does not receive any completed and compliant tenders in accordance with regulation 13,

(d) the delivery body does not receive any completed and compliant best and final offers in accordance with regulation 14,

(e) a provisional preferred bidder withdraws or is disqualified from an onshore transmission tender exercise,

(f) a preferred bidder withdraws or is disqualified from an onshore transmission tender exercise and the delivery body has not determined a reserve bidder in respect of that qualifying project,

(g) the matters referred to in the notice published in accordance with regulation 18(5) are not resolved by a preferred bidder and the delivery body has not determined a reserve bidder,

(h) a reserve bidder withdraws or is disqualified from an onshore transmission tender exercise after a preferred bidder has withdrawn or has been disqualified from that onshore transmission tender exercise or after a preferred bidder has failed to resolve the matters referred to in the notice published in accordance with regulation 18(5),

(i) a successful bidder withdraws from an onshore transmission tender exercise,

(j) a successful bidder has been disqualified from an onshore transmission tender exercise,

(k) a successful bidder fails to make a payment in accordance with regulation 24(3), and

(l) the Authority determines that it would not be appropriate to grant an onshore transmission licence to any qualifying bidder.

SCHEDULE 8

Regulation 21

Events Of Cancellation

1. The events in this paragraph are—

(a) there are no bidders or qualifying bidders in respect of a qualifying project,

(b) a project fails to meet, or ceases to meet, any criterion of a relevant electricity project suitable for an early-model tender exercise pursuant to the Electricity (Criteria for Relevant Electricity Projects) (Transmission) Regulations 2024(**a**), and

(c) a qualifying project fails to meet, or ceases to meet, the entry conditions specified in paragraph 1 of Schedule 2, in accordance with regulation 7.

2. The event in this paragraph is a change in circumstances that is likely to result in the interests of existing and future consumers being materially negatively affected if an onshore transmission licence is awarded at the conclusion of the onshore transmission tender exercise.

SCHEDULE 9

Regulation 23

Events Of Disqualification

1. The events in this Schedule in relation to bidder, qualifying bidder, provisional preferred bidder, preferred bidder, reserve bidder or successful bidder, as the case may be, are—

(a) causing or inducing any person to enter into an agreement to collude or to inform a holder of an electricity system operator licence, holder of a transmission licence, bidder, qualifying bidder, provisional preferred bidder, preferred bidder, reserve bidder or successful bidder of the amount of any rival tender,

(b) a material breach of any rules particular to the pre-qualification, invitation to tender and best and final offer stages of an onshore transmission tender exercise or any requirements specified in these Regulations,

(c) submitting any information to a tender party which is false or misleading unless the provision of further information is acceptable to the tender party,

(d) engaging in, attempting to engage in, allowing or encouraging any anti-competitive behaviour by or between any holder of an electricity system operator licence, holder of a

(**a**) S.I. 2024/168.

transmission licence, bidder, qualifying bidder, provisional preferred bidder, preferred bidder, reserve bidder or successful bidder,

(e) having been determined by the Secretary of State to pose a threat to the national security of the United Kingdom,

(f) doing anything which would constitute the commission of an offence under section 1, 2 or 6 of the Bribery Act 2010(**a**),

(g) failure to make any payment or provide any security as required in accordance with these Regulations, unless that failure has been remedied within a period not exceeding ten days in accordance with regulation 33,

(h) fixing or adjusting the amount of its tender by or in accordance with any agreement or arrangement with any other bidder, qualifying bidder, provisional preferred bidder, preferred bidder, reserve bidder or successful bidder or by improperly using insider information,

(i) entering into any agreement or arrangement with any other bidder, qualifying bidder, provisional preferred bidder, preferred bidder, reserve bidder or successful bidder to refrain from submitting a tender or as to the amount of the tender submitted,

(j) communicating to any person other than the tender party the details of its proposed tender in respect of a qualifying project, except where this disclosure is made in confidence in order to obtain quotations necessary for the preparation of that tender,

(k) where the bidding entity is a bidder group, any change to the membership of that bidder group other than a change which has been permitted by the delivery body,

(l) offering to pay or give any sum of money, inducement or valuable consideration directly or indirectly to any officer of the tender party or the holder of a transmission licence affected by a qualifying project in relation to any actions or omissions,

(m) contacting any officer of the tender party or the holder of a transmission licence affected by a qualifying project, outside any rules particular to the pre-qualification, invitation to tender and best and final offer stages of an onshore transmission tender exercise or any requirements specified in these Regulations, including without limitation contact for the purposes of discussing the possible transfer of such officer to the employment of the bidder, qualifying bidder, provisional preferred bidder, preferred bidder, reserve bidder or successful bidder for the purpose of an onshore transmission tender exercise,

(n) deriving an unfair advantage from having participated in preliminary market engagement in relation to an onshore transmission tender exercise where that advantage cannot be avoided,

(o) deriving an unfair advantage from a conflict of interest and either—

  (i) the advantage cannot be avoided, or

  (ii) the bidder, qualifying bidder, provisional preferred bidder, preferred bidder, reserve bidder or successful bidder will not take steps that the Authority considers are necessary in order to ensure it does not derive an unfair advantage, and

(p) having its application for the onshore transmission licence which is the subject of the onshore transmission tender exercise refused or cancelled by the Authority in accordance with regulation 27 or permanently withdrawing its application.

EXPLANATORY NOTE

(This note is not part of the Regulations)

Sections 6C-6CD of the Electricity Act 1989 ("the Act") enable the Gas and Electricity Markets Authority ("the Authority") to make regulations in respect of competitive tenders for a "relevant electricity project" as defined in section 6BA(1) of the Act. Projects competitively tendered under

(**a**) 2010 c.23.

this instrument will be those where the design, construction and delivery of the project is to be tendered.

Tenders must be run by a "delivery body" with some key decision-making by the Authority in the tender process. The Authority is also responsible for conducting the licence application process in respect to the grant of a transmission licence to a "successful bidder" at the end of the tender exercise.

The competitive tender exercise comprises the following stages:

- A pre-qualification stage for the delivery body to determine which bidders are to become qualifying bidders (regulations 10 & 11),
- An invitation to tender stage for the delivery body to determine which qualifying bidder is to be selected to become the preferred bidder (regulations 12 & 13),
- Where the delivery body determines, in accordance with the criteria set out in the invitation to tender documentation, that there is to be a best and final offer stage (regulation 14),
- A delivery body functions assessment stage for the Authority to review the exercise by the delivery body of the functions conferred on it by this instrument (regulation 15), and
- A preferred bidder stage for the delivery body to determine the successful bidder of the tender exercise, who will be proposed to be granted on onshore transmission licence in respect of the qualifying project subject to this instrument (regulations 16-18).

A full Impact Assessment was published alongside the Electricity (Designation of Delivery Bodies) (Transmission) Regulations 2023 (S.I 2023/1228) that covers the impacts of introducing a competitive tender process to the electricity onshore network, as now implemented by these Regulations. The impact assessment is available from the Department for Energy Security and Net Zero at 3-8 Whitehall Place, London, S1A 2EG and is published with the Electricity (Designation of Delivery Bodies) (Transmission) Regulations 2023 on legislation.gov.uk.

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