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Planning

## **Climate Innovation Pull Facility**

Department for Energy Security and Net Zero

F01: Prior information notice

Prior information only

Notice identifier: 2023/S 000-020195

Procurement identifier (OCID): ocids-h6vhtk-03e1c0

Published 13 July 2023, 8:29pm

### **Section I: Contracting authority**

#### **I.1) Name and addresses**

Department for Energy Security and Net Zero

1 Victoria Street

London

SW1 0ET

#### **Contact**

Charlotte Finlay

#### **Email**

[internationalclimateandenergy.procurement@energysecurity.gov.uk](mailto:internationalclimateandenergy.procurement@energysecurity.gov.uk)

#### **Country**

United Kingdom

#### **Region code**

UK - United Kingdom

**Internet address(es)**

Main address

<https://www.gov.uk/government/organisations/department-for-energy-security-and-net-zero>

**I.3) Communication**

Additional information can be obtained from the above-mentioned address

**I.4) Type of the contracting authority**

Ministry or any other national or federal authority

**I.5) Main activity**

Environment

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**Section II: Object**

**II.1) Scope of the procurement**

**II.1.1) Title**

Climate Innovation Pull Facility

Reference number

prj\_196

**II.1.2) Main CPV code**

- 75211200 - Foreign economic-aid-related services

**II.1.3) Type of contract**

Services

**II.1.4) Short description**

The UK Department of Energy Security and Net Zero is exploring the development of a new facility - the Climate Innovation Pull Facility. Through pull finance, this facility will support innovation, scale up and market building for climate change mitigation solutions for developing country contexts, focusing on innovative clean energy technologies and business models in a small number of specific applications/sectors, where the evidence shows support is most needed. The planned facility is up to £170m, and subject to approvals. If agreed would be part of the Department's International Climate Finance portfolio and funded with Official Development Assistance (ODA).

This notice is to provide advance warning of an upcoming market engagement event and details for how to register.

#### **II.1.5) Estimated total value**

Value excluding VAT: £170,000,000

#### **II.1.6) Information about lots**

This contract is divided into lots: No

### **II.2) Description**

#### **II.2.2) Additional CPV code(s)**

- 66122000 - Corporate finance and venture capital services
- 71314000 - Energy and related services
- 72224000 - Project management consultancy services
- 73210000 - Research consultancy services
- 79100000 - Legal services
- 79994000 - Contract administration services

#### **II.2.3) Place of performance**

NUTS codes

- UK - United Kingdom

#### **II.2.4) Description of the procurement**

Please note that this PIN is issued to inform the market of an upcoming market engagement event and is not a formal PIN marking the start of a procurement procedure. More information about the next steps and forward timeline will be provided in the meeting

and in future notices. All information shared in this notice and at the event is indicative and subject to full and final approvals by the Department.

The UK Department of Energy Security and Net Zero is exploring the development of a new facility - the Climate Innovation Pull Facility. Through pull finance, this facility will support innovation, scale up and market building for climate change mitigation solutions for developing country contexts, focusing on innovative clean energy technologies and business models in a small number of specific applications/sectors, where the evidence shows support is most needed. The planned facility is up to £170m, and subject to approvals. If agreed would be part of the Department's International Climate Finance portfolio and funded with Official Development Assistance (ODA).

What do we mean by "pull mechanisms"? In public innovation financing, "pull mechanisms" create incentives for innovators and other actors by creating viable market demand. They seek to reduce viability gaps and induce innovation by signalling demand for solutions to specific problems. Mechanisms often cited include Advanced Market Commitments, Results or Outcomes Based Financing, Prizes/Challenges, innovation bulk procurements, Contracts for Difference, among others. By contrast, much innovation support has to date utilised "push mechanisms" directly subsidising up-front R&D costs.

In terms of climate mitigation solutions, the facility will have a particular focus on clean energy innovation themes. The work being explored would be linked to the Ayrton Fund commitment by the UK Government, to support clean energy research, development and demonstration (RD&D), as part of the wider UK commitment to tackle climate change. Examples of Ayrton Fund thematic challenges are set out on [gov.uk](https://www.gov.uk).

To explore this concept with stakeholders and the market, the Department hosted some initial engagement in December 2022 and January/February 2023. As the concept is now progressing further we would like to take the opportunity to provide a further update to the market on our thinking and test some specific ideas for how we plan to structure the facility, in particular some of the commercial elements of the programme.

The team will be hosting an online presentation on 26 July 2023 at 10:30 BST to share our current thinking on the scope and content of the programme as well as options for commercial structuring and forward procurement procedure. This will be followed by opportunities in the following two weeks for the market to provide feedback on a one-to-one basis via call or in writing. Opportunities for calls are time-limited at this stage but we hope to offer multiple feedback avenues to enable as much engagement as possible. The purpose of this round of engagement is to act as an opportunity for us to test our thinking and get comments on the viability of various options as we further develop the programme concept. This may include but not be limited to:

- Role of the delivery partner

- Profile of the delivery partner
- Project selection process
- Commissioning route
- Risk transfer
- Fee structure
- Commercial and payment options

Please note that the team may not be able to answer all questions at this stage but are open to suggestions and feedback.

To attend this presentation, please register interest through the following link by 13:00 24 July 2023. We will then share the link to join the session via Microsoft Teams. If you are registering after this date please also email the procurement inbox at [internationalclimateandenergy.procurement@energysecurity.gov.uk](mailto:internationalclimateandenergy.procurement@energysecurity.gov.uk) so we can ensure you receive joining instructions in time.

<https://forms.office.com/e/cK29vze7eD>

### **II.3) Estimated date of publication of contract notice**

1 March 2024

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## **Section IV. Procedure**

### **IV.1) Description**

#### **IV.1.8) Information about the Government Procurement Agreement (GPA)**

The procurement is covered by the Government Procurement Agreement: Yes