

Clerk to the Environment, Climate Change, and Land Reform Committee  
Scottish Parliament  
Edinburgh,  
EH99 1SP

23 March 2018

Dear Sir or Madam

### **Call for views on the Scottish Crown Estate Bill: View of Scottish Renewables**

Scottish Renewables is the representative body for the renewable energy sector in Scotland, working to grow a sustainable industry which delivers secure supplies of low-carbon, clean energy for heat, power and transport at the lowest possible cost. We represent around 270 organisations ranging from large energy suppliers, operators and manufacturers to small developers, installers and community groups, and companies throughout the supply chain.

Scottish Renewables welcomes the Scottish Crown Estate Bill's provisions. While this response focuses on offshore assets, we recognise The Crown Estate also holds considerable landholdings and is involved with commercial forestry in Scotland. Many of the principles outlined in this response in relation to the offshore sphere should be mirrored in their onshore holdings with renewable energy developments.

It is our view that the Bill would create a positive environment for the Scottish offshore renewables sector to operate in. We particularly welcome the continued national management of the offshore renewables and subsea cable sectors. We do note, however, that it is important that the Crown Estate Scotland work closely with The Crown Estate to ensure that Scottish offshore and marine renewables projects are not put at a competitive disadvantage in future leasing rounds.

If you have any questions on the comments set out in this response, please contact Peter Speirs, Public Affairs Manager on [pspeirs@scottishrenewables.com](mailto:pspeirs@scottishrenewables.com) or 0141 353 4985.

Yours sincerely

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**Deputy Chief Executive**

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## Written submission from Scottish Renewables

### 1. Does the Bill allow Crown Estate Scotland, or a delegated manager, to appropriately manage the Scottish assets?

- 1.1. Scottish Renewables continues to believe that the principles guiding the long term framework for the management of Crown Estate assets must recognise that their management has implications for critical national infrastructure. The estate must be managed to safeguard and support the continued delivery of these strategically important assets.
- 1.2. We recognise that the Crown Estate Scotland consists of a diverse range of assets and greater local management may be appropriate in many instances. However, this may require projects to work with a number of different managers over different parts of the project, risking non alignment on policies and timescales etc. A national approach would ensure consistency in decision making for all parts of the project and create a supportive environment for future development.
- 1.3. We continue to believe that energy and its supporting infrastructure must be recognised as critical national infrastructure, managed at a national level. Geographic delineation of powers is likely to result in arbitrary distinctions between offshore renewable energy developments and risks creating complexity and uncertainty in the leasing process, disadvantaging projects in Scottish waters. We are, therefore, pleased to see that the Bill adopts a hybrid approach to asset management, allowing for asset-appropriate management approaches to be adopted. We also welcome the suggestion contained in the consultation paper released prior to the Bill that offshore renewable leasing and rights over cables and pipelines constitute 'Functions that may be better managed at the national level'.<sup>1</sup>
- 1.4. The pivotal role that offshore renewables can play in Scotland's energy system in the coming decades, as well as the ability for offshore renewables to position Scotland as a world centre for energy innovation as evidenced by the Hywind floating wind project, means that the growth of offshore renewables is a key national priority for the Scottish Government. The need to support continued cost reduction within the renewable energy sector also means that a national approach to renewable energy is key to the continued success of Scotland's climate change agenda.
- 1.5. It is critical for the continued success of the offshore renewables sector that a consistent national approach that recognises the national significance of the industry to Scotland's economy and environment is adopted by the Crown Estate Scotland.

### 2. Are the powers to allow the transfer of the management function appropriate?

- 2.1. Scottish Renewables regards the powers to allow the transfer of the management function to be appropriate.

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<sup>1</sup> [https://consult.gov.scot/crown-estate-strategy-unit/long-term-management-of-the-crown-estate/supporting\\_documents/00512706.pdf](https://consult.gov.scot/crown-estate-strategy-unit/long-term-management-of-the-crown-estate/supporting_documents/00512706.pdf)

### **3. Are the managers' powers and duties as listed in the Bill appropriate?**

- 3.1. Scottish Renewables continues to believe that it is essential that stability and continuity of service delivery and the delivery of competitive projects in Scottish waters guide the Crown Estate Scotland's approach to offshore renewables.
- 3.2. The approach of 'sustainable/conscious commercialism' previously adopted by The Crown Estate has enabled a long term view over the management of assets and benefited Scotland's burgeoning offshore renewables sector. This should continue to be the case under the new arrangements.
- 3.3. In addition, the Climate Change Plan and Energy Strategy contain extremely challenging targets for Scotland's renewables sector. The cost reduction of renewable energy generation is also a key policy priority of the Scottish Government. Crown Estate Scotland must enable these aspirations.
- 3.4. The expanded list of powers listed in the Bill allow for a fuller and more expansive vision of asset management, whilst enabling the continued commercial exploitation of Crown Estate Scotland assets. Scottish Renewables believes that the list of powers and duties, taken in tandem with the duties outlined in Part 4 of the Climate Change (Scotland) Act 2008, will enable the prudent management of the Crown Estate Scotland's assets.

### **4. Should any additional power or function of the Scottish Crown Estate not currently provided for in the Bill be included?**

- 4.1. Scottish Renewables has no comment to make on this.

### **5. Any additional information**

- 5.1. The approach to offshore renewables leasing and management currently utilised by the Crown Estate is broadly viewed in a positive light by the renewables sector. It is regarded as providing a reasonably stable and predictable system by which renewables developers can deliver major projects.
- 5.2. With leasing rounds imminent for offshore wind, it is vital that potential Scottish projects are not put at a competitive disadvantage to projects in the rest of the UK. Any reduction or fragmentation in support and management will disadvantage Scottish projects, and may impact on their ability to successfully compete against projects in the rest of the UK in forthcoming Contract for Difference auction rounds. This would have a significant detrimental impact on Scottish supply chain opportunities, prevent the realisation of substantial socio-economic benefits for communities, and inhibit Scotland's progress towards our ambitious energy and climate change targets.
- 5.3. It is, therefore, essential that the Crown Estate Scotland co-ordinates and works closely with The Crown Estate and that its approach ensures a level playing field for Scottish offshore projects in future revenue support processes.