

Marine Scotland
1A South
Victoria Quay
Edinburgh
EH6 6QQ

20 October 2021

To whom it may concern,

Consultation Response: Sectoral Marine Plan for Innovation and Targeted Oil and Gas Decarbonisation

Scottish Renewables is the voice of Scotland's renewable energy industry. Our vision is for Scotland leading the world in renewable energy. We work to grow Scotland's renewable energy sector and sustain its position at the forefront of the global clean energy industry. We represent over 260 organisations that deliver investment, jobs, social benefits and reduce the carbon emissions which cause climate change.

Our members work across all renewable energy technologies, in Scotland, the UK, Europe and around the world. In representing them, we aim to lead and inform the debate on how the growth of renewable energy can help sustainably heat and power Scotland's homes and businesses.

Scottish Renewables welcomes the opportunity to provide our view on the proposals outlined in this consultation. In summary, we would like to highlight the following points:

- The delivery of successful commercial scale offshore wind, led by the existing project pipeline and ScotWind leasing, should continue to be the top priority for Marine Scotland and all agencies involved in meeting Scotland's net zero commitments.
- The renewables sector does see a role for offshore wind deployment to aid the decarbonisation of oil and gas processes, as we make a determined transition away from those high-carbon fuels.
- We think there is a strong case for a higher capacity limit on innovation projects, matching the 300MW limit being developed by The Crown Estate for the Celtic Sea.
- If approached strategically, both these elements of INTOG leasing could create significant early demand towards the development of an indigenous floating offshore wind supply chain.

1. Do you have any comments on the Plan Specification content?

6th Floor, Tara House, 46 Bath Street,
Glasgow, G2 1HG
☎ 0141 353 4980 📧 @ScotRenew
www.scottishrenewables.com

Scottish Renewables Forum Limited.
A company limited by guarantee in Scotland No.200074
Registered office: c/o Harper Macleod,
The Ca'd'oro, 45 Gordon Street, Glasgow G1 3PE

Please exclude comments on the plan parameters and spatial analysis discussion as these are addressed separately.

- Industry welcomes the policy context set out in the Plan Specification, which highlights the central importance of offshore wind deployment to meeting Scotland's net zero objectives.
- One important aspect that we wish to highlight is the ongoing reforms being proposed by BEIS and Ofgem to bring about a more strategic approach to the offshore transmission regime, grouped into pre 2030 workstreams and a longer term 'enduring regime'. Both feature a more centralised Holistic Network Design process, and it is essential that National Grid ESO and Transmission Operators are fully involved in the spatial planning that underpins the INTOG SMP to ensure that coordination opportunities are not missed.
- Overall, there is some concern that the decarbonisation timescales set out in the North Sea Transition Deal, which we understand demands significant offshore wind generation to be in operation by 2027, could have a negative impact on other commercial scale projects that rely on the same consenting regime and the capacity of regulators.
- We would seek reassurances from Marine Scotland and other SNCBs that the full impact of assessing additional INTOG projects, in tandem with existing projects and up to 10GW of new ScotWind projects, has been fully considered when planning resources for the coming years.
- As a sector dedicated to bringing about a clean economy powered by renewable energy, we remain unconvinced that further new greenfield oil and gas development is in the long-term interests of the climate. We would prefer offshore wind electrification to be targeted at brownfield and decommissioning activity.

2. Do you have any comments on the plan parameters/specifications?

These parameters (section 8) set out the types of projects that will be considered under this plan, the size of these projects and the ways in which they will be considered spatially (e.g. the locations in which projects can or cannot be located).

Innovation/Test and Demonstration projects

- In our March 2020 submission to the Sectoral Marine Plan consultation, we argued that the 100MW definition of 'commercial scale' should be increased to allow for projects to be put forward via a different route to ScotWind.
- Since then, we have seen floating offshore wind rise much higher up the political agenda, as both UK and Scottish Governments seek to capture a global lead in this technology as part of their economic recovery and levelling up agendas. A 1GW by 2030 floating wind target has been established, alongside a ringfenced CfD allocation and ongoing public investment in innovation and supply chain.
- Thanks to the depth of Scottish waters, the outcome of ScotWind is likely to represent the largest amount of seabed anywhere in the world leased for floating wind deployment. However, other countries are also working fast to secure economic advantage, with multi-

GW leasing rounds and targets in Spain, California, Norway, South Korea (a 6GW project) and elsewhere.

- Although Scotland currently hosts two of the world's first floating wind farms (Hywind and Kincardine, 80MW total), we only have one floating project (Pentland, 12MW consented, 100MW total in scoping) in the pipeline between now and the construction of commercial scale ScotWind projects in the late 2020s/early 2030s.
- There is considerable uncertainty about the likely deployment timescale for ScotWind projects in relation to the 2030 target, given challenges around consenting, grid connections and future CfD rounds.
- The Crown Estate is currently progressing with pre-commercial floating wind leasing in the Celtic Sea at both the 100MW and 300MW scale¹.
- One of the major challenges faced by 100MW projects is their ability to secure turbines from manufacturers in a commercial environment with rapidly growing demand from large projects across the world. A higher capacity limit would alleviate this to an extent, ensuring that UK projects are able to retain a global leadership position.
- We strongly urge the Scottish Government to use this INTOG SMP to increase the capacity for pre-commercial projects to at least 300MW with the aim of:
 - building momentum towards the 2030 floating target and beyond
 - capturing an increase share of pre 2030 UK floating deployment for Scottish industry
 - establishing a clearer trajectory of projects at a growing scale over successive CfD rounds
 - supporting supply chain investment and innovation in advance of ScotWind projects, bolstering the recommendations of the SOWEC Strategic Investment Assessment.
- It follows that an increase to project capacity would necessitate an increase to the overall capacity of 500MW allocated to innovation projects, so that more than one project has the opportunity to progress. We understand that while these parameters are established in the 2020 SMP for Offshore Wind, they are amendable through this INTOG progress without additional consultation.
- The Scottish Government has committed to a 5GW target for green hydrogen production by 2030 (separately from the UK Gov 5GW target). While we await publication of the Hydrogen Action Plan, it seems likely that further offshore green hydrogen innovation may be needed before 2030 and that leasing capacity should be made available to support that if required.
- Industry is very aware that floating foundation technology is at a less mature stage than fixed-bottom wind, and that opportunities to build supply chain experience with different

¹ <https://www.thecrownestate.co.uk/en-gb/media-and-insights/news/the-crown-estate-to-create-new-floating-wind-leasing-opportunity-in-the-celtic-sea/> & <https://www.thecrownestate.co.uk/en-gb/media-and-insights/news/three-new-test-and-demonstration-floating-wind-projects-in-the-celtic-sea-to-progress-to-next-stage/>

foundation concepts will have long-term benefits for Scottish ports and supply chain companies.

Targeted Oil and Gas Decarbonisation projects

- While we understand that the 4GW of capacity has been designed to reflect demand from oil and gas operators, it would be helpful if the Scottish Government could set out the rationale behind this in terms of the scale of the contribution towards the North Sea Transition Deal decarbonisation targets for 2025, 2027 and 2030.

3. Do you have any comments or information you would like to provide, to support or otherwise seek the removal of, the Areas of Search (AoS) identified in the map included in the Plan Specification (section 9)?

These comments/data can be related to specific AoS or more general in nature. Please identify particular AoS in your response when appropriate. Any data you wish to include in your response can also be provided below.

No industry wide comment

4. Please use this space to provide any additional comments not captured by the previous questions

- Greater clarity will be required on the regulatory regime that will be in place for TOG projects. There is some uncertainty about the role of the Electricity Act and the Petroleum Act and how any coordination between the Oil and Gas Authority and other regulators would take place in respect of the subsea regime.
- Broader questions about incentivisation for projects have been raised and will need to be taken forward with Crown Estate Scotland and UK bodies. For instance, whether turbines consented through INTOG that, at a later point in their lifespan are no longer required for decarbonisation activities, would be equally eligible for revenue schemes such as CfD allocation rounds.
- Additionally, whether INTOG projects would be subject to similar upfront supply chain commitments as are required by Crown Estate Scotland for ScotWind leasing (the SCDS process).
- A clear and achievable timeline for INTOG is seen by our members as crucial if the leasing round is to bring the most value to Scotland. More detailed information on timescale is sought from Marine Scotland, especially in relation to any overlap with ScotWind processes. For instance, would exclusivity awards be granted even if a ScotWind clearing process was still ongoing in spring 2022?

Scottish Renewables would be keen to engage further with this agenda and would be happy to discuss our response in more detail.

Yours sincerely,

A handwritten signature in black ink that reads "B Miller". The signature is written in a cursive style with a large, stylized 'B' and a clear 'Miller'.

Ben Miller

**Senior Policy Manager – Offshore Wind
Scottish Renewables**

bmiller@scottishrenewables.com