

SR/SOWEC Barriers to Deployment
Risk 2: Strategic Marine Spatial Planning

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Directorate for Offshore Wind
Scottish Government
150 Broomielaw, Atlantic Quay
Glasgow, G2 8LU

Dear Michaela Wilson Martincová,

Response to: Scottish Government consultation on the Update to the 2020 Offshore Wind Policy Statement: Scotland's Offshore Wind ambition (June 18, 2025)

Scottish Renewables (SR) welcomes the opportunity to provide our view on the Scottish Government's Update to the 2020 Offshore Wind Policy statement: Scotland's Offshore Wind ambition consultation.

In response to this consultation, our members have highlighted the following key points, which are covered in further detail below:

- **Scottish Renewables agrees that 40GW of new offshore wind capacity by 2035 – 2040 in addition to existing operational capacity represents an appropriate level of ambition for the Scottish Government.**
- **The new ambition should be embedded within the updated Sectoral Marine Plan for Offshore Wind Energy (SMP-OWE).**
- **The Scottish Government must ensure timely consents to offshore wind farms are awarded and work alongside the UK Government to deliver a strategic compensation framework that supports the long-term deployment of offshore wind.**
- **The Scottish Government should work closely with the National Energy Systems Operator (NESO), Ofgem and UK Government to ensure the updated offshore wind ambition is reflected in the Strategic Spatial Energy Plan (SSEP).**
- **Ports and Harbour infrastructure must be developed and the offshore wind supply chain must be supported to enable and deliver the updated offshore wind ambition, including via the Scottish Government's £500 million supply chain investment and UK-wide funding opportunities.**
- **The workforce must be in place in Scotland to support and deliver this ambition, particularly when offshore wind will be competing against other growth sectors for these skills.**
- **The Scottish Government must continue to work closely with the UK Government to ensure the creation of a reformed national market that provides certainty to Scottish**

offshore wind projects. With the essential integration of the updated offshore wind ambition into the forthcoming SSEP, reform of Transmission Network Use of System (TNUoS) charges must provide appropriate positive locational signals for Scottish offshore wind and provide long-term stability for investors.

- **The development of Scottish offshore wind should be supported by appropriately designed Contract for Difference (CfD) Allocation Rounds, with positive decisions required to be made at pace by Ofgem on TNUoS charging modifications such as Code Modification Proposal (CMP) 444 & CMP432, to provide short-term stability**
- **To maximise potential first-mover advantage, particular focus must be given to supporting and enabling Scotland's floating offshore wind sector.**
- **To ensure timely delivery of the updated wind ambition, it is crucial that grid infrastructure is available to support the timely connection of offshore wind projects.**

These are all areas Scottish Renewables and our members work closely on with Scottish Government through the Scottish Offshore Wind Energy Council (SOWEC). It is essential that workstreams identified and focused on at SOWEC are resourced and delivered to support this ambition.

Scottish Renewables is the voice of Scotland's renewable energy industry. Our vision is for Scotland to lead 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 380 organisations that deliver investment, jobs, social benefit and reduce the carbon emissions which cause climate change.

Our members work across all renewable technologies in Scotland, the UK, Europe and worldwide, ranging from energy suppliers, operators and manufacturers to small developers, installers, and community groups, as well as companies throughout the supply chain. In representing them, we aim to lead and inform the debate on how the growth of renewable energy can provide sustainable solutions to heat and power Scotland's homes and businesses.

It is understood that the concerns and matters of our members, raised below, will be fully considered. Scottish Renewables would be keen to engage further with this agenda and would be happy to discuss our response in more detail.

Yours sincerely,

Alice Tirbooman

Offshore Wind Policy Officer

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Scottish Renewables

RESPONSE TO CONSULTATION QUESTIONS:

1. Does “up to 40GW of new offshore wind by 2035-2040” demonstrate an appropriate level of ambition for the Scottish Government? Please explain your views.

Yes, up to 40GW of new offshore wind by 2035 – 2040 is an appropriate level of ambition for the Scottish Government. However, Scottish Renewables members believe the wording ‘**up to** 40GW of new offshore wind ...’ is potentially ambiguous and could be changed – to, for example, ‘**we want to achieve** 40GW of new offshore wind ...’ – to reflect a truly ambitious intention and promote confidence in Scotland’s offshore wind sector.

Our members welcome and support the Scottish Government’s intention to propose an ambitious target of up to 40GW of new offshore wind by 2035 – 2040. We believe that ambition at this scale is essential to drive the pace of progress needed to deliver the UK Clean Power 2030 (CP2030) Action Plan, the National Energy System Operator’s (NESO) Future Energy Scenarios for Deployment Beyond 2030, and the Climate Change Committee’s anticipated requirements for the UK to achieve net-zero by 2030.

The Scottish Offshore Wind Pipeline Analysis Report¹, a recent study conducted by BVG Associates (BVGA) on behalf of Scottish Renewables, highlights the importance of the Scottish offshore wind pipeline to UK net-zero ambitions and emphasises the necessity to build out the pipeline at pace to meet CP2030 targets. To realise the opportunity presented by the current Scottish offshore wind pipeline, our members need clarity, ambition and decisive policy decisions to enable them to build out vitally important offshore wind energy infrastructure at pace and scale. Setting a target of 40GW of new offshore wind by 2035 – 2040 sends a clear signal that the Scottish Government is committed to realising the potential of offshore wind in Scotland, which will bring benefits at local, national and UK-wide levels.

2. What additional actions do you believe should be taken by the Scottish Government, UK Government and agencies in order to realise the full potential of Scotland’s offshore wind sector?

Our members support the intention to increase the offshore wind ambition to 40GW by 2035 – 2040 and have highlighted the following actions that will be necessary to realise the full potential of Scotland’s offshore wind sector.

1. Planning and Consenting

Timely consenting is a crucial aspect of developing an offshore wind farm, ensuring projects are developed responsibly with minimum environmental impact. However, consenting frequently poses a significant risk to developments due to complexity, delays in decision-making and resource constraints.

The Scottish Offshore Wind Industry Council (SOWEC) Barriers to Deployment (BTD) group, led by Scottish Renewables, has identified consenting as a critical issue. The draft updated Sectoral

¹ See submission email for attached BVGA Offshore Wind Pipeline Analysis Report (June 2025). The graph on p.18 showing the timeline of projects in the current pipeline may be of particular interest for a visualisation of the importance of the Scottish offshore wind industry to the UK’s clean energy goals.

Marine Plan for Offshore Wind Energy (SMP-OWE), and the National Marine Plan 2 (NMP2) should deliver comprehensive planning and consenting frameworks to underpin consistent and proportional marine consenting and support the successful build-out of ScotWind and INTOG projects. The updated wind ambition will provide a clear strategic objective for the draft updated SMP to deliver against.

To realise the full potential of Scotland's offshore wind pipeline, there must be a strategic compensation framework that supports the long-term deployment of offshore wind in Scotland. Scottish Renewables welcomes the collaborative approach adopted between the UK and Scottish Governments to agree packages of reforms to consenting arrangements under the Electricity Act 1989 and to environmental compensation under the Habitats Regulations. Scottish Renewables urges the Scottish Government to continue to work with the SOWEC BTG Group to establish a workable Scottish Marine Recovery Fund (SMRF) by Q3 2025 that includes a flexible approach to Habitat Regulation Appraisal (HRA) implementation.

Scottish Renewables looks forward to continuing to engage with the Scottish Government around building an appropriate consenting regime that benefits the marine environment and supports the long-term growth of the Scottish offshore wind sector. Alongside this consultation response, Scottish Renewables encourages the Scottish Government to consider Scottish Renewables' detailed response to the draft updated SMP-OWE consultation, the concurrent Scottish and UK strategic compensation consultations and the upcoming Scottish Marine Recovery Fund (SMRF) consultation, all of which will be submitted within the next two months.

Scottish Government and Industry work closely across these issues and others related to planning and consenting through the SOWEC BTG group. Ensuring all the associated BTG workstreams are resourced and that progress is made on the identified priorities will be significant in supporting the new offshore wind policy ambition.

As co-commissioners, the Scottish Government is also a critical stakeholder in the development of the Strategic Spatial Energy Plan (SSEP) and must work closely with the UK Government, as well as key stakeholders like NESO and Ofgem, to ensure the updated offshore wind ambition is reflected in the SSEP. As the Scottish Government develops its input into the SSEP, appropriate ambition must be set across all technologies, for example, green hydrogen which will require high electricity demand, to facilitate a fully integrated and successful GB-wide clean energy system.

2. Ports and Harbours Infrastructure, Supply Chain and Skills

The supply chain is a critical enabler of Scotland's offshore wind energy ambitions. Delivering Scotland's offshore wind ambition will depend not only on commitment from developers to drive projects forward but also on a whole raft of skilled, experienced, innovative suppliers. From offshore inspection, port services and steel fabrication to civil engineering, electrical products and even accommodation services, there is a wide variety of work to be tendered for, won and delivered.

The offshore wind supply chain must be supported to enable and deliver the updated offshore wind ambition. The Scottish Government has committed £500m of investment over five years to anchor the offshore wind supply chain in Scotland. This support is welcomed, but further clarity and transparency should be provided to developers regarding how this will be invested and the role it will play within the wider offshore wind funding landscape.

Further action and investment should be provided to develop supply chain capability in several key areas. Critical infrastructure to enable offshore wind deployment, such as ports and travel infrastructure, requires urgent investment to ensure readiness for the continued build-out of large-scale projects, particularly as more floating offshore developments near construction. Scottish Government funding should also be co-ordinated with wider UK funding. Delivering the offshore ambition will require a skilled workforce - upskilling and reskilling of energy workers should be prioritised to support workers looking to pivot to the renewable energy sector. Immigration rules should be relaxed to allow specialist workers from overseas to work where needed in the offshore industry. Tailored support should be provided for small to medium enterprises (SMEs) looking to scale up in the renewables industry and domestic supply of construction materials like steel, plate steel and concrete should be assured by supporting the continued viability of national production.

Scottish Government and Industry work closely across skills and supply chain through the SOWEC supply chain group and the SOWEC skills group. Ensuring these SOWEC groups are resourced and that progress is made on their identified priorities is essential. Likewise, outputs from the Scottish Government offshore wind short-life working group should be suitably resourced and progressed.

3. Reformed national market and TNUoS charging reform

Following the UK Government's decision not to implement zonal pricing, there remains significant uncertainty over future transmission charging arrangements. To enable the deployment of Scotland's offshore wind pipeline, Reformed National Pricing (RNP) and TNUoS charge reform must support offshore wind deployment by removing punitive locational signals that negatively impact Scottish developments and introduce a high level of investor uncertainty that is passed on to consumers.

To identify and ensure the best outcomes for Scottish offshore wind, the SSEP, TNUoS reform and long-term contract for difference (CfD) reform should be considered in tandem. Scottish Renewables members have identified priorities for future market reform under Reformed National Pricing (RNP) including aligning Scotland's role in the SSEP with the current pipeline and future clean energy ambitions; a network charging regime that enables projects with a strong role for Scotland in the SSEP; minimisation of cost, occurrence and reputational risk of network constraints; and long-term reform of the CfD to ensure it remains fit for purpose in a high-renewables, decarbonised energy system.

4. Allocation Rounds 7 and 8 and Grid Code Modification Proposals 444 and 432

Until such time as we have a reformed national market, which needs to provide appropriate signals for Scottish development, CfD Allocation Rounds (ARs) and Connection and Use of System Code (CUSC) Modification Proposals (CMPs) offer opportunities to help address concerns and uncertainty in the shorter term. This is important as we must maintain momentum for Scottish projects through AR7 and AR8 to support supply chain, ports and harbour development and achieve Clean Power 2030, before building on this for ambition beyond 2030.

The primary government mechanism for enabling offshore wind deployment in the UK is the CfD scheme. In order to realise Scotland's offshore wind potential, capacity ambition targets in future CfD rounds need to be aligned with the Scottish Government's target of 40GW by 2035 - 2040. The CfD must provide confidence to developers to enable pipeline development by providing forward sight of capacities of key technologies the UK Government is aiming to procure in

upcoming allocation rounds. The UK Government has stated it will not be publishing capacity ambitions for future rounds, as it believes the Clean Power action plan provides a sufficient guide on the capacity it intends to procure. However, generators currently have no indication of the Government's intentions in AR7 and AR8 individually, as the monetary budget will only be published 16 working days before the sealed bid window closes. The lack of auction visibility introduces additional uncertainty, creating further difficulty for developers, both in terms of preparing bids in the near term and developing projects over the longer term in line with future allocation rounds.

CMP444 (introducing a cap and floor to wider generation TNUoS charges) and CMP432 (improving "locational onshore security factor" for TNUoS wider tariffs) are temporary mechanisms to address volatile and unpredictable TNUoS charges that present a real threat to the viability of Scottish projects. As detailed in previous correspondence with the Scottish Government², Scottish Renewables members support CMP444. An ambitious Cap and Floor would protect investment in Scotland by reducing the difference in transmission charges between the north and south of Great Britain. Scottish Renewables members also support CMP432, which would remove the Locational Security factor uplift from all TNUoS wider locational tariffs, better reflecting how Transmission Operators (TOs) plan for a secure network. Scottish Renewables wishes to emphasise the importance of reaching a decision on them in a timely manner to provide much-needed investment certainty for project developers and to best inform potential AR7 bids.

5. Floating Offshore Wind

We welcome the Scottish Government's acknowledgement that floating offshore wind, which makes up the majority of the pipeline post-2030, will play a transformational role in delivering the energy transition. To fully unlock the potential of Scotland's offshore wind sector and build on Scotland's world leading floating offshore wind position, the floating offshore wind industry must be supported. This technology is crucial for expanding offshore wind development and for unlocking potential in deepwater sites, significantly contributing to wider net-zero targets as well as supporting the transition from oil and gas and ensuring energy security.

The implementation of this technology currently faces several challenges. The UK and Scottish Governments should establish realistic growth pathways for floating offshore wind, the development of which can be reflected in the updated policy statement, and co-ordinate with industry on delivering these. This will help support the advancement of mid-scale floating offshore wind projects and strengthen supply chains. Progressing stepping stone floating offshore wind projects would also provide developers with a pathway to deployment that does not carry the risk inherent in full-scale commercial projects, which would ultimately accelerate the deployment of future large projects that will significantly contribute to achieving the policy ambition.

END

² See submission email for attached Letter to the Scottish Government (March 11, 2025).