

Update - new offshore wind leasing

In November 2017, Crown Estate Scotland announced that it would start discussions with industry, government and interested organisations to prepare for potential new offshore wind leasing in Scotland.

This announcement is the result of the Contracts for Difference auction in September 2017 which demonstrated a sharp fall in the cost of offshore wind electricity, and the Clean Growth Strategy which included a commitment from the UK Government to work with Crown Estate Scotland and The Crown Estate to understand the potential for deployment of offshore wind in the late 2020s and beyond.

This brief update has been prepared to inform interested parties of work in progress and next steps involved in considering whether, and if so, how, to issue new seabed rights for future commercial-scale offshore wind projects in Scotland.

Work to date

In offshore wind, Crown Estate Scotland's role is that of landlord, catalyst and supportive partner. As the body that manages leasing of the seabed, Crown Estate Scotland grants a lease for development on the seabed only once the consents and other required permissions are in place.

Our overall aim is to design a leasing process which will:

- Provide **certainty and clarity** to attract inward investment in a global marketplace
- Be **transparent, open and fair**
- **Stimulate competition and innovation** by encouraging applications from developers who demonstrate strength and excellence.
- Have the **buy-in and support** of stakeholders that are most involved and / or impacted

Learning from past leasing rounds in the offshore environment, for any future leasing, Crown Estate Scotland is keen to design a process which is informed by the knowledge and experience of stakeholders.

To date our engagement has included:

- Informal discussion with industry, which has indicated that there is appetite for further offshore wind development in Scotland.
- Informal discussion with Government stakeholders, NGOs and interested organisations to gauge their initial thoughts on the structure and design of a new leasing process.

The next stage will involve more formal engagement with the launch of a Discussion Document in spring 2018. This will detail current thinking on various elements of the proposed approach, and will invite industry and wider stakeholders to respond to a number of questions.

The Discussion Document will play a key role in informing those who may be affected by offshore wind leasing and will provide a structured route for providing feedback to inform and influence the process.

While design of the mechanics of a potential leasing offering is at an early stage, we know that:

- Marine Scotland as the planning authority for Scotland's Seas will lead in the identification of potential areas suitable for offshore wind development. As announced in the Scottish Government's Energy Strategy, Marine Scotland is currently beginning the identification of potential areas for new offshore wind energy sites, with work culminating in a Sectoral Marine Plan for Offshore Wind in deeper Scottish waters.
- Reflecting feedback from previous leasing rounds, and to ensure a robust process which provides certainty and clarity, areas open to applications through Crown Estate Scotland's leasing process will align with the areas identified through Marine Scotland's strategic planning process.
- To stimulate competition and innovation, the new leasing process will be open to both fixed and floating offshore wind for commercial scale projects (100MW+).
- Marine Scotland is the regulator and is responsible for environmental considerations, regulatory compliance and assessing consent applications associated with any future leasing round.

Next Steps

As Crown Estate Scotland is keen to take account of a wide range of views in to the design and implementation of a potential leasing process, work over the coming months will focus on engagement with industry, local, Scottish and UK stakeholders. Key activities include:

- Publish the Discussion Document, seeking comment on the proposed process – spring 2018
- Stakeholder workshops – spring / summer 2018
- Developer information days – spring / summer 2018

To register for updates on the new leasing process, please email marine@crownestatescotland.com

5 March 2018