

Crown Estate Scotland Consultation Response***OFGEM Consultation on changes intended to bring about greater coordination in the development of offshore energy networks*****Submitted on 08/09/2021**

Crown Estate Scotland was established in 2017 and manages land and property on behalf of the Scottish Ministers. Our purpose is to invest in property, natural resources, and people to deliver lasting value for Scotland.

The assets we manage include four rural estates, just under half the foreshore, virtually all the seabed out to 12 nautical miles (nm), plus rights to renewable energy and gas and carbon storage beyond 12nm, salmon fishing rights, retail and office units and rights to naturally occurring gold and silver across most of Scotland.

Our strategic objectives set out in our 2020-23 Corporate Plan include supporting the growth of the blue economy, investing in creating great places, and involving people in how seabed, land and coastline are managed.

Response Summary

Our consultation response focuses on the key consultation areas most relevant to our interests.

- We **support the objectives to facilitate greater coordination** in the connection of offshore wind projects.
- The **Scottish Government has ambitious climate and renewable energy targets**, which include specific targets for 2030, and to achieve net zero by 2045.
- It is imperative that the necessary transmission infrastructure (on and offshore) is designed, consented and built in a timely manner to be able to meet these targets.
- Any **significant delays to project delivery should therefore be avoided** in considering the options for taking forward the Early Opportunity and Pathway to 2030 workstreams.
- We **welcome inclusion of ScotWind leasing** in the Pathway to 2030s workstream.
- We highlight the **new INTOG planning process recently announced by Scottish Government** and encourage the Central Design Group to have regard to these projects in the iterative development of the Holistic Network Design.

Early Opportunities

We support the objectives of the Early Opportunities workstream to facilitate greater coordination in the connection of offshore wind projects which are at a relatively advanced stage of the development process.

The timely and efficient provision of grid infrastructure is critical for ensuring that we meet our renewable energy and emission reduction targets. The Climate Change (Emissions Reduction Targets) (Scotland) Act 2019 commits the Scottish Government to reach net zero emissions of all greenhouse gases by 2045. Additionally, the Scottish Government has set a target to generate 50% of Scotland's overall energy consumption from renewable sources by 2030. The Offshore Wind Policy Statement confirms the Scottish Government's intent to see offshore wind play a key role in meeting our net zero commitment, with 11 GW offshore wind to be delivered by 2030.

Given the urgency of our climate targets, we would be concerned if any of the options taken forward result in delay to the delivery of 'in-flight' projects. These are projects that are already in progress and will have undertaken a significant amount of design, development, planning and consenting work. Any significant changes to the Code or other aspects of the process that would delay the connection of these in-flight projects should be avoided if we are to meet our 2030 targets.

Pathway to 2030

We welcome the inclusion of the ScotWind leasing round in the pathways to 2030 workstream. ScotWind Leasing supports the implementation of the Scottish Governments Sectoral Marine Plan¹ and is the first round of offshore wind leasing in Scottish waters for a decade. It represents a multi-billion pound investment opportunity and will form a major part of Scotland's green recovery. The Sectoral Marine Plan for Offshore Wind (October 2020) identifies 15 new areas for offshore wind development with the potential to deliver up to 10 GW of generating capacity.

There is currently c.900 MW of operational offshore wind in Scottish Waters, with another c.5.6 GW of consented development². There are already considerable grid capacity constraints delaying the connection dates for offshore wind projects in the development pipeline.

With potential for up to 10 GW of additional offshore wind capacity to be delivered via ScotWind leasing, it is imperative that the necessary transmission infrastructure (on and offshore) is designed, consented and built in a timeous manner to not only alleviate current constraints, but also prevent a bottle neck of connections for future projects. The development timeline for transmission infrastructure is similar to that of an offshore wind project therefore detailed studies need to be started early next year to allow for projects to be consented and built-in advance of 2030. There is considerable lead in time for both on and offshore transmission infrastructure, particularly given supply chain constraints which may limit the availability of materials.

When considering the various delivery model options for the Pathway to 2030 workstream, the 'deliverability' and 'deployment' criteria should therefore be given substantial weight to ensure the Scottish Government's net zero and 2030 targets can be met. Given the timescale issues highlighted above, the selected delivery model needs to allow for the concurrent development and early delivery of transmission infrastructure.

We would also like to draw attention to the consultation on the Sectoral Marine Plan for Offshore Wind for Innovation and Targeted Oil and Gas Decarbonisation (INTOG) recently published by Scottish Government (August 2021)³. The new plan will identify new areas of seabed for offshore wind development and specifically targets projects designed to support decarbonisation of the oil and gas sector as well as smaller innovation projects (less than 100MW). The consultation proposes

¹ [Sectoral marine plan for offshore wind energy - gov.scot \(www.gov.scot\)](https://www.gov.scot/binary/content/documents/govscot/publications/advice-and-guidance/2020/10/offshore-wind-policy-statement/documents/offshore-wind-policy-statement/offshore-wind-policy-statement/govscot%3Adocument/offshore-wind-policy-statement.pdf)

² <https://www.gov.scot/binary/content/documents/govscot/publications/advice-and-guidance/2020/10/offshore-wind-policy-statement/documents/offshore-wind-policy-statement/offshore-wind-policy-statement/govscot%3Adocument/offshore-wind-policy-statement.pdf>

³ [Innovation and Targeted Oil and Gas decarbonisation Offshore Wind Sectoral Marine Plan Areas of Search - Scottish Government - Citizen Space \(consult.gov.scot\)](https://www.gov.scot/binary/content/documents/govscot/publications/advice-and-guidance/2020/10/offshore-wind-policy-statement/documents/offshore-wind-policy-statement/offshore-wind-policy-statement/govscot%3Adocument/offshore-wind-policy-statement.pdf)

an upper limit of development (i.e. total cap) of 4GW for the decarbonisation projects, and 500MW for innovation projects.

The INTOG planning process will provide a clear basis for Crown Estate Scotland's seabed leasing. It is entirely separate and distinct to the ScotWind Leasing process. The leasing process for INTOG is expected to be open for applications in early 2022. In order to meet the ambitious targets for carbon reductions set out by the North Sea Transition Deal, it is anticipated that targeted oil and gas offshore wind projects will need to come online before 2030. As such, we would encourage the Pathway to 2030 Central Design Group to have regard to these projects in the iterative development of the Holistic Network Design.

Finally, we would like to emphasise our support for the holistic network design approach to enable the delivery of a more coordinated and efficient network. We recognise that a more co-ordinated approach can have multiple benefits for communities and the environment, as well as cost savings.

Further Information

We would welcome the opportunity to discuss any queries regarding our response. **Please contact Kate Bellew Policy Manager (kate.bellew@crownestatescotland.com) or Kirstin Gardner Development Manager (kirstin.gardner@crownestatescotland.com).**