

**Crown Estate Scotland consultation response**  
**Ofgem Minded-to Decision and further consultation on Pathway to 2030**  
**Submitted 15th July 2022**

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, rights to gas storage and renewables activities out to 200 nautical miles, 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.

Crown Estate Scotland's key role in offshore renewables is to provide leasing opportunities. We also work to enable sector development e.g. through the Scottish Offshore Wind Energy Council (SOWEC) and the creation of wider value for Scotland. The planning and regulation of offshore wind developments are managed by other bodies such as Marine Scotland.

Crown Estate Scotland previously welcomed the inclusion of ScotWind in the OTNR's Pathway to 2030 workstream and emphasised the need for timely and efficient provision of grid infrastructure to ensure we meet our renewable energy and emission reduction targets. We therefore welcome the reaffirmed commitment in Section 1.11 of the consultation for the Holistic Network Design (HND) to drive coordination of offshore projects progressing through ScotWind and ensuring connection to the transmission system by 2030.

As previously highlighted, Innovation and Targeted Oil and Gas (INTOG) is a specific leasing opportunity to support both the electrification of oil and gas production and small-scale innovation. We recently published our response to feedback received from industry engagement on INTOG, with leasing launch expected later this summer (see [Summary of feedback on proposed INTOG leasing published - News - Crown Estate Scotland](#)). 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. This was also emphasised by some of the feedback. As such, we would encourage the Pathway to 2030 Central Design Group to have regard to these projects in the iterative development of the HND. See Marine Scotland's Sectoral Marine Plan for INTOG ([Sectoral marine plan - offshore wind for innovation and targeted oil and gas decarbonisation: initial plan framework - gov.scot \(www.gov.scot\)](#)). We will continue to engage with the National Grid Electricity System Operator (ESO) on INTOG as the leasing round progresses.

We note Ofgem's minded-to decision to apply a 'very late competition - generator build' model to non-radial offshore transmission in scope of the Pathway to 2030 (PT2030) workstream. The supporting assessment confirms that this is the most likely delivery model

to reach the 2030 goals while providing benefits of competition therefore we **welcome** this decision. We also **welcome** confirmation that radial offshore transmission should be delivered through one of the existing models for the same reasons, given the need to avoid any significant delays to project delivery. We **acknowledge** that there will be further opportunities to explore alternative models through the enduring regime.

The consultation doesn't provide much information on implementation of the 'very late competition - generator build' model to non-radial offshore transmission, however, Ofgem can play an important role in ensuring sufficient scrutiny and oversight of this process. We also wish to highlight the importance of the wider framework of commercial agreements involved in offshore wind development, such as the Bilateral Connection Agreement and the Contract for Difference regime, in enabling generators to coordinate in the delivery of non-radial offshore transmission infrastructure in scope of Pathway to 2030.

**For further information on this response, please contact Kate Bellew Policy Manager ([kate.bellew@crownestatescotland.com](mailto:kate.bellew@crownestatescotland.com)).**