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UK Supply Chain & Opportunities in UK Offshore Wind Projects

June 2021

better future, quicker

Global Offshore Pipeline

Minimum of 12GW (CMD forecast) operational by 2030. Potential of up to 18GW based on development activities

Background of UK Offshore Wind Supply Chain

The Offshore Wind Sector Deal is a joint agreement among industry players to maximise advantages for the UK

- **Contracts for Difference (CfD)** mechanism is designed to incentivise investment in the UK's energy infrastructure to deliver low carbon energy while minimising cost of energy to consumers
- Developer **Supply Chain Plans** must be approved in order to qualify for a CfD
- Allocation Round 4 (AR4) Supply Chain Plan Guidance places even more importance on the **delivering benefit to the UK industry**
  - **5.5 GW** was awarded in AR3

The UK Offshore Wind market is advanced and places importance on our obligation to deliver against Offshore Wind Sector Deal

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Opportunities for Spanish Supply Chain to invest in UK Offshore Wind Industry

UK Government has pledged that every domestic property in the UK will be powered by offshore wind, requiring 40GW by 2030

- **UK Offshore Wind pipeline** to hit Government targets is significant
- Opportunity for **inward investment** to deliver these targets and **stimulate growth** of UK industry
- Revised CfD Supply Chain guidance focuses on delivering against the 5 pillars
- Opportunity for sustainable growth across these 5 pillars – supply chain can showcase a range of expertise and contribution to the growth of UK economy
- BEIS launch of Offshore wind manufacturing investment support scheme for UK registered companies
- Upcoming pipeline through Allocation Round 4, Crown Estate Round 4 (7 GW) and ScotWind (10 GW)

The upcoming opportunity in the UK requires sustainable growth to deliver offshore wind projects over a number of years at all stages of these projects

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ScotWind & Scotland Focus

The ScotWind Leasing Round offers a significant opportunity for Scottish industry and supply chain

- First Scottish leasing round in over a decade delivering up to **10 GW** of offshore wind.
- UK and European projects to date provide opportunity to demonstrate expertise and develop **cutting-edge technology.**
- Developers and supply chain to harness this new opportunity, including delivering **floating offshore wind** at commercial scale.
- Delivery of a **sustainable and robust supply chain** in Scotland.
- Focus on **economic benefit and jobs for Scotland** to deliver on Just Transition goals of Scottish Government.

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East Anglia ONE Case Study

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East Anglia 1 Case Study – Impact and Legacy

To date EA1 has achieved over 50% UK Content and directly facilitated direct investment locally in East Anglia of over £145m

Supply Chain

- **UK Content –** 50% target exceeded through innovative contracting strategy
- **Local Supply Chain – Construction:** Investment in companies working locally in East Anglia exceed **£76m**.
- **Investment in Ports:** Investment £30m in local ports, creating a world class facility for supporting the operations of the windfarm.
- **Operations & Maintenance:** value of contracts awarded to organisations working in East Anglia is above £24m

Additional Local Investment: Local investment on supporting services including media support, catering, office supplies, resources to date of £13.79m

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East Anglia 1 Case Study – Impact and Legacy

Innovation spend targets surpassed to invest in new technologies specifically for offshore wind

Innovation

- **Embracing innovation through technology choices:** One of the first to use 7 MW turbine, 66 kV inter array cables and deploy a novel three legged jacket foundation. Also first to use new refurbished Bokalift 1 vessel, paving the way for other projects to benefit from these experiences in future.
- **Innovation Competition:** UK-based finalists in SPR Innovation Competition Rovco (Bristol) and Cedeco (Glasgow) secured funding from Innovate UK through SPR support to help with entry into the offshore wind market.
- **Focus on delivery of Innovation:** Appointment dedicated Test Site Project Manager who identified eight innovative technologies to deploy within the EA1 windfarm.

SPR continues to contribute significantly to industry-wide forums and joint industry projects that are focused on the promotion of innovation.

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East Anglia 1 Case Study – Impact and Legacy

The multi-objective skills outreach has engaged over 4,200 young people across the East Anglia region

Skills

- **Offshore Wind Skills Centre:** £76,800 donation sponsoring 26 places for individuals looking to pursue careers in the offshore wind sector.
- **Job Creation & Apprenticeships:** In 2020 the newly developed Offshore Apprenticeship programmed launched attracting over 165 applicants.
- **Masters Scholarships:** ScottishPower has invested over £200,000 to support Master Scholarships at the University of East Anglia
- **Graduate Programme:** 10 graduates hired for ScottishPower Renewables Offshore business.
- **STEM Workshops**: Over 3,200 young students participated in 6 inspiring, week long STEM workshops tailored to renewable energy and electricity.
- **International Women in Engineering Day:** Over £17,000 invested to support INWED events across East Anglia. Over 1,400 young females engaged with since 2018

SPR continue to work with supply chain to develop and deliver Offshore Wind specific projects and training for young individuals looking for sector experience.

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East Anglia Hub Opportunities

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East Anglia Hub - Timeline

2020 2021	2022	2023	2024	2026	2026
Supply chain engagement, procurement and design optimisation	Onshore construction expected to commence	Offshore construction expected to commence	Onshore and offshore construction activity	Onshore and offshore construction activity	Expected to be fully operational powering over 2.7 million homes

Supply chain engagement will continue throughout the project

Supply Chain Engagement

Supplier Database

Conferences & Events

East Anglia HUB Contract Awards

Supply Chain Information

Contact Us

Procurement Processes

www.scottishpowerrenewables.com/pages/offshore_wind_suppliers

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Thank you

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