



# ScotWind Leasing

Seabed leasing for new offshore wind farms

Pre-launch Summary

## ScotWind Leasing: Pre-launch Summary

**This is the pre-launch of the first cycle of ScotWind Leasing for commercial scale offshore wind projects. Through this pre-launch, we can provide developers with detailed arrangements for ScotWind Leasing in near-final form.**

### **This pre-launch will:**

- help developers prepare to apply to ScotWind Leasing when it is fully launched in the near future, and
- give us the opportunity to fine-tune the arrangements in response to feedback, helping ensure that the leasing runs smoothly.

## Background

**In May 2018, Crown Estate Scotland unveiled proposals to lease seabed to encourage a new generation of offshore wind projects in Scotland's waters. Since then, we have received a significant amount of high-quality feedback from offshore wind developers, local authorities, industry bodies and others.**

This engagement has been used to shape the design of the leasing process, and we are confident that with this input and support ScotWind Leasing will be a success.

Significant progress in the offshore wind industry coupled with the focus on transitioning to a net zero economy creates a positive environment for ScotWind Leasing. Milestones such as the Offshore Wind Sector Deal<sup>1</sup> and Scotland's Climate Change Bill now targeting a date of 2045 for reaching net-zero emissions<sup>2</sup> have further confirmed our ambition to see Scotland as a major focus for offshore wind activity in the coming years.

In April 2019, we said we intended to pre-launch ScotWind Leasing in summer 2019, targeting July.

Since then, we have continued our work on developing the Crown Estate Scotland documentation and we can now share the near-final leasing offer and application process with you. The material we publish today is for a pre-launch; the first cycle of ScotWind Leasing has not yet opened and we do not invite applications based on this pre-launch.

The final launch of ScotWind Leasing will seek to attract investment to Scotland to help to reduce climate-change emissions and enable wider socio-economic benefits for communities.

### **Pre-Launch**

The documentation available in this pre-launch includes:

- Draft ScotWind Leasing Offer Document
- Draft ScotWind Leasing Registration Form
- Draft ScotWind Leasing Application Form
- Draft Guidance Notes for ScotWind Leasing Registration and Application Form
- Form of Option Agreement and Lease

**Please email [marine@crownestatescotland.com](mailto:marine@crownestatescotland.com) to request the available pre-launch documentation.**

The documents you will receive are not yet in their final form and they will be amended for the launch of

<sup>1</sup> Find more information here: <https://www.gov.uk/government/publications/offshore-wind-sector-deal>

<sup>2</sup> Find more information here: <https://www.gov.scot/policies/climate-change/climate-change-bill>

ScotWind Leasing. We are confident that the main elements of how an application must be prepared and presented are largely settled so the pre-launch provides a good basis for developers to prepare for ScotWind Leasing. By providing these draft documents, we hope to shorten timescales later in the process.

We will issue pre-launch documentation upon request until at least 30 August 2019. As we approach leasing launch, planned for October 2019, it may be worthwhile waiting for the finalised versions of the documentation.

## Overview of ScotWind Leasing

<b>Scale of leasing</b>	<p>ScotWind Leasing has been designed to cater for multiple GW-worth of projects, within the framework set by the Scottish Government's forthcoming Sectoral Marine Plan for Offshore Wind.</p> <p>ScotWind Leasing will be launched once draft Sectoral Marine Plan information is available.</p>
<b>Seabed being offered</b>	<p>Applicants may select application areas within the Draft Sectoral Marine Plan, subject to some rules and limits which are designed to balance the flexibility we offer.</p>
<b>Types of project</b>	<p>ScotWind Leasing stipulates that applications must be for offshore wind projects of a scale and nature which is compatible with the Sectoral Marine Plan, but we do not have any further specific requirements about the type of technology which is to be deployed.</p>
<b>Selection of applicants</b>	<p>Selection is initially by multiple criteria – including capabilities, experience and financial resources – chosen to establish the likelihood of a project proceeding successfully. These are assessed to determine whether a minimum required standard is met, and if there is competing interest for seabed, to resolve that competing interest.</p>

Applications must include a financial bid (termed Applicant Valuation) which reflects the applicant's valuation of its intended project. The financial bid will be selected from pre-defined levels which we will set, rather than made on an open-ended basis. The levels have not yet been finalised although we are currently minded that they will not be more than £10,000 per km<sup>2</sup>. The Applicant Valuation will determine the Option Fee which successful applicants will pay when entering an Option Agreement. The fee to acquire a site depends on the size of the area requested but we estimate it may be in the region of £5 million for a commercial scale project.

If the initial selection by multiple criteria does not fully resolve competing interest then the highest Applicant Valuation will determine the successful application, with further tie-break arrangements to cater for the possibility of tied Applicant Valuations.

## Timelines

We will arrange the launch of ScotWind Leasing to fit in with publication of the draft Sectoral Marine Plan for Offshore Wind. The indicative dates for the various steps of leasing are unchanged from the update which we gave in April 2019:

- ScotWind Leasing launch: October 2019
- Registrations: November 2019
- Deadline for ScotWind Leasing applications: between February 2020 and April 2020
- Decision taken on which applications are successful: between May 2020 and July 2020

We will make sure that any updates to these intended timings are communicated appropriately.

## Next Steps

**We invite feedback on the pre-launch material and invite clarification questions, in written form, via [marine@crownestatescotland.com](mailto:marine@crownestatescotland.com).**

We will publish an overview of anonymised questions received and answers that we have supplied on our website by September 2019.

We will provide a notification through our ScotWind Leasing mailing list when this overview is published. If you are not already on the mailing list, please email a request to subscribe to the email address above.

We will also publish an update on the timings for ScotWind Leasing launch by the end of September 2019.

**Please provide written feedback via email to [marine@crownestatescotland.com](mailto:marine@crownestatescotland.com) before 30 August 2019.** If you have feedback but cannot make the 30 August deadline, we will try our best to take account of responses received up to a week later i.e. 6 September 2019.

If you have general comments or queries on this update please email [hannah.whyte@crownestatescotland.com](mailto:hannah.whyte@crownestatescotland.com) or call 0131 260 6071 to speak to Hannah Whyte, Policy & Planning Manager.



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