



April 2023

MachairWind Limited

Supply Chain Development Statement Outlook

ScotWind

SCDS Outlook

ScottishPower Renewables (SPR) is one of the leading offshore wind developers in the UK with a proven track record of delivering ambitious supply chain commitments to bring benefit and growth to UK industry. SPR's East Anglia ONE (EA ONE) offshore windfarm exceeded its targets to deliver strong local and UK content, a robust skills strategy and innovation in the supply chain. SPR is well positioned to build on these successes to deliver our ambitious plans of creating a world-class offshore wind supply chain in Scotland. This Supply Chain Development Statement (SCDS) is written as part of SPR's Year 1 update on the initial SCDS.

Industry Experience

SPR is part of ScottishPower, the UK's first 100% green vertically integrated energy company which is a subsidiary of the global energy firm, Iberdrola. Iberdrola had an installed capacity of 35 GW by the end of 2020 and has the ambition to meet the target of 60 GW installed capacity by the end of 2025. With a strong presence in onshore and offshore wind across the UK and Scotland, SPR is already an established leading developer and operator of renewable energy projects. With over 2.5 GW of renewable energy generation across the UK, including the recently completed EA ONE offshore windfarm which supported approximately 3,500 jobs at the peak of construction, SPR has created a pathway of development in the East Anglia region with the pipeline of three further projects, known as the East Anglia Hub.

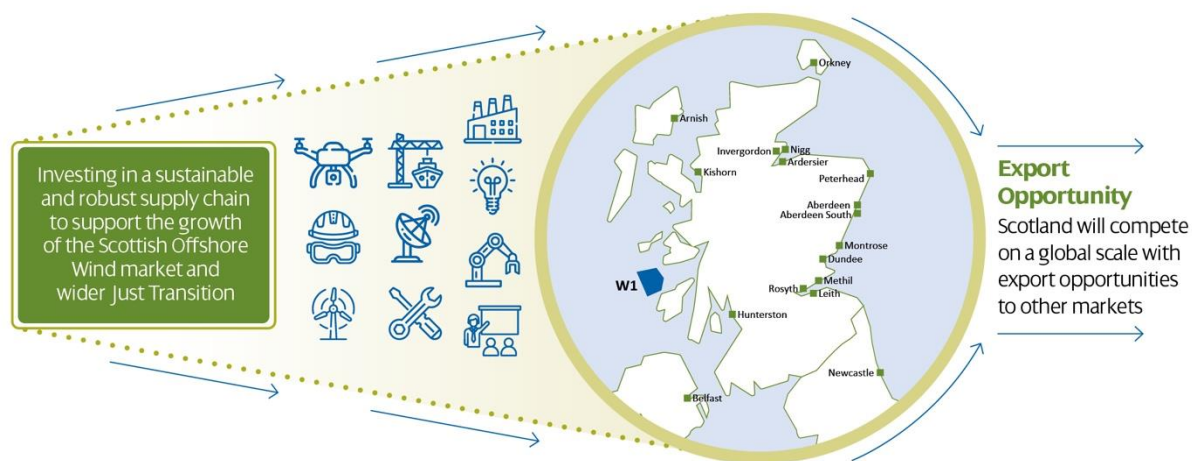
SPR is committed to global and UK net-zero targets and is well positioned to deliver this through projects in Scotland via the ScotWind Leasing process. SPR was directly involved in the creation of the Offshore Wind Sector Deal which outlines the ambitions to work in partnership with government to deliver against the five pillars: Business Environment, Infrastructure, Ideas, People, and Places. In addition, SPR was co-author of the UK Offshore Wind Industry Review, led by Martin Whitmarsh, offering the UK Government an independent perspective on the industry and making recommendations for the sector. SPR is also an active member of the Scottish Offshore Wind Energy Council (SOWEC) and the Offshore Wind Growth Partnership (OWGP) which provide understanding of the opportunities and challenges for the supply chain, whilst working with wider industry on ways to resolve these.

Scottish Supply Chain

SPR is committed to providing funding through the Offshore Wind Stimulus Fund (OWSF) of £25 million to support Scottish supply chain growth. We are working with suitable partners such as Scottish Enterprise (SE), Highlands and Islands Enterprise (HIE), South of Scotland Enterprise (SoSE) and DeepWind and Forth & Tay Offshore clusters to identify Scottish suppliers with potential to fulfil subcontracted scopes of work.

SPR has engaged with Scottish suppliers to better understand the opportunities created by the ScotWind Leasing process. SPR will work with suppliers and relevant organisations to assess their suitability and help establish their place in the market to deliver maximum Scottish content for the MachairWind project. With over 32GW of projects awarded through ScotWind and INTOG, there are significant opportunities for Scottish supply chain companies and port facilities to provide services which are fundamental to the development of offshore wind. SPR will hold supplier events to engage with the local community and supply chain companies in key locations for MachairWind, such as Oban, Campbeltown, Glasgow and others. We believe that this will help bridge the gaps in the Scottish supply chain and unite the industry to deliver greater opportunities for Scotland. SPR welcomes the opportunity to work with the Scottish Government, industry bodies and the wider supply chain to invest in the infrastructure and facilities required to develop MachairWind and deliver a world-class supply chain in Scotland with global export opportunities. SPR will connect our Tier 1 suppliers with Scottish supply chain companies and work together to increase competition within the market and focus on the development of skills and innovation.

ScotWind projects will create an increase in demand for local skilled labour, therefore SPR has developed a long-term skills plan to provide access to training for those who wish to enter the offshore wind industry. Working with local education facilities for children of all ages, SPR will provide support to learn about Science, Technology, Engineering and Maths (STEM) subjects in order to engage from an early age and spark interest in the future workforce.



Forecast expenditure tables

Commitment Table				
	£ Million			
Project Stage	Scotland	Rest of UK	EU	Elsewhere
Development	234.1	58.5	-	-
Manufacturing & Fabrication	577.5	1,124.6	1,937.5	-
Installation	1,004.1	152.2	902.7	-
Operation	304.4	60.9	40.6	-

Ambition Table				
	£ Million			
Project Stage	Scotland	Rest of UK	EU	Elsewhere
Development	292.7	-	-	-
Manufacturing & Fabrication	1,006.8	963.9	1,667.0	-
Installation	1,024.8	131.5	902.7	-
Operation	405.9	-	-	-

The Commitment table is based on cost assumptions at the time we expect MachairWind to be delivered, and accounts for existing challenges and opportunities within the Scottish supply chain. SPR acknowledges that strengths exist within the Scottish supply chain and there are opportunities to build on these to ensure the Scottish offshore wind industry develops and Scottish suppliers have the capabilities to become global market players.

The Ambition table outlines cost scenarios which maximise Scottish content and reflects expenditure following investment in the Scottish offshore wind industry by SPR, Scottish Government and other industry bodies. SPR is confident that with the appropriate level of investment, the OWSF, and commitment from all parties, suppliers and Scottish ports can deliver several key services for offshore wind in Scotland.

SPR welcomes the opportunity to apply our global experience in offshore wind development to deliver MachairWind and will collaborate with all relevant parties openly and constructively. SPR is committed to a future that is green and we believe we can successfully deliver MachairWind, which will help the Scottish Government drive towards achieving Scotland’s net-zero target by 2045.