



PURE POWER TO GROW



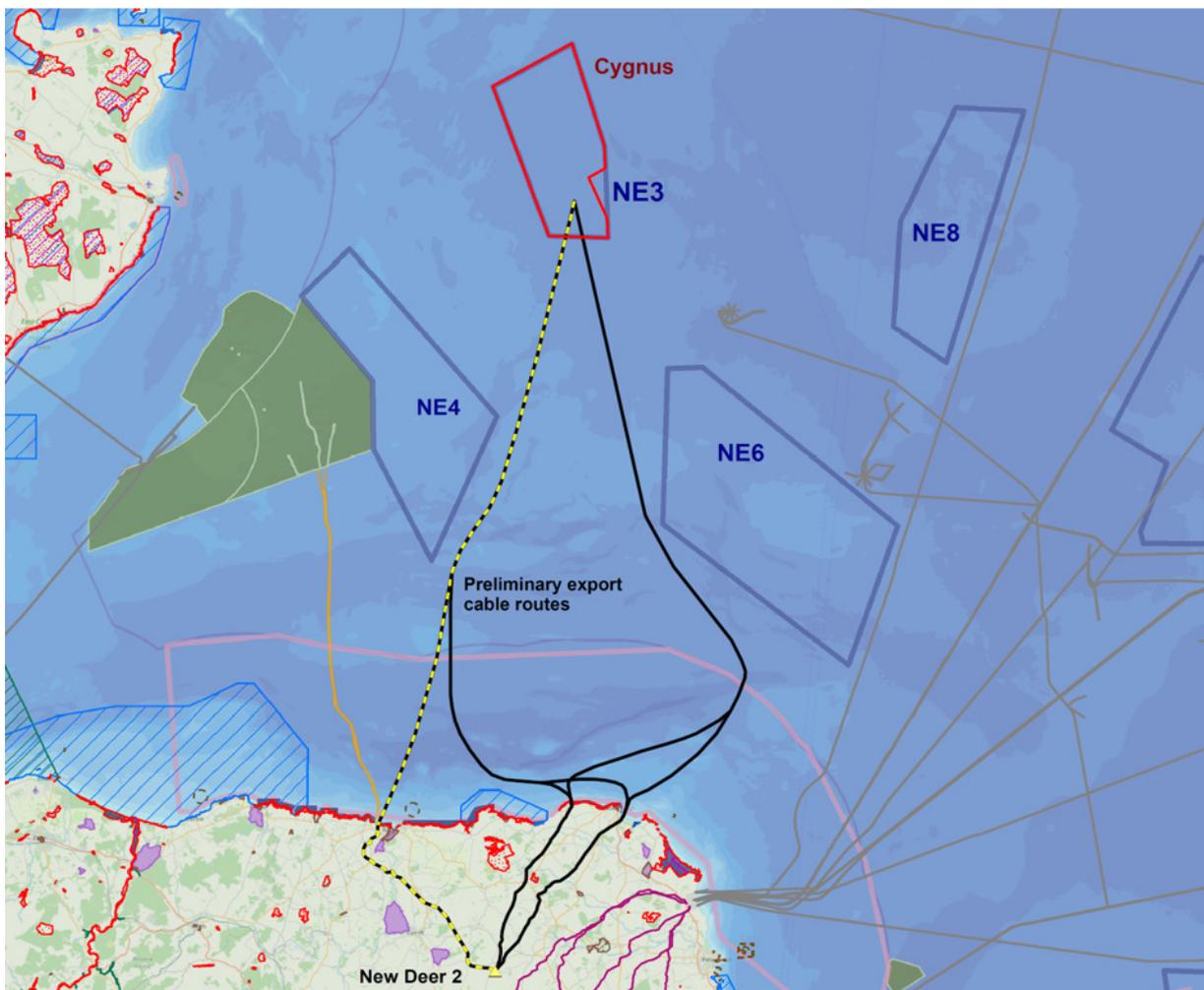
# CODE NAME: *CYGNUS*

Attachment Title: *SCDS Outlook*

CES Attachment Name: *SWL1A105A13OUTLOOK01*

Part: A

Question: 13



## 1 Commitment and ambition tables

These tables are based on a project size of 1GW, 62 concrete floating foundations and a 30-year lifetime.

	Scotland expenditure	rUK expenditure	EU expenditure	Rest of world expenditure
1- Development Stage	£153,621,800	£81,058,236	£10,530,670	£0
2- Manufacture & Fabrication Stage	£818,971,349	£300,928,843	£914,120,613	£154,437,572
3- Installation Stage	£404,290,529	£22,411,665	£214,615,449	£0
4- Operations Stage	£106,089,048	£36,900,063	£70,198,672	£0
<b>Total</b>	<b>£1,482,972,727</b>	<b>£441,298,807</b>	<b>£1,209,465,404</b>	<b>£154,437,572</b>

*Table 1 SCDS Commitments table*

	Scotland expenditure	rUK expenditure	EU expenditure	Rest of world expenditure
1- Development Stage	£215,514,725	£58,356,958	£0	£0
2- Manufacture & Fabrication Stage	£1,247,702,874	£878,856,372	£710,436,026	£0
3- Installation Stage	£617,989,603	£179,453,468	£78,885,873	£0
4- Operations Stage	£184,734,420	£36,474,542	£35,099,336	£0
<b>Total</b>	<b>£2,265,941,622</b>	<b>£1,153,141,339</b>	<b>£824,421,235</b>	<b>£0</b>

*Table 2 SCDS Ambition table*

## 2 Supply Chain Development Statement Outlook

**This SCDS outlines our strategy to deliver one of the largest floating offshore wind projects in the world with a commitment to ensuring the highest levels of local content ever seen in a commercial scale offshore wind project in the United Kingdom.**

“The Partners”, (the group of companies belonging to Ørsted, Falck Renewables and BlueFloat Energy), are bidding for the 1,000 MW Cygnus site located in the NE3 Plan Option. The project will include 62 concrete semi-submersible floating foundations, guaranteeing cost competitiveness and delivering maximum local content.

Our ambition is to spend £2.27 billion within the Scottish supply chain over the period of the project, with a commitment of £1.48 billion.

We have proposed reinforced concrete structures and appointed independent consultants Olav Olsen to deliver a concept design of their OO-Star floater as our base case. Concrete is an ideal choice for maximising local content as:

- It does not require the large pre-existing fabrication facilities demanded by monopiles, jackets or steel floaters which make local content so challenging;
- A large local workforce could be trained in the relatively straightforward manufacturing techniques;
- It avoids the use of steel structures which bypasses the bottlenecks that will inevitably arise from increased demand from other companies choosing steel for their designs and the UK’s limited steel manufacturing capacity.

We are aware of the environmental impact of traditional concrete and intend to use low carbon alternatives. We have secured a Lol from Ecocem who supply low carbon cement with a carbon footprint 16 times lower than traditional cement.

Using concrete floaters results in a commitment of £758 million of floating foundation fabrication spending in Scotland with an ambition of £924 million.

Our approach to the mooring and offshore/onshore installation package commits £404 million in Scotland with an ambition of £618 million. We have identified suitable Scottish suppliers to support the floating foundation spend and installation scopes. These include but are not limited to TTI Marine Renewables (mooring systems

design); Bridon Bakaert (manufacture of mooring lines in their Scottish plants), Vryhof (who are locating their new anchor supply chain in Scotland) and Scottish based Rigmar (EPCI installation contractor). We have also identified key ports in Ardersier, Hunterston and Aberdeen South Harbour and have agreed MoU's with each of them to discuss the potential for large scale concrete foundation fabrication.

These two packages represent 80% of Cygnus's committed expenditure in Scotland. Other significant areas of Scottish expenditure include utilising Scottish based service and consultancy companies during development, onshore civil works, O&M services and assembly.

We have a demonstrated commitment to Scottish supply chain development through Falck Renewables, an established renewable energy developer and asset owner in Scotland who have a strong sustainability charter and a strategic commitment to local community support. Falck Renewables have commitments to increase local procurement and employment to 55% by 2025. This aligns well with the UK's Offshore Wind Sector Deal's commitment to increase UK content to 60% by 2030 – a commitment spearheaded by Ørsted's Benj Sykes, who was the co-chair of the joint government and industry body for many years.

We have comprehensively mapped out the project supply chain which involved identifying tier I and tier II Scottish and rUK suppliers. We have also engaged directly with the Scottish supply chain through potential key suppliers as well as agencies and bodies supporting the Scottish supply chain which allowed us to pressure test our understanding, secure firmer commitments (LoS, MoUs etc) and gain assurance on the capabilities of a range of sectors and suppliers to deliver components and services to the project.

As a floating offshore wind farm, Cygnus offers a unique opportunity to develop the Scottish supply chain and position Scotland as a global floating offshore wind hub. Existing gaps in capacity, resources and capability need to be addressed to achieve our stated levels of commitment and ambition. We will continue to work with organisations such as The Scottish Council for Development and Industry, Highlands and Islands Enterprise and Scottish Enterprise to develop a sustainable Scottish supply chain.

The development of offshore wind in Scotland is an ideal opportunity to maximise the benefits for the whole country. Falck Renewables are innovators in community engagement, setting up community ownership schemes, co-operatives & flexible community benefit packages. We plan to continue this approach with Cygnus, with a dedicated budget for community benefit and supply chain support schemes of almost £1m per year during the development phase, followed by c£500k post consent and into operations. This would be used for:

- A community ownership scheme (community offshore wind turbine or community co-operative), developed in partnership with Energy4All.
- Working with the broader offshore wind industry to establish a Scotland-wide offshore wind community fund.
- Expanding The Partners' current programme of engagement with young people which includes a support scheme for students of courses linked to renewable energy; sponsorship of an SCDI STEM programme for primary schools, mentoring with UHI and WTG OEM apprenticeship programmes.
- Collaboration with ESP to upskill and re-skill the existing work force and promote the industry via education programmes, STEM projects and funding.
- New ESP projects for improving and developing areas such as advanced manufacturing and hydrogen related studies which would assist future projects, reducing LCOE for our project and providing more employment and capabilities in Scotland.
- Participating in a scheme to encourage and support SMEs to enter the floating offshore arena.
- Work with SAMS on several projects aimed at understanding the environmental and social impacts of floating offshore wind developments and how to address them sustainably.

**We are proud that our intention to use a low carbon concrete floating concept combined with our sustainable approach to the project's supply chain and unprecedented plans for community engagement could result in expenditure of £2.27 billion in the Scottish supply chain.**