



Ossian Offshore Wind Farm Limited

Leasing Application

SCDS Outlook

April 2023



Marubeni



The information provided in this document regarding supplier names, the existence and content of Collaboration Agreements, MOUs and RFI responses is commercially sensitive on the basis that disclosure will prejudice future procurement activities undertaken by the Project Partners. We would therefore kindly request that this information is not disclosed in the absence of the Project Partners prior written consent.

DOCUMENT REVISION

CURRENT REVISION

Revision	Date	Status	Prepared	Reviewed	Description of change
SCDS Update Revision 01	April 2023	Final	D Paterson	D Willson	Updates from April 2022 up to April 2023

HISTORY

Revision	Date	Status	Prepared	Reviewed	Description of change
SCDS Submission	July 2021	Superseded	Bid Team	Bid Team	First submission



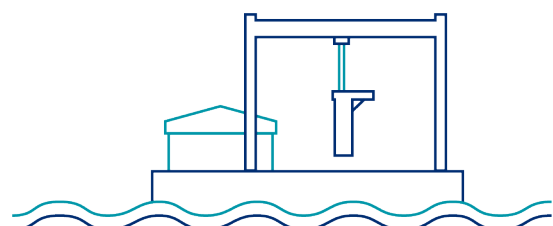
SCDS OUTLOOK

The Project Partners are proud to present the **Supply Chain Development Statement (SCDS) Outlook** for the 3,528MW maximum capacity E1 East floating offshore wind farm, Ossian (the Project), which will be delivered across three phases (each a Phase). The project capacity has been increased from 2,610 MW in November 2022 after full geophysical and benthic surveys of the project area and confirmation from NGENO that up to 3,528MW of capacity for Ossian was included within the Holistic Network Design Follow-up Exercise (HNDUE). **Table 1** and **Table 2** below set out the Project Partners' SCDS Commitments and SCDS Ambitions for the Project.

The Project Partners are implementing a supply chain development strategy (the SCDS Strategy) that builds on their long-standing experience with the Scottish supply chain and successfully driving localisation across several other offshore wind markets worldwide.

The SCDS Strategy is set out in full in the SCDS Statement and has been informed by guiding policy documents, including the Scottish Offshore Wind Energy Council goals, Scottish Government Offshore Wind Policy, Offshore Wind Sector Deal, and the UK Government Supply Chain Plan requirements as well as the strategic objectives of Crown Estate Scotland.

The SCDS Strategy has been designed to support the expansion of the floating offshore wind supply chain in Scotland to establish a leading position in this field. The Project Partners are already exploring options to expand the Scottish floating offshore wind supply chain and have entered into collaboration agreements and Memorandums of Understanding with several supply chain partners in that regard.



SCDS COMMITMENTS

The Ossian project team has retained the same level of SCDS commitments and ambitions as those submitted during the initial project bid, despite the increase in project capacity. Tables 1 and 2 are based on the initial 2,610MW capacity. The project team will review the SCDS commitment and ambition figures to reflect the capacity increase to up to 3,528MW once the project phasing and timing is understood.

Table 1 SCDS Commitments (expenditure in £m)

Phase 1, 594MW	Scotland	rUK	EU	Elsewhere
Development	111	49	4	0
Manufacturing & Fabrication	437	118	344	356
Installation	270	17	77	39
Operations ¹	216	52	27	13
Total, Phase 1	1,034	236	452	408
Phase 2, 1,008MW	Scotland	rUK	EU	Elsewhere
Development	72	22	4	0
Manufacturing & Fabrication	668	217	559	550
Installation	359	20	129	64
Operations	294	67	40	23
Total, Phase 2	1,393	326	732	637
Phase 3, 1,008MW	Scotland	rUK	EU	Elsewhere
Development	74	22	4	0
Manufacturing & Fabrication	669	202	525	522
Installation	357	20	129	64
Operations	306	70	41	24
Total, Phase 3	1,406	314	699	610
TOTAL OSSIAN	Scotland	rUK	EU	Elsewhere
Development	257	93	12	0
Manufacturing & Fabrication	1,774	537	1,428	1,428
Installation	986	57	335	167
Operations	816	189	108	60
TOTAL, OSSIAN²	3,833	876	1,883	1,655

¹ Operations constitutes the six-year period following COD.

² Values include an annual inflation assumption of 2%.

NB the above footnote comments also apply to the SCDS Ambition table.

SCDS AMBITION

The Ossian project team has retained the same level of SCDS commitments and ambitions as those submitted during the initial project bid, despite the increase in project capacity. Tables 1 and 2 are based on the initial 2,610MW capacity. The project team will review the SCDS commitment and ambition figures to reflect the capacity increase to up to 3,528MW once the project phasing and timing is understood.

Table 2 SCDS Ambition (expenditure in £m)

Phase 1, 594MW	Scotland	rUK	EU	Elsewhere
Development	111	49	4	0
Manufacturing & Fabrication	546	142	321	286
Installation	269	17	77	39
Operations	225	47	23	10
Total, Phase 1	1,151	255	425	335
Phase 2, 1,008MW	Scotland	rUK	EU	Elsewhere
Development	72	22	4	0
Manufacturing & Fabrication	761	257	520	496
Installation	358	20	130	64
Operations	310	59	33	17
Total, Phase 2	1,501	358	687	577
Phase 3, 1,008MW	Scotland	rUK	EU	Elsewhere
Development	74	22	4	0
Manufacturing & Fabrication	761	236	490	468
Installation	357	20	130	64
Operations	322	62	34	18
Total, Phase 3	1,514	340	658	550
TOTAL OSSIAN	Scotland	rUK	EU	Elsewhere
Development	257	93	12	0
Manufacturing & Fabrication	2,068	635	1,331	1,250
Installation	984	57	337	167
Operations	857	168	90	45
TOTAL, OSSIAN	4,166	953	1,770	1,462



SCDS STATEMENT

The Ossian Project Partners are committed to maximising the Project's economic development and supply chain benefits for Scotland. As a result, the Project Partners have projected spending over £8bn in Scotland over the life of the Project, of which £3.8bn is expected to be realised during development, construction, and first six years of operation.

SCDS Methodology

The values shown in the SCDS Commitment and SCDS Ambition tables are derived from a detailed financial analysis of the Project's lifetime costs. This comprises many cost line items each of which has been assigned a specific percentage assumption for each geographic category. This analysis has been informed by:

- the Project Partners' offshore wind procurement experience in Scotland and other offshore wind markets within their 27GW project pipeline;
- a supply chain gap analysis, which assessed the opportunities for greater supply chain development in Scotland;
- specific commitments for certain key work packages set out in the SCDS Statement; and
- twenty-six Request for Information responses received from the supply chain.

A high-level commentary is provided below to explain how certain values were arrived at within the SCDS Commitments table.

SCDS Commitments

Development

Scotland and the wider UK have strong existing supply chain capabilities to provide development services, such as studies, surveys, and analysis, and the personnel resources required to obtain planning consents. This supports an overall high level of Scottish and UK content in this category.

Manufacturing & Fabrication

There is potential for the following scopes to have a high level of Scottish and UK content, which has informed the assessment in this category:

- Wind Turbine Generator (WTG) blades and towers
- Floating foundation fabrication and assembly
- Floating foundation moorings and anchoring solutions
- Inter-array cables
- Onshore substation fabrication
- Offshore substation fabrication
- Operations base construction



Installation

There is strong potential for the following scopes to be completed in Scotland and the wider UK:

- Foundation and moorings installation
- Onshore WTG and foundation assembly works
- Onshore substation construction and installation
- Export cable route civil works and installation

Operations & Maintenance

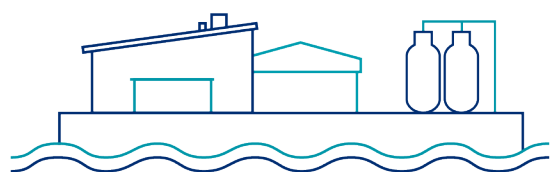
A high degree of Scottish and UK content is expected during the operations and maintenance (O&M) phase. Much of this activity will be centred around the Project's local operations base. The following key activities offer a high degree of local content and underpin estimates made in this category:

- WTG O&M services
- Balance of Plant inspection services
- Transmission Network Use of System charges
- Crown Estate Scotland rent

SCDS Ambition

The SCDS Ambition builds on the expected expenditure projections provided in the SCDS Commitments table and includes greater projected Scottish and UK expenditures in the following areas:

- **Export and inter-array cables:** There is a significant opportunity to bring new capabilities to manufacture offshore export and inter-array cables in Scotland.
- **WTG blades:** There is scope to increase the proportion of WTG blades made in the UK in the future based on recent investments in new and existing facilities.
- **Other items:** Various opportunities exist to incrementally increase the local content of fabrication materials and O&M activities in the future.





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