

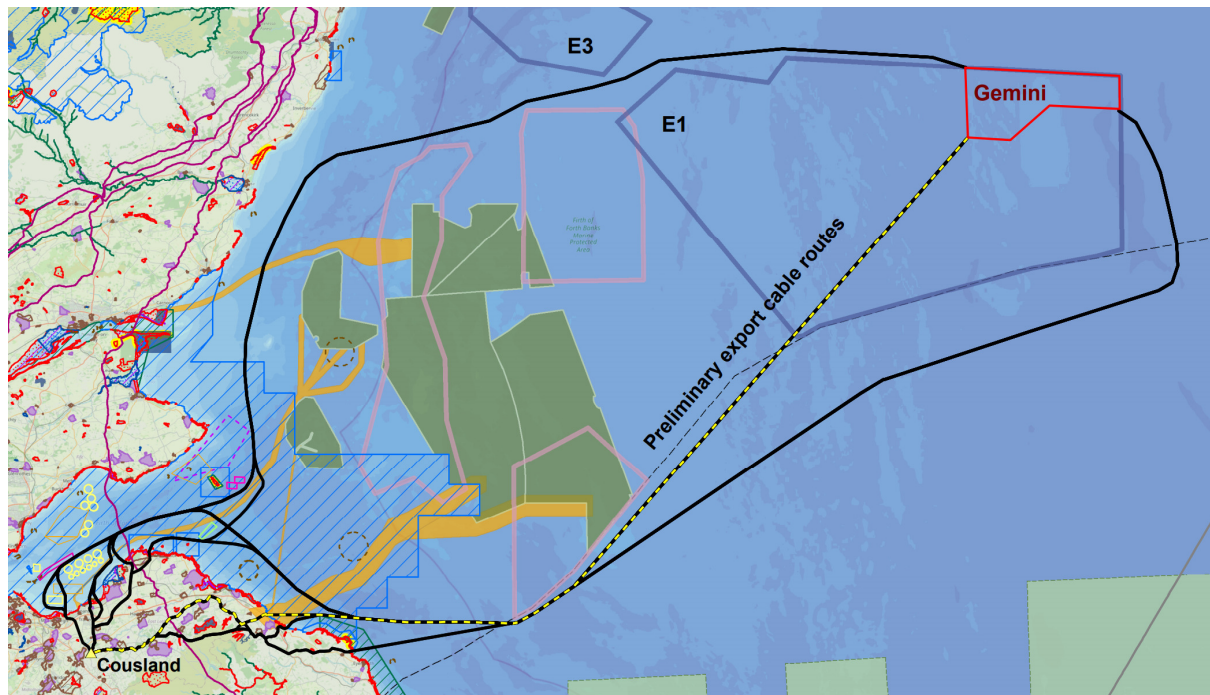
CODE NAME: *GEMINI*

Attachment Title: *SCDS Outlook*

CES Attachment Name: *SWL1A109A13OUTLOOK01*

Part: A

Question: 13



1 Commitment and ambition tables

The numbers in these tables and the subsequent narrative are based on achieving a project size of 1.2GW. Costs will need to be adjusted accordingly if project size is changed.

	Scotland	rUK	EU	Rest of world
1- Development Stage	£157,841,824	£81,410,400	£10,384,060	£0
2- Manufacture & Fabrication Stage	£979,801,608	£354,402,008	£1,206,100,937	£176,665,028
3- Installation Stage	£438,079,414	£20,448,730	£239,461,587	£0
4- Operations Stage	£138,925,531	£56,278,998	£108,308,929	£0
Total	£1,714,648,377	£512,540,136	£1,564,255,513	£176,665,028

Table 1 SCDS Commitments table

	Scotland	rUK	EU	Rest of world
1- Development Stage	£220,522,145	£59,052,400	£0	£0
2- Manufacture & Fabrication Stage	£1,519,178,492	£904,591,916	£956,114,215	£0
3- Installation Stage	£666,483,021	£171,296,277	£84,675,583	£0
4- Operations Stage	£249,899,148	£55,773,215	£54,154,464	£0
Total	£2,656,082,806	£1,190,713,807	£1,094,944,262	£0

Table 2 SCDS Ambition table

2 Supply Chain Development Statement Outlook

This SCDS outlines our strategy to realise one of the largest floating offshore wind projects in the world with the highest levels of local content for a commercial offshore wind project in the United Kingdom.

“The Partners”, (the group of companies belonging to Falck Renewables and BlueFloat Energy) are bidding in partnership for the 1,200 MW Gemini site located in the E1 Plan Option. The project will incorporate 75 concrete semi-submersible floating platforms, guaranteeing cost competitiveness and delivering maximum local content.

Our ambition is to spend £2.66 billion within the Scottish supply chain, with a firm commitment of £1.71 billion.

Our collaborative supply chain approach will achieve project competitiveness along with sustainable development of the Scottish offshore wind supply chain and real benefits for Scotland as a whole. Any gaps in capacity, resources and capability will be addressed by formulating and delivering enterprise and skill development programmes with project, industry and national stakeholders.

Our proposal for a design with a reinforced concrete foundation has been chosen primarily because it enables maximum local content in its manufacture. We have 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 leveraging local content so challenging;
- A local workforce could easily be trained in the relatively straightforward techniques required for manufacture; and
- Avoiding the use of steel structures 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.

This decision alone results in a firm commitment of £916 million of foundation fabrication spending in Scotland with an ambition of £1,117 million.

We are aware of the environmental impact of traditional concrete and will use low carbon cement from Ecocem with a carbon footprint 16 times lower than traditional cement.

Our approach to the mooring and offshore/onshore installation package commits £438 million to be spent in Scotland with an ambition of £666 million.

It is assumed that TTI Marine Renewables will design the mooring lines with Bridon Bakaert providing manufacturing capabilities via their Scottish plants. Anchors could be supplied by Vryhof who are locating a new anchor supply chain in Scotland.

We have an MoU in place with Rigmar as intended installation EPCI contractor. All necessary capabilities are available in Scotland with only the offshore heavy lift vessel for the converter station needing to be sourced in the EU.

These two packages represent 80% of our project's total Scottish based commitment expenditure. Other significant areas of Scottish expenditure are:

- Work with Scottish based consultancy and service companies during development with a commitment of £158 million and an ambition of £221 million;
- Civil works to improve facilities at ports with a commitment of £37 million and an ambition of £49 million; and
- All O&M services to be delivered by Scottish contractors with a commitment of £139 million and an ambition of £250 million.

Falck Renewables is an established Scottish renewable energy developer and asset owner with a commitment to increasing local community support and the provision of local procurement and employment to 55% by 2025. This objective is well aligned with the Offshore Wind Sector Deal's commitment to increase UK content to 60% by 2030.

We have begun engagement with the supply chain and instigated discussions with Scottish Council for Development and Industry, Highlands and Islands Enterprise and Scottish Enterprise amongst others about how the offshore industry can best benefit Scottish communities and adopt a clear approach to ensuring a sustainable Scottish offshore wind supply chain.

Our approach to managing and strengthening the local supply chain will focus on:

- Clear widespread communication of project opportunities;
- Simplified procurement and contracting procedures;
- Supplier prequalification; and
- Involving lead contractors and suppliers.

The development of offshore wind in Scotland is an ideal opportunity to maximise the benefits for the whole of the country. Falck Renewables have been innovators in community engagement at its onshore wind farms for many years, developing community ownership schemes, co-operatives and flexible community benefit packages. We will continue that approach with a budget for community benefit and supply chain support schemes of almost £1m per year during Gemini's development phase, followed by c£500k post consent and into operations. This funding would be used for:

- A community offshore wind turbine or community co-operative, developed in partnership with Energy4All.
- Working with the wider offshore wind industry to establish a Scotland wide offshore wind community fund to benefit the whole country.
- Expanding Falck Renewables' current programme of engagement with young people which includes a support scheme for students of renewable energy linked courses; sponsorship of an SCDI STEM programme for primary schools and mentoring with UHI.

- Collaboration with ESP to upskill and re-skill the existing work force and to promote the industry via education programmes and STEM projects and funding for these programmes for the lifetime of Gemini.
- New ESP projects to allow improvements and development of specific areas such as advanced manufacturing and hydrogen related studies which would assist future projects, possibly reducing LCOE for our project and providing more employment and capabilities in Scotland.
- Participating in a scheme to encourage SMEs to enter the floating offshore arena and support them through the process.
- Work with SAMS on projects to evaluate the environmental and social impacts of floating offshore wind developments and how to address them in a sustainable way.

Our intention to use a concrete floating concept and a sustainable approach to the project's supply chain and community engagement could result in the ambition value of £2.66 billion spent in the Scottish supply chain.