

Supply Chain Development Statement: Outlook

1 SCDS Commitments and SCDS Ambition Tables

Table 1: SCDS Commitments table presenting anticipated Expenditure in £million disaggregated by Stage and geographic area¹







Stage	Scottish Expenditure £m 	rUK ² Expenditure £m 	EU Expenditure £m 	Elsewhere Expenditure £m 
Development	176 ³	34	-	-
Manufacturing & Fabrication	272	685	-	-
Installation	213	162	-	-
Operations	181	19	-	-

Table 2: SCDS Ambition table presenting anticipated Expenditure in £million disaggregated by Stage and geographic area.^{1,4}

Stage	Scottish Expenditure £m 	rUK ² Expenditure £m 	EU Expenditure £m 	Elsewhere Expenditure £m 
Development	192 ³	22	-	-
Manufacturing & Fabrication	774	408	-	-
Installation	227	77	-	-
Operations	200	-	-	-

1 The Expenditure levels set out in the Commitments and Ambition tables do not sum to the estimated total Expenditure required for the proposed development. Levels are reflective of only the portion retained in Scotland and rUK. Expenditure in Regions outside of the UK is excluded.

2 Rest of the UK (excluding Scotland).

3 Scottish Expenditure during the Development Stage includes the sum of both traditional development expenditure and enabling investments for the supply chain. Enabling investments have been incorporated in the Table of Commitments (as a lump sum within Scottish Expenditure during the Development Stage).

4 Total Expenditure required for the proposed development is equal across Commitments and Ambition tables. Expenditure put forward in the Ambition table is higher than the Commitments table, based primarily on a higher proportion of the Expenditure retained in Scotland.

Overall the Applicant Commits to...

TOTAL EXPENDITURE



£842m

of total Expenditure committed to Scotland across all project Stages

TOTAL EXPENDITURE



+£552m

of additional Expenditure in Scotland subject to Ambition Scenario

LOCAL CONTENT



30% / 60%

achieving a minimum 30% supply chain content in Scotland and 60% in the UK

SOCIO-ECONOMIC IMPACT



3,114

direct and indirect FTE jobs in Scotland

SUPPLY CHAIN ENGAGEMENT

- ✓ Continuous active participation in Scottish supply chain fora
- ✓ Voluntarily increase frequency of SCDS reporting to optimise information flows
- ✓ Dedicated resources to facilitate coordinated response to the rapidly evolving supply chain landscape

SUPPLY CHAIN ENABLING INVESTMENT

£46m

of financial support to the Scottish supply chain prior to FID, directed towards building critical supply chain competencies that are competitive globally.



£167m

of direct and indirect GVA to the Scottish economy



PROJECT PIPELINE



Pipeline of work to the facility through portfolio of offshore wind projects and successive seabed lease tenders for sites in Scotland

SKILLS & DIVERSITY



Develop skills and improve diversity in the sector through funded apprenticeships and independent accreditation, respectively

FABRICATION



Establish a globally competitive yard in Scotland for steel fabrication and assembly

3 Outlook

Ocean Winds (OW) commits to delivering industrialisation of offshore wind in Scotland and ensuring sustainable flow of local employment opportunities. OW's vision is to help Scotland become a net zero society by 2045, put Scotland at the forefront of the global offshore wind sector, while ensuring Scotland takes advantage of the major economic benefits in manufacturing and fabrication from deployments both domestically and internationally (e.g. see [page 2](#)). The vision is underpinned by OW's strong track record in:



Delivering the largest wind and infrastructure project (Moray East Offshore Wind Farm) in Scotland, from concept in 2009 to a power-producing reality in 2021;



Having a long-term commitment to Scotland with over a decade-long history of supply chain delivery and a domestic pipeline, including "shovel-ready" Moray West Offshore Wind Farm;



Having contributed significantly to the overall success of the offshore wind sector in Scotland, by delivering offshore wind projects at record-low strike price (at the time of award), as well as pioneering steel jacket and floating foundation technologies to access previously inaccessible parts of the Scottish seabed; and



Holding influential industry leadership positions in key Scottish offshore energy fora, including Scottish Offshore Wind Energy Council, Scottish Renewables, and DeepWind supply chain cluster.

Our approach to the SCDS aims to a) maximise deliverable project expenditure primarily in Scotland, and subsequently in the rest of the UK, and

b) provide tangible support to the supply chain to address the present limited capability in Scotland.

Our methodology involved first estimating project expenditure and then distributing it between four geographic regions (Scotland, rest of the UK, EU, and elsewhere). We engaged widely with the local supply chain, economic development agencies, higher education institutions, and innovation bodies in Scotland and UK before setting out our regional breakdown. Our engagement mapped existing capability, identified where opportunities lie and where early support is needed to build further capability in Scotland (see [Table 3](#)). Engagement in several cases resulted in agreements with key suppliers demonstrating preparedness.

As part of our engagement, we have recognised that the sustainable development of the supply chain in Scotland is dependent on both in-kind and financial support. Consequently, **we are voluntarily committing £46m of grant funding into the supply chain, over the first 5 years from OW award, to address the present limited supply chain capability in Scotland and stimulate wider capital investments**. The targets for early investment were chosen to build further supply chain capabilities in areas critical to Scotland's industrial future (see [Table 3](#)). This includes optimised fabrication capabilities, port adaptations, and workforce development initiatives. Our voluntarily committing into the supply chain will address the present limited supply chain capability in Scotland and stimulate wider capital investments.

In conclusion, Ocean Winds is uniquely placed, through our project and financial support to the supply chain, to **contribute significantly towards national climate change policies, deliver multi-billion pound investments and thousands of jobs locally**. We will **establish globally competitive fabrication facilities in Scotland, position the country as a world leader in exportable innovation, and address wider sector opportunities around skills and diversity for current and future generations**. We look forward to working with Crown Estate Scotland, the Scottish and UK governments, economic development agencies (such as Scottish Enterprise, Highlands & Islands Enterprise) and the wider Scottish supply chain in delivering value for Scotland.

Table 3: Proposed activities for early (2022-26) investment of £46m in local supply chain

Type	Indicative financial support	Identified activities to date
Studies to support manufacturing and port facility upgrades in Scotland and wider supply chain initiatives	£15m	<ul style="list-style-type: none"> • Volume production implementation study for steel-based foundation fabrication in Scotland. • Techno-economic studies for port adaptations to enhance capacity, capability, and commercial attractiveness of Scottish facilities being used for construction and O&M activities.
Support research, development, and innovation in Scotland	£6m	<ul style="list-style-type: none"> • Innovation study in digital automated fabrication solutions (methods, tools, robotics, automation) for Scottish facilities. • Innovation study in robotic welding for Scottish facilities.
Increase Applicant's presence nationally through establishing centre of excellence in Scotland	£5.4m	<ul style="list-style-type: none"> • Ocean Winds industrialisation office in Scotland focused on delivery of optimised and cost-effective manufacture and assembly of steel sub-structures. • Ocean Winds' European operational asset control centre in Scotland.
Development of Scottish workforce (incl. diversity initiatives)	£3.6m	<ul style="list-style-type: none"> • Launch a fabrication apprenticeship programme. • Support curriculum development, career/employability development, and research agenda development at Scottish HEIs.
Capital investment contributions	£16m	<ul style="list-style-type: none"> • Capital investment contributions with selected fabricators covering costs towards front-end engineering, permitting process, equipment, infra-structure, and logistics etc. at Scottish facilities. • Capital investment contributions for port facility upgrades (incl. dredging of channels, quay reinforcements, lifting equipment, etc.).

Activities may be replaced with alternatives that may add more value; however, the Applicant remains committed to the same total level of support.



Ocean Winds
5th floor, Atria One, 144 Morrison Street,
EH3 8EX, Edinburgh, UK

+44 (0)131 556 7602
newleasing@oceanwinds.com