



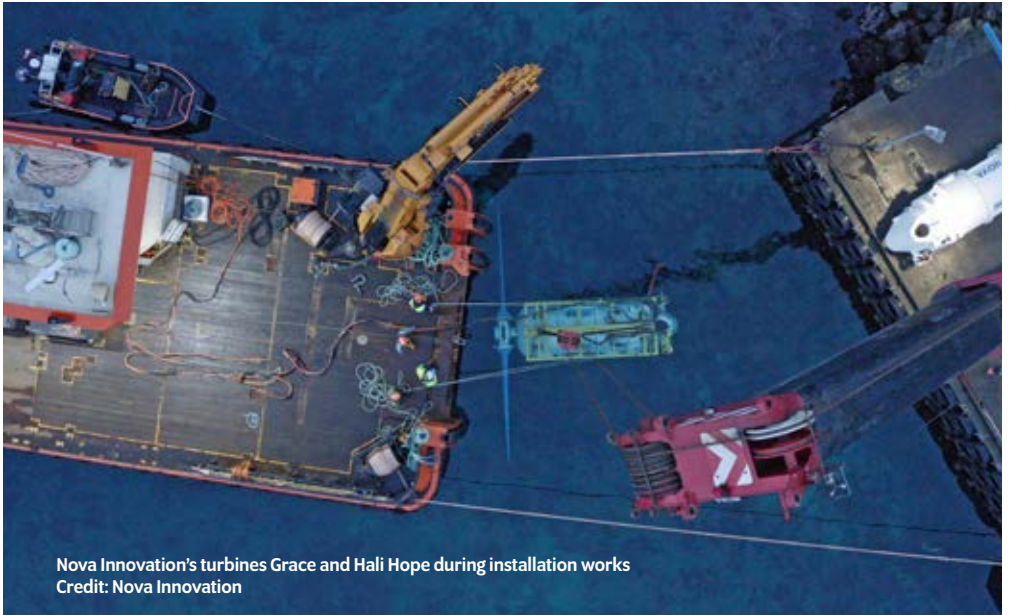
**Crown Estate
Scotland**

Oighreachd a' Chrùin Alba

Marine energy: sector profile

October 2023





Nova Innovation's turbines Grace and Hali Hope during installation works
Credit: Nova Innovation

Who are we?

Crown Estate Scotland manages property – including buildings, land, coastline and seabed – on behalf of the Scottish people.

The Scottish Crown Estate Act 2019 requires Crown Estate Scotland to manage the assets in a way that is likely to contribute to the promotion of economic development, regeneration, social and environmental wellbeing.

We work in a way that:

- Generates prosperity and value for all of Scotland;
- Supports the growth of sustainable business and industry in Scottish seas and on the coast;
- Makes places better for those who live, work and visit there;
- Promotes sustainable ways of

producing energy, food, and other products; and

- Creates opportunities for people to use and benefit from the Scottish Crown Estate.

The work that we do touches key sectors including renewable energy, aquaculture and farming, and ports and harbours, making it important to communities and businesses across the country.



Turbine deployment at MeyGen's Inner Sound site
Credit: MeyGen

What is our role in the marine energy sector?

Crown Estate Scotland's main role is leasing the seabed required for development.

In addition to this our role is to support development of the marine energy industry, working closely with companies, government and communities.

Our work includes:



Bringing opportunities for wave and tidal energy to market by leasing and managing the seabed.



Funding research and technical studies to enable sector growth.



Investing in ground-breaking projects.

Why marine energy?

Scotland has some of the best tidal stream and wave energy resource in the world.

The marine energy sector can directly support Scotland's transition to a net zero economy and contribute to Scotland's climate change targets.

Marine energy offers a predictable resource. As part of our wider energy system, the predictability of marine energy enables better balancing of supply and demand which is becoming increasingly important in a renewables dominated energy market as well as providing greater energy security.

Due to the location of the resource, particularly for tidal energy, there

is an opportunity to create local energy independence for remote or islanded communities. With evidence from the first projects, this sector is directly supporting economic development in coastal communities across Scotland.

In addition, there is an opportunity for marine energy, particularly wave energy, to decarbonise the harder to reach sectors with opportunities to provide small-scale remote power to typically carbon-heavy reliant assets for example oil and gas infrastructure, aquaculture and ocean monitoring.



Mocean Energy's BlueX deployment to Deerness
Credit: Colin Keldie EMEC



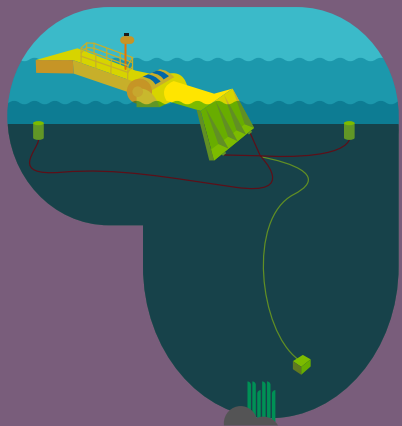
Orbital Marine Power's O2 deployed in Orkney
Credit: Orbital Marine Power

In terms of revenue support for marine energy, in the recent Contracts for Difference rounds there has been ring-fenced support for tidal stream projects which has been successfully secured by a number of tidal energy projects across the UK.

In Scotland we have world class test and demonstration facilities which enable technology developers to install in a variety of site conditions.

To complement these, we currently offer an open ad-hoc leasing opportunity for wave and tidal stream projects to access the

seabed. This opportunity supports both test and demonstration projects with a capacity up to 3MW and, where there is sufficient prior experience, larger scale projects with a capacity up to 30MW.



Scottish Marine Energy Portfolio

Crown Estate Scotland's main role is leasing the seabed required for development.

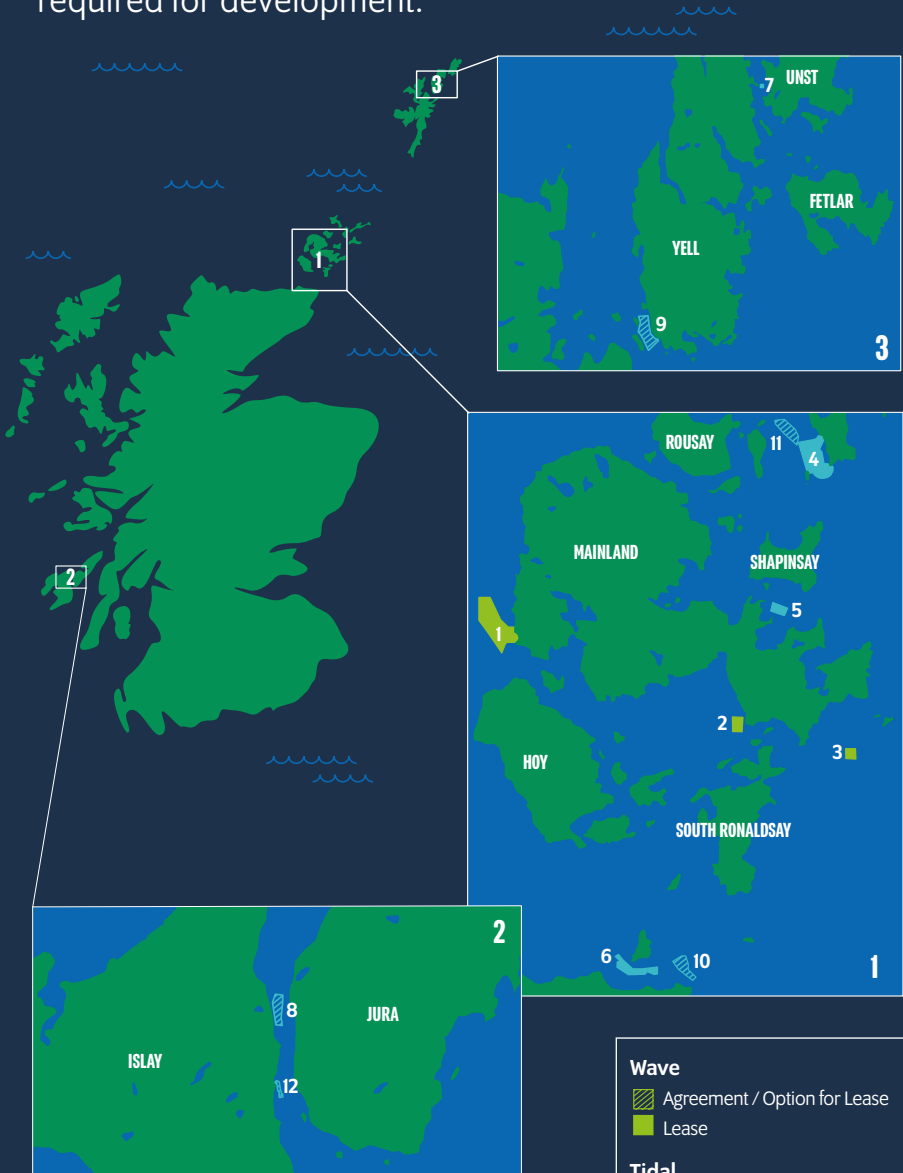
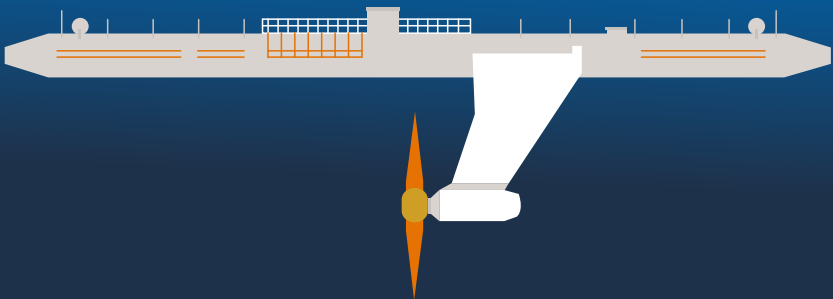


Table – Project details

Ref	Sector	Property Name	Developer	Agreement Type	Project Phase
1	Wave	Billia Croo	The European Marine Energy Centre	Lease	Operational
2	Wave	Scapa Flow	The European Marine Energy Centre	Lease	Operational
3	Wave	Deerness	Mocean Energy	Lease	Operational
4	Tidal	Fall of Warness	The European Marine Energy Centre	Lease	Operational
5	Tidal	Shapinsay Sound	The European Marine Energy Centre	Lease	Operational
6	Tidal	Inner Sound	MeyGen	Lease	Operational
7	Tidal	Bluemull Sound	Nova Innovation	Lease	Operational
8	Tidal	Òran na Mara	Nova Innovation	Option	Pre-planning
9	Tidal	Yell Sound	Nova Innovation	Option	Pre-planning
10	Tidal	Duncansby Head	Orbital Marine Power	Option	Pre-planning
11	Tidal	Westray	Orbital Marine Power	Option	Pre-planning
12	Tidal	Dunlossit	Flex Marine Power	Option	Consented



How do we support the marine energy sector under our four roles?

Crown Estate Scotland works under four different roles. Our activities can be summarised as follows:

Asset Manager

We carefully manage Lease and Option Agreements to ensure the appropriate safeguards are in place and ensure best value for money for the people of Scotland.

Co-ordinator

We work in partnership with stakeholders to ensure a holistic approach is adopted to ensure long-term benefits of the marine energy sector are realised by Scotland. In addition through delegated management and transfers, we are currently working alongside the Delegated Management Pilots to support community involvement and engagement with the leasing and management processes relevant to the sector.

Enabler

We empower the sector by providing access to property to be developed into successful projects as well as commissioning important studies to support sector progress and address barriers to sector growth.

Investor

We can invest directly in property for example we have a £10M investment in the MeyGen tidal energy project to support the deployment of the first phase of the project. More recently, we are developing investment opportunities through our Innovation with Natural Resources Challenge Fund to promote new and sustainable ways of using natural resources to produce energy, food and other products. We hope to invest up to £500k per individual project through this investment opportunity.

Are you interested in a marine energy project in Scotland?

We welcome early discussion with potential applicants. Our general enquiries address is marine@crownestatescotland.com. Please email us should you wish to discuss the opportunities we currently have open.