

From: [REDACTED]
To: [REDACTED]@gov.scot
Cc: [REDACTED]@gov.scot; [REDACTED]@gov.scot; [REDACTED]@gov.scot; [REDACTED]
Subject: RE: ScotWind results date query
Date: 22 February 2021 12:16:00

[REDACTED]

(A/L today so just giving quick response, can fill in any gaps tomorrow.)

In the 15th Jan Post-adoption Addendum issued to registered applicants (so not fully public domain, although no prohibition on applicants sharing that information) we said:

- Closing Date 31 March 2021
- The “Estimated duration ... broad indications of our current thinking” for “Steps ... to determine which Applicants will be offered Option Agreements” concludes six months from closing date

That information was accompanied by the commitment that we would firm up timelines after the Closing Date, once we knew the actual number of applications. Overall therefore, there were no firm commitments, other than to give updated timeline after the Closing Date, but we did give indications. One point of detail on that – the determination of which applicants to offer to is an earlier point than there being signed Option Agreements... Developers need to arrange credit guarantees and actually sign, and then we need to go through a second batch to replace any who failed to sign-up in the first batch. In practice then, prior to the pause to leasing, we would expect all to be signed up by eg Dec 2021, with any Clearing process starting thereafter.

The review will delay the Closing Date for applications, but won't change the basic approach to firming up dates – we will still only firm up on dates for determining who to offer Option Agreements to once the Closing Date is past, and prior to that, will keep to the current approach of indicating “most likely” duration so stakeholders have a basis to plan for.

Noting that your request is for background rather than material for direct disclosure, maybe helpful if I sketch a few points. Re the delay caused by the review, the absolute minimum will be to delay the Closing Date by ~3 months – that is just the effect of stopping and re-starting, plus the elapsed time for the review itself. The actual delay to Closing Date will need to take account of how significant is any amendment to the ScotWind offering as a result of the review. That is being considered as part of the review, but to give you a flavour – if the option fees potentially payable change by a materially significant amount then we will need to give potential applicants long enough to re-configure their application strategy and application details, and to obtain internal approvals. The same would be the case if other aspects were radically changed, eg supply chain arrangements, or anything which materially shifts the risk profile and / or cost profile for applicants, since that shapes their strategy and also their internal governance thresholds and process. In addition to that, the more re-design needed for the ScotWind approach, there will be further elapsed time for CES re-working prior to confirming the new details – eg reasonably significant re-design would be needed if moving to un-capped auction. Our own internal views of the likely additional time required for applicants is being augmented by spontaneously-provided updates from potential applicants (we have not engaged on that, but

views being volunteered anyway), which tends to indicate that a material change could entail overall delays to the Closing Date in the region of 6 to 9 months for applicant time, plus any re-working time for CES which could be ~3 mths for material changes, ie Option Agts being signed up more like end 2022 and into 2023 rather than end 2021.

Regards

[REDACTED]

[REDACTED]

Crown Estate Scotland

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Our team are currently working from home. Mail is occasionally being collected from our offices (addresses are at www.crownestatescotland.com/contact-us).

From: [REDACTED]@gov.scot [REDACTED]@gov.scot>
Sent: Monday, February 22, 2021 11:51 AM
To: [REDACTED]@crownestatescotland.com>; [REDACTED]
[REDACTED]@crownestatescotland.com>
Cc: [REDACTED]@gov.scot; [REDACTED]@gov.scot; [REDACTED]@gov.scot
Subject: ScotWind results date query

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Hi [REDACTED] and [REDACTED]

I am dealing with a PQ, due on 25 Feb, and just wanted to confirm some information with you. See question below:

Question Text: To ask the Scottish Government whether the outcome of the ScotWind offshore wind leasing round will be published before the COP26 conference in November 2021

Ignoring the review, I don't believe CES have given a date for publishing the announcements, only that this would follow the close of the application process.

Can you confirm that there was no date proposed for announcements or if there was, please let me know what was said?

With the review now underway and an extension to the application process, this will presumably impact timelines. I am also presuming that this impact/delay will be considered as part of the review. As such, will you look to give clarity on that timeline at the publication of the review, or will it remain "at some point in the future"?

There is no intention to commit to any dates in answering the PQ but it is useful to know the background. Additionally, in discussing with [REDACTED] and [REDACTED], the answer may point more firmly to CES role.

I'll send this draft answer (plus another 3) to you for review shortly. Hopefully at some point this evening or tomorrow morning.



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