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**ScotWind – an opportunity for Scotland to secure its position as global leader for floating offshore wind**

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Dear Mr. Hodge,

I am writing to you on behalf of Copenhagen Infrastructure Partners (CIP) to share our concerns about the recently announced delay to the ScotWind leasing process.

CIP is a fund management company headquartered in Copenhagen, Denmark, and has circa 14Bn Euros under management, with significant investments in offshore wind across the globe. We were an anchor investor in the Beatrice Offshore Windfarm, and have other investments in the UK, including biomass, energy from waste, and onshore wind. We have very ambitious plans to invest in the future deployment of offshore wind in Scotland, with a particular focus on floating wind technologies. We are currently developing the Pentland Floating Offshore Wind Project in the North of Scotland, which includes a single unit demonstrator followed by a 100MW array. Securing a site in the ScotWind leasing process, with our partners SSE Renewables and Marubeni, would enable us to naturally progress from the 100MW array to a full-scale commercial development. As you will appreciate, this will result in a significant boost to the local economy, as well as development of the Scottish supply chain to service domestic and international markets.

Whilst we appreciate the need to review the ScotWind leasing process in light of the UK Round 4 results for England and Wales, we are concerned that any significant change to the process, in terms of schedule or pricing, will have a detrimental effect on the significant potential for offshore wind in Scotland. Our key concerns are as follows: -

- 1) A substantial increase to the option fee structure for ScotWind will further disadvantage Scottish projects in future CfD auctions, which already carry the burden of significantly higher TNUOS charges than projects south of the border.
- 2) ScotWind will provide the opportunity to deploy floating offshore wind at scale which will secure Scotland's position as world leader in this sector. A substantial increase in the option fee structure will impede the rate of growth for the deployment of floating offshore wind in Scotland.
- 3) The deployment of floating offshore wind in Scotland will provide a significant opportunity for the supply chain based in Scotland, not only for the domestic

market, but for export opportunities into the rapidly accelerating floating offshore wind market across the globe. Any delay to deployment, due to a setback in the ScotWind leasing process, or commercial constraints resulting from substantially higher option fees, will materially impact the potential benefits for the wider Scottish economy.

In closing, we are committed to future investments in Scotland, provided we can get the certainty that is required prior to committing the significant funds that are necessary during the early stages of these major infrastructure projects. We would appreciate clarity on the ScotWind leasing process at the earliest opportunity and would ask that you fully consider the implications of any substantial increase to the proposed option fee structure.

I would be more than happy to discuss this in person if you were able to take a meeting on this subject.

Best regards,

