

Offshore Wind Update:

Rounds 1 & 2

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Scottish Offshore Wind

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The Crown Estate

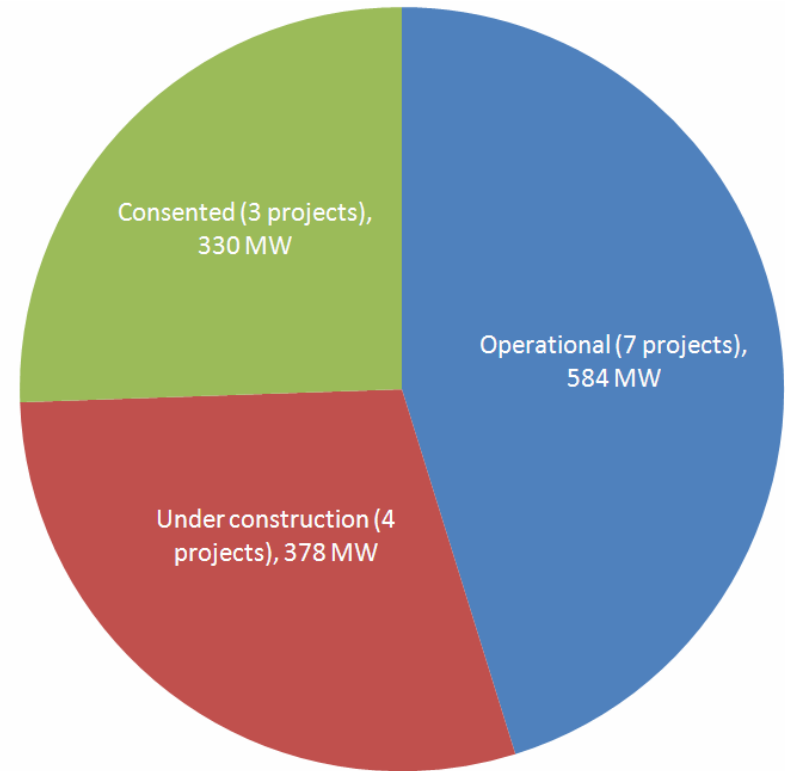


Overview

- Rounds 1 and 2
 - Background
 - Progress
 - Next steps
- Scottish Offshore Wind
 - Process
 - Awards
 - Next steps

Round 1 - Status

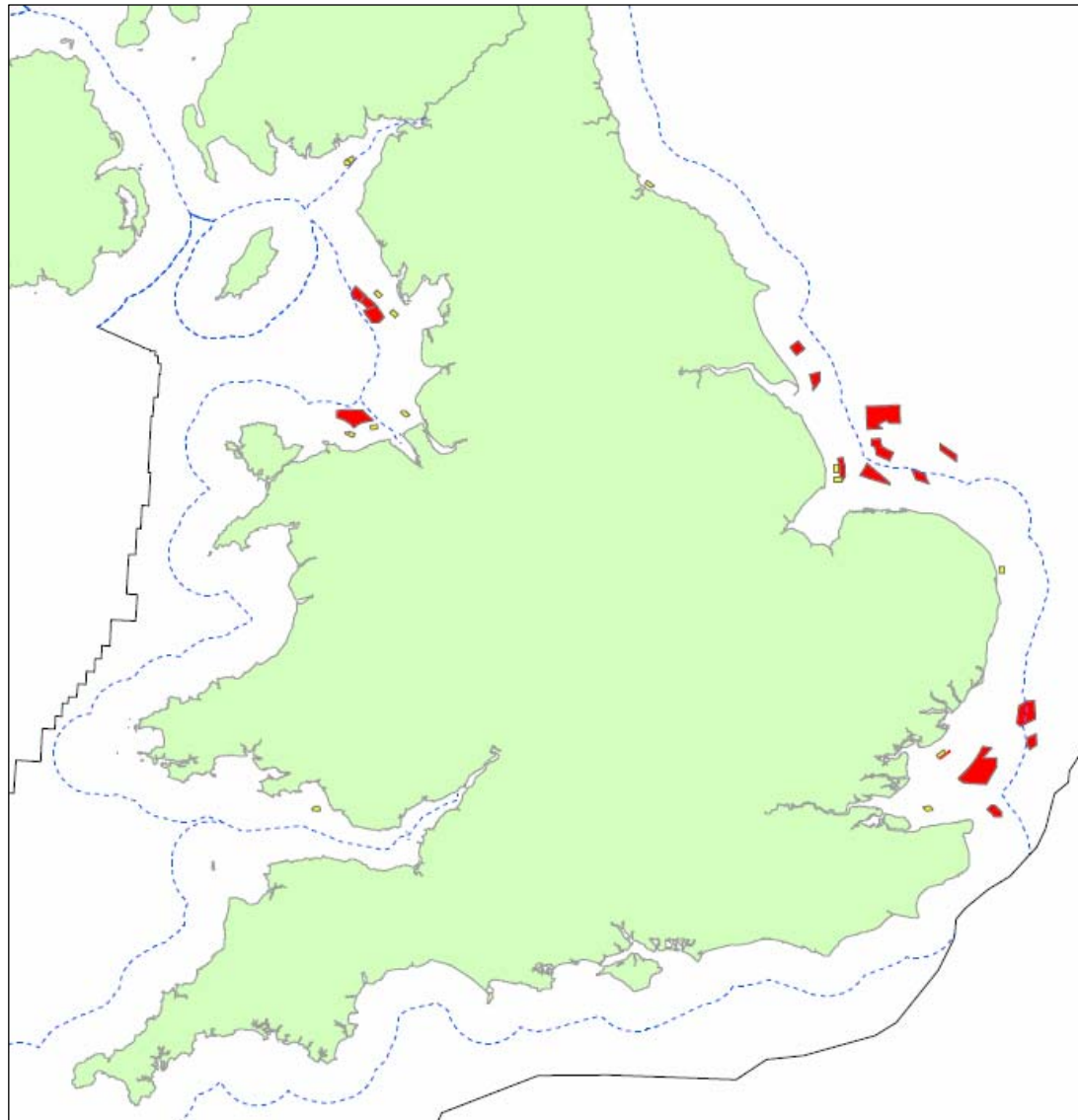
- Total: 18 sites
 - 7 Operational (584MW)
 - 4 Construction (378MW)
 - 3 Consented (330MW)
 - 4 Withdrawn
- By the end of 2009:
 - 11 projects operational
 - 966MW online







Round 2 Awards

- 15 site awards totalling 7.2GW
- Lease – 40/50 yr term
- Sites both inside and outside territorial waters
- Option Fees according to size
 - Trust Fund (around £2.4mn) - COWRIE
 - Data conditions in Lease
- Rent – same basis R1 (plus market review yr 20)
 - Currently £1.05 per MWh exported

Round 1 and 2 sites

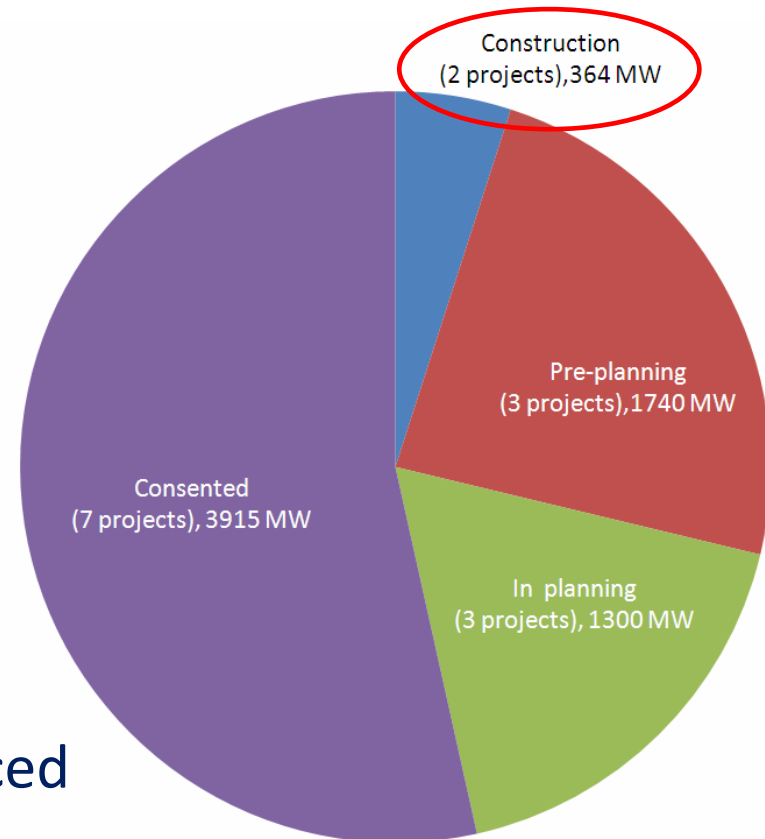


Legend

-  Round One Projects
-  Round Two Projects
-  UK Continental Shelf
-  12NM Limit

Round 2 Status

- First consent applications 2005
- 9 projects now consented
- 2 projects under construction
 - Gunfleet 2 (completion 12/09)
 - Thanet
- Further offshore construction planned 2009
 - Greater Gabbard to commence construction
 - Walney project approval announced
 - London Array project approval announced 12th May 2009



Round 1 and 2 Summary

- 8 projects (588MW) now online
- 6 projects (739MW) now under construction
- UK is already the world leader in offshore wind
 - More than 1GW operational by the end of 2009
 - An additional 1GW under construction by 2010
- Constraints on growth
 - Supply chain - potential bottleneck 2011-2012
 - Consenting issues
 - Economics
 - Grid

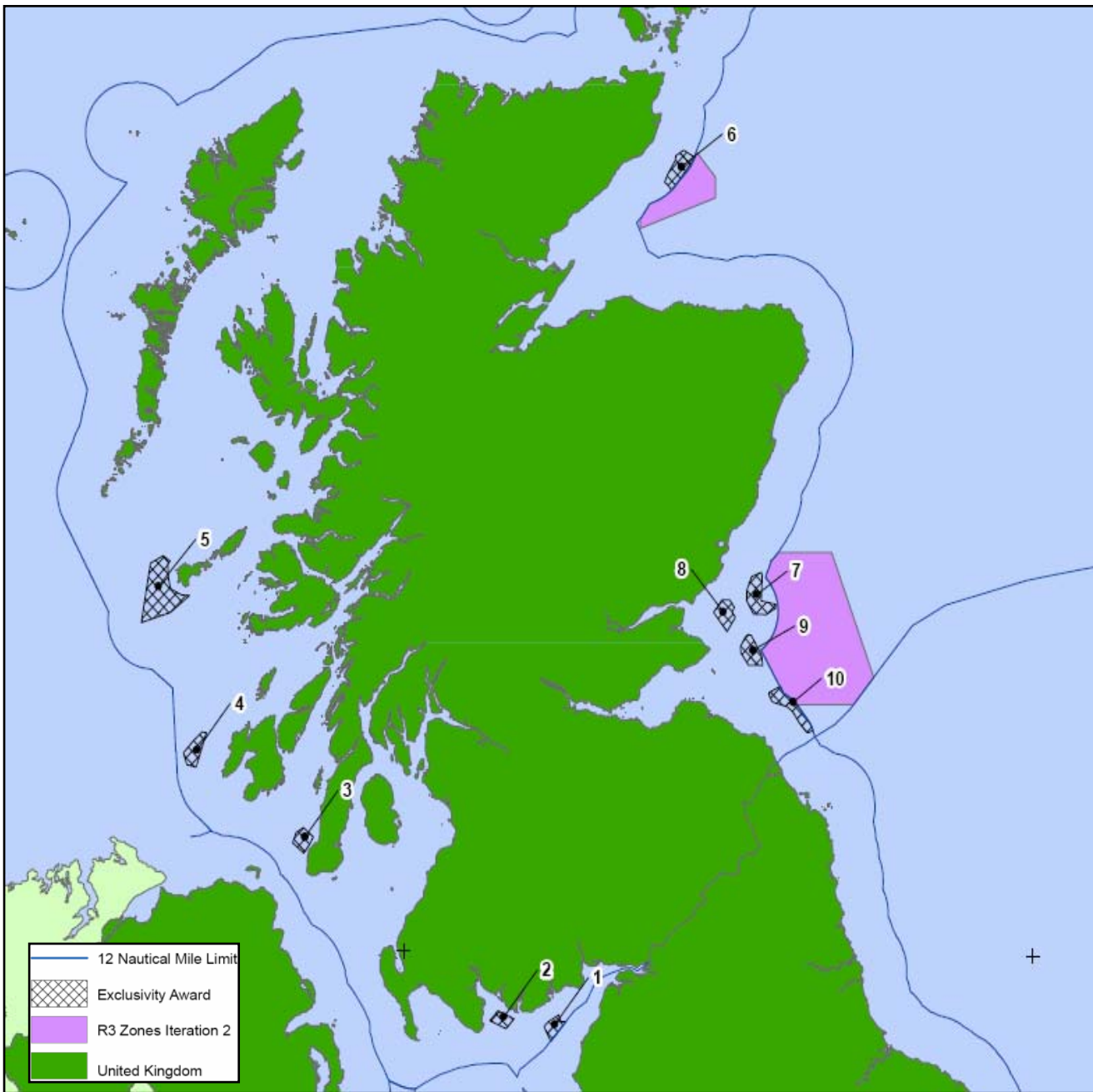
Scottish Territorial Waters

- Separate process to Round 3
 - Originally no plan for offshore wind SEA in Scotland
 - Scottish territorial waters not included in UK Offshore Energy SEA
- Open application process launched May 2008 at All Energy
 - Sites wholly within Scottish territorial waters
 - Commercial sites minimum 100MW
 - Similar lease / commercial terms to Round 2
 - 23 applications received October 2008
 - Site awards announced 16th Feb 2009

Scottish Territorial Waters: results

- 10 Sites awarded
 - Approximately 6.5GW
- ‘Exclusivity Agreements’ offered
 - Gives developers site security
 - Allow initial survey work to take place
 - Agreements for lease subject to SEA (2010)
 - Lease subject to consent from government
- Construction expected 2014-2019
- First operation from 2016

Sites



Next steps

- Scottish Government SEA
 - Consultant about to be appointed
- Development activities
 - Regional groups established
 - Co-ordinate stakeholder engagement
 - Co-ordinate joint survey works
 - Site-specific surveys underway
 - Crown Estate R3 survey work
 - Further grid studies
 - Supply chain

