October 2007

BWEA

Delivering the UK's wind, wave and tidal energy

UK Offshore Wind: Moving up a gear

2007 Significant repeat consultation:

- Listen to industry parties
- Present current status
- Summarise key challenges
- Promote dialogue and investment

Involved:

- Developers of all UK offshore projects (12 interviews)
- National Associates for all key EU markets
- Key supply chain members (24 interviews)
- Total 200 projects (100 GW)

2006 key question:

- If Government helped remove economic gap…
- COULD sector physically deliver?

Answer:

- YES if long-term confidence was built and people worked together.

DEPARTMENT FOR BUSINESS ENTERPRISE & REGULATORY REFORM

Envirolink Northwest

offshore

RENEWABLES EAST

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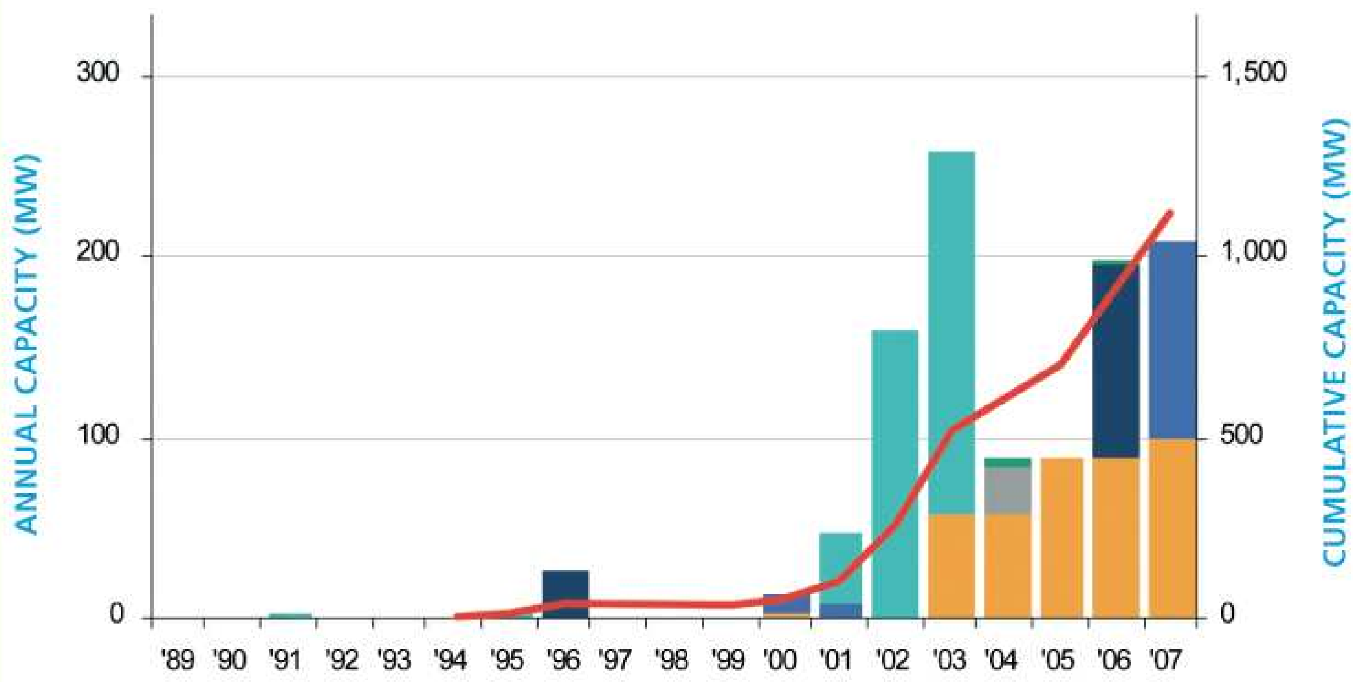
Global Offshore Wind Capacity to Date

GRAPH 1



BY END	1995	2000	2005	2007
GW OPERATING GLOBALLY	0.01	0.04	0.7	1.1 (EST)

KEY:
- UK
- DENMARK
- SWEDEN
- CUMULATIVE GLOBAL CAPACITY
- NETHERLANDS
- GERMANY
- OTHER (IRELAND, JAPAN)

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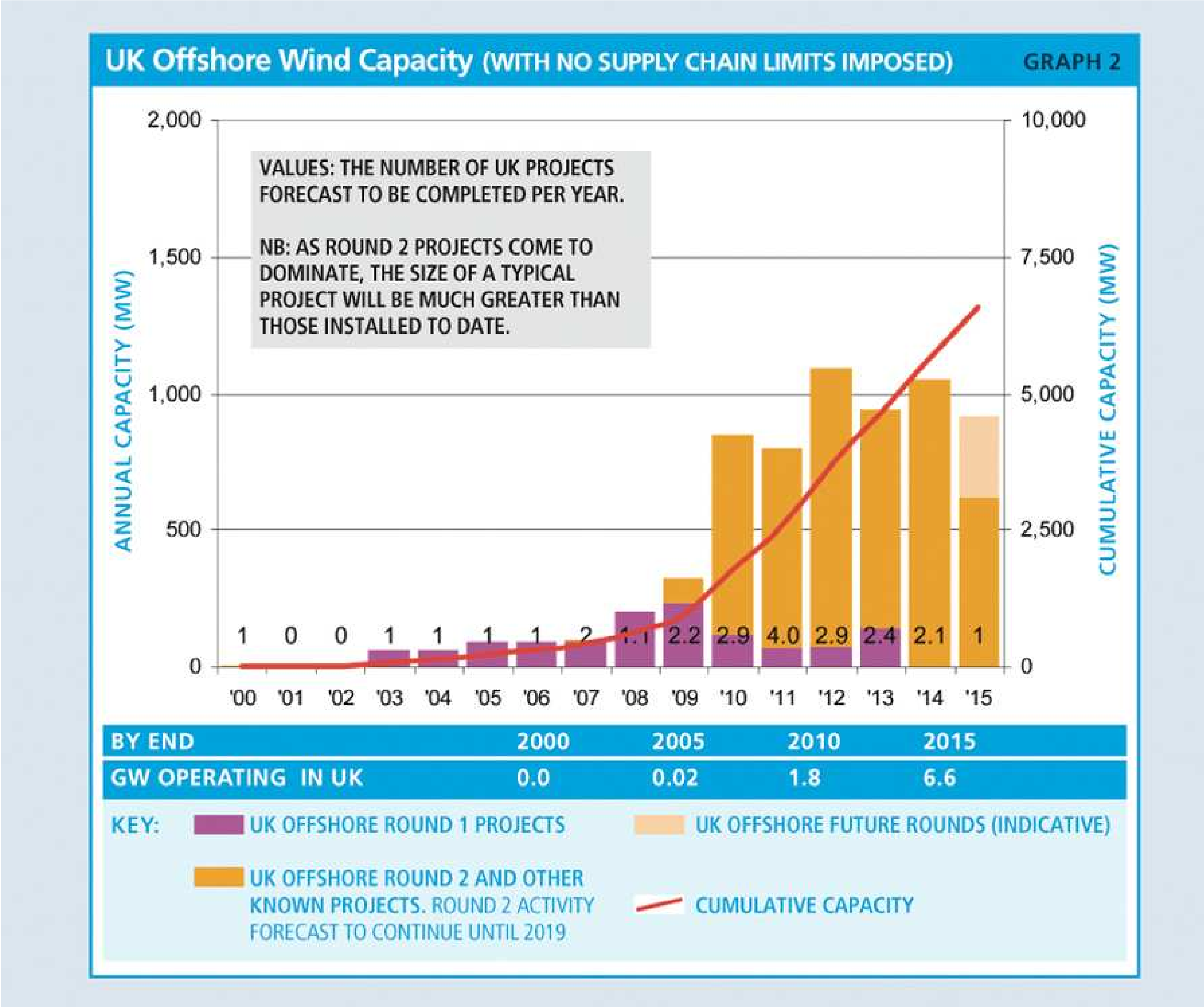

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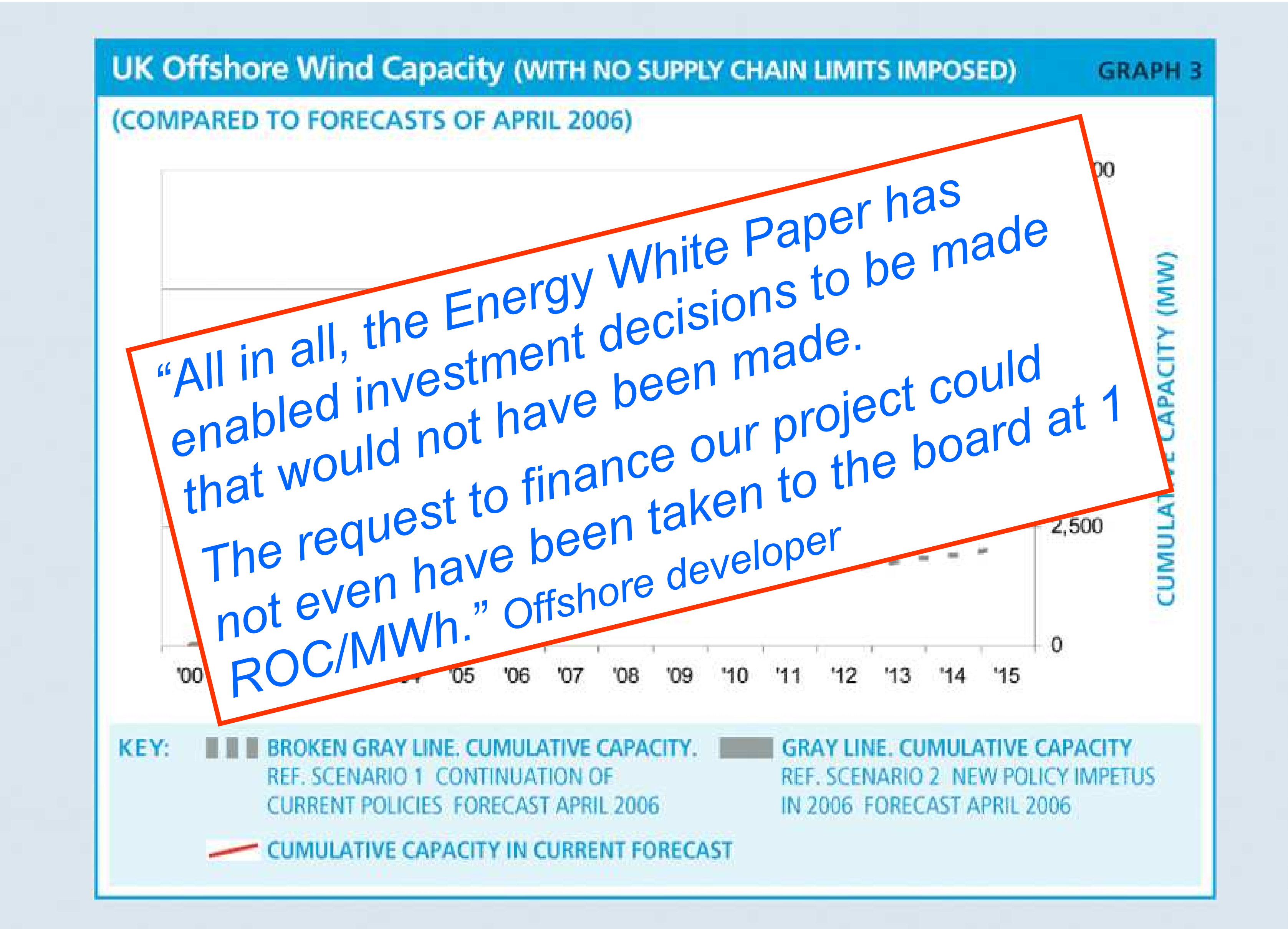
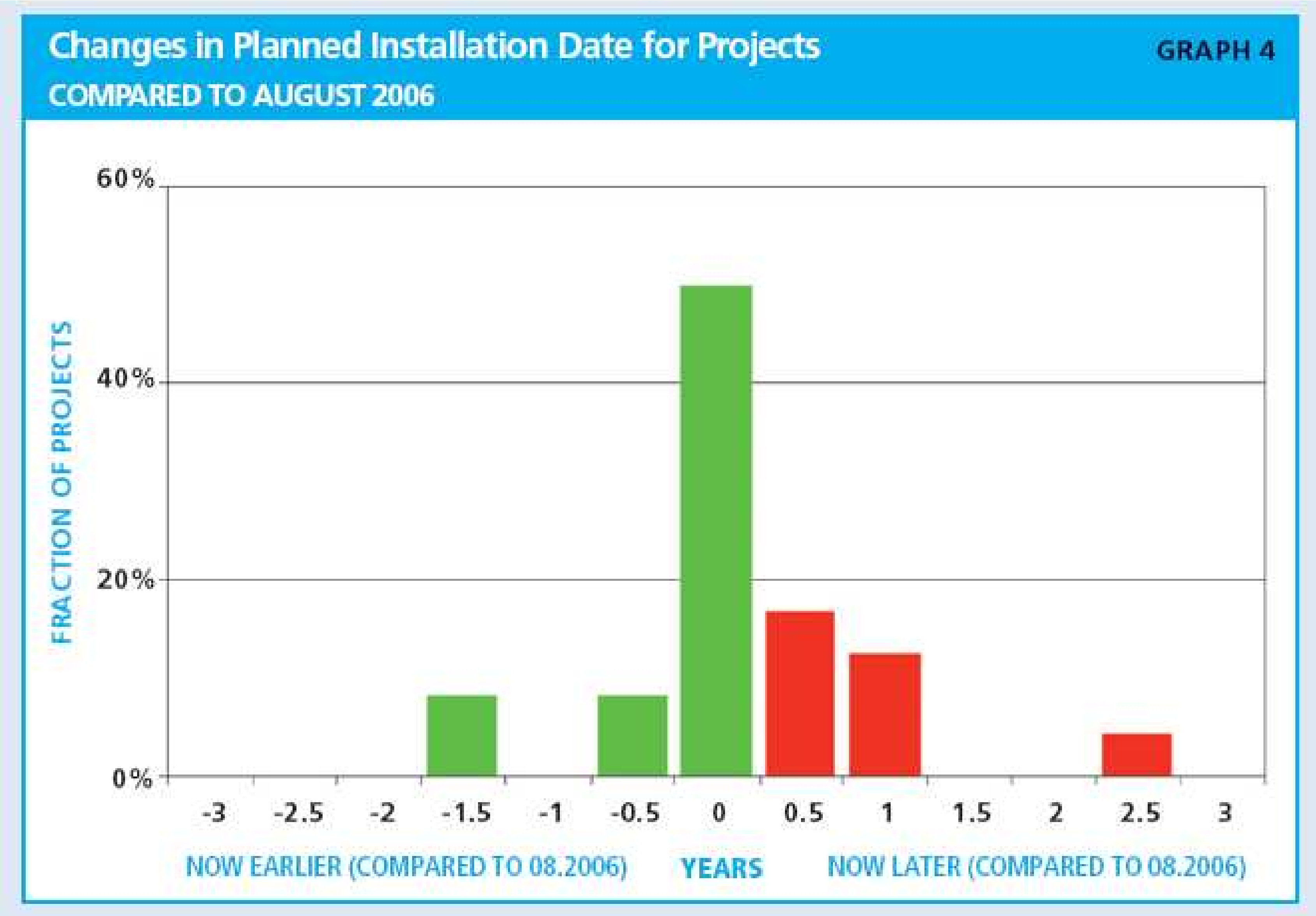


"All in all, the Energy White Paper has enabled investment decisions to be made that would not have been made. The request to finance our project could not even have been taken to the board at 1 ROC/MWh." Offshore developer



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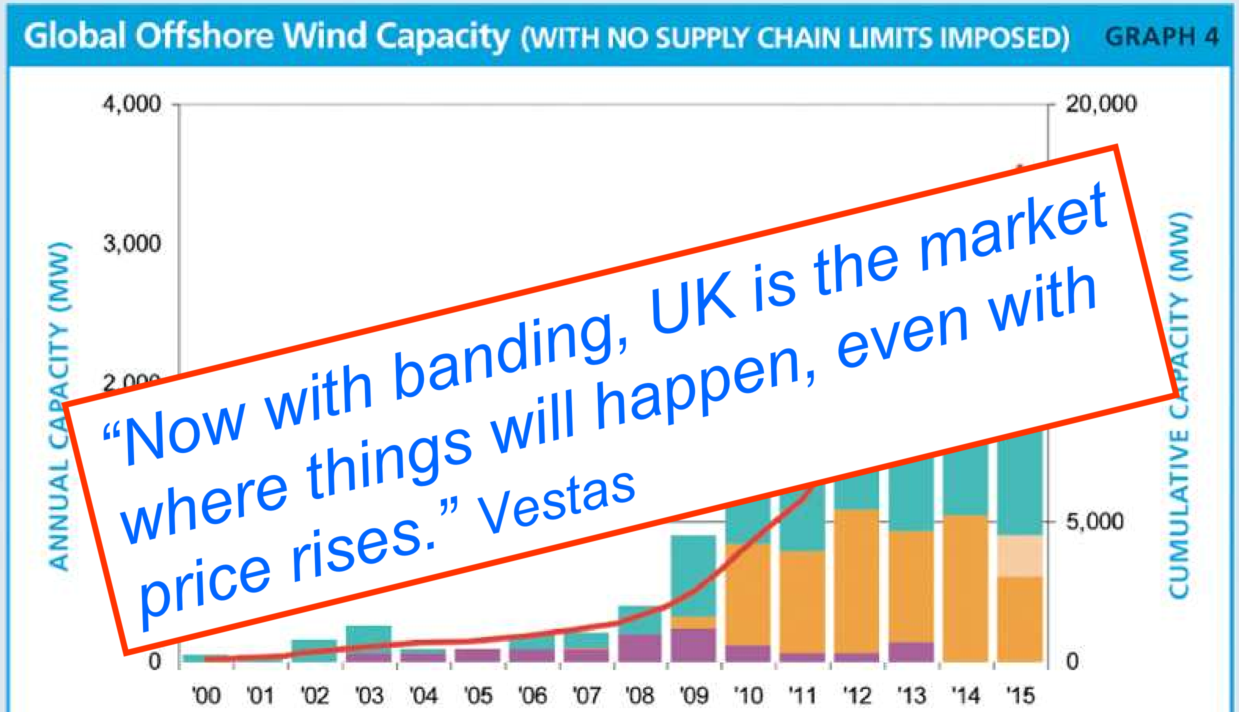

BY END	2000	2005	2010	2015
GW OPERATING IN UK (NO SUPPLY CHAIN LIMITS IMPOSED)	0.0	0.7	4.2	17.7

KEY:

- UK OFFSHORE ROUND 1 PROJECTS
- UK OFFSHORE ROUND 2 AND OTHER KNOWN PROJECTS
- UK OFFSHORE FUTURE ROUNDS (INDICATIVE)
- EU NON-UK OFFSHORE PROJECTS, PLANNED AND FORECAST
- NON-EU OFFSHORE PROJECTS, PLANNED AND FORECAST
- CUMULATIVE GLOBAL OFFSHORE (INC. UK)

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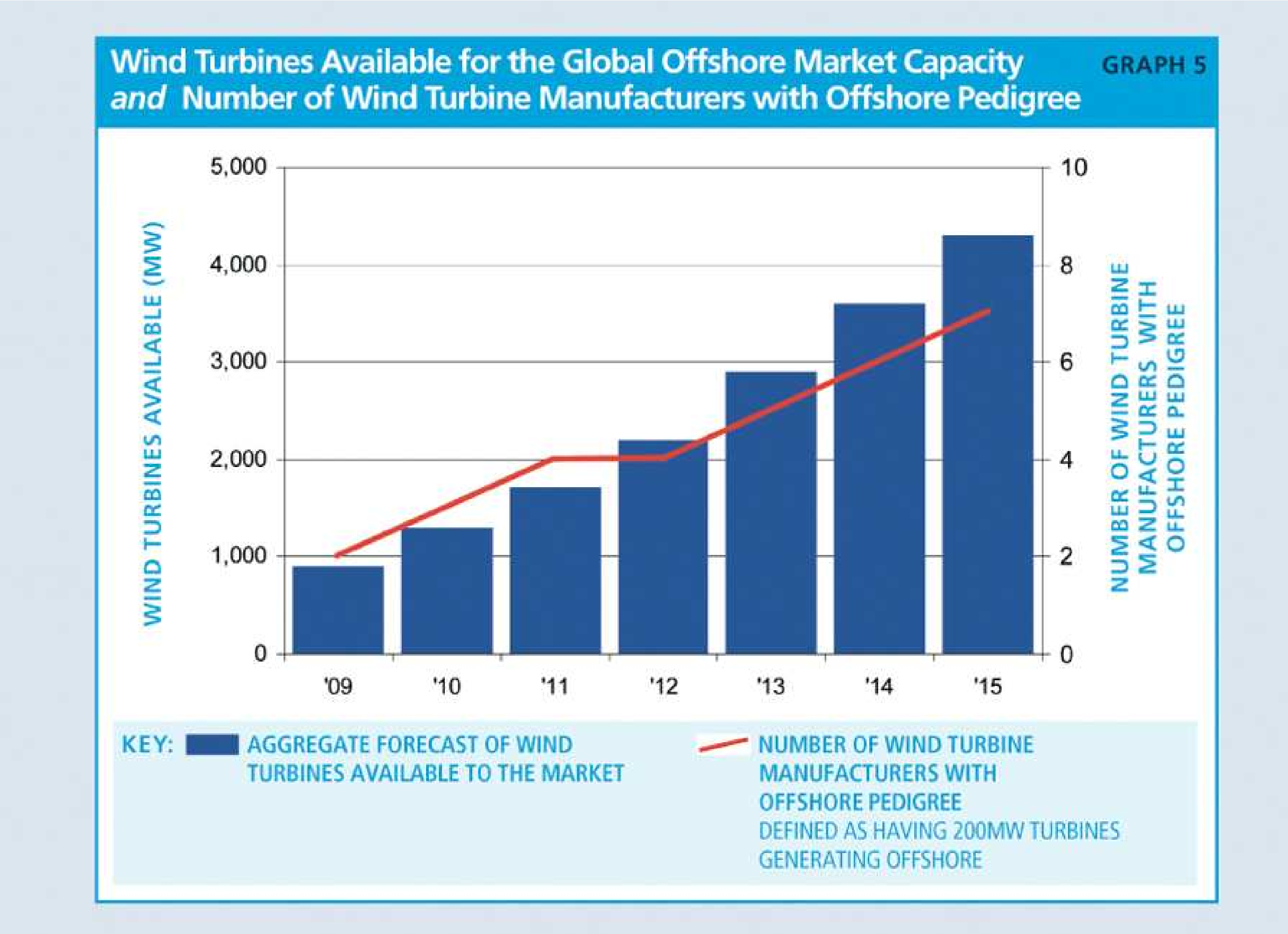

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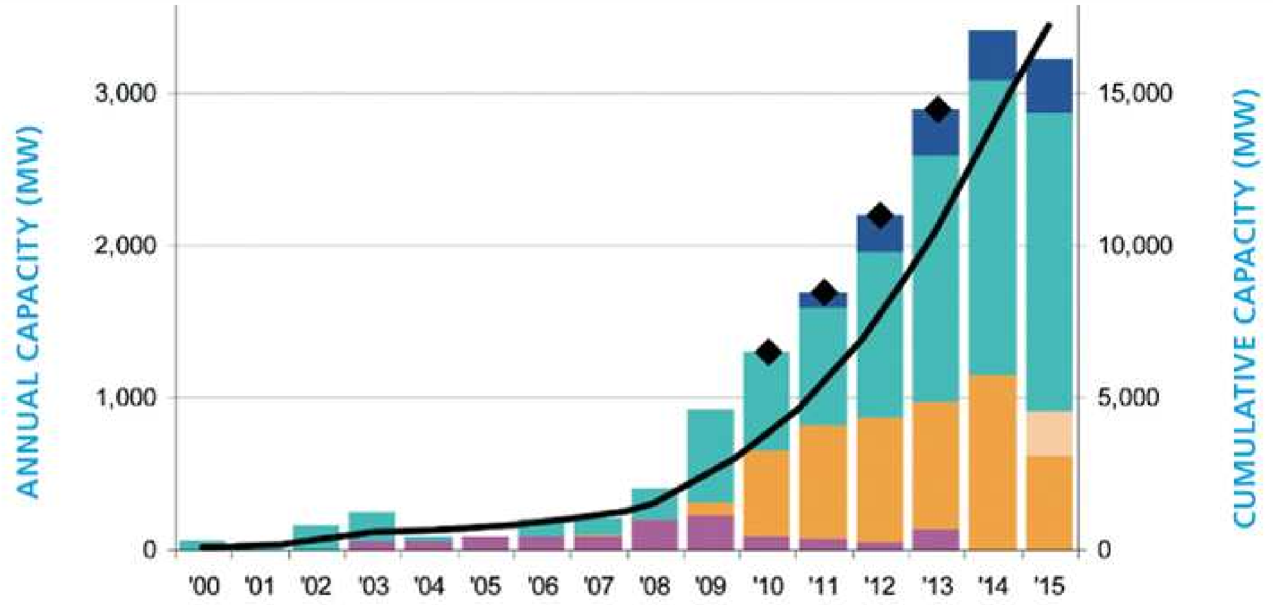
Global Offshore Wind Capacity (WITH SUPPLY CHAIN LIMITS IMPOSED)

GRAPH 7



BY END	2000	2005	2010	2015
GW OPERATING GLOBALLY	0.0	0.7	3.8	17.2

KEY:

- UK ROUND 1 PROJECTS
- UK OFFSHORE ROUND 2 AND OTHER KNOWN PROJECTS
- UK OFFSHORE FUTURE ROUNDS (INDICATIVE)
- EU NON-UK OFFSHORE PROJECTS, PLANNED AND FORECAST
- NON-EU OFFSHORE PROJECTS, PLANNED AND FORECAST
- HIGHLIGHT YEARS IN WHICH SUPPLY CHAIN LIMITATIONS ARE FORECAST TO REDUCE INSTALLATION RATES
- CUMULATIVE GLOBAL OFFSHORE (INC. UK) WITH SUPPLY CHAIN LIMITATIONS IMPOSED

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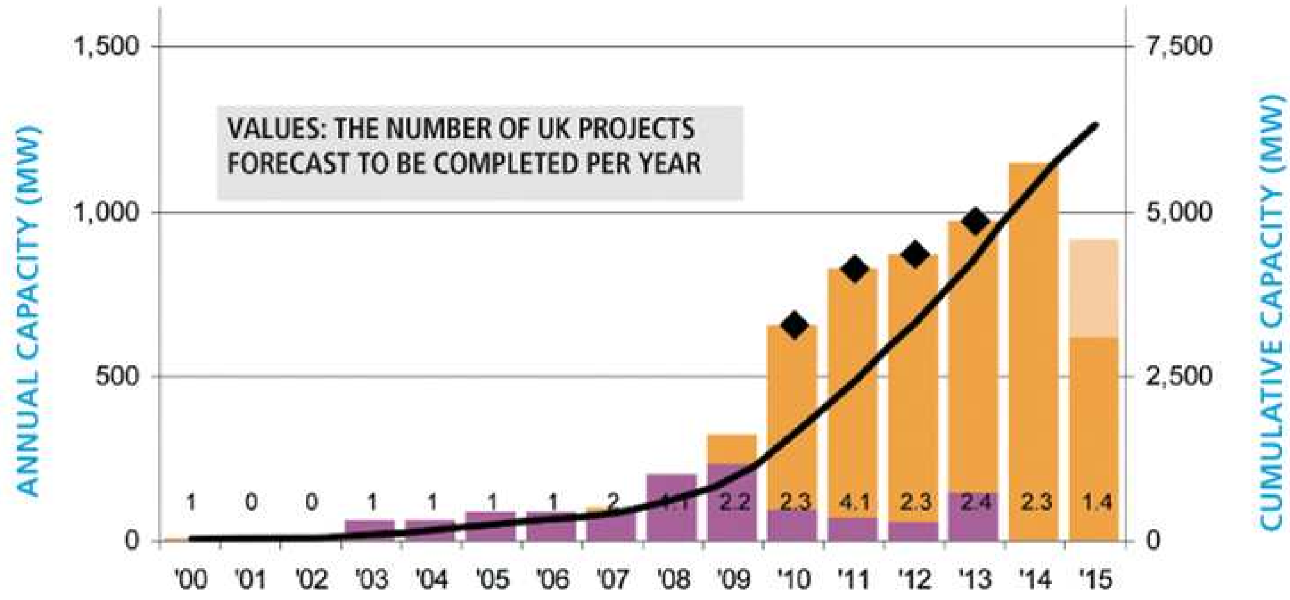
UK Offshore Wind Capacity (WITH SUPPLY CHAIN LIMITS IMPOSED)

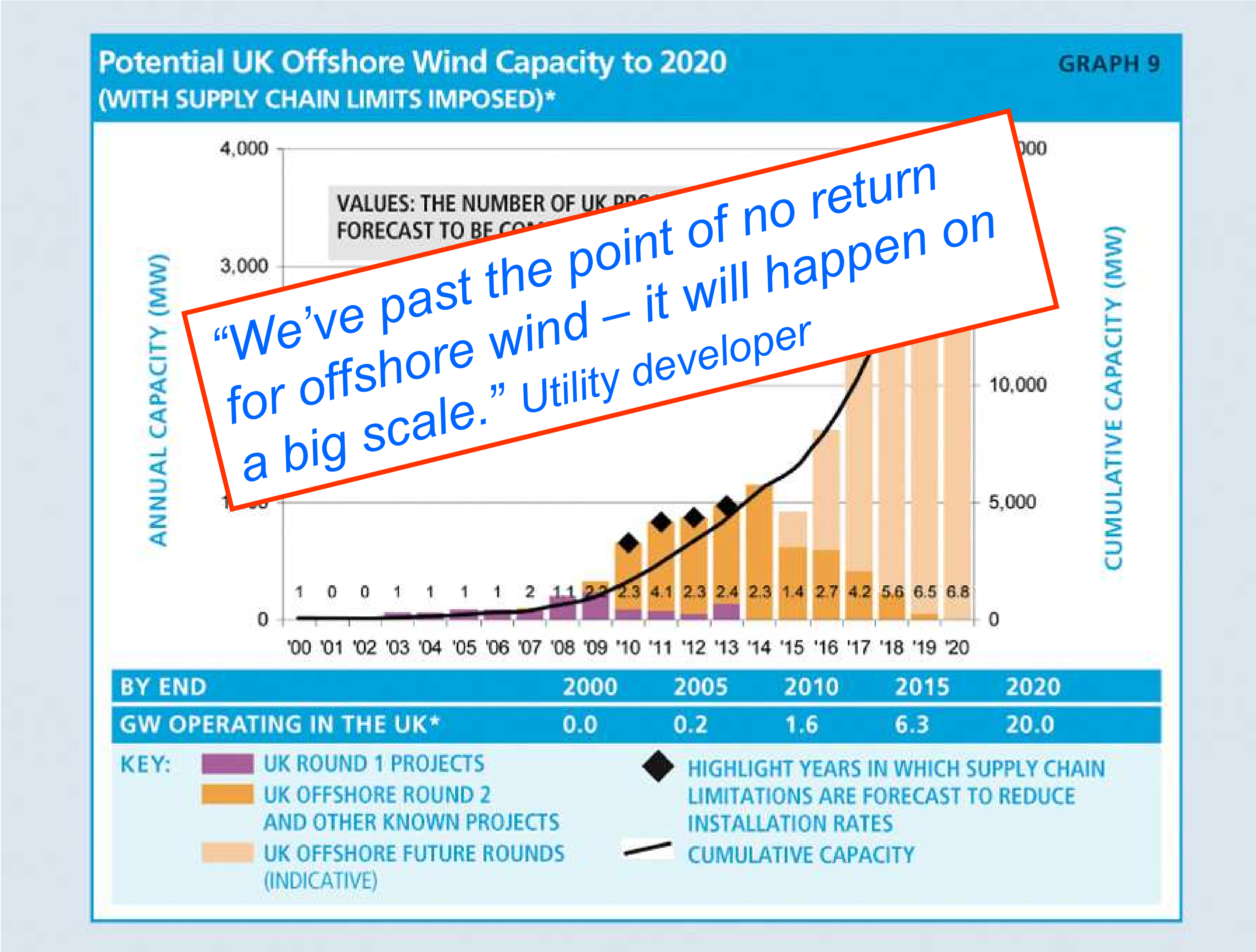
GRAPH 8



BY END	2000	2005	2010	2015
GW OPERATING IN THE UK	0.0	0.2	1.6	6.3

KEY:
- UK ROUND 1 PROJECTS
- UK OFFSHORE ROUND 2 AND OTHER KNOWN PROJECTS
- UK OFFSHORE FUTURE ROUNDS (INDICATIVE)
- ◆ HIGHLIGHT YEARS IN WHICH SUPPLY CHAIN LIMITATIONS ARE FORECAST TO REDUCE INSTALLATION RATES
- CUMULATIVE CAPACITY

NB: IF THE ECONOMICS OF OTHER OFFSHORE WIND MARKETS ARE NOT IMPROVED TO BE IN LINE WITH UK, THEN UK WILL TAKE UP AVAILABLE SUPPLY FIRST AND HENCE WILL NOT SUFFER FROM GLOBAL SUPPLY LIMITATIONS. BASED SOLELY ON UK MARKET REQUIREMENTS, IT IS ANTICIPATED THAT THE SUPPLY CHAIN WILL BE ABLE TO DELIVER FULLY IN ALL ASPECTS UP TO 2015, BUT INVESTMENT TO MEET FUTURE DEMANDS WILL NOT OCCUR.



"We've past the point of no return for offshore wind – it will happen on a big scale." *Utility developer*

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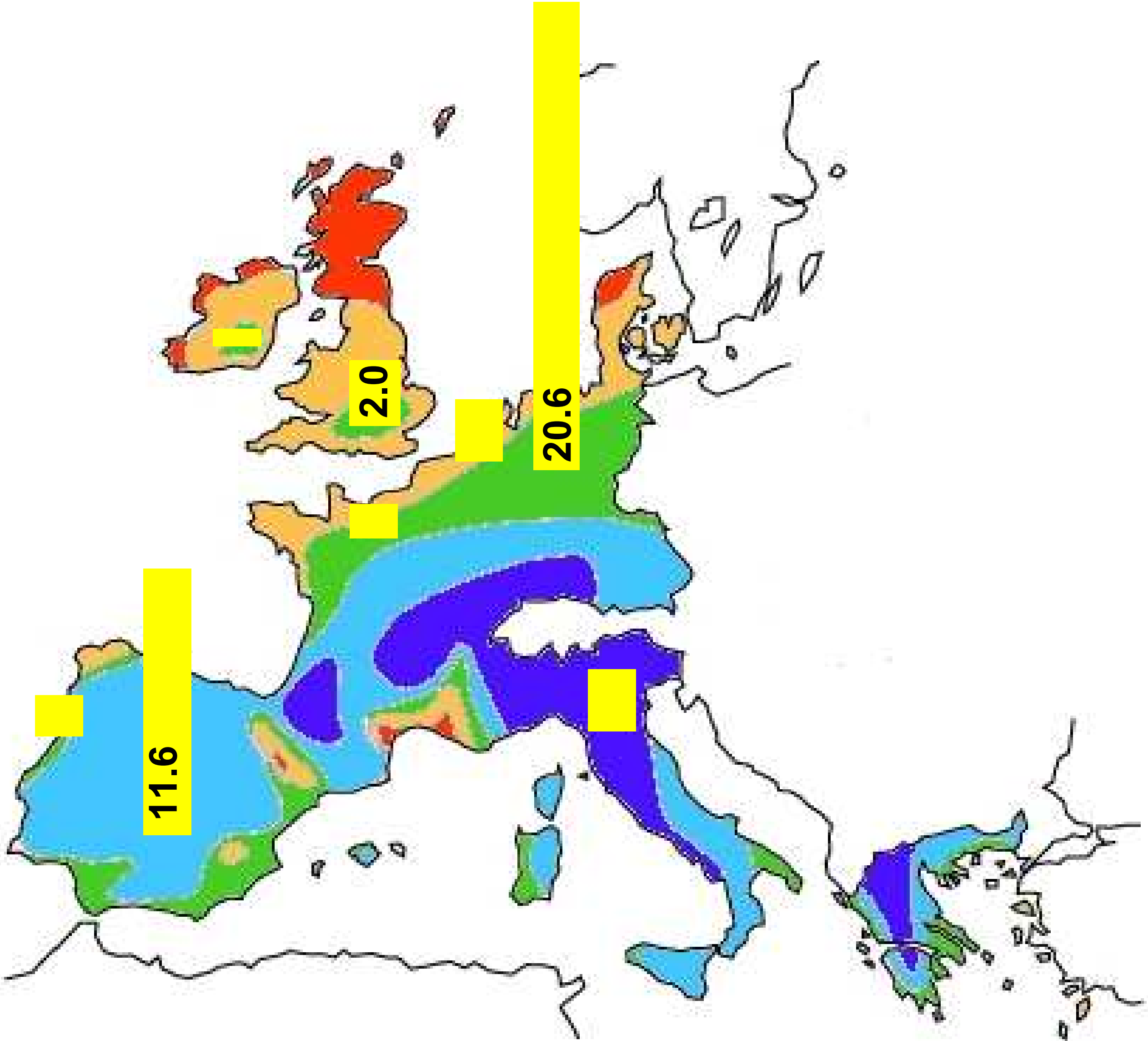
Installed turbines by start 2007 (GW)



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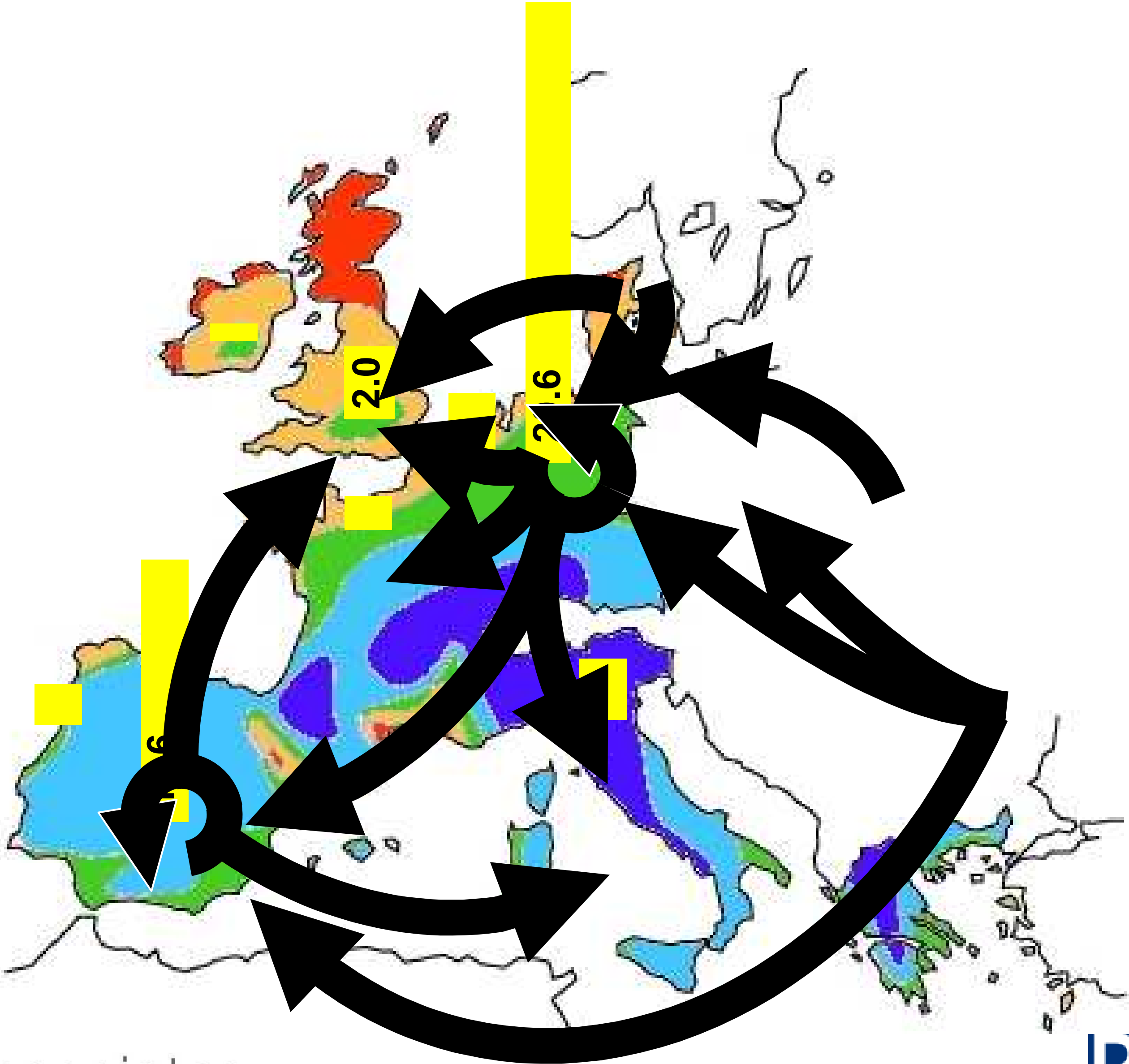
Installed Turbines in 2007 (GW)



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BERR

BERR Renewable Energy
Trade Promotion Service

UK exports

BERR Renewable Energy
Supply Chain Development Service

UK supply chain

from April 1 2008

single expanded service

UK exports

UK supply chain

outreach to other industries

inward Investment

operated by:

vision knowhow advantage

PERA THE INNOVATION NETWORK

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branding etc. still
being developed

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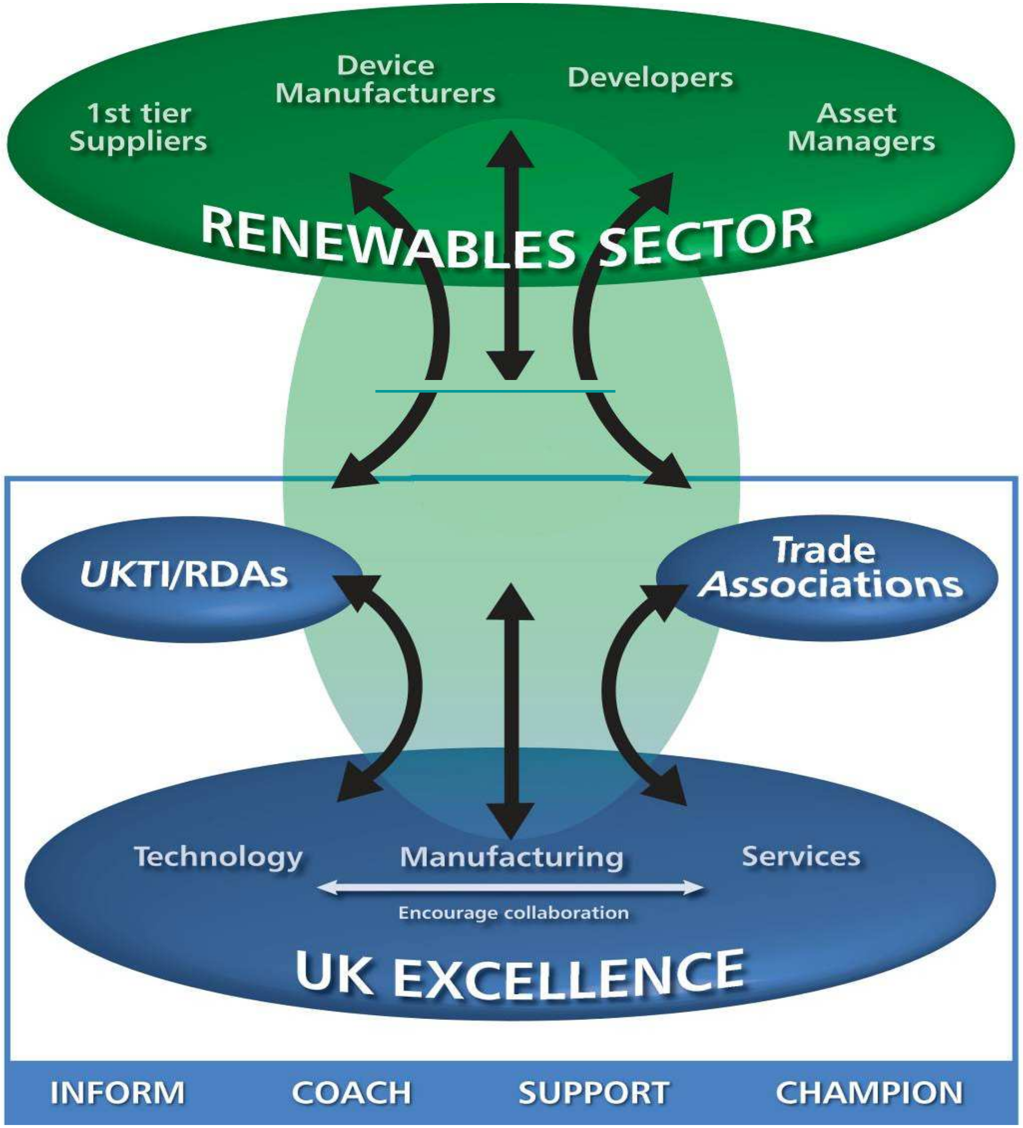
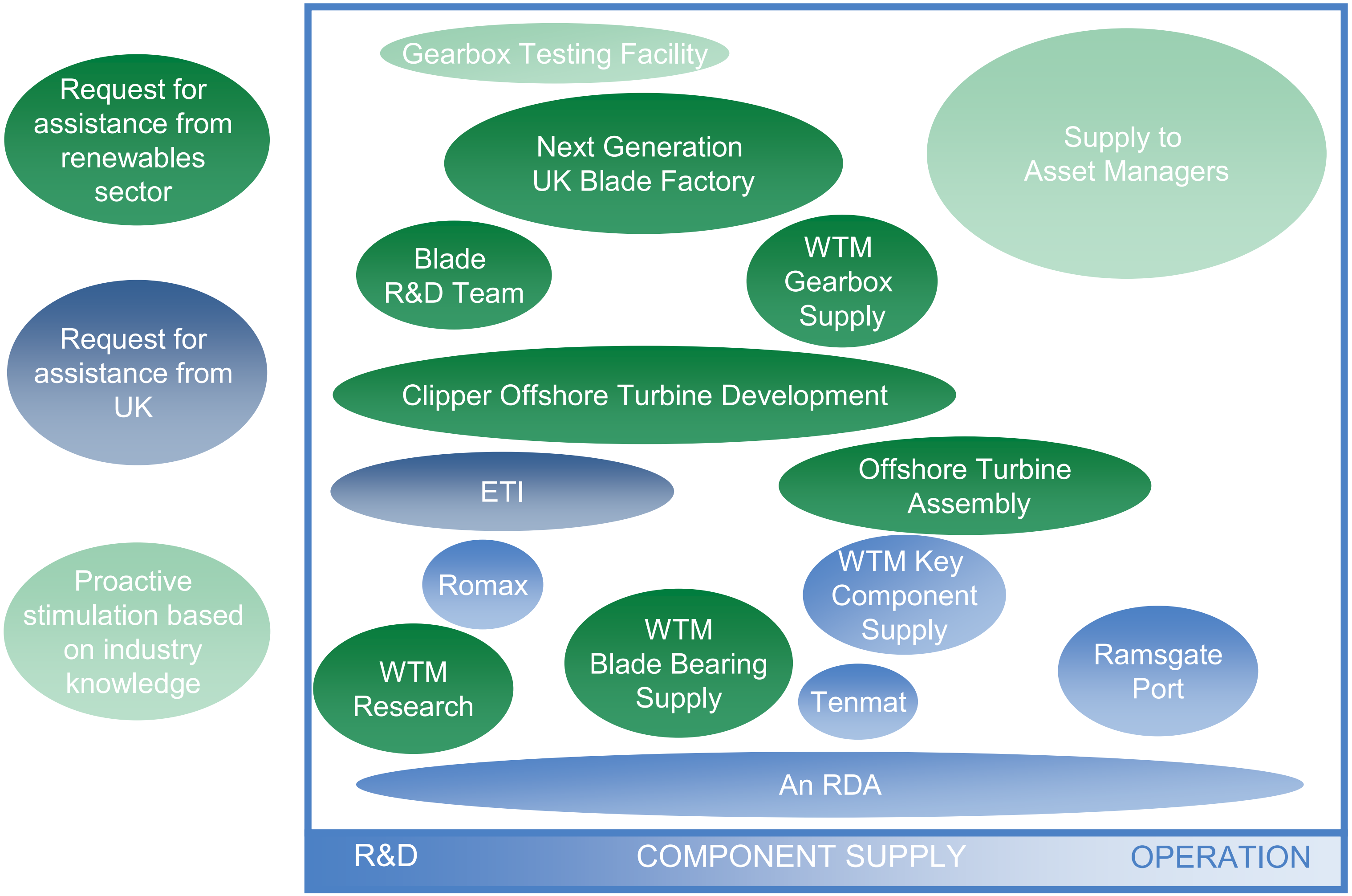
purpose

"support the growth of a world-scale UK renewable energy industry with increasing global market share, and capabilities sufficient to support the achievement of the UK's 2020 renewable energy targets"

BERR supply chain development service



examples of activity



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BERR

Full BWEA Report available at www.bwea.com/offshore/

- More detail from interviewees
- UK opportunities and threats
- Post Round 2 activity
- Selected project data – aggregated across UK & EU
- Methodology

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