

Rt Hon Nicola Sturgeon MSP
First Minister

Thursday 4 November 2021

Offshore Wind Business Breakfast
Keynote speech and Q&A

Maximum length – 10 minutes
Length of this draft
9 ¼ minutes

You are speaking at the South Rotunda. There will be a seated audience of over 200 attendees, including senior leaders, developers and supply chain businesses from the offshore wind sector. There are also international delegations attending from Brittany and California.

High profile attendees include; David Hochschild, Chair of the Californian Energy Commission and Loïc Chesnsais-Girard, President of the Regional Council of Brittany

Charles Thompson, Corporate Affairs Director of Offshore Renewable Energy Catapult, will introduce you. You are setting out the Scottish Government's ambitions for offshore wind and announcing further details relating to future offshore wind leasing rounds.

Your keynote will be followed by three speakers from the sector, the event concluding with a Q&A.

Introduction

Thank you Charlie and good morning everyone. It's always fantastic to welcome people to my home city of Glasgow, and to my home constituency of Glasgow Southside.

The location we are in has a distinguished history. The South Rotunda – along with its twin on the other side of the river – was built more than a century ago to allow people and goods to go between Govan and Finnieston.

At that time, this city was a driving force behind the industrial revolution. 100 years ago, somebody looking up and down the Clyde would have seen around a fifth of the world's shipping tonnage being built here.

So this setting is a reminder of Scotland's immense capacity for innovation.

And it's also a reminder of our responsibilities. As an industrial nation, Scotland has benefited down generations from the emissions that are now causing climate change.

Those emissions have generated the prosperity that we have enjoyed.

And they have created an obligation for us to take a lead in addressing the climate crisis.

Scotland is trying to do that. At this COP, we are arguing strongly for a settlement that makes real progress towards limiting global warming to 1.5 degrees. We are also arguing for fair financing for developing nations. We are highlighting issues such as loss and damage. And we are providing forums where people who aren't at the negotiating table, can make their voices heard.

And we are also trying to show leadership through the power of our example.

Since 1990, Scotland has cut our greenhouse gas emissions by more than 50% since 1990.

We now have legal targets to reduce them by 75% by 2030, before getting to net zero by 2045.

We are embracing some hard choices to do that – some of which relate to the energy sector.

For example we have accepted that the continued unlimited recovery of hydrocarbons is not consistent with meeting the aims of the Paris Agreement. Our focus now is on a just transition for the sector.

We are also looking to seize opportunities. Again, many of those relate to the energy sector. And some of the most important, relate to offshore wind – a technology which is of particular importance to Scotland, and is of growing importance around the world.

Offshore wind

In fact Scotland's aim is to have the offshore wind capacity – by 2030 - to generate 11 gigawatts of electricity each year. That's enough to power more than 8 million homes.

That target is ambitious. But it is achievable. And arguably it is essential – for Scotland to meet our climate change targets, and secure a just transition from oil and gas.

And so today I want to highlight three key reasons in particular, why I believe this ambition is deliverable – and why Scotland provides such good opportunities for offshore wind development.

First, Scotland has some of the best offshore wind resources anywhere in Europe.

It's been estimated that the wind energy from deep water sites – purely in the North Sea – could exceed the EU's electricity requirements four times over. Scotland has a significant share of that resource.

We provide particularly good opportunities for floating offshore wind - which is especially suited to deep waters.

For example we already host the world's first commercial floating wind farm – Equinor's Hywind Scotland – and the world's largest floating wind farm – the Kincardine development, off the southeast coast of Aberdeenshire.

And Crown Estate Scotland's current leasing round – the Scotwind process – is the most advanced opportunity for floating wind projects anywhere in the world. It has attracted huge interest – 74 bids have been received for 15 sites.

We have also recently consulted on a planning round for offshore wind projects that help oil and gas platforms to decarbonise.

After the results of the Scotwind bids are announced in the new year, we'll publish a routemap for further leasing rounds. By doing so, we hope to provide developers and investors with more certainty, about when further opportunities will become available.

The second point I want to highlight, is that Scotland's potential for offshore wind, perfectly complements our ambitions for hydrogen energy.

Scotland is already recognised internationally for our hydrogen demonstration projects – such as our hydrogen bus fleet in Aberdeen, and our hydrogen heating network in Fife.

We will soon publish a Hydrogen Action Plan. Among other things, it will set out our aim to generate five gigawatts of renewable and low-carbon hydrogen by 2030. And it will show that Scotland has the potential to produce and then export the lowest-cost hydrogen in Europe.

That's partly because green hydrogen requires two main inputs – access to low-cost renewable electricity, and a reliable supply of water. Scotland has large quantities of both.

That means that offshore wind – as well as being an important sector in its own right – can also help us to develop our hydrogen sector. In fact, it can help us to meet our future demand for hydrogen, and also provide a surplus for export. That will play a vital part in Scotland's transition to net zero.

As we develop our hydrogen and offshore wind sectors, of course, we will need to develop our supply chain. That's the third area I want to cover.

It's an area where – to be candid – we've not done as well as we could have over the last decade.

But it's also an area where I hope we're learning lessons and making progress. Crown Estate Scotland has now introduced the Supply Chain Development Statement. It ensures that supply chain details are made clearer to government, industry, and the public.

And we also commissioned a Strategic Investment Assessment through the Scottish Offshore Wind Energy Council. It has recommended developing a Scottish port cluster – to help our ports develop the right infrastructure for supply chain manufacturers.

It's worth reflecting that Scotland's oil and gas supply chain went from a standing start several decades ago, to developing an international reputation. We want our offshore wind supply chain - if possible – to grow even more rapidly.

To achieve that we will draw on the skills and experience of our oil and gas sector.

I spoke earlier about the need for our oil and gas sector to make a just transition. Drawing on the oil and gas sector – as we expand our offshore wind and hydrogen sectors – will be a crucial part of that just transition. .

After all, Scotland's offshore wind resources will last for as long as the wind blows. So will the need for people to design, build and maintain our offshore wind farms. So supporting our supply chain, is a vital investment for Scotland – it will help to secure good green jobs for now, and for generations to come.

Conclusion

The final point I want to make is that although Scotland has significant and very distinctive strengths – many of the challenges the sector faces are international ones.

And so I'm delighted to have guests here with us today from Brittany and from California.

Scotland has an agreement to work with California on tackling climate change, and we're working closely with France on joint research priorities for offshore wind and hydrogen supply chains.

We want to develop further partnerships in the future, with businesses, governments and organisations from around the world.

I hope that this event will encourage ideas, conversations, and connections which will lead to even greater collaboration.

Above all, however, I hope that today's event will allow us to realistically see the challenges that offshore wind faces, while grasping the scale of the opportunities it has.

After all, we are in a city which right now feels like the capital of the world.

We are part of discussions – at this COP 26 - which are dealing with the biggest challenge the world faces.

And this sector will be instrumental in developing and delivering some of the technologies which can help us to address that challenge – by enabling countries to move to net zero.

That's a huge opportunity for the offshore wind sector. And it also creates a responsibility – for the sector, and for government- to seize that opportunity.

The Scottish Government will do everything we can to help you seize the opportunities that are present in Scotland.

And by doing so, we will try to ensure that Scotland – having led the world into the industrial age– plays a part, in leading the world into the net zero age.