

202300375299

(Document 1)

From: [Redacted] <[Redacted]@gov.scot> **On Behalf Of** Kersti Berge
Sent: Monday, September 11, 2023 5:34 PM
To: Catriona Laing <Catriona.Laing@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Philip Raines <Philip.Raines@gov.scot>; Ragne Low <Ragne.Low@gov.scot>; Susie Townend <Susie.Townend@gov.scot>
Subject: FW: SCANCE note - AR5 CFDs 110923

Another Cabinet paper (requested by Ms Slater earlier today) for your info – Tom)

From: [Redacted]<[Redacted]@gov.scot>
Sent: Monday, September 11, 2023 5:09 PM
To: Director of Offshore Wind <DirectorOSW@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Cabinet Secretary for Wellbeing Economy, Fair Work & Energy <CabSecWEFWE@gov.scot>; Minister for Energy and the Environment <MinisterEE@gov.scot>; Minister for Green Skills, Circular Economy and Biodiversity <MinisterforGSCEB@gov.scot>; Ragne Low <Ragne.Low@gov.scot>; Director of Marine <directormarine@gov.scot>; Kersti Berge <Kersti.Berge@gov.scot>; DG Net Zero <DGNetZero@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Mike Palmer <Mike.Palmer@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Frances Pacitti <Frances.Pacitti@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Director of Marine <directormarine@gov.scot>
Cc: [Redacted] <[Redacted]@gov.scot>
Subject: SCANCE note - AR5 CFDs 110923

Cabinet Secretary for Wellbeing Economy, Fair Work and Energy,

Please find attached for a SCANCE note on the outcome of AR5 and the implications this could have on AR6.

[Redacted]

Kind Regards

[Redacted]
[Redacted]
Energy and Climate Change Directorate
Scottish Government
T: [Redacted]



If you receive this email late at night, early in the morning, or at the weekend - it means I am working flexibly. Flexibility works for me, but please do not feel that you should have to pick this up outside of your own normal working hours.

From: [Redacted] <[Redacted]@gov.scot> **On Behalf Of** Ragne Low

Sent: Monday, September 11, 2023 1:06 PM

To: Kersti Berge <Kersti.Berge@gov.scot>; Cabinet Secretary for Wellbeing Economy, Fair Work & Energy <CabSecWEFWE@gov.scot>; Director of Offshore Wind <DirectorOSW@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Minister for Energy and the Environment <MinisterEE@gov.scot>; Minister for Green Skills, Circular Economy and Biodiversity <MinisterforGSCEB@gov.scot>; Jon Rathjen <Jon.Rathjen@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>

Cc: Ragne Low <Ragne.Low@gov.scot>; Director of Marine <directormarine@gov.scot>; DG Net Zero <DGNetZero@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Mike Palmer <Mike.Palmer@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Frances Pacitti <Frances.Pacitti@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Director of Marine <directormarine@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>

Subject: RE: CfD AR5 - results expected on 7 September.

Thanks [Redacted].

Just to confirm we have picked up and [Redacted] will take forward in Ragne's absence.

Thanks,

[Redacted], [Redacted]

Directorate for Energy and Climate Change

Scottish Government | 5 Atlantic Quay, 150 Broomielaw, Glasgow G2 8LU

To view the Energy Consents team's current casework please visit www.energyconsents.scot
To read the Energy Consents team's privacy notice on how personal information is used, please visit <http://www.energyconsents.scot/Documentation.aspx>



From: [Redacted] <[Redacted]@gov.scot> **On Behalf Of** Kersti Berge
Sent: Monday, September 11, 2023 1:05 PM
To: Cabinet Secretary for Wellbeing Economy, Fair Work & Energy <CabSecWEFWE@gov.scot>; Director of Offshore Wind <DirectorOSW@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Minister for Energy and the Environment <MinisterEE@gov.scot>; Minister for Green Skills, Circular Economy and Biodiversity <MinisterforGSCEB@gov.scot>; Jon Rathjen <Jon.Rathjen@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>
Cc: Ragne Low <Ragne.Low@gov.scot>; Director of Marine <directormarine@gov.scot>; Kersti Berge <Kersti.Berge@gov.scot>; DG Net Zero <DGNetZero@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Frances Pacitti <Frances.Pacitti@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Director of Marine <directormarine@gov.scot>
Subject: RE: CfD AR5 - results expected on 7 September.

Adding Jon Rathjen, who is providing cover in Ragne Low's absence, and [Redacted] in [Redacted] absence today (also [Redacted]), to arrange for this to be taken forward.

Best wishes,
[Redacted]

[Redacted], [Redacted]
Directorate for Energy and Climate Change | Scottish Government | 5 Atlantic Quay, 150 Broomielaw, Glasgow G2 8LU

//

From: [Redacted] <[Redacted]@gov.scot> **On Behalf Of** Cabinet Secretary for Wellbeing Economy, Fair Work & Energy
Sent: Monday, September 11, 2023 1:00 PM
To: Director of Offshore Wind <DirectorOSW@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Cabinet Secretary for Wellbeing Economy, Fair Work & Energy <CabSecWEFWE@gov.scot>; Minister for Energy and the Environment <MinisterEE@gov.scot>; Minister for Green Skills, Circular Economy and Biodiversity <MinisterforGSCEB@gov.scot>
Cc: Ragne Low <Ragne.Low@gov.scot>; Director of Marine

<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Mike Palmer <Mike.Palmer@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Frances Pacitti <Frances.Pacitti@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Director of Marine <directormarine@gov.scot>
Subject: RE: CfD AR5 - results expected on 7 September.

Adding Annabel Turpie to the copy list.

From: [Redacted] <[Redacted]@gov.scot>
Sent: Friday, September 8, 2023 2:47 PM
To: Cabinet Secretary for Wellbeing Economy, Fair Work & Energy <CabSecWEFWE@gov.scot>; Minister for Energy and the Environment <MinisterEE@gov.scot>
Cc: Ragne Low <Ragne.Low@gov.scot>; Director of Offshore Wind <DirectorOSW@gov.scot>; Director of Marine <directormarine@gov.scot>; Kersti Berge <Kersti.Berge@gov.scot>; DG Net Zero <DGNetZero@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Mike Palmer <Mike.Palmer@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Frances Pacitti <Frances.Pacitti@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>
Subject: RE: CfD AR5 - results expected on 7 September.

Cab Sec/Minister/PO

Following on from my email last week this is to let you know that, this morning, the results of the UK Government's Contract for Difference Allocation Round 5 were published.

The CfD is a scheme by which the UK Government, through an arm's length company Low Carbon Contracts Company (LCCC), provide a 15 year contract to electricity generators to buy electricity at a certain price (the strike price). Should the general market price of electricity go below the strike price generators will be 'topped up' to the strike price and in the event prices go above the strike price generators return the additional monies to LCCC who filter it back through consumer bills.

The headline information is as follows (with full results available here: [Contracts for Difference Allocation Round 5 results \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)):

- No Offshore Wind, fixed or floating, received a contract. This is in line with our expectation, as industry had articulated for some time that the target strike price was too low to allow viable delivery of either fixed or floating offshore wind projects. Indeed, it is our understanding that no offshore wind projects bid – with any early bidders having withdrawn their applications.
- Onshore wind (including remote island wind) had a very strong result achieving nearly 1.7GW, which is nearly 200MW better than last year's AR4 result.

- There was also a strong showing for tidal projects which achieved a little over 30 MW
- Solar achieved a single contract of c. 50 MW.

It is worth being aware that it is generally quite difficult to show how successful projects based in Scotland were in the auction as we do not have access to information on all the bidding projects (this is due to commercial sensitivities). But overall the auction achieved approx. 3.7 GW with 1.75 GW in Scotland which shows a strong success for projects in Scotland compared to the overall pot available.

Media stories are very much focussed on the lack of Offshore wind in the auction and you have cleared media lines for issue.

[Redacted]

Thanks,

[Redacted]

[Redacted]

From: [Redacted]

Sent: Monday, August 28, 2023 12:14 PM

To: Cabinet Secretary for Wellbeing Economy, Fair Work & Energy <CabSecWEFWE@gov.scot>; Minister for Energy and the Environment <MinisterEE@gov.scot>

Cc: Ragne Low <Ragne.Low@gov.scot>; Director of Offshore Wind <DirectorOSW@gov.scot>; Director of Marine <directormarine@gov.scot>; Kersti Berge <Kersti.Berge@gov.scot>; DG Net Zero <DGNetZero@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Mike Palmer <Mike.Palmer@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Frances Pacitti <Frances.Pacitti@gov.scot>

Subject: CfD AR5 - results expected on 7 September.

Cab Sec, Minister, PO,

This is to make you aware that on 7 September we expect the results of the 5th Allocation Round (AR5) for the Contracts for Difference (CfD) scheme to be announced.

The CfD is a scheme by which the UK Government, through the arm's length Low Carbon Contracts Company (LCCC), provide a 15 year contract to electricity generators to buy electricity at a certain price (the strike price). Should the general market price of electricity go below the strike price generators will be 'topped up' to the strike price and in the event prices go above the strike price generators return the additional monies to LCCC who filter it back through consumer bills.

The scheme has been most successful in bringing forward significant amounts of renewable generation with AR4 resulting in nearly 3GW of renewable technology securing contracts in Scotland.

We are aware that due to inflation and general economic uncertainties it is likely that we will see a significantly higher strike price for this year compared to AR4 (where the strike prices hit historic lows) with potential impacts for offshore wind projects in particular.

Unfortunately due to the market sensitive nature of the announcement we will not get any advanced notice of the results (with results published in time for the markets opening at 7am) but we are looking for an urgent call with DESNZ first thing on the morning of the 7th the information from which, in addition to the published results, we will use to provide you with advice on the day.

Happy to discuss,

[Redacted]

[Redacted], [Redacted], Onshore Electricity, Strategy and Consents
Directorate for Energy and Climate Change | Scottish Government | 5 Atlantic Quay,
150 Broomielaw, Glasgow G2 8LU

E: [Redacted] m: [Redacted]



(1) - Attachment

TOPIC HEADING: Outcomes of Contract for Difference Allocation Round 5 (AR5) and implications on AR6

MINISTER: Cabinet Secretary for Wellbeing Economy, Fair Work and Energy

Written Note

[Redacted]

The Contract for Difference (CfD) is a scheme by which the UK Government, through the arm's length Low Carbon Contracts Company (LCCC), provides a 15 year contract to electricity generators to buy electricity at a certain price (the strike price). This provides developers revenue certainty over the price customers will pay. The results of Allocation Round 5 were announced on Friday 8 September 2023.

No offshore wind projects received a contract. Industry had articulated for some time that the target strike price of £44/MWh was too low to allow viable delivery of either fixed or floating offshore wind projects. Indeed, it is our understanding that no offshore wind projects bid – with any early bidders having withdrawn their applications. [Redacted]

In contrast, onshore wind (including remote island wind) had a very strong result achieving nearly 1.7GW, which is nearly 200MW better than last year’s AR4 result. There was also a strong showing for tidal projects which achieved a little over 30 MW. Solar achieved a single contract of c. 50 MW.

It is generally quite difficult to show how successful projects based in Scotland were in the auction as we do not have access to information on all the bidding projects, due to commercial sensitivities. Overall the auction achieved approx. 3.7 GW, with 1.75 GW based in Scotland, which shows a strong success for projects in Scotland, compared to the overall pot available.

Offshore wind is one of the greatest opportunities for Scotland’s net zero economy. As set out in our draft Energy Strategy and Just Transition Plan, the Scottish Government is seeking to maximise the opportunities from offshore wind – for energy security, the environment, the economy and the Scottish supply chain – in a way that is sustainable and aligns with our marine planning framework.

[Redacted]

[Redacted]

The results of the government’s fifth Contract for Difference auction were announced on Friday. Successful bids were awarded to a range of onshore wind, solar and tidal projects in Scotland. Overall the auction achieved approx. 3.7 GW, with 1.75 GW based in Scotland, which shows a strong success for projects in Scotland, compared to the overall pot available.

However, there were no successful bids from offshore wind projects in the latest auction. The primary reason for this is that the price cap was set too low, and failed to reflect significant increases in supply costs and interest rates. Despite supply chain inflation up to 40%, industry warnings went unheeded, and the UK government declined to increase the maximum price on offer for offshore wind, even though it would still be significantly cheaper than gas-fired power plants..

Not only does this mean that the UK Government is highly likely to miss its own target of installing 50GW of offshore wind by 2030, putting Net Zero ambitions in jeopardy.

The UK Government must take urgent action to ensure that the price cap included in Round 6 of the Contracts for Difference is increased, so that offshore windfarms are able to compete.

Links to further information (if applicable)	Contracts for Difference Allocation Round 5 results (publishing.service.gov.uk)
----------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------

Name of Official: [Redacted]	Extension Number: [Redacted]
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(Document 2)

From: Callum McCaig <Callum.Mccaig@gov.scot>
Sent: Friday, September 8, 2023 11:28 AM
To: [Redacted] <[Redacted]@gov.scot>
Cc: Frances Pacitti <Frances.Pacitti@gov.scot>; Ragne Low <Ragne.Low@gov.scot>; Director of Offshore Wind <DirectorOSW@gov.scot>
Subject: RE: URGENT - AR5 - FMQs

Hi [Redacted],

Now this has been formally announced, do we have more detail on what impact this will have on Scotland? Impact on Scotwind etc?

Thanks,
Callum

From: [Redacted] <[Redacted]@gov.scot>
Sent: Thursday, September 7, 2023 11:06 AM
To: ET FMQ/PQ Mailbox <ETFMQPQ@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Callum McCaig <Callum.Mccaig@gov.scot>
Cc: Frances Pacitti <Frances.Pacitti@gov.scot>; Ragne Low <Ragne.Low@gov.scot>; Director of Offshore Wind <DirectorOSW@gov.scot>
Subject: URGENT - AR5 - FMQs
Importance: High

FMQ team, Callum

There is a breaking Sky News story on AR5 ahead of the formal announcement due tomorrow:

[Offshore wind power warning as government auction flops | Business News | Sky News](#)

Here are some holding lines and background for the FM.

I'm conscious of time but please let me know if you need anything further – or this provided in a different format.

Top Lines

- We await the formal results of the 5th Allocation Round (AR5) for the Contracts for Difference (CfD) scheme which are due to be announced tomorrow (8 September).
- This industry reaction is not unexpected but what is surprising is that UKG has not acted to provide the support needed to meet our shared ambition of delivering offshore wind for Scotland and for the UK as a whole.
- Scotland remains in steadfast support of renewables sector.

Background

The CfD is a scheme by which the UK Government, through the arm's length Low Carbon Contracts Company (LCCC), provide a 15 year contract to electricity generators to buy electricity at a certain price (the strike price). Should the general market price of electricity go below the strike price generators will be 'topped up' to the strike price and in the event prices go above the strike price generators return the additional monies to LCCC who filter it back through consumer bills.

The scheme has been most successful in bringing forward significant amounts of renewable generation with AR4 resulting in nearly 3GW of renewable technology securing contracts in Scotland.

We are aware that due to inflation and general economic uncertainties it is likely that we will see a significantly higher strike price for this year compared to AR4 (where the strike prices hit historic lows) with potential impacts for offshore wind projects in particular.

Unfortunately due to the market sensitive nature of the announcement we will not get any advanced notice of the results.

[Redacted]

[Redacted]

Offshore Wind Directorate
Scottish Government

[Redacted]

(Document 3)

From: [Redacted] <[Redacted]@gov.scot> **On Behalf Of** Offshore Wind Hub

Sent: Tuesday, September 12, 2023 4:15 PM

To: Cabinet Secretary for Transport, Net Zero & Just Transition

<CabSecTNZJT@gov.scot>; Offshore Wind Hub <OffshoreWindHub@gov.scot>;

[Redacted] <[Redacted]@gov.scot>

Cc: Minister for Energy and the Environment <MinisterEE@gov.scot>; Callum

McCaig <Callum.Mccaig@gov.scot>; [Redacted] <[Redacted]@gov.scot>;

[Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Ragne

Low <Ragne.Low@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Communications

Wellbeing Economy, Fair Work and Energy

<CommunicationsWellbeingEconomyFairWorkAndenergy@gov.scot>; [Redacted]

<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]

<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]

<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]

<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]

<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]

<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]

<[Redacted]@gov.scot>; Cabinet Secretary for Wellbeing Economy, Fair Work &

Energy <CabSecWEFWE@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Catriona

Laing <Catriona.Laing@gov.scot>; [Redacted] <[Redacted]@gov.scot>

Subject: RE: **RGU report info and** AR5 briefing note - For clearance: Draft quote - Offshore wind workforce

[Redacted],

[Redacted] With regards AR5, see attached also an over-arching briefing note following Friday's announcements - covering pro's, con's and next steps in the process.

[Redacted]

[Redacted]

If the cab sec requires anything additional, let us know, and we can ensure relevant info is provided.

Thanks,

[Redacted]

[Redacted] | **Offshore Wind Directorate | The Scottish Government |**

[Redacted] | [Redacted]

(3) – Attachment

BRIEFING NOTE

Contracts for Difference Allocation Round 5

Issue

Contracts for Difference Allocation Round 5 results were published on Friday 8 September.

Background

The CfD is a scheme by which the UK Government, through the arm's length Low Carbon Contracts Company (LCCC), provide a 15 year contract to electricity generators to buy electricity at a certain price (the strike price). Should the general market price of electricity go below the strike price generators will be 'topped up' to the strike price and in the event prices go above the strike price generators return the additional monies to LCCC who filter it back through consumer bills.

Key Information

- No Offshore Wind, fixed or floating, received a contract. This is in line with our expectation, as industry had articulated for some time that the target strike price was too low to allow viable delivery of either fixed or floating offshore wind projects. Indeed, it is our understanding that no offshore wind projects bid – with any early bidders having withdrawn their applications.
- Onshore wind (including remote island wind) had a very strong result achieving nearly 1.7GW, which is nearly 200MW better than last year's AR4 result.
- There was also a strong showing for tidal projects which achieved a little over 30 MW
- Solar achieved a single contract of c. 50 MW.

Full results available here:

[Contracts for Difference Allocation Round 5 results \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

It is worth being aware that it is generally quite difficult to show how successful projects based in Scotland were in the auction as we do not have access to information on all the bidding projects (this is due to commercial sensitivities). But overall the auction achieved approx. 3.7 GW with 1.75 GW in Scotland which shows a strong success for projects in Scotland compared to the overall pot available.

[Redacted]

- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]

Additional lines on impact of Strike Price Reforms (floating and fixed) and Subsidy Regimes in the UK:

- Scottish Government are aware of significant concern around the cost viability of projects within the UK, with strike prices and subsidies falling while costs continue to increase.
- We understand the long term risk this may have on deployment rates not just for Scotland, but throughout the UK and want to work with industry to realise our net zero ambitions and targets are kept on track.
- Officials are engaging with DESNZ following the publication of Allocation Round 5 (AR5) results and are pressing UKG to listen and engage with industry.
- Scottish Government believe urgent action is required to ensure Allocation Round 6 reflects the important role offshore wind has for Scotland, and the UK as a whole.
- We welcome the recent UKG non-price factor consultation call for evidence, however believe more detail and assessment on impact is required. UKG NPF consultation is expected to be published by October 23.

[Redacted]

(Document 4)

From: [Redacted] <[Redacted]@gov.scot>
Sent: Tuesday, August 1, 2023 1:59 PM
To: [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>
Cc: [Redacted] <[Redacted]@gov.scot>
Subject: CfD engagement with UKG

Hi [Redacted] and [Redacted], just wanted to try and clarify something with you re SG Ministerial engagement with UKG Ministers on the CfD (in [Redacted] absence).

Mr Lochhead has asked for advice on the decision by Vattenfall to suspend operations on its Norfolk Boreas offshore wind farm site. I have prepared the note below. [Redacted]

Also, note below for awareness in case useful to see.

Many thanks

[Redacted]

Dear [Redacted]

Mr Lochhead requested further information on the recent decision by Vattenfall to suspend its Norfolk Boreas offshore wind project.

[Redacted]

- The UK Government's Contracts for Difference subsidy scheme has undoubtedly been successful in driving down deployment costs and remains the key route to market for offshore wind projects. However, the downward pressure has quickly passed through to the supply chain, where low margins and a tough economic environment are making it more challenging for industry to support investments.
- Officials are hearing of significant concerns from Scottish developers regarding the administrative strike prices for Allocation Round 5 (AR5) and Allocation Round 6 (AR6), as a result of supply chain pressures, general economic uncertainty and higher inflation.
- Developers are warning that the administrative strike prices may simply be too low for projects to be taken forward, likely resulting in a poor response to future rounds should the strike prices not rise to accommodate these factors. Results of AR5 are expected later this year and further information on AR6 is expected in early 2024.

[Redacted]

Next Steps

- We are continuing to discuss these issues with developers and in addition to our formal response to the CfD consultation, we are using our engagement

with UKG officials to informally feedback concerns and help inform the UKG's thinking on AR5 and AR6. A meeting between SG officials and UKG officials is scheduled this week.

[Redacted]

- Officials will ensure that you are kept up to date with any developments, and will provide further advice and recommendations in the coming weeks.

[Redacted] | **Offshore Renewables Policy** | **Offshore Wind Directorate** | **The Scottish Government** |
[Redacted] | [Redacted]



(Document 5)

From: [Redacted] <[Redacted]@gov.scot>
Sent: Friday, September 8, 2023 9:01 AM
To: Frances Pacitti <Frances.Pacitti@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Offshore Wind Hub <OffshoreWindHub@gov.scot>; Director of Offshore Wind <DirectorOSW@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Ragne Low <Ragne.Low@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>
Subject: RE: CfD AR5

[Redacted]

I think the whole AR5 budget was only 210 million or something [Redacted]

[Redacted]

[Redacted]

From: Frances Pacitti <Frances.Pacitti@gov.scot>
Sent: Friday, September 8, 2023 8:44 AM
To: [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Offshore Wind Hub <OffshoreWindHub@gov.scot>; Director of Offshore Wind <DirectorOSW@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Ragne Low <Ragne.Low@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>
Subject: RE: CfD AR5

Thanks [Redacted].

[Redacted]

From: [Redacted] <[Redacted]@gov.scot>
Sent: Friday, September 8, 2023 8:43 AM
To: Frances Pacitti <Frances.Pacitti@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Offshore Wind Hub <OffshoreWindHub@gov.scot>; Director of Offshore Wind <DirectorOSW@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Ragne Low <Ragne.Low@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>
Subject: RE: CfD AR5

Hi Fran,

[Redacted]

In haste!

[Redacted]

[Redacted]

From: Frances Pacitti <Frances.Pacitti@gov.scot>

Sent: Friday, September 8, 2023 8:36 AM

To: [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Offshore Wind Hub <OffshoreWindHub@gov.scot>; Director of Offshore Wind <DirectorOSW@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Ragne Low <Ragne.Low@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>

Subject: RE: CfD AR5

Thanks [Redacted].

[Redacted]

Fran

From: [Redacted] <[Redacted]@gov.scot>

Sent: Friday, September 8, 2023 7:34 AM

To: Frances Pacitti <Frances.Pacitti@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Offshore Wind Hub <OffshoreWindHub@gov.scot>; Director of Offshore Wind <DirectorOSW@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Ragne Low <Ragne.Low@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>

Subject: CfD AR5

Morning Everyone,

We have the CfD Ar5 results out and will need to create some lines (meeting DESNZ early this pm).

Headlines are:

- No offshore wind cleared in the auction at all. This is a pretty big deal and says that for AR6 the UK Government will need to look at how to properly support onshore wind.
- We did very well with onshore wind this year. Last year we cleared about 1.4GW including remote island wind this year its nearly 1.7 GW and we did about the same on tidal.
- Nearly 1.7 GW (1669.54 MW) of onshore wind cleared (**please can someone check my early morning maths before this goes out – results are here: [Contracts for Difference Allocation Round 5 results \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)**) this includes remote island wind too for Viking.
- We also got some tidal too – about 30.64 MW worth – again someone needs to check my sums and one solar (49.90 MW)

[Redacted]

[Redacted]

Grateful for offshore colleagues input to what we say comms wise on the results today,

Thanks,

[Redacted]

[Redacted], [Redacted], Onshore Electricity, Strategy and Consents
Directorate for Energy and Climate Change | Scottish Government | 5 Atlantic Quay,
150 Broomielaw, Glasgow G2 8LU
E: [Redacted] m: [Redacted]



(Document 6)

From: Ragne Low <Ragne.Low@gov.scot>
Sent: Tuesday, September 5, 2023 9:40 PM
To: [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>;
Frances Pacitti <Frances.Pacitti@gov.scot>; Kersti Berge <Kersti.Berge@gov.scot>
Cc: Director of Offshore Wind <DirectorOSW@gov.scot>
Subject: RE: CfD AR5 - results expected on 7 September.

Thanks, [Redacted]. We will lead on providing an update to Cab Sec and Ms Martin when the results are out (hoping also that we can weave in SR reaction and also get any further intel from DESNZ), being sure to loop you in (is [Redacted] still the best person on that?).

[Redacted]

[Redacted]

Ragne

From: [Redacted] <[Redacted]@gov.scot>
Sent: Tuesday, September 5, 2023 9:31 PM
To: Ragne Low <Ragne.Low@gov.scot>; [Redacted] <[Redacted]@gov.scot>;
Frances Pacitti <Frances.Pacitti@gov.scot>; Kersti Berge <Kersti.Berge@gov.scot>
Cc: Director of Offshore Wind <DirectorOSW@gov.scot>
Subject: RE: CfD AR5 - results expected on 7 September.

Hi Ragne,

Just checking in on this. Offshore Wind are happy to contribute as necessary to the AR5 response but as its much wider than Offshore Wind we don't think it's appropriate for us to take the lead on handling so will leave with your team.

Grateful if we could be kept in loop for our interests and happy to take part in any key discussions or contribute to lines/advice as required.

Thanks,

[Redacted]

[Redacted]

Offshore Wind Directorate
Scottish Government

[Redacted]

[Redacted]

From: Frances Pacitti <Frances.Pacitti@gov.scot>
Sent: Wednesday, August 30, 2023 5:39 PM
To: [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>

Cc: Ragne Low <Ragne.Low@gov.scot>; Callum McCaig <Callum.Mccaig@gov.scot>
Subject: RE: CfD AR5 - results expected on 7 September.

Thanks [Redacted]

[Redacted]

[Redacted]

Fran

From: [Redacted] <[Redacted]@gov.scot>
Sent: Wednesday, August 30, 2023 5:04 PM
To: [Redacted] <[Redacted]@gov.scot>
Cc: Ragne Low <Ragne.Low@gov.scot>; Frances Pacitti <Frances.Pacitti@gov.scot>
Subject: FW: CfD AR5 - results expected on 7 September.

Hi [Redacted],

Hope you are well. I'm getting in touch ahead of the expected announcement of AR5 results next week.

I understand from your note and other discussions that we won't know the results until the 7th but we do have a fair idea of the likely direction of travel which should allow us to get at least some of our ducks in a row in relation to handling ahead of time.

[Redacted]

[Redacted]

Happy to chat through any/all of this early next week if helpful – I appreciate you might also already have some or all of this in motion and any thoughts or comments on the suggestions above are welcome.

I've reduced copy list at this point just to discuss and agree initial approach.

Thanks,

[Redacted]

[Redacted]
Offshore Wind Directorate
Scottish Government
[Redacted]

From: [Redacted] <[Redacted]@gov.scot>
Sent: Monday, August 28, 2023 12:14 PM

To: Cabinet Secretary for Wellbeing Economy, Fair Work & Energy
<CabSecWEFWE@gov.scot>; Minister for Energy and the Environment
<MinisterEE@gov.scot>

Cc: Ragne Low <Ragne.Low@gov.scot>; Director of Offshore Wind
<DirectorOSW@gov.scot>; Director of Marine <directormarine@gov.scot>; Kersti Berge <Kersti.Berge@gov.scot>; DG Net Zero <DGNetZero@gov.scot>; [Redacted] <[\[Redacted\]@gov.scot](mailto:[Redacted]@gov.scot)>; [Redacted] <[\[Redacted\]@gov.scot](mailto:[Redacted]@gov.scot)>; [Redacted] <[\[Redacted\]@gov.scot](mailto:[Redacted]@gov.scot)>; [Redacted] <[\[Redacted\]@gov.scot](mailto:[Redacted]@gov.scot)>; [Redacted] <[\[Redacted\]@gov.scot](mailto:[Redacted]@gov.scot)>; [Redacted] <[\[Redacted\]@gov.scot](mailto:[Redacted]@gov.scot)>; Mike Palmer <Mike.Palmer@gov.scot>; [Redacted] <[\[Redacted\]@gov.scot](mailto:[Redacted]@gov.scot)>; Frances Pacitti <Frances.Pacitti@gov.scot>

Subject: CfD AR5 - results expected on 7 September.

Cab Sec, Minister, PO,

This is to make you aware that on 7 September we expect the results of the 5th Allocation Round (AR5) for the Contracts for Difference (CfD) scheme to be announced.

The CfD is a scheme by which the UK Government, through the arm's length Low Carbon Contracts Company (LCCC), provide a 15 year contract to electricity generators to buy electricity at a certain price (the strike price). Should the general market price of electricity go below the strike price generators will be 'topped up' to the strike price and in the event prices go above the strike price generators return the additional monies to LCCC who filter it back through consumer bills.

The scheme has been most successful in bringing forward significant amounts of renewable generation with AR4 resulting in nearly 3GW of renewable technology securing contracts in Scotland.

We are aware that due to inflation and general economic uncertainties it is likely that we will see a significantly higher strike price for this year compared to AR4 (where the strike prices hit historic lows) with potential impacts for offshore wind projects in particular.

Unfortunately due to the market sensitive nature of the announcement we will not get any advanced notice of the results (with results published in time for the markets opening at 7am) but we are looking for an urgent call with DESNZ first thing on the morning of the 7th the information from which, in addition to the published results, we will use to provide you with advice on the day.

Happy to discuss,

[Redacted]


[Redacted], [Redacted], Onshore Electricity, Strategy and Consents
Directorate for Energy and Climate Change | Scottish Government | 5 Atlantic Quay,
150 Broomielaw, Glasgow G2 8LU
E: [Redacted] m: [Redacted]



(Document 7)

From: [Redacted] <[Redacted]@gov.scot>
Sent: Friday, September 8, 2023 11:40 AM
To: [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>;
Director of Offshore Wind <DirectorOSW@gov.scot>; [Redacted]
<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Robert Martin
<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Frances Pacitti
<Frances.Pacitti@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Offshore Wind
Hub <OffshoreWindHub@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]
<[Redacted]@gov.scot>; Ragne Low <Ragne.Low@gov.scot>; [Redacted]
<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]
<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [redacted]
<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]
<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]
<[Redacted]@gov.scot>; Ragne Low <Ragne.Low@gov.scot>; [Redacted]
<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>
Cc: [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>;
[Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]
<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>
Subject: RE: CfD AR5 - Please use this chain!

Hi [Redacted], all – there is no information to check the ECIU £1BN figure so can't sense-check/validate.
[Redacted]

[Redacted]
[Redacted]
Office of the Chief Economic Adviser - Scottish Government
 @ScotGovOCEA

From: [Redacted] <[Redacted]@gov.scot>
Sent: Friday, September 8, 2023 11:30 AM
To: [Redacted] <[Redacted]@gov.scot>; Director of Offshore Wind
<DirectorOSW@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]
<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]
<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Frances Pacitti
<Frances.Pacitti@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Offshore Wind
Hub <OffshoreWindHub@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]
<[Redacted]@gov.scot>; Ragne Low <Ragne.Low@gov.scot>; [Redacted]
<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]
<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]
<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]
<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]
<[Redacted]@gov.scot>; Ragne Low <Ragne.Low@gov.scot>; [Redacted]
<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>
Cc: [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>;
[Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]
<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>
Subject: RE: CfD AR5 - Please use this chain!

<[Redacted]@gov.scot>; Frances Pacitti <Frances.Pacitti@gov.scot>; [Redacted]
<[Redacted]@gov.scot>; Offshore Wind Hub <OffshoreWindHub@gov.scot>;
[Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Ragne
Low <Ragne.Low@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]
<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]
<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]
<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]
<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]
<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Ragne Low
<Ragne.Low@gov.scot>

Cc: [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>;
[Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]
<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>
Subject: RE: CfD AR5 - Please use this chain!

Thanks, Michelle. [Redacted] – but let me know if you feels more is required.

[Redacted] – [Redacted]

[Redacted]

From: Michelle Quinn <Michelle.Quinn@gov.scot> **On Behalf Of** Director of
Offshore Wind

Sent: Friday, September 8, 2023 10:54 AM

To: [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>;
[Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]
<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Frances Pacitti
<Frances.Pacitti@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Offshore Wind
Hub <OffshoreWindHub@gov.scot>; Director of Offshore Wind
<DirectorOSW@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]
<[Redacted]@gov.scot>; Ragne Low <Ragne.Low@gov.scot>; [Redacted]
<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]
<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]
<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]
<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]
<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]
<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]
<[Redacted]@gov.scot>; Ragne Low <Ragne.Low@gov.scot>

Cc: [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>;
[Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]
<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>

Subject: RE: CfD AR5 - Please use this chain!

Thanks for this [Redacted],

It feels like we're heading in the right direction. [Redacted]

Michelle

From: [Redacted] <[Redacted]@gov.scot>
Sent: Friday, September 8, 2023 10:36 AM
To: [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Frances Pacitti <Frances.Pacitti@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Offshore Wind Hub <OffshoreWindHub@gov.scot>; Director of Offshore Wind <DirectorOSW@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Ragne Low <Ragne.Low@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Ragne Low <Ragne.Low@gov.scot>
Cc: [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>
Subject: RE: CfD AR5 - Please use this chain!

Thanks, all.

[Redacted]

Commenting on the UK Government's Contracts for Difference Allocation Round 5, Energy Secretary Neil Gray said:

[Redacted]

[Redacted]

From: [Redacted] <[Redacted]@gov.scot>
Sent: Friday, September 8, 2023 10:24 AM
To: [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Frances Pacitti <Frances.Pacitti@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Offshore Wind Hub <OffshoreWindHub@gov.scot>; Director of Offshore Wind <DirectorOSW@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Ragne Low <Ragne.Low@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Ragne Low <Ragne.Low@gov.scot>
Cc: [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>
Subject: RE: CfD AR5 - Please use this chain!

Hi all – I've just extracted the data and put it in excel (well, I am an analyst!)

[Redacted] – you're right. Rounded numbers:

1.7 onshore (including RI)
50 solar
31 tidal

[Redacted] – grateful if you also could have a quick look over, too.

[Redacted]

[Redacted]

[Redacted]

Office of the Chief Economic Adviser - Scottish Government



From: [Redacted] <[Redacted]@gov.scot>

Sent: Friday, September 8, 2023 10:16 AM

To: [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>;
[Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Frances
Pacitti <Frances.Pacitti@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Offshore
Wind Hub <OffshoreWindHub@gov.scot>; Director of Offshore Wind
<DirectorOSW@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]
<[Redacted]@gov.scot>; Ragne Low <Ragne.Low@gov.scot>; [Redacted]
<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]
<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]
<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] [Redacted]
[Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]
<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]
<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Ragne Low
<Ragne.Low@gov.scot>

Cc: [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>;
[Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted]
<[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>

Subject: RE: CfD AR5 - Please use this chain!

Hi [Redacted]

Minor amends. [Redacted]

OCEA: be grateful for a view on volume – I thought it was nearly 1.7 GW for onshore and remote island (which is great), 50 MW ish for solar and 30MW ish for tidal but those numbers need checked.

Thanks,

[Redacted]

Agree with [Redacted] – [Redacted].

[Redacted]

Best,

[Redacted]

From: [Redacted] <[Redacted]@gov.scot>
Sent: Friday, September 8, 2023 9:28 AM
To: [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Frances Pacitti <Frances.Pacitti@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Offshore Wind Hub <OffshoreWindHub@gov.scot>; Director of Offshore Wind <DirectorOSW@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Ragne Low <Ragne.Low@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>
Cc: [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>
Subject: RE: CfD AR5 - Please use this chain!

[Redacted].

[Redacted]

[Redacted] | [Redacted], Scottish Government | **T:** [Redacted] | **M:** [Redacted] | 5 Atlantic Quay, 150 Broomielaw, Glasgow, G2 8LU | Working days: Tuesday - Friday

From: [Redacted] <[Redacted]@gov.scot>
Sent: Friday, September 8, 2023 9:23 AM
To: [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Frances Pacitti <Frances.Pacitti@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Offshore Wind Hub <OffshoreWindHub@gov.scot>; Director of Offshore Wind <DirectorOSW@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Ragne Low <Ragne.Low@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>
Cc: [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>
Subject: RE: CfD AR5 - Please use this chain!

Brining in [Redacted] to see this chain as we are writing lines on tidal.

[Redacted]

[Redacted] | Directorate for Offshore Wind
[Redacted]

From: [Redacted] <[Redacted]@gov.scot>
Sent: Friday, September 8, 2023 9:18 AM
To: [Redacted] <[Redacted]@gov.scot>; Frances Pacitti <Frances.Pacitti@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Offshore Wind Hub <OffshoreWindHub@gov.scot>; Director of Offshore Wind <DirectorOSW@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Ragne Low <Ragne.Low@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>
Cc: [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>
Subject: RE: CfD AR5 - Please use this chain!

Bringing [Redacted] and [Redacted] in as LDES is in their areas.

[Redacted]

From: [Redacted]
Sent: Friday, September 8, 2023 9:14 AM
To: [Redacted] <[Redacted]@gov.scot>; Frances Pacitti <Frances.Pacitti@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Offshore Wind Hub <OffshoreWindHub@gov.scot>; Director of Offshore Wind <DirectorOSW@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Ragne Low <Ragne.Low@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>
Cc: [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>
Subject: RE: CfD AR5 - Please use this chain!

Hi [Redacted],

I think what you are proposing as a line/statement etc sounds good [Redacted]

Thanks,

[Redacted]

[Redacted]

From: [Redacted] <[Redacted]@gov.scot>
Sent: Friday, September 8, 2023 9:07 AM
To: Frances Pacitti <Frances.Pacitti@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Offshore Wind Hub <OffshoreWindHub@gov.scot>; Director of Offshore Wind <DirectorOSW@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Ragne Low <Ragne.Low@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>
Cc: [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>
Subject: RE: CfD AR5 - Please use this chain!

To add that SR response just dropped.

“Industry has repeatedly warned of the cost pressures and increased challenges facing developers, but the UK Government failed to heed these warnings and is now seeing the effect of that inaction.

“Today’s results are a major blow and should serve as an indication that urgent reform is needed. Every megawatt of renewable energy which isn’t built right now prolongs our dependence on generation using expensive imported gas, which costs consumers money.

“It’s also bad for Scotland’s energy supply chain, which is trying to transition from oil and gas to renewables and desperately needs a steady stream of projects to make their own investments in skilling up and new technology.”

From: [Redacted]
Sent: Friday, September 8, 2023 9:00 AM
To: Frances Pacitti <Frances.Pacitti@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Offshore Wind Hub <OffshoreWindHub@gov.scot>; Director of Offshore Wind <DirectorOSW@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Ragne Low <Ragne.Low@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>
Cc: [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>
Subject: RE: CfD AR5 - Please use this chain!

Couple of split chains - adding back in Comms and OCEA colleagues, alongside Offshore colleagues [Redacted] added.

[Redacted]

[Redacted]

(Document 8)

**MINISTERIAL ENGAGEMENT BRIEFING: COP Global Floating Offshore Wind
Competence Centre Launch - 30 March 2023**

Copied to: Michael Matheson MSP, Cabinet Secretary for Net Zero, Energy and
Transport

[Redacted]

[Redacted] CfD AR5 opening on 30 March 2023 [Redacted]
CfD AR5.

(Document 9)

Cabinet Secretary for Net Zero, Energy and Transport

**MEETING WITH MARINE ENERGY COUNCIL AND SCOTTISH RENEWABLES
28 FEBRUARY 2023 16:00 – 16:45**

Key Message	<ul style="list-style-type: none">• We welcome the opportunity to hear the views of the Marine Energy Council and Scottish Renewables on the opportunities and priorities for marine energy.• We would value your input to the development of the marine energy vision in our Energy Strategy and Just Transition Plan.
When	28 February 2023 16:00 – 16:45

ANNEX A

MEETING WITH MARINE ENERGY COUNCIL AND SCOTTISH RENEWABLES

Agenda & Discussion Points

1. Welcome & introductions
2. [Redacted]
3. Contracts for Difference allocation round 5
4. Wave energy update

Item 1:	Welcome and Introductions
Background:	<ul style="list-style-type: none">• The Marine Energy Council and Scottish Renewables proposed this meeting to discuss progress in and next steps for the marine energy sector.• [Redacted]• The trade bodies argue that this is a critical time for the sector due to the forthcoming decision by UK Government on whether to include a ringfence for marine energy in the fifth allocation round (AR5) of the Contracts for Difference.
Discussion Point	

Item 2:	[Redacted]
----------------	------------

Key Messages:	
Discussion:	<ul style="list-style-type: none"> Do you have any insight into why the Welsh Government decided against introducing a financial support mechanism for marine energy in Wales? [we understand that this was being considered in detail though was not implemented, possibly due to budget constraints as well as the introduction of CfD support at UK level].
Item 3:	Contracts for Difference fifth allocation round (AR5)
Background	<ul style="list-style-type: none"> Further details of the allocation framework for AR5 are expected to be published on 16 March ahead of the application window opening on 30 March. DESNZ is considering whether the ringfence for marine energy should continue, and if so whether at the same or a reduced level. The Marine Energy Council is arguing for the ringfence to be maintained at £20 million p.a. It is likely that the Marine Energy Council will seek the Scottish Government’s endorsement of the industry position on the need to maintain support a ringfence in AR5 and beyond. We understand that the Welsh Government has submitted a letter to UKG on these terms and we expect you will be invited to do the same.
Key Messages/ Discussion:	<ul style="list-style-type: none"> From your recent meeting with Graham Stuart, do you have a sense of what the UK Government intends to provide for marine energy in AR5 and its views on marine energy more broadly?
Item 4:	Wave energy update
Discussion:	<ul style="list-style-type: none"> Which wave developers are likely to be ready to apply for CfD support in the near future – either in AR5 or AR6 - at what scale and at which locations?

Annex C

Scottish Marine Energy Industry Working Group (SMEIG)

- In January 2023, the group produced an overarching paper synthesising the findings of the sub-groups and setting out key recommendations for the marine energy sector’s development which include:
 - Maintain pressure on the UK Government for **long-term certainty of market pull support for tidal energy within the CfD mechanism.**

Annex D

CfD Allocation round 5 (AR5) – Marine Energy Council considerations

- Tidal Stream and Wave energy are included in Pot 2 of AR5, alongside Biomass/CHP, Floating Offshore Wind and Geothermal.
- In anticipation of further details of the allocation framework being announced by UK Government (in mid-March, with the application window for AR5 due to open on 30 March) the Marine Energy Council has outlined three scenarios considering the potential impact of:
 - the UK Government removing the ringfence for tidal stream energy;
 - a ringfence of £10m p.a. for tidal stream energy;
 - the ringfence of £20m p.a. is maintained.

(Document 9-B)

Title:	Marine Energy Policy - Extended Brief
Last Update:	April 04, 2023
Lead Ministers:	Cabinet Secretary for Net Zero and Just Transition Cabinet Secretary for Wellbeing Economy, Fair Work and Energy Minister for Energy
Top Lines:	<ul style="list-style-type: none">• Scotland is the most advanced hub in Europe for marine energy as a result of more than a decade of support from the Scottish Government together with the expertise, investment, and innovation of the industry itself.• While the announcement on 16 March 2023 that the latest allocation round (AR5) for the CfD includes a £10 million ring-fenced budget available for tidal stream technologies is welcome, any reduction from previous years ring-fencing (£20 million) has the potential to impact deployment and investment in Scotland.• We are engaging with our stakeholders to better understand the impact a reduced ring-fence will have on the delivery of Scottish deployments.• To fully unlock the potential of this highly predictable energy source, the sector needs certainty about the support that will be available in future allocation rounds.• The draft Energy Strategy and Just Transition Plan published in January 2023 sought views on a new vision for marine energy, which included the introduction of a new level of ambition for marine energy for Scotland. Consultation responses have now been collated and will now be carefully analysed and considered before final publication expected in November 2023.
Funding Support	<p>The main support mechanism and route to market for marine energy projects in Scotland is the annual UK Government’s Contracts for Difference (CfD) Subsidy Regime which began in 2014.</p> <ul style="list-style-type: none">• The latest allocation round for the CfD (AR5), announced March 16, 2023, includes a £10 million ring-fenced budget available for tidal stream.

(Document 10)

From: [Redacted]
Sent: 26 May 2023 17:06
To: Minister for Energy
Cc: [Redacted]; [redacted]; Mike Palmer
Subject: [Redacted] Consents meeting 24 May 2023 - meeting note
Attachments: [Redacted] Consents Meeting 24 May 2023 1515.docx

PS Minister for Energy

Please see below a brief note of the [Redacted] Meeting held on 24 May 2023. Discussion was largely around the brief prepared in advance of the meeting so I attach this again as a record of the meeting. In addition the points below were discussed.

[Redacted]

Kind regards
[Redacted]

[Redacted]
[Redacted]
Marine Directorate – Licensing Operations Team
Scottish Government | Marine Laboratory, PO Box 101 | 375 Victoria Road | Aberdeen AB11 9DB

Email:
[Redacted]

or
ms.marine@renewables@gov.scot

Attachment

**[Redacted] Consents Meeting
24 May 2023 – 15:15 to 16:00**

Officials attending – [Redacted], [Redacted], [Redacted]

AGENDA

1. [Redacted] update

1. [Redacted]

Following the granting of the recent [Redacted]

(Document 11)

From: [Redacted]
Sent: 04 May 2023 15:23
To: Low R (Ragne); Pacitti F (Frances)
Cc: [Redacted]; [Redacted]
Subject: RE: Pre-brief - Cab Sec Committee Appearance

Ragne

[Redacted]

[Redacted]

Marine Energy CfD

[Redacted]

The fifth allocation round for the CfD (AR5) includes a £10 million per annum ringfenced budget for wave and tidal energy. Trade bodies for the marine energy industry, while welcoming the continuation of the ringfence for the sector, have raised concerns about the impact of the reduction in the budget for marine energy.

The UK-wide Marine Energy Council has called for the £20 million ringfence to be maintained, while Scottish Renewables has called for increased cost pressures and the current economic challenges faced by developers to be considered. Both Scottish Renewables and the Marine Energy Council argue that the marine energy industry requires consistency from the policy environment in order to deliver multiple projects, provide a clear investment pathway to drive down costs, and to support the industrialisation of the marine energy sector in the UK.

The Scottish Government's draft Energy Strategy and Just Transition Plan includes the following ask of UK Government: "The ringfencing of support for tidal stream in Contracts for Difference Allocation Round 4 represents an overdue but welcome step in the journey towards the commercialisation of tidal stream energy. To fully unlock its potential, the sector needs certainty about the support that will be available in future allocation rounds."

From: Low R (Ragne) <Ragne.Low@gov.scot>
Sent: 04 May 2023 14:49
To: [Redacted] <[Redacted]@gov.scot>; Pacitti F (Frances) <Frances.Pacitti@gov.scot>
Cc: [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>
Subject: RE: Pre-brief - Cab Sec Committee Appearance

Ah ok – makes sense now. Thanks!

From: [Redacted] <[Redacted]@gov.scot>
Sent: 04 May 2023 14:47
To: Low R (Ragne) <Ragne.Low@gov.scot>; Pacitti F (Frances) <Frances.Pacitti@gov.scot>
Cc: [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>
Subject: RE: Pre-brief - Cab Sec Committee Appearance

Thanks Ragne

[Redacted]

I'll try to dig out the details and come back shortly with an additional line.

[Redacted]

From: Low R (Ragne) <Ragne.Low@gov.scot>
Sent: 04 May 2023 13:07
To: Pacitti F (Frances) <Frances.Pacitti@gov.scot>; [Redacted] <[Redacted]@gov.scot>
Cc: [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>
Subject: RE: Pre-brief - Cab Sec Committee Appearance

[Redacted]

From: Pacitti F (Frances) <Frances.Pacitti@gov.scot>
Sent: 04 May 2023 13:02
To: [Redacted] <[Redacted]@gov.scot>; Low R (Ragne) <Ragne.Low@gov.scot>
Cc: [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>
Subject: RE: Pre-brief - Cab Sec Committee Appearance

[Redacted], thanks very much for this.
Ragne – will you incorporate into the pack?

[Redacted]

From: [Redacted] <[Redacted]@gov.scot>
Sent: 04 May 2023 10:39
To: Ragne Low <Ragne.Low@gov.scot>; Frances Pacitti <Frances.Pacitti@gov.scot>
Cc: [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>
Subject: RE: Pre-brief - Cab Sec Committee Appearance

Ragne, Fran

I attach below some background on the marine CfD issue. Happy to refine this if required.

[Redacted]

Marine Energy CfD

[Redacted]

The fifth allocation round for the CfD (AR5) includes a £10 million per annum ringfenced budget for wave and tidal energy. Trade bodies for the marine energy industry, while welcoming the continuation of the ringfence for the sector, have raised concerns about the impact of the reduction in the budget for marine energy.

The UK-wide Marine Energy Council has called for the £20 million ringfence to be maintained, while Scottish Renewables has called for increased cost pressures and the current economic challenges faced by developers to be considered. Both Scottish Renewables and the Marine Energy Council argue that the marine energy industry requires consistency from the policy environment in order to deliver multiple projects, provide a clear investment pathway to drive down costs, and to support the industrialisation of the marine energy sector in the UK.

The Scottish Government's draft Energy Strategy and Just Transition Plan includes the following ask of UK Government: "The ringfencing of support for tidal stream in Contracts for Difference Allocation Round 4 represents an overdue but welcome step in the journey towards the commercialisation of tidal stream energy. To fully unlock its potential, the sector needs certainty about the support that will be available in future allocation rounds."

[Redacted] | **Marine Energy Policy** | **Offshore Wind Directorate** | **Scottish Government** | **Atlantic Quay** | **150 Broomielaw** | **Glasgow G2 8LU** [Redacted] | **Tel:** [Redacted] / [Redacted]

From: Low R (Ragne) <Ragne.Low@gov.scot>

Sent: 04 May 2023 07:02

To: Pacitti F (Frances) <Frances.Pacitti@gov.scot>

Cc: [Redacted] <[Redacted]@gov.scot>

Subject: FW: Pre-brief - Cab Sec Committee Appearance

Importance: High

Hi Fran

For the final ask – [Redacted] Can you please send me lines? [Redacted] Copying Gordon directly too. I am afraid I need this pretty sharpish, as I am sure Mr Gray is expecting a fresh pack later today/tomorrow morning.

Ragne

(Document 12)

**NET ZERO ENERGY AND TRANSPORT COMMITTEE – BRIEFING PACK –
ENERGY INFRASTRUCTURE INQUIRY – 8 MAY 2023**

Additional Background

- The fifth allocation round for the CfD (AR5) includes a £10 million per annum ringfenced budget for wave and tidal energy. Trade bodies for the marine energy industry, while welcoming the continuation of the ringfence for the sector, have raised concerns about the impact of the reduction in the budget for marine energy.

(Document 13)

From: [Redacted] on behalf of Minister for Energy 2023
Sent: 19 April 2023 14:09
To: [Redacted]; Minister for Energy 2023
Cc: Cabinet Secretary for Net Zero & Just Transition; Cabinet Secretary for Rural Affairs, Land Reform and Islands; Cabinet Secretary for Wellbeing Economy, Fair Work & Energy; Minister for Environment and Land Reform; Minister for Green Skills, Circular Economy and Biodiversity2023; Minister for Just Transition, Employment & Fair Work; DG Economy; DG Net Zero; Director of Marine Scotland; Mike Palmer; Iain Wallace; [Redacted]; Michelle Quinn; Frances Pacitti; [Redacted]; Kersti Berge; Andrew Hogg; [Redacted] ; Alison Presly; [Redacted]; Callum McCaig; Communications Net Zero & Rural Affairs
Subject: RE: Immediate Priority - Project - [Redacted]

Hi [Redacted],

Ms Martin is content with the recommendation.

Many thanks,

[Redacted]
Minister for Energy
The Scottish Government
Edinburgh
Email: MinisterEnergy@gov.scot

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From: [Redacted] <[Redacted]@gov.scot>
Sent: 18 April 2023 16:28
To: Minister for Energy 2023 <MinisterEnergy@gov.scot>
Cc: Cabinet Secretary for Net Zero & Just Transition <CabSecNZJT@gov.scot>; Cabinet Secretary for Rural Affairs, Land Reform and Islands

<CabSecRALRI@gov.scot>; Cabinet Secretary for Wellbeing Economy, Fair Work & Energy <CabSecWEFWE@gov.scot>; Minister for Environment and Land Reform <MinisterELR@gov.scot>; Minister for Green Skills, Circular Economy and Biodiversity2023 <MinisterforGSCEB@gov.scot>; Minister for Just Transition, Employment & Fair Work <MinisterJTEFW@gov.scot>; DG Economy <DGEconomy@gov.scot>; DG Net Zero <DGNetZero@gov.scot>; Director of Marine Scotland <Directormarinescotland@gov.scot>; Mike Palmer <Mike.Palmer@gov.scot>; Iain Wallace <Iain.Wallace@gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; Michelle Quinn <Michelle.Quinn@gov.scot>; Frances Pacitti <Frances.Pacitti@gov.scot>; [Redacted] <[Redacted] @gov.scot>; Kersti Berge <Kersti.Berge@gov.scot>; Andrew Hogg <Andrew.Hogg@gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; Alison Presly <Alison.Presly@gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] [Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; Callum McCaig <Callum.Mccaig@gov.scot>; Communications Net Zero & Rural Affairs <CommunicationsNetZeroandRuralAffairs@gov.scot>
Subject: Immediate Priority - [Redacted] Project - [Redacted]

P/S Minister for Energy

Please find attached the submission for [Redacted]

We highlight that this submission is an immediate priority, and we therefore request a response by midday Thursday 20th April.

[Redacted]

I trust the attached provides sufficient information, but please let me know if there are any queries.

Kind regards,

[Redacted]

[Redacted]

Marine Directorate – Licensing Operations Team

Scottish Government | Victoria Quay | Leith | Edinburgh | EH6 6QQ

Email: [Redacted]

Phone: [Redacted]

Website: <http://www.gov.scot/Topics/marine/Licensing/marine>

[Redacted]

(Document 14)

From: [Redacted]
Marine Scotland Licensing Operations Team
18 April 2023

Minister for Energy

1. APPLICATION UNDER SECTION 36C OF THE ELECTRICITY ACT 1989 TO VARY THE CONSENT GRANTED UNDER SECTION 36 OF THE ELECTRICITY ACT 1989 TO CONSTRUCT AND OPERATE [Redacted]

Priority and Purpose

Immediate priority. [Redacted]

[Redacted]

[Redacted]

(Document 15)

From: [Redacted]
Sent: 04 April 2023 14:45
To: Minister for Energy 2023
Cc: Director of Marine Scotland Mailbox; Palmer MR (Mike); [Redacted]; [Redacted]; Hogg A (Andrew); [Redacted]; [Redacted]; [Redacted]; Pacitti F (Frances); Quinn M (Michelle); [Redacted]; [Redacted]; [Redacted]; Wallace I (Iain)
Subject: Minister for Energy - Update on [Redacted] Wind Farm section 36 consent application
Attachments: Update for Cabinet Secretary on the [Redacted] Wind Farm section 36 consent application.docx

P/S Minister for Energy

Please find attached a paper in relation to the [Redacted] Wind Farm application for section 36 consent. I also provided an update on this application to the Cabinet Secretary for Net Zero, Energy and Transport on 9 March 2023, and that email, which provides the background to this case, is attached for completeness.

Ms Martin has been designated the Minister responsible for energy consenting. As such, she will be the Minister who determines the [Redacted] application for consent and will in due course receive advice from Marine Directorate's Licensing Operations Team on the application to enable her to make that determination.

[Redacted]

[Redacted]

[Redacted]

We would suggest a meeting between officials and the Minister to brief her on the background and key issues would be helpful.

Kind regards

[Redacted]

[Redacted]

[Redacted]

[Redacted]

Marine Scotland – Marine Planning & Policy Division

Scottish Government | Marine Laboratory, PO Box 101 | 375 Victoria Road | Aberdeen AB11 9DB

Email:

[Redacted]

or
ms.marinelicensing@gov.scot for licensing queries or ms.marinerenewables@gov.scot for marine renewables queries

[Redacted]

[Redacted]

[Redacted]

[Redacted]

From: [Redacted] on behalf of Minister for Energy 2023
Sent: 19 April 2023 14:09
To: [Redacted]; Minister for Energy 2023
Cc: Cabinet Secretary for Net Zero & Just Transition; Cabinet Secretary for Rural Affairs, Land Reform and Islands; Cabinet Secretary for Wellbeing Economy, Fair Work & Energy; Minister for Environment and Land Reform; Minister for Green Skills, Circular Economy and Biodiversity2023; Minister for Just Transition, Employment & Fair Work; DG Economy; DG Net Zero; Director of Marine Scotland; Mike Palmer; Iain Wallace; [Redacted]; [Redacted]; [Redacted]; [Redacted]; [Redacted]; [Redacted]; [Redacted]; [Redacted]; Michelle Quinn; Frances Pacitti; [Redacted]; Kersti Berge; Andrew Hogg; [Redacted]; [Redacted]; Alison Presly; [Redacted]; [Redacted]; [Redacted]; Callum McCaig; Communications Net Zero & Rural Affairs
Subject: RE: Immediate Priority - [Redacted] Project - Section 36 Variation

Hi [Redacted],

[Redacted]

Many thanks,

[Redacted]

[Redacted]

[Redacted]

The Scottish Government
Edinburgh

Email: MinisterEnergy@gov.scot

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(Document 16)

Marine Energy Core Brief – last update: 4 April (Correction 4 October 2023)

Top Lines	<ul style="list-style-type: none">• Scotland is the most advanced hub in Europe for marine energy, with some of the world’s largest and most powerful operational tidal stream projects together with smaller-scale prototype wave energy projects.• Scotland is home to almost all the approximately 10 megawatts of operational tidal stream energy capacity in the UK and more than half the total capacity installed globally, with pioneering projects being led by Scottish developers Simec Atlantis Energy, Orbital Marine Power and Nova Innovation.• We welcome the announcement on 8 September 2023 that tidal projects in Scotland have received 30MW of the total 53MW of tidal stream capacity supported in the fifth allocation round (AR5) of the Contracts for Difference (CfD). This builds on the outcome of AR4, in which Scottish tidal developers secured contracts for around 35MW.• These results highlight both Scotland’s position as a pioneer in the development and deployment of tidal stream energy and the role that the technology can play in our future net zero energy system. To fully unlock its potential, the sector needs certainty about the support that will be available in future allocation rounds.• The latest allocation round for the CfD (AR5) includes a £10 million p.a. ring-fenced budget available for tidal stream technologies.• While the Scottish Government has provided consistent support for the marine energy sector for more than a decade, the main levers for enabling the commercialisation of these emerging technologies lie with the UK Government.
Funding	<p>The main support mechanism and route to market for marine energy projects in Scotland is the annual UK Government’s Contracts for Difference (CfD) Subsidy Regime which began in 2014.</p> <ul style="list-style-type: none">• The latest allocation round for the CfD (AR5), announced March 16, 2023, includes a £10 million p.a ring-fenced budget available for tidal stream.

(Document 17)

[Redacted]

[Redacted]

Marine Energy Lines

- Scotland is the most advanced marine energy hub in Europe as a result of more than a decade of support from the Scottish Government together with the expertise, investment and innovation of industry itself.
- Scotland has unrivalled tidal energy resources and is home to the world’s largest operational tidal stream project and the world’s most powerful tidal turbine, demonstrating the performance and reliability of the technologies.
- [Redacted]

Ring fenced budget of £10 million for Tidal announced by UKG

- The Marine Energy Council is calling for this reduction to be reviewed, and for the UK Government to maintain its international leadership in marine energy.
- The Scottish Government had been pressing the UK Government, alongside industry, for the introduction of Contracts for Difference (CfD) support for the tidal energy sector for several years.
- The sector now needs long-term certainty about the support that will be available to it. We will continue to work with industry to make that case to the UK Government.
- Projects in Scotland secured the majority of funding available in previous allocation rounds which could enable the installed capacity from tidal to increase to over 40MW by 2027.

[Redacted]

- [Redacted]
- [Redacted]
- [Redacted]

Marine Energy Top Lines

- Scotland is the most advanced hub in Europe for marine energy, with some of the world's largest and most powerful operational tidal stream projects together with smaller-scale prototype wave energy projects.
- While the Scottish Government has provided consistent support for the marine energy sector for more than a decade, the main levers for enabling the commercialisation of these emerging technologies lie with the UK Government.
- [Redacted]
- The latest allocation round for the CfD (AR5) includes a £10 million ring-fenced budget available for tidal stream technologies. Formally ringfenced at £20 million, we are engaging with our stakeholders to better understand the impact this reduced ring-fence could have on the delivery of Scottish deployments.
- To fully unlock the potential of this highly predictable energy source, the sector needs certainty about the support that will be available in future allocation rounds.
- [Redacted]
- [Redacted]

(Document 18)

From: [Redacted]
Sent: 17 March 2023 17:01
To: [Redacted]; [Redacted]; Berge K (Kersti)
Cc: Low R (Ragne)
Subject: RE: Meeting with Sarah Redwood today

Hi All,

Apologies that this is a bit rough and ready but here is what Kersti and I got from the call with UKG yesterday:

- AR5 budget notice:
 - Published notice today, 1st annual auction. £170 million for pot 1, £35 million for pot 2. increasing competitive tension by having offshore wind in the onshore pot.
 - That budget is based off the firm pipeline of consented projects.
 - Will have a chance to review and increase money available at evaluation stage should more projects consent before 24 April (although the sooner the better).
 - [Redacted].
 - Application open now until 24 April, ESO then do valuation of the projects with back and forth if needed. Earliest results by 24 May, latest by 24 July. [Redacted]
 - Absolutely sticking to commitment to run auctions annually.
 - Ringfenced minimum for tidal for £10 million.

- Statements around capital allowances in budget should really help the AR4 projects. Even though the timings look out of sync it should help and it should help manufacturing and port facilities. DESNZ still digesting what this means and will send us more info by email.

Thanks and apologies again for the drafty nature of this,

[Redacted]

[Redacted]

From: [Redacted] <[Redacted]@gov.scot>
Sent: 16 March 2023 13:32
To: [Redacted] <[Redacted]@gov.scot>; Berge K (Kersti) <Kersti.Berge@gov.scot>; [Redacted] <[Redacted]@gov.scot>
Cc: Low R (Ragne) <Ragne.Low@gov.scot>
Subject: RE: Meeting with Sarah Redwood today

Kersti

[Redacted]

[Redacted]

[Redacted]

[Redacted] | [Redacted] | **Directorate for Energy and Climate Change | Scottish Government**
| 📧 [Redacted]

From: [Redacted] <[Redacted]@gov.scot>
Sent: 16 March 2023 12:35
To: Berge K (Kersti) <Kersti.Berge@gov.scot>; [Redacted] <[Redacted]@gov.scot>;
[Redacted] <[Redacted]@gov.scot>
Cc: Low R (Ragne) <Ragne.Low@gov.scot>
Subject: RE: Meeting with Sarah Redwood today

I'd just respond if asked – [Redacted]

[Redacted]

From: Berge K (Kersti) <Kersti.Berge@gov.scot>
Sent: 16 March 2023 12:17
To: [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>;
[Redacted] <[Redacted]@gov.scot>
Cc: Low R (Ragne) <Ragne.Low@gov.scot>
Subject: RE: Meeting with Sarah Redwood today

Thanks, [Redacted]

From: [Redacted] <[Redacted]@gov.scot>
Sent: 16 March 2023 11:55
To: Berge K (Kersti) <Kersti.Berge@gov.scot>; [Redacted] <[Redacted]@gov.scot>;
[Redacted] <[Redacted]@gov.scot>
Cc: Low R (Ragne) <Ragne.Low@gov.scot>
Subject: RE: Meeting with Sarah Redwood today

Kersti

[Redacted]
[Redacted]

From: Berge K (Kersti) <Kersti.Berge@gov.scot>
Sent: 16 March 2023 11:40
To: [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>;
[Redacted] <[Redacted]@gov.scot>
Cc: Low R (Ragne) <Ragne.Low@gov.scot>
Subject: RE: Meeting with Sarah Redwood today

Thanks [Redacted]– can I share all this with Sarah/DESNZ if needed?

From: [Redacted] <[Redacted]@gov.scot>
Sent: 16 March 2023 10:22
To: [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; Berge

K (Kersti) <Kersti.Berge@gov.scot>
Cc: Low R (Ragne) <Ragne.Low@gov.scot>
Subject: RE: Meeting with Sarah Redwood today

Hello

See below re [Redacted]– let me know if you need anything else or happy to have a quick chat through

[Redacted]

[Redacted]

[Redacted]

From: [Redacted]<[Redacted]@gov.scot>
Sent: 16 March 2023 09:29
To: [Redacted] <[Redacted]@gov.scot>; Berge K (Kersti) <Kersti.Berge@gov.scot>
Cc: Low R (Ragne) <Ragne.Low@gov.scot>; [Redacted] <[Redacted]@gov.scot>
Subject: RE: Meeting with Sarah Redwood today

Kersti/[Redacted]

I wont be surprised if Sarah enquires [Redacted]

I'm cc [Redacted] in for what Kersti can or cannot say on the call with regard to [Redacted]

[Redacted]

[Redacted] | [Redacted] | Directorate for Energy and Climate Change | Scottish Government
| 📧 [Redacted]

From: [Redacted] <[Redacted]@gov.scot>
Sent: 16 March 2023 09:01
To: Berge K (Kersti) <Kersti.Berge@gov.scot>
Cc: Low R (Ragne) <Ragne.Low@gov.scot>; [Redacted] <[Redacted]@gov.scot>
Subject: Meeting with Sarah Redwood today

Hi Kersti,

Apologies that this is later than planned but here are some points for your meeting today with Sarah Redwood. We don't know the budget allocation yet as its not been released (although we believe it will be today), if I get it before the meeting I'll send it through:

- AR5 has offshore and onshore wind in the same pot (pot 1). This is great news for offshore wind and demonstrates just how far its come but we're worried it will wipe out all onshore wind. Last time we spoke DESNZ said they

didn't expect this to be an issue as they are not expecting that much offshore wind to come forward for AR5 but we may still want to make the point for future rounds.

- Floating wind is still a pot 3 technology so eligible for higher levels of support.
- A number of announcements were made by Treasury yesterday designed to support AR4 budgets. DESNZ were still trying to understand these yesterday but they seem to relate, in the main, to companies being able to claim back tax and investment costs on machinery, with a greater rate if the plant/machinery is bought in the UK.
- DESNZ are planning to meet with developers today.

[Redacted]: anything to add?

I'll also be at the meeting if that helps!

Thanks,

[Redacted]

[Redacted], [Redacted], Onshore Electricity, Strategy and Consents
Directorate for Energy and Climate Change | Scottish Government | 5 Atlantic Quay, 150 Broomielaw,
Glasgow G2 8LU

E: [Redacted] m: [Redacted]

The [draft Energy Strategy and Just Transition Plan](#) is open for consultation until 9 May 2023: [tell us your views here](#).



(Document 19)

From: [Redacted]
Sent: 23 January 2023 09:24
To: Cabinet Secretary for Net Zero, Energy and Transport
Cc: Low R (Ragne); McFarlane J (John) (Special Adviser); [Redacted]; [Redacted]; [Redacted]; [Redacted]; [Redacted]; Hogg A (Andrew)
Subject: CfD update for Cab Sec

Cab Sec/PO,

This is an update to make you aware of information that has been published in relation to the next round of Contracts for Difference Allocation Round 5 (CfD AR5) and its possible impact.

The key point to raise is that in a difference to previous rounds offshore wind and remote island wind have been added to Pot 1 (the pot for established technologies) whereas previously those technologies were in pot 3 (offshore wind exclusively) and pot 2 (less established technologies) respectively. Floating offshore wind, tidal and wave projects remain in Pot 2 as per AR4.

The pots are used to ensure that less established technologies (such as floating offshore wind) can compete effectively in the auctions by being 'in competition' with other similar technologies.

This is very good news for offshore wind as it reflects just how quickly it has become an established technology and indeed offshore wind cleared at the lowest strike price of all technologies during AR4 (with a lower strike price than that of both solar and onshore wind).

There is a note of caution, however, relating to the impact that the inclusion of offshore wind might have on other pot 1 technologies, in particular onshore wind and solar. If offshore wind projects are able to outbid onshore wind and solar projects (as they did in AR4 but with solar and onshore wind being protected from offshore due to pot separation) then offshore wind projects might get a CfD at the expense of onshore wind and solar projects.

This will largely depend on how much budget is available for AR5 (in addition to the mix of projects that will be ready to submit an AR5 bid) and BEIS have not yet published a draft budget notice

Once a draft budget allocation is published (along with the administrative strike prices) we can look to see how this fits with what projects we know will be applying for AR5 but with the caveat that whether or not a project is bidding into the CfD process is commercially sensitive information and we'll only have certainty on projects of over 300MW which are required to provide a supply chain plan.

[Redacted]

[Redacted]

We will also have very little visibility of projects that are coming online in England and Wales which may have better overall project finances due to lower TNUoS charges [redacted]

We have already had one onshore wind stakeholder approach us on this point arguing that onshore wind and solar will be less likely to secure a CfD and we will be seeking a view from Scottish Renewables too (which we will provide when we have it).

Happy to discuss,

[Redacted]

[Redacted] | [Redacted]

Directorate of Energy and Climate Change | Scottish Government

Victoria Quay, Edinburgh, EH6 6QQ [Redacted] [Redacted]



(Document 20)

From: [Redacted] <[Redacted] @gov.scot>
Sent: Friday, September 8, 2023 3:44 PM
To: [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; Director of Offshore Wind <DirectorOSW@gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; Frances Pacitti <Frances.Pacitti@gov.scot>; [Redacted] <[Redacted] @gov.scot>; Offshore Wind Hub <OffshoreWindHub@gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>
Cc: [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>
Subject: RE: Response to UKG CfD Awards- Social Media

Looks good to me [Redacted].

[Redacted]

From: [Redacted] <[Redacted] @gov.scot>
Sent: Friday, September 8, 2023 3:28 PM
To: [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; Director of Offshore Wind <DirectorOSW@gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; Frances Pacitti <Frances.Pacitti@gov.scot>; [Redacted] <[Redacted] @gov.scot>; Offshore Wind Hub <OffshoreWindHub@gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; Ragne Low <Ragne.Low@gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>
Cc: [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>
Subject: RE: Response to UKG CfD Awards- Social Media

[Redacted]

[Redacted]

From: [Redacted] <[Redacted] @gov.scot>
Sent: Friday, September 8, 2023 3:02 PM
To: [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; Director of Offshore Wind <DirectorOSW@gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>

<[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; Frances Pacitti <Frances.Pacitti@gov.scot>; [Redacted] <[Redacted] @gov.scot>; Offshore Wind Hub <OffshoreWindHub@gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; Ragne Low <Ragne.Low@gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>
Cc: [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>
Subject: RE: Response to UKG CfD Awards- Social Media

[Redacted]

i.e.

[Redacted] *in the latest round of the Contracts for Difference auction*, [Redacted].

Graphic – Final 3 pars of comment.

From: [Redacted] <[Redacted] @gov.scot>
Sent: Friday, September 8, 2023 2:52 PM
To: [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; Director of Offshore Wind <DirectorOSW@gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; Frances Pacitti <Frances.Pacitti@gov.scot>; [Redacted] <[Redacted] @gov.scot>; Offshore Wind Hub <OffshoreWindHub@gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; Ragne Low <Ragne.Low@gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>
Cc: [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>
Subject: Response to UKG CfD Awards- Social Media

Removing PO, SpAds again

Grateful for sense-check of following tweet, please. [Redacted]

[Redacted]

Graphic – Final 3 pars of comment.

[Redacted]

<CabSecWEFWE@gov.scot>; Minister for Energy and the Environment
<MinisterEE@gov.scot>

Cc: [Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>;
[Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>;
[Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>;
[Redacted] <[Redacted] @gov.scot>; Director of Offshore Wind
<DirectorOSW@gov.scot>; [Redacted] <[Redacted] @gov.scot>;
[Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>;
[Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; Frances
Pacitti <Frances.Pacitti@gov.scot>; [Redacted] <[Redacted] @gov.scot>; Offshore
Wind Hub <OffshoreWindHub@gov.scot>; [Redacted] <[Redacted] @gov.scot>;
[Redacted] <[Redacted] @gov.scot>; Ragne Low <Ragne.Low@gov.scot>;
[Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>;
[Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>;
[Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>;
[Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>;
[Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; Kevin
Pringle <Kevin.Pringle@gov.scot>; Callum McCaig <Callum.Mccaig@gov.scot>;
Ross Ingebrigtsen <Ross.Ingebrigtsen@gov.scot>; Emily Mackintosh
<Emily.Mackintosh@gov.scot>; Jack Middleton <Jack.Middleton@gov.scot>
Subject: RE: For Clearance - Response to UKG CfD Awards

Thanks, [Redacted] .

Please see revised comment – with additions in red for ease.

Grateful for the Cab Sec's further consideration. Noted on social media.

**Commenting on the UK Government's Contracts for Difference Allocation
Round 5, Energy Secretary Neil Gray said:**

[Redacted]

[Redacted]

[Redacted]

From: [Redacted] <[Redacted] @gov.scot> **On Behalf Of** Cabinet Secretary for Wellbeing Economy,
Fair Work & Energy

Sent: Friday, September 8, 2023 1:41 PM

To: [Redacted] <[Redacted] @gov.scot>; Minister for Energy and the Environment
<MinisterEE@gov.scot>

Cc: [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted]@gov.scot>;
[Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>;
[Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>;
[Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted] @gov.scot>; Director of Offshore Wind
<DirectorOSW@gov.scot>; [Redacted] <[Redacted] @gov.scot>;
[Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>;
[Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; Frances Pacitti
<Frances.Pacitti@gov.scot>; [Redacted] <[Redacted] @gov.scot>; Offshore Wind Hub
<OffshoreWindHub@gov.scot>; [Redacted] <[Redacted] @gov.scot>;

[Redacted] <[Redacted] @gov.scot>; Ragne Low <Ragne.Low@gov.scot>;
[Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>;
[Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>;
[Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>;
[Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>;
[Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; Kevin Pringle
<Kevin.Pringle@gov.scot>; Callum McCaig <Callum.Mccaig@gov.scot>; Ross Ingebrigtsen
<Ross.Ingebrigtsen@gov.scot>; Emily Mackintosh <Emily.Mackintosh@gov.scot>; Jack Middleton
Jack.Middleton@gov.scot

Subject: Re: For Clearance - Response to UKG CfD Awards

Hi [Redacted],

[Redacted]

Mr Gray would also like social media posts drafted. Grateful if this could be taken forward and shared with PO.

Thanks,

[Redacted]

[Redacted]

[Redacted] **to Cabinet Secretary for Wellbeing Economy, Fair Work and Energy – Neil Gray MSP**
The Scottish Government
St Andrew's House | Regent Road | Edinburgh | EH1 3DG
T: [Redacted] | **M:** [Redacted] | **Email:** CabSecWEFWE@gov.scot

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From: [Redacted] <[Redacted] @gov.scot>

Sent: Friday, September 8, 2023 1:19:00 PM

To: Cabinet Secretary for Wellbeing Economy, Fair Work & Energy <CabSecWEFWE@gov.scot>;
Minister for Energy and the Environment <MinisterEE@gov.scot>

Cc: [Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted]@gov.scot>;
[Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>;
[Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted]@gov.scot>;
[Redacted] <[Redacted]@gov.scot>; [Redacted] <[Redacted] @gov.scot>; Director of Offshore Wind
<DirectorOSW@gov.scot>; [Redacted] <[Redacted] @gov.scot>;
[Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>;
[Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; Frances Pacitti
<Frances.Pacitti@gov.scot>; [Redacted] <[Redacted] @gov.scot>; Offshore Wind Hub
<OffshoreWindHub@gov.scot>; [Redacted] <[Redacted] @gov.scot>;
[Redacted] <[Redacted] @gov.scot>; Ragne Low <Ragne.Low@gov.scot>;
[Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>;

[Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>;
[Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>;
[Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>;
[Redacted] <[Redacted] @gov.scot>; [Redacted] <[Redacted] @gov.scot>; Kevin Pringle
<Kevin.Pringle@gov.scot>; Callum McCaig <Callum.Mccaig@gov.scot>; Ross Ingebrigtsen
<Ross.Ingebrigtsen@gov.scot>; Emily Mackintosh <Emily.Mackintosh@gov.scot>; Jack Middleton
Jack.Middleton@gov.scot

Subject: For Clearance - Response to UKG CfD Awards

Hi PO,

We've agreed the following response to issue in response to the UKG's latest Contract for Difference awards with Officials and SpAds. Recommend this is issued proactively.

Understand Ms Martin will be travelling for much of this afternoon so suggest this goes in Mr Gray's name should any bids be received.

Grateful for the Cabinet Secretary's clearance, please.

Commenting on the UK Government's Contracts for Difference Allocation Round 5, Energy Secretary Neil Gray said:

[Redacted]

[Redacted]

(Document 21)

Engagement Title	Finance Interministerial Standing Committee (F:ISC)
Date/Time	Wednesday 20 September 2023
Venue	1 Horse Guards, HMT, London

Energy Security– 10 mins

- a. Contracts for difference funding for emerging renewable technologies and funding for port infrastructure

Proposed speaking points:

- a. Contracts for difference funding for emerging renewable technologies and funding for port infrastructure [5 mins]

This [Redacted] who have concerns about the scale of the investment in the Contracts for Difference package being eroded by inflationary pressures and high costs in the industry. It is likely to pick up on the announcement made on 8 September in relation to round 5 of the Contracts for Difference bidding process.

The key information from round 5 of the bidding process was:

- No offshore wind projects received a contract due to a low strike price offered by UKG.
- Onshore wind and tidal projects fared well, and there was a single solar contract.
- Scotland received approx. 1.75GW of the total 3.7GW awarded, showing a strong success for Scottish projects.

Proposed speaking points:

- Pleased with the result for onshore wind in Scotland, with nearly 1.7GW awarded a CfD this demonstrates that Scotland is still at the forefront of onshore wind deployment.
- But the UK Government must provide the correct market support to allow offshore developments to proceed.
- It failed to do that in Allocation Round 5. The absence of offshore wind from the latest round signals that the UK Government has failed to recognise the current market conditions within the sector and offer contracts accordingly.
- We will continue to work with industry and UK Government to try to create the correct conditions for investment in Scotland – and strongly urge the UK Government to do similar by engaging meaningfully with industry.
- Industry has sent the UK government a clear signal that the strike price must increase and we back those calls.

Contracts for Difference Background:

The CfD is a scheme by which the UK Government, through an arm's length company Low Carbon Contracts Company (LCCC), provide a 15 year contract to electricity generators to buy electricity at a certain price (the strike price). Should the general market price of electricity go below the strike price generators will be 'topped up' to the strike price and in the event prices go above the strike price generators return the additional monies to LCCC who filter it back through consumer bills.

The headline information is as follows:

- No Offshore Wind, fixed or floating, received a contract. This is in line with our expectation, as industry had articulated for some time that the target strike price was too low to allow viable delivery of either fixed or floating offshore wind projects. Indeed, it is our understanding that no offshore wind projects bid – with any early bidders having withdrawn their applications.
- Onshore wind (including remote island wind) had a very strong result achieving nearly 1.7GW, which is nearly 200MW better than last year's AR4 result.
- There was also a strong showing for tidal projects which achieved a little over 30 MW
- Solar achieved a single contract of c. 50 MW.

It is generally quite difficult to show how successful projects based in Scotland were in the auction as we do not have access to information on all the bidding projects (this is due to commercial sensitivities). But overall the auction achieved approx. 3.7 GW with 1.75 GW in Scotland, which shows a strong success for projects in Scotland compared to the overall pot available.

The UK Government is highly likely to miss its target to install 50GW of offshore wind by 2030. The capacity shortfall from offshore wind in 2030 is likely to be significant [Redacted]. The Government's failure to recognise the impacts of inflation in supply chains could cost billpayers £1bn a year in lost savings from offshore wind according to the Energy and Climate Intelligence Unit (ECIU).

Commenting on the UK Government's Contracts for Difference Allocation Round 5, Energy Secretary Neil Gray said:

"The fact that Scottish projects from across onshore wind, solar and tidal technologies have been awarded contracts, and that they will deliver nearly as much energy as the projects from the rest of the UK combined, demonstrates the strength and depth of Scotland's renewables potential. However the absence of offshore wind from the latest round signals that the UK Government has failed to recognise the current market conditions within the sector and offer contracts accordingly.

"The outcome raises serious questions about the UK Government's approach to safeguarding energy security, breaking our reliance on imported energy and, critically, doing everything possible to ensure the energy sector can capitalise on the enormous economic and societal opportunities.

"At a time when energy bills are still nearly twice what they were two years ago, it is illogical that the UK Government is not investing further in one of the cheapest forms of energy at its disposal – and ignoring pumped storage hydro energy completely – and yet is willing to pour

hundreds of millions of pounds into a new nuclear energy site which will take years to come online and produce costlier electricity.

“I urge the UK Government to listen and engage with industry, rethink this disastrous strategy, and take urgent action to ensure that Round 6 of the Contracts for Difference properly reflects the fundamentally important role renewable energy has in a just transition to net zero – not just in Scotland, but across the UK.”