

Offshore Wind Collaborative Framework Development

Background

The Strategic Investment Assessment (SIA) report's first recommendation (1.a.) is the action on industry to develop a collaborative framework. This framework can then be used to enable and engage a cluster of Scottish ports to build greater sector confidence and set a clear indication of intention on delivering the 5 key recommendations of the SIA.

This paper seeks to develop the discussions to date around what the collaborative framework agreement should look like and seeks input and guidance from participants on the founding principles of how it should be developed. Although it is understood that the collaborative framework agreement and further detailed, SMART objectives will not be formalised until early 2022, the high-level principals will be a key tool in progressing the first SIA recommendation. It will be the responsibility of an appointed Project Manager, to be in post Q1 2022, to carry forward the Collaborative Framework Principles into the development of the Collaborative Framework Agreement along with the wider delivery of the full SIA implementation plan.

Competition Law Statement

Whilst discussions can cover matters of interest to the offshore wind industry, we cannot discuss or exchange sensitive commercial information. If at any time during discussions, verbal or written, you think we may be in breach of competition rules, please inform the Chair, Andrew Macdonald, ORE Catapult. The Chair may close the discussion at any time if they believe that discussions are in breach of competition law.

Collaborative Framework Principles

Scotland's Strategic Investment Assessment recommends use of a Collaborative Framework to support growth of a Scottish Ports Cluster able to secure floating platform manufacturing, fabrication, assembly and load-out activity in Scotland.

To this end, the Scottish Offshore Wind Energy Council has drafted the following principles which will underpin a collaborative framework.

Those involved in the Collaborative Framework-will be invited to sign up to these principles and join sector work to develop, agree and implement a cross industry Collaborative Framework



PURPOSE

1. A Collaboration Framework will assist Scottish offshore wind developers, the wider supply chain and support agencies, to work collaboratively to build up processes, documents and tools that support growth of Scottish supply chain. This will increase the ability of agencies to deliver improved services.

OVERVIEW

1. The scale of offshore wind growth expected to be delivered in Scotland from today out to 2050 represents a major opportunity for the Scottish economy
2. Offshore wind development and operation provides a route for a just transition, helping high carbon companies and staff transition into low carbon activity
3. While companies will need to make project specific investments that support delivery of their individual or project portfolios, the investment decisions of the wider supply chain may depend on multiple contracts and/or multiple customers.
4. Sector competition is an integral part of delivering quality, low cost projects. Competition law frames this action, but the offshore wind industry also understands the value of working together while respecting this legal framework
5. The Framework will allow and facilitate wider public sector investment in necessary infrastructure.

OUTPUTS

6. Framework participants will seek to share strategic information on project timelines and major capital spend, firstly with trusted intermediaries such as enterprise bodies, and ultimately through collective knowledge sharing, to assist in building confidence in a sustainable pipeline of projects and potential work for a Scottish Offshore Wind Port Clusters.
7. Participants will explore potential contractual and procurement mechanisms that will provide confidence to investors and support inward capital investment for the development of supply chain capabilities.
8. Support sector wide communication efforts re. the opportunity in Scotland, as well as the benefits to potential inward investors that a Scottish Offshore Wind Port Clusters and an associated Collaborative Framework can offer

OUTCOME

9. To support growth of world class port infrastructure in Scotland that is commercially competitive and technically able to support delivery of the volume of offshore wind projects expected in Scottish waters, with particular focus on securing greater manufacturing activity around growth of floating offshore wind
10. By working jointly to facilitate building any investment case in Scottish port clusters, a collaborative framework offers a route to de-risk project delivery, develop a sustainable supply chain, and reduce potential project cost of having world-class facilities available to Scottish projects



NEXT STEPS

11. Between January and April 2022, a developer-led working group to review structure and options for an offshore wind collaborative framework. SOWEC will seek nominations from wider industry members active in Scotland.
12. Industry works to agree a Framework structure prior to April 2022
13. The Collaboration Framework will have a guiding governance which all parties will agree to, including, An independent leader, an overall vision, list of members, MoU or ToRs, Communications protocol, standard processes for meetings etc. and reporting progress to SOWEC.

PRIORITIES & ONGOING FRAMEWORK DEVELOPMENT

14. The priority infrastructure investment for this framework should be floating platform fabrication and manufacture. This Assessment is clear that this can best be done through a regional focus, investing in a Scottish Floating Offshore Wind Port Cluster
15. Once engagement between suitable ports and industry is underway, lessons should be learnt from this initial use of a collaborative framework and necessary adaptations made.
16. The Collaborative Framework should then be used to support wider engagement between the offshore wind sector and port providers, to help build any investment case for inward investment in offshore wind component manufacture, as well as to support investment in necessary assembly facilities.

STAKEHOLDER ROLES

17. The Collaborative Framework will need to be owned by and driven forward by offshore wind developers. However, other individual organisations and groups can usefully assist. These include:
 - a. Other sector bodies with experience of partner working (for example the Net Zero Technology Centre; Oil and Gas UK; Scottish Whisky Association) who can advise on models and experience,
 - b. Scottish enterprise agencies, able to act as a trusted intermediary, able to manage commercial sensitivities and project sector specific information
 - c. Crown Estate Scotland, which can support successful use of a Collaborative Framework through recognition of company participation as demonstration of following supply chain commitments on partnerships
 - d. Wider supply chain, including ports and tier one manufacturers.

