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Next UK government must deliver on AR6

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Coutinho hits out at Labour's GB Energy

Energy Secretary Claire Coutinho has criticised Labour's flagship election policy to launch a government-owned energy company.

Coutinho told GOW 2024 delegates GB Energy lacks a clarity of purpose and will not have adequate resource to develop projects.

She added: "What doesn't help is an underfunded state-backed company that is not clear on what it will achieve but promises to cut people's bills by £300 a year and create 600,000 jobs."

Labour shadow Energy Secretary Ed Miliband is due to address the conference on Day 2 and is expected to expand on the party's proposals.

By contrast, Coutinho said her plan should she remain in office after the general election on 4 July is to support the delivery of "abundant, cheap energy in the UK".

During a keynote speech that was largely reflective on her time since taking up the energy brief in August 2023, she said the UK government had already made great strides to achieve this including the "largest



ELECTION TALK: Energy Secretary Claire Coutinho

Photo: RenewableUK

expansion of nuclear energy in 70 years".

However, she reserved most praise for the contribution of the offshore wind industry.

"One of the things I'm most proud of is the work of this sector," said Coutinho.

"It was the subject of my first speech as an MP in 2019 and we have now built more than anyone except China, which is remarkable.

"Of course, we want to go further and at the end of last year there was 8GW in the pipeline and a further

70GW in various stages being planned." Although she did not directly address sustained lobbying by industry executives to increase the AR6 budget, Coutinho credited the Contracts for Difference mechanism for "giving revenue certainty and competition and ensuring we move at the pace of business and not government".

She said a re-elected Conservative government would also continue efforts to build a skills pipeline, improve planning through the introduction of geo-spatial plans and speed-up grid connections by responding to the recommendations of last year's Winser review.

Plans to plug gaps in the nation's offshore wind supply chain and boost domestic manufacturing are also afoot following the partial launch of the Green Industry Growth Accelerator (GIGA) earlier this year.

"You cannot be complacent in this era of uncertainty. That is why we set out the £1bn GIGA because you cannot wean yourself off Russian oil and gas to be fully reliant on China for minerals, for example."

TRENDING ON reNEWS.BIZ

Associated British Ports to advance floater technology

Associated British Ports is collaborating with Marine Power Systems to accelerate the advancement of floating offshore wind technology in the Celtic Sea. The MoU will involve working to develop solutions supporting the deployment of the latter's PelaFlex system, from Port Talbot, Wales.

[Click here](#)

Mooreast to expand capacity to serve floating wind demand

Singapore-listed Mooreast Holdings, a specialist in anchors and mooring equipment, is to acquire the 60 Shipyard Crescent yard in Singapore from Seatrinity to expand its production capacity to serve the floating wind market.

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Crown Estate supply chain fund open for bids

The initial £10m round of funding from the Crown Estate's Supply Chain Accelerator is open for applications. The Accelerator's aim is to drive and de-risk the early-stage development of projects linked to offshore wind, helping to grow the UK supply chain.

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Eurus Energy takes stake in Pentland floater

Eurus Energy UK has become a part owner of the 100MW Pentland floating offshore wind farm, developed by Highland Wind. The size of the stake has not been disclosed.

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UK sector in pole position to lead renewables charge

The offshore wind sector has turned the corner after several years of turmoil and is primed to become the backbone of the global energy system, GOW 2024 has heard.

RenewableUK chief executive Dan McGrail told delegates on Day 1 in Manchester that the sector's "remarkable" rise to become the biggest form of power generation in the UK sets the industry up for huge growth.

The trade body boss said with that leading role comes challenges for offshore wind which is used to being a disruptive force.

He urged the industry to retain a "sense of humility" and pointed out there are still learnings as project deployment ramps up.

McGrail called on the sector to "actively listen" to stakeholders as the energy transition worries some parts of society, in particular over job losses in high carbon work.

Offshore wind has the opportunity to build a supply



OPTIMISM: RenewableUK chief executive Dan McGrail

Photo: RenewableUK

chain for the "collective good", he said. McGrail added it is important the renewables industry ensures people are behind it and they do not get the feeling the transition is "being done to them".

■ Orsted UK and Ireland boss Duncan Clark said G+ data released last week showing an increase in safety incidents indicates there is a "lot to do" to make sure people can work safely in the sector. However, he added the report also showed a surge in hours worked so the rise is broadly in line with more activity.

'Offshore policy reform needed to hit 50GW goal'

UK offshore wind policy needs an urgent overhaul to give the country any chance of hitting the 50GW by 2030 installed capacity target, according to industry executives.

Senior representatives from leading developers and National Grid called for planning, network and route to market reforms during the first panel discussion on Day 1 at GOW 2024.

SSE Renewables managing director Stephen Wheeler said "significant changes" are required to speed up consenting, including resourcing planning authorities appropriately and helping statutory consultees deal with planning applications.

He said the issue should be top of the list for a new government while a "candid conversation" is also required on allocation rounds.

As it stands, AR6 is unlikely to deliver enough capacity



HOT SEATS: (L-R) RUK chief executive Dan McGrail, Equinor head of business development Melissa Read, SPR chief executive Charlie Jordan, National Grid's Alice Delahunty, Orsted UK and Ireland boss Duncan Clark and SSE Renewables managing director Stephen Wheeler

Photo: RenewableUK

due to the current budget parameters so AR7 must be a "mega auction" designed for over 10GW of capacity, he said.

Wheeler also called for clear annual goals for future rounds. "Let's be clear, without the grid and supply chain there is no industry. We need to find ways of enabling (both). One of the ways to do that is to set capacity targets for future auctions."

National Grid electricity transmission president Alice Delahunty called for

a presumption in favour of net zero infrastructure in the planning system, which will unlock a streamlined consent process for network projects and offshore wind farms.

She said the company is spending £11bn over the coming years on upgrades, including £3bn on projects for offshore wind connections.

ScottishPower Renewables chief executive Charlie Jordan echoed the calls for reforms and said once in place, they will allow a steady stream of wind projects to advance.



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'Focus on local benefits to win social acceptance'

Former President of the COP26 climate summit Alok Sharma has urged offshore wind developers to prioritise local community benefits as widespread deployment brings challenges of social acceptance.

Sharma, who also served as the UK's Business, Energy and Industrial Secretary in 2020/21, said engagement would need to keep pace with the change in status for offshore wind as it overtakes gas as the largest contributor to the UK's electricity mix.

He told GOW delegates in Manchester this morning the new "incumbency" status of renewable energy "sits awkwardly" for offshore wind executives in a world where fossil fuels have historically been dominant.

However, the sector's new-found maturity has increased the need to boost levels of public consultation and mitigate opposition.

"As a mature industry



ACTION CALL: Alok Sharma addresses delegates

Photo: RenewableUK

you need to be having that conversation with communities and, as a developer, I would be thinking about how I incentivise local communities to take projects, so it is a win-win.

"There needs to be work with government on an information plan that explains why we need to have this energy transition as quick as we can. Yes, it is about jobs, the economy and clean air but collectively, I don't think we are as strong on this as we could be." Sharma added

offshore wind and global end-decade targets will play a central role in putting the world "back on the pathway to keeping 1.5 degrees celsius alive".

This is a reference to the perceived failure of COP26 in Glasgow in 2021 to agree measures that would reduce emissions enough to keep the world within a crucial temperature limit of 1.5C by the end of the century.

He pointed to a "coming of age" as offshore wind is predicted to hit worldwide installation levels of 60GW in 2029 and 77GW in 2030 as capacity triples to meet a 30% share of total electricity generation by the end of the decade.

Sharma added: "Your sector has a vital role to play in making the world meet its climate and clean energy targets. It would be a sector coming of age if we got to those (2029/30) levels of capacity installed."

Suppliers rise to economic challenges

The offshore wind supply chain has moved to a more optimistic outlook following a successful shift in strategy to cope with challenging economic conditions.

Westwood senior commercial analyst Peter Lloyd-Williams told delegates at GOW in Manchester that prompt action from developers, suppliers and regulators looks set to "bear fruit" after the global downturn in investment.

He said: "Offshore wind has been in a difficult place with \$75bn of capex delayed

due to cost inflation and reduced subsidy. That is as much as the sector has seen reach FID in the last decade as developers change how they operate to protect their various return on investment requirements.

"Developers have responded by withdrawing from marginal markets, divesting projects and integrating them with other activities. This shift from portfolio growth to value delivery has placed the onus on regulators and suppliers to pay close attention to what the market needs and

what it can deliver." Lloyd-Williams particularly praised the response and "concerted action" of regulators. For example, in the UK, the absence of any offshore wind bidders in last year's CfD Allocation Round 5 has resulted in a substantial increase in strike prices for the in-progress AR6.

He added: "Regulators need to keep an eye on market conditions to ensure what they do continues to be appropriate. If you consider AR5, we have seen meaningful actions in the last few months.

Interconnector policy needs review to spur wind

The incoming UK government must review interconnector policy to help build an energy system suitable to increasing levels of offshore wind generation, GOW 2024 will hear.

National Grid Ventures interconnectors managing director Rebecca Sedler will tell delegates the targets of 18GW of interconnection capacity, established in the

2020 Energy White Paper, will not be delivered.

Sedler, who will speak on Day 2 during the Grid Dynamics panel session, told reNEWS ahead of the conference that part of the reason is a lack of clarity over whether that is an ambition or firm target. "We need some steam behind it," she said. Interconnectors have

"huge complementarity" for offshore wind including a reduction in required cables, fewer platforms, greater market access for power, and reduced onshore impacts.

However, while the regulatory and business regime for the wires is clear there is less certainty on interconnectors with offshore wind projects attached.



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Green hydrogen sector looks to offshore wind



FOCUS: Baringa's global head of hydrogen Molly Iliffe

Photo: Baringa

Experts are to take the stage this week at GOW 2024 to debate the future of offshore wind-powered green hydrogen. One key topic being debated will be whether producing the fuel is a viable route to market for UK offshore wind or an unbankable distraction for project development.

Leading the discussion at the conference's Energy Transition Zone is Molly Iliffe, global head of hydrogen at Baringa. She told reNEWS that, while the LCOE is much higher for offshore wind than onshore wind, the former's role will be critical in the UK decarbonising its power grid.

Iliffe said: "As we look forward and try to understand how to meet the UK's future hydrogen requirements and ask can we capture the potential export opportunity, then offshore wind becomes the only viable solution at scale, particularly for sites which are further from shore."

She explained that for offshore wind farms more than 80km from shore, power-to-x solutions can be

Power-to-x schemes offer wind farms 80km-plus off the coast a more efficient use of energy, writes **Ellie Robinson**

renews.biz

a more efficient use of power. It also avoids constraints with the grid, which are expected to get worse over time. Green hydrogen can be converted to ammonia or e-methanol and sent to industrial centres in the UK and Europe.

"There is a bigger question about how the UK can feasibly achieve its decarbonisation aim and offshore wind will be a critical part of that," Iliffe added.

"If we want to capture the export opportunity, we need to generate hydrogen from offshore wind."

This is because many offtakers in Europe don't want anything other than green hydrogen, according to Iliffe.

However, she said creating the infrastructure required to achieve this would be even more challenging than

rolling out the current offshore wind projects. For example, the Hydrogen Backbone Link estimates the UK would need a build out of an extra 4GW to 5GW per year after 2030.

There would also need to be a domestic offtaker market for hydrogen and it's hard to see how large-scale hydrogen markets can develop in the near term, Iliffe added.

There are also unanswered questions about how to transport the gas cheaply once on land and where to keep it.

Storage is set to be another key issue when it comes to generating hydrogen from offshore wind.

Kinewell Energy senior engineer Chris Mullen will be speaking at GOW 2024 about the findings from Ofgem's

strategic innovation fund's hydrogen cost reduction project relating to sizing gas storage to mitigate wind farm curtailment. The team have built statistical designs for offshore wind generation and gas demand and then added in a model to work out how much energy is curtailed every year.

The project found that seasonality and maintenance of offshore wind farms had a big impact on the results.

Mullen added: "The results show the amount of storage you need to reduce curtailment really depends on what the time and demand profiles are."


Also up for discussion at the event is how to integrate North Sea sectors for developing commercially viable renewable and low carbon hydrogen. ■

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Next UK government must deliver on AR6



The country will rue a missed opportunity unless there is an adjustment to London’s budget for the next auction, writes Vestas Northern and Central Europe head of sales **David Rooney**

The UK is heading to the polls for a general election on 4 July and pro-renewables policies that maximise clean energy investment are popular with voters. According to RenewableUK’s recent polling, 75% of the 10,021 people surveyed supported putting renewables at the heart of Britain’s path to energy security.

This desire comes at an opportune time, with the UK’s next renewable energy auction round AR6 set to conclude in the coming months. RenewableUK estimates that 10GW-plus of projects were ready to participate in AR6 – but unless we see a budget adjustment, there’s a risk only 3GW to 5GW of this pipeline might be secured.

Missing out on half of this potential pipeline could be a significant missed opportunity for the UK and its billpayers.

Recent studies have shown an energy system dominated by offshore wind is cheaper than an alternative powered by fossil fuels. The data shows more wind in the UK’s energy

system will have a positive impact on consumers.

Taking all of this together, the incoming government has an opportunity to support billpayers by accelerating the build-out of offshore wind.

The UK’s offshore wind industry is a tremendous growth opportunity. Under the right conditions, it can propel the UK towards achieving its climate goals, strengthen energy security, and as mentioned, help lower energy bills.

What’s more, the recent Offshore Wind Industrial Growth Plan has shown each gigawatt of new offshore wind adds £2bn to £3bn of value

to the UK economy and the sector supports over 30,000 jobs. But despite this, we saw no new offshore wind projects secured in last year’s AR5 auction.

This poses a serious threat to the UK’s energy transition.

Without a clear line of sight on volume, our industry cannot plan for scale. Without knowing how many projects will come to fruition, if any at all, planning for scale becomes guesswork, and investor confidence is shaken.

With 15GW of installed offshore wind capacity, the UK is the second-largest offshore wind market in the world. And based on the country’s

promising project pipeline, it appears as if the UK is on track to meet its 50GW by 2030 offshore wind target.

However, meeting it will require installing capacity at an unprecedented rate, year on year, until the end of the decade.

This year’s AR6, therefore, is a critical moment. A new government will very quickly have to decide on if they will adjust the AR6 budget, and with it, determine if the UK can stay on track to meet its 2030 target.

If done right, this can be the course correction the country has been waiting for. We need a budget to match the size of

the opportunity ahead of us. This will allow the industry to deliver. ■



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With big questions to be asked of London's incoming administration, developing the supply chain is crucial to building on the success of offshore sector, says head of Orsted UK and Ireland **Duncan Clark**

Q What is Orsted's main message for the industry at GOW 2024?

A The success of the offshore wind industry is something that the UK should be proud of and celebrate. I started my journey in renewable energy over two decades ago and, looking back, I would never have believed we could achieve what we have done here in the UK.

We have built the second largest global market for offshore, developed a robust supply chain, and transformed the economies of coastal communities across the country.

Collectively, we have developed a sector that supports 30,000 jobs (rising to a projected 100,000 by 2030) – with billions of pounds invested into the UK economy, while generating an increasing share of the nation's electricity.

We have reached something of a coming of age for the industry. While we have achieved a great deal in a relatively short period, the focus now must be on how we move forward to build on this success. The supply chain is absolutely key and a strong focus on collaboration across industry and policymakers will be vital in ensuring we sustain momentum in this area.

With growing ambition for offshore wind around the globe, the global supply chain must expand to three or four times its current size. This provides a huge opportunity.

The UK needs to give itself the best chance to access this opportunity and service the expanding domestic,

European and global market in both seabed-fixed and floating offshore wind.

Q What are the UK offshore wind industry's key 'asks' of the main political parties ahead of the 4 July General Election?

A While it is good to take a step back and celebrate a genuine UK success, policymakers and industry should now be asking the questions: What does the next stage for the sector look like? What will success look like for the offshore wind sector and UK supply chain a decade from now? What levers does government need to pull now to ensure that success?

Firstly, the urgent need to address delays caused by grid and planning are already well understood and solving these problems remains essential.

We have seen a strong focus from the Department for Energy Security and Net Zero in recent years on how to support the UK supply chain.

New policies that will both mandate and reward developers for using UK suppliers – especially in disadvantaged areas – can help to achieve this goal. But we will also need a greater level of coordination across government, particularly from the Department of Business and Trade and the Treasury, as well as from regional government if we are to fully grasp this opportunity.

Building on and growing the existing supply chain should be integral to any future industrial policy. For example, Orsted has placed major contracts with

over 230 UK suppliers in the last few years and it is important that these companies are nurtured and supported.

If the UK is going to gain the maximum economic benefit from the global growth of offshore wind, we will also need to attract investment in new or upgraded manufacturing facilities.

To attract this investment, the UK business environment has to be attractive. We have to invest in ports and other infrastructure, create the right business environment, and have a coordinated approach to supporting companies that want to invest in the UK.

Q What changes does Orsted believe are required to the CfD system in the UK?

A We cannot ignore how disappointing Allocation Round 5 was for the offshore wind industry. The success of AR6 is therefore crucial if we want to keep UK offshore ambitions on-track.

We have seen some positive scene setting from the Secretary of State, however – given the substantial pipeline of projects and the urgent need for the UK to increase its energy security – we would like to see even more capacity commitments.

There are further steps the government could take to boost the potential of this auction round while maintaining competitive tension on price, including adjusting the auction parameters, such as a budget increase, to allow more of the capacity to proceed.


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Global Offshore Wind

GOW24 Charity Run

Work up a sweat and raise money for charity ahead of Day 2. Hosted by RenewableUK and the RenewableUK Shadow Board.

Steps of Manchester Central, 0700-0730

Going back to school

Global Offshore Wind Lesson – young-person event sponsored by Orsted.

Manchester Central, 0930-1530

Shadow boxing

Labour's shadow Energy Secretary Ed Miliband will explore the future of offshore wind and his party's plans for the sector if they are elected on 4 July.

Stream A, Exchange Auditorium, 0930-1000

Need for speed

It has been over a year since the publication of the Offshore Wind Acceleration Report by Tim Pick, which made clear recommendations for the accelerated deployment of offshore in the UK. How far has the industry come and how can it ensure it doesn't lose speed?

Stream A, Exchange Auditorium, 1030-1130

A subsea odyssey

Powering the future and optimising performance – the subsea cable journey. Sponsored by the Global Underwater Hub



Charter 4, 1030-1200

Port pain

Maersk Supply Service lead commercial manager for offshore wind Gry Rostrup outlines a solution to port infrastructure bottlenecks.

Supply chain hub, 1220-1230

Floating voter

This session on floating offshore wind will explore how the cost of development can be reduced and deployment accelerated. Features speakers from RWE, Aker Solutions and DNV.

Stream A, Exchange Auditorium, 1345-1445

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