

Towards 50% UK Content

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Why measure?

The UK to be the centre for offshore wind technology and deployment, with a competitive supply chain in the UK, providing over 50% of the content of offshore wind farm projects.

Vision of the Offshore Wind Developers Forum

- Indication of UK economic benefit from offshore wind activity.
- Important political message
 - Shows “payback” for subsidy.
 - Links activity to jobs and investment in the UK
- Need for demonstrable downward trajectory in terms of cost improvements – also need upward trajectory for economic benefit.
- UK has been comparatively light touch on requiring domestic content so far.

What are the challenges?

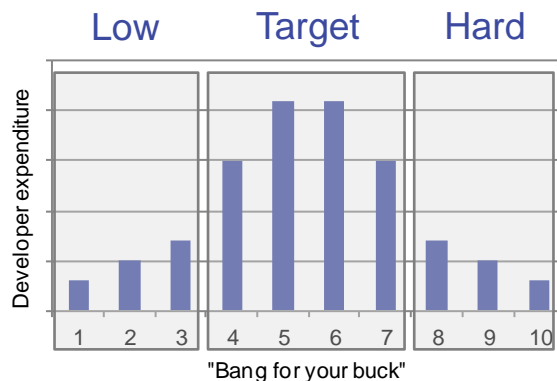
HEALTH WARNING – Work is still at an early stage with no conclusions yet about future methodologies

- A range of studies have been produced on the UK content of different projects but the results do not give useful insight.
- Recognised need for standardisation of how companies report UK content using a robust process that is agreed by developers
- What are some of the issues?
 - What is being measured.
 - Classification by location and activity
 - Looking beyond Tier 1 contracts.
 - Aggregating information.
- Methodology being shaped but nothing set in stone and still working on the practicalities of how it should be done.

How do we push things forward?

- **Supply chain prioritisation**
 - **Given finite resources, the Government and local enabling organisations must ensure that their efforts are maximised.**
 - **Needs to be a focus on “Bang for your buck”.**
- **Combination of key factors**
 - **UK capability vs. overseas capability**
 - **Market demand**
 - **UK current supply and opportunities for growth**
 - **Benefits of the UK**
 - **Benefits to the UK**
- **Think about wider industrial synergies – don’t silo policy**
 - **Where is existing UK global excellence?**
 - **A moderate opportunity in offshore wind could have greater relevance in the wider economy.**

How do we push things forward?



Low benefit

- Low potential benefits.
- Little market demand.
- Existing domestic capacity

For example: environmental surveys

Target zone

- Can be “low hanging fruit” or high risk-high reward.

For example: the manufacturing of turbine blades

Hard to win

- Competition from low-cost countries.
- Strong overseas expertise.

For example: the fabrication of installation vessels

How do we push things forward?

Artificially

- **Apply greater pressure on developer to increase UK content**
 - **Risks an uncompetitive supply chain**
 - **Threatens costs reduction (and long term market)**

Strategically

- **Support market trends and R&D that play to the strengths of the UK**
 - **Stable, long term market**
 - **Port development**
 - **Material choices**
 - **Installation strategies**

Thank you

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