

Defining the boundaries: Measuring UK content for offshore wind farms

Concrete Offshore Wind 2012

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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.

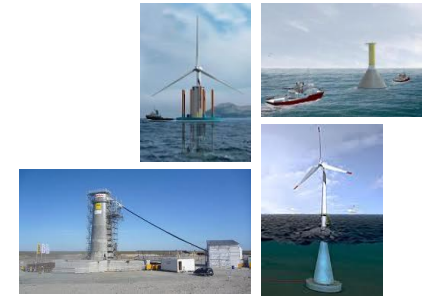
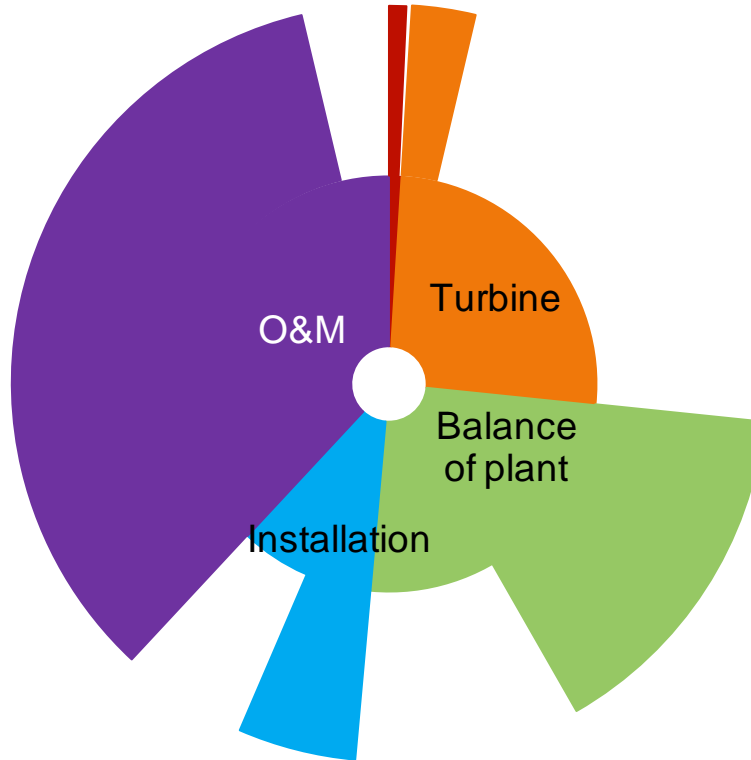
The challenge of being over-optimistic



How do we push things forward?



Project



~~~60%~~      ~~<50%~~      ~60%



## How do we push things forward?

| Company                     | Product                | Jobs (2011) | Prediction  |
|-----------------------------|------------------------|-------------|-------------|
| Areva Wind                  | Turbines               | 640         | 750         |
| REpower                     | Turbines               | 180         | 300         |
| WeserWind                   | Foundations            | 450         | 600         |
| PowerBlades                 | Blades                 | 400         | 500         |
| Ambau                       | Towers and foundations | 200         | 500         |
| Cuxhaven Steel Construction | Foundations            | 250         | 500         |
| STRABAG                     | Foundations            | 50          | 500         |
| <b>TOTAL</b>                |                        | <b>2170</b> | <b>3650</b> |

- + supply chain (indirect)
- + support industry (induced)



## Conclusions

- **Start thinking about your supply chain**
  - **Can you quantify it?**
  - **Are there decisions that can increase UK content?**
  - **Do you have the answers ready for when a developer asks?**
- **How can you use this to your advantage?**
  - **With developers?**
  - **With overseas turbine manufacturers?**
  - **With regional bodies?**



**Thank you**

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