

DIARY CASE



Llywodraeth Cymru
Welsh Government

PREAMBLE

Who is the Minister meeting?	<u>Representatives of The Crown Estate</u> Dan Labbad - CEO Claire Collard - Head of Public Affairs and Policy
Who requested the meeting?	The Crown Estate
Primary purpose	The Crown Estate proposals for floating wind leasing in the Celtic Sea
Is there an agreed agenda?	No formal agenda, but in addition to a general update, we suggest it would be useful to include substantive discussions on: <ul style="list-style-type: none">• The strategic plan for renewables in the Celtic Sea• Potential devolution for the Crown Estate
Which officials are supporting the Minister?	Ed Sherriff, Deputy Director, Energy Division Heledd Cressey, Regional Economic Planning, North Wales Region
Where is the meeting?	Virtual MS Teams meeting – Private Office arranged.
Other practical considerations	N/A

DIARY CASE BRIEFING

Purpose

This is a meeting between the Minister and the Chief Executive and Head of Public Affairs and Policy at the Crown Estate. It is a chance for the Crown Estate to update the Minister on their proposals for the Celtic Seas and to discuss the potential devolution of the Crown Estate. Representatives of the Crown Estate met the Minister for Climate Change on 7 October and the Deputy Minister for Climate Change on 2 November.

There is no formal agenda. However, we suggest the following areas for discussion with the Crown Estate, with particular focus on the items in bold:

- Floating Offshore Wind
 - **The scale of opportunity in the Celtic Sea**
 - Securing economic and local employment benefits
 - **Communicating the strategic plan to developers and other stakeholders**

- Potential Devolution of the Crown Estate
 - Opportunities that devolution of the Crown Estate could bring to Wales
 - Lessons learnt from Scotland's devolution of Crown Estate

Current position and issues to note

Floating Offshore Wind

There is an emerging pipeline of floating wind projects in the Celtic Sea. Blue Gem's Erebus is the latest project to enter the planning stage for the potential of 96MW of floating offshore wind. The Crown Estate has published its plans for floating wind leasing in the Celtic Sea, confirming its ambition to unlock up to 4GW of new clean energy capacity in England and Wales and helping establish a new industrial sector for the UK.

Economic opportunities

A Catapult report into [Floating Offshore Wind](#) (in collaboration with Welsh Government) from September 2021 made a number of recommendations, including that Welsh Government explore how ports can be incentivised to invest in and create laydown space in advance of projects reaching investment decisions.

Through our Marine Energy Programme, we have brought together the four port operators to discuss their requirements. We now have an understanding of their preferred development options and the scale of the challenge. It is envisaged that both south Wales port operators will submit RFI's (and subsequent applications) for UKG's £160m Floating Offshore Wind Manufacturing Infrastructure Scheme.

Officials are also in active discussion with project developers interested in UK and Irish waters to understand their specific technical requirements, for both bottom fixed and floating technologies.

We believe that there are a range of high value manufacturing, turbine integration, technical support plus operations and maintenance employment opportunities aligned to the offshore wind sector. This is particularly the case for floating offshore wind.

There have been positive developments including the Memorandum of Understanding between the port of Port Talbot and Milford Haven with RWE to explore the opportunity for collaborative working for the installation and maintenance of offshore wind sites in the Celtic seas.

Another of the report's recommendations highlighted that engagement between all stakeholders and The Crown Estate be stepped up, to ensure The Crown Estate is fully aware of the potential for rapid project development in the Celtic Sea. One of the fundamental areas to be addressed is project pipeline certainty. Project developers, port operators and investors require visibility and certainty around the size and timing of seabed leasing rounds to 2050 (and beyond). Without this visibility it is unlikely that investment decisions to upgrade and extend Welsh key port and grid infrastructure will be taken in time for Wales to maximise economic benefits.

Devolution of the Crown Estate

Recognising the important economic and social potential from offshore wind, the Ministerial Deep Dive, which resulted in a Written Statement and 21 recommendations, included a recommendation to pursue the devolution of the Crown Estate. Welsh Government officials have started to explore the implications for its devolution.

Points to make

- There are a number of areas where we need to work together to implement the scaling up of offshore wind. We support the scaling up of offshore wind set out in the British Energy Security Strategy, but we need clarity from The Crown Estate on what this means for leasing rounds in the Celtic Seas. We need clarity on a long-term pipeline of leasing to bring the investment in our ports and supply chain to bring the scale of economic and social benefits we want to see. What are the future plans for providing greater clarity on the pipeline?
- We are working with developers to identify the infrastructure, supplies and workforce required, and to build capacity in Wales to meet this emerging need. We are keen to have sight, and input if possible, into the criteria around local economic benefits The Crown Estate are building into future seabed leasing rounds. It is essential that The Crown Estate are active and visibly demonstrating the need to maximise the benefits locally. What are the plans for scaling up engagement with industry and local communities to communicate the opportunities?
- We believe that taking control of the management of Crown Estate assets in Wales would, through the leasing rounds, allow Welsh Government to have greater autonomy to the over the speed and direction of the development of Welsh sited

Crown Estate property and its associated revenue. I appreciate this is a sensitive issue for The Crown Estate, but as we consider the case we will be making to the UK Government it would be useful to understand the practical issues and how any future devolved function would need to work collaboratively with a retained function for England.

Background information

The Crown Estate manage the seabed and half the foreshore around England, Wales and Northern Ireland. They play a fundamental role in the UK's offshore wind sector by awarding seabed rights to renewable energy developers. Established by an Act of Parliament, the Crown Estate are tasked with generating profit for the UK Treasury. This has totalled £3bn over the last ten years. Total net profits were £269.3m in 2020/21.

Scotland has already devolved its Crown Estate owned land and created ScotWind, an organisation which gives greater autonomy to the Scottish Parliament over the parameters of its leasing rounds for the right to develop publicly owned land for renewable energy.