



11 October 2023

Rt Hon Claire Coutinho MP, Secretary of State for Energy Security and Net Zero

Re: Urgent action needed to rebuild UK's offshore wind leadership

Dear Secretary of State,

We welcome you to your new appointment as Secretary of State for Energy Security and Net Zero. We look forward to working with you at what is a crucial time for the UK.

We are writing to call on the government to take urgent action to rebuild industry confidence and the pipeline of offshore wind projects. This comes after the failure of the recent Contracts for Difference (CfD) auction to attract any bids from offshore wind developers and Vattenfall's decision to halt activity on its Norfolk Boreas project.

Regen works with the clean energy sector to accelerate the deployment of low carbon technologies. We are in daily contact with a wide range of investors, project developers, infrastructure providers, universities and innovation companies. We also work with smaller UK companies in the clean energy supply chain.

The UK has developed a world-leading position in offshore wind due to sustained government policy support. The success of our offshore wind sector has delivered billions of pounds of investment. It has achieved greater energy security and played a key role in the UK delivering its legally binding carbon reduction targets.

However, the message from industry is that government has a short window to act. It must ensure the UK remains an attractive place to develop offshore wind within a competitive global marketplace. It is, therefore, disappointing that government has yet to publicly respond to the failure of the CfD Auction Round (AR) 5 to attract any offshore wind bids.

We are urging government to implement the following recommendations:

1. Make a strong public response restating its commitment to take the steps required to deliver the 50 GW by 2030 offshore wind target.
2. Convene a task force with industry and their supply chain partners to interrogate what is happening with industry costs. Price competition within the CfD auctions needs to be balanced with a realistic appraisal of fair and sustainable costs.

3. Reset the Administrative Strike Prices (ASPs) and budgets for offshore wind in AR6 based on the evidence of the task force cost review.
4. Review and amend the CfD pot structure to maximise volume of both fixed and floating offshore wind in AR6.
5. Adopt a bespoke approach for floating offshore wind, recognising its early stage of development. This could include bilateral negotiations, ringfenced minima or increased contract terms to help reduce costs and investment risk. This should be informed by a strategic review of current demonstration projects.
6. Consider co-investment options to enable critical infrastructure buildout, such as ports and grid, to support future projects.

Despite cost increases, offshore wind still represents an excellent deal for the consumer. As well as attracting investment and creating high-value jobs, offshore wind will help keep energy bills down. The government should now aim to secure offshore wind capacity in these next rounds to rebuild the pipeline of projects. At the same time, industry needs to continue to focus on cost reduction and efficiency, securing low cost energy for consumers.

Together, this can form a strategic approach to developing fixed and floating offshore wind for our net zero targets and the benefit of the British people.

Yours sincerely,



Grace Millman

Offshore sector lead, Regen

cc: Nick Park, special advisor, 10 Downing Street

cc: Sarah Redwood, director for renewable energy deployment, DESNZ

cc: Ashley Ibbett, director general for energy infrastructure, DESNZ