



Department for
Business, Energy
& Industrial Strategy

The Rt Hon Greg Clark MP
Secretary of State &
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Minister of State for Energy and
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The Rt Hon. the Lord Forsyth of Drumlean
Chair, Economic Affairs Committee
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Dear Lord Forsyth,

Launch of Offshore Wind Sector Deal

Today we have agreed an ambitious deal with the Offshore Wind industrial sector¹ that will more than triple the amount of clean energy generated from offshore turbines by 2030, increase exports, support jobs and diversity in the workforce, and boost economic growth in regions right across the UK.

Our sustained support for clean energy has helped produce dramatic falls in the costs of renewable technology. For example, the price paid for offshore wind has fallen by around 50% in recent years, from £114.39/MWh in 2015 to £57.50/MWh in 2017.

The UK has the largest installed base of offshore wind in the world and the Sector Deal builds on this leadership position. It enables UK companies to capitalise on the opportunities of a thriving global market by growing the UK supply chain, increasing its competitiveness and productivity whilst taking advantage of new technology, and developing the innovative products and services needed in the future.

Highlights of the Sector Deal include:

- A committed timetable of future Contracts for Difference auctions for the sector, with the next auction to open by May 2019 and subsequent auctions at approximately two-year intervals thereafter.²
- A sector commitment to increase UK content in offshore projects to 60 per cent by 2030 from 48% today with clear and transparent auditing of the content.
- An ambition to increase exports fivefold to £2.6bn by 2030.
- A business investment of £250m to establish a new Offshore Wind Growth Partnership to work with UK businesses and SMEs to help them take advantage of the global opportunities of this growing market.

¹ <https://www.gov.uk/government/publications/offshore-wind-sector-deal>

² Depending on the prices achieved, this could deliver up to 30GW of offshore wind by 2030.

- A pledge to increase representation of women in the offshore wind workforce to at least a third by 2030, with an ambition to reach 40% (up from 16%).
- A plan to integrate offshore wind to support grid integration, such as co-located storage and wind to hydrogen, by creating the System Management and Optimisation Task Group, led by the Sector Champion to develop the innovative solutions for system integration.

Furthermore, the Deal will bolster regional clusters. The sector will collaborate with regional agencies and devolved administrations and provide leadership to create the opportunities for investment and growth in local economies.

Our modern Industrial Strategy sets out how decarbonising our economy can, and will, deliver transformative growth – creating thousands of highly skilled, well paid jobs up and down the country and reinvigorating coastal communities. This Deal seizes this opportunity, working with industry to scale up clean electricity from our world-leading sector and going even further and faster to transform our energy mix.



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