

Marine Planning Team
Marine Planning & Policy Division
Marine Scotland, Scottish Government
Area 1-A South, Victoria Quay
Leith, Edinburgh
EH66QQ

19 November 2013

Dear Sir/Madam

Planning Scotland's Seas – National Marine Plan Consultation Response

Scottish Renewables is the representative body of the renewable energy industry in Scotland, with 329 member organisations, including many working in the offshore wind, wave and tidal energy sectors. Our shared ambition is to harness Scotland's abundant natural resources to secure a future that will deliver on jobs, investment, energy security and climate change.

Enclosed is our detailed response to the above consultation, and our key points can be summarised as follows:

- Scottish Renewables supports the implementation of a marine planning regime as required under the Marine (Scotland) Act 2010 and believes the development of the offshore renewables sectoral plans has been one of the most inclusive, transparent and robust planning processes for any marine sector to date.
- The offshore renewables industry has huge potential to create significant job creation and investment opportunities, while contributing to climate change mitigation and energy security.
- However, it is imperative the consenting process for projects which have already submitted planning applications is not adversely impacted by the development of the new planning regime.
- Clear integration between the planning regimes offshore and onshore is essential

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- We support the development of overarching objectives to meet the Scottish Government's vision and the use of HLMOs and GES indicators
- The General Policies must be consistent with EIA requirements.

The enclosed response also includes our comments on the following additional consultations as annexes:

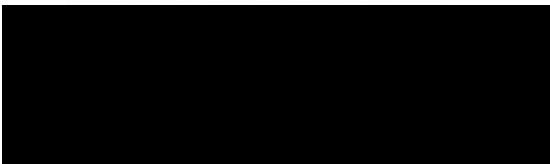
A: the draft Planning Circular on the relationship between the land and marine planning systems;

B: the consultation on the Draft Scottish Marine Regions Order 2013, and;

C: Scottish Renewables Offshore Renewables Community Benefit Position Paper.

Should you wish to discuss any of the points raised in our response, please get in touch with me at lleask@scottishrenewables.com or on t. 0141 353 4987.

Yours sincerely



Lindsay Leask
Senior Policy Manager – Offshore Renewables

Introduction

As recognised within the National Marine Plan (NMP) the scale of offshore renewable energy resource in Scottish waters is vast. Utilising this resource will not only bring jobs and investment to communities throughout Scotland, it will also help to secure the delivery of the Scottish Government's climate change and energy decarbonisation targets. The UK Government's Offshore Wind Industrial Strategy sets a pathway for the creation of 30,000 FTE jobs and delivery of £7 billion GVA to the UK economy by 2020 through a strong growth delivery scenario, while a study for the UK and Scottish Government highlighted the potential for wave and tidal energy to create as many as 6,500 direct jobs on Shetland, Orkney and the Western Isles by 2030.

Scottish Renewables supports the new planning regime being implemented under the Marine Scotland (Act) 2010. In particular, we are supportive of the spatial planning approach that has been adopted by Marine Scotland in relation to offshore renewables. We hope the development of the offshore renewables plans will ensure projects are delivered in the most appropriate locations, from a technical, social and environmental perspective. We note that the development of the draft Plan has been highly inclusive, involving representation from virtually all marine stakeholder groups through the project advisory groups. We also welcome the level of broader public awareness that Marine Scotland has brought to the draft Plan through the series of meetings it has held across the country. We believe this has been one of the most inclusive, transparent and robust planning processes for any marine sector to date.

However, it is important to recognise that the new planning regime is being introduced while applications for developments are being considered. It is therefore crucial that this process does not compromise the current applications.

Integration of Planning Regimes

All offshore renewable developments require a degree of corresponding onshore works. Establishing clear integration between the onshore and offshore planning regime is therefore very important. Our detailed comments on the integration of onshore and offshore planning and consented development is contained in our response to the planning circular (contained in Annex A).

We have included our response to the regional marine planning boundaries consultation in Annex B. It is crucial the hierarchy between the National Marine Plan, the regional plans, sectoral plans and the PFOW plan are set out clearly. We do not, however, believe the interaction between the plans is clear. As we point out in our consultation response to the marine planning boundaries, the Pentland Firth area, of strategic importance for its marine energy resource, currently risks being subject to seven separate plans (National Marine Plan, Sectoral Wave Energy Plan, Sectoral Tidal Energy Plan, Sectoral Offshore Wind Energy Plan, 'North Coast' Plan, 'Orkney' Plan and pilot PFOW Plan). We do not believe it should be subject to yet another separate planning process as a 'Strategic Seas Area'. The implications of a 'strategic seas area' designation are also unclear.

Although we are supportive in principle for certain key areas to have specific policies sitting within the National Marine Plan **as an interim step** prior to development of Regional Marine Plans that cover these areas, we would ask the Scottish Government to provide greater detail on what the legislative standing of Strategic Sea Areas would be and how the policies associated with these

would relate to the policies of other plans. We also request clarity on which legislation would be used to designate an area with the title 'Strategic Sea Area'.

Overarching Objectives

Scottish Renewables supports the Scottish Government's vision for the marine environment: clean, healthy, safe, productive and biologically diverse oceans and seas, managed to meet the long term needs of nature and people. We strongly believe the development of offshore renewable energy can help the Scottish Government achieve this vision.

One of the key drivers for offshore renewable energy development pertains to climate change mitigation and its environmental benefits. The Scottish Government's Marine Atlas notes one of the most widespread threats to the marine environment is climate change. The Atlas and the Marine Climate Change Impacts Partnership highlight the significant fall in breeding success and survival rates of Scottish seabirds driven by decreased food availability, thought to be a result of climate change. Likewise the increasing acidity of Scotland's seas is forecast to have a devastating impact on the whole marine ecosystem.

Statistics published by DECC show that in 2012 (the most recent year for which statistics are available) renewable energy in Scotland displaced over 10 million tonnes of CO₂. 10 million tonnes is the equivalent of removing 99.1 per cent of carbon emissions generated from every car, bus, lorry and train journey in Scotland. We estimate that 5GW of offshore wind alone could displace over 7 million tonnes of CO₂ from our electricity supply every year. While this is an estimation, it clearly shows the vital role offshore renewables have to play in tackling one of the greatest threats to the health of our marine environment, climate change. Please see our comments below relating to the lack of recognition that this is given in the SEA.

We support the development of overarching objectives to meet the Scottish Government's vision and the use of HLMOs and GES indicators, as the Plan already has legal requirements to be consistent with these objectives. Our comments on sectoral specific objectives can be found below.

However, we request further detail on the adaptive management approach proposed by the plan. Does this simply refer to the five year review process, which we support, or is a more frequent adaptation process envisaged? Consistency and a clear understanding of review process are essential for the successful development of the industry. Ad hoc amendments would not be supported.

We also note the Iterative Plan Review Process that will be applied to the sectoral plans. We note the consultation highlights the iterative plan review process which proposes to review the Plans every two years. We support an on-going process to refine the medium term options to ensure the best sites, from both an environmental and technical perspective, are identified according to the most up to date information available. Plan review intervals should not be shorter than two years, and it is important that, when reviews are undertaken, it is in light of new data which will ensure the 'best' sites are identified.

General Policies

Scottish Renewables has some significant concern with the instruction that all the boxed text is to be considered 'planning policy'. This is very different from terrestrial planning where the accompanying text is not policy. This means that the text has to be read as policy and as such it has very high status given the language of the Acts. We would encourage MS LOT to review this full wording and consider how easy it would be to apply the full policies to decisions.

As an overarching statement, the general policies describe aspects of a 'good' EIA. It is important that the policies are consistent with EIA requirements. We request a statement is added at the beginning of this section to clarify that developers are expected to comply with their legal obligations in relation to EIA and the objectives are merely descriptors of information expected to be contained within an EIA.

We support the presumption of sustainable development when consistent with the policies and objectives of the plan. We also support the policy encouraging developments which provide economic and social benefits to Scottish communities. As noted in our introductory comments, offshore renewable energy developments hold huge potential to deliver economic and social benefits to communities throughout Scotland and the sector is committed to delivering them. BIS' Offshore Wind Industrial Strategy sets out plans to require developers over a certain size to submit 'supply chain plans' when making a CfD application with the aim of ensuring local companies are provided with opportunities to enter the supply chain and the leading wave energy device manufacturers estimate the UK content of their capital spend is already over 50%. We also note the intention expressed in the NMP for 'scenario mapping' to support communities. As highlighted below, we have questions surrounding the exact requirements of 'scenario mapping' and therefore do not believe it is appropriate to include it as planning policy at this stage.

Please also see our position in relation to 'community benefit' attached at Annex C.

We have set out some more specific comments with the 'general policies' below.

GEN 1

We are concerned with the lack of clarity around the definition of 'community' and equally unclear with the meaning of the following statement: "Particular consideration should be given to development and use opportunities that aim to provide benefit to communities; local job creation; and local training either directly or through supply chain projects". We would suggest that this wording is revised to say that positive consideration will be given to developments which provide this or positive socio-economic impacts, but that is different to saying this should be the aim/purpose of development. It would be equally useful if the text could reflect the role of enterprise agencies and Scottish Government in seeking to achieve this objective.

GEN 4

It is unclear how this policy will deliver anything further to what would be required as part of the EIA process. The test for whether a socio-economic assessment is required as part of a project proposal should remain that of whether the project is likely to have significant effects.

GEN 5

Policy GEN 5 provides no substantive guidance or policy context on how decisions will be taken with regard to project proposals which are incompatible.

The policy provides no indication at all on how this will be managed prior to the introduction of Regional Marine Plans.

GEN 6

This requires stronger wording, i.e. Local Authorities are required to develop policies which facilitate appropriate access to the shoreline for development integral to projects with a significant marine component.

GEN 8

The intent of this policy seems to be a transposition of the general duty within the Marine (Scotland) Act 2010 with regard to sustainable development. If this is the case the policy wording would benefit from revision to emphasise this, as it is assumed the requirement to act with fairness and transparency is already captured by other primary legislation.

GEN 10

We support the principle outlined in the policy of using available evidence and ‘reasonable’ steps to fill knowledge gaps.

We also support in principle the use of ‘adaptive management’ subject to obtaining further detail on how this will be applied.

GEN 14

The SNH mapping of wild land, as included in NPF3 and referenced in the National and Sectoral Marine Plan, has caused some significant concern within the industry. This map, which is based on previous work to create ‘search areas for wild land’, proposed an increased coverage with no prior consultation. The initial map defined a total of 13% of Scotland’s land mass as being areas that could be ‘wild land’. The current proposals within NPF 3 increase the land coverage to 20% and explicitly define those areas as ‘core areas of wild land’. Given that a subsequent consultation on the maps has now been launched, we hope that it will lead to a more open debate regarding the qualities that each core area as defined actually protects.

However, Scottish Renewables is very concerned about how these areas are defined and continue to make the case to the Scottish Government that the following changes should be made to the presentation of wild land within both SPP and NPF. This should ensure that developers are able to take forward projects in these areas, where those developments will not have an unacceptable impact on the qualities for which they are designated, and reduce the likelihood that decisions will be subject to challenge.

Our proposed changes are as follows:

- Rename the ‘core areas of wild land’ to ‘core areas of *search* for wild land’

- Remove wild land from 'group 2' areas of spatial frameworks for onshore wind
- Provide greater clarity that development can be taken forward in areas described as wild land where there are shown to be no unacceptable impacts.

We are also particularly concerned with the language of GEN 14 which states that it is important that marine plans are consistent with terrestrial plans and seek to “maintain and enhance distinctive character and qualities”. It is not clear what plans these are, however, “maintain and enhance” is a very high test.

GEN 17

A development or activity associated with it could fail a test of purely 'adverse' impacts despite the impact being of a minor nature. We suggest that this test is restated to be one of 'significant adverse impacts'.

GEN 19

Scottish Renewables requests clarity on what is meant by 'complete loss' within a geographical context. It is unclear over what spatial extent a test of this nature would be applied.

Please see our comments above in relation to the ability of offshore renewables to help mitigate climate change and therefore meet the objectives of this policy.

Offshore Renewables Plans and Policies

We have made a number of comments in relation to specific text and policies within this section, as outlined below.

Correction required: The text on page 86 states that wave and tidal developments have been awarded 'leases' by The Crown Estate. This should be corrected to 'Agreements for Lease'.

Renewables 5 - should read – 'In line with EIA and HRA requirements, significant impacts on species and habitats should be mitigated through appropriate design, construction and operation methods...'

Renewables 6 – it is unclear exactly what is envisaged from renewables policy 6. We understand from the sectoral marine plan consultation that the draft renewables plan along with the NMP and NP3, will serve as the basis upon which a strategic planning exercise for the provision of grid infrastructure can take place. Does Renewables Policy 6 refer to this process?

Renewables 7 – there should not be a presumption that cables will be buried or rock dumped. These techniques are likely to be used in areas in which the cables could be damaged, e.g. through fishing activity or anchoring, or in areas where EMF could be an issue. However, where such damaging activities or environmental concerns do not exist, there would be no need to bury or armour cables with rock.

The presumption with regard to tidal sites needs to be that cables will be surface laid with little or no additional cover. This has been the established practice on existing tidal development locations

and also where existing power distribution cables cross strong tidal areas which are typically swept clean of all sediment cover. Requiring surface laid cables on tidal sites to be rock dumped would involve significant extra costs and potentially cause significant environmental effects.

Renewables 8 – We request clarity on the intent of this policy. The scope of proposed development that an HRA or EIA should cover is that for which the project developer is responsible. We request confirmation that this policy is not intended to oblige developers to include within their EIA and HRA, assessment of effects for activities related to their projects but being progressed by 3rd parties – the most obvious example being grid infrastructure.

Renewables 10 – The exact requirements of ‘scenario mapping’ are unclear. We therefore do not feel it is appropriate to contain a requirement for ‘scenario mapping’ as planning policy at this stage. It is unclear how this policy will deliver anything further to what would be required as part of the EIA process. The test for whether a socio-economic assessment is required as part of a project proposal should remain that of whether the project is likely to have significant effects.

Future – The Scottish Islands Renewable Project Report has been completed and it is now available [here](#)¹.

Living Within Environmental Limits - Within the section on ‘Noise’ the potential physical effects are described at a level of detail and significance that is alarmist, unhelpful and inconsistent with how similar activities have been described for other sectors covered by the plan – such as ‘Oil and Gas’ and Transport. We request that this text be reworded.

Question 23: We suggest that in certain geographic areas there could be benefit for sectoral plans to incorporate spatial information. This could be trialled as a case study around the Pentland Firth and Orkney Waters where there is already a stated intent to designate this as a ‘Strategic Sea Area’ and where development of a MSP is in progress.

Interactions with other Sector Policies

- **Fisheries**

The renewables industry is working closely with the fisheries industry through FLOWW to develop best practice guidelines on interactions between the fisheries and renewables sectors. Developments are already required to take account of existing fisheries activity in the area through the EIA process. This is highly relevant to fisheries policy 4. This is also taken into account in the development of the sectoral marine plans where potential impacts are detailed in the socio-economic assessment.

Fisheries policy 5 must be consistent with the approach agreed through FLOWW. The guidelines (which are currently still in draft form) require a CFLO and an FIR to be identified by the developer. It is the role of the FIR to help the developer identify fisheries interests to ensure as far as possible ‘full engagement’ with local fishing interests. Without this input from the fishing industry it can be very difficult to capture all interests that may be impacted. The role of the industry in supporting developers must be recognised.

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www.gov.uk/government/uploads/system/uploads/attachment_data/file/199038/Scottish_Islands_Renewable_Project_Baringa_TNEI_FINAL_Report_Publication_version_14May2013_2_.pdf

- **Wild Salmon and Migratory Fish**

We are concerned that the stated potential effects of renewable energy projects and their associated infrastructure has been given a likelihood of occurrence and significance that is unjustified and unproven. The plan wording with regard to this arguably describes these potential effects in stronger language than that in respect of the effects of climate change for which there is significantly greater evidence that this is having serious effects on migratory fish ecology.

The text within the document could easily be interpreted as stating that the potential effects of renewable energy developments were more serious and likely than climate change effects. We request that this disparity is addressed.

- **Oil and Gas**

The renewables industry has been working with the oil and gas industry and the UK Government to develop further detail around the 'oil and gas' clause and a consultation was into this was held by DECC earlier this year. It is hoped that the spatial planning process used by Scottish Government should limit the circumstances where the clause would need to be invoked due to competition for space.

- **Recreation and Tourism**

The spatial planning process for offshore renewables should support positive interactions between recreation and tourism and the renewables sector, as recreational considerations have been taken into account in site selection (although further site specific work will be required). Developers are also already required to consider these factors through the EIA process and they will continue to do so in line with those requirements.

It should also be recognised there is currently no evidence of impacts on tourism from offshore renewable energy projects. The plan text on page 100 makes a number of statements with regard to potential impacts which are not appropriate and for which there is little or no evidence base. This is particularly the case with regard to the potential effects attributable to wave climate. We request that this text is removed or reworded so that it is in keeping with the nature of this document as an evidence-based strategic policy document.

Furthermore we request that the policies relating to Recreation and Tourism are re-worded to take into account the potential impact new recreation and tourism development proposals could have on existing or future renewable energy projects.

- **Transport**

We are pleased to see the importance of offshore renewables to the development of ports and harbours, and equally the importance of port and harbour development for offshore renewables, recognised in the Plan. In addition to NRIP, the Crown Estate's report on operation and maintenance requirements for offshore wind illustrates the level of development and scale of opportunity that is possible. We therefore strongly support transport policy 4.

It is vitally important the right port and harbour infrastructure is developed to support the offshore renewables sector. We would therefore like to see the NMP identify nationally significant ports and harbours for renewables sector in line with NRIP and map 19.

However we believe a test of no interference is too onerous and request that the wording of policy Transport 3 is re-phrased to read; 'Developments will not be consented where they will significantly interfere with lifeline ferry services'.

Sustainability Appraisal

Paragraph 43 – this paragraph states that 'policies focused on development will be balanced by policies about communities or environment'. The implication is that all policies on development 'need' to be balanced by policies on communities or environment due to some negative effect on the later caused by the former. We do not believe this implication is fair as many developments and associated policies bring benefits to communities and the environment and therefore do not require to be 'balanced'. Only where 'appropriate' or 'necessary' will the policies need to be 'balanced' out. The role of the cross cutting policies is to ensure principles of sustainable development are embedded across all sectors thereby negating the need to 'balance' factors against each other.

Section 5.1.14 – renewable energy developments are subject to the requirements of EIA and HRA. As stated above, we believe the policies aimed at biodiversity protection must be in line with these obligations. By meeting these obligations, renewable energy developments will avoid significant adverse effects on biodiversity. Therefore, we agree with the statement that adverse effects on biodiversity will be avoided. However, the long term implications of the sector in terms of climate change mitigation may have positive impacts on biodiversity and this should be recognised.

Section 5.2 – we question why policies for some sectors will ensure adverse effects are 'prevented' for some sectors and only 'avoided' for others. We would request clarification on the reasoning behind this.

Section 5.3 – for regulated industries, including renewables, the assessment should make clear that adverse effects on air quality will be prevented. It should also be noted that air quality impacts were scoped out of the SEA for the Offshore Renewable Energy Sectoral Plans. We believe this should therefore be amended to ensure consistency with the sectoral plan's SEA.

Section 5.5.10 – Marine renewables, in particular, may improve understanding and knowledge about the marine historic environment. The industry has worked with consultants for Historic Scotland on producing best practice guidance in relation to the marine historic environment. This work acknowledges that survey work for marine renewables may lead to many historic environment discoveries and sets out best practice for the industry in terms of dealing with those findings. Information on the project can be found [here](#)² and a consultation draft can be found [here](#)³. It is therefore appropriate to acknowledge that, where these guidelines are followed, the industry may 'improve understanding and knowledge about the marine historic environment'.

² <http://www.fjodr.com/projects.html>

³ http://www.fjodr.com/uploads/3/0/0/2/3002891/historic_environment_guidance_for_wave_and_tidal_energy_-_consultation_draft_150213.pdf

Section 5.6 – we would request clarification as to why question 13 only refers to reducing GHG emissions from vessels and other marine activities, and question 14 only refers to climate change adaptation. Question 13 should ask whether the draft Plan will ‘reduce GHG emissions? (including from vessels and other marine activities)’ or question 14 should ask whether the draft Plan will ‘contribute to climate change mitigation and adaptation?’. It is unclear why the SA has chosen not to recognise offshore renewables’ role in climate change mitigation through the decarbonisation of our electricity supply. The draft Plan itself recognises the importance of this and highlights the Scottish Government’s 2030 decarbonisation target.

Statistics published by DECC show that in 2012 (the most recent year for which statistics are available) renewable energy in Scotland displaced over 10 million tonnes of CO₂. 10 million tonnes is the equivalent of removing 99.1 per cent of carbon emissions generated from every car, bus, lorry and train journey in Scotland. We estimate that 5GW of offshore wind alone could displace over 7 million tonnes of CO₂ from our electricity supply every year. While this is an estimation, it clearly shows the vital role offshore renewables have to play in tackling one of the greatest threats to the health of our marine environment, climate change. We would expect this to be more strongly recognised within the SEA.

Further, the SA states that vessel movements to sites have the potential for increases in GHG emissions, the significance of which is unclear. While we are currently not aware of any exact calculations for offshore technologies, the average payback time for an onshore wind farm is estimated to be between three and ten months while, over its lifetime, an onshore wind farm is expected to generate at least 20 - 25 times the energy used in its manufacture, installation, operation and eventual decommissioning. On this basis, the significance of the vessels movements would be negligible.

Section 5.7.8 – this section should be approached in the same way as section 5.1, i.e. making clear that, due to EIA and HRA requirements, supported by the cross-cutting policies in chapter 4, adverse effects on marine sediments will be avoided.

Table 7c Renewable Energy Policies – policy 1 should be amended to reflect that ‘trade-offs’ with other marine sectors **may only happen in some cases**.

Annexes

The following annexes provide our comments on:

- A: the draft Planning Circular on the relationship between the land and marine planning systems;
- B: the consultation on the Draft Scottish Marine Regions Order 2013, and;
- C: Scottish Renewables Offshore Renewables Community Benefit Position Paper.

Annex A

Draft Planning Circular

The Draft Circular on the relationship between the land and marine planning systems is very helpful. Coordination between onshore and offshore regimes is very important for the sector as almost all developments will require a degree of onshore ancillary works.

In particular, Scottish Renewables supports the statement that ‘terrestrial development plans and decisions should be consistent with and facilitate marine renewable energy developments which have been consented or which are supported in marine plans and in sectoral plans like the National Renewables Infrastructure Plan, the National Planning Framework and Blue Seas Green Energy prepared by the Scottish Government. This includes related infrastructure like grid connections, sub-stations, testing facilities, carbon capture and storage, manufacturing and assembly facilities, and ports and harbours infrastructure.’

We believe the National Marine Plan should make specific reference to the draft planning circular and in particular to the paragraph outlined above.

We believe that, in line with the paragraph above, paragraph 33 should contain specific reference to the offshore renewables sectoral plans and NRIP.

The circular should also make more explicit reference to the General Duties which sit at the highest level in the Marine Act. These duties should underpin all decision making within the context of marine planning. The general duties are:

- Sustainable development
- Mitigation and adaptation to climate change

It would also be helpful if the circular contained more detail on the requirement of the onshore planning regime, i.e. how NPF3, SPP and particularly local development plans are required to take account of the marine planning regime.

Paragraph 30 states liaison between terrestrial and offshore planning authorities will be required, for example, relevant Marine Planning Partnerships could be involved in the preparation of terrestrial plans to the same extent as the statutory ‘Key Agencies’. This may be appropriate in time, but the formal establishment of MPPs may be some time away and we are not yet aware of how they will be constituted. It is crucial liaison continues in the absence of MPPs.

Question 2: There is a conflict between the circular and the NMP. Para 23 of the circular states that the seaward boundary of marine regions will be 12 miles from the coast, whereas the seaward limit in the NMP is the Territorial Sea boundary (which in many places is further out than 12nm from MHWS). We request clarity on this as the Scottish Marine Area defined within the Marine (Scotland) Act 2010 is coincident with the Territorial Sea.

Annex B

Consultation on the Draft Scottish Marine Regions Order 2013

Scottish Renewables' comments in this response relate to the boundary between the proposed 'North Coast' and 'Orkney' regions, and the interaction between the pilot Pentland Firth and Orkney Waters (PFOW) Spatial Plan, sectoral marine planning, regional planning and the National Marine Plan.

We note the proposed boundary splits the area currently being planned for under the pilot PFOW Spatial Plan. We recognise that this plan is a non-statutory pilot and is not intended to perform the function of a regional marine plan as defined with the Marine (Scotland) Act 2010. However, we also understand that if the pilot plan is approved by the Scottish Ministers it will become a material consideration in the determination of marine licensing applications and consideration will also be given to the pilot by the Scottish Ministers when they make relevant decisions even if it is not subsequently approved by them. There is also potential for Highland Council and Orkney Islands Council to adopt the pilot plan as Supplementary Planning Guidance or as Supplementary Guidance to the appropriate Local Development Plan. Given the pilot plan will most likely constitute a material consideration, we request further clarity on whether it will actually be adopted as supplementary guidance by the Councils or if there is any mechanism open to the Scottish Government to direct the Councils to do so.

It is important to recognise this area was chosen to pilot the marine spatial planning process because of its tidal and wave resources and the pilot plan aims to guide future decisions made on the proposed offshore renewable energy activities.

We therefore request that the relationships between the pilot PFOW spatial plan, the regional plan, the National Marine Plan and the sectoral plan (currently being developed by Marine Scotland) are clarified in order to understand what the impact on potential offshore renewables developments may be, were there to be discrepancies between them.

Given the potential for the PFOW area to be subject to five separate planning regimes (National Marine Plan, Sectoral Plans (of which there will be three), 'North Coast' Plan, 'Orkney' Plan and pilot PFOW Plan), we suggest consideration should be given to combining the proposed 'Orkney' and 'North Coast' regions to create a new 'Pentland Firth and Orkney Waters' region. This would enable the pilot plan to be adopted as the statutory regional plan for the PFOW area, subject to the requirements of the Marine (Scotland) Act, environmental assessments and public consultation processes. Creating a single PFOW region would mean the area is subject to just three sets of plans (National Marine Plan, Sectoral Plan and Regional Plan), rather than the currently proposed five. This would also mean only one Marine Planning Partnership (MPP) would need to be created to manage the regional planning of the PFOW area.

However, we stress Scottish Renewables has not been involved in the development of the pilot PFOW plan to date. Therefore this proposal is made from an administrative standpoint and is not a reflection on our view of the content of the plan. We request the opportunity to become more involved in the development of the pilot plan to help ensure it supports the ambitions of Scotland's offshore renewables industries.

It should also be noted the proposed boundary cuts through a potential new 'Area of Search' for tidal energy, TN1. Ideally, 'Areas of Search' should be within a single region covered by one MPP.

We accept this would involve a slight extension to the west of the current pilot PFOW plan but believe this would involve fewer resources than the creation of two new plans and two separate MPPs.

Annex C

Scottish Renewables Offshore Renewables Community Benefit Position Paper

The UK has a huge offshore renewable energy resource⁴. Capturing this resource will not only help meet UK and Scottish Government climate change targets, but it holds the potential to deliver vital jobs and investment to the UK economy. This paper outlines Scottish Renewables' policy position in relation to the payment of 'Community Benefit' by offshore wind, wave and tidal developments.

Studies have estimated that, by 2020, 40,000 full-time equivalent (FTE) direct jobs could be created by the offshore renewable energy industry, while delivering over £7.5 billion GVA to the UK economy⁵. Communities in all corners of the UK could benefit from these jobs and investment, including some of our most fragile island communities through the development of offshore renewable energy projects. Many communities are already benefiting from almost 1,500 jobs created by the industry to date in Scotland and through schemes such as the Coastal Communities Fund, which is discussed further herein.

However, the industry is at a critical stage in its development and the UK is competing globally to attract this investment. We therefore believe the focus should be on ensuring the deployment of offshore renewable energy projects and the development of a strong, diverse supply chain to support those projects in order to secure an industry which will deliver benefits to communities across the UK through the creation of jobs and inward investment.

Offshore renewable energy developers may choose to make further 'Community Benefits' (as defined below) available on an optional, voluntary, case by case basis. We strongly believe the introduction of specific and inflexible policies in this area is not appropriate. This position paper outlines the reasons why.

Definition of Community Benefit

We define 'Community Benefit' as 'financial or in-kind benefits to communities, however defined, provided outside of the formal planning process'. This is not to be confused with mitigation measures or disruption/compensation payments associated with the consenting process involving discussions with other parties such as commercial fishing or shipping.

The History of Community Benefit

'Community Benefit' payments have a long history. It is relatively commonplace for developers of large onshore infrastructure projects to establish schemes which ensure the local community 'hosting' the development share some of the benefits generated. However, it is the view of Scottish Renewables that the characteristics of offshore developments vary significantly from onshore developments, as outlined below.

⁴ http://www.offshorevaluation.org/downloads/offshore_valuation_exec.pdf

⁵ Please see

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/199038/Scottish_Islands_Renewable_Project_Baring_a_TNEI_FINAL_Report_Publication_version_14May2013_2_.pdf and https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/243987/bis-13-1092-offshore-wind-industrial-strategy.pdf

Rationale for Flexibility in Defining Community Benefits from Offshore Renewable Energy

1. Securing the socio-economic benefits of a thriving offshore renewable energy industry
2. Maturity of the industry
3. Definition of a community offshore
4. The Coastal Communities Fund and Crown Estate Leasing

1. Securing the Economic Benefits of Offshore Renewable Energy

Offshore renewable energy projects provide an opportunity to provide socio-economic benefits to the entire UK at a level of effect comparable with existing offshore industries. A 2012 study⁶ found projects in Scotland invested £164.5 million into the Scottish economy prior to any consents being awarded. This shows the scale of investment that communities across the UK can benefit from with regard to offshore wind development, and we know we can achieve so much more.

The UK Government's Offshore Wind Industrial Strategy⁷ sets a pathway for the creation of 30,000 FTE jobs and delivery of £7 billion GVA to the UK economy by 2020 through a strong growth delivery scenario. The strategy adopts a variety of programmes aimed at ensuring UK based companies benefit from this burgeoning industry, including requiring developers to produce a supply chain plan when they apply for government funded revenue support. The Scottish Government has also been working closely with its enterprise agencies to ensure companies throughout Scotland benefit from the development of offshore wind, and a range of programmes and policies already exist or are in development, including Scottish Enterprise's Offshore Wind Expert Support Programme which pro-actively engages with Scottish supply chain companies to ensure they benefit from the deployment of offshore wind in Scotland. This is in addition to the developer's own programmes, such as SSE's Highland Portal⁸, which facilitates trade and engagement between SSE, local suppliers and service providers. The portal provides a platform for the company to promote opportunities originating in the region, enabling local suppliers to have visibility of SSE opportunities, register as a supplier and respond to notices free of charge.

With planning applications for over 5GW of offshore wind energy development in Scottish waters pending determination, there is imminent, large scale development which can be delivered in the next five years, creating significant opportunities for communities around Scotland⁹.

A study¹⁰ for the UK and Scottish Government also highlighted the potential for the deployment of wave and tidal energy to create as many as 6,500 direct jobs on Shetland, Orkney and the Western Isles by 2030. Scottish Renewable's research shows that over 500 FTE jobs have already been created in Scotland by the sector. It has been estimated that a similar number has also been delivered throughout the rest of the UK. A shining example of the potential of marine

⁶ <http://www.scottishrenewables.com/publications/offshore-wind-investing-scotland/>

⁷ <https://www.gov.uk/government/publications/offshore-wind-industrial-strategy-business-and-government-action>

⁸ <https://www.sseopen4business-highlands.com/sse/login.html>

⁹ For more detail on the exact socio-economic opportunities presented by offshore wind developments in Scotland, please see the socio-economic assessments submitted with planning applications and available on each developer's website.

¹⁰

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/199038/Scottish_Islands_Renewable_Project_Baring_a_TNEI_FINAL_Report_Publication_version_14May2013_2_.pdf

renewables to the island economies is EMEC, which currently employs 22 people in Orkney directly and supports a further 250 people working in marine renewables on the island.

The sector continues to attract investment from around the world, and technology developers are committed to supporting local supply chains to ensure the UK sees the full range of economic benefits this sector can bring. The leading wave energy device manufacturers estimate the UK content of their capital spend is already over 50%.

In this sense the offshore renewable energy industry is similar to the oil and gas sector, where the majority of infrastructure is based offshore but benefits have accrued to onshore communities across the nation through investment and job creation associated with manufacturing, operations and maintenance activities and the establishment of global centres of excellence.

We therefore believe that ensuring the development of a strong, diverse supply chain to support offshore renewable energy projects is the best way to deliver sustainable benefits to communities across Scotland and the UK.

2. Maturity of the Industry

While the development of onshore renewable energy has been common place for decades, the offshore renewable energy industry remains relatively new.

In particular, the deployment of wave and tidal energy is still in demonstration phase and will continue to be for the short to medium term. The marine energy industry is learning all the time but constructing a wave and tidal energy project is still considered a relatively high risk investment. It is dependent on a market-based support mechanism which, as a result of the risk profile and costs involved, has to provide greater levels of support to wave and tidal developments than to onshore renewable energy developments and offshore wind. To enable projects to proceed, developers must optimise the project to the best of their ability and as appropriate to that site.

While offshore wind development is more advanced across the UK, it remains years behind its onshore counterparts and as yet. As outlined in this paper, significant development is planned to occur over the next five years, but as yet there are no commercial scale developments in the deeper, more challenging waters off Scotland. Cost reduction is therefore a key driver for the offshore wind industry. As with marine energy, developers must optimise the project to the best of their ability and as appropriate to that site.

Imposing an inflexible Community Benefit policy would restrict the ability of developers to provide site specific solutions at a critical time for the industry, where costs currently remain higher than onshore projects and finance is difficult to obtain. It would also potentially fail to reflect the scale and range of technologies associated with wave and tidal energy¹¹. This could hinder the UK's attempts to meet our legally binding renewable energy targets and the related job creation opportunities.

¹¹ Please see Scottish Renewables' Marine Milestones Report 2012/13 for the range of technologies being developed in Scotland http://www.scottishrenewables.com/media/uploads/marine_milestones_for_web_040913.pdf

3. Definition of a Community

There are three key sets of stakeholders who could be considered as a “community” for the purposes of the receipt of Community Benefit as defined above. The first are marine industries, such as commercial fishing or shipping, and recreational users, who have a history of using the site. Community Benefit is not appropriate in relation to marine industries as impacts generated from development will be subject to mitigation through the EIA, and will subsequently become a material consideration in the determination process. In relation to the fishing industry in particular, good practice guidance has been developed which outlines the procedure to be followed where displacement occurs. Impacts on recreational users should also be addressed through the licensing process. This set of users are very diverse and not necessarily local to the area in which the development is taking place, therefore it is also inappropriate to apply a prescriptive policy in these circumstances.

Another definition of ‘community’ could be those onshore communities who ‘host’ the offshore aspects of the development. Offshore wind developments occur at a variety of distances from the shore. While earlier developments and Scottish Territorial Water sites lie within 12nm, the present trajectory of site development is to move further offshore and the Scottish Round 3 sites are situated beyond 12nm. At these distances it becomes increasingly difficult to identify an onshore ‘host’ community.

It is also important to highlight the variance in scale of project footprint and technology dimensions between offshore wind, wave and tidal projects. This variation in development footprint, distances from shore, surface protrusion and physical technology size, dictates the need for flexibility where the particular circumstances of the projects can be used to determine the actions required rather than a prescriptive policy. This is not to imply the need for ‘Community Benefit’ can be determined by any of these factors, but to highlight why the introduction of such a policy in the offshore environment is not appropriate.

Finally a ‘community’ could be defined as those who ‘host’ the associated onshore works of a development, such as the onshore substation and grid reinforcement work. The construction of an onshore substation is very similar to any other construction work and should be treated as such, with any discussions between the developer and landowner/community taken forward if required.

4. The Coastal Communities Fund and Crown Estate Leases

Another distinction between offshore and onshore development which must be recognised, relates to the leasing of the seabed. The Crown Estate is empowered through the Crown Estate Act 1961 to manage the seabed on behalf of the UK Government. In order to construct a renewable energy development offshore, a developer must lease the development area from the Crown. By leasing an area of seabed from the Crown, a developer enters an agreement with the Crown that they will effectively pay ‘rent’ during the operational life of the development. These revenues are then passed through by the Crown to the UK Government’s treasury and added to the public purse. The Treasury received £7.8 million from offshore renewable energy development rents in 2011-12¹².

¹² http://www.publications.parliament.uk/pa/cm201314/cmhansrd/cm130604/text/130604w0002.htm#130604w0002.htm_wqn17

In 2012 the UK Government decided to use 50% of the revenue received relating to the marine assets of The Crown Estate, to support establishing the Coastal Communities Fund. The Coastal Communities Fund encourages the economic development of UK coastal communities by giving them funding to create sustainable economic growth and jobs. Rising revenues, driven by growth in offshore renewable energy, has enabled the fund to be increased to £29 million in 2013/14, up from £23.7M in the previous year. This is yet another tangible example of the positive benefit of offshore renewable energy that communities are able to access and we support continuing the link between monies raised through the Crown's marine assets and the UK's coastal communities.

Conclusion

It is the position of Scottish Renewables that for the reasons outlined above, no 'Community Benefit' policy should be introduced by government or local planning authorities for offshore renewable energy developments. The successful deployment of offshore renewable projects will benefit communities through job creation and investment, while developers will continue to also continue to contribute to the public purse through The Crown Estate Lease Agreements.

However, offshore renewable energy developers may choose to make further 'Community Benefits' available on an optional, voluntary, case-by-case basis. This enables developers to continue to work constructively with communities while reflecting the significant benefits that can be delivered through the successful delivery of projects.