



[Offshore wind contracts worth £10bn awarded as government chases targets](#)

Proactive Investors (UK)

September 3, 2024 Tuesday 12:33 PM EST

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Length: 429 words

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Body

Some £10 billion worth of public money will be spent on new offshore wind contracts over the coming years as the government chases 2030 renewable energy targets.

Nine project subsidies were awarded under [the UK's latest allocation round on Tuesday](#), guaranteeing prices for the energy they produce.

Developments by **Orsted** and ScottishPower were among the nine contracts awarded as the government aims to boost offshore wind capacity from 15 gigawatts currently to 55 by 2030.

Britain's energy security department hailed the auction, which stretched to other green technologies, as the largest ever, after no bids were received for offshore wind in 2023.

Low offers on subsidies, ensuring £40 per megawatt hour, had seen developers avoid last year's auction, but the base price this time was much higher.

Indeed, **Orsted** secured a strike price of £58.90 for power produced from the Hornsea 4 wind farm, though given this was based on 2012 prices the actual figure will be up at £74.

This means it will receive subsidies funded by consumer bills if wholesale prices sit below this and have to refund the government in any case it rises above.

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Combined with contracts for other offshore **Orsted** developments, alongside the likes of ScottishPower's East Anglia 3, the subsidies are set to be worth billions.

According to National Grid's system operating wing, some £335 million will go to the new 5 gigawatts of offshore wind between 2027 and 2028, before rising to £2.7 billion and £2.8 billion respectively in the following two years.

Given these are calculated on 2012 prices, this is set to equate to £10 billion by 2031.

This could well rise too, with **Orsted**'s contracts due to be inflation-indexed over their 15-year terms, alongside subsidies for other developers.

Whether the ramped-up funding helps the UK meet 2030 targets remains to be seen, with RenewableUK boss Dan McGrail noting future auctions were "crucial".

The industry body added more offshore wind would mitigate growing costs for billpayers to the tune of £3 billion by 2030 when accounting for the gas it will replace.

Others were less certain about the numbers, with the Renewable Energy Foundation, which has connections to the Global Warming Policy Foundation climate denial thinktank, warning the spending was "reckless" given grid constraints, which will have to be addressed by [National Grid PLC \(LSE:NG.\)](#).

Energy UK chief executive Emma Pinchbeck said the use of British-based green energy was "more important than ever," after surging costs in recent years.

"This is by far the cheapest way to power the UK," she said.

Load-Date: September 4, 2024