

Don't Let AR6 Trick You Into Thinking Offshore Wind Is 'Back on Track'

Article

October 31, 2024 | *Utility Week* | 1 minute read

It will come as no surprise that the last few years have taken a toll on the offshore wind sector between rising interest rates, high inflation and supply chain issues. Increasing offshore wind capacity in the UK from 15 GW to reach its 60 GW target in just over five years' time is a hugely ambitious target.

Is the Success of AR6 Enough?

There has been considerable press concerning the success of Allocation Round 6 (AR6) given it is the most successful round in the UK so far, but is this enough? Some industry figures declared that UK offshore wind is "back on track" however the devil is in the detail. Compared to the previous round, the latest results represent significant progress. However, four of the offshore wind contracts for difference (CfD) (totaling 1.6 GW of capacity) were previously awarded CfDs so are not new capacity (as CfD permits up to 25 percent of a project's capacity to be withdrawn and for such capacity to be rebid in another CfD round).

The momentum over the next couple of years needs to increase significantly for the UK to even get close to its target by 2030. Even if the current estimates are sound, that around 8 to 12 GW of CfD-ready fixed offshore wind projects could bid into AR7, there would still be a substantial gap against the target.

[Read more here.](#)

Related People

Tracy

Partner

LONDON

+44.(0).207.448.4211

tracy.london@bracewell.com

Related Industries

[Energy](#)

[Finance](#)

[Infrastructure](#)

Related Practices

[Renewable Energy](#)

[Wind](#)

[Infrastructure Development](#)

[Real Estate & Finance](#)

[Project Finance](#)