



Effectiveness through capacity building and institutional interventions

The central government has forged strategic partnerships with countries such as UK and Denmark. These collaborations are aimed at helping India benefit from their existing expertise to develop a comprehensive OSW implementation strategy that enables efficient, and cost-effective delivery. Going further, developing the OSW industry also requires a budgetary commitment by commercial banks, development finance institutions, and philanthropic institutions. This is going to be among the most important levers for addressing infrastructure, skills, and ecosystem gaps that exist at the moment. Interventions for capacity building must emphasize on greater inclusion of women in the OSW value chain. Next, the OSW tender administering agency and other relevant institutions must undertake planning to support long-term OSW activity. As the flourishing of an offshore wind industry has been found to create transformative change that gradually creates value for the local communities, institutional interventions for the creation of such an OSW ecosystem in coastal pockets are suggested (Box 2). **The offshore wind must be considered as an inherent component of blue economy roadmaps.** Additionally, OSW must be considered as an important avenue for just transition within the oil and gas and conventional power industry.



BOX 2: OFFSHORE WIND DRIVES THE LOCAL ECONOMY

Grimsby in the UK, which once boasted of its massive fishing industry, was counted among the world's largest and busiest fishing ports. Several decades of slowdown and an inability to match the pace that industrialization introduced, forced traditional fishing communities to put their traditional livelihood at a halt. At this time, Orsted, a leading offshore wind company invested over USD 15 million in Grimsby. This has created a new offshore wind economy in the region. The flourishing of the offshore wind industry, including training centers, offshore wind projects, and the world's largest offshore operations and maintenance unit. These have created hundreds of jobs for local community members, advanced educational opportunities, catalyzed income generation opportunities through booming local business units that cater to industrial and non-industrial needs, and improved infrastructure. Most importantly, Grimsby has harnessed abundantly available renewable energy that powers life and livelihoods.

India must also leverage high-level business and political dialogues that are scheduled this year as part of the G20, Clean Energy Ministerial, and the COP to advocate for synergistic partnerships that boost the growth of the OSW industry in the country as well as globally (Box 3).

BOX 3: INDIA MUST LEVERAGE ITS G20 PRESIDENCY AND CLEAN ENERGY MINISTERIAL (CEM) TO SUPPORT OSW

India's G20 presidency is a tremendous opportunity to spearhead the rapid deployment of offshore wind. Representing 85% of the global GDP, over 75% of the global trade, and about two-thirds of the world population, the power demand of the G20 countries is going to drastically increase. The clean energy transition is a massive priority for these nations that are likely to witness a deep in surge demand for 24x7 green power at all times to feed power demand across all sectors of the economy. Also, new investments in these nations are likely to be increasingly inclined toward sustainable practices and green power procurement. G20 comprises a big pool of countries that have already invested in the offshore wind or have untapped offshore wind potential. Offshore wind has the potential to meet this need at a cost that is competitive in mature markets such as the UK. However, emerging markets, for example, Japan and France, as well as markets that are "under creation" offshore wind will require a public support system for it to become competitive with other mature renewable energy technologies. [Innovative partnerships for harnessing the evolving blue bonds market must be prioritized.](#) The G20, and CEM countries and the Global Offshore Wind Alliance (GOWA), jointly launched jointly by the Global Wind Energy Council, the Government of Denmark, and IRENA during the COP 27 in Egypt, may identify synergies to promote government, financial institutions and private sector priorities for the clean energy transition through offshore wind.

RECOMMENDATIONS

Building on its decades of experience in onshore wind, offshore oil & gas exploration, and a robust onshore wind manufacturing industry, India stands in a unique position to become home to a world-class offshore wind industry. GWEC makes the following short-term and mid-term recommendations:



01 Attractive tender volume

The draft seabed lease tender earlier notified by the MNRE proposes to tender for 4 GW capacity. This must be retained to attract active participation by project developers, manufacturers, and supply chain players.



02 Assurance for offtake of power

The central and state governments must work together with the industry to derive suitable measures for encouraging the offtake of power across all three business models notified by the MNRE in its Strategy Paper released in 2022. Specifically, in the case of model 3, the center and states must promote the relatively better round-the-clock generation profile of OSW among C&I consumers and facilitate attractive long-term partnerships. Also, offshore wind specific preferential ISTS charges waiver for a period beyond 2035 must be considered by the MNRE. Additionally, open access charges may also be waived to incentivize offtake by the Commercial and Industrial and/or captive consumers.



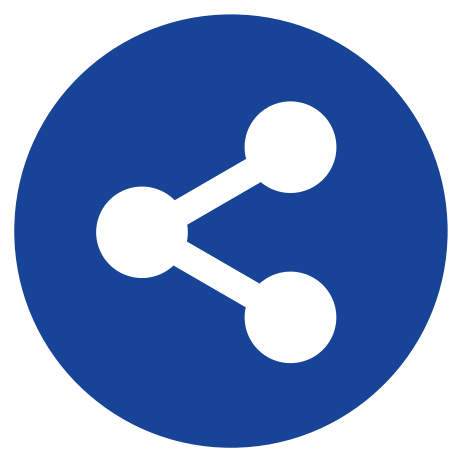
03 Standards and guidelines

Framing of necessary standards and guidelines for environmental impact assessment (EIA), sub-sea cables, underwater surveys, marine spatial planning and health and safety in offshore wind projects among others must be prioritized.



04 Robust tender design

Seabed lease tender must provide greater clarity on permits and clearances required as part of Stage 1 and Stage 2 clearances as well as introduce guarantees to project developers, where any business risk is perceived in case of delays or any such impediment that may affect timelines, and project execution or commissioning. Also, Offshore Wind Energy Lease Rules, 2022 may be published online by the ministry so that prospective bidders may refer to draft seabed tender rules in conjunction with the same. Further, a timeline to build a wind farm from the signing of the concessionaire agreement may be extended to 6 years as opposed to 4 years, as outlined in the draft seabed lease tender, to cater to complex and time-consuming offshore wind construction amid a lack of local supply chain necessitating the import of equipment, approvals, etc.



05 Adoption of PPP models for power evacuation infrastructure development

For the development of power evacuation and transmission infrastructure a PPP model encompassing shared accountability of CTU, offshore wind project developer and the third-party power infrastructure developer may be helpful during the execution of the initial few GWs. A similar approach is advisable for port infrastructure development. Alternatively, the tender must provision the development of offshore power evacuation and transmission infrastructure by the developer.



06 Working Group to support OSW project

It is recommended that the center and the states may work together to institutionalize a high-level OSW specific working group, comprising inter-ministerial and inter-departmental as well as intra-departmental representation, to support India's ambitions.



07 Benefits sharing between centre and state

While the MNRE is the nodal ministry and the NIWE is the nodal agency for the development of OSW in the country, synergistic partnership between the center and states for sharing a certain percentage of aggregate power produced from OSW projects with the Gujarat and Tamil Nadu may be explored and offered as one of the value propositions for their proactive participation.



08 Social-community engagement plan

The center and the states must work together to develop a local community inclusion plan. The roll-out of such a plan might help build awareness among communities and introduce them to massive underlying opportunities. The Govt is already undertaking its ambitious "Sagarmala Programme" for the development of coastal communities. The Ministry must also identify opportunities for leveraging synergies between India's emerging offshore wind sector and the Sagarmala Programme.



09 Digital interface to facilitate permits and clearances

The MNRE must facilitate access to a user-friendly online portal for application, review, status update and award of permits and clearances by state and central government agencies to the OSW project developers.



10 Budgetary allocations must be advocated by the G20 and CEM

To support offshore wind infrastructure development, business risk mitigation, and capacity building, the G20 and CEM discourses must advocate for budgetary allocations by development finance institutions, commercial banks and philanthropic institutions. These must also press for innovative partnerships to tap the evolving blue bonds market.

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