

Subsidy Advice Unit Report on the proposed subsidy to Port of Cromarty Firth

Referred by Department for Energy Security and
Net Zero

12 November 2024

Subsidy Advice Unit

Part of the Competition and Markets Authority



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1. The Referral

- 1.1 On 26 September 2024, the Department for Energy Security and Net Zero (DESNZ) requested a report from the Subsidy Advice Unit (the SAU)¹ in relation to its proposed subsidy (the Subsidy) to the Port of Cromarty Firth (the Port) under section 52 of the Subsidy Control Act 2022 (the Act).²
- 1.2 This report evaluates DESNZ's assessment of compliance (the Assessment) of the Subsidy with the requirements of Chapters 1 and 2 of Part 2 of the Act.³ It is based on the information and evidence included in the Assessment.
- 1.3 This report is provided as non-binding advice to DESNZ. It does not consider whether the Subsidy should be given, or directly assess whether it complies with the subsidy control requirements.

General Observations and Summary

- 1.4 The Assessment uses the four-step structure described in the Statutory Guidance for the United Kingdom Subsidy Control Regime (the [Statutory Guidance](#)) and as reflected in the SAU's Guidance on the operation of the subsidy control functions of the Subsidy Advice Unit (the [SAU Guidance](#)).
- 1.5 In our view, DESNZ has considered at a high level the compliance of the Subsidy with the subsidy control and energy and environment principles. However, parts of the Assessment relate to the Floating Offshore Wind Manufacturing Investment Scheme FLOWMIS⁴, rather than the Subsidy itself (notably on the policy objective, appropriateness and minimising of distortions). As DESNZ does not consider FLOWMIS to be a Subsidy Scheme, it is required to assess the Subsidy itself against the Subsidy Control requirements. In our view, while considerations relating to FLOWMIS can constitute useful context, the Assessment should systematically focus on the Subsidy itself.
- 1.6 We consider that the Assessment clearly describes and evidences what would likely happen in both the short and long term if the Subsidy was not awarded and how the Subsidy would change the Port's economic behaviour (Principle C), and

¹ The SAU is part of the Competition and Markets Authority.

² [Referral of the proposed subsidy to Cromarty Firth Port Authority by the Department for Energy Security and Net Zero \(DESNZ\) - GOV.UK \(www.gov.uk\)](#)

³ Chapter 1 of Part 2 of the Act requires a public authority to consider the subsidy control principles and energy and environment principles before deciding to give a subsidy. The public authority must not award the subsidy unless it is of the view that it is consistent with those principles. Chapter 2 of Part 2 of the Act prohibits the giving of certain kinds of subsidies and, in relation to certain other categories of subsidy creates a number of requirements with which public authorities must comply.

⁴ FLOWMIS was set up to provide up to £160m in grant funding to support the development of port infrastructure for large-scale floating offshore wind deployment. See [Floating Offshore Wind Manufacturing Investment Scheme - GOV.UK \(www.gov.uk\)](#) for further detail.

that it covers costs that the Port would not have funded without the Subsidy (Principle D).

1.7 However, we have identified the following areas for improvement:

- (a) The Assessment should focus on a policy objective which is specific to the Subsidy, such as the development of infrastructure at the Port to support large-scale floating offshore wind projects, rather than delivering Net Zero which is too broad for the purpose of Principle A;
- (b) It should better explain and evidence the relevance of the market failures of negative externalities and public goods to the Subsidy specifically (Principle A);
- (c) When considering the impacts of the Subsidy on competition (Principle F), the Assessment should:
 - (i) discuss more explicitly whether the Subsidy may displace activity from potential competitors,
 - (ii) further consider the impacts of the Subsidy on related markets that could use the Port's infrastructure, and
 - (iii) consider how the Subsidy might affect the competitive position of the Port with regard to other UK ports, when taken together with a wider cluster of direct and indirect existing or prospective subsidies to the Port or operators active within it.
- (d) It should explain how the benefits relating directly to the development of the Port's infrastructure outweigh the negative effects of the Subsidy, by including a conclusion in line with the Statutory Guidance (Principle G).

1.8 We discuss these areas below, along with other issues, for consideration by DESNZ in finalising its assessment.

The referred subsidy

1.9 DESNZ is proposing to award the Port with up to £55.73 million of grant funding for their Phase 5A project (the Project) under the FLOWMIS. This report relates to the individual subsidy to the Port rather than FLOWMIS itself.

1.10 The Project will include a new floating offshore wind facility at the existing port which will be capable of providing turbine integration and assembly services.

1.11 The new facility will include a deep-water quay with high load-bearing capacity and landside storage space, which could provide marshalling, turbine integration and

assembly for the upcoming ScotWind⁵ and Innovation and Targeted Oil and Gas floating offshore wind projects.

- 1.12 DESNZ explained that the Subsidy to the Port is a Subsidy of Particular Interest because it exceeds the £10 million threshold.

⁵ <https://www.offshorewindscotland.org.uk/the-offshore-wind-market-in-scotland/scotwind-leasing-round>

2. The SAU's Evaluation

2.1 This section sets out our evaluation of Assessment, following the four-step structure used by DESNZ.

Step 1: Identifying the policy objective, ensuring it addresses a market failure or equity concern, and determining whether a subsidy is the right tool to use

2.2 Under Step 1, public authorities should consider compliance of a subsidy with:

- (a) Principle A: Subsidies should pursue a specific policy objective in order to remedy an identified market failure or address an equity rationale (such as local or regional disadvantage, social difficulties or distributional concerns); and
- (b) Principle E: Subsidies should be an appropriate policy instrument for achieving their specific policy objective and that objective cannot be achieved through other, less distortive, means.⁶

Policy objective

2.3 The Assessment states that the specific policy objective of the Subsidy is for the UK to meet its Net Zero target. It adds that the Subsidy will facilitate this through the development of new port infrastructure designed to support large-scale deployment of floating offshore wind technology, which is a critical component of the UK's Net Zero strategy.

2.4 The Assessment explains that the UK does not currently have the capacity or infrastructure necessary to support the key construction activities required for large-scale deployment of floating offshore wind, such as steel substructure manufacturing, concrete substructure construction, turbine and substructure marshalling, and the assembly and integration of components.

2.5 The Assessment then sets out that the desired outcome of the Subsidy is the delivery of new infrastructure at the Port, which will:

- (a) address current capacity and capability gaps in the floating offshore wind industry;
- (b) better enable the deployment of the floating offshore wind industry by supporting and enabling investment into port infrastructure capable of delivering large-scale offshore wind projects; and

⁶ See [Statutory Guidance](#), paragraphs 3.32 to 3.56 and the [SAU Guidance](#), paragraphs 4.7 to 4.11 for further detail.

- (c) enable the technology cost reduction required to allow the large-scale deployment of floating offshore wind needed to meet the UK's floating offshore wind ambition and contribute towards the specific policy objective of decarbonisation.

2.6 In our view, whilst the Assessment states that the specific policy objective of the Subsidy is for the UK to meet its Net Zero target, it does not explain how this objective is specific to the Subsidy, rather than constituting a broader strategic goal. The specific policy objective of the Subsidy appears to be described more accurately by its desired outcomes (see paragraph 2.5), such as the development of port infrastructure to support large-scale floating offshore wind projects. We therefore consider that the Assessment should focus on this objective, as opposed to Net Zero, which is too broad for the purpose of Principle A.

2.7 The Assessment also discusses extensively the overarching criteria and strategic context of FLOWMIS and the Subsidy's alignment with that scheme, but should focus on what the Subsidy itself seeks to achieve.

Market failure(s)

2.8 Market failures arise where market forces alone do not produce an efficient outcome. When this arises, businesses may make investments that are financially rational for themselves, but not socially desirable.⁷

2.9 The Assessment describes the following market failures:

- (a) **Negative externalities:** The Assessment states that climate change is a negative externality as the environmental costs of greenhouse gas emissions produced by firms are not reflected in the market price of their products or services but instead fall on the general public to absorb. It adds that energy or electricity production significantly contributes to climate change and that the market alone will not deliver the decarbonised electricity required to produce efficient outcomes. The Assessment explains that, to remedy this market failure, deploying green energy technologies, such as wind and solar, is needed to reduce the UK's reliance on fossil fuels and meet its Carbon Budget 6 and Net Zero targets.
- (b) **Imperfect information.** The Assessment explains that ports need substantial investment to meet the capability and capacity needs for floating offshore wind but face specific hurdles in accessing the capital investment required. It sets out that imperfect information between port developers and offshore wind developers creates significant barriers to securing this capital investment for port infrastructure. It also argues that floating offshore wind

⁷ [Statutory Guidance](#), paragraphs 3.35-3.48.

technology is nascent and long-term demand is difficult to predict. This makes investors hesitant to commit to these projects without greater revenue and project pipeline clarity. Wind farm developers also face uncertainty regarding future work pipelines, making it difficult for them to commit to long-term contracts with port developers, which would otherwise provide the confidence needed to secure capital investment for the required infrastructure.

- (c) **Public Good.** The Assessment argues that port infrastructure is, to an extent, a public good in that the use or enjoyment of it will not diminish or deplete the amount available to others; and the population of the UK all derive indirect benefits from the existence of port infrastructure through economic activity such as imports, exports and other port economic uses. It concludes that it is difficult to prevent people from enjoying the benefits and services that are facilitated through port infrastructure and that therefore the market alone tends to undersupply it.

2.10 In our view, the Assessment appropriately explains the imperfect information market failure. However, it could further describe the current state of the UK's floating offshore wind pipeline and why this supports the arguments advanced. It could also use the evidence included under Step 2 to support its statements on imperfect information, specifically DESNZ's analysis of responses to the Request for Information which explains stakeholder views on the risks, constraints, and opportunities to facilitate the development of offshore wind farms in the UK.

2.11 The Assessment should also explain and evidence how negative externalities and public goods market failures are relevant to the Subsidy specifically. We consider in particular that:

- (a) while the Assessment explains that floating offshore wind deployment can reduce greenhouse gas emissions downstream by increasing renewable energy generation and reducing reliance on carbon-emitting sources, it does not explain how the Subsidy for the construction of new infrastructure at the Port will directly address the negative externalities linked to climate change.
- (b) the Assessment should explain its conclusion that floating offshore wind port infrastructure specifically qualifies as a public good under the Statutory Guidance.⁸ In particular, it should explain how the infrastructure to be developed would be non-excludable and non-rivalrous.

⁸ [Statutory Guidance](#), paragraph 3.43.

Appropriateness

- 2.12 Public authorities must determine whether a subsidy is the most appropriate instrument for achieving the policy objective. As part of this, they should consider other ways of addressing the market failure or equity issue.⁹
- 2.13 The Assessment explains that DESNZ considered and dismissed two non-subsidy means to achieve the policy objective: a joint developer funding pot,¹⁰ and direct government ownership.
- 2.14 The Assessment also considered alternative forms of subsidy options, including regulatory changes to Contracts for Difference (CfD)¹¹ and various government funding models, including equity investment, debt financing and/or bridging loans, revenue guarantees in addition to direct government ownership.
- 2.15 In our view, the Assessment shows that DESNZ has considered some alternative options for achieving its policy objective and explained why it concluded they are not an appropriate means of addressing the identified market failure(s). However, the Assessment could more consistently focus its evaluation on the Subsidy itself, rather than FLOWMIS, as discussed in paragraph 1.5.

Step 2: Ensuring that the subsidy is designed to create the right incentives for the beneficiary and bring about a change

- 2.16 Under Step 2, public authorities should consider compliance of a subsidy with:
- (a) Principle C: Subsidies should be designed to bring about a change of economic behaviour of the beneficiary. That change should be something that would not happen without the subsidy and be conducive to achieving its specific policy objective; and
 - (b) Principle D: Subsidies should not normally compensate for the costs the beneficiary would have funded in the absence of any subsidy.¹²

Counterfactual

- 2.17 In assessing the counterfactual, public authorities should consider what would likely happen in the future – over both the long and short term – if no subsidy were awarded (the ‘do nothing’ scenario).¹³

⁹ [Statutory Guidance](#), paragraphs 3.54-3.56.

¹⁰ A joint pot funded solely by floating offshore wind developers to deliver the development of the infrastructure

¹¹ DESNZ clarified that this would involve reviewing the evidence base for the CfD before every round, incorporating learning from previous rounds.

¹² See [Statutory Guidance](#), paragraphs 3.57 to 3.71 and the [SAU Guidance](#), paragraphs 4.12 to 4.14 for further detail.

¹³ [Statutory Guidance](#), paragraphs 3.60-3.62.

- 2.18 The Assessment sets out a counterfactual scenario whereby the Subsidy is not awarded to the Port, and the development of port infrastructure to support large-scale floating offshore wind projects does not proceed, delaying the decarbonisation of the energy supply. It explains that this would result in a lesser contribution toward reducing emissions and achieving the UK's net zero target, therefore representing a hindrance to achieving the stated net zero policy objective.
- 2.19 The Assessment sets out the impact on the development of floating offshore wind in the UK in the short and long term. It explains that, in the absence of the Subsidy, the impact on the Port would be as follows:
- (a) In the short and long term, it could not proceed with the planned development of port infrastructure necessary for floating offshore wind projects. The Port may continue to operate with its existing facilities, playing only a minor role in marshalling, storing and assembling offshore wind structures. However, it could not support the integration and assembly of floating wind turbines, that is key to Floating Offshore Wind projects, limiting its overall contribution to the floating offshore wind industry.
 - (b) In the long term, smaller ports will find it challenging to accommodate larger floating offshore wind projects and their components, such as turbine substructures. Therefore, trading could slow down significantly, potentially ceasing by 2034/35, and the economic viability of the Port's involvement in floating offshore wind would diminish, as the necessary infrastructure upgrades would not be feasible.
- 2.20 In our view, the Assessment clearly describes and evidences what would likely happen in the short and long term if the Subsidy was not awarded.

Changes in economic behaviour of the beneficiary and additionality

- 2.21 Subsidies must bring about something that would not have occurred without the subsidy.¹⁴ They should not be used to finance a project or activity that the beneficiary would have undertaken in a similar form, manner, and timeframe without the subsidy ('additionality').¹⁵
- 2.22 The Assessment explains that the Subsidy changes the economic behaviour of the Port by enabling it to invest in critical port infrastructure for floating offshore wind projects, which would not be possible without the Subsidy. It sets out that, in the counterfactual, the Port would not have the capability to accommodate these

¹⁴ [Statutory Guidance](#), paragraph 3.64.

¹⁵ [Statutory Guidance](#), paragraphs 3.63-3.67.

large-scale projects and would be limited to small-scale offshore wind marshalling and assembly activities.

- 2.23 On additionality, the Assessment adds that the Subsidy fills a funding viability gap, which the private sector cannot cover due to market failures, including the high upfront costs of the infrastructure. It adds that the Subsidy does not cover 'business as usual' costs but funds a capital project to expand the Port's operational capacity.
- 2.24 In our view, the Assessment clearly explains and evidences how the Subsidy would change the beneficiary's economic behaviour, and covers costs that the Port would not have funded without the Subsidy. In particular, it shows that DESNZ adequately tested the financial information supplied by the Port before relying on it in its Assessment.

Step 3: Considering the distortive impacts that the subsidy may have and keeping them as low as possible

- 2.25 Under Step 3, public authorities should consider compliance of a subsidy with:
- (a) Principle B: Subsidies should be proportionate to their specific policy objective and limited to what is necessary to achieve it; and
 - (b) Principle F: Subsidies should be designed to achieve their specific policy objective while minimising any negative effects on competition or investment within the United Kingdom.¹⁶

Proportionality

- 2.26 The Assessment identifies a number of subsidy design features that contribute to keeping the Subsidy to the minimum necessary and proportionate to the policy objective. In particular:
- (a) the scope of the Project is limited to funding the development of port infrastructure that is expected to have the most significant impact on reducing the cost of floating offshore wind electricity generation;
 - (b) the Port was required to demonstrate, through due diligence, that the requested level of funding is the minimum necessary to achieve the Project's forecasted output. This was then scrutinised by forensic accountants, compared against industry benchmarks and subject to review by independent technical and engineering consultants;

¹⁶ See [Statutory Guidance](#), paragraphs 3.72 to 3.108 and the [SAU Guidance](#), paragraphs 4.15 to 4.19 for further detail.

- (c) financing information from the Port was assessed to determine whether alternative financing options have been exhausted;
- (d) DESNZ considered whether the Port may receive other subsidies, notably in the context of the provisional award of Green Freeport funding, that could reduce the required funding for the Project; and
- (e) the level of the grant in relation to the Project cost is driven by a maximum debt ceiling of 50%.¹⁷

2.27 We consider that the Assessment sets out some elements of the Subsidy's design which are relevant to proportionality, with supporting evidence as envisaged by the Statutory Guidance. However, we consider that the Assessment could:

- (a) use a wider and more detailed range of information (referring to appropriate supporting evidence as relevant) to show clearly how the Project's policy objective and activities differ from those of future envisaged phases that may receive subsidies from the Green Freeport Seed Capital Fund award; and
- (b) more clearly explain how the Subsidy design ensures sufficient commercial incentive for the Port to invest in the Project while keeping the Subsidy to the minimum necessary. For example, the Assessment could explain how factors such as clawback mechanisms potentially reduce the Subsidy amount should the Project's returns be significantly higher than the projected internal rate of return upon which the Subsidy approval was based.

Design of subsidy to minimise negative effects on competition and investment

2.28 The Assessment sets out several elements of the Subsidy (in addition to the elements related to the selection of the Project and size of the Subsidy discussed above) which it states are relevant to minimising distortive impacts including the breadth of beneficiaries and selection process, subsidy intensity, timespan over which the subsidy is given, and nature of costs covered, profile of the grant, in line with the Statutory Guidance.

2.29 The Assessment acknowledges that allocating a subsidy to allow market entry would usually negatively affect operators already operating within that market. However, it states that, in this case, the Subsidy facilitates new economic activities in a market where there are no existing domestic competitors.

2.30 Overall, the Assessment engages with a number of subsidy design aspects which are relevant to minimising potential distortive impacts, as set out in the Statutory

¹⁷ DESNZ clarified that the maximum debt ceiling is not imposed by statute, but was rather an output of the Port's financial modelling and commensurate with the minimum internal rate of return that would make the Project commercially viable and achieve the Port's overarching strategic aim as a Trust Port to create jobs.

Guidance. However, as discussed in paragraph 1.5 it should more consistently focus on the Subsidy itself rather than FLOWMIS.

- 2.31 In our view, when discussing the nature of the instrument chosen, the Assessment could also build on the analysis of different subsidy options from Step 1 (see paragraph 2.14), and consider (as relevant) how these options differ in their distortive impacts on competition and investment within Step 3.¹⁸

Assessment of effects on competition or investment

- 2.32 In relation to impacts on the floating offshore wind port services market, the Assessment states the Subsidy will stimulate market entry and investment by other port developers because of the greater market certainty (and resulting technological cost reduction) faced by downstream floating offshore wind from the Port's project. It includes some supporting information on market growth.
- 2.33 The Assessment considers some potential impacts of the Subsidy on related markets, including:
- (a) port infrastructure outside of the UK capable of floating offshore wind integration services. The Assessment states that these are not expected to be significant providers of integration services for UK floating offshore wind projects given the cost and logistical challenges of towing floating offshore wind components from distant ports;
 - (b) the domestic wholesale electricity power market. The Assessment explains that the Subsidy is expected to enable increased deployment of wind turbines in deeper areas of the seabed where wind conditions are more reliable. This bolsters the security of supply and could smooth out volatility in electricity generation and wholesale power prices; and
 - (c) the local jobs market.
- 2.34 The Assessment states that (i) the Subsidy would not distort competition internationally due to the nascency of the floating offshore wind industry; and indeed (ii) it would contribute to stimulating competition in a new market on an international level.
- 2.35 Overall, we consider that the Assessment assesses some impacts on competition in a selection of related markets. However, in our view, the Assessment should:
- (a) discuss more explicitly whether the Subsidy to the Port may displace activity from potential competitors (for example, with reference to third party evidence on the number of integration ports required in Scotland and the

¹⁸ See paragraph 3.79 of the Statutory Guidance,

expected volume of floating offshore wind turbines and foundations through these ports); and

- (b) consider whether the Subsidy may have impacts on other related markets that could use the Port's infrastructure (for example, Oil and Gas and cruise ships).

2.36 It should also consider how the Subsidy might affect the competitive position of the Port with regard to other UK ports, when taken together with a wider cluster of direct and indirect existing or prospective subsidies to the Port or operators active within it.

Step 4: Carrying out the balancing exercise

2.37 Public authorities should establish that the benefits of the subsidy (in relation to the specific policy objective) outweigh its negative effects, in particular negative effects on competition or investment within the United Kingdom and on international trade or investment.

2.38 The Assessment sets out a series of expected benefits of the Subsidy, including:

- (a) enabling the delivery of clean energy by 2030;
- (b) increasing capability in the UK of floating offshore wind supply chain, driving cost reduction and the commercialisation of floating offshore wind technology;
- (c) delivering industrial growth and associated regional economic and social benefits, eg quality of jobs and increased GVA; and
- (d) accelerating towards the target to achieving net zero by 2050.

2.39 The Assessment also sets out the potential negative impacts of the Subsidy, including risks that:

- (a) the Subsidy could have been sourced through other means as the grant is awarded on an assessment of risk and not a definitive position;
- (b) market distortion on surrounding ports and the international market for offshore floating wind. Although the selection of recipients was carried out in line with the FLOWMIS Strategic Assessment, the Assessment explains that ports with the greatest capability of supporting key activities risk providing a small number of ports with an advantage above others. DESNZ believed that while this Subsidy is awarded to one recipient, it will benefit surrounding ports and thus lessen market distortion;

- (c) possible accumulation of subsidies in the local area, namely the proposed subsidy to Sumitomo Electric Industries Limited and Scottish Green Freeports subsidy. The Assessment explains that the Sumitomo subsidy is being awarded for constructing a factory (which will sit within the Port of Nigg). Although this may bring investment to the surrounding area, because the Port of Cromarty Firth is a separate legal entity, it will not receive any direct contribution. In relation to the Green Freeports subsidy, the Assessment clarifies that to avoid cumulation, where the Subsidy is available for use by the Port, the Green Freeports subsidy will not be used in connection with the planned development of the Port (Phase 5A). If made available, the Green Freeport subsidy would be used for a later (Phase 5b)/other phases of the site development; and
- (d) the Subsidy is too low to address the issue of the infrastructure capacity gap, ie the gap between the existing infrastructure and what is required.

2.40 In our view, the Assessment clearly sets out the potential positive effects of the Subsidy and its geographic and potential negative impacts. However, the Assessment should explain how the benefits which relate directly to the development of Port infrastructure outweigh the negative effects of the Subsidy by including a conclusion in line with the Statutory Guidance.¹⁹

Energy and Environment Principles

2.41 This section sets out our evaluation of the Assessment against the energy and environment principles.²⁰

2.42 DESNZ has conducted an assessment of the Subsidy against Principles A and B. We have not identified any other principle that should have been addressed as part of the Assessment.

Principle A: Aim of subsidies in relation to energy and environment

2.43 Subsidies in relation to energy or the environment should be aimed at (1) delivering a secure, affordable and sustainable energy system and a well-functioning and competitive energy market, or (2) increasing the level of environmental protection compared to the level that would be achieved in the absence of the subsidy. If a subsidy is in relation to both energy and environment, it should meet both limbs.²¹

¹⁹ [Statutory Guidance](#), paragraph 3.111

²⁰ See Schedule 2 to the Act, and [Statutory Guidance](#), Chapter 4.

²¹ [Statutory Guidance](#), paragraphs 4.19-4.28.

- 2.44 The Assessment states that the Subsidy aims to address deficiencies in UK port infrastructure and unlock floating offshore wind, and thus it considers the Subsidy as contributing towards the delivery of a secure and green energy market.
- 2.45 The Assessment further explains that the development of port infrastructure for floating offshore wind deployment will increase the level of environmental protection, aiding the UK's renewable energy supply and relying less on carbon-emitting energy sources.
- 2.46 We consider that the Assessment has explained why it concludes the Subsidy complies with both limbs of Principle A.

Principle B: Beneficiary's liabilities as a polluter

- 2.47 Subsidies in relation to energy or the environment should not relieve the beneficiary from liabilities arising from its responsibilities as a polluter under the law of England and Wales, Scotland, or Northern Ireland.²²
- 2.48 The Assessment states that the Subsidy will not relieve the recipient from any liabilities arising from its responsibilities as a polluter under English and Welsh law.
- 2.49 In our view, this addresses at a high level how the Subsidy complies with Principle B. However, given the Project's location, the Assessment should also address the position under the law of Scotland. In line with the Statutory Guidance,²³ DESNZ could also include a clear statement within its Grant Agreement that the recipient of the Subsidy does not relieve the recipient from any liabilities arising from its responsibilities as a polluter, as is mentioned in the Assessment.

Other Requirements of the Act

- 2.50 DESNZ confirmed that no other requirements or prohibitions set out in Chapter 2 of Part 2 of the Act applies to the scheme.

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²² [Statutory Guidance](#), paragraphs 4.29-4.35.

²³ [Statutory Guidance](#), paragraph 4.33.