

# Building an industry

exploring  
offshore  
wind  
institutional entrepreneurship

SPRU Climate and Energy Seminar, December 1<sup>st</sup> 2020

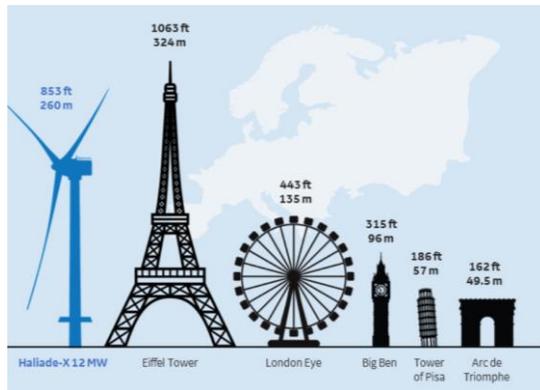
Oscar Fitch-Roy

Image credit: Ørsted

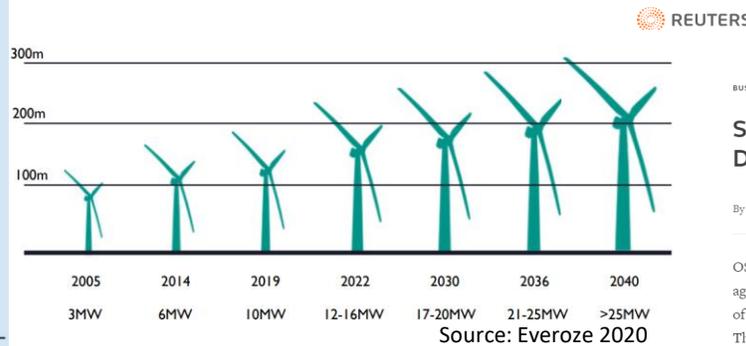
# Coming up

- A bit about offshore wind
- What this has to do with institutions
- And where institutional entrepreneurs fit in
- How I am approaching the topic
- And where I go from here

# A bit about offshore wind: it's (really) big



Source: GE 2019



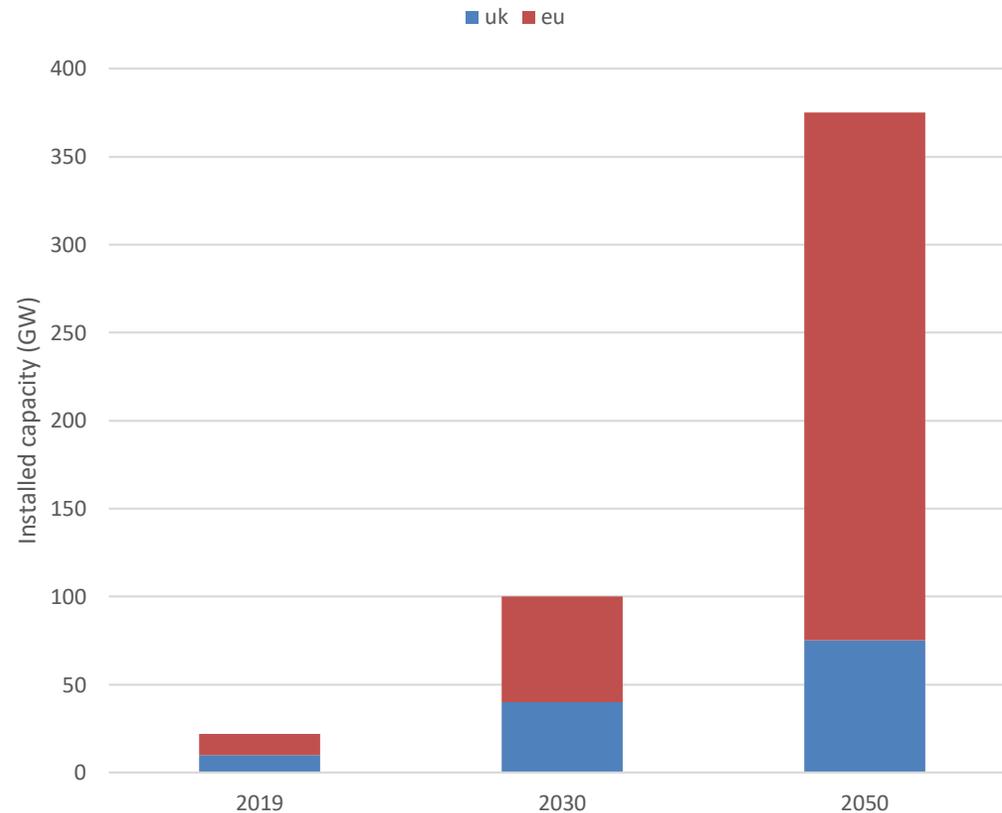
*“large-scale, complex ventures that typically cost US\$1 billion or more, take many years to develop and build, involve multiple public and private stakeholders, are transformational, and impact millions of people”*  
 (Flyberg, 2014; 6)

**= Mega Projects**



Bloomberg

# A bit about offshore wind: it's (really) happening...



350 GW of new capacity  
=  
~30k 12MW turbines

# A bit about offshore wind: we (pretty much) have the technology



Siemens Gamesa

Bauer

Grupo Cobra

etc

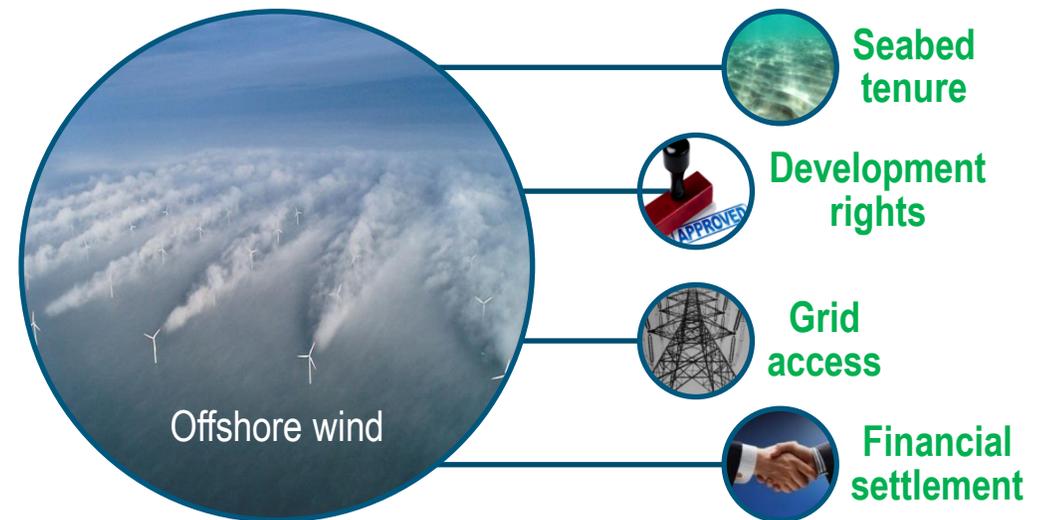
# So, what's the problem?

- A new industry needs new institutions\*
- Existing policy, regulatory, and commercial institutions cannot support offshore wind development
- But there is not a blank-slate: the institutional context is already crowded
- Offshore wind needs institutions that coordinate multiple mature systems of governance
- And there are clear national divergences in outcomes – with the UK doing better than most
- Can be thought of as two sequential tasks:



# Institutional task(s): 1

- First need to create a viable development pathway through (mainly) public policy innovation
  - Institutions that support the techno-economic characteristics of OSW
  - Legal certainty along the project lifecycle to allow appropriate risk management
  - Creating demand-pull for cost-reduction



# Institutional task(s): 2

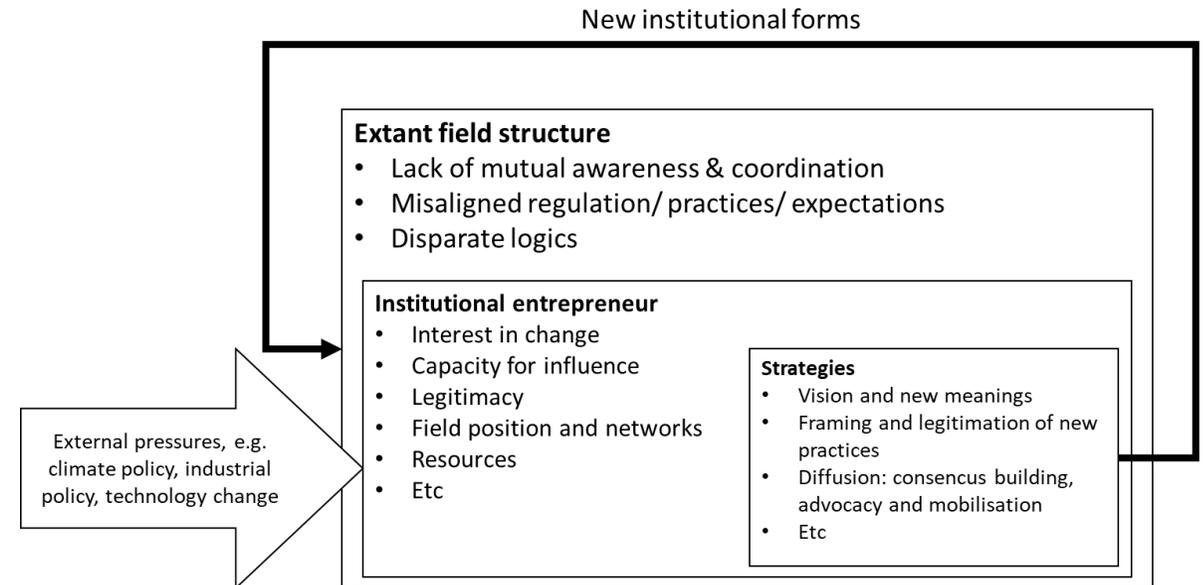
- Second need to establish a mature, self-sustaining, OSW industry
  - Core component of industrial strategy and political support
  - Building supply chain capacity and competence
  - Unclear roles and responsibilities
  - Maturing commercial practices

# Understanding (OSW) institutional innovation

- Innovation often spans multiple areas of practice
  - Contested meaning
  - Competing interests and expectations
  - Across public policy and private governance
- Process begins long before a ‘big bang’
  - Requires agency
  - And strategy
- **Institutional Entrepreneurship** to “*create a whole new system of meaning that ties the functioning of disparate sets of institutions together*” (Garud et al. 2002)

# A field approach

- Strategic Action Field approach (Fligstein and McAdam, 2012 etc)
- ‘Agnostic’ about whether an actor is public/private /civic
- Flexible enough to apply across contexts



# Some examples of differentiated innovation

- Grid connection
- Seabed tenure
- Offtake arrangements and remuneration
- Installation vessel licencing
- Construction contract management
- And many more

# Conclusions

1. A programme of offshore wind mega-projects requires institutional innovation
2. Human agency is central to that innovation
3. Institutional entrepreneurship can make or break the future of offshore wind

# Objectives of the study

Supported for three years (until 2023) by ESRC New Investigator Grant to:

1. Comparative overview of OSW institutions – UK, US, DK
2. Investigate the role and theoretical implications of ‘institutional entrepreneurship’
3. Inform practice

**THANK YOU**