Building an industry

exploring offshore wind
institutional entrepreneurship

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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

“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
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

esiemens gamesa

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