

Mr Edward Mountain MSP
Convener for the Net Zero, Energy and Transport Committee
The Scottish Parliament
Edinburgh
EH99 1SP

Copy: Peter McGrath (Net Zero, Energy and Transport Committee Clerk)

3 February 2026

Dear Mr. Mountain MSP,

Urgent Support for Wave Energy Scotland

I am writing on behalf of Mocean Energy Ltd, a Scottish renewable energy company with offices in Edinburgh (EH9 3BF), Aberdeen (AB11 6DA), and Orkney (KW15 1ZL).

At Mocean Energy we are at the cusp of commercialisation. Our core innovation has been in renewable ocean wave energy, but our product is more than wave energy – it is an offshore renewable power station that generates energy from waves and solar and delivers it locally to power offshore, off-grid equipment. The markets for this product are diverse and global, tied closely to the energy transition. We are starting in the offshore CCS and offshore O&G industries, but adjacent markets include ocean science, and powering islands, remote communities and remote infrastructure such as ports and data centres. Eventually our technology could be deployed for grid scale power, similar to offshore wind.



Mocean Energy currently has two contracts with Wave Energy Scotland (WES), which will fund an at-sea demonstration in 2026/27:

1. A grant directly from WES worth £1.2m, of which £730k still remains to be drawn down.
2. A pre-commercial procurement (PCP) contract via a funding body called **EuropeWave**, of which WES is a partner. This contract is worth £3.3m; £2.0m remains to be drawn down.

Our Ask

As of the latest draft of the Scottish Government's 2026/27 budget, there is no funding for WES. Consequently, **our concern is that the contractually agreed funding for these projects would disappear, which would likely put Mocean Energy out of business, resulting in the loss of: 13 direct jobs, £2.1m+ near term into Scottish businesses, and Mocean's potential to deliver £37m and 50 jobs in five years. All of which undermines a growing Scottish marine energy industry, which**

could deliver £8b in value and 15,000 jobs by 2050. I am writing today to ask you to fight for the inclusion of funding for WES in the Scottish Government's 2026/27 budget to ensure they can support our projects and WES's wider aims.

Benefits of WES to date

- **Offshore demonstrations that address barriers to adoption.** Mocean's go-to-market strategy reduces the time to market compared to other offshore renewables; we are already working with customers on implementing our technology in their projects. The primary barrier to adoption is achieving sufficient proven time at sea, which we address through offshore demonstrations and pilots fund. Towards that end, the support of WES has been pivotal.
- **WES funding leveraged into further £12.6m public and private funding.** In total, Mocean has been awarded £7.1m from WES to develop our technology. But we have leveraged that into a further £7.3m of grants from other sources and £5.3m in equity investment¹. We've had support at the European and UK levels, as well as fantastic support from Scottish Enterprise.
- **Driving commercial traction.** The prototype built with WES funding was later deployed in an industry-led pilot with the Net Zero Technology Centre that included companies like TotalEnergies, Shell, and Baker Hughes, providing £1.5m in funding. Last year, Mocean achieved £500k commercial revenue in project engineering, creating a pipeline of sales.

If the WES budget is maintained, the expected outcomes are:

- **Demonstration of our product and first sales:** The WES funding allows Mocean to carry out an at-sea demonstration of our product in Scotland. This will overcome a key barrier to market, and pave the way for first sales.
- **78% into the Scottish supply chain:** the demonstration will be carried out in Orkney, the generator built at TDC Parsons Peebles in Rosyth, the fabrication done at Texo in Dundee. We estimate 78% of the funding, or £2.1m of the remaining funding, will be deployed into Scotland.
- **£1.1m commercial contribution to demonstration:** we have a customer who will support the demonstration, contributing a further £1.1m, adding commercial scope and publicity.
- **Create export opportunities:** the customer referenced above and others would then like to use the product in a further pilot in Australia, creating export opportunities.
- **£6.5m in further private investment:** our business plan calls for raising a further £6.5m in private investment. That process has already kicked off positively.
- **£0 further expected from WES:** we expect £0 further funding from WES beyond our existing contracts. Future Mocean funding is mainly private investment and commercial revenue.
- **£37m in revenue and 50 direct jobs by 2030:** our business plan projects £37m in revenue and 50+ full-time jobs at Mocean Energy in Scotland by 2030.
- **Cornerstone a £8b Scottish marine energy opportunity:** Scotland has a rich history in marine energy and a global reputation.² It is a challenging industry, but Scotland has made tremendous progress, and Mocean is at the cusp of commercialisation. If Mocean, with WES's support, can achieve what we set out above, it will make a huge impact on the marine energy industry in Scotland and globally, supporting Scotland's continued leadership in the sector.

¹ If those numbers sound large, consider that as of 2024, Swedish wave energy company, CorPower Ocean had secured **€95m in public and private investment** and €10m's more since then, including **€30m EU project** to build and an array at EMEC in Scotland.

² Mocean has customers from Australia, the US, Norway and elsewhere, and personally, I moved to Scotland from the US to do my PhD on wave energy at The University of Edinburgh.

With the right support, the marine energy industry has the potential to deliver £8b in benefit to the Scottish economy and 15,000 jobs by 2050.³

Alternatively, if the WES budget is not maintained

Without these projects, Mocean will not be able to achieve any of the above – we will not obtain commercial traction and private investment to the same level, if at all. It is likely that the outcome would be:

- **winding up the company,**
- **loss of 13 direct jobs,**
- **loss of £2.1m+ directly into the Scottish economy,**
- **loss of Mocean's potential to deliver £37m revenue and 50 jobs within five years,**
- **crippling impact on Scotland's burgeoning marine energy industry, which has the potential to deliver £8b to the Scottish economy and 15,000 jobs by 2050.**

Moreover, these commitments have been made contractually; they are active projects against which Mocean has spent money and has liabilities, and we recently secured investment, in part, on the basis of these government awards. If the contracts were breached, Mocean would need to consider all options to address the impact on our business, our creditors, and shareholders.

The Scottish Government's funding of WES in 2026/27, in support of commitments that have been made contractually, provides positive outcomes to Scotland well beyond the cost of the funding. I hope that you can support our case to Scottish Government in this budget.

Our ask is that you write your concerns to the Cabinet Secretary for Climate and Energy, Gillian Martin and raise via channels you have for questions.

I would be more than happy to discuss further in a phone call or meeting. Thank you for your time and consideration.

Yours sincerely,

Cameron McNatt
Managing Director

³ **Future Economic Potential of Tidal Stream & Wave Energy in Scotland**