

<b>Name of Meeting</b>	The Crown Estate Potential New Leasing Update
<b>Meeting Venue</b>	Conference Call with members of the Offshore Wind Industry Council (OWIC)
<b>Date &amp; Time of Meeting</b>	Tuesday 6 <sup>th</sup> February 2018 15:30 – 16:00

<b>Chair of the Meeting</b>	Will Apps, Head of Energy Development, The Crown Estate
<b>Names of other attendees from The Crown Estate</b>	<ul style="list-style-type: none"> <li>▪ Huub den Rooijen, Director of Energy, Minerals and Infrastructure</li> <li>▪ Jonny Boston, Senior Development Manager</li> <li>▪ Helen Elphick, Senior Development Manager</li> <li>▪ Jade Heffernan, Team Co-ordinator</li> </ul>

In November 2017 The Crown Estate announced that we will be working with the offshore wind sector and stakeholders over the course of 2018 to consider making new seabed rights available to offshore wind developers. On 6 February 2018 we provided an update to members of the Offshore Wind Industry Council (OWIC) via a teleconference. The slides from that presentation are available to [download](#) from our website together with this document which provides a record of the questions that were asked during the teleconference, and the answers that were given. The presentation and this Q&A reflect The Crown Estate’s thinking at that moment in time and therefore all information provided is subject to change.

***Q1: Is it The Crown Estate’s intention to stop the process for project extensions while they undertake their consultations on any new leasing round?***

Answer from The Crown Estate: A year ago we opened the opportunity for ad-hoc applications for extensions to existing projects. Given the potential for new leasing, and in order to mitigate potential for overlap or confusion created by multiple leasing opportunities, later this week we will release a notice confirming the closure of this opportunity on 31<sup>st</sup> May 2018. Applications will not be accepted after this date.

***Q2: When will you identify where the locations will be, for example will they be around Scotland or the Humber? And how will this link to thinking in the Sector Deal activity regarding clusters and skills gap?***

Answer from The Crown Estate: As of last year, all responsibility for leasing projects in the waters off Scotland was devolved to the Scottish Government under the management of Crown Estate Scotland. Our process will consider the waters around England, Wales and Northern Ireland. We are currently undertaking work to look at technical resource areas, onshore grid and consent constraints and how they are reflected within marine plan areas. This is one of the aspects we expect to engage with stakeholders and market participants on during information days over the summer 2018.

The intention is to come forward with relatively wide geographical regions of seabed along with information relating to their characterisation, considering technical resource and other factors such as those indicated on [slide 8](#). Initially we are not necessarily minded to discount any specific regions, although this remains an option. In any case, the potential geographical regions that will ultimately be taken forward will be determined after engagement with market and stakeholders.

Again, we haven't reached any decisions as yet, but are exploring a model which allows the market to identify areas for projects within these regions. One of the objectives of engagement will be to gain feedback on the regions proposed and if the engagement reveals that the market has a different view about a certain technical parameter, for example, then that might be information that we would want to take into consideration in our determination. In referencing the lessons learnt on [slide 4](#), the overall motivation behind this approach is that information held by The Crown Estate, and other bodies such as the Marine Management Organisation (MMO), could be of use to share with the market and make this process as successful an addition to the portfolio as possible.

With regards to links to the Sector Deal, current thinking has not been linked to any geographically specific activity of the sector and potential clusters. This could be a useful area to explore in our later interaction.

**Q3: Regarding the graph on [slide 6](#), can you clarify the link between 30GW and what's been allocated now? Do you start with an ambition to achieve 30GW by 2030 and work your way up?**

Answer from The Crown Estate: The graph on [slide 6](#) identifies everything from operational sites to those under development and is a factual representation of the rights that both we, and Crown Estate Scotland, currently administer. Everything on right hand side, including the potential for attrition, reflects an assessment that we need to undertake, with input from others.

So if the industry context is aligned to an ambitious sector deal, setting the horizon for UK deployment firmly at 30GW then that is the demand we will need to consider in providing access to the seabed. If it was 20GW, it would be a very different picture in terms of the need for seabed access. The question we are seeking to answer is "what is the scale of the industry that needs to be supported by access to the seabed?"

Our key focus is seeking to ensure that the sector has the rights that it needs to meet its aspirations, and that of energy policy, out to 2030. We are therefore seeking to understand what the market and policy requirements will be in that time frame, given the long lead times for offshore wind development.

**Q4: The approach you describe sounds similar to Round 2. How are you planning to overcome the challenges that Round 2 had in terms of projects in close proximity, e.g. the problems around the Greater Wash. In the absence of a zonal approach as per Round 3, the proximity arrangements in relation to other projects will be very important. Do you envisage the engagement with the wider stakeholder community will seek to manage that risk?**

Answer from The Crown Estate: Yes, we are doing more work upfront to try and share information before developers even come forward with sites as part of a formal tender process and one of the objectives of engaging over the summer 2018 with stakeholders and industry will be to make some information available to inform site selection. Obviously cumulative impacts will still have to be fully assessed as projects come through the planning process and there won't be a sufficient level of information available at this early stage, but we will be trying to facilitate early consideration of the issues through this process. We will also be undertaking a plan level Habitat Regulations Assessment which will look at the cumulative impact of sites on some receptors.

**Q5: You've mentioned focussing on fixed offshore wind and not floating, what is behind that proposal?**

Answer from The Crown Estate: Our interpretation, both in terms of policy and market demand, indicates that fixed offshore wind will deliver the most competitive projects. Based on that premise, fixed offshore wind has been the focus of our work to date on characterising the seabed. However, more generally, we are also thinking about how floating wind could feature in the future, given the

resource potential. So we are open to reflect on this initial assessment during the course of the planned engagement.

***In addition to the questions and answers above, David Stevenson (Scottish Government) gave the following update on leasing activities in Scotland:***

Ronnie Quinn (chief executive of Crown Estate Scotland) was unable to join today's call. The process that Crown Estate Scotland is undertaking is broadly the same as The Crown Estate's. Scottish Government was keen for someone from Crown Estate Scotland to join the call but no one could make it. It could be useful for an update paper to be circulated to members of OWIC. Crown Estate Scotland have been speaking to members of OWIC already to gauge initial views and are hoping to publish something on what Scotland can offer around Easter and moving towards a timeframe for agreements for new offshore wind projects towards 2019. Timetables are a bit fluid at present. Marine Scotland is currently going through Regional Locational Guidance to identify the best sites for new wind farms. Floating wind will be looked at as part of the offer for Scotland. I recommend that the OWIC secretariat speak with Ronnie about getting a one page paper circulated to members of OWIC. Any questions should be directed to Ronnie and the Crown Estate Scotland team in Edinburgh.