

Aerial view of an offshore wind farm with several blue wind turbines in the sea. A red and white supply vessel is moving through the water in the foreground, leaving a white wake.

Offshore Wind New Leasing: Market Engagement Event 26th November 2018

Feedback & Region Refinement



Welcome

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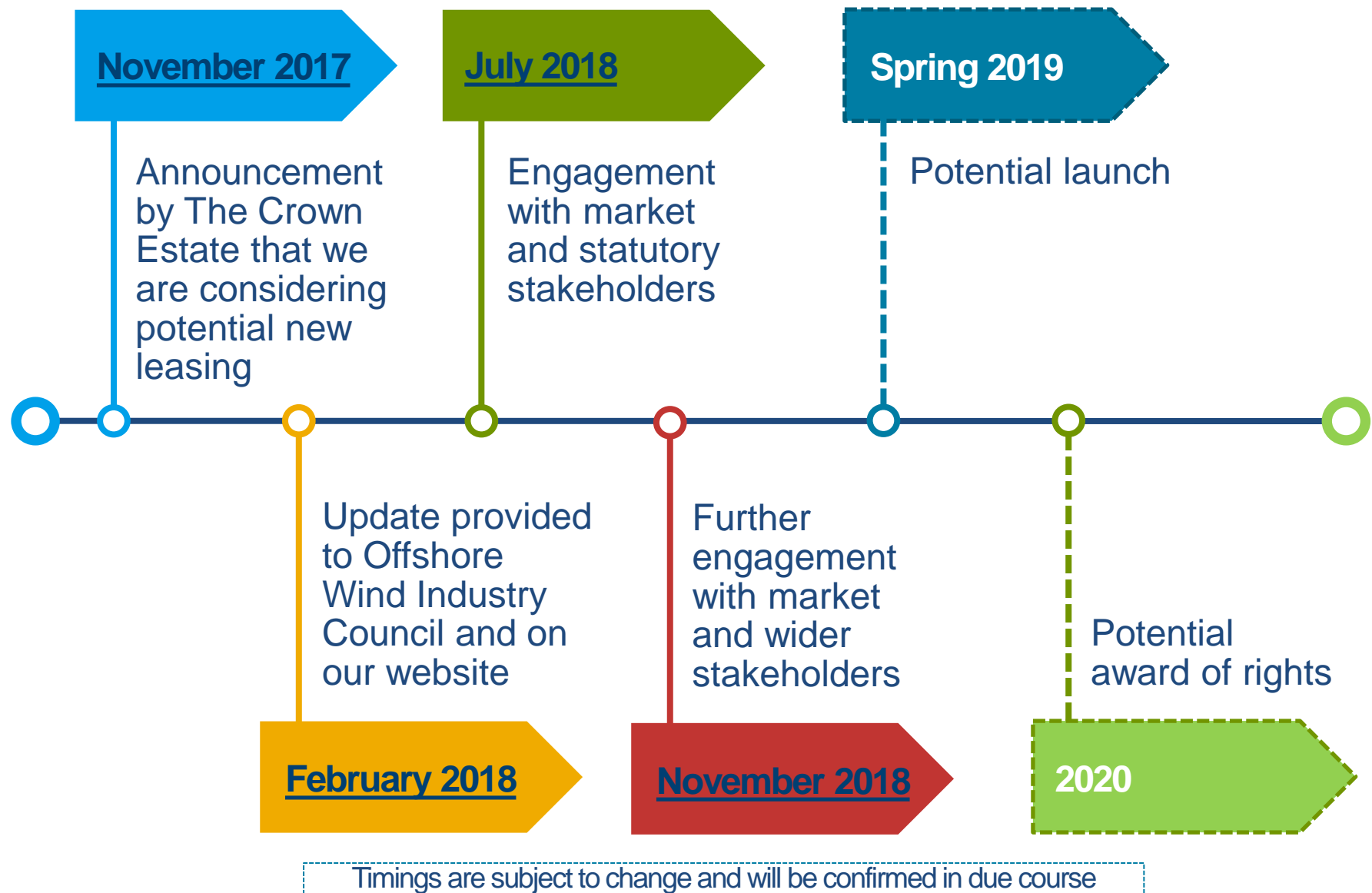
For the avoidance of doubt, please note that The Crown Estate's management duties in Scotland have been transferred to Scottish Government. The information contained within this presentation therefore relates to the potential leasing of new offshore wind projects in England, Wales and Northern Ireland only.

Approach to new leasing

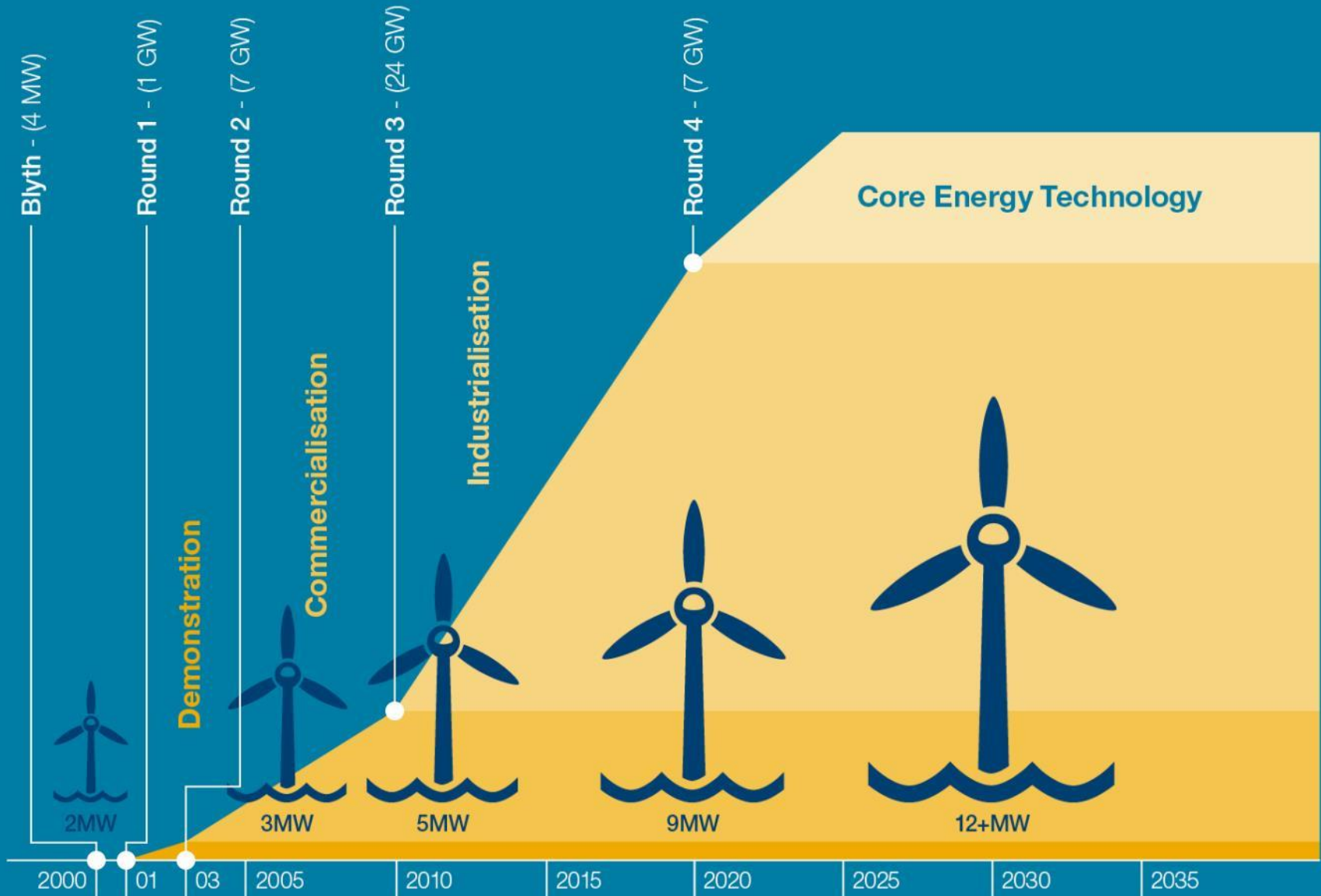
Market feedback

Jonny Boston

The engagement journey so far



Context: Previous major leasing rounds



Proposed Round 4 – different from Round 3

	Round 3	Proposed Round 4
Scale	Very large scale to enable transformation and industrialisation of the sector	At least 7GW enabled: repeatable scale enabling sustainable growth
Type of rights awarded	Zonal approach: zone exclusivity agreements awarded, enabling multiple project agreements to be created during 10 year period and developed over time	Project approach: individual project agreements awarded, to go straight into development (planning consent)
Spatial boundaries of rights awarded	The Crown Estate identified zone boundaries, and developers bid for zonal rights through the Round 3 ITT process – successful applicants selected through detailed competence assessment	Developers identify and propose individual projects into the Round 4 tender process – successful applicants selected through a process we will set out today

Key principles for Round 4

Balance a range
of interests

Repeatable
scale

Share our data &
analysis

Fair &
transparent
process

Balance our role
with that of the
market

Responsible
leasing

Refine and validate our proposals through
extensive pre-tender engagement

Common themes from market feedback

- Support for proposed leasing model (developers identifying preferred sites within regions of seabed)
- Support for The Crown Estate sharing its data and analysis to help inform developers' selection of sites
- Appetite for at least 6GW of new seabed rights
- Many advocating a flexible approach to the timing of subsequent leasing rounds
- Appetite for as many regions to be available as possible
- Support for a leasing round focussed on fixed foundation offshore wind, but stating fixed foundation wind viable in water depths > 50 metres.
- Interest in being able to accommodate innovation including hybrid projects
- A mix of views on maximum project size
- Interest in being able to bid in more than one entity





Updates to our proposals since summer 2018

- Capacity likely to be increased to 7GW, in light of strong market appetite
- Future rounds considered in light of energy policy, market demand and stakeholder views
- Refinement of regions, balancing market & stakeholder views
- Extend the regions included in the leasing offer out to 60m depth – though our data & analysis remains focused on the ‘Favourable’ resource area
- Maximum project size unchanged at 1.5GW but introduce minimum of 300MW
- Ability to participate in different bidding entities in different locations – more on this later

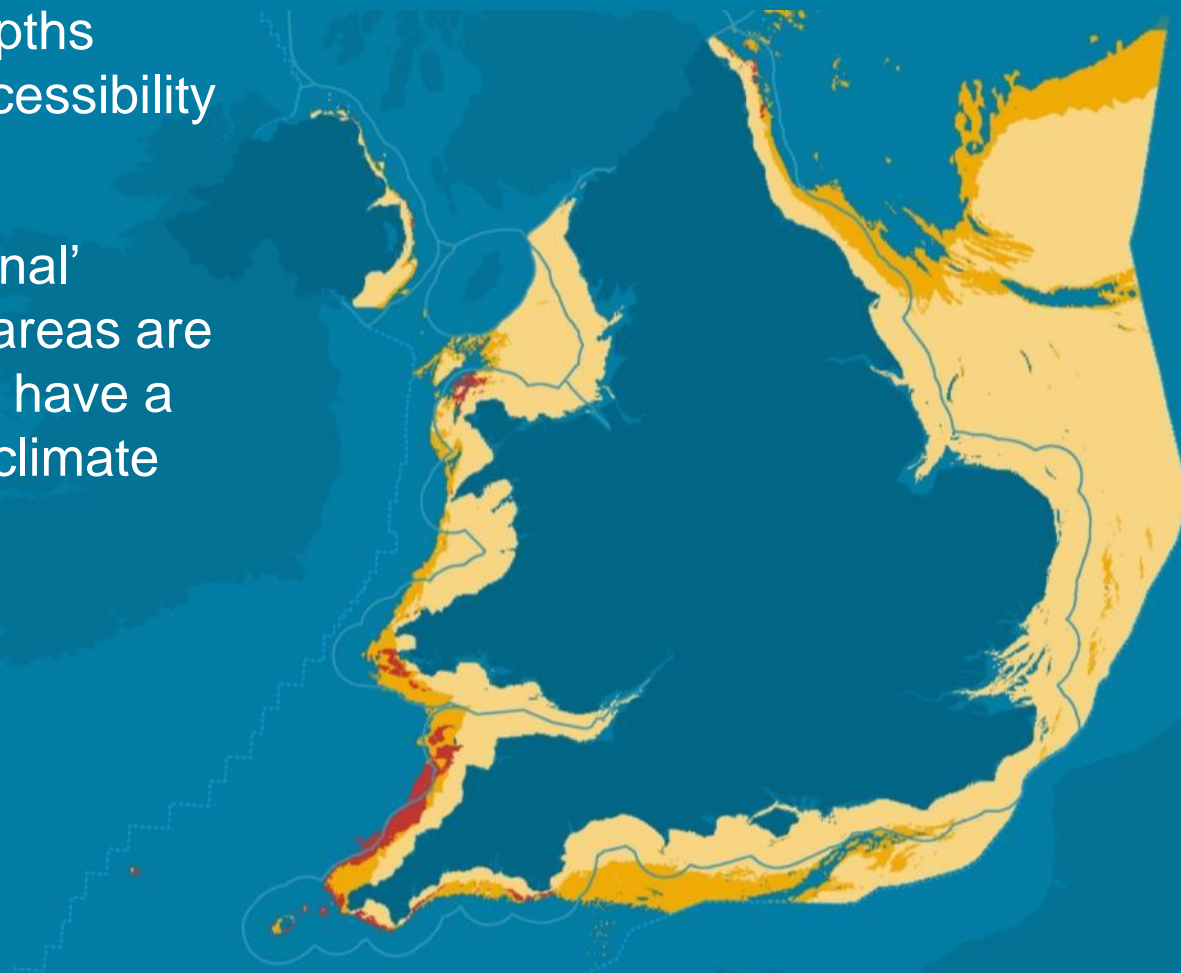
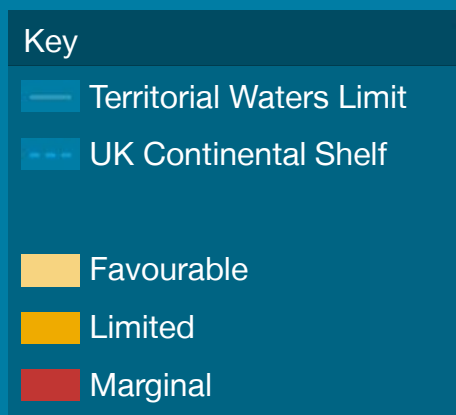
Statutory stakeholder feedback

Region refinement

Mark Hazelton

Technical resource area

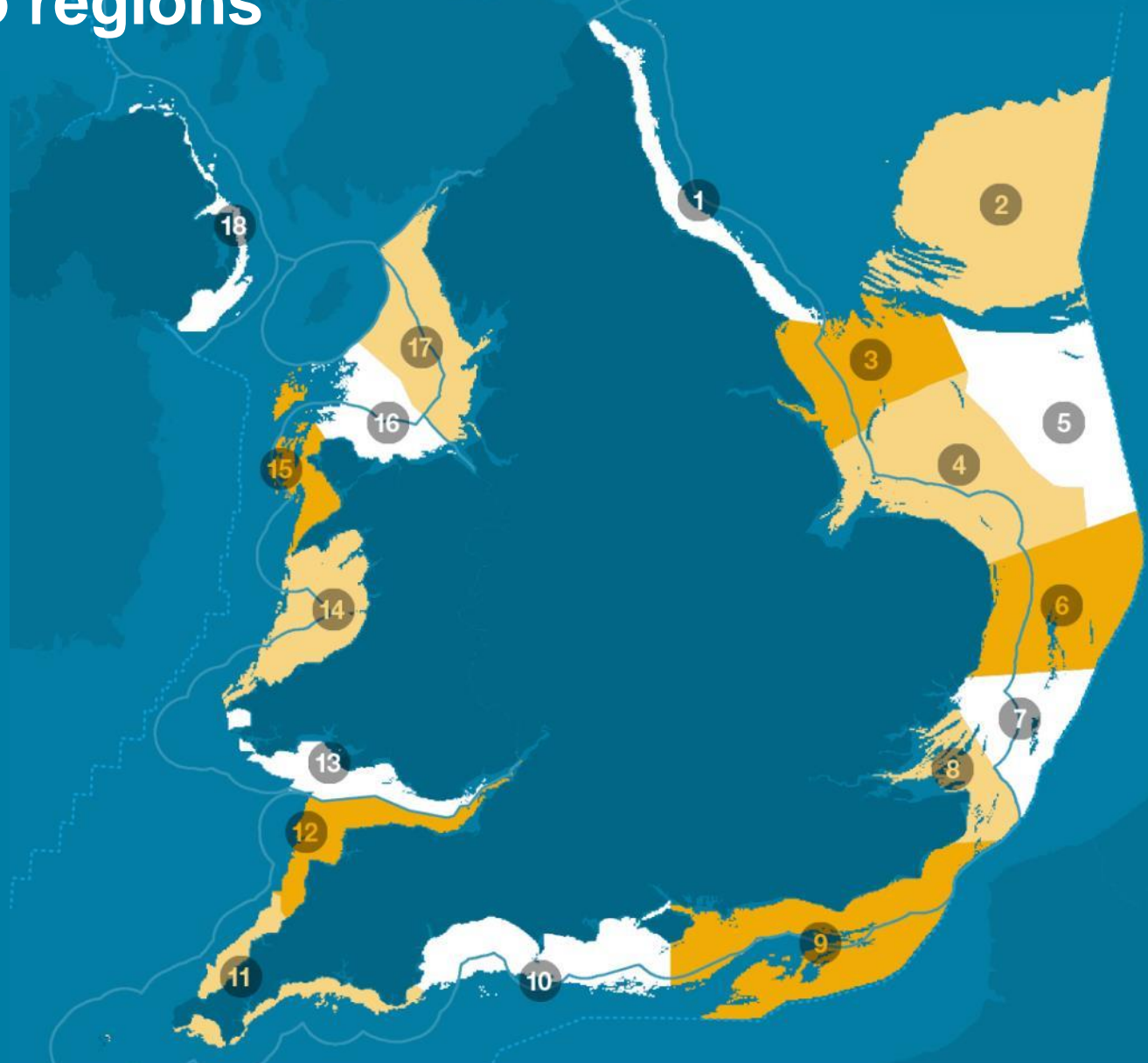
- 'Favourable' technical resource area for fixed foundation offshore wind is defined by water depths 5-50m and good accessibility (>80% @ 2.5m Hs)
- 'Limited' and 'Marginal' technical resource areas are deeper (50-60m) or have a more severe wave climate



'Favourable' resource area – Divided into regions

Regional
approach to
tender proposed

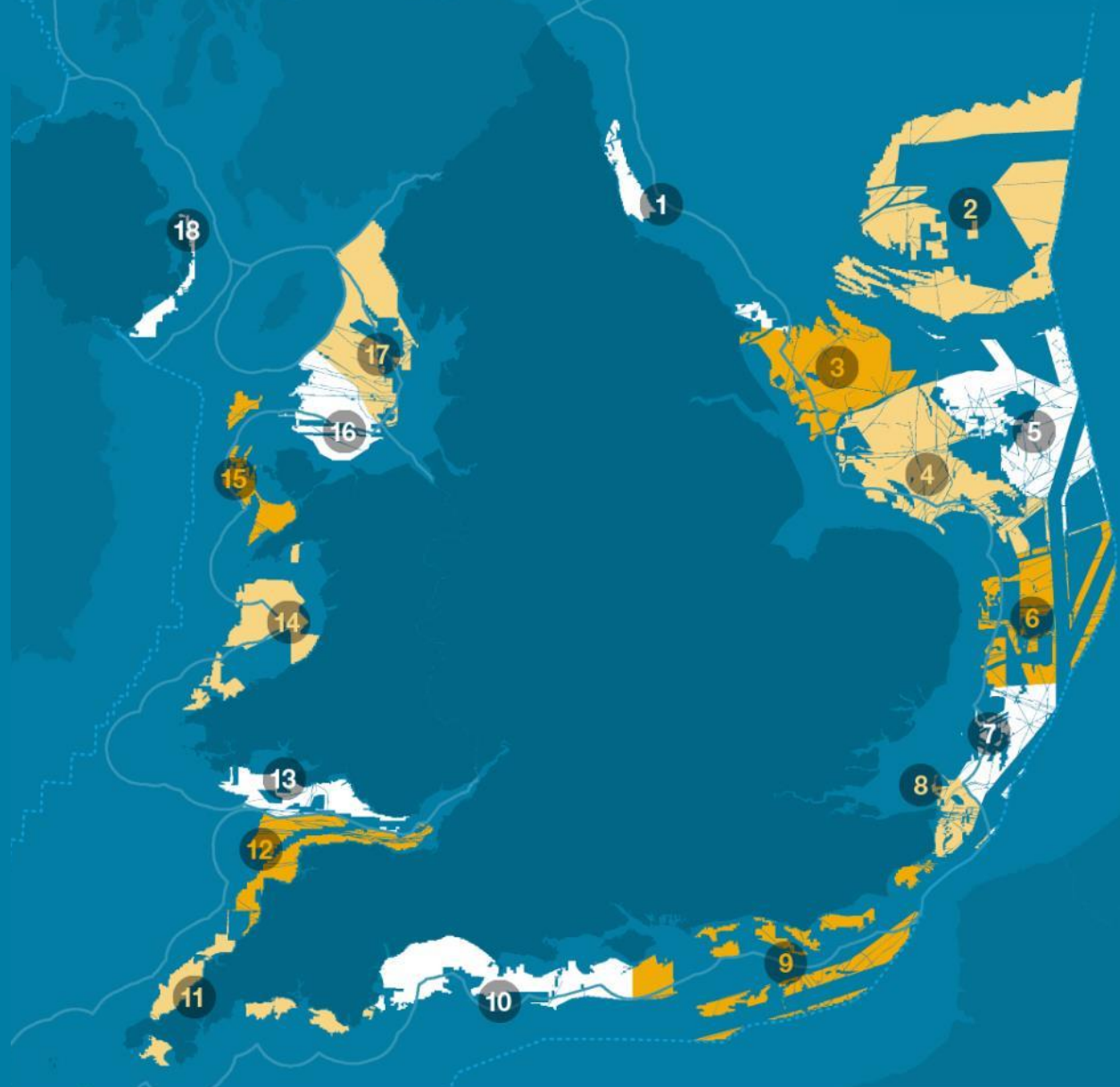
18 potential
regions identified



Characterisation areas

Characterisation areas are the less constrained parts of each region as determined by GIS model, & have an enhanced evidence base applied

Statutory stakeholders generally emphasised the high levels of constraint outside Characterisation Areas



Summary of statutory stakeholder feedback

344 individual points of written feedback from 10 organisations such as:



Bilateral contributions from many others including:



How we are responding to statutory stakeholder feedback

Updates to documents

The majority of feedback related specifically to documents / reports

Documents remain 'draft' works in progress

Signposting

Signpost other policies and information within the methodology and characterisation documents

Additional projects

Including:

- Sensitive Habitats to cabling
- Update of Marine Protected Area (MPA) sensitivity work
- Ornithology project
- Oil and Gas decommissioning data
- Visibility model

Ready by start of the tender process

Balancing market and stakeholder feedback

Regions have been categorised as follows:

1. **Excluded:** regions not taken forward as part of Round 4
2. **Remaining:**
 - 2a. **Propose to include:** region included at this stage and likely to be offered in the tender process
 - 2b. **Under consideration:** region included at this stage but awaiting evidence through additional projects being commissioned and wider stakeholder feedback before we reach our decision

Constraints that have determined the exclusion of regions so far:

Defence



Visual Sensitivity



Navigation



DIO feedback

Certain practice and exercise areas have been removed as hard constraints

Visual sensitivity

Region excluded in circumstances where the majority of the Characterisation Area lies within 13km from shore

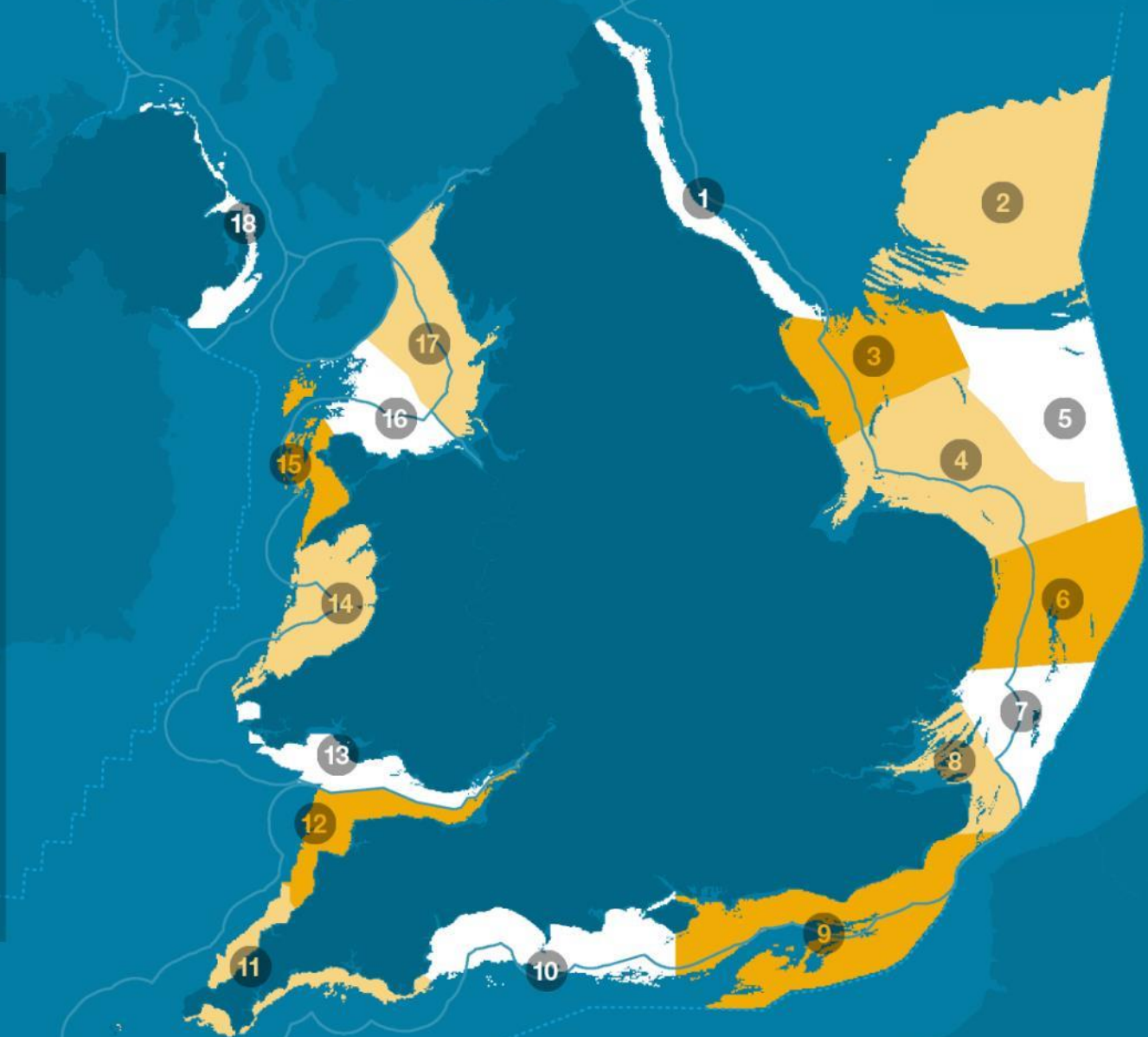
Navigation

Region excluded where the majority of the Characterisation Area overlaps with shipping density of over 1,000 ships per year

Regions initially identified

Regions

- 1 Durham Coast
- 2 Dogger Bank
- 3 Yorkshire Coast
- 4 The Wash
- 5 Southern North Sea
- 6 East Anglia
- 7 Thames Approaches
- 8 Kent Coast
- 9 South East
- 10 West of Isle of Wight
- 11 South West
- 12 Bristol Channel (English)
- 13 Bristol Channel (Welsh)
- 14 Cardigan Bay
- 15 Anglesey
- 16 North Wales
- 17 Irish Sea
- 18 Northern Ireland



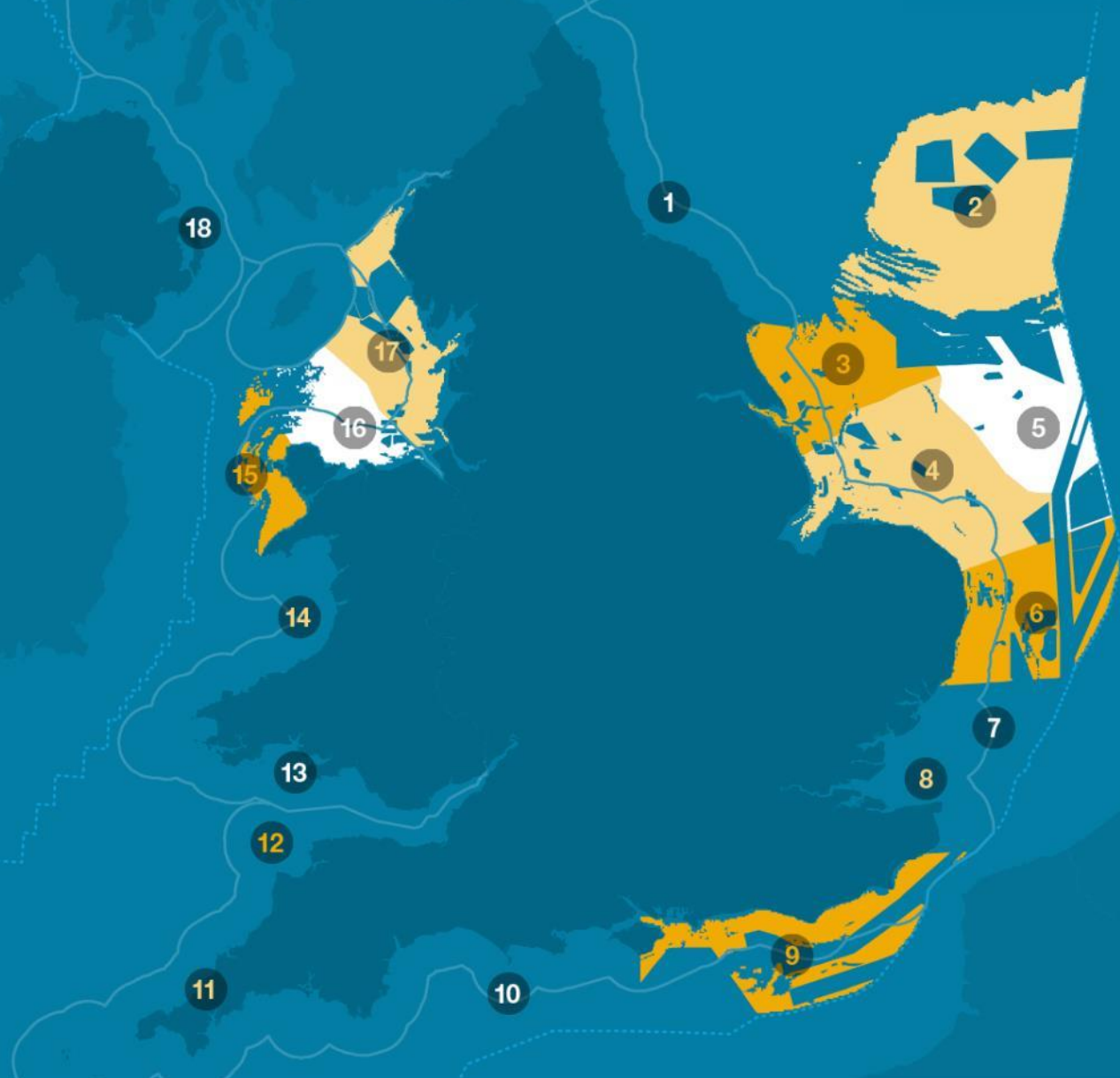
Regions refinement

Regions excluded

- 1 Durham Coast
- 7 Thames Approaches
- 8 Kent Coast
- 10 West of Isle of Wight
- 11 South West
- 12 Bristol Channel (English)
- 13 Bristol Channel (Welsh)
- 14 Cardigan Bay
- 18 Northern Ireland

Regions remaining

- 2 Dogger Bank
- 3 Yorkshire Coast
- 4 The Wash
- 5 Southern North Sea
- 6 East Anglia
- 9 South East
- 15 Anglesey
- 16 North Wales
- 17 Irish Sea



Region refinement continues

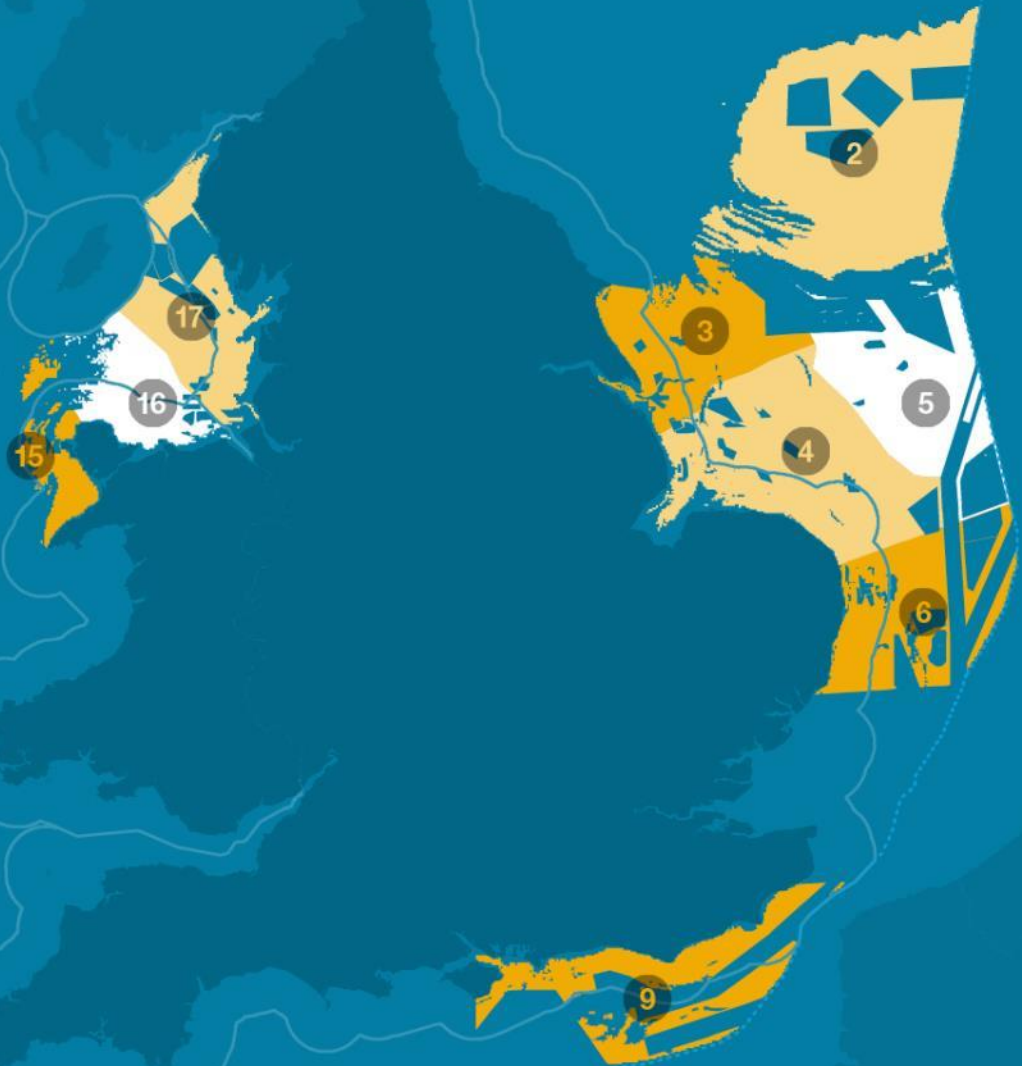
Regions remaining

Propose to include:

- 2 Dogger Bank
- 5 Southern North Sea
- 6 East Anglia
- 16 North Wales
- 17 Irish Sea

Under further consideration:

- 3 Yorkshire Coast
- 4 The Wash
- 9 South East
- 15 Anglesey



Remaining regions out to 60 metres


Regions remaining

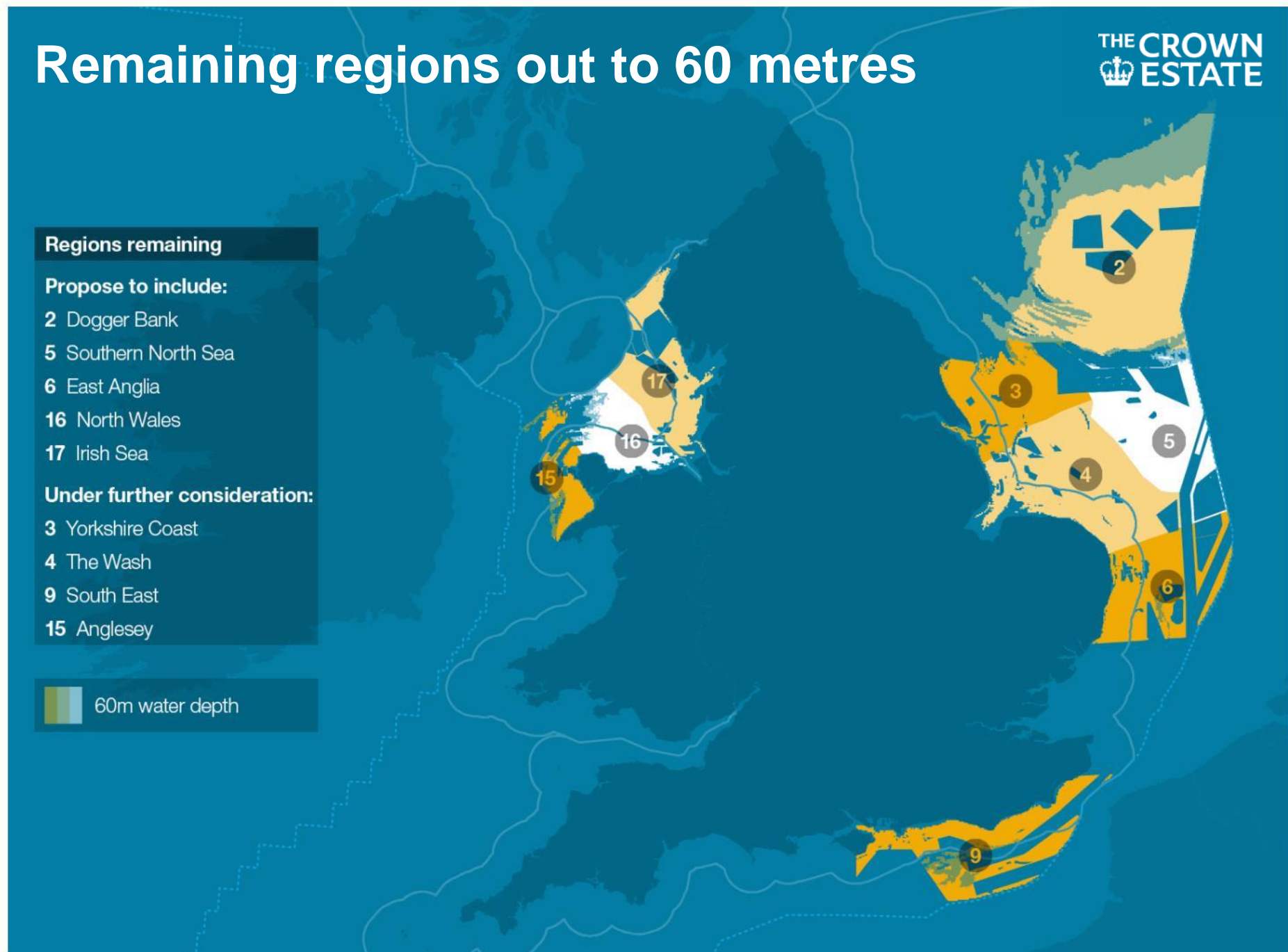
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 60m water depth



Characterisation areas within the remaining regions


Regions remaining

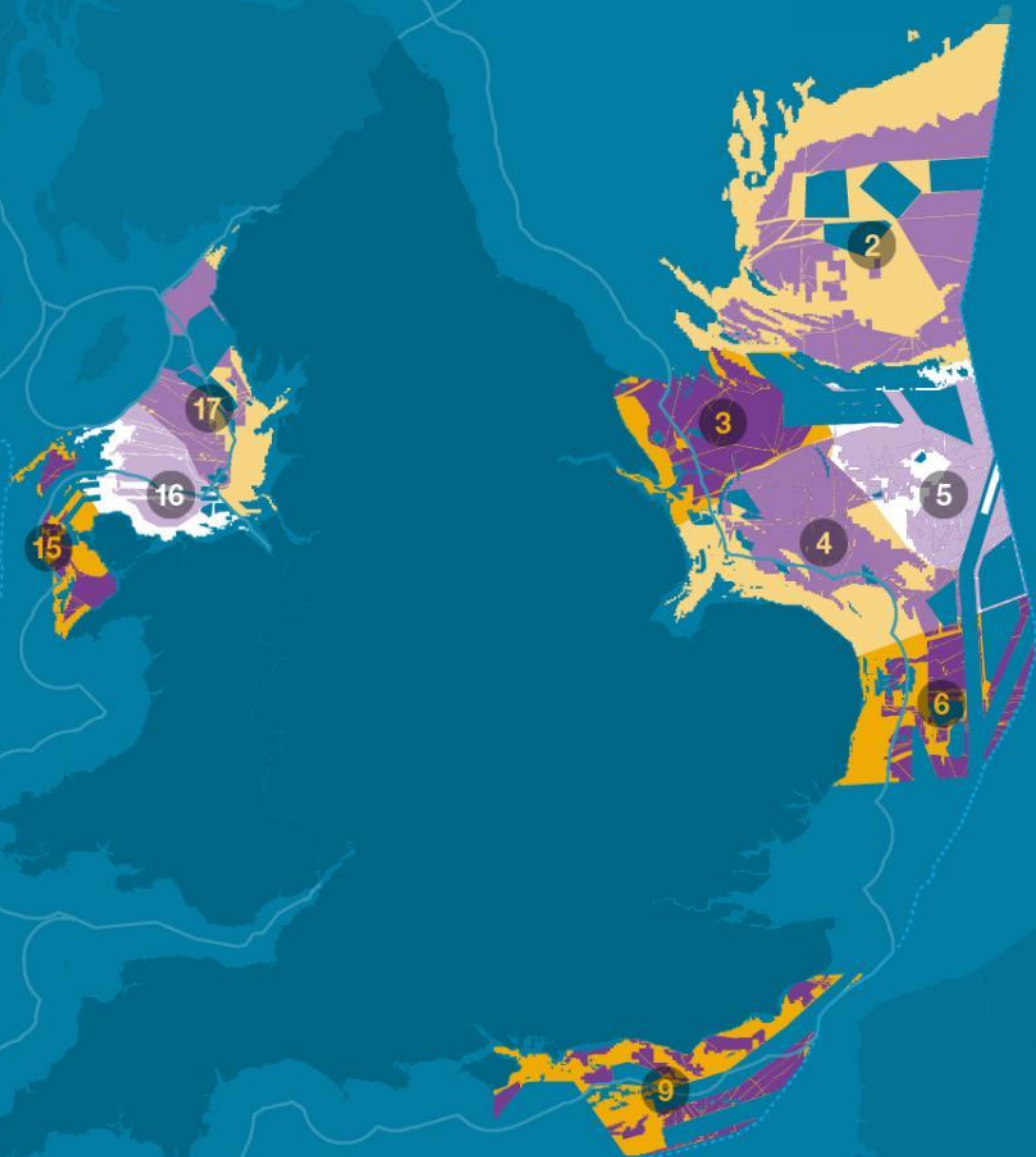
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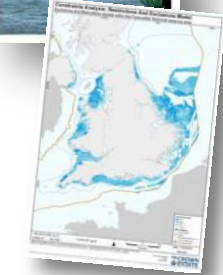
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-  Characterisation area
-  Remaining regions to 60m depth



Deliverables of the analysis

Document	Description
	Describing the analysis to define characterisation areas and associated report
	Characterisation area reports for regions being taken forward in round 4
	Method of refining regions, including annex of excluded region characterisation area reports
	Feedback from stakeholders including high level clarification
	Various GIS data defining Regions, characterisation areas and other data used in the analysis process including constraint model output
<u>Download reports and shape files</u>	



Refinement and engagement continues

- Initial assessment concluded - nine seabed regions identified that will not be included in Round 4
- Nine regions remain at this stage, of which five are minded to be included in any tender – the other four are under consideration
- We are building our evidence base to continue refining regions, including commissioning additional work – final decision on regions to be taken forward prior to launch
- In parallel, we are preparing for Plan-level HRA
- Summary feedback from stakeholders will be provided in bidder information packs to help inform site identification work

Summary of our Updated proposals Jonny Boston

Round 4: updated proposals

7GW

**Developer-
led site
selection**

**Sharing
our data**

**60m max
depth**

**Flexible
approach to
future
rounds**

Remaining regions

Bidders would be able to propose projects anywhere in available regions – noting the more significant constraints characterisation areas

Regions excluded for Round 4 are not precluded for future rounds

Final decision on which regions are included is due prior to launch



Summary

- Constructive engagement to date from both market and statutory stakeholders – thank you
- This has enabled us to refine proposals and focus on key areas of concern
- Our next phase of engagement is focussed on the approach to the tender process itself
- Final decisions on our proposals will be taken after this second phase of engagement



Thank you

