

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

Policy & Portfolio Context



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.

Policy context

Yuen Cheung

BEIS



Priorities

- Tackling climate change
- Leaving the environment in a better state than when we inherited it
- Industrial Strategy
- Clean Growth
- Reliable, affordable energy for consumers



Offshore wind's role

- Costs continue to fall
- Significant appetite to develop and invest in UK
- Offshore wind is now going global
- Becoming integral part of UK electricity system
- 6.2% of annual generation in 2017, over 10% by 2020
- 14GW by 2023



Offshore wind's role

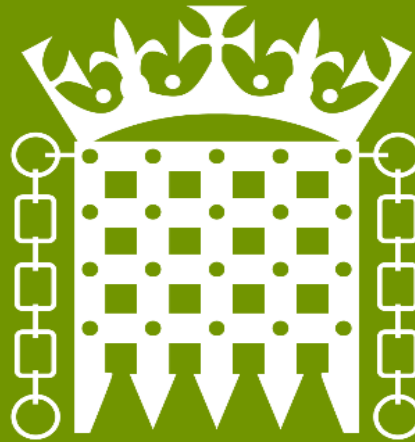
- Government providing long term certainty
- Next Contract for Difference auction start by end May 2019
- Then auctions every two years
- Depending on auction prices, could see 1-2GW of new offshore wind per annum in 2020s
- Industry says it could deliver 30GW installed by 2030

Offshore wind portfolio:

Context

Will Apps

The Crown
Estate is an
independent,
commercial
business
created by Act
of Parliament



Net revenue profit

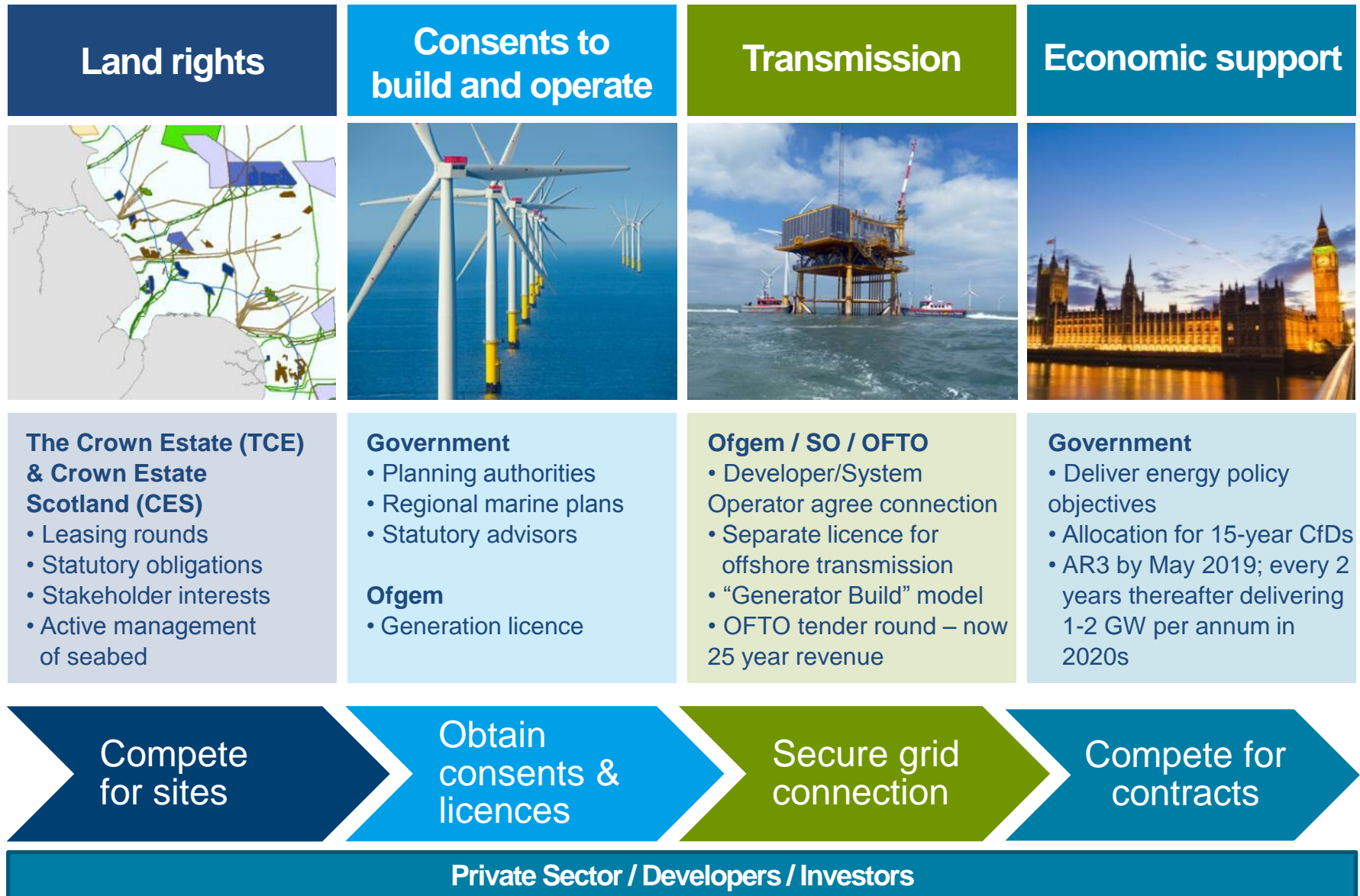
£329.4m
2017/18

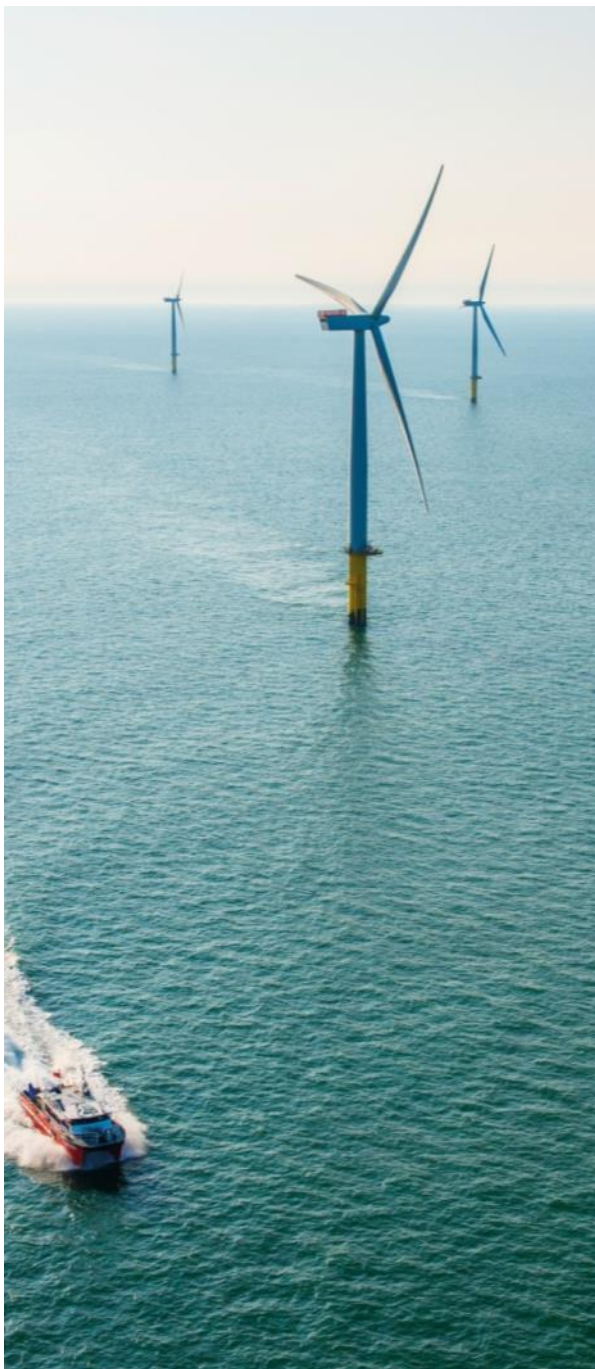


Capital value

£14.1bn
2017/18

Policy & regulatory setting: offshore renewables





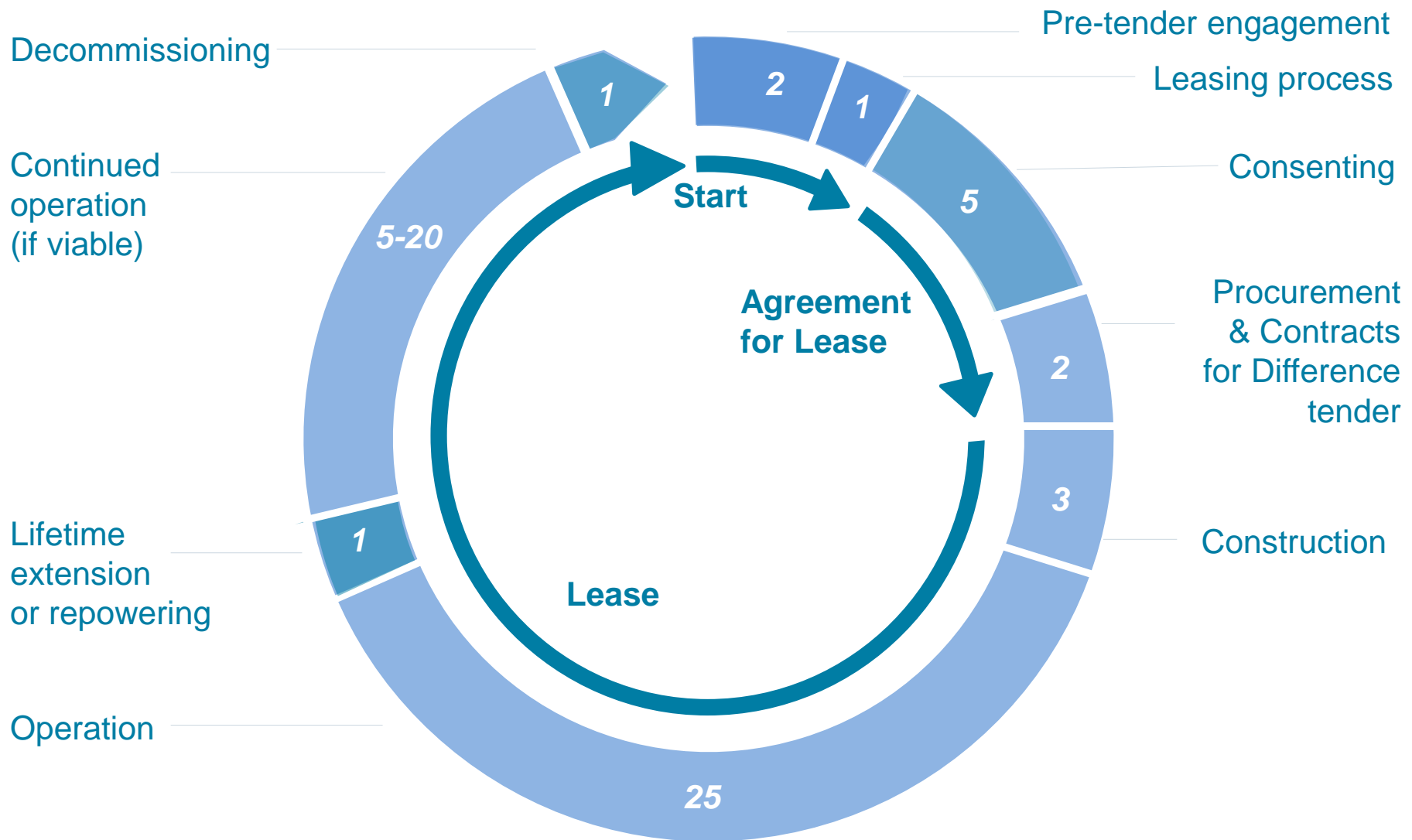
Statutory Obligations

- The Crown Estate is a Competent Authority under the Habitats Regulations*
- We must conduct a plan-level Habitats Regulations Assessment (HRA) for any leasing/licensing activity that constitutes a ‘plan’
- The plan-level HRA requires us to assess the impacts on Natura 2000 designated sites before full seabed rights can be awarded
- We also contribute to the marine planning process by working with the MMO (England), Welsh Government, and DAERA (Northern Ireland)

*Habitats Regulations:

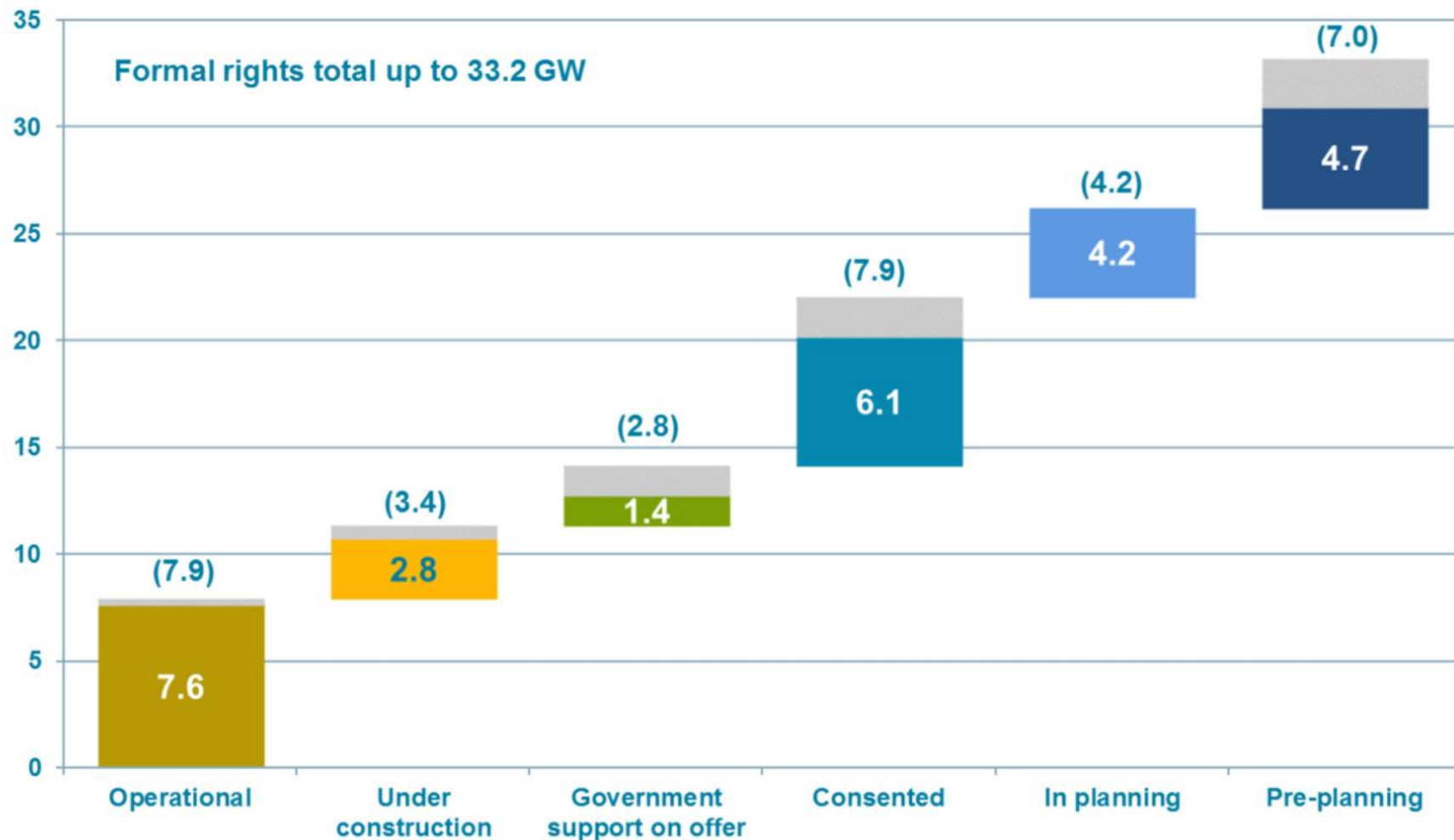
- [The Conservation of Habitats and Species Regulations 2017](#)
- [The Conservation of Offshore Marine Habitats and Species Regulations 2017](#)
- [Conservation \(Natural Habitats, etc.\) Regulations \(Northern Ireland\) 1995](#) (as amended) in Northern Ireland

The lifecycle of offshore wind leasing



Indicative time (years)

Existing UK Portfolio



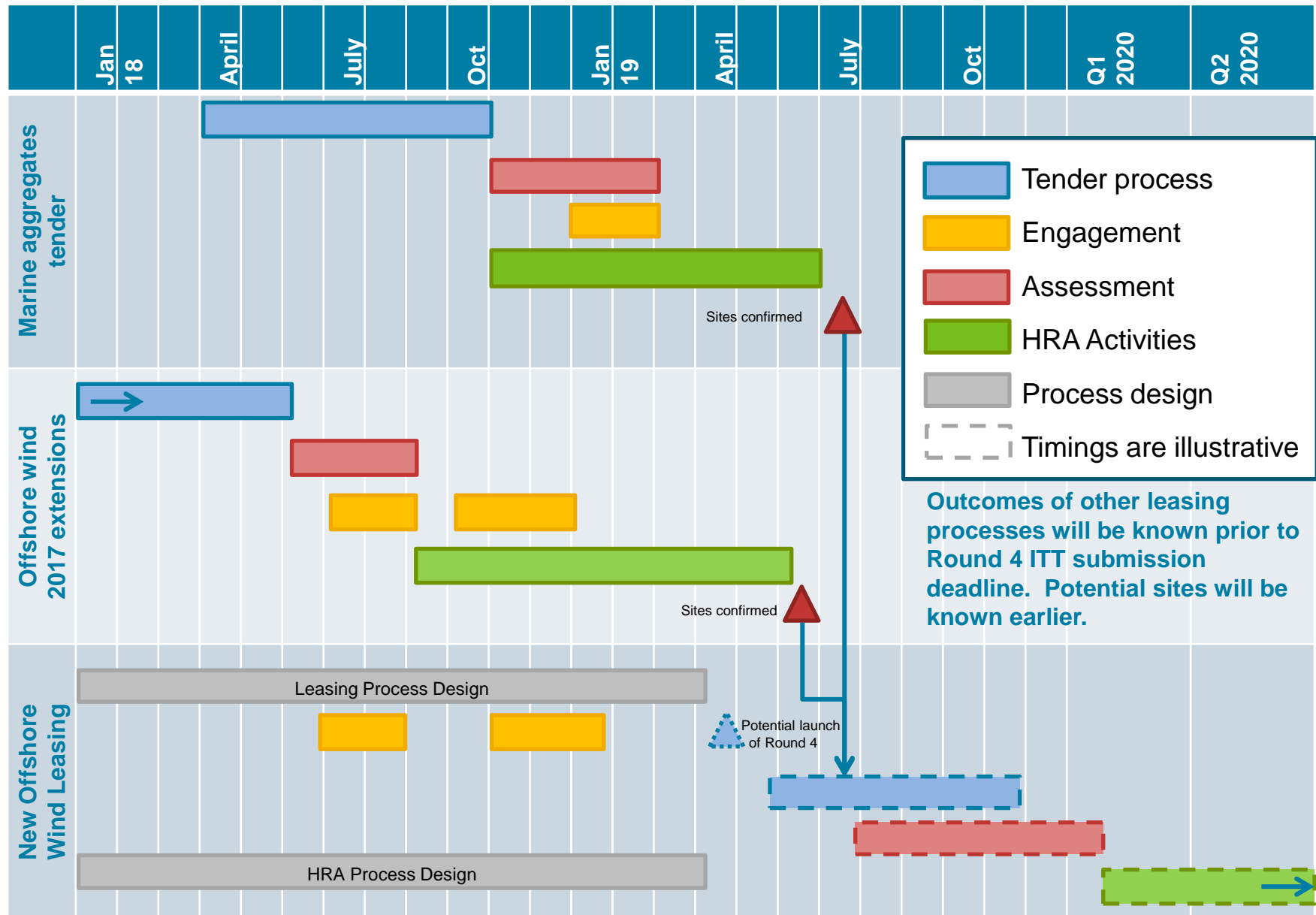
Key



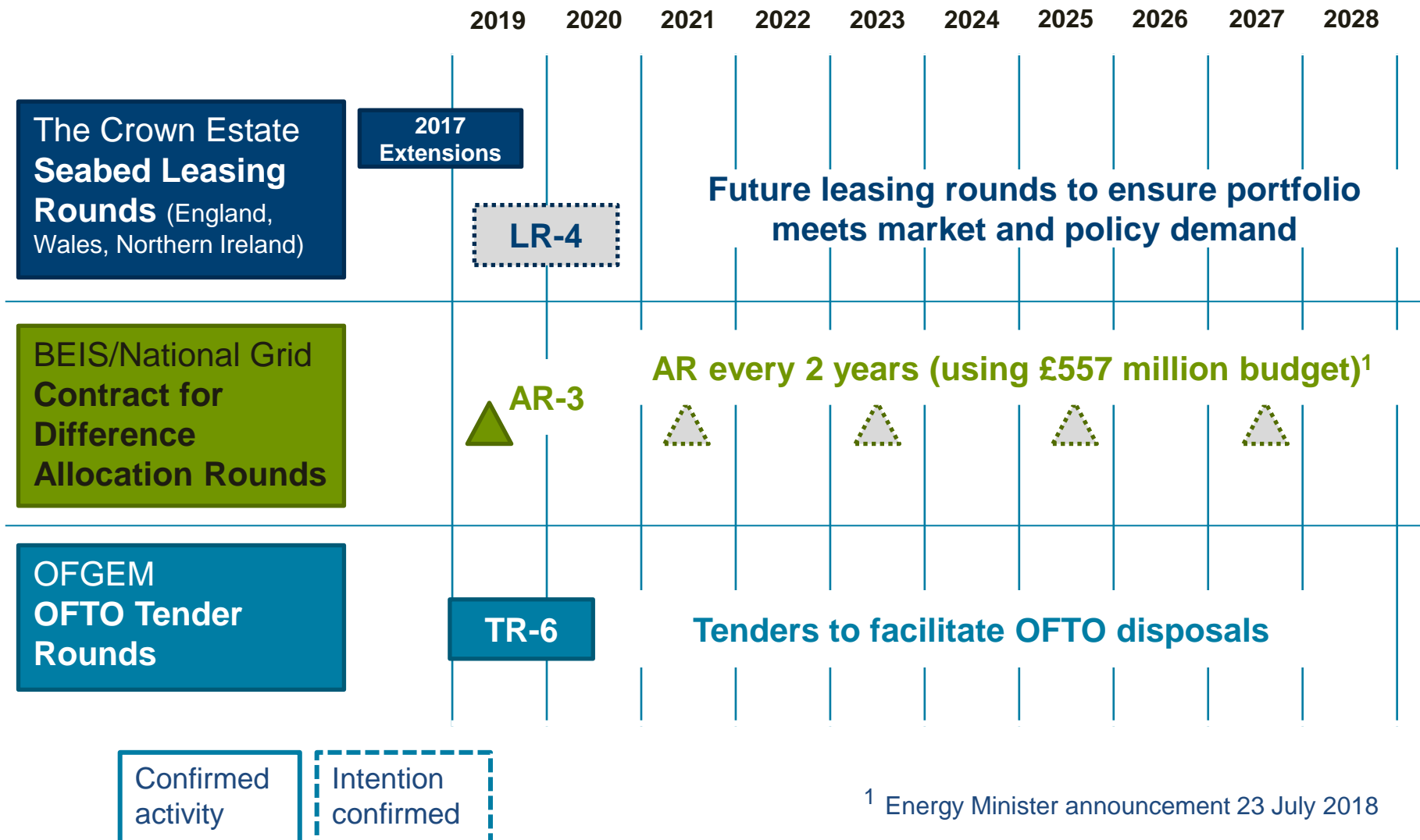
= Projects located in Scotland and managed by Crown Estate Scotland (CES)

(1.0) = Numbers in brackets represent total UK pipeline, including Scotland, at each stage of development

Key offshore leasing processes



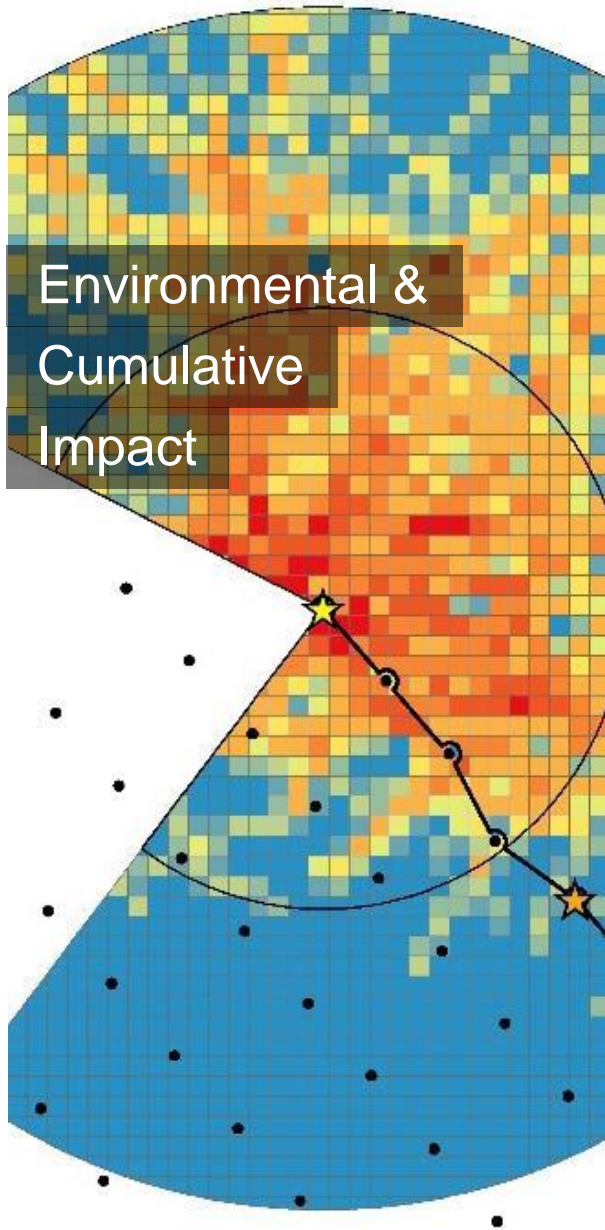
Offshore wind processes



Offshore wind portfolio: Strategic priorities Will Apps

Key strategic issues to be addressed by the sector

Environmental & Cumulative Impact

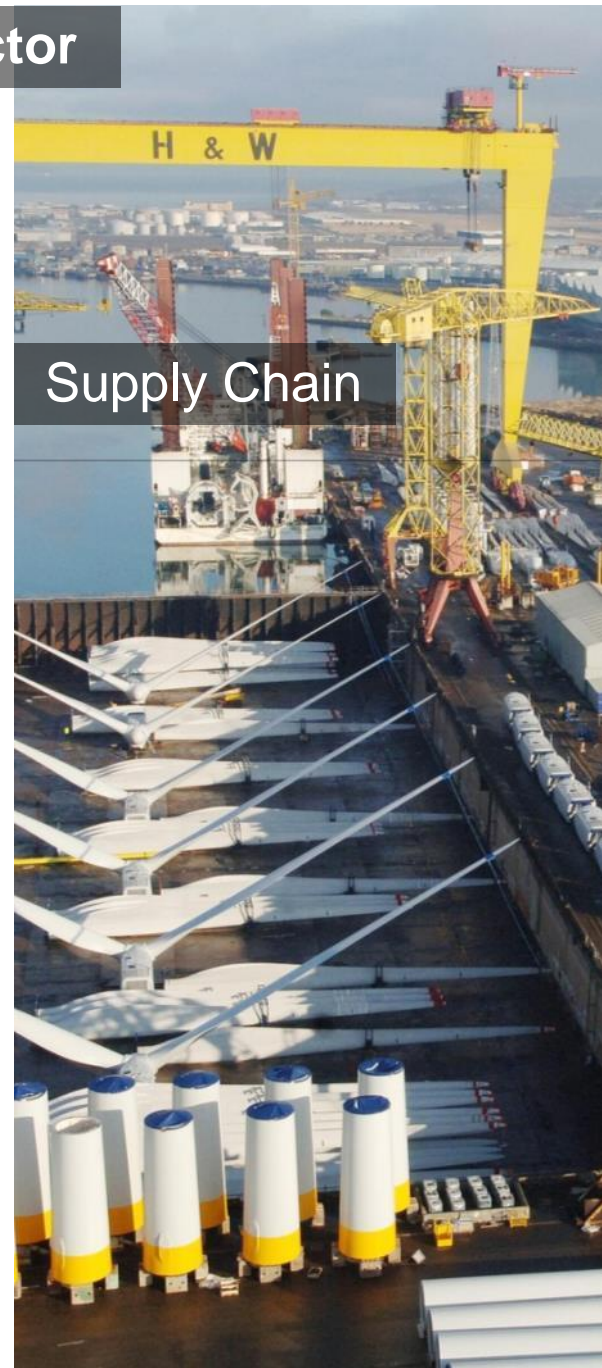


Innovation & Development of Floating wind



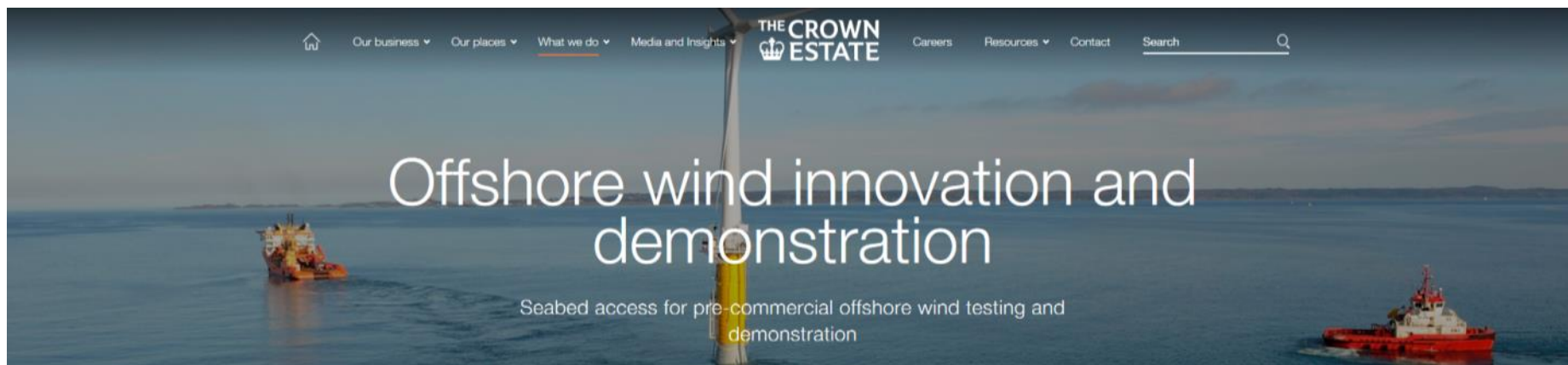
Image Credit: @pweston1

Supply Chain



Innovation: Test & Demonstration Opportunity

- We provide an on-going opportunity to access the seabed for the testing and demonstration of emerging offshore wind technologies in English, Welsh and Northern Irish waters - including floating wind
- Open to projects up to 100MW capacity with a maximum of ten generation units using technologies which have not previously been deployed commercially
- Full details of how to apply are on our [website](#)





Innovation: Overview of our approach

Our current focus areas include:

- Providing a dedicated leasing process for pre-commercial test and demonstration projects
- Identifying potential resource areas for future opportunities
(e.g. hybrid projects and floating wind farm)
- Working collaboratively on key research priorities
(e.g. ORE Catapult, Carbon Trust and the Oil & Gas Authority)
- Offering flexibility within our commercial agreements for innovation
(e.g. hybrid components and/or demonstration of new technologies within the primary project)

Strategic initiatives

- Projects to address strategic challenges to future offshore wind deployment
- Projects to further understanding of the seabed
- Data – transparency and availability of performance and environmental data
- Further consideration of how to enable seabed access for innovation in parallel with Round 4



Thank you

