

# New Offshore Wind Leasing Stakeholder Event Q&A Summary

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| <b>Meeting</b>   | New Offshore Wind Leasing – Stakeholder Event: Q&A Summary |
| <b>Date/time</b> | Thursday 15 November 2018                                  |
| <b>Venue</b>     | The Building Centre, 26 Store Street, London WC1E 7BT      |

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| <b>Chair</b>      | Clare Collard, Head of Public Affairs and Community, The Crown Estate  |
| <b>Presenters</b> | Huub den Rooijen, Director of Energy, Minerals & Infrastructure, The Crown Estate<br>Yuen Cheung, Head of Offshore Wind Policy, BEIS<br>Will Apps, Head of Energy Development, The Crown Estate<br>Olivia Thomas, Head of Marine Planning, The Crown Estate<br>Jonny Boston, Business Development Manager, The Crown Estate<br>Mark Hazelton, Optimisation Manager, The Crown Estate |

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 15 November 2018 we held an information session for representatives from interested statutory and non-statutory organisations. The event provided attendees with the opportunity to find out more about our latest work on making new seabed rights available. We also provided an overview of how engagement to date has shaped our thinking and design work, explaining the methodology behind our mapping, data and characterisation rationale. In addition, we shared our latest views on which seabed regions are likely to be included in a tender offer.

The slides from that presentation are available to download from our [website](#) together with this document, which provides a summary of the questions that were asked, and answers that were given, during the event.

The presentation and this Q&A summary reflect The Crown Estate’s thinking at that moment in time (15 November 2018). All information provided is therefore subject to change.

**SESSION 1: Q&A – summary of session with Huub den Rooijen (Director of Energy Minerals and Infrastructure at The Crown Estate) and Yuen Cheung (Head of Offshore Wind Policy, BEIS).**

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**Q1: Does The Crown Estate think there will be further rounds of leasing in the future or is it just focused on the current proposed round of leasing?**

**Answer from The Crown Estate:** The Crown Estate is predominantly focused on the current leasing proposals and next steps in the journey to achieve the ambition of growing operating capacity to deliver 30GW by 2030, while at the same time we are clear on there being a need for more to come.

Ultimately, we do have one eye to the future, however we don't have clear sight on how technology will develop – so this is very much a process of 'learning by doing'. The industry has already made significant progress and we have no doubt that it will continue to take enormous strides going forward.

**Q2: Given the success of the offshore wind sector to date why does BEIS view it as an 'emerging technology' for the purpose of Contract for Difference (CFDs) given the rate of progress?**

**Answer from BEIS:** Historically offshore wind technology has been less established than the solar and onshore wind technologies and in separate pots. It is however making significant strides and at some point will no longer be considered 'less established' though we can't say when exactly when that point is.

**Q3: BEIS has today talked about needing to "leave the environment in a better state than we found it". What does this mean to you in your role as Head of Offshore Wind Policy at BEIS?**

**Answer from BEIS:** As we build more offshore wind we need to do so in a responsible manner. We need to consider the impact we have on the environment and other users of the sea- there is a lot more work to do in respect of building the understanding we have on a whole range of environmental issues e.g. birds, sea life etc.

Going forward we need to take a responsible collaborative approach and ensure we are working with a wide range of stakeholders to ensure projects are delivered sustainably.

**SESSION 2: Q&A – summary of session with Will Apps (Head of Energy Development) and Olivia Thomas (Head of Marine Planning).**

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**Q4: While acknowledging the pressure stakeholders are under to respond to the range of consultations being undertaken and the number of schemes going through planning, how is The Crown Estate ensuring that we are given enough time to provide constructive feedback in response to this engagement process?**

**Answer from The Crown Estate:** We are trying to build in as much time as possible for stakeholders to process and gather evidence and engage in the process. We haven't undertaken an exercise on this scale for nearly ten years, so those being engaged with will play an important role in informing the leasing process.

We recognise that time is constrained, so it's imperative that we make sensible decisions based on the evidence available<sup>1</sup>. We have already carried out a lot of work through characterisation and early engagement to enable the successful running of a new leasing process.

We anticipate making the documents setting out the technical information<sup>2</sup> we have collated available towards the end of November. Stakeholders will then have until the end of January 2019 to process that information and provide us with comments and views.

We do also need to be mindful of the timeframes, since the market needs to make investment decisions. Our aim is to provide transparent and clear timescales, so everyone can plan appropriately.

**Q5: It is great you are looking to increase potential development opportunity from six to seven GW, however is there any contingency to do more if demand is there - whether that's during or immediately following the Round 4 leasing process or does the market have to wait for a future round of leasing to take place?**

**Answer from The Crown Estate:** As soon as we get to the point of announcing the launch of Round 4, the capacity to be awarded through it is unlikely to change. However the response to the leasing process and feedback from this engagement process will be used to inform the scope of future rounds of leasing.

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<sup>1</sup> <https://www.thecrownestate.co.uk/en-gb/what-we-do/on-the-seabed/energy/offshore-wind-potential-new-leasing/offshore-wind-new-leasing-november-2018-update/>

<sup>2</sup> These documents are available to view and download from our Marine Data Exchange at: <http://marinedataexchange.co.uk/announcements/2018/updated-proposals-for-round-4.aspx>

**Q6:** Is there a reason why The Crown Estate has chosen to undertake this leasing process outside of the marine plans in England and Wales? While it is proactively addressing statutory obligations, surely the sensible approach would be to identify the sites first and then carry out the HRA work? The plan-level HRA is doing a lot of the heavy lifting - especially on the marine side - is there not scope to align your approach with that being taken by Crown Estate Scotland?

**Answer from The Crown Estate:** We are structured differently to Crown Estate Scotland and therefore our approach is different. We are considering spatial aspects in our development work and working within the scope of the existing marine plan policies. We are working closely with the Marine Management Organisation (MMO) on iteration three of the marine planning process and have also engaged with the Welsh Government on the draft National Marine Plan, so we are not working in the absence of marine planning.

Ultimately The Crown Estate awards seabed rights and, in an ideal world, we would wait until all marine plans are complete and then progress. However given the timeframes this is not possible. The principle of sustainable development and all that is embedded in it informs the approach we are taking.

A plan-level Habitats Regulations Assessment (HRA) is undertaken when project applications are received. We are looking to minimise development risk by addressing the gaps in the evidence base by commissioning further work to address environmental uncertainty. All these conversations are happening now, and we are seeking to invest in projects to address these gaps.

Additionally, we also want to see the plan-level HRA for extensions completed before we progress with the Round 4 plan-level HRA.

### **SESSION 3: Q&A – summary of session with Jonny Boston (Business Development Manager) and Mark Hazelton (Optimisation Manager)**

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**Q7:** You say you intend to publish the Area Characterisation Reports, will they be publicly available?

**Answer from The Crown Estate:** Yes, they will be published in draft form on the Marine Data Exchange.<sup>3</sup>

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<sup>3</sup> These were published on 23<sup>rd</sup> November on our Marine Data Exchange at <http://marinedataexchange.co.uk/announcements/2018/updated-proposals-for-round-4.aspx>

**Q8: Will you evidence how stakeholder feedback provided during the first stage of engagement that took place over the summer has informed your work?**

**Answer from The Crown Estate:** Yes. Our presentations this afternoon will highlight the common themes raised in feedback and how we've taken comments on board. This information is also available through the Interim Summary Stakeholder Feedback report which is available through the [Marine Data Exchange](#).

**Q9: Are you limited in your ambitions by focusing on fixed foundation offshore wind? What are your views on floating wind?**

**Answer from The Crown Estate:** We have been thinking about this carefully. There is a lot of discussion about floating wind currently, and our team is engaged on this issue. We do however want to focus our Round 4 process on seabed areas that we think will provide the most economically successful projects. We therefore propose to focus on water depths that are suitable for fixed foundation wind. We have tested this proposition with the market and its response has validated our position.

We believe that floating wind will have an important part to play in the future. We have a process that sits outside of commercial leasing rounds to which anyone can apply to deliver test and demonstration opportunities for projects up to 100MW.

We have not yet had any applicants for this test and demonstration opportunity, which has evidenced our position that now is not the right time to offer significantly deeper waters in this leasing round. We do however remain interested and continue to explore this opportunity.

**SESSION 4: Q&A – summary of session with Olivia Thomas (Head of Marine Planning), Jonny Boston (Business Development Manager) and Mark Hazelton (Optimisation Manager)**

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**Q10: How likely is it that The Crown Estate won't go ahead with a new leasing round?**

**Answer from The Crown Estate:** We haven't taken a final decision; but to date we have had positive engagement and strong market interest and are actively planning for a new leasing round.

We will continue to review policy and market demand through further engagement to conclude this process and take a final decision. Next week we are engaging the market in more detail about the tender process. We want to seek views on our work to date. When these engagement exercises conclude, we will be in position to take this decision.

**Q11: Will the regions you have today indicated as being excluded now definitely be out?**

**Answer from The Crown Estate:** Yes. We have developed and implemented a consistent and robust process to refine the regions, and the regions that have been excluded will not be taken forwards in this Round 4 leasing process.

This does not preclude the excluded regions from potential future leasing rounds as innovations, technology development and policy may change the levels of constraint in these regions. However, the excluded regions will not be taken forwards in Round 4 leasing.

**Q12: Is it your intention to offer the whole region with characterisation areas indicated? Where statutory and/or non-statutory feedback indicates significant constraints outside of the characterisation areas but inside the regions, will this information be passed onto developers?**

**Answer from The Crown Estate:** Yes, for each region included in the leasing process we propose to make the whole region available to bid into, subject to avoiding hard constraints.

If you have further feedback and evidence that you would like to contribute which is relevant to the wider regions, please share this with us. We won't be including this information in the Area Characterisation Reports; however it will form part of the body of evidence that we share with potential developers for the regions that are ultimately included in the leasing process.

**ENDS**