

A wide-angle aerial photograph of an offshore wind farm. Numerous blue wind turbines are spaced out across a vast, calm blue sea under a clear sky. In the lower foreground, a red and white supply vessel is moving towards the left, leaving a white wake behind it.

Offshore Wind New Leasing Stakeholder webinar update 9 May 2019



Welcome

The purpose of this engagement today is to provide stakeholders with an update on our proposals following a market update on 29 April

The content of and positions outlined in the following slides and our presentation today reflect our current thinking and are provided for information only

The Crown Estate makes no representations in respect of and accepts no duty, liability or responsibility for the information in this presentation

Our thinking and the content of and the positions outlined in these slides and our presentation today remain subject to change

Today's presenters



Greg Tomlinson
Senior Marine Planning
& Consents Manager



Jonny Boston
Business Development
Manager and Programme
Manager for New Leasing



Aims of today's webinar

Our aims today are as follows:

- Clarify our objectives for new offshore wind leasing activity
- Share an overview of common feedback themes we received from stakeholders in relation to our November 2018 proposals
- Update you on our next steps and timeline
- Provide an opportunity for Q&A

Agenda

- | | |
|--------------|---|
| 10:00 | Welcome |
| 10:05 | New offshore wind leasing – context and objectives |
| 10:10 | November 2018 engagement and common themes from your feedback |
| 10:20 | Timeline, other leasing activity and next steps |
| 10:30 | Q&A |
| 10:45 | Summary, closing remarks |

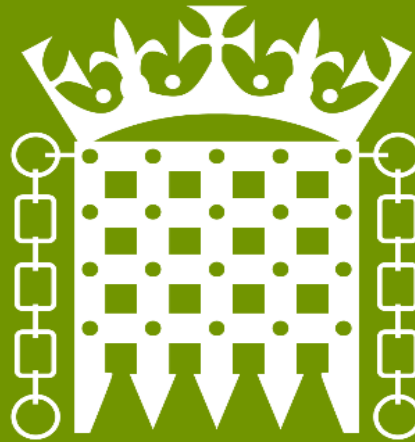
New offshore wind leasing

Context and objectives



Jonny Boston
Business Development
Manager and
Programme Manager for
New Leasing

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



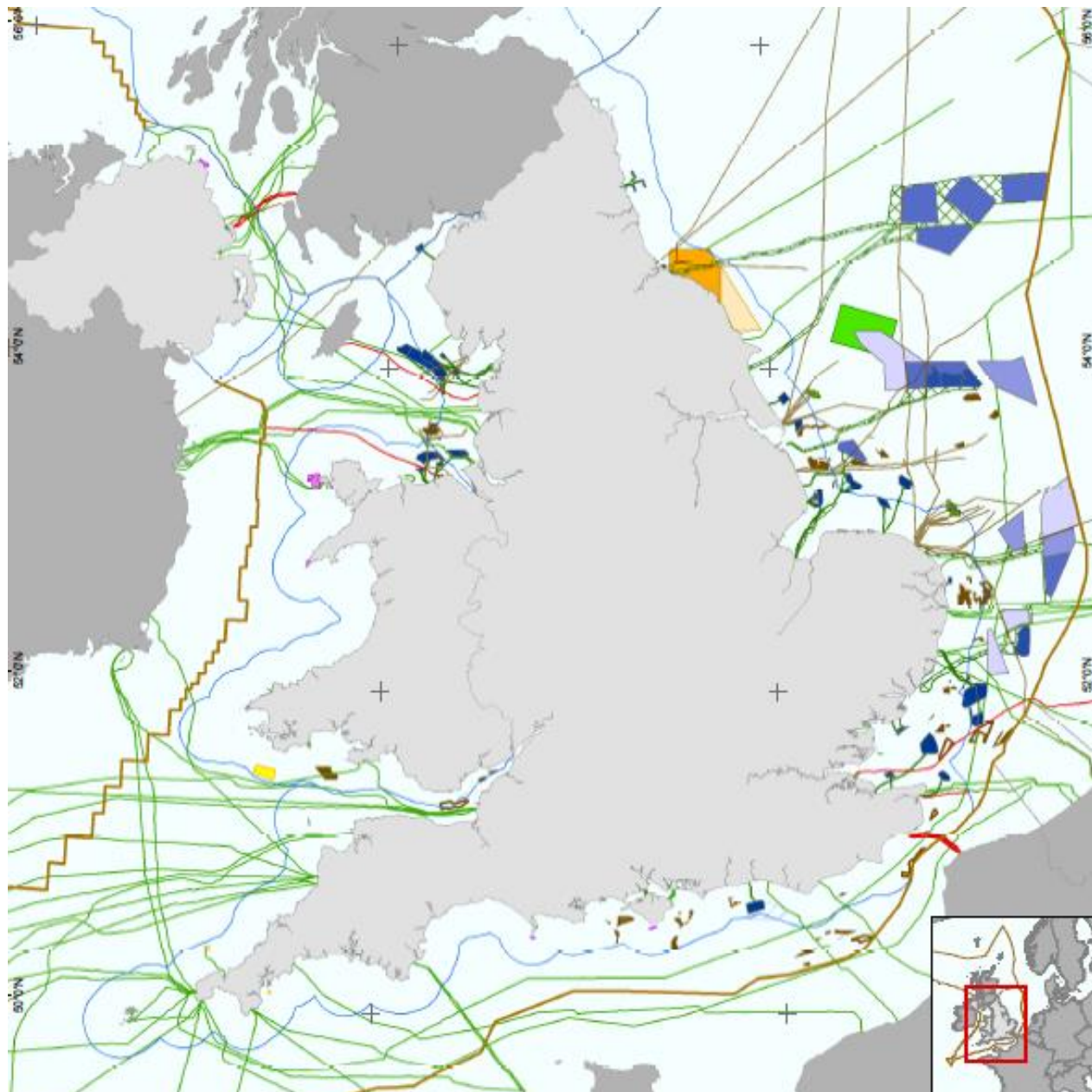
Energy



Minerals & Coastal

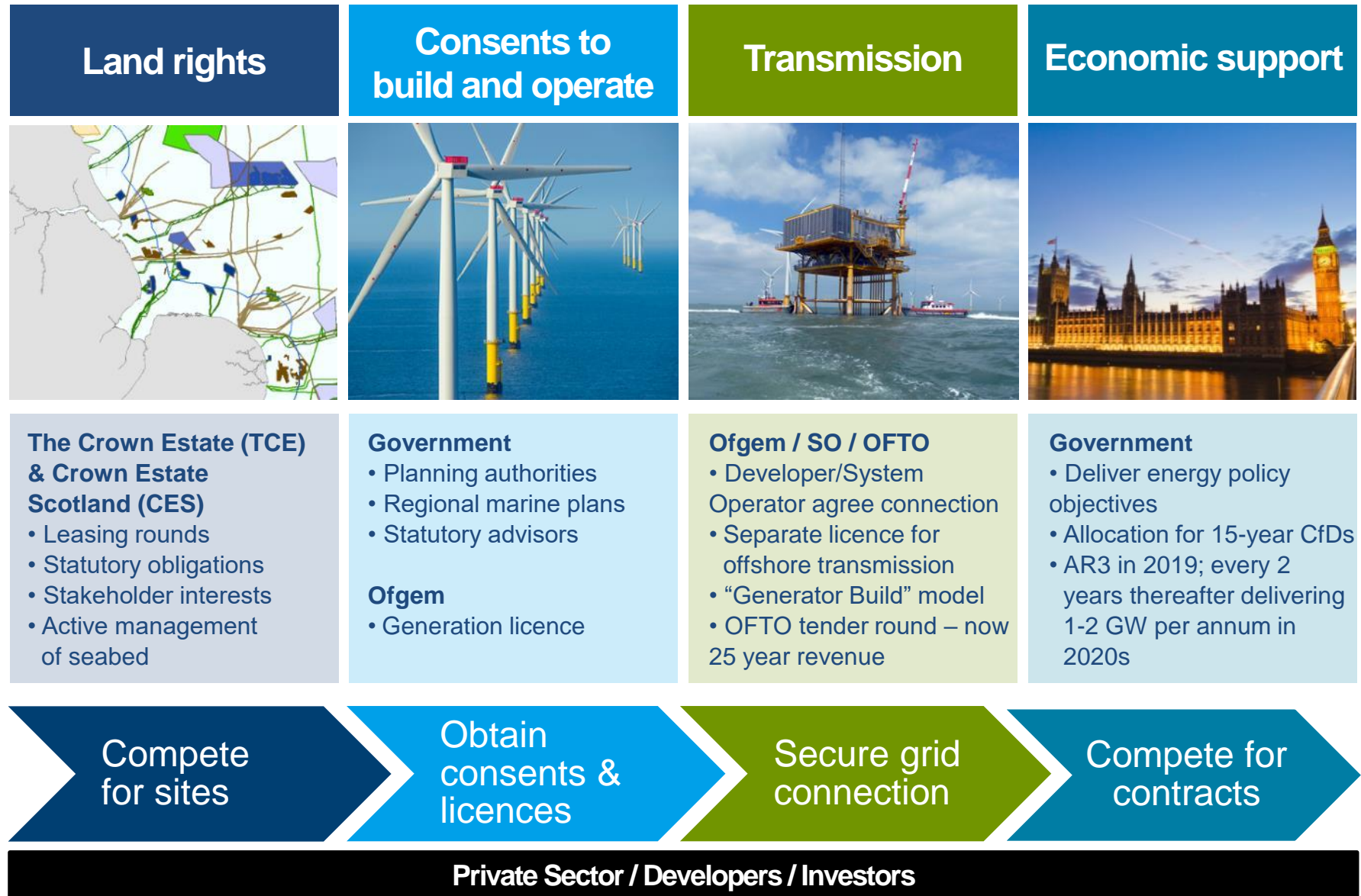


Infrastructure



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Policy & regulatory setting: offshore renewables





2019 – market & policy context

Since we last updated you on our proposals (November 2018), government and industry have launched the Offshore Wind Sector Deal

Building on the UK's long-term policy framework the deal sets out actions and commitments that will provide a pathway to up to 30GW by 2030:

- Forward visibility for future Contracts for Difference rounds to underpin investments
- Investment to strengthen UK supply chain productivity and competitiveness, and skills
- Strengthening offshore wind's role in wider energy system integration
- Collaboration to address strategic issues and cumulative environmental impacts

Our commitments within the Sector Deal

Within the Sector Deal, The Crown Estate has committed to:

Undertake **new seabed leasing** in 2019, ensuring a sustainable pipeline of new projects, to be developed in the 2020s and 2030s

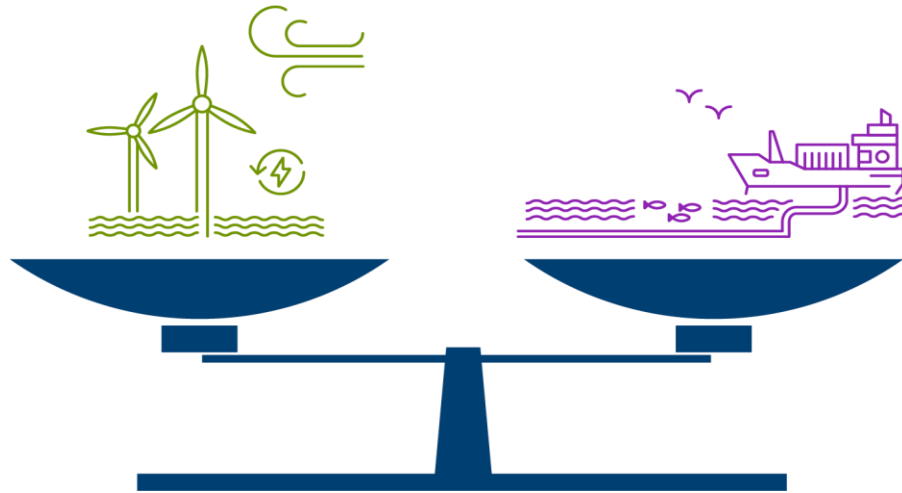
Fund a **collaborative programme of strategic enabling actions**, to advance the evidence base and understanding of offshore wind deployment and the impact of marine and onshore environment

Government, regulators and statutory stakeholders will ensure the learnings will be built into future decision-making and policy formation

In support of the Deal's broader aspirations, we are also considering how to provide opportunities for innovation within and beyond Round 4, as well as how to encourage better data and evidence gathering

We remain committed to developing Round 4 as a repeatable process, such that we can respond to demand for subsequent leasing rounds and enable continued growth

Round 4: Offshore Wind Leasing



New leasing is required to ensure a robust offshore wind portfolio for **2030 and beyond**, which helps the UK to achieve its **decarbonisation** and energy security objectives

Successful delivery requires **careful consideration** of a busy seabed that already supports a wide range of other **seabed users**, as well as **social** and **environmental** factors

Our Objectives for Round 4

In light of this we are designing Round 4 to:

Deliver a robust pipeline for low-cost offshore wind deployment

to meet industry and government appetite for new offshore wind capacity, supporting the UK's clean energy transition

Offer an attractive, accessible and fair proposition to developers

at repeatable scale, contributing to the development of a competitive, resilient and innovative offshore wind market

Balance the range of interests in the marine environment

supported by extensive engagement with stakeholders and the promotion of responsible, evidence-based site selection

Make efficient use of the seabed

recognising its value as a national asset, now and for the long term

Unlock the commercial value of the seabed

in line with our statutory obligations, securing best consideration over the long-term for the benefit of the public finances

November 2018 engagement

An overview of your feedback



Greg Tomlinson
Senior Marine
Planning & Consents
Manager



Stakeholder and Market engagement

Following our summer 2018 engagement events, we held two further events in November 2018, to share our updated proposals:

- **15 November: Stakeholder engagement event**
Attended by 30 stakeholders, with 18 organisations submitting feedback at the end of January 2019
- **26 November : Market engagement event**
Attended by over 130 market delegates, with 23 organisations submitting feedback at the end of January 2019



In November 2018 we presented the following proposals:

- Capacity of at least 7GW
- Initial refinement of seabed regions, balancing market & stakeholder views: 9 regions excluded, 5 regions proposed for inclusion, and 4 under further consideration
- Regions included in the leasing offer will go out to 60m depth (though our data & analysis remains focused on the 'Favourable' resource area)
- Maximum project size of 1.5GW with minimum of 300MW
- Developer-led site selection, informed by your feedback and input into characterisation reports to be presented to developers at launch

In November 2018, we asked stakeholders for feedback on the following aspects of our Round 4 proposals:

- Any additional information/ evidence associated with the 9 regions included or under further consideration that you think developers should be aware of in their site selection
- Any overarching concerns or comments on the scale of risk outlined and the potential for offshore wind development in each region
- Any comments on the draft reports published on our Marine Data Exchange (MDE)
- Any comments on our engagement process to date



Feedback since November:

- We have received a significant amount of feedback from both market and stakeholders – thanks to everyone who has participated
- Your feedback has been invaluable in helping us refine our proposed design of Round 4 – and has highlighted some key areas of focus
- Today we will provide an overview of what you said, as well as an update on how we are taking this on board
- A number of themes remain under consideration, or have led to further work being undertaken – where this is the case we will address through future updates
- Feedback we are receiving through the ongoing plan-level Habitats Regulations Assessments (HRA) for 2017 Extensions and 2018/19 marine aggregates licensing will continue to inform spatial aspects of Round 4
- Addressing the feedback we have received is important but will have an impact on timings – we will come back to this later

Common themes from your feedback



Addressing your feedback

Updates to documents

- Majority of feedback related specifically to spatial documents / reports
- Signpost to latest available information within methodology and characterisation documents
- Documents will be updated and published by Round 4 launch

Additional work

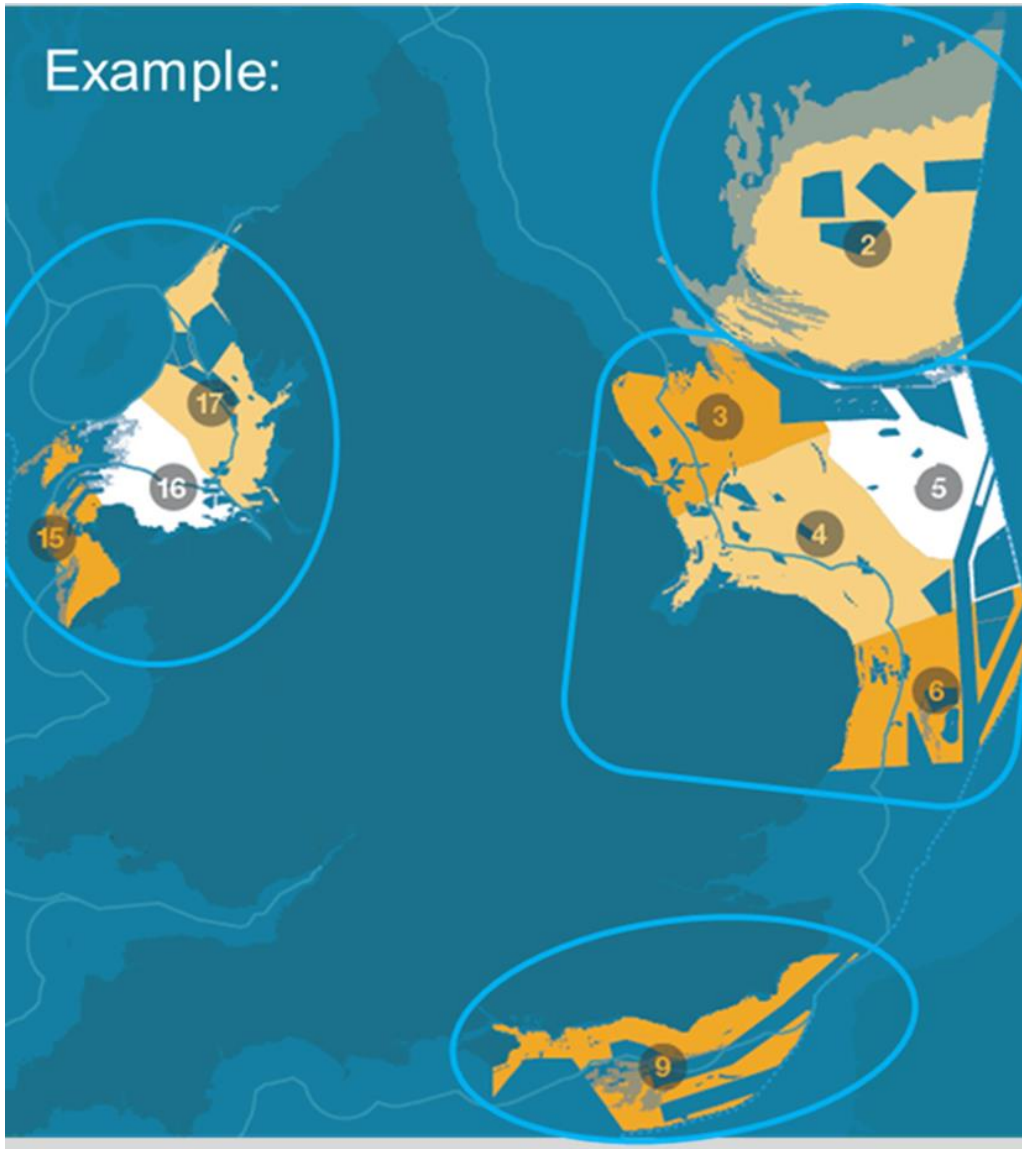
- Reviewing and considering output of additional work undertaken since November 2018
- Factoring in outputs from Extensions and Aggregates plan-level HRAs

Region Refinement

- Progressing refinement, inclusion or exclusion of the 4 seabed regions still under consideration
- Region refinement will be finalised over the coming months

Proposed approach to bidding areas

Example:



Bidding areas:

Neighbouring open regions would be grouped to form a bidding area

The example shows which regions might be grouped into bidding areas if all nine regions were open

As confirmed during our recent market webinar (29 April) we have updated our tender parameters to ensure that no more than 3.5GW of capacity can be awarded in any bidding area

2017 Extensions & 2018 Marine Aggregates: proposed sites



All sites remain subject to plan level Habitats Regulations Assessment (HRA).

Shape files for 2017 Offshore Wind Extensions are now online and can be downloaded here

<https://www.thecrownestate.co.uk/en-gb/resources/maps-and-gis-data/>



Round 4 HRA front loading

We are currently in the process of establishing a number of additional projects to support future plan-level HRA

- **Cable protection and mitigation** – a review of cable burial, protection and mitigation techniques and how benthic and intertidal habitats have been affected/ recovered
- **Foraging range review** – an extensive literature review to systematically compile all available information on seabird foraging ranges available since Thaxter et al. (2012)
- **Cumulative Impact Assessment tool** – a project to develop a common consensus on a cumulative effects framework tool
- **Underwater noise** – desk based study of methodologies to reduce noise at source and mitigation types
- **Seabird density project** – review of data needs and report to identify and quantify likely risk to key species that are qualifying SPA features within a region

Strategic Enabling Actions

- Under the Sector Deal, The Crown Estate has committed to establishing a collaborative programme of strategic enabling actions, with the aim of increasing the available knowledge and evidence to support the sustainable and coordinated expansion of offshore wind
- The programme will be delivered partnership with government and in collaboration with the devolved administrations, regulators, developers, SNCBs and NGOs
- The primary objective of the programme will be to meet a market gap in evidence and understanding, of offshore wind deployment, both in the marine area and where there are associated onshore impacts
- The programme will work alongside other activity targeted by the sector, helping to establish the commercial, environmental and social benefits from a long term approach to development



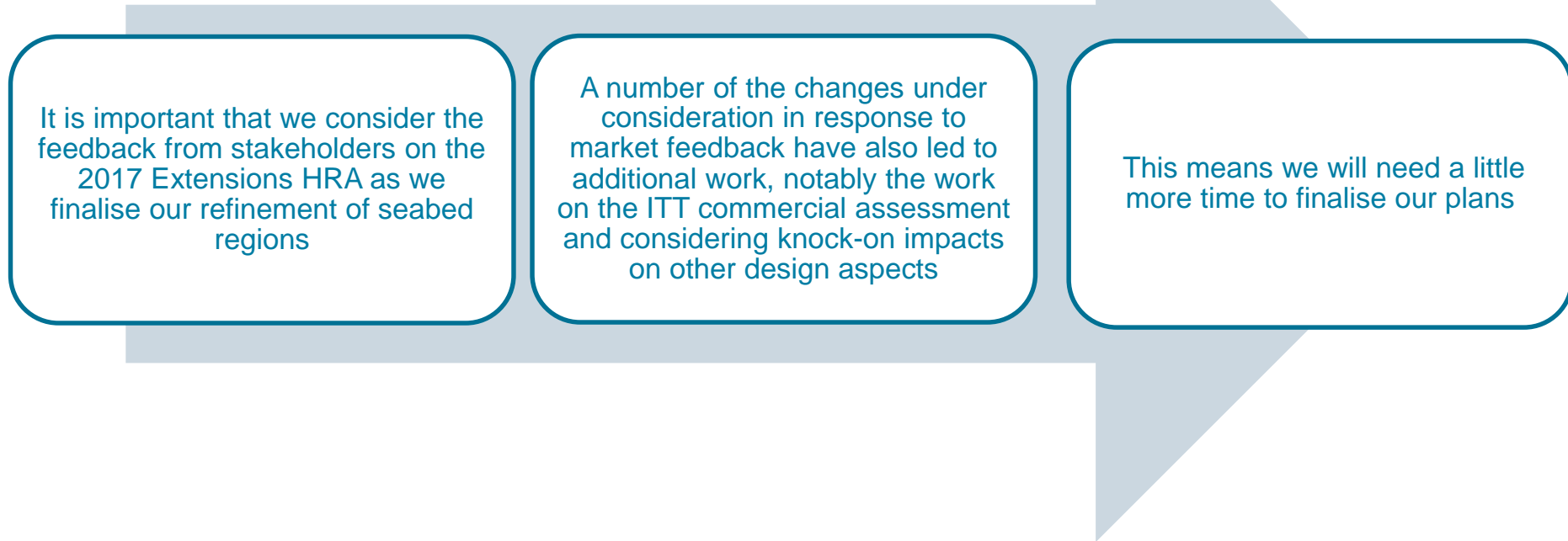
New offshore wind leasing

Timeline and next steps



Greg Tomlinson
Senior Marine Planning
& Consents Manager

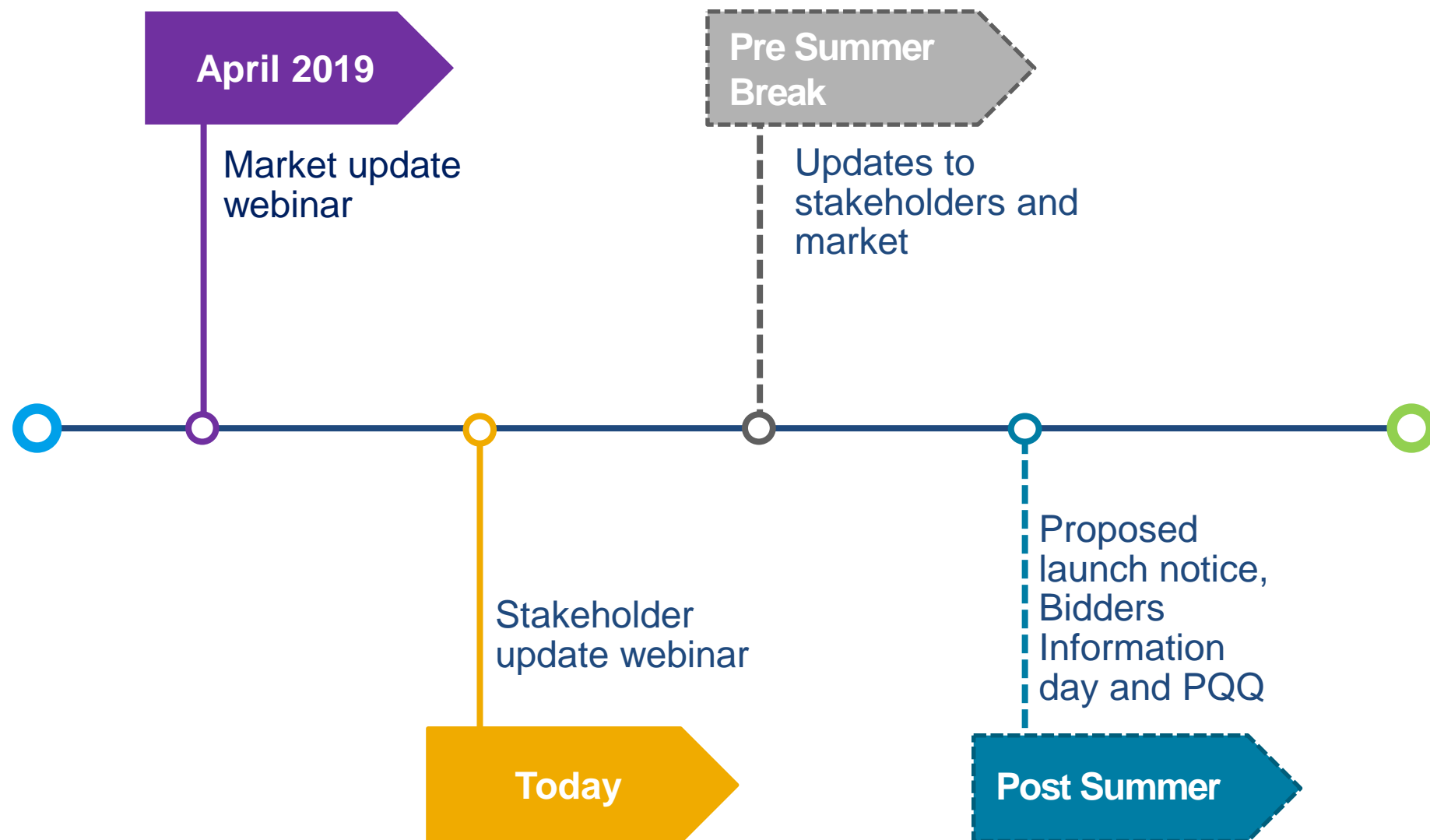
Timeline



We therefore do not expect to launch Round 4 until after the summer 2019

We will provide a further update prior to the 2019 summer break, including an updated timeline

Timeline – 2019



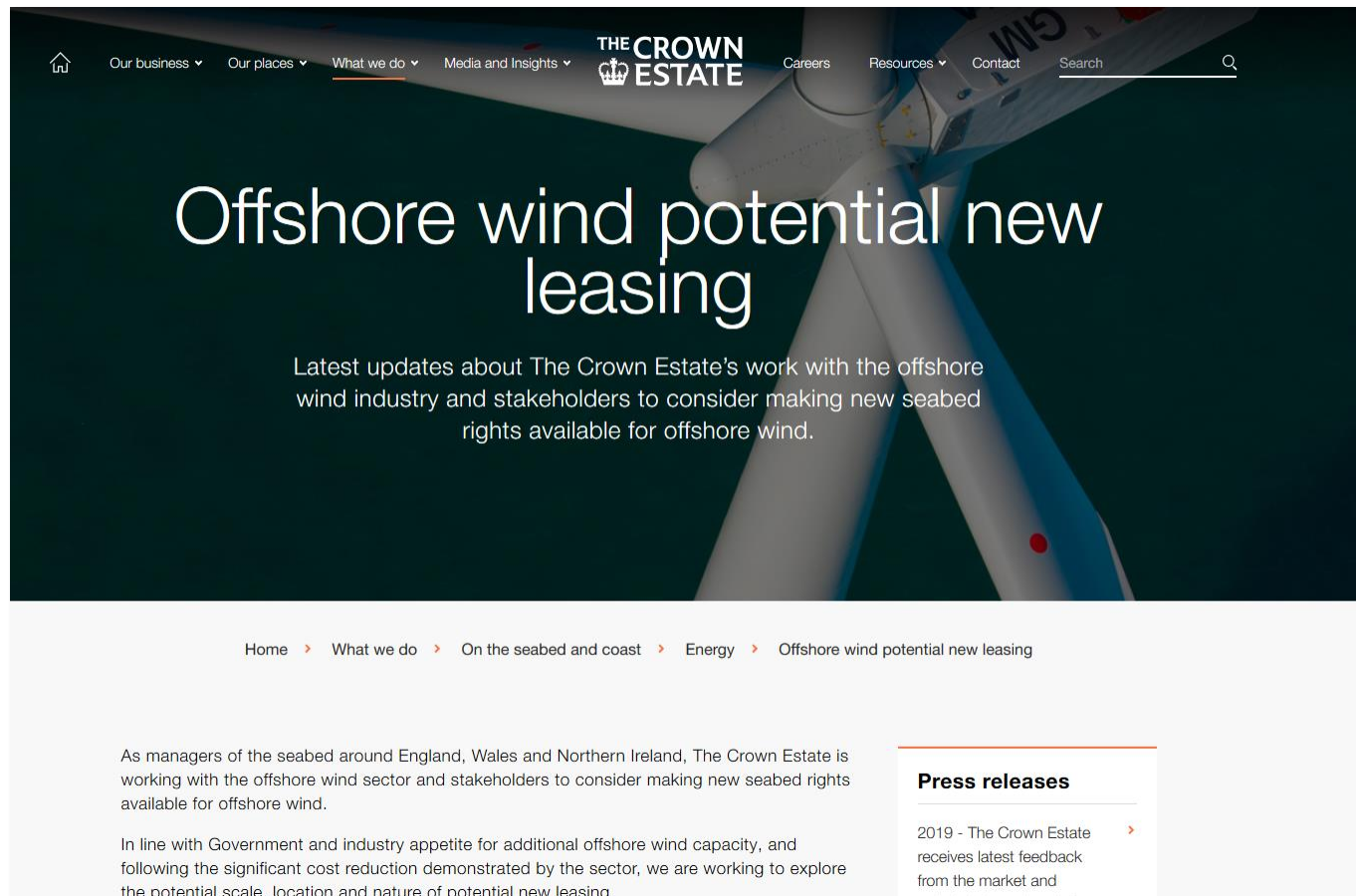
Timings are subject to change and will be confirmed in due course



Recap

- We have received a significant amount of feedback from both market and stakeholders
- We are listening - your feedback has been invaluable in helping us refine our proposed design of Round 4
- A number of themes remain under consideration, or have led to further work being undertaken – where this is the case we will address through future updates
- We are considering feedback we are receiving through the ongoing plan-level Habitats Regulations Assessments (HRA) for 2017 Extensions and 2018/19 marine aggregates licensing and ensuring co-ordination between our activities
- Our updated tender design will ensure projects come forward in at least three Bidding Areas and that no more than 3.5GW of capacity would be awarded in any Bidding Area

Stay informed



To stay informed please visit our website: thecrownestate.co.uk/potentialnewleasing
or email us at offshorestakeholder@thecrownestate.co.uk

