

New Offshore Wind Leasing – Stakeholder Update

July 2019

The purpose of this update is to provide a summary of the ongoing work The Crown Estate is carrying out to conclude the final design, form and scale of Offshore Wind Leasing Round 4, ahead of the process launching later this year.

Round 4 is being designed to deliver a robust offshore wind portfolio for 2030 and beyond, helping the UK achieve its decarbonisation and energy security objectives.

Our aim is to enable a total of at least 7 GW of new offshore wind capacity, subject to a plan-level Habitats Regulations Assessment (HRA). By the point of launch, the areas of seabed being made available to market will also be confirmed.

On 18 July 2019, we provided an update to the market on the proposed tender design of Round 4, including the updated tender process, bidding rules and commercial assessment mechanism.

Our update to the design of Round 4 includes:

- introducing a multi-cycle bidding process, to award projects in sequence through daily bidding cycles. This approach will increase transparency within the bidding community, ensuring developers have information about the price and location of projects awarded at each stage, and can therefore review and adjust their bidding strategy as the process progresses.
- introducing an annual payment approach for option fees, subject to an initial 3 year commitment.
- encouraging innovation by offering a rental discount for qualifying projects, helping to incentivise and support developers interested in trialling new technologies.

Developers will also have the opportunity to propose hybrid projects, such as those which integrate offshore wind generation with interconnectors, or other energy sources.

More information on our July 2019 market update is available on our website [here](#).

Stakeholder feedback we received through our engagement has helped us refine our proposals, and led to further work on a number of themes. We provided an update on this in a stakeholder webinar held in early May. A copy of the slides and a Q&A summary are both available to download on our website [here](#).

Feedback we've received through the ongoing plan-level HRA for 2017 Extensions and 2018/19 marine aggregates licensing is also helping to inform spatial aspects of Round 4. These will be concluded by the time we launch. You can read more about this inside.



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.”

Strategic Enabling Actions programme

In March 2019, the industry and Government launched the [Offshore Wind Sector Deal](#) to set out actions and commitments that will provide a pathway to up to 30 GW of offshore wind by 2030.

As part of this, we have committed to fund a collaborative programme of strategic enabling actions to be delivered in parallel with new leasing.

The programme's aim will be to increase the evidence base and understanding of offshore wind deployment, both in the marine area and where there are associated onshore impacts, to support sustainable and co-ordinated expansion of offshore wind.

The programme will be delivered in partnership with government and in collaboration with the devolved administrations, regulators, developers, statutory nature conservation bodies (SNCBs) and NGOs.

It 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. More information will be provided as our work progresses.

Offshore Wind Leasing Round 4

July 2018

Our ambition is to run a fair, balanced and competitive tender process, which ensures that capable, experienced bidders and the strongest possible projects come forward for new leasing.

We intend to enable at least 7 GW of new offshore wind capacity, subject to plan-level HRA. We have undertaken extensive spatial analysis of technical resource and constraints, including other sea users and environmental sensitivities, to understand which areas of the seabed are technically suitable for offshore wind development.

We have also carried out extensive engagement with both stakeholders and the market. We've received a significant amount of invaluable feedback since mid-2018 – thank you again to everyone who gave us their views.

In November 2018, underpinned by a comprehensive evidence base and developed in collaboration with statutory stakeholders, we identified:

- five regions that we propose to include
- four regions that we are considering further
- nine regions that will not be taken forward in Round 4

The map below shows the regions we have considered. Adjacent regions included in Round 4 will be grouped into bidding areas. Regions not taken forward as part of Round 4 will not be precluded from any subsequent leasing rounds.

You can find more information on our extensive work to date on our [website](#).

Shared our initial proposals

 30

statutory stakeholders attended a dedicated workshop

 344

points of feedback received from 6 government bodies and 7 statutory organisations

Nov 2018

Shared our updated proposals

 30

stakeholders attended

 18

stakeholder organisations submitted feedback

Offshore Wind Leasing Round 4 – proposed regions refinement (November 2018)

Regions

Propose to include:

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

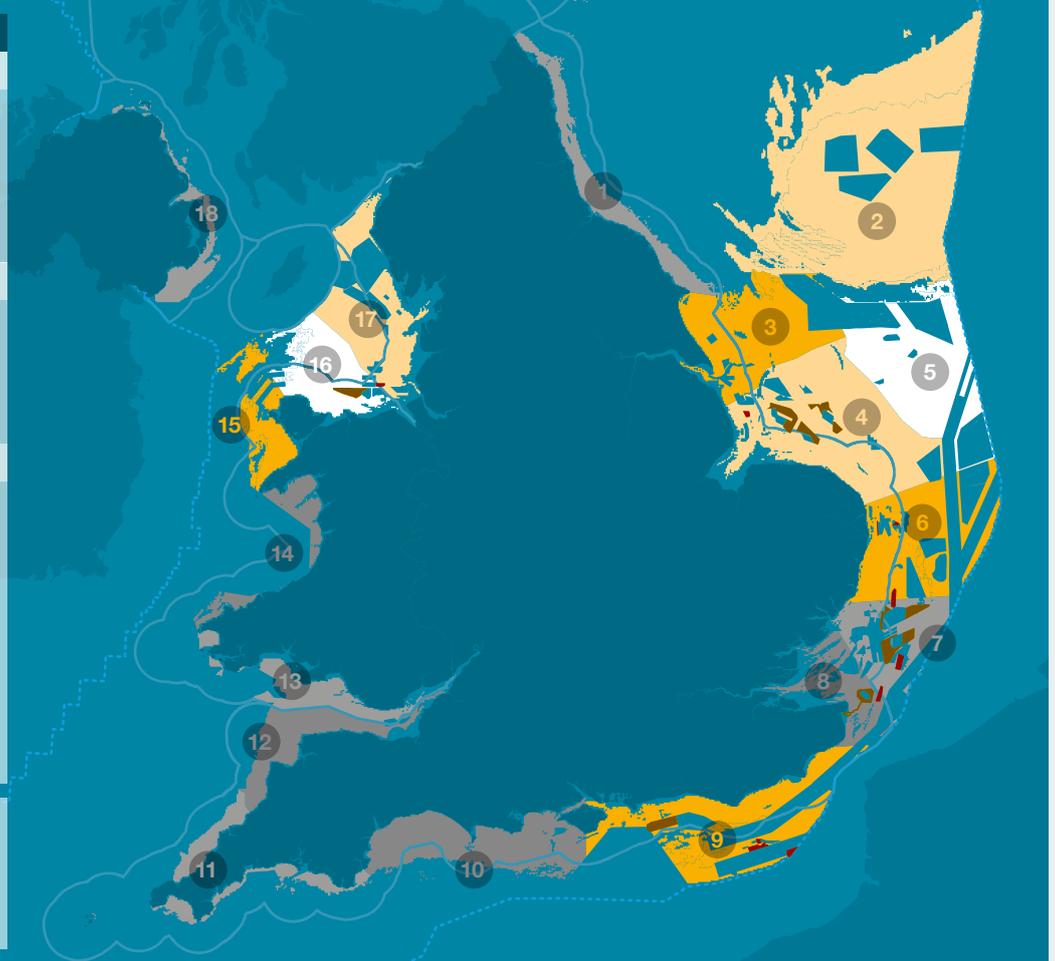
Under further consideration:

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

Not being taken forward:

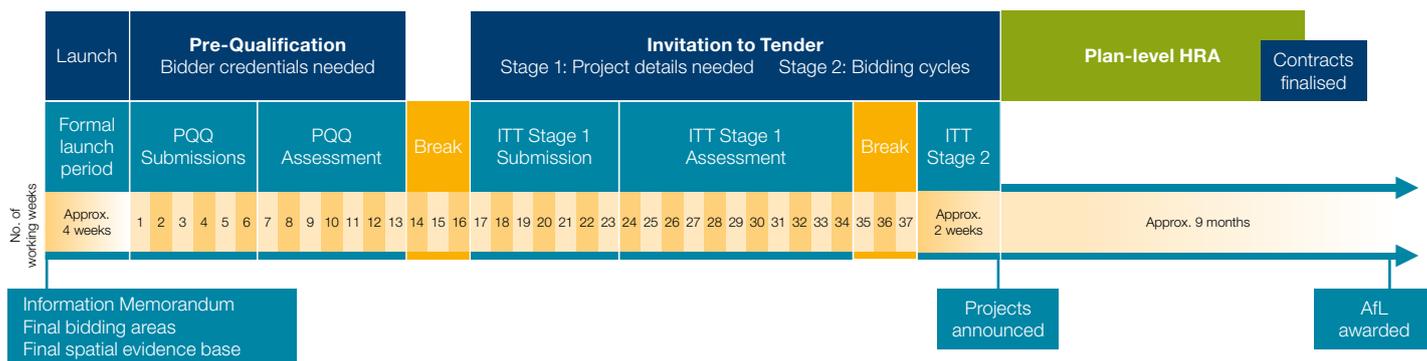
- 1 Durham Coast
- 7 Thames Approaches
- 8 Kent Coast
- 10 West of Isle of Wight
- 11 South West
- 12 Bristol Channel (English)
- 13 Bristol Channel (Welsh)
- 14 Cardigan Bay
- 18 Northern Ireland

-  Regions
-  Regions not taken forward
-  2017 Extensions
-  2018 Aggregates



Leasing Round 4 timeline

The timeline below sets out the key stages of the Round 4 leasing process from launch. The plan-level HRA for Round 4 is expected to take approximately nine months, starting in summer 2020. All timings are subject to change and will be confirmed in due course.



Extensions to existing offshore wind projects

Project extensions have proven to be a successful way of deploying more offshore wind capacity. Previous examples of project extensions at Kentish Flats, Greater Gabbard, Walney and Burbo Bank have demonstrated this, all the product of a leasing round in 2010.

In 2017, we invited extension applications from offshore wind farm owners. Eight applications were received and have satisfied the eligibility criteria, representing potential

for up to 3.4 GW of new capacity on the seabed around England and Wales.

Subject to the outcome of the ongoing plan-level HRA, applicants could be granted agreements for lease in summer 2019. Successful developers would then commence project-specific environmental assessments and seek consent for their projects through the statutory planning process.

Round 4 HRA Front Loading projects

As a Competent Authority, we will be required to undertake a plan-level HRA for Round 4. It will require us to assess the impacts of the final Round 4 plan (when sites are known) on the Natura 2000 network of designated sites before seabed rights can be awarded.

We have been working with stakeholders to identify projects to build the evidence base for the Round 4 plan-level HRA. A number of receptor-specific working groups, comprised of topic experts, have identified the following projects:

- Desk Based Review of Foraging Ranges;
- Agreeing Density Data for Plan-level Assessment;
- Cumulative Impact Assessment Tool – Scoping Study;
- Reducing Underwater Noise; and
- Review of Cable Protection, Installation and Habitat Recoverability.

These projects are progressing and the findings will be delivered later this year.

The Marine Data Exchange

We established The Marine Data Exchange (MDE) in 2013 to store, manage and share offshore survey data collected by our customers throughout the lifetime of their projects.

It now holds 170 TB of survey data covering the UK continental shelf, and continues to play an important role in making a wealth of marine survey data publicly available.

This includes wind resource, benthic and environmental data, and site investigation data from geotechnical and geophysical campaigns.

By working closely with our customers to promote the sharing of offshore survey data, we have published almost 70% of all survey data collected by our offshore renewable customers.

This wealth of freely available survey data is helping to stimulate research, support academia and contribute towards the sustainable development of the seabed around our coastline.

We are committed to facilitating information sharing and evidence based decision making. To access freely available data, visit www.marinedataexchange.co.uk



Enhancing the discoverability of data on the MDE is currently the priority for our marine data team.”

About The Crown Estate

The Crown Estate is a specialist real estate business, created by an Act of Parliament to manage a diverse portfolio, which includes the seabed around England, Wales and Northern Ireland.

We actively manage our portfolio to deliver strong returns for the nation's finances. Every year we return 100% of our profits to HM Treasury and over the last decade we have contributed £2.6bn to the public purse. We take a long term sustainable view, working alongside our customers, partners and communities.



“Every year we return 100% of our profits to HM Treasury and over the last decade we have contributed £2.6bn to the public purse.”

Managing seabed rights

Across England, Wales and Northern Ireland, we manage:

- over half of the foreshore (the area between mean low water and mean high water on the coast and tidal waters)
- almost the entirety of the seabed to 12 nautical miles
- the rights to natural resources (excluding fossil fuels) on the continental shelf under the Continental Shelf Act 1964

- the rights to generate electricity from wind, waves and the tides on the continental shelf under the Energy Act 2004
- the rights to the transportation and storage of natural gas and carbon dioxide on the continental shelf under the Energy Act 2008

As managers of the seabed around England, Wales and Northern Ireland, we work closely with industry and stakeholders to identify sites for sustainable development and

award seabed rights for offshore renewable energy, as well as cables and pipelines and marine aggregates.

For offshore wind, we provide leases and lease options to project developers, which convey a long-term exclusive right over parts of the seabed for the development and operation of offshore wind farms and their cables back to shore. Developers independently need to secure planning consents from the appropriate authorities.

Our activities in the wider planning context

We manage leasing rounds that take into account our statutory obligations and stakeholder views, enabling developers to invest in the UK offshore wind industry via bids for development rights.

The UK government sets planning policies which direct the process of consenting offshore renewables, via the Planning Inspectorate.

Developers apply for the required statutory consents. This includes construction of the wind farm's offshore cable connection to the onshore grid and for associated onshore permissions.

The energy regulator, Office for Gas and Electricity Markets (Ofgem), then manages a separate competitive tender process

that grants licences to operate the offshore transmission (OFTO) connection.

An additional step in the process involves developers taking part in Contract for Difference (CfD) auctions to bid for support to build and run the wind farm.

Find out more

You can stay in touch with our work on new offshore wind leasing proposals, and read more about our technical work and engagement activity to date, on our website www.thecrownestate.co.uk/en-gb/what-we-do/on-the-seabed/energy/offshore-wind-potential-new-leasing/

Alternatively, please email us at OffshoreStakeholder@thecrownestate.co.uk