

A wide-angle photograph of an offshore wind farm at sea. Numerous wind turbines are visible, stretching across the horizon. The water is a deep blue, and the sky is a pale, hazy blue. In the foreground, white diamond-shaped lines are overlaid on the water, suggesting a lease area or a specific layout.

# Supergen ORE Hub Annual Assembly

## Update on Offshore Wind Leasing Round 4

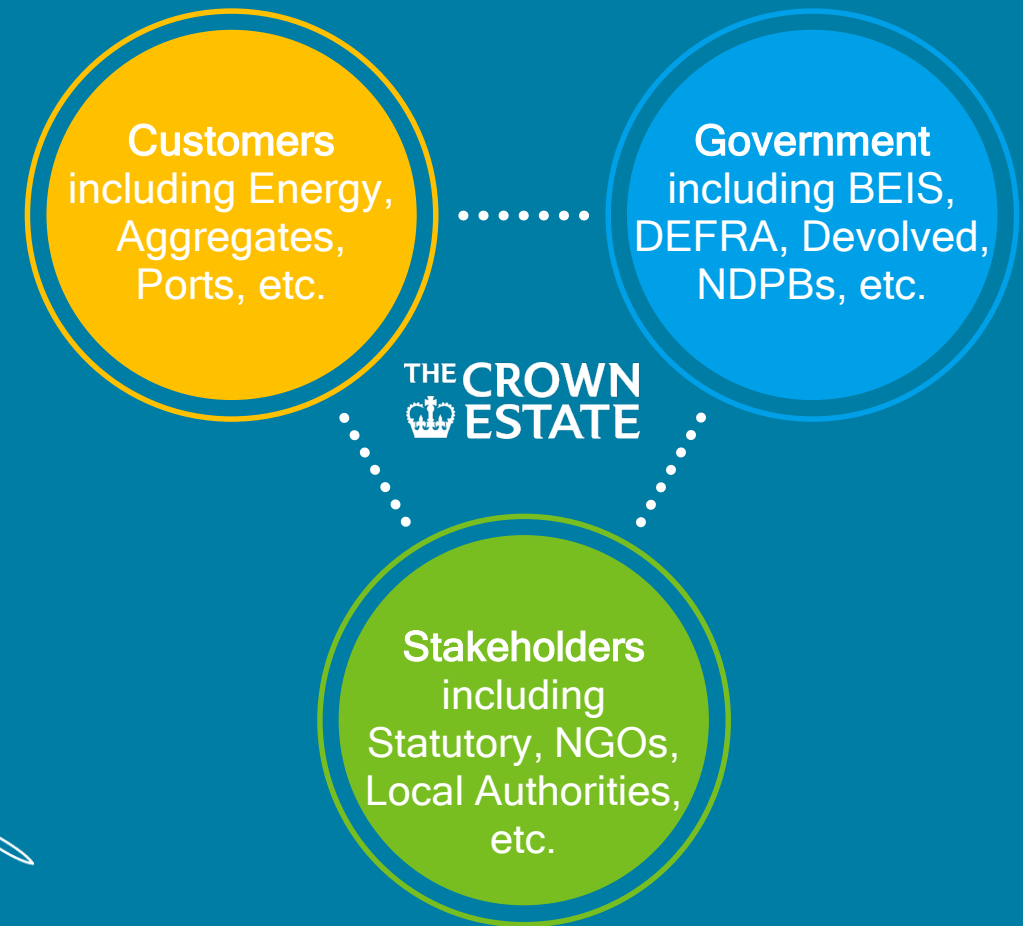
### Will Apps

6 November 2019

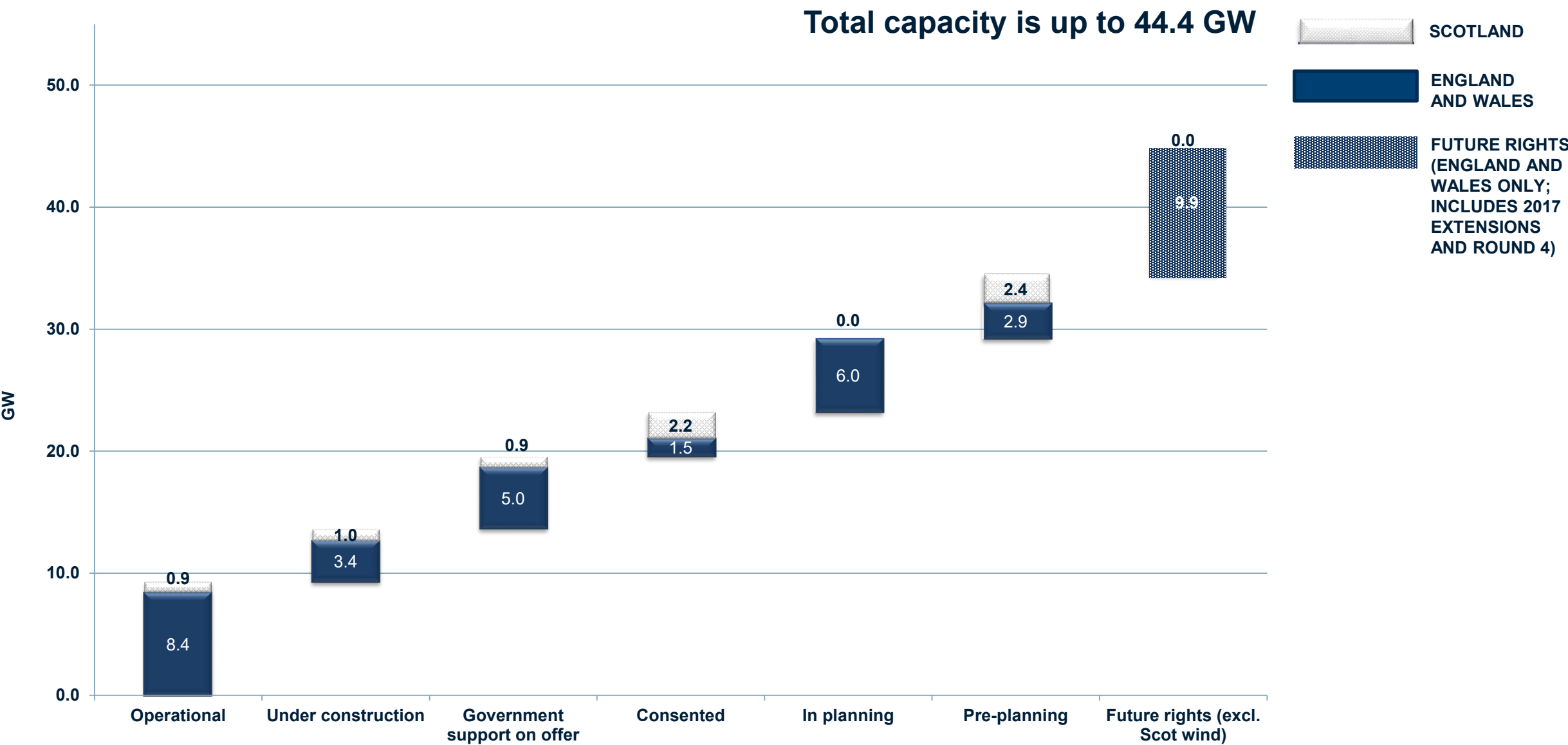


# The Crown Estate

- An independent, commercial business created by an Act of Parliament
- Net revenue profit £343.5m (2018/19)
- Capital value £14.3bn (2018/19)
- Diverse portfolio - Central London, Regional, On the Seabed and Coast, On the Land
- Sustainable development of the seabed for the benefit of the nation



# UK offshore wind development pipeline [Oct 2019]



# Our objectives for Round 4

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**Delivers a robust pipeline for low-cost offshore wind deployment**

to help meet industry appetite and Government policy objectives for new offshore wind capacity, supporting the UK's clean energy transition.

**Offers an attractive, accessible and fair proposition to developers**

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

**Balances the range of interests in the marine environment**

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

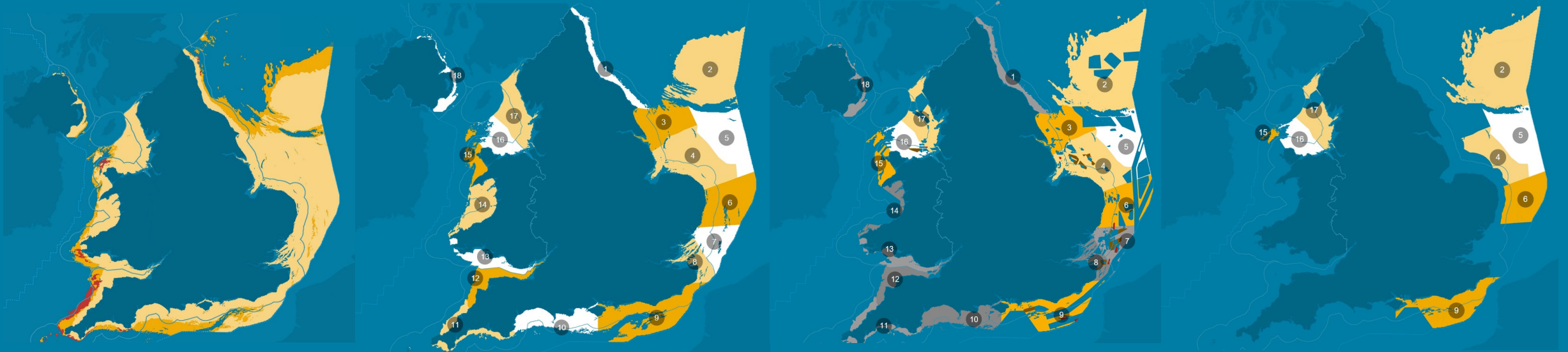
**Makes efficient use of the seabed**

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

**Unlocks 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.

# Regions refinement journey



The exclusion of seabed areas from Round 4, does not preclude their consideration in any future offshore wind leasing rounds. We will continue to work closely with stakeholders and communities, where there is appetite to identify future opportunity.

# Constraints that determined regions refinement

## Visual Sensitivity

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

## Navigation

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

## Ministry of Defence

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Certain practice and exercise areas have been removed as hard constraints

## Ornithology

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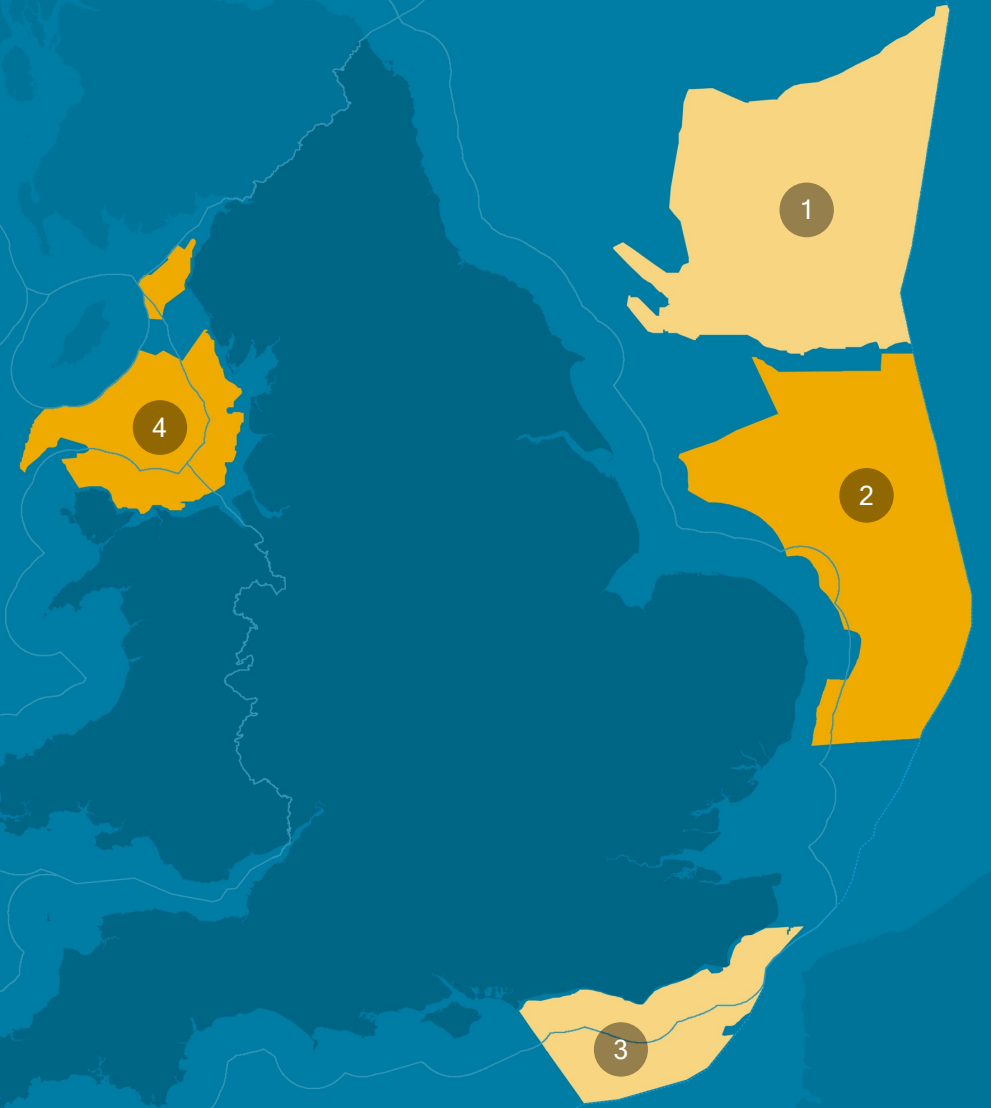


Areas where there would likely be major consenting risk due to cumulative environmental impacts, particularly in relation to ornithology.

# Bidding Areas

The four available Seabed Bidding Areas are:

- **Bidding Area 1** - Dogger Bank (comprising the Dogger Bank region)
- **Bidding Area 2** - Eastern regions (comprising the Southern North Sea region, The Wash region (refined) and the East Anglia region (refined))
- **Bidding Area 3** - South East (comprising the South East region (refined))
- **Bidding Area 4** - Northern Wales & Irish Sea (comprising the North Wales region, Irish Sea region, and the Anglesey region (refined))



# Round 4 leasing process

## Pre-qualification questionnaire (PQQ)

Oct 2019 - Jan 2020  
(14 weeks)

Assesses potential Bidders' financial capability, technical experience and legal compliance, with successful Bidders pre-qualifying for the ITT Stage 1 process (becoming a Pre-qualified Bidder).

## Invitation to Tender Stage 1 (ITT Stage 1)

Feb - Jun 2020  
(18 weeks)

Assesses the financial and technical robustness of projects submitted by Pre-qualified Bidders. Projects that pass will then be eligible to take part in the ITT Stage 2 process (becoming Eligible Bidders with Eligible Projects).

## Invitation to Tender Stage 2 (ITT Stage 2)

Sept 2020  
(1 - 4 weeks)

A multi-cycle bidding process, using option fees bid by Eligible Bidders to determine award. One project will be awarded per daily Bidding Cycle, with Bidding Cycles continuing until the 7 GW has been awarded or exceeded (up to 8.5 GW). On being successful in a daily bidding cycle, a Bidder will need to enter into a Preferred Bidder Letter and pay an Option Fee Deposit.

## Plan-level HRA

Autumn 2020 - Summer 2021

In accordance with our role as a Competent Authority under the Habitats Regulations, we will undertake a Plan-Level Habitats Regulations Assessment (HRA) to assess the possible impact of the awarded projects on relevant nature conservation sites of European importance.

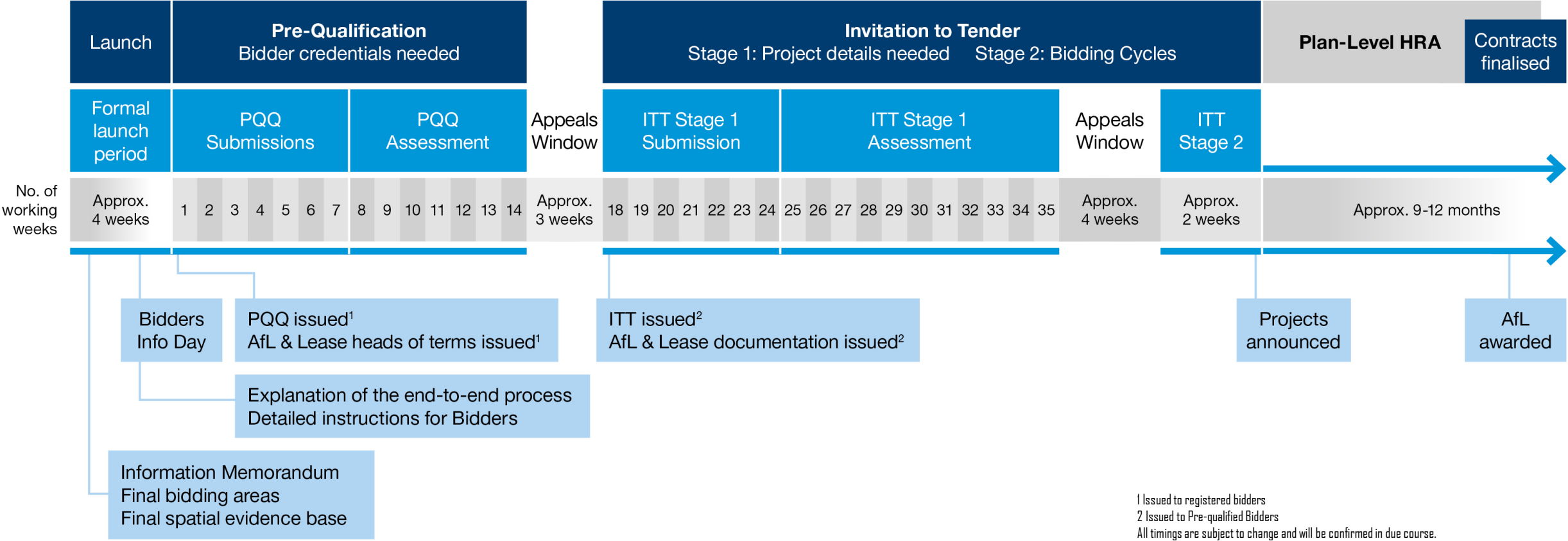
## Agreement for Lease (AfL)

Autumn 2021

We will enter into a Wind Farm AfL with successful Bidders.



# Full process tender timeline

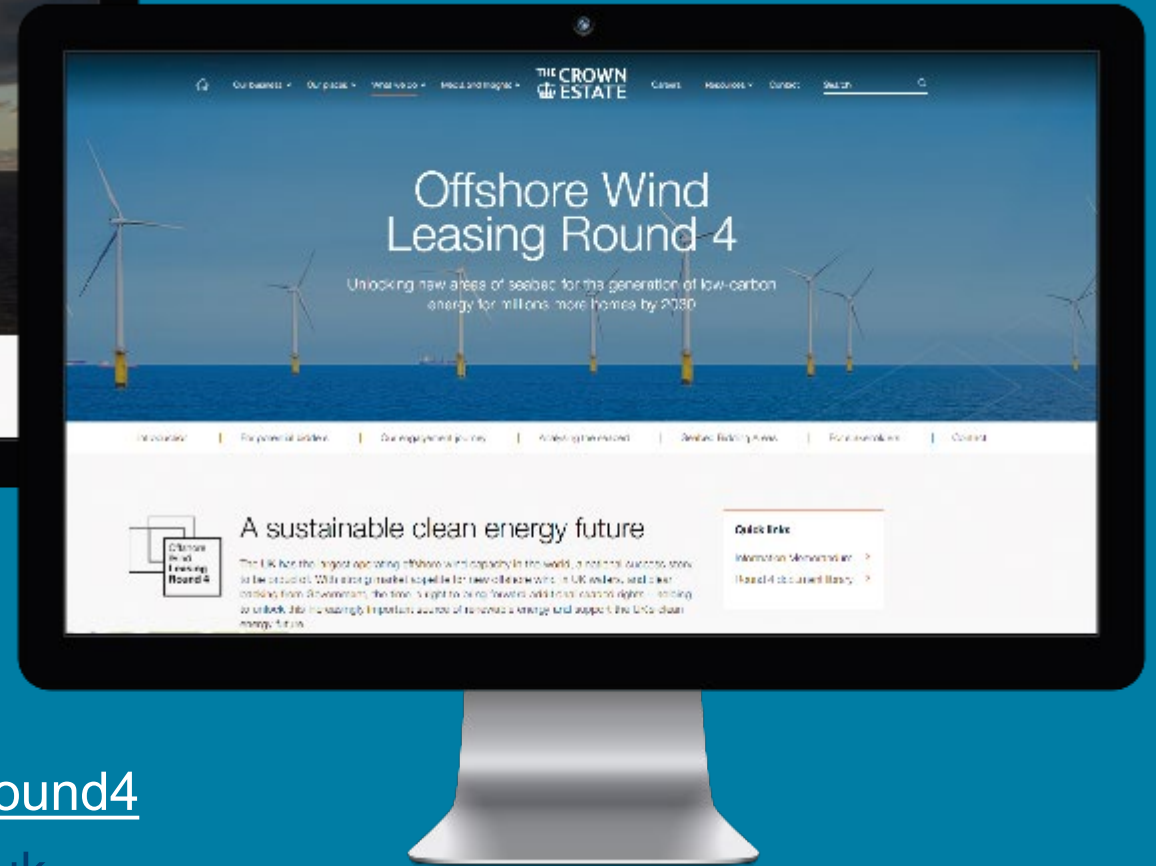
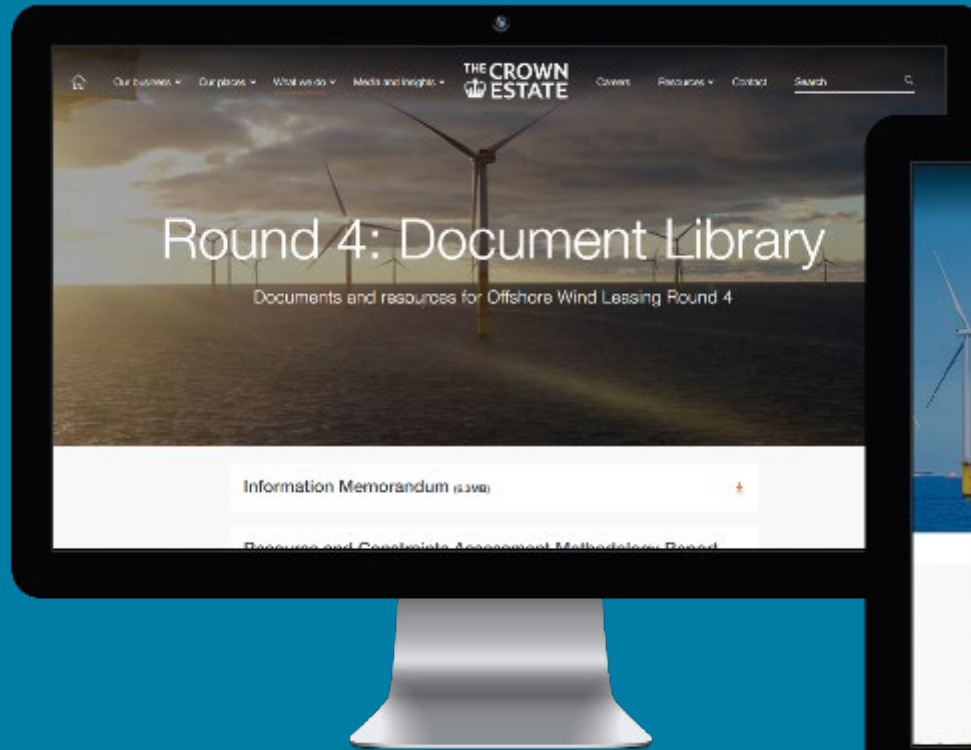


# The next chapter of the UK's remarkable offshore wind story

- Round 4 is designed to satisfy policy and market demand, in combination with 2017 Extensions, through to 2030 and beyond
- It will help maintain a robust portfolio - minimising deployment risk by leveraging market and stakeholder expertise & knowledge, alongside our own
- We are seeking to enable longer term growth by promoting a range of initiatives & commitments in relation to data, innovation, and strategic enabling actions

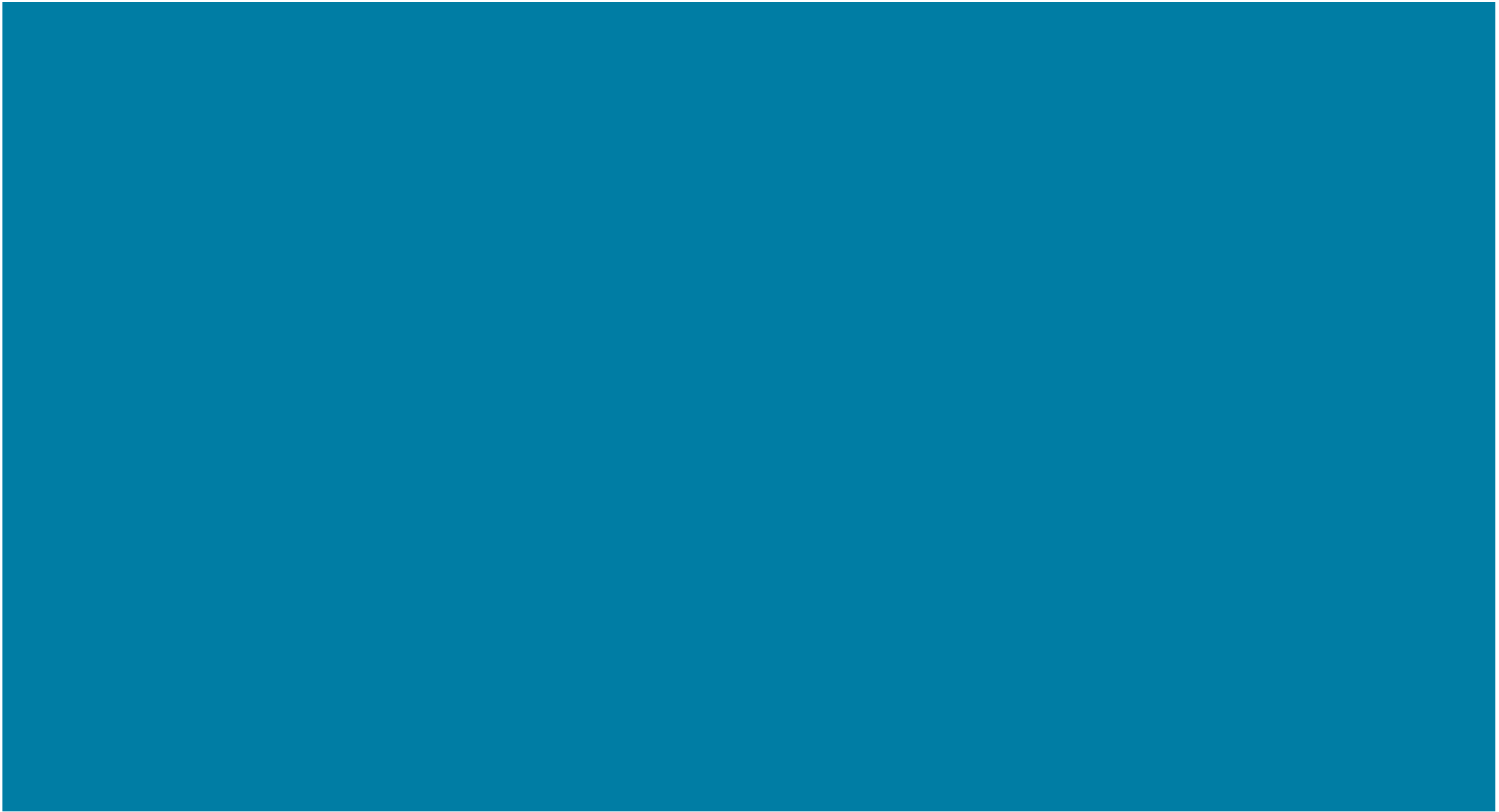


# Stay informed



## Stay informed by:

- Visiting our website: [thecrownestate.co.uk/round4](https://thecrownestate.co.uk/round4)
- Emailing us at: [Round4@thecrownestate.co.uk](mailto:Round4@thecrownestate.co.uk)





# Incentivising innovation through Round 4

- Developers will be able pre-qualify for the innovation discount by completing an information template that will be included as a Schedule to the Agreement for Lease.
- The earliest time that an innovation can qualify is at the point of consent application (Milestone 2) and the latest is with submission of the Project Specification prior to stepping through to Lease.
- Innovations that do not appear on the OWIH Roadmaps, or which do not meet all of the criteria, will still be considered, subject to the submission of satisfactory evidence of equivalence.





# Strategic enabling actions

- Under the Sector Deal, The Crown Estate has committed to funding a collaborative programme of strategic enabling actions, to advance the evidence base and understanding of offshore wind deployment and the impact on the marine and onshore environments.
- Government, regulators and statutory stakeholders will ensure the learnings will be built into future decision-making and policy formation.
- The primary objective of the programme will be to meet a market gap in evidence and understanding.
- The programme will work in concert with other activity targeted by the sector, helping to establish the commercial, environmental and social benefits from a long term approach to development.