

Marine Cables Seminar – Setting the Scene

The Role of The Crown Estate and the Submarine Cable Sector

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1. Introduction

2. Round 3 Overview

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4. The offshore wind and marine cables sector working together

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The Crown Estate is a landowner, not a regulator
We have 3 core business areas:

Urban



Marine



Rural



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We are a public body but not a part of Government

We have a UK-wide remit

Our entire net revenue is paid to Treasury each year –
£210.7m in 2010

We work with the grain of Government , devolved administrations and a wide range of other bodies

Government is heavily reliant on offshore wind to help meet 2020 renewable energy commitments

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Our seabed ownership extends to 12nm

Beyond 12nm certain rights have been vested in us:

- Minerals (excluding fossil fuels)
- Renewable energy (including undersea gas & CO₂ storage)

But, subject to certain public rights (e.g. fishing and navigation)

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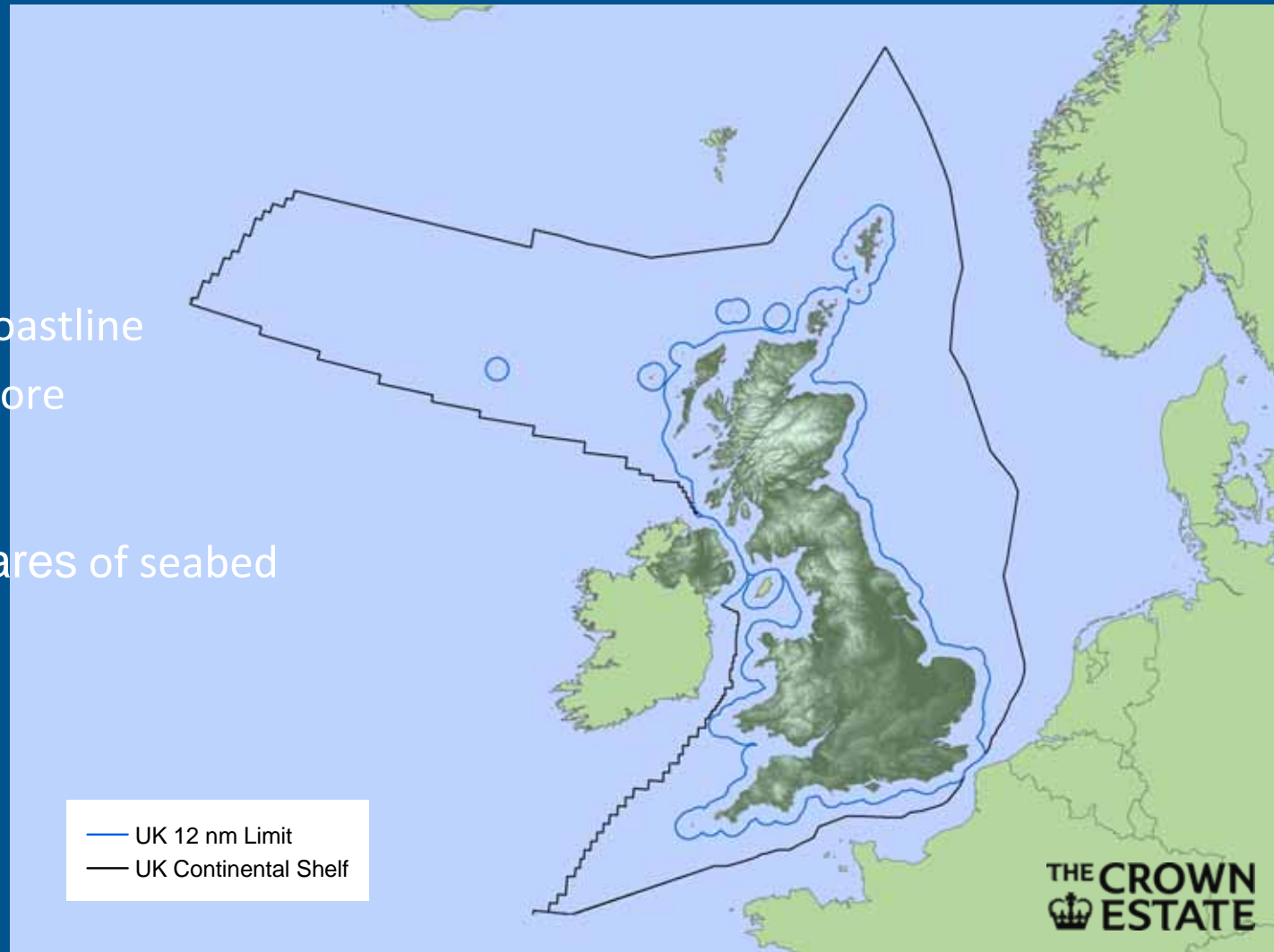
Out to 12nm:

Own and manage

- ~22,000km of coastline
- ~50% UK foreshore

Out to 200nm:

- 88 million hectares of seabed



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Round 3 of offshore wind hugely ambitious and very challenging

9 Zone Development Agreements awarded Dec '09

Developers are working hard to identify suitable development site opportunity within each zone

Submit application for Agreement for Lease to The Crown Estate – we check and award as appropriate

Agreement for Lease not converted to a Lease until all necessary consents are in place

Relative scale of Round 3

R3 (32GW potential): 9 Zones each consisting of a number of projects

+ R1 (1.1GW) + R2 (7.1GW)

+ STW (5.7GW)

- Round 1 Windfarm Lease
- Round 2 Windfarm Lease
- Round 3 Zone
- Scottish Windfarm Exclusivity Agreement
- UK 12 nm Limit
- UK Continental Shelf
- Bathymetry
 - Shallow
 - Deep

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The Crown Estate licences telecommunications cables to 12nm (i.e. to the extent of our ownership)

However, renewable energy related transmission cables require our consent within & beyond 12nm

Telecommunications licences are generally for 25 years

Our terms are consistent and published (www.thecrownestate.co.uk)

A 'sterilisation strip' is provided for either side of cables

This does not affect the grant of crossing agreements

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International commerce reliant upon network of undersea telecommunications cables

The sector is of strategic importance to UK plc

Capacity of cables has risen substantially over recent years (fibre optic technology) to handle ever increasing data needs

Number of cables remains broadly the same

Certain high activity areas (e.g. Off SW Cornish coast)

Kingfisher maps good source of up to date cable information (helps avoid conflict)

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Crown Estate cable licence typically provides a sterilisation strip of 250m either side of cables

Primarily introduced as a protection against transient (primarily dredging) activity & to enable maintenance, repair and decommissioning works

‘Permanent’ installations such as marine wind turbines not envisaged when extent of separation established

Fitness for purpose now requires to be reviewed

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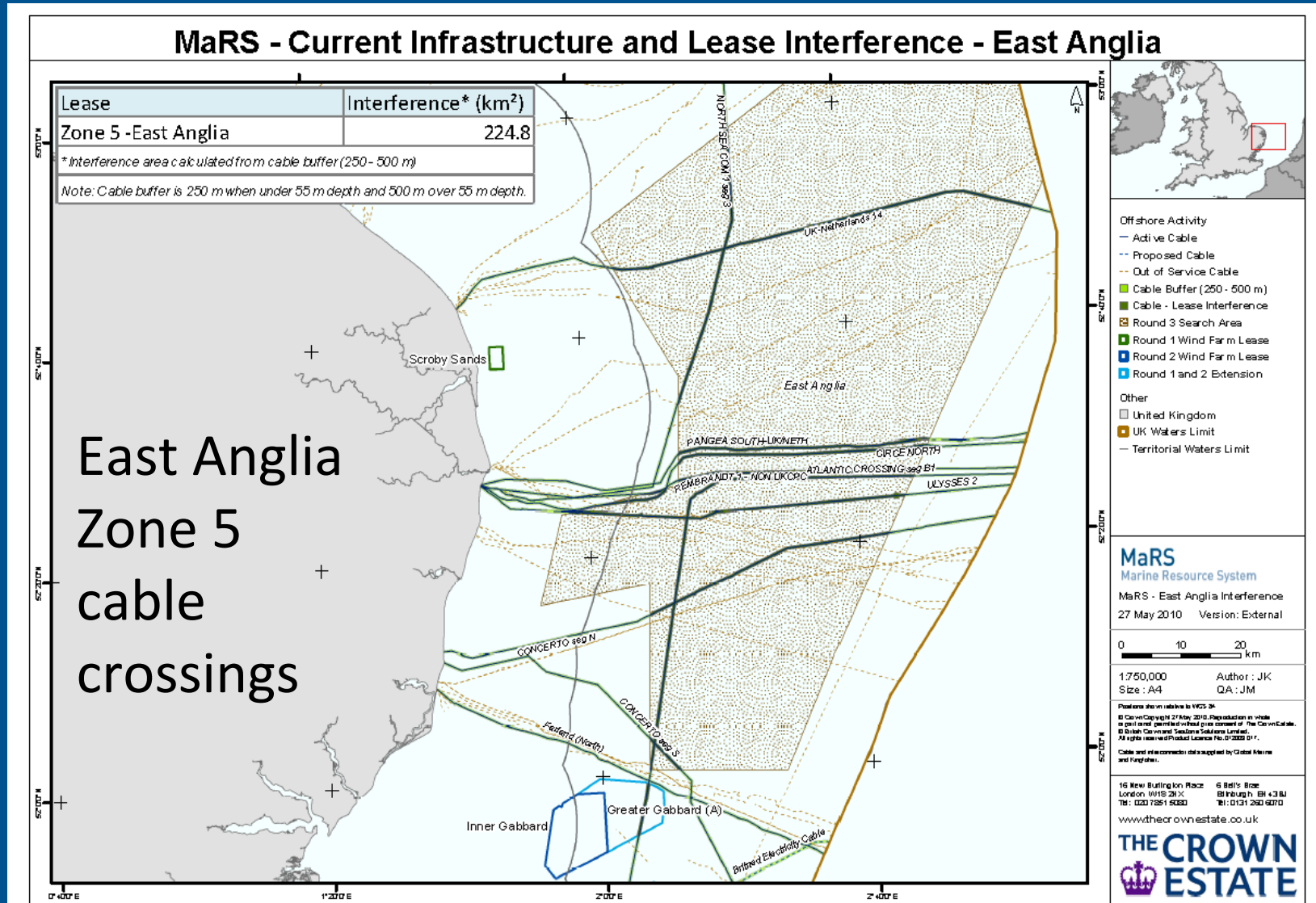
UK ambition for offshore wind on such large scale some cables will be in vicinity of proposed development

Recognise that adopting current O&M practices require greater than 250m separation between existing cables and permanent installations

Actual separation requirement dependant on number of factors (e.g. water depth, prevailing wind, tidal effect)

Cable community has own Guidelines (UKCPC Guideline No.6) for dealing with proximity of Wind farm developments & submarine cables

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The Crown Estate is seeking to identify electricity transmission cable corridor requirements, particularly in congested areas

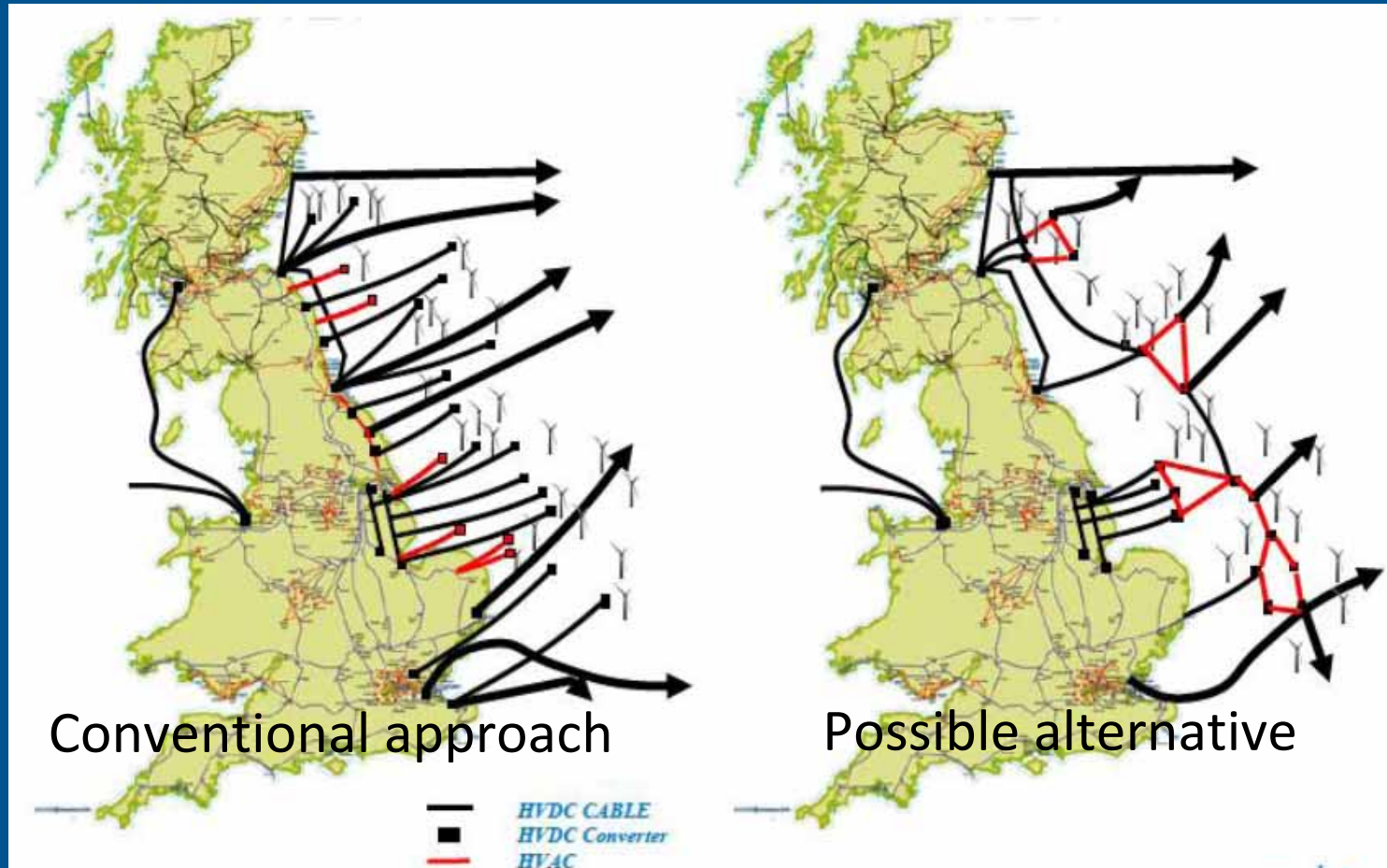
We will need the support of developers, National Grid and stakeholders

Appropriate planning has the potential to reduce opportunity for conflict and the overall cable footprint

Undersea transmission increasingly likely to be considered a viable alternative over time

Interconnectors likely to have to require separate consideration

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Today's conference is timely – our thanks to RenewableUK for organising

Scale of site to shore power cabling set to increase markedly

Potential for conflict between wind and other users not just within Zones or site development areas

Need to grasp the opportunity now in order to avoid problems before they arise

Solutions not always straightforward – an open-minded and flexible approach is required

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Dialogue between sectors requires to be progressed urgently if conflict is to be avoided

The Crown Estate promotes the principle of developing a joint industry guidance note

The Crown Estate has taken independent advice in order to be able to better understand current operational constraints and separation requirements

We will be pleased to assist dialogue as best we can