

# Hornsea Offshore Wind Farm

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Project Two

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**Statement of Common Ground between**

**DONG Energy Power A/S and SMart Wind Ltd. in relation to  
Hornsea Project Two and Hornsea Project One**

**July 2015**

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<b>Authorisation</b>		
Signed		
For	DONG Energy Ltd., on behalf of Heron Wind Limited, Njord Limited and Vi Aura Limited (together 'DE')	
Date/Print Name		
Position		
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## Acronym List

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# 1 INTRODUCTION

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## 1.1 Reason for this Statement of Common Ground

1.1.1 This Statement of Common Ground (SoCG) has been prepared by SMart Wind Limited (SMW) on behalf of Optimus Wind Limited and Breesea Limited known as Project Two (together ‘the Applicant’) and DONG Energy Power A/S Limited (DE) on behalf of Heron Wind Limited, Njord Limited and Vi Aura Limited and their subsidiaries (together ‘Project One’) (and all together ‘the parties’) as a means of clearly stating the areas of agreement, and any areas of disagreement, between the two parties in relation to the proposed Development Consent Order (DCO) application for the Hornsea Offshore Wind Farm, Project Two (‘the Project’). This SoCG does not deal with or extend to any development other than the Project.

## 1.2 Approach to SoCG

1.2.1 In accordance with discussions between the Applicant and Project One, the SoCG is focused on the key issues raised by Project One during the pre-application consultation for Project Two.

1.2.2 Section 2 presents the consultation undertaken to date during the pre-application process.

1.2.3 Section 3 highlights the common ground that exists between both parties.

1.2.4 Section 4 highlights those matters subject to an ongoing discussion.

1.2.5 Section 5 highlights that there are no matters disagreed.

1.2.6 Throughout this document the phrase “It is agreed...” is used as a precursor to any point of agreement that has been specifically stated by agreement between the parties to this SoCG.

1.2.7 The phrase “It is not agreed...” is used as a precursor to any point that parties to this SoCG wish to state as not yet agreed.

## 1.3 The Development

- 1.3.1 The Project will constitute up to two offshore wind generating stations with a total capacity of up to 1,800 MW and will include all associated offshore and onshore infrastructure. There will be up to 360 turbines (depending on turbine type) within Project Two, with turbine capacities ranging from 5 MW up to 15 MW being considered.
- 1.3.2 The area within the Hornsea Zone in which the Project's turbines and inter-array cabling, as well as associated infrastructure such as offshore HVAC collector substations, offshore HVDC converter stations and offshore accommodation platforms will be placed, has been labelled 'Subzone 2'. Subzone 2 is located in the centre of the Hornsea Zone and has a total area of 462 km<sup>2</sup>. The western boundary of Subzone 2 lies 89 km from the coast of the East Riding of Yorkshire and the eastern boundary is 50 km from the median line between UK and Dutch waters.
- 1.3.3 The offshore cable route extends from the proposed landfall at Horseshoe Point in Lincolnshire, offshore in a north-easterly direction to the southern boundary of Subzone 2. The route is approximately 150 km in length. From the proposed landfall point at Horseshoe Point, onshore cables will connect the offshore wind generating stations to the onshore substation (which could comprise up to two electrical transmission stations) which will in turn, connect to the existing National Grid substation at North Killingholme in North Lincolnshire, a distance of approximately 40 km. For the purposes of this SoCG, 'offshore' refers to the land and seabed on the seaward side of the mean high water mark and 'onshore' refers to the land (and any seabed) on the landward side of the mean high water mark.
- 1.3.4 The Project comprises up to two offshore wind farms: Project A and Project B together with the associated development and grid connection for each project. Both wind farms have the same connection point into the National Grid substation and follow the same cable route.
- 1.3.5 Project A and Project B are likely to be constructed by different operators: Optimus Wind Limited ('Optimus Wind') in the case of Project A and Breesea Limited ('Breesea') in the case of Project B. Both Optimus Wind and Breesea are named as an undertaker within the Order. Optimus Wind is the relevant undertaker in relation to the Project A works, whilst Breesea is the relevant undertaker for the Project B works and the shared works, which can be carried out by Optimus Wind or Breesea. This is subject to the transfer provisions included within the DCO.
- 1.3.6 To facilitate this multi undertaker approach, the DCO provides for four deemed marine licences, two for Project A (one for the generating station (deemed marine licence A1) and one for the offshore transmission infrastructure (deemed marine licence A2)) and two for Project B (again, one for the generating station (deemed marine licence B1) and one for the offshore transmission infrastructure

(deemed marine licence B2)). The deemed marine licences for Project A are intended to be granted to Optimus Wind, with Breesea having the benefit of the deemed marine licences for Project B.

- 1.3.7 The DCO confers on Optimus Wind powers of compulsory acquisition, subject to the consent of Breesea, over land required for the Project A works and the shared works or to facilitate, or which is incidental to those works and it confers on Breesea powers of compulsory acquisition, subject to the consent of Optimus Wind, over land required for the Project B works and the shared works or to facilitate, or which is incidental to those works.
- 1.3.8 The works are described in such a way as to allow flexibility as to whether they form one or two wind generating stations together with the required associated development. This approach means that the consent granted will be flexible and will allow a commercial decision to be made post-consent on how Project Two will be built out.

#### **1.4 Application elements under DONG Energy Power A/S remit.**

DE is one of the leading energy groups in Northern Europe. Its business is based on procuring, producing, distributing and trading in energy and related products in Northern Europe. DE acquired 100% of Hornsea Project One in February 2015 after originally acquiring a 33% shareholding in December 2011.

##### **Identified areas of Onshore Interaction**


- 1.4.1 Project One's onshore cable route stretches from the landfall at Horseshoe point to North Killingholme. It is located adjacent immediately to the south of Project Two cable route and runs parallel to it for most of its route as shown in the Project One/Project Two Interface plans (PINS document reference 7.4.5.4).
- 1.4.2 The locations where the Project Two cable route runs over the temporary compounds granted to Project One in its DCO are presented in the project One/Project Two Interface plans (PINS document reference 7.4.5.4). However, this design means that, in the event of a simultaneous or overlapping construction programme with Project One or in the event that Project Two construction has completed prior to the commencement of the Project One construction, access to and use of some of the temporary construction compounds and work areas authorised by the Hornsea One Offshore Wind Farm Order 2014 will be prevented or restricted by the construction, or operation (where the cable for Project Two is installed directly beneath temporary construction compounds authorised by the Hornsea One Offshore Wind Farm Order 2014), of Project Two. In order to reduce the impacts to Project One in these circumstances, the Order contains some temporary construction working sites (referred to in the DCO as "compensation compounds") and means of access to those compensation compounds which are intended for temporary use by the Project One undertaker to compensate Project One and reduce the impacts of Project Two on Project One.



- 1.4.3 The Project Two Intertidal area is adjacent to the north of the Project One Intertidal area. There is an overlap of temporary working areas and permanent installation areas between the projects as shown on sheet 2 of the project One/Project Two Interface plans (PINS document reference 7.4.5.4).
- 1.4.4 There are restrictions of working periods in Condition 20(4) of the deemed marine licence 4 for Project One over the intertidal area that will require communication and cooperation between the projects. There is an equivalent restriction in Requirement 20 of the Project Two Draft Development Consent Order.
- 1.4.5 Project Two and Project One are planning to install 400kV cables connecting their respective substation to the NGET substation. These cables are likely to cross each other.
- 1.4.6 Project Two and Project One intend to both use an access road owned by Centrica to access their onshore substation.
- 1.4.7 In February 2012, SMW agreed an option for a permanent acquisition of land for the purpose of locating the Project One and Project Two substations in North Killingholme. This option was acquired from Elba Developments Limited and Able Humber Ports Limited, the owner of the land. Project One and Project Two agreed the terms and conditions for sharing this parcel of land between the projects in November 2013, and the benefit of the option was then assigned from SMW to the relevant Project One and Project Two undertakers companies together in joint names.

#### **Identified areas of Offshore Interaction**

- 1.4.8 The offshore cable corridor of Project One overlaps the Project Two offshore cable corridor as shown in sheet 1 of the project One/Project Two Interface plans (PINS document reference 7.4.5.4).
- 1.4.9 If HVAC transmission technology is selected, the Project Two reactive compensation substations are located adjacent to the consented location of the Project One reactive compensation substation within the cable corridor, as presented in sheet 3 of the Offshore Work Plans (PINS document reference 5.1) and Figure 10.2 of the Offshore HVAC Reactive Compensation Substation NRA (PINS document reference 7.5.7.2).
- 1.4.10 Part of the Project two offshore cable corridor overlaps the Project One wind farm area as shown in sheet 1 of the project One/Project Two Interface plans (PINS document reference 7.4.5.4).
- 1.4.11 The Project Two disposal areas 2A (MMO Reference: HU209) and 2B (MMO Reference HU210) overlap the Project One disposal areas. The coordinates of the overlapping disposal areas 2A and 2B are presented in the deemed marine licence B2 (Project B: Transmission Assets) for Project Two under Work No. 5B (foreshore connection of electrical circuits) and also presented in Figure 1.1 of



the Dredging and Disposal Site Characterisation report (PINS document reference 7.4.3.8)

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## 2 CONSULTATION

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- 2.1.1 SMW was the promoter for Project One on behalf of project companies Heron Wind Limited, Njord Limited and Vi Aura Limited, who were the applicants for the DCO for Project One. Phase 1 Consultation was undertaken for Project Two at the same time as Phase 4 Consultation for Project One.
- 2.1.2 The consultation undertaken by SMW during the pre-application process is detailed in the Consultation Report (PINS document reference 2.1), which will accompany the DCO submission and which demonstrates how SMW has complied with its duties under Section 42, 47, 48 and 49 of the Planning Act 2008.

### Engagement with DE

- 2.1.3 In December 2011 as part of the DE acquisition of Project One the parties agreed on an overarching cooperation and collaboration agreement between Project One and Project Two in relation to onshore activities.
- 2.1.4 In November 2013 the parties signed a confidential cooperation agreement detailing how Project One and Project Two will split land for their substations on the agreed site.
- 2.1.5 In January 2014 SMW and DE setup a cooperation agreements working group to discuss and agree on ways to cooperate and collaborate between the parties on issues arising from the close proximity of the projects.
- 2.1.6 In March 2014, Project One and Project Two signed a further confidential cooperation agreement setting out overall terms of cooperation and documenting certain aspects of cable routing through the substation area.
- 2.1.7 At Phase 2 Consultation for Project Two, DE was provided with the draft DCO application including the draft Environmental Statement. This phase of consultation started on 18 June 2014.
- 2.1.8 DE was included on the Applicant's distribution list for the formal phases of consultation carried out pursuant to Section 42 of the Planning Act 2008. As part of the Phase 2 Consultation, DE was sent a copy of the Preliminary Environmental Information Report (PEIR) in June 2014.
- 2.1.9 DE was consulted through workshops and participated in a cable route walkover covering the proposed locations of compensation compounds and footpaths. The approach was discussed and agreed between the parties on August 2014 and informed the final plans submitted by the applicant to PINS on 30<sup>th</sup> January 2015.
- 2.1.10 In December 2014 prior to submission of Project Two to PINS, The Applicant submitted a draft DCO and deemed marine licences for DE for review and comments.



2.1.11 In February 2015, following the transfer of the remaining 66.6% of Project One to DE, it was agreed between the parties to continue to collaborate through monthly meetings and continuous dialogue in the future. This has been implemented through monthly calls with the wider Project One and Project Two teams and bi weekly calls with the Environmental teams for Project One and Project Two.

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### 3 ACCEPTED STATEMENTS

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- 3.1.1 It is agreed that through the pre-application process of the Project, the level of consultation and associated details has been sufficient in informing DE of the development of the Project and the predicted / potential impacts on their operations.
- 3.1.2 It is agreed that DE holds an interest in certain locations onshore and offshore within, or within the vicinity of, the area of the Project's onshore cable route, offshore cable route and agreements for lease.
- 3.1.3 It is agreed between the parties that:
  - (i) [Insert RR issues resolved here]

### 4 MATTERS SUBJECT TO ONGOING DISCUSSION

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- 4.1.1 The following matters subject to an ongoing discussion (Project One's position is set out in more detail in its Deadline 1 Submission, including reference to constructive negotiations to resolve all the issues listed below in commercial cooperation agreements by Deadline 2):
  - 4.1.2 Overlap of Order limits onshore
  - 4.1.3 Connection into Killingholme substation
  - 4.1.4 Intertidal access
  - 4.1.5 Overlap of Order limits offshore (including intertidal)
  - 4.1.6 Project Two buffer area and wake effects
  - 4.1.7 Overlap of dredging disposal areas and effects on export cables

## 5 MATTERS NOT AGREED

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- 5.1.1 [ All matters relating to the successful construction and operation of both projects are agreed.]

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## GLOSSARY

Term	Definition
SMW	SMart Wind
DE	DONG Energy Power A/S
SoCG	Statement of Common Grounds
DCO	Development Consent Order
PINS	Planning Inspectorate
PEIR	Preliminary Environmental Impact Report
NGET	National Grid Electricity Transmission Plc
HVDC	High Voltage Direct Current
HVAC	High Voltage Alternating Current