

Hornsea Offshore Wind Farm

Project Two

smartwind.co.uk



Smart Wind Limited

11th Floor

140 London Wall

London

EC2Y 5DN

Tel 02077765500

Email info@smartwind.co.uk

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Authorisation		
Signed		
For	VPI Immingham CHP LLP Rosper Road, Immingham, Lincolnshire DN40 3DZ	
Date/Print Name		
Position		
Signed		
For	SMart Wind Ltd on behalf of Optimus Wind Limited and Breesea Limited (together the 'Applicant')	
Date/Print Name	Sophie Hartfield	Andy Bown
Position	Development & Consents Manager	Commercial Manager

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Acronym List

Acronym	Full term
DCO	Development Consent Order
HVAC	High Voltage Alternating Current
HVDC	High Voltage Direct Current
PINS	Planning Inspectorate
SoCG	Statement of Common Ground
UK	United Kingdom

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 (SMart Wind) on behalf of Optimus Wind Limited and Breesea Limited (together ‘the Applicant’) and VPI Immingham LLP (VPI) (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 This SoCG has been developed following pre-application and post-application consultation. In accordance with discussions between the Applicant and VPI, the SoCG is focused on the key issues raised by VPI during consultation.

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

1.2.3 Section 4 highlights those matters where agreement has not yet been reached.

1.2.4 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.

1.2.5 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.

1.2.6 Any reference made to the Project application material (such as the Environmental Statement and the draft DCO), is referring to the DCO application and its supporting documents, submitted to the Planning Inspectorate on the 30th January 2015.

1.2.7 It is the intention that this document will give the Examining Authority (Ex.A) sight of the level of common ground between the parties at an early stage of the examination process. It is envisaged that there is no requirement for further iterations to this SoCG. As stated in this SoCG (Section 4), there are no matters subject to ongoing discussion or outstanding matters of disagreement. All matters agreed at this stage will remain agreed throughout examination.

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 the Project, 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 High Voltage Alternating Current (HVAC) collector substations, offshore High Voltage Direct Current (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 km². 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 United Kingdom (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 DCO. 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)).

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 the Project will be built out.

1.4 Application Elements under VPI's Remit

1.4.1 VPI is the owner and operator of a power station that provides process steam and electricity to the Phillips66 and Total oil processing refineries that provide approximately 30% of the processed hydrocarbon fuels in the UK. VPI own and operate a natural gas pipeline that feeds the power station ("the VPI pipeline"). VPI holds an electricity generation licence in respect of the VPI pipeline and is deemed to be a statutory undertaker.

1.4.2 Work Nos. 7A and 7B detailed in Part 1 of Schedule A of the draft DCO (together with the associated development described in paragraph 13 of Part 1 of Schedule A to the draft DCO) describe the onshore elements of the Project which may affect the interests of VPI once under construction and in operation.

1.4.3 Work No. 7A and 7B (as referenced at paragraph 1.4.2 above) describe the connection of 2 underground HVDC electrical circuits and associated ducts or up to 8 underground HVAC electrical circuits and associated ducts. The VPI pipeline is located at Plot 421 of the Land Plans (PINS document reference 4.1) and further detailed in the Part 1 of the Book of Reference (PINS document reference 6.3.2), both submitted as part of the Project's application documents.

1.4.4 Installation of the Project's onshore cables and infrastructure will require the crossing of the VPI pipeline: the onshore crossing schedule (Location Number 110) within Annex 4.3.4 of Volume 4 of the Environmental Statement provides further detail as to the location of and proposed methods for crossing the VPI pipeline.

2 CONSULTATION

2.1 Summary

2.1.1 The consultation undertaken by SMart Wind during the pre-application process is detailed in the Consultation Report (PINS document reference 2.1), which accompanied the DCO submission and which demonstrates how SMart Wind has complied with its duties under Section 42, 47, 48 and 49 of the Planning Act 2008.

2.1.2 Consultation has also been undertaken with VPI prior to January 2014 in relation to Hornsea Offshore Wind Farm Project One ("Project One"). Protective provisions for the benefit of VPI in relation to Project One were provided for by the Secretary of State in the Hornsea One Offshore Wind Farm Order 2015, and the Applicant has proposed that the Project's draft DCO contain protective provisions for the benefit of VPI in the same form (see Part 8 of Schedule L of the draft DCO).

4.2 CONSULTATION

2.2.1 Table 1 below presents a chronological overview of the principal consultations in relation to the application which were undertaken with VPI during the pre-application process. The Applicant has engaged with VPI, as statutory consultee, on the Project during the pre-application and post-application process, both in terms of informal non-statutory engagement and formal consultation.

2.2.2 It is agreed that Table 1 presents an accurate chronological overview of the principal pre-application consultations with VPI.

Table 1: Pre-application consultation undertaken with VPI.

Date	Activity
31/01/2013	Phase 1 Consultation Information sent to VPI
17/06/2014	Phase 2 Consultation Information sent to VPI
13/09/2014	Further Consultation documents issued to VPI
16/09/2014	Section 48 notice issued to VPI

2.2.3 Table 2 below presents a chronological overview of the principal consultations in relation to the application which were undertaken with VPI after submission of the application.

2.2.4 It is agreed that Table 2 presents a chronological overview of the principal consultations with VPI undertaken subsequent to the submission of the application including in relation to this SoCG.

Table 2: Post-submission consultation undertaken with VPI.

Date	Activity
10/03/15	Section 56 notice issued to the VPI
20/03/15	Email from SMart Wind to VPI requesting (i) meeting to discuss the Project and proposed VPI protective provisions and (ii) letter of comfort.
09/04/15	Representation from VPI to PINS
09/04/15	Email from VPI to SMart Wind confirming availability for meeting
20/04/15	Meeting between SMart Wind and VPI
20/04/15	Letter from VPI to SMart Wind confirming no objection to terms of DCO

Date	Activity
02/06/15	Email from VPI to PINS – response to Rule 6
15/06/15	Meeting between Smart Wind and VPI to discuss VPI response to Rule 6, draft VPI protective provisions and VPI request for SoCG.

3 ACCEPTED DATA/STATEMENTS – MATTERS AGREED

3.1 It is agreed that VPI and the Project have had sufficient discussion to agree the VPI pipeline crossing identified in paragraph 1.4.4 above, subject to sufficient protection measures being in place to protect the pipeline from harm from both the temporary construction works and the pipeline crossing.

3.2 It is agreed that Part 8 of Schedule L to the draft DCO contains draft protective provisions for the benefit of VPI in respect of the VPI pipeline. It is agreed that the draft protective provisions refer to the undertaker under the draft DCO. It is agreed that the term ‘the undertaker’ below has the same meaning as in the paragraph of the protective provisions referred to. It is agreed that the paragraph references below are references to the numbered paragraphs of Version 2 of the draft DCO submitted as Appendix A to the Applicant’s submission of 27 April 2015.

3.3 It is agreed that paragraph 83 requires the relevant undertaker to submit plans and sections of proposed works before commencing any part of the Project (or its operation) which would have an effect on the operation and maintenance of the VPI pipeline and access to it. It is agreed that VPI may require further particulars to be submitted within 28 days of receipt of those plans and sections,

3.4 It is agreed that paragraph 84 prevents the commencement of any part of the Project likely to have an effect in full or in part on the operation, maintenance, repair, replacement and abandonment of the VPI pipeline until the plans and sections of those works have been submitted under paragraph 83 and have been approved by VPI.

3.5 It is agreed that paragraph 85 provides that the approval by VPI required under paragraph 84 must not be unreasonably withheld or delayed but that VPI may give its approval subject to such reasonable requirements as are required for the continuing safety and operational viability of the VPI pipeline and the requirement for VPI to have uninterrupted and unimpeded access to the VPI pipeline at all times.

3.6 It is agreed that paragraph 86 requires that if, in carrying out any of the works referred to in paragraph 83, any damage is caused to any apparatus or property of VPI, or there is any interruption in any service provided, or in the supply of any goods, by VPI, the relevant undertaker must bear and pay the cost reasonably incurred by VPI in making good such damage or restoring the supply if incurred by reason or consequence of such damage or interruption. It is agreed that paragraph 86 also requires the relevant undertaker to make reasonable compensation to VPI for any other expenses, loss, damages, penalty or costs incurred by VPI in those circumstances (by reason or consequence of such damage or interruption).

3.7 It is agreed that paragraph 86(2) excludes the liability of the relevant undertaker with respect to any damage or interruption to the extent that it is attributable to VPI (or its officers, servants, contractors or agents). It is agreed that paragraph 86(3) requires VPI to give the relevant undertaker reasonable notice of any such claim or demand and makes provision as to settlement.

3.8 It is agreed that paragraph 87 requires any dispute between the undertaker and VPI in relation to the protective provisions to be determined by arbitration as provided for in the relevant article of the draft DCO.

3.9 It is agreed that the protective provisions referenced above provide adequate protection for VPI's interests and operations and are agreed.

4.0 Summary

4.1.1 To provide an overview of the matters discussed in this SoCG, the tables below provide a list of each point that is agreed and not agreed.

Table 4.1: Matters agreed

Matter	Paragraph reference	Statement
1	3.1	See Comments in above section 3.0
2	3.2.	See Comments in above section 3.0
3	3.3	See Comments in above section 3.0
4	3.4	See Comments in above section 3.0
5	3.5	See Comments in above section 3.0

TABLE 4.2: MATTERS NOT AGREED

Matter	Paragraph reference	Statement
1	3.6	See (1) section 4.3 below
2	3.7	See (2) section 4.3 below
3	3.8	See (3) section 4.3 below
4	3.9	See (4) section 4.3 below
5	3.10	See (5) section 4.3 below

Table 4.3: Matters under discussion

Matter	Paragraph reference	Statement
1	3.6	This section although provisionally accepted in relation to the Project-1 DCO, Vitol following internal discussion and from issues arising on the A160 on going works, further discussions on this clause is required around the Liability and Accountability of the respective owner/contractor. In addition there will be required of the Owner/Contractor to have in place a Construction Agreement per attached Schedule 4 providing the terms of works and responsibilities of each party during the construction phase.
2	3.7	This section although provisionally accepted in relation to Project-1 DCO, the compensation issue in respect of any damage and/or interruption to the plant output requires to be specifically identified and this would be in accordance with the terms set-out in the Construction Works Agreement.
3	3.8	The liability under any issues during construction is set-out within the Construction Works Agreement between Vitol and the Owner/Contractor.
4	3.9	Protective Provisions for VPI will be accepted following full resolution of the terms within Part 8 of the DCO and agreement in the above items under discussion.
5	3.10	Arbitration - Dispute resolution would be an acceptable position under article 41 of the DCO not as quoted article 42

GLOSSARY

Term	Definition
Development Consent Order (DCO)	A legal order granting development consent for one or more nationally significant infrastructure projects.
Subzone 1	The area within the Hornsea Zone where the Project One wind turbines will be sited.
Subzone 2	The area within the Hornsea Zone where the Project Two wind turbines will be sited.