

Hornsea Offshore Wind Farm

Project Two

Statement of Reasons - Comparison

Appendix I to the Response submitted for Deadline IV

Application Reference: EN010053

20 October 2015

smartwind.co.uk

**Hornsea Offshore Wind Farm
Project Two – Application for Development Consent**

Statement of Reasons

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1. Introduction

- 1.1 This Composite Updated Statement of Reasons (the 'Updated Statement') relates to an application (the 'Application') made by SMart Wind Limited ('SMart Wind') acting as agent on behalf of the applicants (i.e. the Project Companies explained at paragraph 3.5 below) to the Secretary of State under the Planning Act 2008 ('PA 2008') for the Hornsea Two Offshore Wind Farm Order (the 'Order'). This Updated Statement has been produced as a composite version of the Statement of Reasons submitted on 30 January 2015 and the Update to the Statement of Reasons submitted as Appendix B of the Applicant's submission of 10 September 2015.
- 1.2 This Updated Statement forms part of the suite of Application documents for the Order which seeks development consent for Project Two which is the second project within the Hornsea Round 3 Zone (the 'Hornsea Zone'). Project Two is a Nationally Significant Infrastructure Project ('NSIP') which would authorise the construction and operation of up to 360 wind turbines, up to two offshore accommodation platforms, up to six offshore HVAC collector substations, up to two offshore HVDC converter substations, up to two offshore HVAC reactive compensation substations, subsea inter-array electrical circuits, subsea power electrical circuits, subsea interconnector electrical circuits, a marine connection to shore, a foreshore connection and an onshore connection to an onshore substation with a connection to the National Grid's existing substation at North Killingholme. Project Two will have a total installed capacity of up to 1,800 megawatts ('MW').
- 1.3 This Updated Statement should be read in conjunction with the Application documents, all of which are listed in Schedule 1 of this Statement. There is also a Glossary to this Statement in Schedule 2 for ease of reference.
- 1.4 This Updated Statement has been prepared in accordance with the requirements of Regulation 5(2)(h) of the Infrastructure Planning (Applications: Prescribed Forms and Procedure) Regulations 2009 ('APFP Regulations') and the Communities and Local Government Guidance '*Planning Act 2008: Guidance related to procedures for compulsory acquisition*' ('Compulsory Acquisition Guidance').
- 1.5 This Updated Statement has been submitted as it will be necessary to acquire land and rights over land in order to develop Project Two and therefore powers of compulsory acquisition have been sought in the Order. The Order also makes provision for the temporary use of land to the exclusion of other users. This Updated Statement explains the reasons for the inclusion of compulsory acquisition and related powers in the Order and sets out why there is a clear and compelling case in the public interest for the Order to include such powers. These powers, if granted, will enable the acquisition of all remaining property interests and land to facilitate Project Two.

- 1.6 The land required for the purposes of Project Two is referred to as the ‘Order Land’ and is described in more detail in section Updated 0 of this Statement and shown outlined in red on the Land Plan.
- 1.7 The following documents have been submitted in order to meet the requirements of the APFP Regulations and the Compulsory Acquisition Guidance where powers of compulsory acquisition are included within the Development Consent Order (‘DCO’):
- 1.7.1 ~~This~~The Statement of Reasons (Document Reference: 6.1);
 - 1.7.2 A Funding Statement (Document Reference: 6.2) which explains how the construction of Project Two as well as the acquisition of land and interests is expected to be funded;
 - 1.7.3 Land Plans showing the land over which it is intended to use the compulsory acquisition powers (Document Reference: 4.1); and
 - 1.7.4 A Book of Reference (Document Reference: 6.3) which identifies those persons with an interest in the Order Land.
- 1.8 Please note that as at 20 October 2015 the most recent versions of the Application documents listed in paragraph 1.7 above are:
- 1.8.1 Statement of Reasons: This Updated Statement submitted as Appendix H of the Applicant’s response to Deadline IV;
 - 1.8.2 Funding Statement: the Funding Statement submitted on 30 January 2015 as updated by the Update to the Funding Statement submitted by the Applicant on 14 September 2015;
 - 1.8.3 Land Plans: Appendix A of the Applicant’s response to Deadline III; and
 - 1.8.4 The Book of Reference: Appendix E of the Applicant’s response to Deadline IV.

2. Structure and Content of the Statement of Reasons

- 2.1 This Updated Statement explains and justifies the inclusion of the powers contained within the Order. The structure of this Updated Statement is set out below and also addresses each of the requirements of the Compulsory Acquisition Guidance:
- 2.1.1 Background to the parties involved in the delivery of Project Two is contained in section 3;
 - 2.1.2 A brief description of the Order Land, its location, topographical features and present use is contained in section 4;
 - 2.1.3 An outline of the purpose in seeking to obtain the Order, to acquire or acquire rights over the Order Land and the specific purpose for which the land and such rights, which are to be compulsorily acquired, will be used is contained in section 5;
 - 2.1.4 An outline of the requirement for a DCO and the associated development which is part of Project Two is given in section 6;
 - 2.1.5 A statement of the justification for compulsory acquisition including reference to how regard has been given to the provisions of Articles 1 and 8 of the First Protocol to the European Convention on Human Rights is included in section 7;
 - 2.1.6 Any special considerations affecting the land to be compulsorily acquired, e.g. ancient monument, listed building, conservation area, special category land, consecrated land, renewal area, etc., are included in section 9;
 - 2.1.7 Details of prior consents needed before the Order scheme can be implemented, such as the need for an operational licence are included in section 10;
 - 2.1.8 A brief comment on the views expressed by Government departments on the proposed Order is included in section 11;
 - 2.1.9 Any other information which would be of interest to someone affected by the Order, such as addresses, telephone numbers, websites and email addresses where further information on these matters can be obtained, is included in section 12.

3. Background Information on Parties Involved

3.1 Summary

3.1.1 Details of the companies involved in Project Two, namely SMart Wind (the promoter of Project Two, as agent on behalf of the Project Companies) and the Project Companies (together the Applicant for the Order), and their shareholders and their ultimate parent companies, are set out below.

3.2 SMart Wind

~~3.2.1~~ SMart Wind ~~is was~~ a joint venture between International Mainstream Renewable Power (Offshore) Limited (~~'IMRPOL'~~) and Siemens Project Ventures GmbH (~~'SPV'~~). ~~IMRPOL is. It is now~~ a wholly owned subsidiary of ~~Mainstream Renewable~~ DONG Energy Power (UK) Limited (~~'MRP'~~) while ~~SPV is a wholly owned subsidiary of Siemens Financial Services GmbH ('SFS') which in turn is wholly owned by Siemens AG, ('Siemens') a company listed in Germany.~~

~~3.3~~ ~~Mainstream Renewable Power Limited~~

~~Since its inception in February 2008, MRP has grown to become a global company with 177 employees across eight countries and four continents. MRP's aim is to work together with partners and communities to deliver a successful business that accelerates global progress towards a sustainable future.~~

~~MRP is a leading developer of international large scale renewable energy projects with many years of experience in the renewable energy industry. MRP is established in eight countries and is Europe's leading offshore developer, with a portfolio of 5.65GW across Scotland, England and Germany. MRP is also developing over 6.6GW of onshore wind projects and 2.8GW of solar projects across Canada, Chile, South Africa and the US.~~

~~MRP has experience in taking projects through all the stages of development including securing land, wind analysis, environmental studies, consenting, procurement and financing.~~

~~MRP has secured development rights for the 450MW Neart na Gaoithe offshore wind farm in Scotland and is developing the 1.2GW Horizont Project in German waters.~~

~~3.4~~ ~~Siemens AG~~

~~Siemens is a global powerhouse in electronics and electrical engineering. For over 160 years, Siemens has stood for technological excellence, innovation, quality, reliability and internationality. The company is the world's largest provider of environmental technologies. More than one-third of its total revenue stems from green products and~~

~~solutions. At the end of September 2013, Siemens had around 362,000 employees worldwide on the basis of continuing operations.~~

~~SFS, jointly with its partners, invests in promising infrastructure projects worldwide, with investments in power plants, transportation infrastructure projects (including airports and railroad projects) and healthcare projects.~~

~~SFS focuses on projects in which Siemens plays a key technological role in construction, operation and maintenance – usually as a general contractor or supplier of core components. Support is provided to projects that promise an appropriate return in terms of the project's risk profile i.e., considering country and market risks and project specifics such as construction and operating risks.~~

3.5.3 The Project Companies

~~3.5.13.3.1~~ Two project companies were incorporated pursuant to the Zone Development Agreement to construct and operate the offshore wind farms comprising Project Two identified by SMart Wind and The Crown Estate for development within the Hornsea Zone. They are Optimus Wind Limited ('OW') and Breesea Limited ('BL'). OW and BL have each signed Agreements for Lease with The Crown Estate in relation to separate, but adjacent, seabed areas, which together comprise the wind farm array components of Project Two.

~~3.5.2~~—The powers of compulsory acquisition sought within the Order are to be conferred on OW and BL (together referred to as 'the undertaker'). The financial standing of OW and BL is explained in the Funding Statement (Document Reference 6.2).

~~3.3.2~~ The ownership of OW and BL is split equally between IMRPOL and SPV.

~~3.3.3~~ OW and BL are now wholly owned subsidiaries of DONG Energy Power (UK) Limited.

3.4 DONG Energy

~~3.4.1~~ DONG Energy Power (UK) Limited, a company incorporated in England and Wales (Company Registration No. 04984787) is a wholly owned subsidiary of DONG VIND A/S, a company incorporated in Denmark (Company Number 27256821). DONG VIND A/S is a wholly owned subsidiary of DONG VE A/S, a company incorporated in Denmark (Company Number 26510244). DONG VE A/S is a wholly owned subsidiary of DONG Energy Wind Power A/S, a company incorporated in Denmark (Company Number 31849292). DONG Energy Wind Power A/S is wholly owned by DONG Energy Wind Power Holding A/S, a company incorporated in Denmark (Company Number 18936674). DONG Energy Wind Power Holding A/S is wholly owned by DONG Energy A/S, a company incorporated in Denmark (Company Number 36213728). The above companies are hereinafter referred to collectively as 'DONG Energy'.

3.4.2 DONG Energy A/S is owned by the following shareholders. (Shareholders with less than 5% holdings may remain anonymous.)

- (i) the Danish State (58.8% shareholding);
- (ii) New Energy Investment S.a.r.l, funds managed by Goldman Sachs (17.9% shareholding); and
- (iii) SEAS-NVE (10.8%)
- (iv) Others (12.5%).

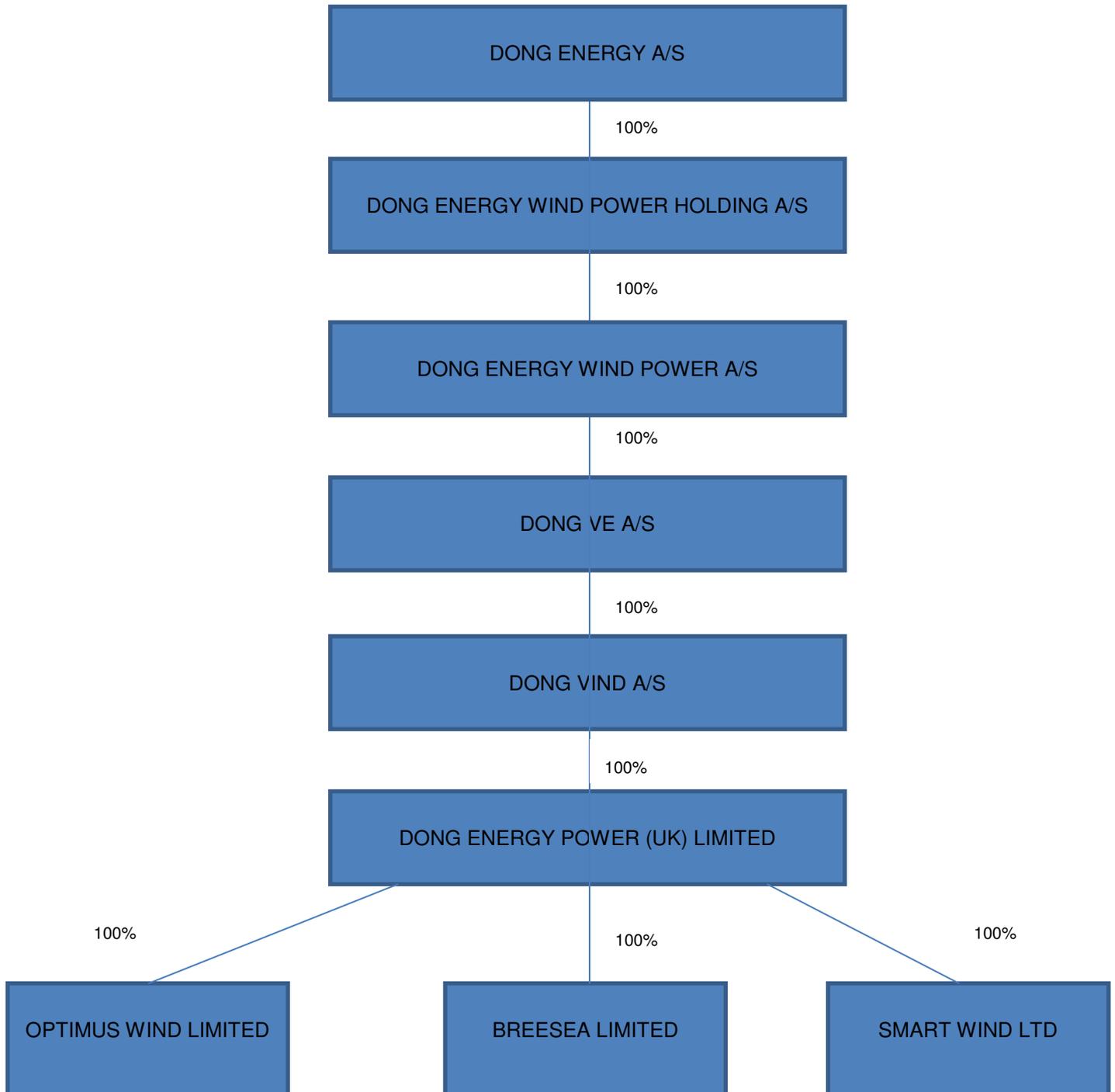
3.4.3 DONG Energy is one of the leading energy businesses in Northern Europe and has its headquarters in Denmark. Its average number of employees in 2014 was 6416 and in that year it generated DKK 67 billion (£7 billion) in revenue. DONG Energy's well established business is based on procuring, producing, distributing and trading in energy and related products in Northern Europe. DONG Energy aims to supply clean and reliable energy. It develops, builds and operates offshore wind farms across Northern Europe and has set a target of quadrupling its installed offshore wind capacity to 6.5GW by 2020.

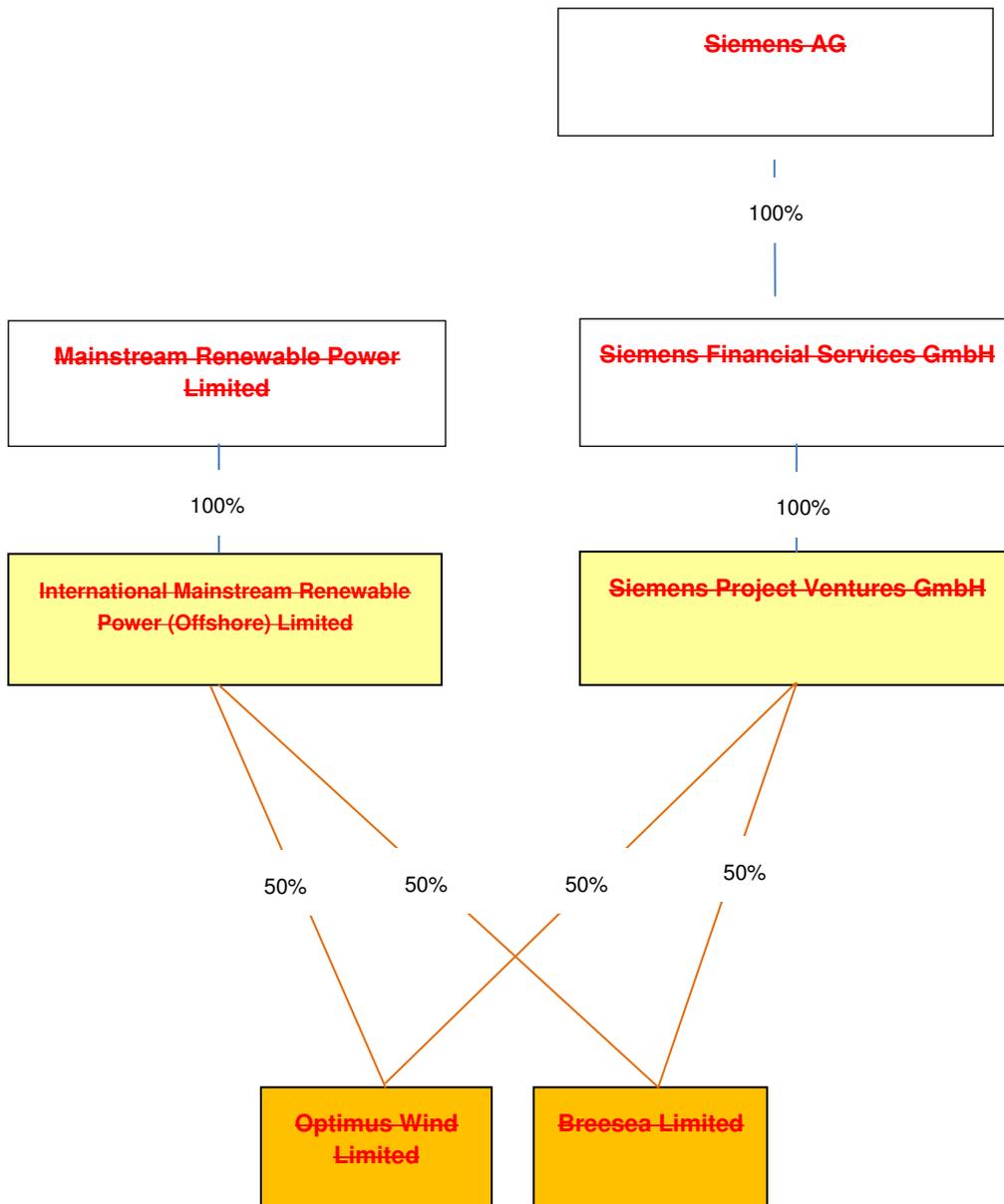
3.4.4 DONG Energy has over 20 years' experience in offshore wind farm development, and the company has built more offshore wind farms than any other company in the world to date. It currently operates seven offshore wind farms in the UK and has a strong pipeline of projects under construction and development. Across Europe, in the first quarter of 2013 DONG Energy's Wind Power division generated 1.5 TeraWatt hours of electricity. It has 2.5GW of offshore wind power in operation and almost 1.4GW under construction.

3.4.5 The consolidated accounts for DONG Energy A/S for the year ending 31st December 2014 set out total Non Current assets of DKK 91 Billion (£9.6 billion) based on the exchange rate in force at 31st December 2014.

3.63.5 Ownership Structure

3.5.1 Set out below is a diagram showing the interrelationship of the parties:-





4. Description of the Land Subject to Compulsory Acquisition

- 4.1 Project Two is located in the centre of the Hornsea Zone and is approximately 89 km from the East Riding of Yorkshire coast. The offshore cable route extends from the proposed landfall at Horseshoe Point in Lincolnshire in a north-easterly direction to the southern boundary of the wind farm arrays. A more detailed description of the offshore works can be found in Volume 1: Chapter 3, Project Description of the Environmental Statement (Document Reference 7.1.3).
- 4.2 Project Two is situated offshore and onshore, but only the land noted in Part 1 of the Book of Reference and shown on the Land Plans may require any compulsory acquisition powers to be realised. The land that is to be subject to the powers of compulsory acquisition is shown on the Land Plans (the most recent version of which at 20 October 2015 is Appendix A of the Applicant's response to Deadline III), with the uses shown on the Works Plans (the most recent version of the Onshore and Intertidal Works Plans at 20 October 2015 are Appendices C and D of the Applicant's response to Deadline III).
- 4.3 The onshore infrastructure associated with Project Two will have four main components:
- 4.3.1 Cable landfall point, which is the junction between the offshore and onshore cable, and the transition pit;
 - 4.3.2 Onshore High Voltage Direct Current (HVDC) and/or High Voltage Alternating Current (HVAC) cable route which consists of underground HVDC and/or HVAC cables from the landfall to the onshore substation;
 - 4.3.3 Onshore substation which could comprise up to two electrical transmission stations on the substation site utilising HVDC and/or HVAC technology; and
 - 4.3.4 Cables connecting the onshore substation to the existing National Grid substation.

Location

- 4.4 From the proposed landfall at Horseshoe Point, onshore cables will connect the offshore wind farm to the existing National Grid substation at North Killingholme in North Lincolnshire. The cable route runs for approximately 40 kilometres. To connect the HVDC and/or HVAC cables to the National Grid, an onshore substation will be constructed near to the existing North Killingholme substation.
- 4.5 The onshore elements of Project Two are located from Horseshoe Point which is situated on the east coast of Lincolnshire. They then run in a north westerly direction up to North Killingholme which is located 13 kilometres from the town of Grimsby. The landfall site and the onshore cable route lie within the districts of East Lindsey, West Lindsey, North East Lincolnshire and North

Lincolnshire and the proposed onshore HVDC converter substation(s) and/or HVAC substation site is located in North Lincolnshire.

Topography

- 4.6 The onshore elements of Project Two are located within the predominantly open, agricultural landscape of the flat coastal plain, with sparse woodland and hedgerow cover. The land gradually rises towards the foot of the Lincolnshire Wolds to the south and west and is crossed by irregular ditches, streams and dykes. The Louth Canal is the largest man-made watercourse crossing the area.
- 4.7 The area has a dispersed pattern of small settlements with larger settlements towards the coast. The proposed development is located away from these settlements wherever possible and therefore away from the key areas of tourist accommodation and the more formal recreational and tourist resources.

Existing Land Uses

- 4.8 The land uses are predominantly agricultural, together with land used for a variety of recreational purposes including walking, cycling, horse riding, golf, recreational aviation, wildfowling at the coast and shoots taking place on agricultural land.

Public Rights of Way

- 4.9 There are a number of public rights of way that are crossed by the cable route which are set out in further detail in the Onshore Crossing Schedule (Document Reference 7.4.3.4).

Statutory Undertaker and Other Infrastructure Land

- 4.10 There are areas of land owned (both as freehold and leasehold titles) by statutory undertakers which are crossed by the cable route. There are also areas of land within which statutory undertakers have interests which are crossed by the cable route. All such crossings, which the undertaker has identified through property and utility searches and consultation, are set out in further detail in the Onshore Crossing Schedule [\(please note the most recent version of the Onshore Crossing Schedule as at 20 October 2015 is Appendix M of the Applicant's submission of 27 April 2015\)](#).
- 4.11 The Onshore Crossing Schedule also shows apparatus and infrastructure, identified through property and utility searches and consultation by the undertaker, as being owned by non-statutory undertakers, which are crossed by the cable route.

5. Purpose of Application and for Compulsory Acquisition

5.1 Purpose of the Application

- 5.1.1 The purpose of the Application is to authorise the construction and operation of an Offshore Wind Farm within the Hornsea Zone being a NSIP that comprises the construction and operation of up to 360 wind turbines, up to two offshore accommodation platforms, up to six offshore HVAC collector substations, up to two offshore HVDC converter substations, up to two offshore HVAC reactive compensation substations, subsea inter-array electrical circuits, subsea power electrical circuits, subsea interconnector electrical circuits, a marine connection to shore, a foreshore connection and an onshore connection to an onshore substation, connection into the existing National Grid substation at North Killingholme and associated infrastructure and works, with a total installed capacity of up to 1,800 MW.
- 5.1.2 The Order also contains powers to acquire land and rights compulsorily and grants Marine Licences, which are deemed to have been granted under Chapter 1 of Part 4 of the Marine and Coastal Access Act 2009, by virtue of section 149A of the Planning Act 2008. The Explanatory Memorandum (Document Reference 3.2) which is submitted as part of the Application sets out in detail the reasons for each part of the Order.

5.2 Purpose of Seeking Compulsory Acquisition

- 5.2.1 The Order necessarily contains powers to enable the acquisition of the land and the rights that are required to construct and operate Project Two. Where these cannot be acquired by agreement with the requisite authorities or landowners and occupiers, the Order enables these to be acquired compulsorily. It should be noted that irrespective of whether agreement is reached with landowners and occupiers, compulsory acquisition powers will be applied for in respect of their interests. However, the compulsory acquisition powers will not be exercised to the extent that acquisition of the land and the rights required for Project Two is achieved by private treaty unless the landowner and/or occupier fails to adhere to the terms of any agreement reached or where the undertaker is seeking to acquire, override or extinguish a right or interest in the land which is vested in a person other than the landowner and/or occupier in question. This is stated in the agreements entered into with landowners and occupiers as explained in paragraph 7.5 below. Optimus Wind Limited has successfully concluded commercial negotiations and exchanged Deeds of Consent and Options for Lease with 4882% of landowners and 30 tenants at the date of this application, covering 97% of

occupiers equating to approximately 36 km of the proposed onshore underground cable route and the has also exchanged an Option for the freehold acquisition of land required for the converter station/substation site.

5.2.2 These powers of compulsory acquisition are necessary for inclusion in the Order as they will enable the delivery of the onshore elements of Project Two which are described in the Order. The principal compulsory acquisition powers are set out in Articles 18 and 19 of the Order.

5.2.3 The purposes for which the Order Land subject to compulsory acquisition will be put are set out below. The descriptions reflect those works descriptions in Schedule A of the Order and reference is made to plot numbers detailed on the Land Plan and described in the Book of Reference.

5.2.4 Acquisition of Land

This is all the land shown coloured orange and numbered 500 and ~~508~~506 on the Land Plans which is to be acquired within the limits of deviation as shown on the Works Plans and described in Schedule A Part 1 of the DCO. The acquisition of this land is required for the construction of the HVDC converter substation(s) and/or HVAC substation(s), together with associated landscaping and the permanent diversion of a footpath.

5.2.5 Acquisition of Rights Set Out in Schedule E to the DCO

This is all the land shown coloured blue on the Land Plans over which newly created, specific rights will be acquired for the purposes set out in the table below.

<i>(1)</i> <i>Number of land shown on Land Plans</i>	<i>(2)</i> <i>Purpose for which rights may be acquired</i>
1, 2, 3, 4, 19, 20, 21, 22, 23, 24, 26, 27, 28	To install, retain, maintain and operate apparatus (and to impose requirements for its protection) within an up to 320 metre corridor within the Order Land and to obtain access for such purposes
5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 25, 29, 30, 31, 32	To ground and lay anchor for vessels within the Order Land
509, 510	To install, retain, maintain and operate apparatus (and to impose

	requirements for its protection) within the Order Land and to obtain access for such purposes
33 511	To install, maintain and use an access track and to obtain access for such purposes
35	To install, retain, maintain and operate transition jointing bays for the connection of offshore cable circuits to onshore cable circuits and apparatus (and to impose requirements for their protection) within an up to 150 metre corridor within the Order Land and to obtain access for such purposes
37, 38, 39, 67, 68, 69, 79, 80, 81, 83, 84, 85, 86, 87, 88, 92, 96, 97, 98, 99, 107, 113, 119, 123, 131, 132, 134, 135, 139, 140, 141, 147, 148, 149, 150, 151, 152, 153, 155, 161, 168, 169, 173, 175, 180, 183, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 211, 215, 216, 217, 218, 219, 220, 221, 222, 223, 228, 232, 234, 248, 249, 250, 251, 252, 255, 256, 261, 262, 268, 275, 281, 282, 285, 289, 291, 293, 294, 295, 296, 297, 298, 299, 300, 307, 308, 309, 310, 311, 312, 313, 314, 317, 325, 327, 332, 333, 334, 338, 339, 342, 347, 352, 360, 361, 364, 365, 394, 403, 404, 411, 420, 421, 424, 426, 429, 430, 431, 432, 433, 434, 438, 439, 440, 445, 448, 449, 450, 451, 452, 453, 454, 459, 460, 461, 465, 466, 468, 471, 472, 476, 482, 486, 487, 488, 489, 490, 491, 492, 497, 499, 503	To install, retain, maintain and operate apparatus (and to impose requirements for its protection) within an up to 30 metre corridor within the Order Land and to obtain access for such purposes
45, 46, 47, 48, 49	To install, maintain and use an

	access track and to obtain access for the purposes only of maintaining and operating the authorised project
273	To install, retain, maintain and operate apparatus (and to impose requirements for its protection) within an up to 30 metre corridor within the Order Land and to obtain access for such purposes but not extending to breaking open the surface of the Order Land
388 437	To install, retain, maintain and operate apparatus (and to impose requirements for its protection) within an up to 30 metre corridor within the Order Land
507 519	To install, retain, maintain and operate apparatus (and to impose requirements for its protection) within the Order Land and to install, maintain and use an access track and to obtain access for such purposes
512 521	To install, retain, maintain and operate services (and to impose requirements for their protection) within the Order Land and to install, maintain and use an access track and to obtain access for such purposes

5.2.6 Land of which temporary possession may be taken as set out in Schedule G to the DCO

This is all the land of which the undertaker requires to take temporary possession for the purposes set out in Part 1 of the table below (and shown coloured pink on the Land Plans). This also includes in Part 1(b) the land over which temporary possession may be taken for the purpose of compensating Hornsea Project One in the event that some of the 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 of Hornsea Project Two.

This land is also shown for easy identification purposes coloured green on the compensation compounds plan. In addition this includes that land which the undertaker requires for temporary use of such access routes set out in Part 2 in common with other persons enjoying rights over that land (and shown coloured purple on the Land Plans).

PART 1(a)

<i>(1)</i> <i>Area</i>	<i>(2)</i> <i>Number of land shown on land plans</i>	<i>(3)</i> <i>Purpose for which temporary possession may be taken</i>	<i>(4)</i> <i>Relevant part of the Authorised project</i>
In the County of Lincolnshire, East Lindsey District	36	Worksite and access for the construction and carrying out of the authorised project	Works No. 5a, 5b, 6a, 6b, 7a and 7b
In the County of Lincolnshire, East Lindsey District	40, 41, 43, 44, 70, 71, 77, 93, 94, 100, 101, 102, 103, 104, 105, 106, 108, 109, 118, 124, 125, 126, 130, 137, 138, 154, 157, 158, 179, 184, 185	Worksite and access for the construction and carrying out of the authorised project	Works No. 7a and 7b
In the County of Lincolnshire, East Lindsey District	34, 50, 53, 54, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 73, 74, 76, 78, 89, 90, 91, 110, 111, 112, 114, 115, 116, 117, 120, 121, 122, 127, 128, 129, 142, 143, 156, 159, 160, 162,	Laying and use of temporary vehicular access track	Works No. 7a and 7b

	164, 165, 166, 167, 170, 171, 177, 178, 181, 182		
In the County of Lincolnshire, East Lindsey District	172, 174, 176	Laying of temporary public footpaths and bridleways	Works No. 7a and 7b
In the County of North East Lincolnshire	213, 214, 224, 226, 229, 230, 245, 246, 247, 257, 258, 259, 277, 278, 280, 283, 284, 287, 288, 301, 302, 318, 319, 322, 324, 330, 331, 335, 336, 345, 346, 350, 351, <u>353</u> , 356, 359, 362, 363, 372, 374, 382, 383, 392, 393, 395, 397, 401, 402, 405, 406, 407, 408, 412, 414, 419	Worksite and access for the construction and carrying out of the authorised project	Works No. 7a and 7b
In the County of North East Lincolnshire	209, 210, 212, 227, 231, 239, 241, 242, 264, 265, 266, 267, 269, 270, 271, 272, 274, 315, 316, 320, 337, 340, 341, 343, 355, 368, 370, 371, 375, 376, 377, 379, 381, 416, 418	Laying and use of temporary vehicular access track	Works No. 7a and 7b
In the County of North East Lincolnshire	244, 290, 292, 326, 329	Laying of temporary public footpaths and bridleways	Works No. 7a and 7b
In the County of	422, 423, 425,	Worksite and	Works No. 7a

North Lincolnshire	427, 435, 436, 441, 442, 443, 444, 446, 455, 456, 458, 462, 463, 467, 469, 470, 473, 474, 477, 478, 479, 483, 484, 493, 496, 498	access for the construction and carrying out of the authorised project	and 7b
In the County of North Lincolnshire	513, 514, 515, 520, 522	Laying and use of temporary vehicular access track	Works No. 8a, 8b, 9a, 9b and 10
In the County of North Lincolnshire	502, 504, 505	Worksite and access for the construction and carrying out of the authorised project	Work No. 7a, 7b, 8a, 8b, 9a and 9b
In the County of North Lincolnshire	508, <u>517</u> , 518	Worksite and access for the construction and carrying out of the authorised project	Works No. 8a, 8b, 9a and 9b

PART 1(b)

<i>(1)</i> Area	<i>(2)</i> Number of land shown on land plans	<i>(3)</i> Purpose for which temporary possession may be taken
In the County of Lincolnshire, East Lindsey District	72, 95, 136, 186	Compensation Compound in respect of worksite and access
In the County of Lincolnshire, East Lindsey District	73, 185	Compensation Access in respect of vehicular access

		track to and from a Compensation Compound
In the County of North East Lincolnshire	225, 233, 235, 243, 260, 276, 279, 286, 321, 328, 344, 348, 349, 353 , 354, 373, 396, 398, 409, 410, 413	Compensation Compound in respect of worksite and access
In the County of North East Lincolnshire	239, 241, 242, 263, 293, 294, 296, 297, 355, 399, 400	Compensation Access in respect of vehicular access track to and from a Compensation Compound
In the County of North Lincolnshire	428, 447, 457, 464, 475, 485, 494, 495, 501	Compensation Compound in respect of worksite and access

PART 2(a)

<i>(1)</i> Area	<i>(2)</i> Number of land shown on land plans
In the County of Lincolnshire, East Lindsey District	42, 51, 52, 55, 75, 82, 133, 144, 145, 146, 163,
In the County of North East Lincolnshire	236, 237, 238, 240, 253, 254, 303, 304, 305, 306, 323, 357, 358, 366, 367, 369, 378, 380, 384, 385, 386, 387, 389, 390, 391, 415, 417,
In the County of North Lincolnshire	480, 481, 516, 517 <u>516</u>

PART 2(b)

<i>(1)</i> Area	<i>(2)</i> Number of land shown on land plans
In the County of North East	240

<i>(1)</i> <i>Area</i>	<i>(2)</i> <i>Number of land shown on land plans</i>
Lincolnshire	

5.3 **Additional Powers within the Order**

Although Regulation 5(2)(h) of the APFP Regulations does not on the face of it extend beyond the outright acquisition of land or interests in or rights over land, other compulsory powers are sought in the Order which similarly relate to land and will or may interfere with property rights and interests. Such additional powers are as follows:

5.3.1 **Article 9 Street Works**

This Article enables street works, such as the breaking up of the street, or any sewer or drain or tunnel under it, or for apparatus to be placed or maintained in the street, for the purposes of the authorised project, including laying or inspecting and maintaining the cables or other apparatus. The streets that will be affected are specified in Schedule B to the Order.

5.3.2 **Article 11 Temporary Stopping up of Streets**

This Article enables the temporary stopping up, diversion or alteration of streets to enable the construction works for the authorised project, including the laying of the cables or other apparatus and the use of the streets as a temporary construction worksite. The streets that will be affected are specified in Schedule C to the Order. The power within this Article may interfere with individual rights as well as those of the general public.

5.3.3 **Article 12 Access to works**

This Article confers powers on the undertaker to provide or improve accesses in locations specified in Schedule D or at other locations within the Order Land and with the approval of the relevant local planning authority after consultation with the relevant highway authority, provide and improve means of access at such locations within the Order Land as the undertaker reasonably requires for the purposes of the authorised project. The exercise of these powers may interfere with the individual rights of owners or occupiers.

5.3.4 **Article 14 Highway Improvements**

This Article confers powers on the undertaker to carry out highway improvements in accordance with plans approved by the relevant highway authority. The purpose of this power is to enable the

undertaker to carry out highway improvements to a specified part of Tetney Lock Road.

5.3.5 Article 15 Discharge of Water

This Article enables the discharge of water into watercourses or sewers or drains, with the consent of the appropriate person, and further allows the laying or removal or alteration of pipes to do so. The purpose of this power is to enable the proper drainage of the land comprised within the authorised project.

5.3.6 Article 16 Protective Work to Buildings

This Article enables protective works to buildings to be carried out where necessary or expedient before, during and after construction of the authorised project. In addition, the article makes provision for surveys to be carried out, for notice to be given and for the payment of compensation. The exercise of this power may interfere with individual rights of owners or occupiers.

5.3.7 Article 17 Authority to Survey and Investigate the Land

This Article enables the survey and investigation of any land within the Order Land which may be affected by the authorised project following notice to the owner or occupier of the affected area. It additionally permits the undertaker to carry out non-intrusive environmental surveys in land specified on the land plans. The exercise of this power may interfere with individual rights of owners or occupiers.

5.3.8 Article 21 Private Rights

This Article makes provision for private rights over land subject to compulsory outright acquisition and over land subject to the compulsory acquisition of rights to not have effect to the extent that continuing the existing rights would be inconsistent with the exercise of the powers under Articles 18 and 19. Article 21(3) provides, as regards land of which the undertaker may take temporary possession under Article 26, that for as long as it remains in possession all private rights over the land will be suspended and unenforceable. The exercise of these powers would interfere with property rights.

5.3.9 Article 25 Rights Under or Over Streets

This Article enables the appropriation of the subsoil or airspace under or over a street within the Order limits and so may interfere with individual rights.

5.3.10 Article 26 Temporary Use of Land for Carrying Out the Authorised Project

Article 26 enables the undertaker to take temporary possession of the land specified in Schedule G and any other land over which

compulsory powers may be exercised provided neither a declaration to vest the land has been made nor notice of entry has been served. This power may be exercised more than once in relation to the same land and may be exercised by both undertakers at the same time or at different times. These powers may be needed for the purposes of mitigation of environmental impacts or for construction compounds. "Possession" means that the undertaker can occupy and control the land to the exclusion of occupiers and owners and is accordingly an interference with their individual rights. Various activities may be carried out on the land including the construction of temporary works. Before surrendering possession of the land, the undertaker would need to remove all temporary works and restore the land to its original condition or to the owners' reasonable satisfaction, although the undertaker is not required to replace a building removed under this article or restore the land on which works specified in column (3) of Part 1 of Schedule G, or any other mitigation works or operations have been carried out.

5.3.11 Article 27 Temporary Use of Land for Maintaining Authorised Project

Article 27 enables the undertaker to take temporary possession of land over which powers of temporary possession have been taken to maintain the works. Once possession has been taken, the undertaker may construct temporary works on the land. This power, which is exercisable in the five year period after the wind farm is first energised, is an interference with the property rights of owners and occupiers.

5.3.12 Article 28 Statutory Undertakers

This Article enables the compulsory acquisition of land and rights owned by statutory undertakers and to extinguish their rights or remove or reposition their apparatus. Schedule L of the Order sets out the protective provisions for the statutory undertakers.

5.3.13 Article 30 Felling or Lopping of Trees and Removal of Hedgerows

Article 30 enables the undertaker to fell or lop trees or shrubs within, or overhanging, the Order limits. It also enables the undertaker to remove hedgerows within Order limits.

5.3.14 Article 31 Trees Subject to Tree Preservation Orders

This Article enables the undertaker to lop trees which lie within the Order limits and in respect of which Tree Preservation Orders have been made after a specified date, if they interfere with the construction or maintenance of the authorised project or become a danger to persons. The exercise of this power may interfere with individual rights.

1. Requirement for a DCO

1.1 Section 31 of the PA 2008 states that development consent is required for development which is or forms part of a NSIP. In accordance with Section 15(3) of the PA 2008, the proposed Project Two development in the Hornsea Zone is a NSIP by reason of it being an offshore energy generating station with a generating capacity of more than 100 MW.

1.2 Section 37 of the PA 2008 sets out that an application for an order granting development consent must be made to the Secretary of State.

1.3 Associated Development

1.3.1 Section 115 of the PA 2008 provides that development consent may be granted for associated development. Associated development is defined as development which is:

- (i) Associated with the development;
- (ii) Is not the construction of one or more dwellings; and
- (iii) Is wholly in England, waters adjacent to England or a Renewable Energy Zone (except for any part of such a zone in respect of which the Scottish Ministers have functions).

1.3.2 In addition to the requirements of Section 115, the Secretary of State will also have regard to the Department for Communities and Local Government 'Guidance on associated development applications for major infrastructure projects' (Associated Development Guidance) when deciding whether development is associated development.

1.3.3 The Associated Development Guidance states that:

"It is for the Secretary of State to decide on a case by case basis whether or not development should be treated as associated development. In making this decision the Secretary of State will take into account the following core principles:

(i) The definition of associated development, as set out in paragraph 3 above, requires a direct relationship between associated development and the principal development. Associated development should therefore either support the construction or operation of the principal development, or help address its impacts.

(ii) Associated development should not be an aim in itself but should be subordinate to the principal development.

(iii) Development should not be treated as associated development if it is only necessary as a source of additional revenue for the applicant, in order to cross-subsidise the cost of the principal development. This does not mean that the applicant cannot cross-subsidise, but if part of a proposal is only necessary as a means of

cross-subsidising the principal development then that part should not be treated as associated development.

(iv) Associated development should be proportionate to the nature and scale of the principal development. However, this core principle should not be read as excluding associated infrastructure development (such as a network connection) that is on a larger scale than is necessary to serve the principal development if that associated infrastructure provides capacity that is likely to be required for another proposed major infrastructure project. When deciding whether it is appropriate for infrastructure which is on a larger scale than is necessary to serve a project to be treated as associated development, each application will have to be assessed on its own merits. For example, the Secretary of State will have regard to all relevant matters including whether a future application is proposed to be made by the same or related developer as the current application, the degree of physical proximity of the proposed application to the current application, and the time period in which a future application is proposed to be submitted.”

1.3.4 The Associated Development Guidance goes on to provide examples of associated development specific to individual categories of NSIP and in relation to offshore renewable energy installations, states that the onshore works such as the substations, underground lines and jointing pits constitute associated development.

1.3.5 The associated development for which the Order for Project Two seeks authorisation is as follows:

- (i) Up to six offshore HVAC collector substations and, in the event that the mode of transmission is HVDC, up to two offshore HVDC converter substations with a network of electrical circuits connecting these structures;
- (ii) In the event that the mode of transmission is HVAC, up to two offshore reactive compensation substations fixed to the seabed;
- (iii) A marine connection to the shore, including cable and pipeline crossing works, consisting of up to eight subsea electrical circuits proceeding from the offshore HVAC collector substations and travelling via the offshore reactive compensation substation(s) in the event that the mode of transmission is HVAC, up to two subsea electrical circuits proceeding from the offshore HVDC converter substation(s) in the event that the mode of transmission is HVDC, or a combination of the two, and in either case terminating at the foreshore connection;
- (iv) A foreshore connection consisting of an extension of the electrical circuits comprised in the marine connection to shore,

and including cable crossing works, crossing under the existing sea wall using a trenchless technique and terminating at the electrical circuit transition joint bays;

- (v) Up to eight underground electrical circuit transition joint bays in the vicinity of Horseshoe Point in the parish of North Coates in the county of Lincolnshire, housing the connection between the offshore and the onshore electrical circuits;
- (vi) A connection consisting of up to eight underground transmission electrical circuits if the mode of transmission is HVAC, up to two electrical circuits if the mode of transmission is HVDC, or a combination of the two, from the transition joint bays to the electrical transmission station(s);
- (vii) An onshore substation comprising up to two electrical transmission stations including up to two buildings abutting an open yard (which may be partitioned with concrete or steel walls or fences containing switchgear, electrical reactors and other electrical equipment) and if some or all of the electrical circuits are HVDC the electrical transmission station(s) will include facilities to convert the current to HVAC;
- (viii) A connection between the electrical transmission station and the National Grid;
- (ix) Improvements to the verge, highway and private access road running north from Chase Hill Road between the junction with Haven Road in the east and Eastfield Road in the west.

1.3.6 In addition, authorisation for further associated development is sought as follows:

- (i) Scour protection around the foundations of the offshore structures;
- (ii) Dredging;
- (iii) Cable protection measures such as rock placement and the placement of concrete mattresses and frond mattresses;
- (iv) The disposal of seabed sediments produced during construction drilling and seabed preparation for the installation of the foundations of the offshore structures, and/or during seabed preparation for cable laying;
- (v) Works to alter the position of apparatus, including mains, sewers, drains and cables;
- (vi) Works to alter the course of, or otherwise interfere with, non navigable rivers, streams or watercourses;

- (vii) Landscaping and other works to mitigate any adverse effects of the construction, maintenance or operation of the authorised project;
- (viii) Works for the benefit or protection of land affected by the authorised project;
- (ix) Working sites in connection with the construction of the authorised project;
- (x) Compensation compounds;
- (xi) Works to secure means of access;
- (xii) Works to construct surface water drainage systems;
- (xiii) Private roads and hardstanding for parking in connection with the onshore substation;
- (xiv) Works to construct link and/or earthing boxes associated with the electrical circuit transition joint bays;
- (xv) Works to construct jointing pits (including link boxes and/or earthing boxes) associated with the underground transmission electrical circuits;
- (xvi) A temporary haul road and temporary access track, both alongside and used for the purpose of constructing the underground transmission electrical circuits;
- (xvii) Works to enable utility services to be run from Chase Hill Road to the electrical transmission station; and
- (xviii) Such other works and apparatus, plant and machinery of whatever nature as may be necessary or expedient for the purposes of, or in connection with, the construction of the authorised project

1.4 Full details of Project Two can be found in Volume 1, Chapter 3, Project Description, of the Environmental Statement (Document Reference 7.1.3) accompanying the Application.

Compensation Compounds

1.5 The development has been designed so that the onshore cable corridor sits parallel, and wherever feasible, adjacent to the cable corridor for 'Hornsea Project One' authorised by the Hornsea One Offshore Wind Farm Order 2014. By designing the project in this way, the impacts are reduced as a number of the temporary construction compounds and access areas can be used for both projects and the land take required will be reduced compared to the situation where the corridors are not parallel or adjacent to one another. However, this design means that, in the event of a simultaneous or overlapping construction programme with Hornsea Project One or in the event

that Hornsea Project Two construction has completed prior to the commencement of the Hornsea 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 Hornsea Project Two. In order to reduce the impacts to Hornsea Project One in these circumstances, the Order contains some temporary construction working sites (referred to in the Order as “compensation compounds”) and means of access to those compensation compounds which are intended for temporary use by the Hornsea Project One undertaker to compensate Hornsea Project One and reduce the impacts of Hornsea Project Two on Hornsea Project One. In the event that compensation compounds are required, the relevant powers under the Order will be transferred to the Hornsea Project One undertaker to enable the Hornsea Project One undertaker to use the temporary construction working sites and means of access.

- 1.6 It is submitted that these compensation compounds will constitute associated development as they comply with the core principles set out in the Associated Development Guidance and noted above at paragraph 6.3.3. Firstly, there is a direct relationship between the compensation compounds and Hornsea Project Two as the compensation compounds help address the impacts of Hornsea Project Two on Hornsea Project One. The temporary compensation compounds are not an aim in themselves but are required as a result of Hornsea Project Two in certain circumstances. Construction compounds are already permitted under the Hornsea One Offshore Wind Farm Order but in the circumstances described above cannot be located or used as anticipated in that Order whilst also giving effect to the powers authorised under this Order. The compensation compounds are not required as a source of additional revenue for the undertaker in order to cross-subsidise the cost of Hornsea Project Two. And finally, the compensation compounds are proportionate to the nature and scale of Hornsea Project Two given that they are necessary to ensure delivery of another proposed major infrastructure project, namely Hornsea Project One. The final core principle has been complied with when considered in light of the note accompanying this core principle which states that it “*should not be read as excluding associated infrastructure development (such as a network connection) that is on a larger scale than is necessary to serve the principal development if that associated infrastructure provides capacity that is likely to be required for another proposed major infrastructure project*”.
- 1.7 There is precedent in the Network Rail (Ipswich Chord) Order 2012 for accommodating the apparatus of a statutory undertaker under the DCO of another undertaker. In that order the associated development included the diversion of a surface water sewer belonging to Anglian Water thus supporting

the position that an Order can include works for the benefit of another statutory undertaker. In addition, the East Anglia One Offshore Wind Farm Order 2014 makes provision for additional cable ducts to be laid during the construction of East Anglia ONE to reduce the onshore impacts of future projects within the East Anglia Zone (i.e. East Anglia THREE and East Anglia FOUR) despite the ducts not being necessary for the East Anglia ONE Project itself. The undertaker is therefore of the view that there is precedent to support the compensation compounds constituting associated development.

- 1.8 It should be noted that the compensation compounds will not be used unless Project Two construction completes prior to the commencement of Hornsea Project One construction or the projects have a simultaneous or overlapping construction programme and in such circumstances, the compensation compounds will only be used where Hornsea Project Two requires to use the Order land shown hatched green on the Compensation Compounds Plan (i.e. the land forming part of the Order limits under the Order and overlapping with land to be used as temporary construction compounds under the Hornsea Project One Order) thus preventing or restricting the use of such temporary construction compounds by the Hornsea Project One undertaker. In such circumstances, Hornsea Project Two will acquire land and rights necessary in relation to the compensation compounds.
- 1.9 The compensation compounds will therefore only be used in the event that Project Two negatively impacts on Hornsea Project One and the use of the compensation compounds by the Hornsea Project One undertaker is necessary in order to mitigate those impacts.
- 1.10 Provision is also made for compensation compound accesses shown coloured pink on the Compensation Compounds Plan for use by the Hornsea Project One undertaker in the event that the Hornsea Project One undertaker is required to use the associated compensation compound. This is because without the compensation access, the Hornsea Project One undertaker would not be able to access the associated compensation compound.
- 1.11 The table below sets out each compensation compound and its purpose (i.e. the circumstances in which it will require to be used). All of the compensation compounds and the corresponding affected construction compounds are shown on the Compensation Compounds Plan (Document Reference 7.4.5.6) coloured green and hatched green respectively. The area of each compound has been set out in the table below although it should be noted that the whole compensation compound may not be required where only part of the affected construction compound is affected.
- 1.12 The undertaker has, prior to the date of application, successfully reached private agreement with all of the affected landowners and occupiers in relation to the use of their land on a temporary basis as compensation compounds. The areas will be used in accordance with the existing Deed of Consent and Option for Lease agreements described at paragraph 7.5.2 below.

Compensation Compound	Area (sqm)	Purpose	Affected Construction Compound	Area (sqm)
No associated compensation compound			2-X1 (Construction Compound Section) Plot numbers 30 and 31 on the Hornsea Project One Land Plan	4,380.19
2-C6 Plot number 72 on the Hornsea Project Two Land Plan	4,271.52	To compensate Hornsea Project One where the construction of Hornsea Project Two overlaps with, or is carried out prior to, the construction of Hornsea Project One at compound 2-X2	2-X2 (Trenchless Crossing Compound) Compound required by both Hornsea Project One and Hornsea Project Two for Old Fleet Drain and field drain crossing Plot number 62 on the Hornsea Project One Land Plan	2,498.39
2-A1d (Compensation compound access) Plot number 73 on the Hornsea Project Two Land Plan		Access required by Hornsea Project One in the event that Hornsea Project One is required to use compensation compound 2-C6	N/A	

<p>4-C3</p> <p>Plot number 95 on the Hornsea Project Two Land Plan</p>	<p>2,790.45</p>	<p>To compensate Hornsea Project One where the construction of Hornsea Project Two overlaps with, or is carried out prior to, the construction of Hornsea Project One at compound 4-X1</p>	<p>4-X1</p> <p>(Trenchless Crossing Compound)</p> <p>Compound required by both Hornsea Project One and Hornsea Project Two for Louth Canal crossing</p> <p>Plot number 76 on the Hornsea Project One Land Plan</p>	<p>2,718.31</p>
<p>No associated compensation compound</p>			<p>4-X2</p> <p>(Trenchless Crossing Compound)</p> <p>Compound required for both Hornsea Project One and Hornsea Project Two</p> <p>Plot numbers 81 and 88 on the Hornsea Project One Land Plan</p>	<p>7,187.71</p>
<p>No associated compensation compound</p>			<p>5-X1</p> <p>(Construction Compound Section)</p> <p>Plot number 101 on the Hornsea Project One Land Plan</p>	<p>4,079.15</p>

<p>5-C6</p> <p>Plot number 136 on the Hornsea Project Two Land Plan</p>	<p>2,660.93</p>	<p>To compensate Hornsea Project One where the construction of Hornsea Project Two overlaps with, or is carried out prior to, the construction of Hornsea Project One at compound 5-X2</p>	<p>5-X2</p> <p>(Trenchless Crossing Compound)</p> <p>Compound required by both Hornsea Project One and Hornsea Project Two for Tetney Lock Drain, Tetney Lock Road, and Conoco pipeline crossing</p> <p>Plot numbers 109 and 110 on the Hornsea Project One Land Plan</p>	<p>2,641.70</p>
<p>8-A2</p> <p>(Compensation compound access)</p> <p>Plot number 185 on the Hornsea Project Two Land Plan</p>		<p>Access required by Hornsea Project One in the event that Hornsea Project One is required to use compensation compound 8-C1a</p>	<p>N/A</p>	
<p>No associated compensation compound</p>			<p>8-X1</p> <p>(Access)</p> <p>Plot number 153 on the Hornsea Project One Land Plan</p>	<p>404.15</p>
<p>8-C1a</p> <p>Plot number 186 on the Hornsea Project Two Land Plan</p>	<p>15,590.90</p>	<p>To compensate Hornsea Project One where the construction of Hornsea Project Two overlaps with, or is carried out prior to, the construction of Hornsea Project One at the compound section 8-X2</p>	<p>8-X2</p> <p>(Construction Compound Section)</p> <p>Compound required by both Hornsea Project One and Hornsea Project Two</p> <p>Plot number 157 on the Hornsea Project One Land Plan</p>	<p>14,345.45</p>

No associated compensation compound			8-X3 (Hornsea Project One Additional Land Take) Plot number 161 on the Hornsea Project One Land Plan	1,388.86
11-C3 Plot numbers 233 and 235 on the Hornsea Project Two Land Plan	3,227.31	To compensate Hornsea Project One where the construction of Hornsea Project Two overlaps with, or is carried out prior to, the construction of Hornsea Project One at compound 11-X1	11-X1 (Trenchless Crossing Compound) Compound required by both Hornsea Project One and Hornsea Project Two for Team Gate Drain crossing Plot number 197 (in part) on the Hornsea Project One Land Plan	3,265.78
11-C4a Plot number 225 on the Hornsea Project Two Land Plan	970.22	To compensate Hornsea Project One where the construction of Hornsea Project Two overlaps with, or is carried out prior to, the construction of Hornsea Project One at compound 11-X2	11-X2 (Trenchless Crossing Compound) Compound required by both Hornsea Project One and Hornsea Project Two for Team Gate Drain crossing Plot number 195 on the Hornsea Project One Land Plan	3,722.43

<p>12-C3</p> <p>Plot number 243 on the Hornsea Project Two Land Plan</p>	<p>12,903.90</p>	<p>To compensate Hornsea Project One where the construction of Hornsea Project Two overlaps with, or is carried out prior to, the construction of Hornsea Project One at compound 12-X1</p>	<p>12-X1 (Construction Compound) Compound required by both Hornsea Project One and Hornsea Project Two</p> <p>Plot number 201 (in part) on the Hornsea Project One Land Plan</p>	<p>6,589.73</p>
<p>12-A1b</p> <p>(Compensation compound access)</p> <p>Plot numbers 239 (in part), 240 and 241 on the Hornsea Project Two Land Plan</p>	<p>872.47</p>	<p>Access required by Hornsea Project One in the event that Hornsea Project One is required to use compensation compound 12-C3</p>	<p>N/A</p>	
<p>12-A1c</p> <p>(Compensation compound access)</p> <p>Plot numbers 239 (in part) and 242 on the Hornsea Project Two Land Plan</p>	<p>845.13</p>	<p>Access required by Hornsea Project One in the event that Hornsea Project One is required to use compensation compound 12-C3</p>	<p>N/A</p>	
<p>14-A1c</p> <p>(Compensation compound access)</p> <p>Plot number 263 on the Hornsea Project Two Land Plan</p>		<p>Access required by Hornsea Project One in the event that Hornsea Project One is required to use compensation compound 14-C3</p>	<p>N/A</p>	

<p>14-C3</p> <p>Plot number 260 on the Hornsea Project Two Land Plan</p>	<p>8,636.95</p>	<p>To compensate Hornsea Project One where the construction of Hornsea Project Two overlaps with, or is carried out prior to, the construction of Hornsea Project One at compound 14-X1</p>	<p>14-X1</p> <p>(Trenchless Crossing Compound)</p> <p>Compound required by both Hornsea Project One and Hornsea Project Two for A46 crossing</p> <p>Plot numbers 215 and 221 on the Hornsea Project One Land Plan</p>	<p>8,647.72</p>
<p>14-C4</p> <p>Plot number 276 on the Hornsea Project Two Land Plan</p>	<p>4,467.59</p>	<p>To compensate Hornsea Project One where the construction of Hornsea Project Two overlaps with, or is carried out prior to, the construction of Hornsea Project One at compound 14-X2</p>	<p>14-X2</p> <p>(Trenchless Crossing Compound)</p> <p>Compound required by both Hornsea Project One and Hornsea Project Two for A46 crossing</p> <p>Plot number 229 on the Hornsea Project One Land Plan</p>	<p>4,451.94</p>
<p>14-C6</p> <p>Plot number 279 on the Hornsea Project Two Land Plan</p>	<p>2,557.23</p>	<p>To compensate Hornsea Project One where the construction of Hornsea Project Two overlaps with, or is carried out prior to, the construction of Hornsea Project One at compound 14-X3</p>	<p>14-X3</p> <p>(Trenchless Crossing Compound)</p> <p>Compound required by both Hornsea Project One and Hornsea Project Two for Laceby Beck crossing</p> <p>Plot number 231 on the Hornsea Project One Land Plan</p>	<p>2,594.08</p>

<p>15-C2</p> <p>Plot number 286 on the Hornsea Project Two Land Plan</p>	<p>2,816.24</p>	<p>To compensate Hornsea Project One where the construction of Hornsea Project Two overlaps with, or is carried out prior to, the construction of Hornsea Project One at compound 15-X1</p>	<p>15-X1</p> <p>(Trenchless Crossing Compound)</p> <p>Compound required by both Hornsea Project One and Hornsea Project Two for Laceby Beck crossing</p> <p>Plot numbers 234 and 237 on the Hornsea Project One Land Plan</p>	<p>4,897.86</p>
<p>15-A3</p> <p>(Compensation compound access)</p> <p>Plot number 293 on the Hornsea Project Two Land Plan</p>	<p>314.99</p>	<p>Access required by Hornsea Project One where the construction of Hornsea Project Two overlaps with, or is carried out prior to, the construction of Hornsea Project One at access 15-X2 and Hornsea Project One is required to access their cable route on that specific area</p>	<p>15-X2</p> <p>(Hornsea Project One Access)</p> <p>Plot number 241 (in part) on the Hornsea Project One Land Plan</p>	<p>316.81</p>
<p>15-A4</p> <p>(Compensation compound access)</p> <p>Plot number 297 on the Hornsea Project Two Land Plan</p>	<p>315.47</p>	<p>Access required by Hornsea Project One where the construction of Hornsea Project Two overlaps with, or is carried out prior to, the construction of Hornsea Project One at access 15-X3 and Hornsea Project One is required to access their cable route on that specific area</p>	<p>15-X3</p> <p>(Hornsea Project One Access)</p> <p>Plot number 244 on the Hornsea Project One Land Plan</p>	<p>316.18</p>

No associated compensation compound			17-X1 (Hornsea Project One Additional Land Take) Plot number 248 on the Hornsea Project One Land Plan	9,145.34
18-C3 Plot number 321 on the Hornsea Project Two Land Plan	10,101.21	To compensate Hornsea Project One where the construction of Hornsea Project Two overlaps with, or is carried out prior to, the construction of Hornsea Project One at compound 18-X1	18-X1 (Construction Compound) Compound required by both Hornsea Project One and Hornsea Project Two Plot numbers 262 – 266 on the Hornsea Project One Land Plan	9,793.21
19-C3 Plot number 328 on the Hornsea Project Two Land Plan	223.84	To compensate Hornsea Project One where the construction of Hornsea Project Two overlaps with, or is carried out prior to, the construction of Hornsea Project One in the cable corridor in the immediate vicinity of 19-X1	19-X1 Hornsea Project One construction compound overlaps with Hornsea Project Two cable corridor Plot number 270 (in part) on the Hornsea Project One Land Plan	1,862.36

<p>20-C3</p> <p>Plot number 344 on the Hornsea Project Two Land Plan</p>	<p>2,723.01</p>	<p>To compensate Hornsea Project One where the construction of Hornsea Project Two overlaps with, or is carried out prior to, the construction of Hornsea Project One at compound 20-X1</p>	<p>20-X1</p> <p>(Trenchless Crossing Compound)</p> <p>Compound required by both Hornsea Project One and Hornsea Project Two for National Grid Gas main and field drain crossing</p> <p>Plot number 282 on the Hornsea Project One Land Plan</p>	<p>2,502.69</p>
<p>20-C4</p> <p>Plot numbers 348 and 349 on the Hornsea Project Two Land Plan</p>	<p>2,541.48</p>	<p>To compensate Hornsea Project One where the construction of Hornsea Project Two overlaps with, or is carried out prior to, the construction of Hornsea Project One at compound 20-X2</p>	<p>20-X2</p> <p>(Trenchless Crossing Compound)</p> <p>Compound required by both Hornsea Project One and Hornsea Project Two for National Grid Gas main and field drain crossing</p> <p>Plot number 286 on the Hornsea Project One Land Plan</p>	<p>4,372.50</p>
<p>20-C6</p> <p>Plot number 354 on the Hornsea Project Two Land Plan</p>	<p>7,956.71</p>	<p>To compensate Hornsea Project One where the construction of Hornsea Project Two overlaps with, or is carried out prior to, the construction of Hornsea Project One at compound 20-X3</p>	<p>20-X3</p> <p>(Trenchless Crossing Compound)</p> <p>Compound required by both Hornsea Project One and Hornsea Project Two for Network Rail crossing</p> <p>Plot number 288 on the Hornsea Project One Land Plan</p>	<p>9,387.05</p>

No associated compensation compound			20-X4 (Trenchless Crossing Compound) Compound required by both Hornsea Project One and Project Two for Network Rail crossing Plot number 295 on the Hornsea Project One Land Plan	10,235.80
20-A1b (Compensation compound access) Plot number 355 on the Hornsea Project Two Land Plan	1,105.79	Access required by Hornsea Project One in the event that Hornsea Project One is required to use compensation compound 20-C6	N/A	
21-C3 Plot number 396 on the Hornsea Project Two Land Plan	5,028.42	To compensate Hornsea Project One where the construction of Hornsea Project Two overlaps with, or is carried out prior to, the construction of Hornsea Project One at compound 23-X1	23-X1 (Trenchless Crossing Compound) Compound required by both Hornsea Project One and Hornsea Project Two for A180 and Total Fina pipeline crossings	22,683.58
23-C8 Plot numbers 398 - 400 on the Hornsea Project Two Land Plan	7,717.02		Plot numbers 317 and 318 on the Hornsea Project One Land Plan	

<p>21-C4</p> <p>Plot number 373 on the Hornsea Project Two Land Plan</p>	<p>5,532.98</p>	<p>To compensate Hornsea Project One where the construction of Hornsea Project Two overlaps with, or is carried out prior to, the construction of Hornsea Project One at compound 21-X1</p>	<p>21-X1</p> <p>(Trenchless Crossing Compound)</p> <p>Compound required by both Hornsea Project One and Hornsea Project Two for A180 crossing</p> <p>Plot number 312 on the Hornsea Project One Land Plan</p>	<p>6,286.74</p>
<p>23-C6</p> <p>Plot numbers 409 and 410 on the Hornsea Project Two Land Plan</p>	<p>13,901.40</p>	<p>To compensate Hornsea Project One where the construction of Hornsea Project Two overlaps with, or is carried out prior to, the construction of Hornsea Project One at compounds 23-X2 and 23-X3</p>	<p>23-X2 and 23-X3</p> <p>(Trenchless Crossing Compounds)</p> <p>Compounds required by both Hornsea Project One and Hornsea Project Two for National Grid Gas mains and field drain crossing</p> <p>Plot numbers 322 and 323 on the Hornsea Project One Land Plan</p>	<p>2,506.11</p>
<p>23-C7</p> <p>Plot number 413 on the Hornsea Project Two Land Plan</p>	<p>2,573.19</p>	<p>To compensate Hornsea Project One where the construction of Hornsea Project Two overlaps with, or is carried out prior to, the construction of Hornsea Project One at compound 23-X4</p>	<p>23-X4</p> <p>(Trenchless Crossing Compound)</p> <p>Compound required by both Hornsea Project One and Hornsea Project Two for NG gas mains and field drain crossing</p> <p>Plot number 326 on the Hornsea Project One Land Plan</p>	<p>1,961.72</p>

<p>24-C10</p> <p>Plot number 447 on the Hornsea Project Two Land Plan</p>	<p>2,522.29</p>	<p>To compensate Hornsea Project One where the construction of Hornsea Project Two overlaps with, or is carried out prior to, the construction of Hornsea Project One at compound 24-X4</p>	<p>24-X4</p> <p>(Trenchless Crossing Compound)</p> <p>Compound required by both Hornsea Project One and Hornsea Project Two for A160 crossing</p> <p>Plot numbers 355 (in part) and 356 (in part) on the Hornsea Project One Land Plan</p>	<p>2,932.20</p>
<p>24-C11</p> <p>Plot number 428 on the Hornsea Project Two Land Plan</p>	<p>5,610.50</p>	<p>To compensate Hornsea Project One where the construction of Hornsea Project Two overlaps with, or is carried out prior to, the construction of Hornsea Project One at compound 24-X1 and 24-X2 in the adjacent cable corridor</p>	<p>24-X1 and 24-X2</p> <p>Compounds in this area required by both Hornsea Project One and Hornsea Project Two to cross Vitol pipeline, Habrough Road, and Faulding Lane</p> <p>Plot numbers 334 – 335 and 336 (in part) on the Hornsea Project One Land Plan</p>	<p>2,378.39</p>

<p>No associated compensation compound</p>			<p>24-X3 (Construction Compound) Compound required by both Hornsea Project One and Hornsea Project Two. Part of compound also overlaps with Hornsea Project Two cable corridor. Plot number 347 (in part) on the Hornsea Project One Land Plan</p>	<p>14,084.67</p>
<p>25-C1b Plot number 457 on the Hornsea Project Two Land Plan</p>	<p>4,739.07</p>	<p>To compensate Hornsea Project One where the construction of Hornsea Project Two overlaps with, or is carried out prior to, the construction of Hornsea Project One at compound 25-X1</p>	<p>25-X1 (Trenchless Crossing Compound) Compound required by both Hornsea Project One and Hornsea Project Two for Network Rail and National Grid and GPSS pipeline crossings Plot number 367 on the Hornsea Project One Land Plan</p>	<p>4,368.17</p>

<p>25-C3</p> <p>Plot number 464 on the Hornsea Project Two Land Plan</p>	<p>5,341.63</p>	<p>To compensate Hornsea Project One where the construction of Hornsea Project Two overlaps with, or is carried out prior to, the construction of Hornsea Project One at compound 25-X2</p>	<p>25-X2</p> <p>(Trenchless Crossing Compound)</p> <p>Compound required by both Hornsea Project One and Hornsea Project Two for Network Rail and National Grid and GPSS pipeline crossings</p> <p>Plot number 372 on the Hornsea Project One Land Plan</p>	<p>3,846.77</p>
<p>No associated compensation compound</p>			<p>25-X3</p> <p>(Hornsea Project One Access)</p> <p>Plot number 376 on the Hornsea Project One Land Plan</p>	<p>38.69</p>
<p>No associated compensation compound</p>			<p>25-X4</p> <p>(Hornsea Project One Access)</p> <p>Plot number 377 on the Hornsea Project One Land Plan</p>	<p>112.08</p>

<p>26-C4</p> <p>Plot number 475 on the Hornsea Project Two Land Plan</p>	<p>4,201.49</p>	<p>To compensate Hornsea Project One where the construction of Hornsea Project Two overlaps with, or is carried out prior to, the construction of Hornsea Project One at compound 26-X1</p>	<p>26-X1</p> <p>(Trenchless Crossing Compound)</p> <p>Compound required by both Hornsea Project One and Hornsea Project Two for Chase Hill Road and E.ON pipeline crossings</p> <p>Plot numbers 382 and 385 on the Hornsea Project One Land Plan</p>	<p>5,081.16</p>
<p>26-C5</p> <p>Plot number 485 on the Hornsea Project Two Land Plan</p>	<p>3,063.92</p>	<p>To compensate Hornsea Project One where the construction of Hornsea Project Two overlaps with, or is carried out prior to, the construction of Hornsea Project One at compound 26-X2</p>	<p>26-X2</p> <p>(Trenchless Crossing Compound)</p> <p>Compound required by both Hornsea Project One and Hornsea Project Two for Chase Hill Road and E.ON pipeline crossings</p> <p>Plot number 388 on the Hornsea Project One Land Plan</p>	<p>2,800.20</p>
<p>27-C4</p> <p>Plot numbers 494 and 495 on the Hornsea Project Two Land Plan</p>	<p>2,537.18</p>	<p>To compensate Hornsea Project One where the construction of Hornsea Project Two overlaps with, or is carried out prior to, the construction of</p>	<p>27-X1 and 27-X2</p> <p>(Trenchless Crossing Compound)</p> <p>Compound required by both Hornsea Project One and Hornsea Project for E.ON pipeline and field drain crossing</p>	<p>3,681.03</p>

<p>27-C5</p> <p>Plot number 501 on the Hornsea Project Two Land Plan</p>	<p>12,916.77</p>	<p>Hornsea Project One at compounds 27-X1 and 27-X2</p>	<p>Plot numbers 399 – 402 and 403 (in part) on the Hornsea Project One Land Plan</p>	
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2. Justification for the Use of Powers of Compulsory Acquisition

2.1 Statutory Authority and Compulsory Acquisition Guidance

- 2.1.1 Section 120 and Part 1 of Schedule 5 of the PA 2008 make provision for a DCO to grant powers for the acquisition of land and for the creation, suspension and extinguishment of interests or rights over land.
- 2.1.2 Section 122 of the PA 2008 provides that an order granting development consent may only include provision authorising the compulsory acquisition of land where:
- (i) The land is required for the development;
 - (ii) The land is required to facilitate or is incidental to the development; or
 - (iii) The land is replacement land for commons, open spaces etc.
- 2.1.3 In addition to the statutory requirements above, paragraphs 8 to 10 of the Compulsory Acquisition Guidance provide general guidance that the developer must be able to demonstrate the following in order to justify the development:
- (i) That all reasonable alternatives to compulsory acquisition have been explored;
 - (ii) That the interference with rights is for a legitimate purpose, is necessary and is proportionate;
 - (iii) How the land will be used;
 - (iv) That there is a reasonable prospect of the requisite funds becoming available; and
 - (v) That Article 1 of the First Protocol to the European Convention on Human Rights (ECHR) and Article 8 of the ECHR have been considered.
- 2.1.4 At paragraph 11, the Compulsory Acquisition Guidance states that there must be no doubt in the decision maker's mind as to the purposes to which the land to be acquired is to be put. It should be demonstrated that the land is needed for the authorised project and that it is no more than is reasonably required for that project.
- 2.1.5 Any land that is incidental to or is required to facilitate the development should also be limited to that which is no more than reasonably necessary and it should be made clear to the decision maker that this is the case.
- 2.1.6 Section 122 also requires that there be a compelling case in the public interest for the land to be acquired. The Compulsory Acquisition Guidance states at paragraph 12 and 13 that the decision

maker must be satisfied of this and that there is compelling evidence that the public benefits would outweigh the private loss that compulsory acquisition would entail.

- 2.1.7 The undertaker is able to demonstrate that the conditions of section 122 have been met. The undertaker is not seeking to acquire any more land or rights over land than are reasonably required for the purposes of Project Two. There is a compelling case in the public interest for the land and rights over land described in this [Updated Statement](#), the Book of Reference and shown on the Land Plan to be acquired for the purposes of Project Two.

2.2 Requirement for the Order Land

- 2.2.1 The purposes for which the land or rights over land are required have been set out in detail in section 5 above. Without these rights it would be impossible to construct and operate the authorised project. If compulsory powers were not granted there is a risk that the land interests could not be acquired and the delivery of Project Two would be in jeopardy.
- 2.2.2 Feasibility studies, environmental appraisals and engineering appraisals were conducted to determine the most suitable landfill location and onshore cable route. The cable route was carefully considered and designed in order to take the minimum amount of land possible.
- 2.2.3 The cable route corridor within the Order limits is generally 40 metres in width. The permanent cable easement is anticipated in most cases to be approximately 20 metres within the Order limits save for where an obstruction is met, in which case a width of up to 30 metres may be required. The additional width sought within the Order limits is to enable the undertaker to carry out the cable installation works with the minimum of inconvenience to affected landowners, and to allow for minor variances to the cable route corridor to avoid potential engineering difficulties or otherwise to enable the construction of Project Two in the stated timeframe and with the minimum of disruption to landowners and the wider community.
- 2.2.4 It cannot yet be confirmed exactly where within the corridor the cable circuits will be laid, or where only temporary possession would be sufficient, as the detailed alignment will be determined following ground investigations along the route. The exact location of the cables will not be fixed but will instead be the subject of further discussion with affected landowners and following additional surveys and ground investigations prior to the commencement of the laying of the cables.

- 2.2.5 The up to 30 metre permanent corridor is justified on the basis that all cables will be laid within this permanent corridor, with appropriate ducting and associated works within this permanent easement corridor, together with a right of surface access for occasional maintenance. This permanent acquisition is directly comparable, in terms of its width, with similar schemes.
- 2.2.6 The additional area is needed for temporary working space during the construction process for the reasons outlined above.
- 2.2.7 Every measure has been taken to avoid taking unnecessary rights or interests and all reasonable alternatives to compulsory acquisition have been explored, including modifications to the scheme following consultation events, responses, and negotiations with landowners and occupiers. Full details of the consideration of alternatives regarding Project Two can be found in Volume 1, Chapter 4, Site Selection and Alternatives, of the Environmental Statement (Document Reference 7.1.4) accompanying the Application. In addition, the cable route has also been modified pursuant to archaeological discovery following a number of archaeological investigations.

2.3 Need for Power to Override Rights and Easements

- 2.3.1 Article 21 (Private Rights) ensures that existing private rights within the Order Land are not to have effect to the extent that they interfere with the construction and operation of Project Two. Such rights will continue if the undertaker decides that the compulsory purchase rights sought in Articles 18 and 19 can be exercised without interruption, making extinguishment or suspension unnecessary.
- 2.3.2 In addition, Article 28 (Statutory Undertakers) authorises the undertaker to acquire land and new rights in land belonging to statutory undertakers within the Order Land. It further provides for the extinguishment of rights and the removal or relocation of apparatus belonging to statutory undertakers over or within the Order Land.
- 2.3.3 All third party rights which are proposed to be extinguished, suspended or interfered with in the Order Land and which were identified through diligent enquiry are detailed in Part 3 of the Book of Reference. Unknown interests which were not identified through such measures are still subject to the provisions of the Order, including Article 21, to enable Project Two to be assembled within an appropriate timeframe.

2.4 The Interference with Rights

- 2.4.1 The purpose of the interference with rights is to enable the construction and operation of Project Two, a NSIP that has the potential to generate up to 1.8 GW of renewable electricity. The

development of Project Two is in line with current UK Government Energy Policy.

- 2.4.2 Given that Project Two is a NSIP, given that acquisition of, or acquisition of rights over, the Order Land are required for the development and given that there is a compelling case in the public interest, the authorisation to acquire the Order Land or rights over the Order Land compulsorily meets the requirements of Section 122 of the PA 2008 and is therefore legitimate. This is more fully discussed in section 7.6 below.
- 2.4.3 The Order Land or rights over the Order Land are required for the development of Project Two and compulsory acquisition powers will be necessary in order to acquire the land and rights if it is not possible to reach an agreement with landowners and occupiers. This is more fully discussed in section 7.5 below.
- 2.4.4 The Order Land and the rights over the Order Land sought in the Order are no more than are reasonably necessary for the purposes of Project Two and given that it is in the public interest for Project Two to go ahead, the interference with rights is also proportionate.

2.5 Acquisition By Agreement

- 2.5.1 All relevant landowners, lessees and tenants identified by diligent enquiry have been notified of Project Two and included in the consultation process. Each landowner has been contacted with a view to entering into negotiations to acquire outright, or acquire rights over the Order Land as necessary.
- 2.5.2 The land agreements that have been entered into by landowners and occupiers provide an acknowledgement from the landowners and occupiers that rights of compulsory acquisition may be sought over their land to the extent that such rights will be necessary for the installation, operation and maintenance of the authorised project. By these agreements, which are structured as a Deed of Consent and Option for Lease, it is agreed that the undertaker will not seek to exercise powers of compulsory acquisition which may be granted pursuant to the Order in respect of the landowner/occupier's property unless:
 - (i) The landlord fails to adhere to the terms of the agreement reached with the undertaker (including by reason of any incapacity of the landlord for whatever reason); or
 - (ii) The undertaker is seeking to acquire, override or extinguish a right or interest in the land, the benefit of which is vested in a person other than the landlord.

- 2.5.3 SMart Wind, as agent on behalf of the Project Companies, will continue to pursue acquisition of the Order Land and rights over the Order Land required for Project Two by agreement, but the undertaker must rely on compulsory acquisition powers as the land and rights over land are necessary in order to construct and operate Project Two. Failure to reach an agreement timeously, or at all, with a landowner may prevent Project Two going ahead thus losing the benefits, such as generation of renewable energy that Project Two can bring. For this reason, it is necessary to include the compulsory acquisition powers within the Order.
- 2.5.4 The Compulsory Acquisition Guidance acknowledges that, where a scheme entails the compulsory acquisition of many separate plots of land; and gives the example of a long, linear scheme, as Project Two is, it may not always be practicable to acquire land and/or rights over land by agreement. The Guidance states that it is reasonable to include provision authorising compulsory acquisition covering all the land at the outset and negotiate with landowners in parallel to acquire land by agreement.
- 2.5.5 As noted above in section 5.2.1, Optimus Wind has successfully concluded commercial negotiations and exchanged Deeds of Consent and Options for Lease with approximately 4882% of landowners and 30 tenants at the date of application. 97% of occupiers as at 20 October 2015. The current position in respect of negotiations with the outstanding landowners and/or tenants is as follows:

Landowner/Tenant	Status
Associated British Ports	Draft documentation has been issued and commercial negotiations and discussions are continuing
Stuart H Somerscales	<u>Draft Commercial terms have been agreed and legal documentation has been issued and commercial negotiations and discussions are continuing being finalised</u>
Secretary of State for Transport	<u>Commercial The SoSfT no longer has an interest in the Order land. The Applicant is pursuing commercial negotiations and discussions are continuing with</u>

	<u>Highways England Company Limited</u>
Gradebrook Filling Stations Limited	Draft <u>Commercial terms have been agreed and legal documentation has been issued and commercial negotiations and discussions are continuingbeing finalised</u>
Able Humber Ports Limited	Draft documentation has been issued and commercial negotiations and discussions are continuing
Darrington Quarries Limited	Draft documentation has been issued and commercial negotiations and discussions are continuing
Total Lindsey Oil Refinery Limited	Draft documentation has been issued and commercial negotiations and discussions are continuing
E.ON UK Plc	Draft documentation has been issued and commercial negotiations and discussions are continuing
National Grid Electricity Transmission Plc	Commercial negotiations and discussions are continuing <u>Agreement has been reached</u>
Centrica KPS Limited	Commercial negotiation <u>terms have been agreed</u> and discussions are continuing <u>legal documentation being finalised</u>

2.5.6 An update with regards to negotiations with landowners as at 20 October 2015 has been provided at Appendix X of the Applicant's response to Deadline IV.

2.5.7 Land in Unknown Ownership

There are a number of plots identified in the Book of Reference where it has not been possible to identify ownership. The statement "Unknown" is given in the Book of Reference when diligent enquiry has been exhausted and it has still not been possible to provide details. SMart Wind has carried out searches and enquiries with the

Land Registry, site visits, enquiries of Land Agents and solicitors based in the area and Notices have been and will be erected on site to seek to identify unknown landowners or persons with an interest in the land. No responses to notices were received.

2.6 **Compelling Case in the Public Interest**

- 2.6.1 The government's policy on renewable energy is discussed in detail below in section 8 of this Updated Statement which also serves to highlight the need for Project Two for the public benefit. Project Two is required as the UK Government has committed to source 15% of its total energy needs from renewable sources by 2020. In addition the UK is bound to cut greenhouse gas emissions by 80% by 2050 and by at least 34% by 2020.
- 2.6.2 The Renewable Energy Roadmap identified offshore wind as the technology capable of making the biggest contribution to providing renewable energy to meet the UK's 2020 target. The Renewable Energy Roadmap also increased the existing target for 13 GW of offshore wind by 2020, to 18 GW by 2020, with an industry potential of 26 GW by 2020, and over 40 GW possible by 2030.
- 2.6.3 NPS EN-1 confirmed that it is critical that the UK continues to have secure and reliable supplies of electricity as it makes the transition to a low carbon economy.
- 2.6.4 It is therefore evident that there is a great need for renewable energy in order to tackle climate change and secure energy supply and that this is high on the Government's agenda. Once installed, Project Two will have the capacity to generate up to 1.8 GW of electricity which will make an important contribution towards the achievement of the UK's target to source 15% of its total energy needs from renewable sources by 2020. In addition, it will assist in the UK's transition to a low carbon economy by providing a secure and reliable source of electricity.

2.7 **Certainty of Funding and Compensation**

- 2.7.1 The Funding Statement (Document Reference 6.2) ~~that accompanies this submitted on 30 January 2015 along with the Update to the Funding~~ Statement submitted on 14 September 2015 explains how it is expected that the construction of Project Two, as well as the acquisition of land and interests, will be funded. As is set out in the Funding Statement (as updated by the Update to the Funding Statement) and in Section 3 of this Updated Statement, the parties who are involved in Project Two and who will be responsible for the funding, or securing the funding, of the land acquisition and the compensation payments have worldwide recognition and experience in delivering renewable energy projects. They are all of good financial

standing. Furthermore, there is a mechanism in the Order (Article 4) to secure guarantees in respect of payment of compensation.

- 2.7.2 The statutory procedure that will be followed in relation to compulsory acquisition ensures that land will be compensated at open market value and there is the safeguard for those affected that any disputes as to compensation will be decided by tribunal.

2.8 The European Convention on Human Rights

- 2.8.1 The Compulsory Acquisition Guidance requires that the compulsory acquisition of land is legitimate and sufficiently justifies interfering with the human rights of those with an interest in the land affected. It states that *“regard must be given to the provisions of Article 1 of the First Protocol to the European Convention on Human Rights and, in the case of acquisition of a dwelling, Article 8 of the Convention.”*

- 2.8.2 The ECHR is incorporated into UK law by the Human Rights Act 1998.

- 2.8.3 Article 1 of the First Protocol to the ECHR states that:

“Every natural or legal person is entitled to the peaceful enjoyment of his possessions. No one shall be deprived of his possessions except in the public interest and subject to the conditions provided for by law and by the general principles of international law.”

- 2.8.4 If the powers of compulsory acquisition contained in the Order are authorised, the owners and occupiers of the Order Land may be restricted in their use and enjoyment of their property. However, as explained above, the development of Project Two is in the public interest and therefore falls within the exception contained within the Protocol. In addition, the inclusion of powers of compulsory acquisition within the Order is sought in accordance with Section 122 of the PA 2008.

- 2.8.5 Article 6 of the ECHR states:

“In the determination of his civil rights and obligations... everyone is entitled to a fair and public hearing within a reasonable time by an independent and impartial tribunal established by law.”

- 2.8.6 The compulsory acquisition hearings that will be held to consider whether the compulsory acquisition should be approved satisfy the requirement under article 6 of the ECHR for a fair and public hearing. In addition, all landowners and occupiers affected by the Order have been consulted in line with Part 5 of the PA 2008.

- 2.8.7 Once the application has been accepted, those affected by the Order will have the right to object by making a representation to the Secretary of State. Furthermore, Section 118 of the PA 2008 makes

provision for a DCO to be challenged in the High Court where the criteria contained within that section are met.

2.8.8 Article 8 of the ECHR states:

“Everyone has the right to respect for his private and family life, his home and his correspondence.

There shall be no interference by a public authority with the exercise of this right except such as is in accordance with the law and is necessary in a democratic society in the interests of national security, public safety or the economic well-being of the country, for the prevention of disorder or crime, for the protection of health or morals, or for the protection of the rights and freedoms of others.”

2.8.9 Any interference with this right shall be made in accordance with Section 122 of the PA 2008. It is considered that such interference is necessary in a democratic society in the interests of the economic well-being of the UK given that it will generate much needed renewable energy thus helping to tackle climate change and it will help develop the renewables supply chain within the country.

2.8.10 The potential infringement of ECHR rights has been considered in including compulsory acquisition powers within the Order against the potential public benefits gained if Project Two is developed. Project Two has the potential to generate up to 1.8 GW of renewable energy which will be of great benefit to the UK in meeting its renewable energy target and helping to cut greenhouse emissions which in turn helps in the fight against climate change.

2.8.11 In order for this benefit to be achieved, the Order must include powers of compulsory acquisition so that the land and the rights over land necessary for Project Two can be acquired. It is considered that the Order strikes a fair balance between the public interest in the development going ahead and the interference with the rights that will be affected.

3. Need for the Project

- 3.1 The Government policies set out below provide further justification of the need for, and public benefit of, Project Two.

International Obligations on Climate Change

- 3.2 In 2008 the European Parliament and Council agreed a climate and energy package known as the '20-20-20' targets package in order to comply with the Kyoto Protocol to the United Nations Framework Convention on Climate Change and further European Community and international greenhouse gas (GHG) reduction commitments beyond 2012. The targets are to be achieved by 2020 and are:

- (i) A reduction in EU greenhouse gas emissions of at least 20% below 1990 levels;
- (ii) 20% of EU energy consumption to come from renewable resources; and
- (iii) A 20% reduction in primary energy use compared with projected levels, to be achieved by improving energy efficiency.

- 3.3 Directive 2009/28/EC on the promotion of the use of energy from renewable sources (Renewable Energy Directive) was adopted to ensure the achievement of the 2020 renewable energy targets. The Renewable Energy Directive consolidates the previously separate Directives on renewable electricity (Directive 2001/77/EC) and transport fuels (Directive 2003/30/EC) and sets mandatory national targets to be met by 2020. The mandatory national targets are consistent with a target of at least a 20% share of energy from renewable sources in the European Community's gross final consumption of energy in 2020. The mandatory national targets are set out in Article 3 and Annex I of the Renewable Energy Directive.

- 3.4 The United Kingdom is subject to a mandatory national target of 15% share of energy from renewable sources in gross final consumption of energy by 2020. Article 4 of the Renewable Energy Directive requires Member States to adopt a national renewable energy action plan setting out Member States' national targets for the share of energy from renewable sources consumed in transport, electricity and heating and cooling in 2020 and to notify the Commission of the plan.

- 3.5 The climate change and energy package also includes legislation and policies on emissions trading (Directive 2009/29/EC), effort sharing on GHG emissions (Decision No. 406/2009/EC) and the taxation of energy products and electricity (Directive 2003/96/EC).

National Climate Change and Energy Legislation

Climate Change Act 2008

- 3.6 The Climate Change Act 2008 commits the UK to a net reduction in GHG emissions (against the 1990 baseline) of 80% by 2050 through a system of carbon budgets. Each carbon budget is set by the Government and is for a period of 5 years.
- 3.7 The UK Government has legislated for the first four carbon budgets to cut emissions by 23% below base year levels by 2012, 29% by 2017, 35% by 2022 and 50% by 2027 from 1990 levels (The Carbon Budget Order 2009 and The Carbon Budget Order 2011).
- 3.8 The Committee on Climate Change was established under the Climate Change Act 2008 to advise the UK and devolved administration governments on setting and meeting the carbon budgets, and preparing for climate change. In May 2011 the Committee published the Renewable Energy Review which sets out a detailed vision of the role of renewable energy in meeting longer term emissions targets. The Review concludes that renewables is a promising option for delivering decarbonisation of the power sector by 2030 at reasonable cost and that firm commitments on support for offshore wind and marine generation through the 2020s should be made now (Committee on Climate Change, 2011).

Energy Act 2013

- 3.9 The Energy Act 2013 received Royal Assent on 18 December 2013. The Energy Act makes provisions to incentivise investment in low carbon electricity generation, ensure security of supply, and help the UK meet its emission reduction and renewables targets. In particular the Energy Act contains provisions from the Department of Energy and Climate Change (DECC) for Electricity Market Reform (EMR).
- 3.10 The EMR sets out the framework for replacing Renewables Obligation Certificates (ROCs) with Contracts for Difference (CFD) to provide stable financial incentives to encourage investment in low carbon electricity generation. Eight projects, including Hornsea Project One, were awarded early stage CFD in April 2014. Further CFDs are due to be awarded at the end of 2014 and ROCs will be closed to new projects from 1 April 2017.

National Climate Change and Energy Policy

Introduction

- 3.11 The central objective of Government energy policy is to ensure the security of energy supply whilst responding to the challenge of climate change by reducing carbon emissions. To meet these objectives, more energy infrastructure is needed with an increased emphasis on energy generation from renewable and low carbon sources. The need for this infrastructure is fully recognised in many areas of Government policy. The need to reduce carbon emissions is enshrined in European law and international obligations and has been transposed into a range of UK legislation. Project Two will

accord with these policies and comply with the relevant legislation and so will assist the Government in meeting its energy policy obligations.

Energy Policy

- 3.12 Following the agreement of the Kyoto Protocol and the adoption of Directive 2001/77/EC on the promotion of electricity from renewable energy sources in the internal electricity market, the previous Government undertook a review of the challenges presented by energy policy. The review emphasised the need to update much of the UK's energy infrastructure, the need to secure reliable supplies of energy for the future, and the need to reduce carbon emissions (Cabinet Office, 2002).
- 3.13 White Papers dated 2003 and 2007 reasserted the importance of renewable energy in reducing carbon emissions and commenced the formulation of carbon reduction goals which were later set at 80% by 2050 in the Climate Change Act 2008 (DTI and Defra, 2003; DTI, 2007).
- 3.14 In response to the requirement in Article 4 of the Renewable Energy Directive, DECC published the National Renewable Energy Action Plan for the UK in July 2010 (DECC, 2010). This plan sets out a 'lead scenario' to achieve the 15% renewable energy target for 2020. The lead scenario suggests that the UK could see around 30% of electricity, 12% heat and 10% transport energy come from renewable sources by 2020.
- 3.15 Specific measures for renewables were set out in the UK Renewable Energy Strategy (RES) which was published alongside, and in parallel with, the UK Low Carbon Transition Plan in July 2009 (DECC, 2009a; 2009c). Those parts of the RES which are summarised and included in the Low Carbon Transition Plan were the measures to:
- (i) Ensure that investment in renewables continues through support schemes, principally by extending and targeting the Renewable Obligation (RO) mechanism;
 - (ii) Improve grid connections;
 - (iii) Ensure the planning system supports the deployment of renewable energy;
 - (iv) Develop the renewables supply chain; and
 - (v) Explore untapped renewable energy sources such as the Severn Estuary.
- 3.16 The RES also confirms that renewable energy developments play a key role in supporting energy security in the UK.
- 3.17 The RES sets out the path by which the UK can meet the legally-binding target of 15% energy consumption from renewable sources by 2020. It states that the UK has a capacity to source 30% of its electricity from renewable sources, with two thirds of this from wind power (DECC, 2009a). The RES

identified the need to drive energy markets through policy and illustrated the many ways in which the renewable energy market can be incentivised. The two most specific incentives include the European Union Emissions Trading Scheme and the Renewables Obligation scheme (which places a regulatory obligation on energy suppliers to source a certain percentage of their energy from renewable sources).

- 3.18 The current Government's Renewable Energy Roadmap (DECC, 2011a) updated some of the aims within the RES and identified eight technologies capable of providing 90% of the renewable energy required to meet the UK's 2020 target. It suggests that offshore wind has the potential to bring forward between 10 and 26 GW by 2020, with a central range of up to 18 GW.
- 3.19 In December 2011, the Government published its Carbon Plan (DECC, 2011b). This document sets out the policies for meeting the commitment of an 80% reduction in greenhouse gas emissions made under the Climate Change Act. It also describes the measures proposed to meet the first four carbon budgets (from 2008 to 2027).

National Policy Statements (NPS)

- 3.20 NPSs define the national need for certain types of infrastructure development, as well as the issues to be considered by the examining body when assessing whether a location is acceptable for the type and scale of development proposed in an application for development consent.
- 3.21 Section 104(2) of the PA 2008 provides that, in deciding applications for NSIPs, the Secretary of State must have regard to any NPS which has effect in relation to development of the description to which the application relates. Section 104(3) establishes the primacy of the NPSs in determining DCO applications. It requires applications to be decided "*in accordance with any relevant national policy statement*" subject to a number of exceptions such as breach of international obligations, breach of statutory duty and illegality.
- 3.22 The NPSs of relevance to the application for consent for Project Two are:
- (i) Overarching National Policy Statement for Energy (EN-1);
 - (ii) National Policy Statement for Renewable Energy Infrastructure (EN-3); and
 - (iii) National Policy Statement for Electricity Networks Infrastructure (EN-5).

Overarching National Policy Statement for Energy (EN-1)

- 3.23 The overarching NPS for Energy (NPS EN-1) sets out the Government's policy for the delivery of major energy infrastructure (DECC, 2011c).
- 3.24 NPS EN-1 supports the requirements of the Renewable Energy Directive. The policy states that new projects are urgently needed in order to ensure that this target is met (Paragraph 3.4.1). Offshore wind is expected to provide the

largest single contribution towards the 2020 renewable energy generation targets (Paragraph 3.4.3).

- 3.25 NPS EN-1 confirms that the UK needs the different types of energy infrastructure that are set out in the NPS, and these include offshore wind generation (Paragraph 3.1.10). The NPS further states that the Secretary of State should assess all applications for development consent for energy infrastructure covered by NPS EN-1 on the basis that the Government has shown there is a need for those types of projects (Paragraph 3.1.3).

Government policy on energy and energy infrastructure development

- 3.26 Part 2 of NPS EN-1 confirms that the Government is committed to meeting its legally binding target to cut GHG emissions by at least 80% by 2050.
- 3.27 NPS EN-1 identifies that about a quarter of the UK's generating capacity is due to close by 2018 and new low carbon generation is required which is reliable, secure and affordable (Paragraph 2.2.16). It confirms that it is critical that the UK continues to have secure and reliable supplies of electricity as it makes the transition to a low carbon economy (Paragraph 2.2.20).

Assessment Principles

- 3.28 NPS EN-1 establishes that, given the level and urgency of the need for large scale energy infrastructure, the Secretary of State should start with a presumption in favour of granting a DCO for energy NSIPs unless more specific and relevant policies set out within the NPSs clearly indicate that consent should be refused (Paragraph 4.1.2).
- 3.29 In considering proposals, and particularly when weighing its adverse impacts and its benefits, the Secretary of State should take into account (Paragraph 4.1.3) the proposal's:
- (i) Potential benefits including its contribution to meeting the need for energy infrastructure, job creation and long term or wider benefits; and
 - (ii) Potential adverse impacts, including any long term and cumulative adverse impacts, as well as any measures to avoid, reduce or compensate for any adverse impacts.
- 3.30 In the event of a conflict between development plan documents, other documents and an NPS, the NPS must prevail for the purposes of Secretary of State decision making, given the national significance of the infrastructure (Paragraph 4.1.5).

National Policy Statement for Renewable Energy Infrastructure (EN-3)

- 3.31 NPS EN-3 (DECC, 2011d) states the need for 25 GW of new offshore wind-derived generating capacity in the UK Renewable Energy Zone (REZ) and the territorial waters of England and Wales (Paragraph 2.6.15). It also refers to the Offshore Energy Strategic Environmental Assessment (SEA) which

concludes that there are no overriding environmental considerations preventing the plans for 33 GW of new offshore wind capacity, if mitigation measures are implemented (Paragraph 2.6.15).

National Policy Statement for Electricity Networks Infrastructure (EN-5)

- 3.32 NPS EN-3 sets out that the onshore element of the grid connection including electricity lines for transmission and substations should be determined in accordance with NPS EN-5 (NPS EN-3, Paragraph 2.6.41).
- 3.33 NPS EN-5 (DECC, 2011e), together with NPS EN-1, provides the primary basis for decisions on applications for electricity networks infrastructure development.

Offshore Wind Policy

- 3.34 A Strategic Environmental Assessment (SEA) was carried out by DECC in 2008/2009 to identify the environmental effects of further rounds of offshore wind farm leasing in the UK REZ and the territorial waters of England and Wales. This was undertaken in accordance with the Environmental Assessment of Plans and Programmes Regulations 2004. The Regulations apply Directive 2001/42/EC of the European Parliament and of the Council on the assessment of the effects of certain plans and programmes on the environment (the SEA Directive). The SEA Post Consultation Report, published in June 2009 (DECC, 2009b) recommended the adoption of a plan/programme for an additional 25 GW of offshore wind farm generation capacity.
- 3.35 In 2010, DECC undertook an exercise to update and extend the scope of the previous SEA Environmental Report and concluded (as acknowledged in Paragraph 2.6.15 of NPS EN-3) that up to 33 GW of offshore wind energy could, with appropriate mitigation, be deployed without giving rise to adverse environmental effects.

Marine Policy

Marine Policy Statement

- 3.36 A UK-wide Marine Policy Statement (MPS) was published in March 2011 under the Marine and Coastal Access Act 2009 (MCAA) to provide a framework for marine spatial planning, specifically for the preparation of Marine Plans and taking decisions that affect the marine environment (Defra, 2011). It is currently the only statutory marine policy document.
- 3.37 The MCAA requires all public authorities taking authorisation or enforcement decisions that affect or might affect the UK marine area to do so in accordance with the MPS and the relevant Marine Plans.
- 3.38 The MPS provides that the following issues should be taken into account by decision makers when examining and determining applications for energy infrastructure:

- (i) “The national level of need for energy infrastructure, as set out in the Overarching National Policy Statement for Energy (EN-1);”
- (ii) “The positive wider environmental, societal and economic benefits of low carbon electricity generation and carbon capture and storage as key technologies for reducing carbon dioxide emissions;”
- (iii) “The potential impact of inward investment in offshore wind, wave, tidal stream and tidal range energy related manufacturing and deployment activity; as well as the impact of associated employment opportunities on the regeneration of local and national economies. All of these activities support the objective of developing the UK’s low carbon manufacturing capability;” (Paragraph 3.3.4).

3.39 The MPS goes on to state that *“[t]he UK has some of the best wind resources in the world and offshore wind will play an important and growing part in meeting our renewable energy and carbon emission targets and improving energy security by 2020, and afterwards towards 2050”* and that offshore wind *“has the potential to have the biggest impact in the medium-term on security of energy supply and carbon emission reductions through its commercial scale output”* (Paragraph 3.3.19).

4. Special Considerations

4.1 Statutory Undertakers' Land

4.1.1 The Order Land includes land owned by the following Statutory Undertakers:

- (i) Associated British Ports;
- (ii) Network Rail Infrastructure Limited;
- (iii) Environment Agency;
- (iv) E.ON UK plc;
- (v) National Grid Electricity Transmission Plc;
- (vi) Centrica KPS Limited; and
- (vii) Able Humber Ports Limited.

4.1.2 Summary of discussions with Statutory Undertakers:

Statutory Undertaker	Status
Associated British Ports	Commercial negotiations and discussions <u>are continuing</u> <u>Agreement has been reached regarding protective provisions in the draft DCO</u>
Network Rail Infrastructure Limited	Agreement has been reached <u>regarding protective provisions in the draft DCO</u>
Environment Agency	Agreement has been reached <u>regarding protective provisions in the draft DCO</u>
E.ON UK Plc	Draft documentation has been issued and commercial negotiations and discussions are continuing
National Grid Electricity Transmission Plc	Commercial negotiations and discussions are continuing <u>A commercial agreement has been reached</u>
Centrica KPS Limited	Commercial <u>negotiation terms have been agreed in respect of land</u>

	<u>agreements and discussions are continuing legal documentation being finalised. Agreement has been reached regarding protective provisions in the draft DCO</u>
Able Humber Ports Limited	Draft documentation has been issued and commercial negotiations and discussions are continuing

An update with regards to negotiations with Statutory Undertakers who have made a representation in respect of the Application as at 20 October 2015 has been provided at Appendix Y of the Applicant's response to Deadline IV.

- 4.1.3 Section 127 of the PA 2008 provides protection for Statutory Undertakers against compulsory acquisition.
- 4.1.4 Section 127 applies where an application for development consent under the PA 2008 seeks the inclusion in an Order of provision for the compulsory acquisition of land, or a right over land, which has been acquired by Statutory Undertakers for the purpose of their undertaking and the following conditions, set out in section 127(1)(b) and (c) are satisfied:
- (i) *a representation has been made about an application for an order granting development consent before the completion of the examination of the application, and the representation has not been withdrawn, and*
 - (ii) *as a result of the representation the decision maker is satisfied that (i) the interest is used for the purposes of carrying on the statutory undertakers' undertaking, or (ii) an interest in the land is held for those purposes.*
- 4.1.5 In those circumstances, the PA 2008 provides that an Order authorising the compulsory acquisition of a right over statutory undertakers' land by the creation of a new right can only be made to the extent that the Secretary of State is satisfied of those matters set out in section 127(6). Those matters are that the nature and situation of the land are such that:
- (i) *the right can be purchased without serious detriment to the carrying on of the undertaking, or*
 - (ii) *any detriment to the carrying on of the undertaking, in consequence of the acquisition of the right, can be made*

good by the undertakers by the use of other land belonging to or available for acquisition by them.

- 4.1.6 SMart Wind, on behalf of the Project Companies, has sought to negotiate to acquire the interests in the land necessary for Project Two from the Statutory Undertakers by private treaty. It will continue to do so and is hopeful that agreement can be reached. However, in the absence of such agreement, it is necessary to include the Statutory Undertaker land in the Order to ensure that all the land required to deliver Project Two can be assembled within an appropriate timeframe.
- 4.1.7 In this context, the Order includes draft protective provisions at Schedule L, which apply for the protection of the Statutory Undertakers and ensure that the undertaker will follow appropriate procedures when preparing for and carrying out the works for the construction and operation of the authorised project.
- 4.1.8 Accordingly, having carefully considered any potential impact on land or rights owned by Statutory Undertakers, the undertaker does not consider that there will be any serious detriment to the carrying on of the undertaking of any Statutory Undertaker. In the event that any representation is made by any Statutory Undertaker, the undertaker will submit all evidence required to satisfy the Secretary of State pursuant to Section 127.

4.2 Crown Land

- 4.2.1 Section 135 of the PA 2008 provides protection for Crown Land against compulsory acquisition. The Order Land includes land owned by the Crown. This land is described in Part (the most recent of version of which as at 20 October 2015 is Appendix E of the Applicant's response to Deadline IV)⁰ (the most recent of which as at 20 October 2015 is Appendix W of the Applicant's response to Deadline IV) of the Book of Reference (Document Reference 6.3) and shown on the Crown Plans. Section 135 of the PA 2008 provides that consent must be obtained from the appropriate Crown authority prior to compulsory acquisition powers in relation to Crown Land being authorised in a DCO.
- 4.2.2 It should be noted that leases/agreements have been entered into with The Crown Estate in relation to the proposed offshore works given that those works affect land that is owned/controlled by The Crown Estate.
- 4.2.3 The freehold interest in the Order Land numbered 272, 377 to 378, 385 to 390, 437 and 441 on the Land Plans ~~is~~was vested in the Secretary of State for Transport. A Transfer Scheme was made by the Secretary of State on 30 March 2015 pursuant to section 15 of the

Infrastructure Act 2015. That Transfer Scheme transferred the ownership of plots 175, 176, 178, 179 and 181 to 187 to Highways England Company Limited. By virtue of this Transfer Scheme the undertaker also considers that the additional interests of the SoSfT in Plots 392 to 399 and 404 to 409 have also been transferred. The SoSfT has offered to, and is in the process of, providing the Applicant with a certificate confirming that the transfer of the interests in the relevant plots took place on 1st April 2015. Pursuant to paragraph 5(3) of Schedule 3 of the Infrastructure Act 2015, such a certificate is conclusive evidence of the transfers. Highways England has confirmed to the Applicant that property interests vested in Highways England are not Crown land for the purposes of section 135 of the Planning Act 2008. On this basis, the undertaker considers the aforementioned plots no longer constitute Crown land and the Applicant has updated the Book of Reference and Crown Plans to reflect this (see Appendices E and W of the Applicant's response to Deadline IV for the most recent version of these documents as at 20 April 2015). The undertaker is in negotiations with the Highways Agency (on behalf of the Secretary of State for Transport) England with the aim of concluding private agreements for the carrying out of onshore works for the construction and operation of the authorised project over these plots (with the exception of plots 385 to 387, 389 and 390 which have been removed from the Order land).

- 4.2.4 There is no proposal or intention to exercise compulsory acquisition powers against the freehold interest in the Crown Land. Instead, such powers are only sought in so far as the undertaker is seeking to acquire, override or extinguish a right or interest in the Crown Land, the benefit of which is vested in a person other than the Crown (Article 39 of the Order).

4.3 **Section 138**

- 4.3.1 Section 138 of the PA 2008 is engaged by Article 28 of the Order. This Article will permit the compulsory acquisition of land or rights of Statutory Undertakers or enable the undertaker to extinguish or relocate the rights or apparatus of Statutory Undertakers. Such power may only be included in the Order if the Secretary of State is satisfied the extinguishment or removal is necessary for the authorised project. The construction of the authorised project will require interference with Statutory Undertakers' land and the possible relocation of their apparatus. However, the exercise of such powers will be carried out in accordance with the protective provisions which set out constraints on their exercise with a view to safeguarding the Statutory Undertakers' interests.

- 4.4 None of the rest of the Order Land is subject to special consideration and no other special category land such as National Trust land or World Heritage sites are affected.

5. Related Applications, Orders etc.

- 5.1 The Order will grant consent for the construction, operation and maintenance of Project Two however there are a number of additional operational consents that may be required from bodies such as Natural England and the Marine Management Organisation. These additional consents are listed in the Consents Management Plan (Document Reference 12.10) (the most recent version of the Consents Management Plan as at 20 October 2015 is Appendix K of the Applicant's response to Deadline IV).

6. Views Expressed by Government Departments

- 6.1 No views have been expressed by Government Departments in relation to the proposed development of the Order site although consultation has been carried out throughout the development of Project Two. All of the nature conservation bodies have been consulted regularly as part of statutory pre-application consultation and in relation to the Environmental Statement. Smart Wind, as agent for the Project Companies, ~~has been~~was in regular contact with the Planning Inspectorate up to the date of the submission of the Application.

7. Further Information

Funding

- 7.1 As outlined in section 7 of this Updated Statement, the Application is also accompanied by a Funding Statement (as updated by the Update to the Funding Statement) to explain how the proposed compulsory acquisition for which it seeks authorisation in the Order is expected to be funded.
- 7.2 For the reasons set out in the Funding Statement (as updated by the Update to the Funding Statement), the availability of funding is not expected to be an impediment to the implementation of Project Two or any part of it.

Negotiation of Sale

- 7.3 Owners and occupiers of property affected by Project Two who wish to negotiate a sale or discuss matters of compensation should contact ~~Chris Jenner of Mainstream Renewable Power Limited on 020 7776 5500~~ Sophie Hartfield of DONG Energy on 0800 285 1295 or chris.jenner@mainstreamrp.com sopha@dongenergy.co.uk.

Compensation

- 7.4 Provision is made by statute with regard to compensation for the compulsory acquisition of land and the depreciation in value of properties. More information is given in the series of booklets published by the Department of Communities and Local Government entitled "Compulsory Purchase and Compensation" listed below:
- Booklet No. 1 – Compulsory Purchase Procedure.
 - Booklet No. 2 – Compensation of Business Owners and Occupiers.
 - Booklet No. 3 – Compensation to Agricultural Owners and Occupiers.
 - Booklet No. 4 – Compensation for Residential Owners and Occupiers.
 - Booklet No. 5 – Reducing the Adverse Effects of Public Development: Mitigation Works.
- 7.5 Copies of these booklets are obtainable, free of charge, from:
- Communities and Local Government Publications
Cambertown House
Goldthorpe Industrial Estate
Rotherham S63 9BL
Tel: 0300 123 1124
- 7.6 In addition, the booklets are available to download for free online at:
- www.communities.gov.uk/publications/planningandbuilding/compulsorypurchase

8. Conclusions

- 8.1 This Updated Statement demonstrates that the inclusion of compulsory acquisition powers within the Order meets the requirements of Section 122 of the PA 2008 and the Compulsory Acquisition Guidance.
- 8.2 In summary, the Order Land or rights over the Order Land are required for the purposes of, to facilitate, or are incidental to, Project Two and are no more than are reasonably necessary. Furthermore, there is a compelling case in the public interest for the land or rights over the land to be acquired given the positive benefits that the development will generate particularly in view of current UK policy in relation to renewable energy.
- 8.3 In addition:
- 8.3.1 Reasonable alternatives to compulsory acquisition have been explored;
- 8.3.2 It has been demonstrated that the interference with rights is for a legitimate purpose, is necessary and is proportionate;
- 8.3.3 A description of the intended use of the land or rights to be acquired compulsorily has been provided;
- 8.3.4 CommercialAs at 20 October 2015 commercial negotiations have been successfully concluded and Deeds of Consent and Options for Lease exchanged with 4882% of landowners and 30 tenants at the date of this application, covering97% of occupiers equating to approximately 36 km of the proposed onshore underground cable route and thealong with an Option for the freehold acquisition of land required for the converter station/substation site;
- 8.3.5 An explanation has been provided as to how it is expected that the construction of Project Two and the acquisition of the land or rights over the land will be funded, as well as compensation in respect of the exercise of powers of compulsory acquisition, which demonstrates that there is a reasonable prospect of the requisite funds being available; and
- 8.3.6 Article 1 of the First Protocol to the ECHR and Article 8 of the ECHR have been considered.
- 8.4 It is therefore submitted that the Order be made and any compulsory acquisition powers sought within the Order be granted.

SCHEDULE 1 – LIST OF APPLICATION DOCUMENTS

(For a list of all updates to the Application documents as at 20 October 2015 please see Appendix M of the Applicant's response to Deadline IV)

Doc Ref	Document
1	Application form
1.1	Cover Letter to the Planning Inspectorate
1.2	Application Form for Hornsea Project Two
1.3	Copies of Newspaper Notices
1.4	Index to the Environmental Statement
2	Consultation Report
2.1	Consultation Report
2.2	Consultation Report Annexes 1 to 4
2.2	Consultation Report Annexes 5 to 6
2.2	Consultation Report Annexes 7 to 9
2.2	Consultation Report Annexes 10 to 16
3	Development Consent Order
3.1	Draft Development Consent Order
3.2	Draft DCO Explanatory Memorandum
4	Land Plans
4.1	Land Plans
5	Works Plans
5.1	Works Plans (Offshore)
5.2	Works Plans (Onshore)
5.3	Work Plans (Intertidal)
6	Compulsory Purchase Information
6.1	Statement of Reasons
6.2	Funding Statement
6.3	Book of Reference Part 1 of 5 (1 of 2)
6.3	Book of Reference Part 1 of 5 (2 of 2)
6.3	Book of Reference Part 2 of 5
6.3	Book of Reference Part 3 of 5
6.3	Book of Reference Parts 4 to 5 and Schedule
7	Environmental Statement
7.1	Introduction
7.1.a	Non-technical Summary
7.1.b	Glossary
7.1.1	Introduction

Doc Ref	Document
7.1.2	Policy and Legislative Context
7.1.3	Project Description
7.1.4	Site Selection and Consideration of Alternatives
7.1.5	Environmental Impact Assessment Methodology
7.2 Offshore	
7.2.1	Marine Processes
7.2.2	Benthic Subtidal and Intertidal Ecology
7.2.3	Fish and Shellfish Ecology
7.2.4	Marine Mammals
7.2.5	Ornithology
7.2.6	Commercial Fisheries
7.2.7	Shipping and Navigation
7.2.8	Aviation, Military and Communications
7.2.9	Marine Archaeology and Ordnance
7.2.10	Seascape and Visual Resources
7.2.11	Infrastructure and Other Users
7.2.12	Inter-related Effects (Offshore)
7.3 Onshore	
7.3.1	Geology and Ground Conditions
7.3.2	Hydrology and Flood Risk
7.3.3	Ecology and Nature Conservation
7.3.4	Intertidal Ornithology
7.3.5	Landscape and Visual Resources Part 1 (Section 5.1 to 5.6)
7.3.5	Landscape and Visual Resources Part 2 (Section 5.6 to 5.11)
7.3.5	Landscape and Visual Resources Part 3 (Photomontage Figures 5.36 to 5.48)
7.3.6	Historic Environment
7.3.7	Land Use, Agriculture and Recreation
7.3.8	Traffic and Transport
7.3.9	Noise and Vibration
7.3.10	Air Quality and Health
7.3.11	Socio Economics
7.3.12	Inter-Related Effects (Onshore)
7.4 Introduction Technical Annexes	
Project Description	
7.4.3.1	Airborne Noise Technical Report
7.4.3.2	Subsea Noise Technical Report
7.4.3.3	Site Waste Management Plan

Doc Ref	Document
7.4.3.4	Crossing Schedule (Onshore)
7.4.3.5	Not Used
7.4.3.6	Crossing Schedule (Offshore)
7.4.3.7	Illustrative Layouts and Drawings
7.4.3.8	Dredging and Disposal Site Characterisation
Site Selection and Consideration of Alternatives	
7.4.4.1	Offshore Export Cable Route Selection
7.4.4.2	Landfall, Onshore Cable Route and Converter/Substation Location Selection
EIA Process and Methodology	
7.4.5.1	Cumulative Effects Screening Matrix
7.4.5.2	Transboundary Impacts Screening Note
7.4.5.3	Location of Offshore Cumulative Schemes
7.4.5.4	Project One / Project Two Interface
7.4.5.5	Enhancement, Mitigation and Monitoring Commitments
7.4.5.6	Compensation Compounds Plan
7.5 Offshore Technical Annexes	
Marine Processes	
7.5.1.1	Tidal Modelling Calibration and Validation Report
7.5.1.2	Wave Modelling
7.5.1.3	Metocean Data Review
7.5.1.4	Plume Dispersion Modelling
7.5.1.5	Bedform Analysis of Cable Route Corridor
7.5.1.6	Cable Burial Plume Assessment
7.5.1.7	Landfall Assessment
7.5.1.8	Foundation Scour Assessment
Benthic Subtidal and Intertidal Ecology	
7.5.2.1	Benthic Ecology Technical Report
7.5.2.2	Water Framework Directive Assessment
Fish and Shellfish Ecology	
7.5.3.1	Fish and Shellfish Technical Report
Marine Mammals	
7.5.4.1	Marine Mammal Technical Report
Ornithology	
7.5.5.1	Ornithology Technical Report
Commercial Fisheries	
7.5.6.1	Commercial Fisheries Technical Report
Shipping and Navigation	

Doc Ref	Document
7.5.7.1	Subzone 2 and Offshore Cable Route NRA
7.5.7.2	Offshore HVAC Reactive Compensation Substation NRA
Aviation, Military and Communications	
7.5.8.1	Aviation, Military and Communication Technical Report
Marine Archaeology and Ordnance	
7.5.9.1	Marine Archaeology Technical Report
7.5.9.2	Draft Written Scheme of Investigation
Seascape and Visual Resources	
7.5.10.1	Seascape and Visual Technical Report
7.5.10.2	Wirelines from Sample Viewpoints
7.5.10.3	Cumulative Effects Wirelines from Sample Views
7.5.11.1	Radar Early Warning Systems Technical Annex
7.6 Onshore Technical Annexes	
Geology and Ground Conditions	
7.6.1.1	Baseline Data from the Environment Agency and Local Authorities
7.6.1.2	Fugro Landfall Site Investigation
7.6.1.3	Groundsure EnviroInsight and GeoInsight Reports
7.6.1.4	Landmark Envirocheck Report Converter Substation Site
7.6.1.5	Borehole Logs
Hydrology and Flood Risk	
7.6.2.1	Environmental Information Part 1 of 4
7.6.2.1	Environmental Information Part 2 of 4
7.6.2.1	Environmental Information Part 3 of 4
7.6.2.1	Environmental Information Part 4 of 4
7.6.2.2	Legislation Summary
7.6.2.3	HVDC Converter/HVAC Substation Flood Risk Assessment
7.6.2.4	Tetney to Saltfleet Flood Risk Assessment
7.6.2.5	Classification of Surface Water Bodies
Ecology and Nature Conservation	
7.6.3.1	Terrestrial Ecology Survey Figures and Associated Tables
7.6.3.2	Phase 1 Intertidal, Sand Dune and Salt Marsh Habitat Survey
7.6.3.3	Hedgerow Survey
7.6.3.4	Great Crested Newt Survey
7.6.3.5	Reptile Survey
7.6.3.6	Otter and Water Vole Survey
7.6.3.7	Bat Survey
7.6.3.8	Onshore Bird Survey

Doc Ref	Document
7.6.3.9	Confidential Otter Survey Findings
7.6.3.10	Confidential Badger Survey and Impact Assessment
Intertidal	
7.6.4.1	Intertidal Bird Survey
Landscape and Visual Resources	
7.6.5.1	Landscape and Visual Impact Assessment (LVIA) Methodology
7.6.5.2	Nationally Designated Landscapes and Landscape Character Areas
7.6.5.3	Locally Designated Landscapes and Regional and Local Landscape Character Areas
7.6.5.4	Historic Landscapes and Landscape Character Areas
7.6.5.5	Seascape Character Areas
7.6.5.6	Planning Policy
7.6.5.7	Representative Visual Receptors for Landfall and Cable Route
7.6.5.8	Representative Visual Receptors for Onshore HVDC Converter/HVAC Substation
7.6.5.9	Effects on Landscape Resources During the Construction Phase
7.6.5.10	Effects on Visual Receptors During the Construction Phase
7.6.5.11	Effects on Landscape Resources During the Operational Phase
7.6.5.12	Effects on Visual Receptors During the Operational Phase
7.6.5.13	Effects on Landscape Resources During the Decommissioning Phase
7.6.5.14	Effects on Visual Receptors During the Decommissioning Phase
7.6.5.15	Meteorological Data
Historic Environment	
7.6.6.1	Desk Based Assessment
7.6.6.2	Aerial Photographic Survey Report
7.6.6.3	Geophysical Survey Report
7.6.6.4	Field Walking Report
7.6.6.5	Trial Trenching Report
7.6.6.6	Intertidal Walkover Survey Report
7.6.6.7	Site Gazetteer
7.6.6.8	Designated Assets Baseline
7.6.6.9	Screening Assessment HVDC Converter/HVAC Substation
Land Use, Agriculture and Recreation	
7.6.7.1	Soil Types and Descriptions
7.6.7.2	Hornsea P2 Wind Farm Safety Assessment: North Coates Airfield
Traffic and Transport	
7.6.8.1	Transport Assessment

Doc Ref	Document
7.6.8.2	Planning Policy
7.6.8.3	Description of Network
7.6.8.4	2011 Base Traffic Flows
7.6.8.5	Personal Injury Accident Locations
7.6.8.6	Local Public Transport Networks
7.6.8.7	Construction Vehicle Trip Generation Assumptions
7.6.8.8	Traffic Flows with Construction Traffic
7.6.8.9	Route with HA A160 Scheme
Noise and Vibration	
7.6.9.1	Construction Noise Model
7.6.9.2	Operational Noise Model Input
7.6.9.3	Operational Noise Output
7.6.9.4	Cumulative Noise Assessment
Air Quality and Health	
7.6.10.1	Electromagnetic Fields Study
7.6.10.2	Airport and Technical Site Safeguarding Consultation Zones
Socioeconomics	
7.6.11.1	Socioeconomics Methodology Information
8 Scoping Opinion	
8.1	Scoping Opinion (Nov 2012)
9 Statement of Engagement	
9.1	Statement of Engagement
10 Crown Plan	
10.1	Crown Plan (Offshore)
10.2	Crown Plan (Onshore)
10.3	Crown Plan (Intertidal)
11 Additional Information for Specific Types of Infrastructure	
11.1	Safety Zone Statement
11.2	Cable Statement
12 Other Plans, Documents and Reports	
12.1	Planning Statement
12.2	Draft European Protected Species Licence: Method Statement and Supporting Information (Offshore)
12.3	Onshore European Protected Species Licence: Statement of Compliance
12.4	Outline Code of Construction Practice
12.5	Outline Ecological Management Plan
12.5	Confidential Outline Ecological Management Plan

Doc Ref	Document
12.6	Habitats Regulation Assessment Part 1 of 2
12.6	Habitats Regulation Assessment Part 2 of 2
12.6.1	Habitats Regulation Assessment Evidence Plan
12.6.2	Habitats Regulation Assessment Screening Report
12.6.3	Habitats Regulation Assessment Screening and Integrity Matrices
12.7	Statutory and non-statutory conservation and historic or scheduled monument sites plan (Onshore)
12.8	Statutory and non-statutory conservation and historic or scheduled monument sites plan (Offshore)
12.9	Outline Landscape Scheme and Management Plan
12.10	Consents Management Plan
12.11	DCO/DML Coordinates Plan

SCHEDULE 2 – GLOSSARY OF TERMS

ABP	Associated British Ports
ALA 1981	Acquisition of Land Act 1981
APFP Regulations	Infrastructure Planning (Applications: Prescribed Forms and Procedure) Regulations 2009
BL	Breesea Limited
DCO	Development Consent Order
DECC	Department of Energy and Climate Change
EA 1989	Electricity Act 1989
ECHR	European Convention on Human Rights
GW	Gigawatts
HVAC	High Voltage Alternating Current
HVDC	High Voltage Direct Current
IMRPOL	International Mainstream Renewable Power (Offshore) Limited
MPS	Marine Policy Statement
MRP	Mainstream Renewable Power Limited
MW	Megawatts
NPS	National Policy Statement
NPS EN-1	National Policy Statement for Energy
NPS EN-3	National Policy Statement for Renewable Energy Infrastructure
NPS EN-5	National Policy Statement for Electricity Networks Infrastructure
NSIP	Nationally Significant Infrastructure Project
OW	Optimus Wind Limited
PA 2008	Planning Act 2008
RES	UK Renewable Energy Strategy
REZ	Renewable Energy Zone
SPP	Special Parliamentary Procedure
SPV	Siemens Project Ventures GmbH