



# Sheringham Shoal and Dudgeon Offshore Wind Farm Extension Projects

Strategic and Collaborative Approaches to Compensation  
and Measures of Equivalent Environmental Benefit

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## Glossary of Acronyms

AEoI	Adverse Effect on Integrity
BEIS	Department for Business, Energy and Industrial Strategy
BESS	British Energy Security Strategy
CSCB	Cromer Shoal Chalk Beds
DCO	Development Consent Order
DEFRA	Department for the Environment and Rural Affairs
DEP	Dudgeon Offshore Wind Farm Extension Project
DMTF	Delivery Mechanism Task Force
EPP	Evidence Plan Process
ES	Environmental Statement
ETG	Expert Topic Group
FFC	Flamborough and Filey Coast
GW	Greater Wash
HRA	Habitats Regulations Assessment
ICES	International Council for the Exploration of the Sea
IFCA	Inshore Fisheries and Conservation Authority
MCAA	Marine and Coastal Access Act 2009
MCZ	Marine Conservation Zone
MCZA	Marine Conservation Zone Assessment
MEEB	Measures of Equivalent Environmental Benefit
MPA	Marine Protected Area
MNG	Marine Net Gain
MRF	Marine Recovery Fund
NNC	North Norfolk Coast
NGO	Non-Governmental Organisation
NPS	National Policy Statement
NSIP	Nationally Significant Infrastructure Project
OWEIP	Offshore Wind Environmental Improvement Package
OWIC DS	Offshore Wind Industry Council Derogation Subgroup
OWF	Offshore Wind Farm
P2G	Pathways to Growth

PINS	The Planning Inspectorate
RIAA	Report to Inform Appropriate Assessment
RSPB	Royal Society for the Protection of Birds
SAC	Special Area of Conservation
SEP	Sheringham Offshore Wind Farm Extension Project
SNCBs	Statutory Nature Conservation Bodies
SoS	Secretary of State
SPA	Special Protection Area
SSB	Spawning Stock Biomass
TAC	Total Allowable Catch
TCE	The Crown Estate
UK	United Kingdom
UKCEH	United Kingdom Centre for Ecology and Hydrology
UNESCO	United Nations Educational, Scientific and Cultural Organisation

## Glossary of Terms

Dudgeon Offshore Wind Farm Extension site	The Dudgeon Offshore Wind Farm Extension offshore lease area.
Dudgeon Offshore Wind Farm Extension Project (DEP)	The Dudgeon Offshore Wind Farm Extension site as well as all onshore and offshore infrastructure.
DCO Order Limits	The area subject to the application for development consent, including all permanent and temporary works for DEP and SEP.
European site	Sites designated for nature conservation under the Habitats Directive and Birds Directive. This includes candidate Special Areas of Conservation, Sites of Community Importance, Special Areas of Conservation, potential Special Protection Areas, Special Protection Areas, Ramsar sites, proposed Ramsar sites and sites compensating for damage to a European site and is defined in regulation 8 of the Conservation of Habitats and Species Regulations 2017, although some of the sites listed here are afforded equivalent policy protection under the National Planning Policy Framework (2021) (paragraph 176) and joint Defra/Welsh Government/Natural England/NRW Guidance (February 2021).
Evidence Plan Process (EPP)	A voluntary consultation process with specialist stakeholders to agree the approach, and information to support, the EIA and HRA for certain topics.
Integrated Grid Option	Transmission infrastructure which serves both extension projects.
Separated Grid Option	Transmission infrastructure which allows each project to transmit electricity entirely separately.
Sheringham Shoal Offshore Wind Farm Extension site	Sheringham Shoal Offshore Wind Farm Extension lease area.
Sheringham Shoal Offshore Wind Farm Extension Project (SEP)	The Sheringham Shoal Offshore Wind Farm Extension site as well as all onshore and offshore infrastructure.
The Applicant	Equinor New Energy Limited. As the owners of SEP and DEP, Scira Extension Limited (SEL) and Dudgeon Extension Limited (DEL) are the named undertakers that have the benefit of the Development Consent Order. References in this document to obligations on, or commitments by, 'the

	Applicant' are given on behalf of SEL and DEL as the undertakers of SEP and DEP.
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## STRATEGIC AND COLLABORATIVE APPROACHES TO COMPENSATION AND MEASURES OF EQUIVALENT ENVIRONMENTAL BENEFIT

### 1 Introduction

#### 1.1 Project Background

1. Equinor New Energy Limited ('the Applicant') is applying for a Development Consent Order (DCO) for the Sheringham Shoal Offshore Wind Farm Extension Project (hereafter 'SEP') and the Dudgeon Offshore Wind Farm Extension Project (hereafter 'DEP'). When operational, SEP and DEP combined would have the potential to generate renewable power for approximately 785,000 United Kingdom (UK) homes from up to 30 wind turbines at DEP and up to 23 wind turbines at SEP.
2. As set out in the Environmental Statement (ES) **Chapter 1 Introduction** (document reference 6.1.1), whilst SEP and DEP have different ownership and are each Nationally Significant Infrastructure Projects (NSIPs) in their own right, a single application for development consent will be made to address both wind farms, and the associated transmission infrastructure. A single planning process and DCO application is intended to provide consistency in the approach to the assessment, consultation and examination.
3. As part of the DCO application, the Applicant is submitting a **Report to Inform Appropriate Assessment (RIAA)** (document reference 5.4), which provides the information necessary for the competent authority to undertake an appropriate assessment to determine if there is any adverse effect on integrity (AEoI) on the national site network.
4. With respect to the Sandwich tern feature of the North Norfolk Coast Special Protection Area (NNC SPA) and Greater Wash SPA (GW SPA), and the kittiwake feature of the Flamborough and Filey Coast SPA (FFC SPA), the Applicant's **RIAA** (document reference 5.4) concludes that an adverse effect on site integrity cannot be ruled out due to in-combination collision risk and in-combination combined displacement and collision risk impacts for Sandwich tern and in-combination collision risk impacts for kittiwake. For all other sites and features assessed in the RIAA, a conclusion of no adverse effect on site integrity is reached.
5. In light of the Applicant's conclusions for Sandwich tern and kittiwake, the Applicant is providing a derogation case as part of the Habitats Regulations Assessment (HRA) process. Additionally, in response to feedback from consultation undertaken during the pre-application period (including on the draft RIAA provided as part of the section 42 consultation) and discussions with the Ornithology Compensation Expert Topic Group (ETG) (see **Annex 1D Record of HRA Derogation Consultation**, document reference 5.5.1.4) for further information), a derogation case has also been provided on a without prejudice basis for the gannet, guillemot and razorbill features of the FFC SPA.



6. In accordance with the Marine and Coastal Access Act 2009 (MCAA), a Stage 1 Marine Conservation Zone Assessment (MCZA) has been prepared as part of the DCO application which concludes that the conservation objectives of the Cromer Shoal Chalk Beds Marine Conservation Zone (CSCB MCZ) will not be hindered by SEP and/or DEP (see [Stage 1 CSCB MCZ Assessment](#), document reference 5.6). However, in response to discussions with the Seabed ETG (see meeting minutes provided as part of the [Consultation Report Appendices](#), document reference 5.2), the Applicant is providing a derogation case, without prejudice to its position that the conservation objectives of the CSCB MCZ will not be hindered.

## 1.2 Purpose of Document

7. The purpose of this document is to outline the Applicant's position and proposed approach to strategic and collaborative delivery of ecological compensation and measures of equivalent environmental benefit (MEEB) (herein referred to collectively as 'compensation'). It recognises emerging policy drivers for more collaborative and/or strategic delivery of compensation and the substantial work that is currently being undertaken by the UK Government, Statutory Nature Conservation Bodies (SNCBs), the offshore wind industry, and others to advance understanding of how compensation could be delivered on a collaborative and/or strategic basis (see [Section 1.3](#)).
8. Considering this external context, the Applicant has considered strategic and collaborative delivery models alongside project-led delivery of compensation, with the latter being the model taken forward by offshore wind farm (OWF) developers to date. It has been necessary for the Applicant to mature project-led compensatory measures whilst also recognising opportunities for collaboration, given the uncertainty that remains around the details and exact timings of a functioning strategic or collaborative delivery mechanism, and whether this will become available within the necessary timescales for SEP and DEP. Further information about the Applicant's position and the consultation that has been undertaken to inform this is presented in [Section 3](#).
9. The Applicant has set out within [Section 4](#) its commitment to supporting an industry-scale approach to delivering compensation and outlines the measures which are felt to have strong ecological merit but would be more appropriate to be taken forward as part of either a collaborative approach with other developers, or a strategic approach by Government and industry. Information on how the Applicant's approach and commitment to collaborative and strategic measures fits with the project-led measures and overall package of compensatory measures being put forward for each feature is also provided within this section.
10. Further information on the compensatory measures proposed by the Applicant can be found in the following documents:
- [Appendix 2 Sandwich Tern Compensation Document](#) (document reference 5.5.2);
  - [Appendix 3 Kittiwake Compensation Document](#) (document reference 5.5.3);

- **Appendix 4 Gannet, Guillemot and Razorbill Compensation Document** (document reference 5.5.4); and
- **Appendix 1 In-Principle CSCB MCZ MEEB Plan** (document reference 5.7.1).

11. The Applicant considers the proposed package of project-led compensatory measures alone will (if required), fully compensate for the Projects' predicted impact to the designated sites and features outlined in **Section 1.1**. Strategic and collaborative measures are therefore intended to provide resilience to the Applicant's compensatory proposals, but also to present alternative options for delivering compensation that could be relied upon to discharge derogation requirements for SEP and DEP. Further information is provided in **Section 4**.

### 1.3 Implications of the Project Development Scenarios

12. SEP and DEP may be delivered under a range of project development scenarios. Details of the scenarios and how these are reflected in the DCO application is set out in the **Scenarios Statement** (document reference 9.28). The pre-application engagement relating to the proposed compensatory measures has assumed that both projects are developed, and the package of measures proposed for each of the relevant sites and features outlined in **Section 1.1** is considered by the Applicant to deliver the level of compensation required in comparable proportion (factoring in the risks and uncertainties associated with delivering successful compensation) to address the worst-case impacts of both SEP and DEP, as required by draft Defra guidance (Defra, 2021).
13. The scenario under which SEP and/or DEP will be delivered will be confirmed prior to the commencement of the authorised development, and the **Draft DCO** (document reference 3.1) secures the requirement to notify the relevant planning authority and the MMO as appropriate of which scenario is being undertaken. This will need to be confirmed before further requirements of the DCO and conditions of the Deemed Marine Licences (DMLs) can be discharged.
14. The Applicant has considered the requirements for compensation under each project development scenario and has determined that the delivery of the proposed measures under each scenario is dependent on how scalable the given measure is.
15. The project development scenarios for SEP and DEP can be broadly categorised as:
- In isolation – where only SEP or DEP is constructed;
  - Sequential – where SEP and DEP are both constructed in a phased approach with either SEP or DEP being constructed first; or
  - Concurrent – where SEP and DEP are both constructed at the same time.
16. The **Scenarios Statement** (document reference 9.28) describes the ambition to deliver SEP and DEP with an integrated transmission system, however the predicted impacts on the sites and features outlined above is no different if the transmission system for the two projects are delivered integrated or separately.

17. Where both projects are delivered in the sequential scenario, the overall final package of compensation to be delivered will be the same as in the concurrent scenario. The Applicant therefore considers it practical to deliver all of the compensation at the same time under either the sequential or concurrent scenario. In the sequential scenario this may mean that one project delivers compensation earlier than may have otherwise been required if it were a standalone project, which could be at risk e.g. prior to Final Investment Decision (FID). The Applicant considers however that the second project would have the benefit of the compensation being in place slightly longer than the first project thereby reducing pressure on the onward project programme.
18. Should SEP or DEP be delivered in isolation then it would be necessary to deliver only the scale of measures required to achieve adequate compensation in proportion to the impacts predicted from the given project (SEP or DEP). Where this is not practical because the measure is not ecologically scalable, the Applicant is proposing to deliver the compensation measure to its full extent. Where compensation is scalable, or partially scalable, compensation would be delivered on a scale appropriate to the nature and extent of the predicted impact from SEP, or from DEP. Measures considered on a strategic or collaborative basis are in the majority of cases, expected to be scalable.
19. As owners of SEP and DEP, Scira Extension Limited (SEL) and Dudgeon Extension Limited (DEL) are the named undertakers that have the benefit of the DCO. References throughout this document to obligations on, or commitments by, 'the Applicant' are given on behalf of SEL and DEL as the undertakers of SEP and DEP.

## 2 Current Context

### 2.1 Policy

#### 2.1.1 Energy National Policy Statements review

20. The National Policy Statement (NPS) for Renewable Energy Infrastructure (EN-3), together with the Overarching National Policy Statement for Energy (EN-1), provide the primary policy for decisions by the Secretary of State (SoS) on applications they receive for nationally significant renewable energy infrastructure. Both the NPS EN-1 and EN-3 are in the process of being revised. Draft versions were published by the Department for Business, Energy and Industrial Strategy (BEIS) for consultation in September 2021 (BEIS, 2021a; 2021b).
21. The draft NPS EN-3 recognises that with the increasing deployment of OWFs, cumulative environmental impacts upon European sites and MCZs may not be able to be addressed by mitigation alone and that compensation measures may be required where AEoI of the European site/feature cannot be ruled out. The draft NPS goes on to state that Applicants should work with statutory nature conservation advisors and the Department of Environment, Food and Rural Affairs (Defra) to develop a compensation plan for all protected sites adversely affected by the development.

22. Paragraph 2.24.16 of the draft NPS EN-3 states: *“Where several developers are likely to have cumulative impacts on the same species or feature it may be appropriate to collaborate with each other on compensation measures. Applicants may also want to coordinate with other marine industry sectors also needing to find compensatory measures.”*
23. The draft NPS goes on to note that Defra will be publishing guidance imminently to help applicants consider how compensation should be delivered. Further comment on this is provided in **Section 2.3.4** below. The draft NPS EN-3 provides in principle support to the implementation of strategic compensation measures and to the Applicant’s proposed commitment to delivering compensation, where possible, on a more strategic and/or collaborative basis.

### 2.1.2 British Energy Security Strategy (BESS)

24. On 7 April 2022, the UK Government published the ‘British Energy Security Strategy’ (BESS) (HM Government, 2022). The strategy was introduced in response to international energy pressures and seeks to accelerate the UK’s transition to ‘Net Zero’. The strategy commits to increasing the pace of deployment of offshore wind energy by 25%, whilst maintaining high environmental standards. It details an ambition to deliver up to 50GW by 2030, including 5GW of floating wind.
25. The BESS makes a number of commitments as to how it will cut the process of deployment time of OWFs in half, including by:
- *“strengthening the Renewable National Policy Statements to reflect the importance of energy security and net zero.”*
  - *“making environmental considerations at a more strategic level allowing us to speed up the process while improving the marine environment.”*
  - *“introducing strategic compensation environmental measures including for projects already in the system to offset environmental effects and reduce delays to projects.”*
  - *“implementing a new Offshore Wind Environmental Improvement Package including an industry-funded Marine Recovery Fund and nature-based design standards to accelerate deployment whilst enhancing the marine environment.”*
26. The delivery of strategic level compensation, rather than at a project level, is a key aspect to delivering the aims of the BESS. This includes projects that are already ‘in the system’ and is therefore potentially relevant to SEP and DEP. Through the delivery of strategic compensation, it can be ensured that forthcoming offshore wind development will not result in overall harm to the national site network and can reduce or remove the need for project-specific compensation.
27. On 23 June 2022, Defra opened a brief consultation on the proposals for the Offshore Wind Environmental Improvement Package (OWEIP) and the Marine Recovery Fund (MRF) (Defra, 2022a). Consultation closed on 7 July 2022. Further information on Defra’s proposals can be found in **Section 2.2** below.

28. Defra is also currently undertaking a consultation on the principles of marine net gain and published a consultation document on 7 June 2022 to inform it (Defra, 2022b). The consultation document makes reference to the MRF that was announced as part of the BESS and that will form part of the OWEIP. The MRF proposes a “*contributions-based approach*”, with the fund used to deliver strategic Marine Protected Area (MPA) compensation and subsequently marine net gain.

## 2.2 Government-led Initiatives

### 2.2.1 Offshore Wind Environmental Improvement Package

29. The OWEIP policy paper published by Defra for consultation on 23 June 2022 outlined in further detail current proposals aimed at ensuring the UK meets its environmental commitments as offshore wind deployment is accelerated. This included options for:

- Review and reform of the HRA process;
- Strategic compensatory measures;
- MRF;
- Nature-based design standards; and
- Strategic monitoring.

30. The proposals of most relevance to this document are bullet points 1, 2 and 3 above. Relevant aspects of these are discussed in the following sub-sections.

### 2.2.2 Review and reform of the HRA process

31. As part of its HRA reform, Defra are exploring both non-legislative and legislative changes to the HRA process. In terms of non-legislative changes, Defra are reviewing the way HRAs are undertaken for offshore wind projects and will provide guidance on how to make the process more efficient. They will also seek to provide further support to developers and statutory consultees in developing compensatory measures during the pre-application process. The non-legislative changes are being targeted at projects submitting applications for consent after September 2023 (i.e. Crown Estate’s Leasing Round 4 projects and onwards). As such, these non-legislative changes will have no bearing on SEP and DEP.
32. Defra are also proposing more substantial legislative changes along broadly the same delivery timeline. The only proposed change that the Applicant considers to be a material consideration in the examination of the DCO application for SEP and DEP is Defra’s proposal to “*enable compensatory measures to be identified and delivered strategically, introducing a mechanism to bring forward larger scale compensatory measures than those typically delivered at a project level*” (Defra, 2022a). It is suggested that “*strategic compensatory measures could be delivered through a Marine Recovery Fund*” whereby “*the environmental benefits of strategic measures could be apportioned to multiple wind farm projects in meeting their project-level compensatory requirements*” (Defra, 2022a).



33. Given that Defra has confirmed that they propose to introduce legislation to enable the establishment of the MRF and that contributions to the MRF could be recognised by the Planning Inspectorate (PINS) and SoS in determining whether compensatory measures have been secured, this mechanism is considered to be one which the Applicant could rely upon to discharge its derogation requirements for SEP and DEP. See **Section 2.2.4** for further information.
34. Defra proposes that the changes to the HRA process should, where appropriate, be reflected within a further iteration of the new draft NPS EN-3 to ensure the OWEIP and the needs case are aligned (Defra, 2022a).

### 2.2.3 Strategic compensatory measures

35. One of the principal challenges for developers in relation to derogation is identifying and securing robust compensatory measures which are acceptable to regulators and SNCBs. To address this challenge, Defra is proposing to “*develop a library of ecologically robust strategic compensatory measures in partnership with industry and environmental stakeholders that are commercially feasible and deliverable*” (Defra, 2022a). The Applicant’s expectation is that these could be delivered strategically via the MRF but also explored at the project or collaborative level where appropriate.
36. Defra (2022a) defined ‘strategic compensatory measures’ as measures “*that work across a wide area, joining-up across projects and organisations to deliver an ecological benefit greater than the sum of its parts and/or measures that can only be delivered by Government (e.g., enhanced protection of MPAs).*”
37. As with the wider HRA reforms proposed, “*the intention would be to have suitable strategic compensatory measures available for all Round 4 developments and, where possible, to support some earlier developments too*” (Defra, 2022a). There is currently little clarity around whether suitable strategic compensatory measures will be available in the necessary timescales to support the 2017 Extension Projects which includes SEP and DEP.

### 2.2.4 Marine Recovery Fund

38. The proposed MRF would provide a framework allowing developers to deliver strategic compensation in a coordinated way through voluntary contributions to the fund. Several strategic compensation measures that have been identified can only be led or secured by Government. The MRF will provide a mechanism for the delivery of such measures, with appropriate input from regulators and SNCBs. This coordinated approach will allow ecological benefit to the national site network to be maximised and delivered in a timely manner.
39. Based on pre-application consultation with Defra (see **Annex 1D Record of HRA Derogation Consultation** (document reference 5.5.1.4)), it is understood that the MRF will be fully functional and available to developers in late 2023.

## 2.3 Industry-led Initiatives

### 2.3.1 Offshore Wind Industry Council's Derogation Subgroup (OWIC DS)

40. The Offshore Wind Industry Council Derogation Subgroup (OWIC DS) was formed in August 2021 to support the work of the Pathways to Growth<sup>1</sup> (P2G) Coordination Group. The P2G is the Sector Deal's workstream focussed on identifying and addressing the key environmental and consenting challenges that will be a barrier to the UK meeting its offshore wind 2030 target and playing its full role in delivering net zero. This includes HRA derogation, which is recognised as a key barrier to the growth of offshore wind.
41. Equinor is an active member of the OWIC DS. This group is working towards a strategic compensation delivery and as such, has undertaken the following work to date as outlined by Ørsted (2022):
- *"Q4 2021: Held two cross-government workshops to seek alignment on a delivery process and roles and responsibilities for progressing a strategic programme. Key outcomes were the initiation of a Delivery Mechanism Task Force hosted under the Pathways to Growth workstream (P2G DMTF), and more formalised engagement on an industry level with Government.*
  - *Q1 2022: First meetings of the P2G DMTF, including a decision on which compensatory measures to take forward to strategic case studies, gathering evidence from industry and stakeholder experts.*
  - *Q2 2022: Agreement across the P2G DMTF and Coordination Group that the development of pilot studies (based on the evidence gathered through the case study process) is supported, as well as the aim for these pilots to be practical, support offshore wind project consenting, and work through a proposed delivery mechanism (considering allocation and enforcement of strategic compensation to individual projects). Two drafting workshops have been held for each of the topics being taken forward by the OWIC DS/P2G collaboration, with the latest in the week commencing 13 June 2022 (which included SNCBs and environmental non-governmental organisations (NGOs)). A proposed governance framework and definition for strategic compensation is in consultation via the P2G Coordination Group".*

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<sup>1</sup> [redacted] [accessed July 2022]: The Sector Deal's workstream focussed on identifying and addressing the key environmental and consenting challenges that will be a barrier to the UK meeting its offshore wind 2030 target and playing its full role in delivering net zero. Recognising the scale of the challenge, P2G brings together government representatives, SNCBs and industry across the UK's Devolved Administrations to work together in partnership.

42. Four topics are being developed as strategic compensation case studies by the OWIC DS/P2G collaboration and are summarised in **Table 1**. Equinor has sought to actively contribute to the knowledge base on which these pilots will be based, particularly in relation to artificial nesting, predator control/ eradication and habitat creation.

*Table 1 Four Strategic Compensation Case Studies Developed by the OWIC DS/P2G Collaboration*

Case Study	Description
Artificial nesting, for seabird compensation.	The primary seabird targeted by this pilot is kittiwake, however the potential benefits to other species such as guillemot, razorbill and gannet have been raised as part of discussions. The direction of this pilot, at the point of writing, is towards implementing an offshore structure, either through a repurposed existing asset or through a new structure, with parallel work supporting prey availability through a government-led pilot (see below).
Predator control or eradication, for seabird compensation	This is intended to support seabirds which are at risk of predation from mammalian predators. The options are: (i) to explore eradication at a UK island, which due to the geographical distribution of seabird colonies is likely to be in Scottish or Welsh waters, or (ii) to explore high-quality predator-proof fencing at a mainland breeding colony, in line with a risk assessment to seabirds present at those colonies.
Habitat creation, primarily for benthic compensation	This pilot is likely to focus on habitats which provide comparable ecosystem benefits to those which are being impacted by offshore wind developments, namely subtidal sandbanks and reefs. Native oysters and seagrass have been the focus of most discussions. There has also been discussion of habitat creation to support seabirds, with the understanding that quantifying benefits is more challenging in this scenario.
Infrastructure removal or repurposing	Three avenues have been discussed in these discussions. The first linking in with the artificial nesting topic, in repurposing of existing offshore assets which have seabird colonies already present. The second is to repurpose existing assets to create artificial reef. The third is to remove defunct infrastructure.

43. Two further topics are being progressed as pilots by Defra:
- Prey availability for seabirds; and



- Enhanced MPA management, including the potential for new or extended sites.

44. The Applicant understands that the intention of the OWIC DS and Defra is to launch all of these strategic pilots, which will consist of practical measures on which projects can rely for the purpose of compensation either in late 2022 or 2023. The pilots which are considered to have the most relevance to SEP and DEP include artificial nesting, predator control/eradication, prey availability and habitat creation.

### 2.3.2 Ørsted Hornsea Four Project Commitments

45. On 20 June 2022, Ørsted submitted an updated approach to strategic ecological compensation into examination (at Deadline 5) of the Hornsea Project Four DCO (Ørsted, 2022). This document sets out an updated commitment to contribute to the MRF in place of all or part of its developed compensatory measures or if required, as part of its adaptive management approach.

46. This commitment superseded an original commitment to contribute to a fund to develop further research to support evidence gathering such as the research led by the Offshore Wind Strategic Monitoring and Research Forum (Ørsted, 2021a). Examination of the Hornsea Project Four DCO application closed on 22 August 2022.

### 2.3.3 The Crown Estate

47. In response to the BESS, TCE has recently committed a further £25 million to its Offshore Wind Evidence and Change Programme<sup>2</sup>. This additional funding has been committed in part to assist with identifying environmental compensatory measures, and aims to support advancements in strategic compensation delivery and the work of the UK Government's MRF.

48. Also, in response to the outcome of the Round 4 plan-level HRA, TCE is proposing to establish a Steering Group to oversee the development and delivery of strategic environmental compensation plans for the Dogger Bank Special Area of Conservation (SAC) and the FFC SPA. Although not directly relevant to SEP and DEP as 2017 Extension Projects, the work of TCE further highlights the need for and wider commitments to the development and roll-out of strategic compensation.

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<sup>2</sup> The Crown Estate commits £50million to accelerate the UK's offshore energy ambitions and protect the marine environment

[redacted]  
[redacted] [accessed July 2022]

### 2.3.4 Defra Guidance

49. In July 2021, Defra published draft best practice guidance for developing compensatory measures in relation to MPAs (Defra, 2021). Whilst this guidance does not mention strategic compensation it does state: *“On rare occasions it may be that other measures delivering wider ecological systems benefits will be the only option for compensation. These opportunities should be identified through developer discussions with SNCBs during the pre-application discussions. Delivery of these measures is likely to be through collaborative action between several developers in an area and with the agreement of the SNCBs.”*
50. Defra has confirmed that the final guidance will be published at the end of 2022 (Defra, 2022a). In light of the BESS and emerging OWEIP, this will include updated advice on suitable compensatory measures as well as further guidance on the interpretation of ‘additionality’ (i.e. demonstrating that compensation measures are ‘additional’ to the normal practices required for the protection and management of a European site).

## 3 The Applicant’s Position

### 3.1 Implications of the Current Context

51. As outlined in **Section 2**, there have been significant industry-wide developments in relation to strategic compensation delivery which have unfolded during the final stages of the pre-application process for SEP and DEP. It is evident that a transition is underway from project-led delivery of compensation whereby measures are solely delivered by an individual developer to compensate for a given projects predicted impact only, to more collaborative and/or strategic delivery of compensation.
52. The Applicant recognises the benefits and value of delivering compensation on a more strategic basis and has remained committed throughout the pre-application process to supporting this transition. However, it has been a significant challenge for the Applicant to anticipate when a more strategic approach to delivery of compensation measures will be a viable alternative to project-led delivery.
53. Whilst it is recognised that a functioning strategic mechanism for delivering compensation for individual projects may become available as soon as late 2023 (as determined during pre-application consultation with Defra – see **Annex 1D Record of HRA Derogation Consultation**, document reference 5.5.1.4), it is not certain when this mechanism will be available, what exactly this might be, and whether it would present a suitable and timely prospect for SEP and DEP. Nonetheless, the Applicant has continued to engage with BEIS, Defra and SNCBs both directly and through the OWIC DS to explore all feasible options for the strategic delivery of compensation and to respond proactively to significant developments in this area.
54. In the meantime, the Applicant has continued to mature project-led measures to ensure that its overall package of compensatory measures would (if required) fully compensate for the Projects’ predicted impact on Sandwich tern, kittiwake, gannet, guillemot, razorbill and the Cromer Shoals Chalk Beds MCZ, and that these measures are feasible, deliverable and securable.

55. Collaborative delivery of compensation is recognised as a potential stepping-stone towards more strategic compensation delivery (and a likely departure from project-led delivery for species and habitats that are impacted by multiple wind farms, or other offshore developments). The Applicant refers to ‘collaborative delivery’ in the context of potential partnership working with a broad range of parties including other offshore wind developers, marine industries, SNCBs and NGOs.
56. This delivery model, particularly in the context of collaborating with other offshore wind developers to deliver compensation, is not without significant challenges as noted by stakeholders (**Annex 1D Record of HRA Derogation Consultation**, document reference 5.5.1.4). These predominately relate to aligning commercial interests and respective timings for securing and delivering compensation commitments, developing robust legal agreements that would sufficiently manage risks around allocating/appportioning benefits and if the compensation was to partially exceed or fail, how adaptive management would be conditioned for partial, or lack of success scenarios.
57. Nonetheless, the Applicant has considered these three potential delivery models (strategic, collaborative and project-led) in appraising different compensatory measures to ensure its proposed measures can be most feasibly, effectively and proportionately delivered, relative to the Projects’ predicted impacts whilst also maximising benefits to the national site network.
58. Further information about the Applicant’s approach and commitment to collaborative and strategic measures and how these fit with the project-led measures that are outlined in the **Sandwich tern Compensation Document** (document reference 5.5.2), **Kittiwake Compensation Document** (document reference 5.5.3), **Gannet, Guillemot and Razorbill Compensation Document** (document reference 5.5.4) and **In-Principle CSCB MCZ MEEB Plan** (document reference 5.7.1) is provided in **Section 4** below.

### 3.2 Consultation

59. The following information provides a high-level summary of consultation undertaken in relation to the Applicant’s proposed approach to strategic and collaborative delivery of compensation. Further details can be found in **Annex 1D Record of HRA Derogation Consultation** (document reference 5.5.1.4), describing key feedback from stakeholders in relation to the Applicant’s proposed approach to strategic and compensation delivery and the regard given to this. Reference to this engagement is also made in **Section 4** below. A complete record of engagement undertaken as part of the Evidence Plan Process (EPP), including ETG meeting minutes and agreement logs, is provided in the **Consultation Report Appendices** (document reference 5.2).

60. The Applicant initially identified prey enhancement as a potentially suitable compensation measure for Sandwich tern and kittiwake in May 2021 (and November 2021 for guillemot and razorbill). Even at this early stage, it was recognised that this could not be delivered at the project level and would need to be delivered as part of a strategic approach led by the UK Government. However, at the time, Defra's ambitions with respect to this were unclear. Throughout pre-application, the Applicant has continued to engage with Defra directly and via the OWIC DS to further explore how prey enhancement could be taken forward strategically with support from industry.
61. On 11 April 2022, the Applicant provided Ornithology Compensation ETG members with an HRA Compensation Briefing Note, which was designed to share the main updates in the development of the proposed compensatory measures since the last round of consultation in January 2022 and to enable more targeted engagement around the key remaining issues and questions. The briefing note also introduced details of the three delivery models for each of the measures under consideration, including project-led, collaborative, and strategic delivery.
62. Consideration of the three delivery models represented a rapid response to the publication of the BESS on 7 April 2022 and was included to ensure the Applicant's proposals remained up to date and resilient to future advancements in compensation delivery mechanisms (namely strategic and collaborative opportunities). Feedback on the proposed delivery models was discussed with the Ornithology Compensation ETG in a meeting on 25 April 2022.
63. Notwithstanding the challenges around developing a robust agreement for collaborative compensation delivery, the ETG considered that continuing to promote certain measures on a purely strategic or collaborative basis was sensible. However, Natural England advised that as much detail as possible should be provided at the point of application. The Applicant has included this delivery model as an alternative option to project-led and/or strategic delivery, subject to suitable delivery partner(s) and an agreed mechanism becoming available (see [Section 4](#)).
64. A further update was provided during the final Ornithology Compensation ETG meeting in late June 2022. During this meeting, there was detailed discussion about a specific strategic idea to implement a nature recovery zone in the wider Greater Wash area to protect benthic habitats and prey availability. However, Natural England appreciated that any such measure wouldn't "*be available in the timescales for SEP and DEP, and so won't have the offsetting capabilities*" but did suggest that the Applicant could consider a proposal to support evidence gathering. Clarity around this idea has come very late during the pre-application phase, and there has been insufficient time for the Applicant to explore this option with other relevant stakeholders meaningfully. Nonetheless, as outlined in [Section 4.3.1](#), the Applicant remains committed to exploring strategic measures to improve prey availability for seabirds, including Sandwich tern, kittiwake, guillemot and razorbill.
65. Whilst PINS were invited to attend the Ornithology Compensation ETG, a further update on the Applicant's approach to compensation delivery was provided during a separate meeting in July 2022.

66. Opportunities for developing strategic approaches to compensation were also discussed directly with Defra, including in meetings in June 2021, December 2021, March 2022 and July 2022. Further details can be found in **Annex 1D Record of HRA Derogation Consultation** (document reference 5.5.1.4).

## 4 The Applicant's Proposed Approach to Strategic and Collaborative Compensation

### 4.1 Overview

67. The Applicant's approach to developing suitable compensatory measures has focussed on identifying, in consultation with the Ornithological Compensation ETG (as outlined in **Section 3.2**), measures which are considered to be the most ecologically effective and feasible means of delivering compensation. The list of measures outlined in **Table 2** below represents the output of this process and is supported by ecological evidence presented in the following documents:

- **Annex 1B Sandwich Tern and Kittiwake Ecological Evidence** (document reference 5.5.1.2);
- **Appendix 2 Sandwich Tern Compensation Document** (document reference 5.5.2);
- **Annex 2B Sandwich Tern Nesting Habitat Improvements Site Selection** (document reference 5.5.2.2);
- **Appendix 3 Kittiwake Compensation Document** (document reference 5.5.3);
- **Appendix 4 Gannet, Guillemot and Razorbill Compensation Document** (document reference 5.5.4); and
- **Appendix 1 In-Principle CSCB MCZ MEEB Plan** (document reference 5.7.1).

68. The compensatory measures identified have been considered in the context of three different delivery models: project-led, collaborative and strategic. The delivery models reflect how the Applicant considers each measure could be most feasibly, effectively and proportionately delivered, relative to the Projects' predicted impacts whilst also maximising benefits to the national site network. This approach also seeks to align the Applicant's proposals as much as possible with emerging developments in the wider-industry context with respect to more collaborative and/or strategic delivery of compensation.

69. Measures proposed on a project-led basis (**Table 2**) form the principal compensatory measures put forward by the Applicant. These measures are considered sufficient to fully compensate for SEP and DEPs predicted impact on Sandwich tern and kittiwake and, if required, to guillemot, razorbill, gannet and the CSCB MCZ. Where possible, a package of measures has been put forward for each designated site and interest feature, as advocated by stakeholders, to help respond to any uncertainties in the delivery or implementation of each of the proposed measures and to add resilience to the Applicant's overall approach. Where only one project-led measure is proposed, potential uncertainty has been addressed through



application of a higher ratio (e.g. a ratio of greater than 1:5 is proposed in relation to the CSCB MCZ such that for every 1m<sup>2</sup> of habitat predicted to be impacted by SEP and DEP, more than 5m<sup>2</sup> of oyster bed restoration will be delivered as MEEB, if required) or through potential delivery of measures at multiple sites (e.g. nest site improvements to enhance breeding success of kittiwake).

70. Measures proposed on either a collaborative or strategic basis, are those which would be more appropriate to be taken forward as part of a collaborative approach with other developers, or a strategic approach by Government and industry, or a combination of the two. Measures proposed on a collaborative basis also recognises the potentially enormous benefit that working in partnership with expert organisations, individuals and local suppliers would provide in seeking to deliver successful measures. This is considered to be particularly relevant to the bycatch reduction research proposal for gannet and oyster restoration within the CSCB MCZ.
71. Models for the collaborative or strategic delivery of compensation measures will potentially come to maturity in the timescales that the Applicant would be delivering compensation measures in respect of SEP and DEP. For example, engagement with Defra has confirmed that the MRF could be available to developers as early as late 2023 (see [Annex 1D Record of HRA Derogation Consultation](#), document reference 5.5.1.4). Based on industry engagement it is also considered possible that other suitable mechanisms for delivery of collaborative or strategic compensation could be available even sooner than this. The Applicant considers such measures could be implemented wholly or partly in substitution for project-led delivery of compensation measures, or as part of an adaptive management approach. The Applicant is continuing to explore these options and has sought flexibility in the [Draft DCO](#) (document reference 3.1) to be able to take advantage of future developments.
72. Measures considered on a strategic or collaborative delivery basis are discussed further in the following sections.

*Table 2 Summary of Proposed Compensatory Measures and Delivery Model*

Measure	Project-led	Collaborative	Strategic
<b>Sandwich tern (NNC SPA / GW SPA)</b>			
Nesting habitat improvements and restoration of lost breeding range at Scar Point, Loch Ryan	✓		
Improved breeding success at SPA sites other than NNC (e.g. the Farne Islands SPA or Foulness SPA)	✓		
Prey enhancement through sandeel stock recovery and sprat stock protection – ecosystem-based management approach			✓
<b>Kittiwake (FFC SPA)</b>			
Nest site improvements to enhance breeding success	✓		

Measure	Project-led	Collaborative	Strategic
Construction of new artificial breeding sites for kittiwakes onshore or offshore		✓	
Prey enhancement through sandeel stock recovery and ecosystem-based management			✓
<b>Guillemot and razorbill (FFC SPA)</b>			
Bycatch reduction	✓	✓	
Predator eradication from a breeding colony		✓	
Prey enhancement through sandeel stock recovery and ecosystem-based management			✓
<b>Gannet (FFC SPA)</b>			
Bycatch reduction research proposal – better establish the scale and pattern of bycatch and investigate reduction measures	✓	✓	
Non like-for-like compensation option – enhance the conservation of wintering and migrant shorebirds and waterfowl at Loch Ryan	✓		
<b>CSCB MCZ</b>			
Oyster restoration within the CSCB MCZ	✓	✓	
<b>All</b>			
Strategic Compensation Fund			✓

## 4.2 Collaborative Compensatory Measures

73. As outlined in **Table 2** above, measures considered on a collaborative basis include:

- Construction of new artificial breeding sites onshore or offshore (for kittiwake);
- Bycatch reduction (for guillemot and razorbill);
- Predator eradication from a breeding colony (for guillemot and razorbill);
- Bycatch reduction research proposal (for gannet); and
- Oyster restoration within the CSCB MCZ.

74. The first three compensatory measures outlined above reflect those that have been proposed by other offshore wind developers and/or are in the process of being implemented. Thus, they present an obvious collaborative opportunity which seeks to capitalise on existing learning and suitable locations (where these are limited) to either co-locate measures or deliver a single measure which can compensate for the predicted impacts of multiple projects.
75. For the remaining measures, including the bycatch reduction research proposal for gannet and oyster restoration within the CSCB MCZ, the Applicant is not aware of any other offshore wind developer currently in the consenting process who is proposing these measures as compensation, if required. Opportunities for collaboration are therefore limited, and a transactional arrangement whereby the Applicant might seek to pay a financial contribution to another offshore wind developer to incorporate the compensation needs of SEP and DEP into a pre-existing commitment to deliver compensation via these measures is not considered to be available. Nonetheless, the Applicant remains open to collaborative delivery of these measures should an appropriate project partner(s) come forward.
76. As outlined above, measures considered in the context of the collaborative delivery model do not currently form a component of the package of compensatory measures proposed for SEP and DEP but rather represent alternative options that may be available to the Applicant in the near future. It has been necessary to adopt this approach as discussions with other developers on the nature of an appropriate delivery mechanism for collaborative delivery are not yet sufficiently matured for the Applicant to rely upon these measures at application. However, discussions with specific developers currently in the planning process are underway, and the Applicant will continue to explore collaborative delivery of these measures with prospective partners (and potentially others) to find opportunities for early collaboration.
77. The Applicant anticipates that significant progress with regard to collaborative delivery of compensation could be made in the near term, especially with further developments in strategic delivery of compensation (which faces similar challenges) and as more consented projects move forward with implementing their compensatory measures. As such, a provision for the Applicant to collaborate with another developer(s) in the delivery of compensation wholly or partly in substitution for project-led measures or as an adaptive management measure has been included within the draft DCO wording outlined within the **Draft DCO** (document reference 3.1) for Sandwich tern and kittiwake and **Appendix 4 Gannet, Guillemot and Razorbill Compensation Document** (document reference 5.5.4) for guillemot and razorbill.
78. A detailed explanation of the draft DCO wording with respect to collaborative delivery of compensation is outlined in **Section 4.4**.



## 4.3 Strategic Compensatory Measures

### 4.3.1 Prey Enhancement

79. Prey enhancement through sandeel stock recovery and, for Sandwich tern, sprat stock protection as part of an ecosystem-based management approach is considered by the Applicant to be the most effective means of compensating for predicted impacts to the breeding Sandwich tern at NNC/GW SPA and populations of kittiwake, guillemot and razorbill at FFC SPA. The ecological evidence that supports this position is provided in:
- **Annex 1B Sandwich Tern and Kittiwake Ecological Evidence** (document reference 5.5.1.2);
  - **Appendix 2 Sandwich Tern Compensation Document** (document reference 5.5.2);
  - **Appendix 3 Kittiwake Compensation Document** (document reference 5.5.3); and
  - **Appendix 4 Gannet, Guillemot and Razorbill Compensation Document** (document reference 5.5.4).
80. Key stakeholders (Natural England and Royal Society for the Protection of Birds (RSPB)) engaged through the EPP, have expressed significant support for tackling the pressure on seabird prey resources as a form of compensation for offshore wind. This is reflected both in the Applicant's pre-application engagement (see **Annex 1D Record of HRA Derogation Consultation**, document reference 5.5.1.4) and within submissions from interested parties during examination and determination of other offshore wind farm developments including Hornsea Project Three, Norfolk Boreas, East Anglia One North and TWO DCOs.
81. It has also been raised in relation to the Hornsea Project Four DCO examination with Natural England stating that *"increasing 'forage fish' prey availability would be the most ecologically effective method to increase productivity of the target bird populations, acknowledging that this could most effectively be delivered via a Government-led strategic approach at a scale larger than any one wind farm."* (Natural England, 2021).
82. As outlined by Natural England, it is widely accepted that this measure would be most effectively delivered by Government on a strategic basis. The Applicant considers the most effective way this could be achieved would be to restrict fishing on sandeel, and with respect to prey availability for Sandwich tern, sprat or juvenile herring in UK waters. However, this would need to be implemented either by Defra in the case of sandeel or the relevant Inshore Fisheries and Conservation Authority (IFCA) in the case of sprat and juvenile herring fisheries within UK inshore waters.
83. Given the acknowledged and significant potential of such an action to provide far greater compensation than even the most precautionary estimates of losses incurred due to SEP and DEP in-combination with other projects, prey enhancement measures could form a valuable part of the compensation proposals for SEP and DEP, but is a measure that could only be delivered strategically.

84. As outlined in **Section 2.3.1**, prey availability for seabirds is one of two topics currently being progressed by Defra as a strategic pilot and is, therefore, an active workstream that the Applicant supports in principle. Should a strategic mechanism to deliver compensatory measures to increase prey availability become available on the relevant timeline for SEP and DEP and, depending on the nature of this and whether it would be open to developer contributions, the Applicant would seek to provide a financial contribution to this scheme. This contribution would be provided wholly or partly in substitution for the project-led compensation measures proposed for Sandwich tern, kittiwake, guillemot and razorbill (if required), or as an adaptive management measure. The option for the Applicant to opt into such a scheme is included within the **Draft DCO** (document reference 3.1) for Sandwich tern and kittiwake and **Appendix 4 Gannet, Guillemot and Razorbill Compensation Document** (document reference 5.5.4) for guillemot and razorbill.
85. A detailed explanation of the draft DCO wording covering strategic delivery of prey enhancement as compensation is provided in **Section 4.4**.
86. Given the limited details available about Defra's prey availability pilot at this time, it is not considered possible or appropriate to assign a value to the Applicant's contribution to this or any other similar scheme. However, if at such a time, sufficient information becomes available and the proposal presents a viable and acceptable compensatory option for SEP and DEP, the Applicant will seek to agree a sum with the relevant parties.

### 4.3.2 Strategic Compensation Fund

87. In light of the emerging OWEIP and MRF, the Applicant recognises that a viable strategic compensation funding mechanism may become available within the necessary timescales for SEP and DEP and therefore could be relied upon to discharge its derogation requirements. To ensure this option is available to SEP and DEP, the Applicant has included wording within the **Draft DCO** (document reference 3.1) for Sandwich tern and kittiwake and **Appendix 4 Gannet, Guillemot and Razorbill Compensation Document** (document reference 5.5.4) for guillemot and razorbill for a contribution to be made to a Strategic Compensation Fund wholly or partly in place of the Applicant's proposed project-led measures or as an adaptive management measure.
88. The term 'Strategic Compensation Fund' refers to any fund established by Defra or a Government body for the purpose of implementing strategic compensation measures. This, therefore, includes the MRF but also seeks to capture any other strategic compensation funding mechanism that might also become available within the timeframe that compensation measures would be delivered for SEP and DEP.
89. A detailed explanation of the draft DCO wording covering strategic delivery of compensation via a fund is provided in **Section 4.4**.

#### 4.4 Draft DCO Wording Explanation

90. The draft DCO wording which has been included within the **Draft DCO** (document reference 3.1) for Sandwich tern and kittiwake. Proposed draft DCO wording, should it be required is also included in **Appendix 4 Gannet, Guillemot and Razorbill Compensation Document** (document reference 5.5.4) and in **Annex D of Appendix 1 In-Principle CSCB MCZ MEEB Plan** (document reference 5.7.1). In all instances the drafting makes provision for various options for the collaborative or strategic delivery of compensation as presented and explained in **Table 3**.

*Table 3 Summary and Explanation of the Draft DCO Wording Related to the Applicant's Proposed Approach to Strategic and Collaborative Compensation Delivery*

Draft DCO wording	Explanation
<p><i>Provision for the option to be exercised at the sole discretion of the undertaker to pay a contribution to the Strategic Compensation Fund wholly or partly in substitution for the [insert name of relevant compensation/MEEB measure(s)]. The sum of the contribution to be agreed between the undertaker and Defra or other Government body responsible for the operation of the Strategic Compensation Fund in consultation with the [insert as appropriate] steering group.</i></p>	<p>This wording is intended to cover the following strategic options:</p> <ul style="list-style-type: none"> <li>• Financial contribution to the MRF</li> <li>• Financial contribution to another strategic compensation funding mechanism for which Defra or another Government body is responsible</li> </ul> <p>This is at the undertaker's sole discretion because government will have already approved the efficacy of the Strategic Compensation Fund.</p>
<p><i>Provision for the option to be exercised by the undertaker, following consent in writing of the Secretary of State, to pay a financial contribution towards the establishment of [compensation/MEEB] by another party wholly or partly in substitution for the [insert name of relevant compensation/MEEB measure(s)] or as an adaptive management measure for the purposes of paragraphs [insert as appropriate] of this Part of this Schedule. The sum of the contribution to be agreed between the undertaker and the other party in consultation with the [insert as appropriate] steering group. The Secretary of State shall consult with the relevant statutory nature conservation body prior to granting consent in terms of this paragraph</i></p>	<p>This wording is intended to cover the following strategic / collaborative options:</p> <ul style="list-style-type: none"> <li>• Financial contribution to another offshore wind developer to incorporate the compensation needs of SEP and DEP into a pre-existing commitment to deliver compensation</li> <li>• Financial contribution to a strategic pilot scheme (such as those proposed by Defra and the OWIC DS)</li> <li>• Financial contribution to another strategic scheme managed by a third party (e.g. Environment Bank type model) should such a scheme become available</li> </ul> <p>The Applicant would require SoS approval (in consultation with the relevant SNCB) to pursue any of the above strategic/collaborative options as compensation or as part of an adaptive management approach, and in place (either wholly or partly) of the proposed project-led measures.</p>
<p><i>Provision for the option to be exercised by the undertaker, following consent in writing of the Secretary of State, to collaborate with another party in the delivery of [compensation/MEEB]</i></p>	<p>This wording is intended to cover collaborative delivery of compensation measures proposed by either (i) the Applicant or (ii) another party to meet</p>

Draft DCO wording	Explanation
<p><i>wholly or partly in substitution for the [insert name of relevant compensation/MEEB measure(s)] or as an adaptive management measure for the purposes of paragraphs [insert as appropriate] of this Part of this Schedule. The Secretary of State shall consult with the relevant statutory nature conservation body prior to granting consent in terms of this paragraph.</i></p>	<p>the compensation requirements of all participating projects.</p> <p>The Applicant only considers option (ii) to be applicable for certain measures (as outlined in <b>Section 4.2</b>) however, the draft DCO wording does not preclude the option to collaborate with another party to deliver any of the project-led measures proposed by the Applicant (option (i)) providing the compensation requirements of all participating projects can be met.</p> <p>The Applicant would require SoS approval (in consultation with the relevant SNCB) to pursue collaborative delivery of measures either as compensation or as part of an adaptive management approach, and in place (either wholly or partly) of sole delivery of its project-led measures.</p>

#### 4.5 Equinor’s Ongoing Role in Industry Groups

91. As outlined above, the Applicant has sought to align its approach to compensatory measures as much as possible with emerging developments in the industry-wide context. To ensure its approach remains consistent with the wider direction of travel and seeks to deliver the best ecological outcomes, Equinor will continue to play an active role within industry groups to identify early opportunities to further align where possible with developments to strategic and/or collaborative compensation measures.
92. Furthermore, Equinor will continue to support the development of strategic compensatory measures through the strategic pilots being developed via the OWIC DS/P2G collaboration, and contribute in support of its compensation proposals through this mechanism. It will also seek to support the wider work of this industry group in gathering the necessary evidence base to support key compensation measures where these align with the Applicant’s proposals.
93. During the implementation of its compensatory measures, Equinor will continue to share learnings with industry groups as well as use its role within these forums to seek and actively promote opportunities for more collaborative or strategic working.
94. Reciprocally, SEP and DEP will be able to take advantage of the ecological evidence and learnings obtained through the delivery of strategic pilots, alongside evolving Defra-led plans for strategic monitoring which has also been committed to within the BESS.

## 5 Summary

95. In summary, the Applicant has put forward (where possible and appropriate) a package of compensatory measures for Sandwich tern, kittiwake, guillemot, razorbill and gannet, as well as robust MEEB for the CSCB MCZ. The Applicant considers its proposed project-led measures capable of fully compensating for SEP and DEPs predicted impacts (if required).
96. The Applicant has also put forward an option to support a strategic Government-led approach to prey enhancement in light of the view that this measure would be the most effective means of compensating for predicted impacts to Sandwich tern, kittiwake, guillemot and razorbill. Should a suitable delivery mechanism become available within the necessary timescales for SEP and DEP, the Applicant would look to explore implementation either wholly or partly in substitution of project-led compensation measures or as part of an adaptive management approach for these species.
97. The Applicant will continue to explore opportunities with other developers within the consenting process for collaborative delivery of certain compensatory measures for kittiwake, guillemot, razorbill, gannet and the CSCB MCZ as an alternative option that could be implemented wholly or partly in substitution of project-led measures or as an adaptive management measure.
98. Finally, in all instances, the Applicant has included an option to contribute to a Strategic Compensation Fund (such as the MRF) as a strategic alternative. This would be implemented wholly or partly in substitution for the proposed and without prejudice project-led compensation measures or as part of an adaptive management approach. Defra's proposal to introduce legislation to enable the establishment of the MRF should give decision-makers comfort that a strategic solution will be in place to support SEP and DEP and can therefore be relied upon by the SoS in their decision to grant the Project's development consent.

## 6 References

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