

**RWE Renewables UK Dogger Bank
South (West) Limited**

**RWE Renewables UK Dogger Bank
South (East) Limited**

Dogger Bank South Offshore Wind Farms

**Report to Inform Appropriate Assessment (RIAA) - Habitats
Regulations Assessment**

Volume 6

**Appendix 3 - Project Level Dogger Bank Compensation
Plan (Clean)**

February 2025

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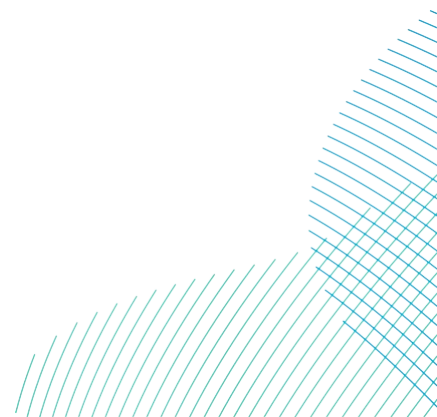
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Rev No.	Date	Status/Reason for Issue	Author	Checked by	Approved by
01	June 2024	Final for DCO Application	CEA	RWE	RWE
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Revision Change Log			
Rev No.	Page	Section	Description
02	15	1.3	Text moved and updated to reflect updates on strategic compensation fund.
02	16-18	1.3	Text updated to include details of Defra written ministerial statement and interim guidance from DESNZ.
02	19	1.4	Text updated to include Defra IMP detail following DESNZ interim guidance publication.
02	23	2.2	Inclusion of DESNZ guidance within relevant section.
02	25	3	Text updated to reflect strategy update in not advancing supplementary compensation measures, as well as strategic compensation.
02	26-27	3.1	Revisions to Table 3-1 - updates to consultation log following DCO submission.
02	30-31	4.2.1.1	Detail added outlining Project Change 1.
02	31	4.2.1.1	Quantification of effect numbers updated to reflect updated impacts due to Project Change 1.
02	32	4.2.1.1	Table 4-1- amended to reflect updated impact due to Project Change 1.
02	35	5.1	Revision of Project alone impacts as a result of Project Change 1.
02	36	5.2	Update to refer to earlier section (Project Change Request 1).
02	36	5.2	Table 5-1 revisions - impact updates as a result of Project Change 1.

Revision Change Log			
Rev No.	Page	Section	Description
02	36	5.2	Reference to submission entitled ' Review of Evidence on Recovery of Sandbank Habitat Following Habitat Damage ' [AS-025] added.
02	38	6.1.1	Text updated to outline delivery responsibility for benthic compensation following publication of Defra written ministerial statement and interim guidance from DESNZ.
02	38	6.1.1	Text updated to include details of Defra written ministerial statement and interim guidance from DESNZ.
02	39	6.1.2	Revision of worst-case Projects alone impacts as a result of Project Change 1.
02	40	6.1.3	Reference to earlier section as a result of revisions.
02	40	6.1.3	Text updated to include details of Defra written ministerial statement and interim guidance from DESNZ.
02	42-43	6.1.5	Text updated to include details of Defra written ministerial statement and interim guidance from DESNZ.
02	44	6.1.6	Inclusion of reference to Defra's IMP following publication of interim guidance by DESNZ.
02	51	8	Text updated in Table 8-1 to amend detail on strategic compensation fund following publication of Defra ministerial statement and interim guidance from DESNZ.
02	52	8	Text updated in Table 8-1 to include reference to Defra's IMP following publication of DESNZ interim guidance.



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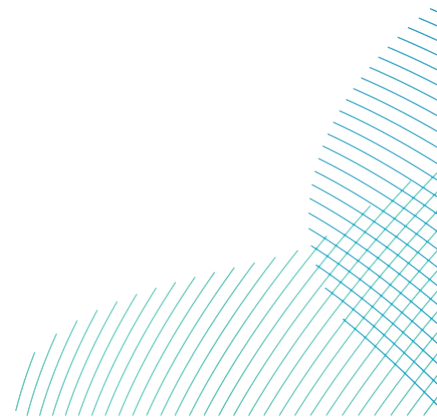
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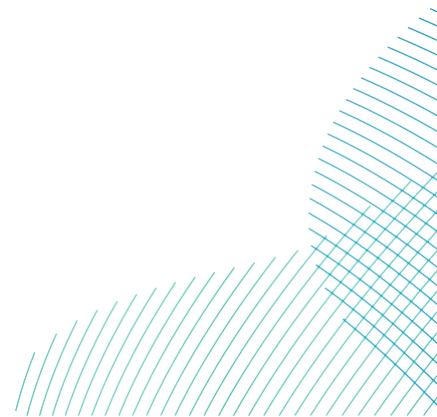
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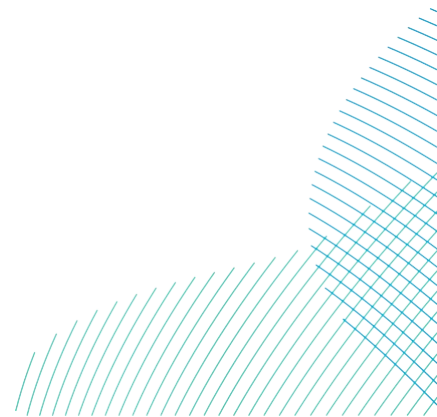


Glossary

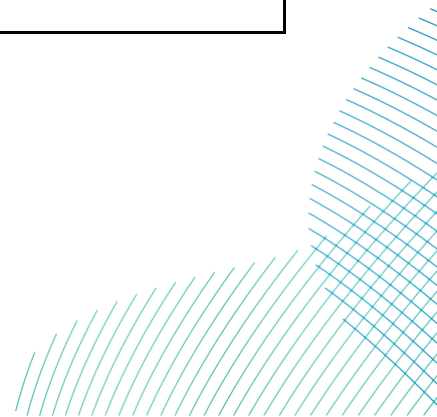
Term	Definition
Array cables	Offshore cables which link the wind turbines to the Offshore Converter Platform(s).
Competent authority	Is either a public body that decides to give a licence, permit, consent or other permission for work to happen, adopt a plan or carry out work for itself (such as a local planning authority), a statutory undertaker carrying out its work (such as a water company or an energy provider); a minister or department of government; or anyone holding public office (such as a planning inspector).
Concurrent scenario	A potential construction scenario for the Projects where DBS East and DBS West are both constructed at the same time.
Development Consent Order (DCO)	An order made under the Planning Act 2008 granting development consent for one or more Nationally Significant Infrastructure Project (NSIP).
Development Scenario	Description of how the DBS East and/or DBS West Projects would be constructed either in isolation, sequentially or concurrently.
Dogger Bank South (DBS) Offshore Wind Farms	The collective name for the two Projects, DBS East and DBS West.
Dogger Bank Steering Group	A strategic steering group for Dogger Bank SAC compensation formed by The Crown Estate. This group includes representatives from The Crown Estate and their technical advisor NIRAS Group (UK), Natural England, Joint Nature Conservation Committee, Department for Food, Environment and Rural Affairs, Department for Energy Security and Net Zero and RWE Renewables UK.



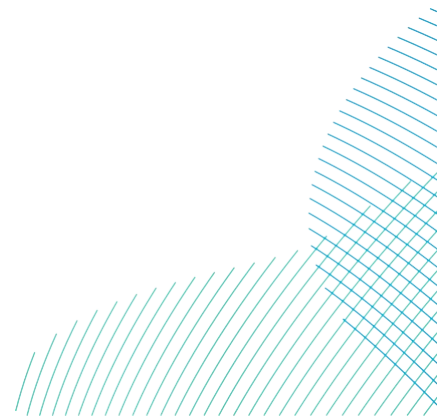
Term	Definition
Effect	Term used to express the consequence of an impact. The significance of an effect is determined by correlating the magnitude of the impact with the value, or sensitivity, of the receptor or resource in accordance with defined significance criteria.
Environmental Statement (ES)	A document reporting the findings of the EIA and produced in accordance with the EIA Directive as transposed into UK law by the EIA Regulations.
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 and Special Protection Areas, and is defined in regulation 8 of the Conservation of Habitats and Species Regulations 2017.
Evidence Plan Process (EPP)	A voluntary consultation process with specialist stakeholders to agree the approach, and information to support, the Environmental Impact Assessment (EIA) and Habitats Regulations Assessment (HRA) for certain topics.
Expert Topic Group (ETG)	A forum for targeted engagement with regulators and interested stakeholders through the EPP.
Habitats Regulations Assessment (HRA)	The process that determines whether or not a plan or project may have an adverse effect on the integrity of a European Site or European Offshore Marine Site.
Impact	Used to describe a change resulting from an activity via the Projects, i.e. increased suspended sediments / increased noise.



Term	Definition
In Isolation Scenario	A potential construction scenario for one Project which includes either the DBS East or DBS West array, associated offshore and onshore cabling and only the eastern Onshore Converter Station within the Onshore Substation Zone and only the northern route of the onward cable route to the proposed Birkhill Wood National Grid Substation.
Inter-Platform Cable Corridor	The area where Inter-Platform Cables would route between platforms within the DBS East and DBS West Array Areas, should both Projects be constructed
Dogger Bank Strategic Compensation Plan	Document produced as part of The Crown Estate’s Derogation Case in support of the Round 4 Plan which must be adhered to by Dogger Bank South West and Dogger Bank East through their agreement for lease conditions. The overall objective of the DBSCP is to “ <i>detail the development and delivery of strategic compensation to ensure the overall coherence of the UK National Site Network</i> ”.
Marine Protected Area (MPA)	Areas of the ocean established to protect habitats, species and processes essential for healthy, functioning marine ecosystems. In England, MPAs are designated to protect specific habitats or species (also known as ‘features’) and have conservation objectives which state what conservation outcomes the MPA is designed to achieve.
Round 4 Plan	The Fourth Offshore Wind Seabed Leasing Round undertaken by The Crown Estate and adopted in January 2023.
Sediment	Particulate matter derived from rock, minerals or bioclastic matter.
Sequential Scenario	A potential development scenario for the Projects where DBS East and DBS West are constructed with a lag between the commencement of construction activities. Either Project could be built first.



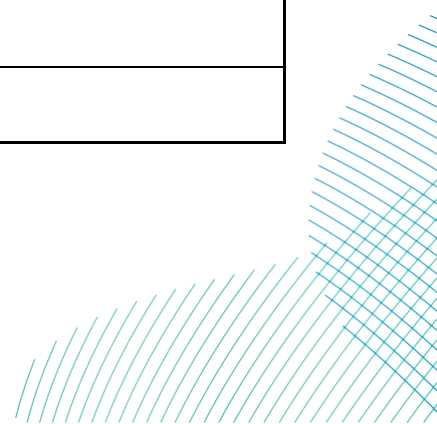
Term	Definition
Special Areas of Conservation (SAC)	Strictly protected sites designated pursuant to Article 3 of the Habitats Directive (via the Habitats Regulations) for habitats listed on Annex I and species listed on Annex II of the Directive.
Statutory Nature Conservation Bodies (SNCB)	Comprised of the Joint Nature Conservation Committee, Natural Resources Wales, Department of Agriculture, Environment and Rural Affairs/Northern Ireland Environment Agency, Natural England and Scottish Natural Heritage, these agencies provide advice in relation to nature conservation to government
The Applicants	The Applicants for the Projects are RWE Renewables UK Dogger Bank South (East) Limited and RWE Renewables UK Dogger Bank South (West) Limited. The Applicants are themselves jointly owned by the RWE Group of companies (51% stake) and Masdar (49% stake).
The Projects	DBS East and DBS West (collectively referred to as the Dogger Bank South Offshore Wind Farms).
Trenching	Open cut method for cable or duct installation.



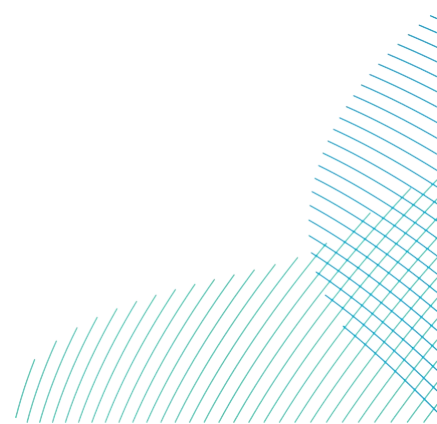
Acronyms

Term	Definition
AA	Appropriate Assessment
AfL	Agreement for Lease
AEoI	Adverse Effect on Integrity
ANS	Artificial Nesting Structure
AoS	Areas of Search
BEIS	Department for Business, Energy and Industrial Strategy (now the Department for Energy Security and Net Zero (DESNZ))
CIMP	Compensation and Implementation Monitoring Plan
COWSC	Collaboration on Offshore Wind Strategic Compensation
cSAC	Candidate Special Area of Conservation
DBS	Dogger Bank South offshore wind farms
DBSCP	Dogger Bank Strategic Compensation Plan
DBSIMP	Dogger Bank Strategic Implementation and Monitoring Plan
DCO	Development Consent Order
Defra	Department for Food, Environment and Rural Affairs
DESNZ	Department for Energy Security and Net Zero
DML	Deemed Marine Licence
dSAC	Draft Special Area of Conservation
EC	European Commission
EPP	Evidence Plan Process

Term	Definition
ES	Environmental Statement
ETG	Expert Topic Group
EU	European Union
EWG	Expert Working Group
ExA	Examining Authority
HPMA	Highly Protected Marine Area
HRA	Habitats Regulations Assessment
IFCA	Inshore Fisheries and Conservation Authority
IMP	Implementation and Monitoring Plan
IROPI	Imperative Reasons of Over-riding Public Interest
JNCC	Joint Nature Conservation Committee
MCZ	Marine Conservation Zone
MMO	Marine Management Organisation
MPA	Marine Protected Area
MRF	Marine Recovery Fund
NGO	Non-Government Organisations
NPS	National Policy Statement
NSN	National Site Network
OWEIP	Offshore Wind Environmental Improvement Package
OWF	Offshore Wind Farm
OWIC	Offshore Wind Industry Council



Term	Definition
pSAC	Possible Special Area of Conservation
P2G	Pathways to Growth
RIAA	Report to Inform Appropriate Assessment
SAC	Special Area of Conservation
SACO	Supplementary Advice on Conservation Objectives
SNCB	Statutory Nature Conservation Body
SoS	Secretary of State
SPA	Special Protection Area
ToR	Terms of Reference
UK	United Kingdom
WMS	Written Ministerial Statement



1 Introduction

1.1 Project Background

1. RWE Renewables UK Dogger Bank South (East) Limited and RWE Renewables UK Dogger Bank South (West) Limited ('the Applicants') are applying for a single Development Consent Order (DCO) for the Dogger Bank South (DBS) East and DBS West offshore wind farms (hereafter referred to as 'the Projects'). When fully operational, the Projects would have the potential to generate renewable power for over 3 million homes in the United Kingdom (UK) from up to 200 wind turbines¹.
2. The Applicants are submitting as part of their DCO application a **Volume 6, Report to Inform Appropriate Assessment (RIAA) [AS-051]**, which provides the information necessary for the competent authority to undertake an Appropriate Assessment (AA) to determine if there is any Adverse Effect on Integrity (AEoI) on the UK National Site Network (NSN).
3. For the Dogger Bank Special Area of Conservation (SAC) (DB SAC) 'sandbanks slightly covered by seawater all the time' feature (hereafter referred to as "sandbanks"), the Applicants' **Volume 6, RIAA [AS-051]** concludes that AEoI cannot be ruled out for long-term habitat loss when considered alone and in-combination with other offshore wind farms (OWFs). As such, the Applicants have put forward as part of their consent application, measures to compensate for the predicted impacts of the Projects, which are described in this Project Level Dogger Bank Compensation Plan. This document forms part of the Applicants' overarching **Volume 6, Habitats Regulations Derogation: Provision of Evidence [APP-051]**.

¹ Calculation based on 2021 generation, and assuming average (mean) annual household consumption of 3,509 kWh, based on latest statistics from Department of Energy Security and Net Zero (Subnational Electricity and Gas Consumption Statistics Regional and Local Authority, Great Britain, 2021, Mean domestic electricity consumption (kWh per meter) by country/region, Great Britain, 2021).

1.2 The Crown Estate's Plan Level HRA

4. As part of the Plan level Habitats Regulations Assessment (HRA) for the Fourth Offshore Wind Seabed Leasing Round (the 'Round 4 Plan') (The Crown Estate, 2022), The Crown Estate (as the competent authority) concluded that AEoI as a result of the Round 4 Plan could not be ruled out in the case of Annex I sandbanks as a feature of the Dogger Bank SAC due to the predicted effects of the Projects.
5. The impact pathways for which a conclusion of AEoI has been reached in the Round 4 Plan level HRA are habitat loss and direct physical damage both alone and in-combination with other plans and projects.
6. Whilst the Applicants have reached the same conclusion as the Plan level HRA with respect to predicted habitat loss, a conclusion of no AEoI on the DB SAC in relation to direct physical damage (i.e. abrasion / disturbance of the seabed) from the Projects alone and in-combination has been concluded within the Projects' **Volume 6, RIAA [AS-051]**. Thus, there is a divergence in the outcome of the Plan level HRA (The Crown Estate, 2022) and the Projects' **Volume 6, RIAA [AS-051]** with respect to this pressure. The implications of this divergence to the compensation quantum required at the Plan level versus the project level are discussed in section 5.2.
7. The Crown Estate submitted a 'derogation case' to the Secretary of State (SoS) alongside the Round 4 RIAA (The Crown Estate, 2022) which included a commitment to develop a Dogger Bank Strategic Compensation Plan (DBSCP) (The Crown Estate, 2024). The overall objective of the DBSCP is to *"detail the development and delivery of strategic compensation [for the Round 4 Plan] to ensure the overall coherence of the UK National Site Network"*.
8. The DBSCP outlines the proposed strategic approaches to compensate for loss and damage to the sandbank feature of DB SAC and describes how measures can be secured, delivered, monitored, and adapted if necessary.
9. On 15th July 2022, the SoS for Business, Energy, and Industrial Strategy (BEIS) (now the Department for Energy Security and Net Zero (DESNZ)) approved The Crown Estate's derogation case and thus, The Crown Estate adopted the Round 4 Plan and subsequently entered into Agreements for Lease (AfL) for the six projects comprising Round 4.

10. The SoS's approval of the derogation case was conditional upon The Crown Estate establishing a steering group tasked with developing and agreeing upon the DBSCP, monitoring the compensatory measures, and putting in place adaptive management if necessary. Following the adoption of the Round 4 Plan, The Crown Estate formed a strategic steering group for DB SAC compensation (hereafter referred to as the 'Dogger Bank Steering Group') in accordance with the agreed Terms of Reference (ToR). The Crown Estate subsequently published the DBSCP in May 2024, following 17 months of engagement and development by the Dogger Bank Steering Group.
11. In accordance with the DBSCP, The Crown Estate is required to submit a Dogger Bank Strategic Implementation and Monitoring Plan (DBSIMP) to the SoS for DESNZ during the post-consent phase for the Projects. This document will provide further details on the delivery and implementation of the Plan level compensatory measures. It will also demonstrate that the necessary funding is defined and secured and ensure the benefits of the compensatory measures are shared across the Round 4 Plan. An outline version of the DBSIMP (which details the proposed content of this document) was published by The Crown Estate as an appendix to the DBSCP.
12. The Projects are required to adhere to the DBSCP under the terms of their AfL. The Applicants are required to participate in the process outlined in the DBSCP and comply with, undertake, and maintain (as necessary) the compensatory measures required to be adopted pursuant to the DBSCP. It therefore follows that the compensatory measures proposed by the Applicants as part of their project level derogation case are expected to align with the measures and approach outlined in the DBSCP and be secured as a requirement of the DCO.
13. The DBSCP and supporting appendices have played a crucial role in shaping the Projects' approach to the development of compensatory measures for DB SAC. Hence, the DBSCP and the associated appendices outlined below have been submitted as part of the Applicants' DCO application for consideration alongside this Project Level Dogger Bank Compensation Plan.
 - **Volume 6, Round 4 Dogger Bank Strategic Compensation Plan (DBSCP) [APP-060]**
 - Appendix A: Outline Dogger Bank Strategic Implementation and Monitoring Plan (DBSIMP)
 - Appendix B: Letter of Acceptance from the Secretary of State
 - Appendix C: Agreement Log

- Appendix D: Compensation Measures Long List
 - Appendix E: Potential Site Locations for Dogger Bank Compensation Measures
 - Appendix F: DBS OWF SAC Extension Benthic Survey Technical Report
14. The compensatory measures agreed by the Dogger Bank Steering Group and presented in **Volume 6, DBSCP [APP-060]** to compensate for 2.035 km² of habitat loss and 32.209km² of habitat damage associated with the Round 4 Plan², in order of ecological preference, are:
- Protected site designation or extension;
 - Restriction of fishing activity; and
 - Seagrass meadow restoration.
15. Under the ToR, the Dogger Bank Steering Group will continue to exist until all obligations have been discharged, including post-consent requirements such as development and submission of the DBSIMP to the SoS for approval. Thus, the Dogger Bank Steering Group will continue to operate following the submission of the Applicants' DCO application and during its examination. Any questions related to **Volume 6, DBSCP [APP-060]** from the Examiners during the DCO examination process will be directed by the Applicants to The Crown Estate as chair of the Dogger Bank Steering Group for a response.

1.3 Strategic Compensation for Offshore Wind

16. Sections 291 and 292 of the Energy Act 2023 enable the use of strategic compensation measures and the SoS to make regulations related to the establishment, operation and management of one or more Marine Recovery Fund (MRF) for the development of offshore wind and associated infrastructure, respectively.
17. In April 2022, the UK Government published the 'British Energy Security Strategy' (BESS) (HM Government, 2022). The BESS committed to implementing an Offshore Wind Environmental Improvement Package (OWEIP), which included, among others, measures to:

² These values represented The Crown Estate's understanding of the Round 4 Plan level impact at the timing of writing the **Volume 6, DBSCP [APP-060]** – this document acknowledges that revised values may become available once project information is refined.

- Revise the HRA process for offshore wind to facilitate the delivery of compensation measures whilst maintaining valued protection for wildlife.
 - Facilitate the delivery of strategic environmental compensation measures, including the development of a library of compensation measures, through the Collaboration on Offshore Wind Strategic Compensation (COWSC)³.
 - Implement an industry-funded MRF to which developers can choose to contribute to meet their environmental compensation obligations; and
 - Implement a strategic monitoring programme to improve understanding of the environmental impacts of offshore wind projects.
18. The purpose of the OWEIP and these measures is to accelerate and de-risk the consenting of offshore wind, whilst ensuring environmental protections are maintained and domestic and international law is adhered to.
19. As outlined in National Policy Statement (NPS) for renewable energy infrastructure (EN-3) (DESNZ, 2023), the UK Government is still developing its policies on strategic compensation through the COWSC programme. However, in February 2024, the SoS for the Department for the Environment and Rural Affairs (Defra) approved the following compensatory measures recommended by COWSC for inclusion within the library of strategic compensatory measures (LoSCM) and for strategic delivery as compensation for offshore wind projects (Defra, 2024a):
- For benthic habitats:
 - Designation and/or extension of Marine Protected Areas (MPAs).
 - For seabirds:
 - Offshore ANS for kittiwake in English waters (only available for projects up to and including Round 4); and
 - Predator eradication and reduction.

³Collaboration on Offshore Wind Strategy Compensation (COWSC) brings together industry, environmental non-government organisations (NGOs), statutory nature conservation bodies (SNCBs), the UK Government and Devolved administrations and other relevant stakeholders with the purpose of finding strategic compensation solutions that enable the required development of offshore wind, whilst offsetting any impacts to the environment.

20. Interim guidance was published by DESNZ in January 2025 (DESNZ, 2025) to support offshore wind developers in understanding how they can refer to the strategic compensation measures in the LoSCM ahead of the MRF being operational. Crucially, guidance confirms the eligibility of the Projects, as Round 4 projects, for strategic compensation.
21. Guidance was accompanied by a Written Ministerial Statement (WMS) from Defra (Defra, 2025) confirming consultation on reforms to the environmental compensation requirements for offshore wind projects, looking to bring in legislation in Autumn 2025. This will: *“aim to increase the number of measures available to developers to offset the adverse impacts of offshore wind developments, whilst retaining a robust process that ensures damage to our precious marine environment remains compensated for”*. Furthermore, guidance confirms the launch of a MRF in late 2025 to provide an optional mechanism for developers to fund strategic compensation measures.
22. In the case of Dogger Bank SAC compensation, Defra has committed via the WMS to the delivery of sufficient MPA designations and/or extensions to provide strategic compensation for likely benthic environmental impacts resulting from offshore wind developments. Consultation on reforms to the environmental compensation requirements commences in Spring 2025 with a view to bringing in legislation by Autumn 2025. Following this, a MRF will be launched in late 2025 to provide an optional mechanism for developers to fund strategic compensation.
23. To avoid construction delays to OWF projects, the DESNZ Secretary of State and the MMO may consider circumstances where the adverse effect can occur before compensation is in place, however this would need to be considered against other factors which are yet to be defined. The Applicants understand that where permitted, a greater amount of compensation is likely to be needed to make up for any time delay and developers will be required to pay into the MRF before any adverse effect can occur.
24. The Applicants will be required to pay into the MRF to access MPA designations / extensions as a compensation measure. The guidance sets out that the final DCO should require post-consent evidence that the agreed contribution has been paid, and a high-level Dogger Bank CIMP will be provided for the Projects prior to operation. To provide clarity and security surrounding ongoing management and monitoring of any new MPA, Defra will submit a full implementation and monitoring plan (IMP) to the DESNZ Secretary of State via the Applicant. This will contain the following details:
 - High level explanation as to how designation of an MPA will compensate for effects on each relevant habitat and, where possible, ratios used.

- Implementation timetable and an explanation of the MPA designation process.
 - Information on current monitoring, long term management and reporting of MPAs, and any differences for MPAs designated for compensation purposes.
 - Information on how the effectiveness of the MPA designation would be maintained in terms of enforcement and adaptive management.
 - Commitment to providing an updated IMP as the designation process continues and detail is resolved.
25. Alternatively, if an IMP on MPA designations / extensions is published separately by Defra, DESNZ Secretary of State may consider this to be sufficient and provide approval to commence works which give rise to the adverse effect on this basis.
26. Strategic compensation in the form of protected site designation or extension will be implemented and delivered by Defra. The approach and timescales for delivery of protected site designation or extension are currently unknown. The Applicants will continue to engage with Defra, the COWSC group and relevant industry forums post-application on progress with respect to the implementation of these strategic compensatory measures.

1.3.1 Offshore Wind Industry Council (OWIC)

27. The Applicants are active members of the Offshore Wind Industry Council (OWIC) derogation sub-group which was formed in 2021 to support the work of the Pathways to Growth⁴ (P2G) Coordination Group and to aid collaboration across the offshore wind industry. 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.

⁴ OWIC (2024). 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.

28. The OWIC derogation sub-group has supported the work of the COWSC group in developing strategic compensation measures for offshore wind. The Applicants will continue to actively engage in the OWIC derogation sub-group and support the development and delivery of strategic compensation measures for the relevant / features through this collaborative initiative.

1.4 Purpose of Document

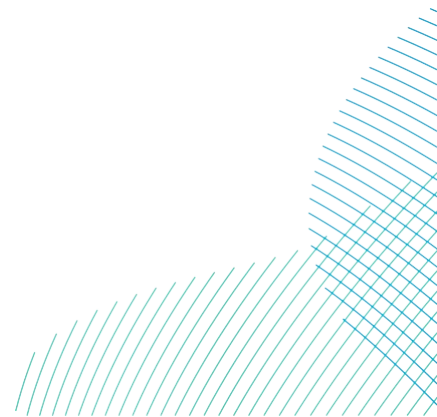
29. This document sets out the details of the proposed compensatory measures for the sandbank feature of Dogger Bank SAC. It builds upon the information presented in **Volume 6, DBSCP [APP-060]** and supporting appendices to demonstrate how the measures identified and secured at the Plan level can be implemented by the Projects to compensate for their predicted impact on the sandbank feature of DB SAC.
30. As such, this document provides the following details in line with the Natural England Checklist (where relevant) for each of the proposed compensation measures for DB SAC:
- Overview;
 - Scale;
 - Delivery mechanism i.e. how the measures are proposed to be delivered;
 - Location;
 - Timescales;
 - Monitoring, maintenance and adaptive management; and
 - Potential impacts from implementation of the compensation.
31. This Project Level Dogger Bank Compensation Plan is accompanied by an **Volume 6, Outline Dogger Bank Compensation Implementation and Monitoring Plan (CIMP) [APP-061]**. Should a Dogger Bank CIMP be required in addition to the DBSIMP (i.e. the equivalent document for the Round 4 Plan) and the IMP produced by Defra, this will be produced by the Applicants and approved by the SoS prior to the start of construction. The Dogger Bank CIMP will set out detailed delivery proposals for the agreed compensatory measures based on the information provided in this document and the supporting appendices.

1.5 Implications of the Project Development Scenarios

32. The Projects may be delivered under a range of project development scenarios. Details of the scenarios and how these are assessed in the DCO application are set out in section 5.1.1 of **Volume 7, Chapter 5 Project Description (Revision 3) [REP1-009]** of the Environmental Statement (ES).

33. The Applicants' approach to the development of the proposed compensatory measures has assumed that both DBS East and DBS West are developed and that the package of measures proposed for each of the relevant sites and features outlined in section 1.1 is considered to deliver the necessary level of compensation (factoring in the risks and uncertainty associated with delivering successful compensation) to address the worst-case impacts of both DBS East and DBS West, as required by draft Defra guidance (Defra, 2021a).
34. The development scenarios for the Projects include:
- In Isolation Scenario – where only DBS East or DBS West is developed.
 - Concurrent Scenario – where DBS East and DBS West are both constructed at the same time; or
 - Sequential Scenario – both DBS East and DBS West are developed sequentially.
35. As outlined in **Volume 7, Chapter 5 Project Description (Revision 3) [REP1-009]** of the ES, the Applicants would develop DBS East and DBS West transmission infrastructure as co-ordinated projects and, where practicable, the Projects would co-locate infrastructure to reduce overall environmental impacts and disruption.
36. For the sandbank feature of DB SAC, it is the direct loss of habitat as a result of the installation of turbine foundations, scour protection, cable protection and cable crossings that requires compensation. Although there will be further abrasion / disturbance of the seabed as a result of activities such as sandwave levelling / clearance, cable burial (where not followed by rock protection, which is assessed as 'habitat loss'), survey equipment deployment (e.g. cores and trawls) and placement of temporary anchors and jack-up barge legs, the Applicants have reached a conclusion of no AEol on the Dogger Bank SAC with their **Volume 6, RIAA [AS-051]**. Thus, no compensation is required with respect to this predicted impact. As outlined in section 1.2, the Applicants' conclusion with respect to further abrasion / disturbance of the seabed (i.e. direct physical damage) diverges from the conclusion reached by the Plan level HRA – the implications of this divergence to the compensation quantum required at the Plan level versus project level is discussed in further detail in section 5.2.

37. In all three development scenarios, the first installation of turbine foundations, array cables and export cables is expected in Q2 2027 at the earliest. Up to 100 wind turbines will be installed at each of DBS East and DBS West (subject to the final turbine technology), equating to a maximum of 200 turbines across the two Projects. Information on the maximum extent of scour and cable protection required under each of the three development scenarios is provided in section 5.5 in **Volume 7, Chapter 5 Project Description (Revision 3) [REP1-009]** of the ES.
38. Where DBS East and DBS West 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 Applicants therefore consider it practical to deliver all of the compensation required 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).
39. Should DBS East or DBS West 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 (DBS East or DBS West). Compensation would be delivered on a scale appropriate to the nature and extent of the predicted impact from DBS East, or DBS West.
40. The scale of compensation to be delivered by the Projects will be confirmed within the DBSIMP and the project level Dogger Bank CIMP (should this be required in addition to the DBSIMP) once project level impacts have been determined by the SoS.



2 Legislation & Guidance

41. The HRA process covers those features designated under the European Council Directive 92/43/EEC on the Conservation of Natural Habitats and of Wild Fauna and Flora (the 'Habitats Directive').

2.1 UK National Legislation

42. In England and Wales, the Conservation of Habitats and Species Regulations 2017 ('the Habitats Regulations'), the Wildlife and Countryside Act 1981 and the Conservation of Offshore Marine Habitats and Species Regulations 2017 (the Offshore Habitats Regulations) (which applies outside of 12 nautical miles) transposed the Habitats Directive into English and Welsh law.
43. The Conservation of Habitats and Species (Amendment) (EU Exit) Regulations 2019 (the EU Exit Regulations) make changes to the Habitats Regulations so that they continue to work (are operable) following the UK's exit from the EU on 31st January 2020. While the basic legal framework for HRA is maintained, the EU Exit Regulations transfer functions previously undertaken by the European Commission (EC) to UK Ministers. Furthermore, where the Habitats Regulations continue to use the term 'European sites', those sites now form part of a UK NSN rather than the European 'Natura 2000' site network.
44. The Habitats Regulations place an obligation on 'competent authorities' to carry out an AA of any proposal likely to significantly affect a designated site, to seek advice from Natural England and not to approve an application that would have an adverse effect on a designated site unless certain conditions are met (where there are no alternative solutions, the plan or project can only proceed if there are Imperative Reasons of Over-riding Public Interest (IROPI) and if the necessary compensatory measures can be secured). The competent authority in the case of the Projects is the SoS for the DESNZ.

2.2 Guidance on Compensatory Measures

45. If the competent authority determines, after conducting an AA, that an AEol on a European site cannot be ruled out, and that there are no alternative solutions and IROPI, Regulation 36 of the Offshore Marine Habitats and Species Regulations 2017 *requires that "the appropriate authority must secure that any necessary compensatory measures are taken to ensure that the overall coherence of Natura 2000 is protected."*

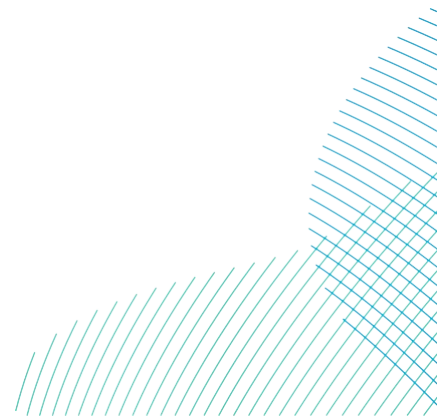
46. EC (2019) explains that with regards to a plan or project, the compensatory measures defined to protect the overall coherence of Natura 2000 network should “*refer to the site’s conservation objectives and to the habitats and species negatively affected in comparable proportions in terms of number and status. At the same time the role played by the site concerned in relation to the bio-geographical distribution has to be replaced adequately*”.
47. Defra has recently released for consultation⁵, updated policy information for MPA assessments (Defra, 2024b). This document expands upon the best practice guidance for developing compensatory measures in relation to MPAs which was consulted upon in July 2021 (Defra, 2021a) and is intended to inform updated guidance which is anticipated to be published in late 2024.
48. Defra (2021a) introduced a hierarchical approach for determining appropriate compensatory measures within the marine environment. The central tenet of this approach is to prioritise compensatory measures that address the same impact at the same location. However, in cases where this is not feasible, measures supporting similar or comparable ecological functions at alternative locations could serve as adequate compensation and should be considered. This hierarchical approach offers flexibility, acknowledging that it may not always be practical to compensate for the same feature at risk within the impacted site. Defra (2024b) proposes refinements to the hierarchical approach outlined in Defra (2021a) but maintains this core principle.
49. Ideally, compensation should be functioning before the effect takes place, although it is recognised that this may not always be possible, as stated in the Defra (2021a): “*A protected feature should not be impacted before compensation is secured. Ideally, measures should be in place, functioning and contributing to the network before development begins. Defra recognises that in some cases and for certain habitats and species this could take several years and therefore it may not be feasible for the compensatory measures to be complete before the impact takes place. Where this is not possible, it is important that necessary licences are in place, finances are secured, and realistic implementation plans have been agreed with the appropriate bodies to demonstrate that the compensatory measure is secured.*”

⁵ Consultation ran from 9th February 2024 to 1st April 2024. The consultation document (Defra, 2024b) expressly states in section 3.1 that “*the draft guidance set out below for consultation should not be relied upon by stakeholders, statutory bodies or decision makers during the planning process*”.

50. Compensatory measures for the sandbank feature of the DB SAC are presented in the following sections in line with this guidance and the hierarchy presented within it.
51. In addition, Natural England has developed a list of those aspects of compensatory measures that it considers need to be described in detail when developers are submitting or updating applications where impacts on MPA are anticipated. Whilst not exhaustive, it lists key areas where Natural England considers sufficient detail is needed to provide the SoS with appropriate confidence that compensatory measures can be secured. The list is summarised below:
- What, where, when: clear and detailed statements regarding the location and design of the proposal.
 - Why and how: ecological evidence to demonstrate compensation for the impacted site feature is deliverable in the proposed locations.
 - Demonstrate that on ground construction deliverability is secured and not just the requirement to deliver in the DCO i.e. landowner agreement is in place.
 - Policy/legislative mechanism for delivering the compensation (where needed).
 - Agreed DCO/ DML conditions.
 - Clear aims and objectives of the compensation.
 - Mechanism for further commitments if the original compensation objectives are not met – i.e. adaptive management.
 - Clear governance proposals for the post-consent phase – we do not consider simply proposing a steering group is sufficient.
 - Ensure development of compensatory measures is open and transparent as a matter of public interest, including how information on the compensation would be publicly available.
 - Timescales for implementation especially where compensation is part of a strategic project, including how timescales relate to the ecological impacts from the development.
 - Commitments to monitoring specified success criteria.
 - Proposals for ongoing ‘sign off’ procedure for implementing compensation measures throughout the lifetime of the project. Including implementing feedback loops from monitoring.
 - Continued annual management of the compensation area and ensure other factors are not hindering the success of the compensation e.g.

changes in habitat, increased disturbance as a result of subsequent plans/projects.

52. The Applicants have prepared this Project Level Compensation Plan in accordance with the Natural England checklist outlined above. This necessary information is presented in section 1. A summary of the status of the Applicants overall compensatory proposal for DB SAC against the Natural England checklist is provided in section 8.
53. Guidance on strategic compensation measures for offshore wind activities was published by DESNZ in January 2025 (DESNZ, 2025). This guidance is intended to assist eligible offshore wind developers (including the Applicants) in understanding how they can refer to the strategic compensation measures in the OWEIP LoSCM prior to the MRF operational. Further details are provided in section 1.3.



3 The Development of Compensatory Measures

54. **Volume 6, DBSCP [APP-060]** outlines in detail The Crown Estate's recommended approach to compensating for the sandbank feature of the DB SAC as a result of the Round 4 Plan. The Applicants have sought to align this project level compensation plan with **Volume 6, DBSCP [APP-060]** as far as possible in accordance with their AfL conditions.
55. As such, the Applicants' approach to developing compensatory measures for sandbank features of DB SAC has been informed by participation in the Dogger Bank Steering Group to support the development of **Volume 6, DBSCP [APP-060]**. This included review and appraisal of the proposed Plan level compensatory measures.
56. In addition, the Applicants have undertaken the following activities to further inform the Projects approach:
- Stakeholder engagement (see section 3.1 for further details):
 - At the project level via the Dogger Bank Expert Topic Group (ETG) to discuss the Applicants' proposed project level approach to compensation.
 - Through industry fora such as COWSC and the OWIC derogation sub-group to remain abreast of compensation measures being discussed and explored on a wider strategic basis (i.e. beyond the Round 4 Plan).
 - Ongoing review of other OWF DCO applications to determine whether there are any additional potential compensatory measures not identified and appraised by **Volume 6, DBSCP [APP-060]**.
57. In light of the above and taking account of draft guidance on developing compensatory measures (Defra, 2021), the Applicants concluded that the options put forward by the Dogger Bank Steering Group within **Volume 6, DBSCP [APP-060]** are the most ecologically suitable and technically feasible options available at this time.
58. As such, the Applicants are proposing the designation of a new protected site or extension of an existing site to protect Annex I sandbank habitat outside of the existing MPA network as their principal compensatory measure to offset predicted impacts to the DB SAC sandbank feature. As outlined in section 1.3, this measure is an approved strategic compensation measure for offshore wind projects (Defra, 2025) and is considered to be more than capable of fully compensating for the predicted impacts of the Projects.

59. The Applicants previously considered the inclusion of the restriction of fishing activities as a supplementary measure that could be developed if the Applicants' principal compensation measure failed to deliver the full compensation quantum required. Given its strategic nature (i.e. intended to deliver compensation for multiple OWF projects), this is considered unlikely. The Applicants also considered seagrass meadow restoration as a potential resilience measure. However, these measures were only considered as potentially necessary prior to clarity on strategic compensation available to the Projects (Defra, 2025; DESNZ, 2025). These additional options are not included in the LoSCM and as such have not been subject to the same level of scrutiny from key SNCBs and stakeholders. Furthermore, Defra's WMS provides security that sufficient compensation will be provided by new or extended MPAs in due course.
60. Based upon Defra and Natural England's lack of support for the supplementary measures, and sufficient certainty in the delivery of the primary measure, the Applicants do not plan to progress these measures any further.

3.1 Stakeholder Engagement

61. The Applicants are active participants of the Dogger Bank Steering Group and have regularly engaged with this stakeholder group during the Projects' pre-application phase to support the development of **Volume 6, DBSCP [APP-060]** and to inform this Project Level Dogger Bank Compensation Plan. Feedback from involvement in the Dogger Bank Steering Group as well as project level consultation has been used to inform the development of the Applicants' compensation proposal.
62. Section 2 of **Volume 6, DBSCP [APP-060]** sets out the engagement process for the Dogger Bank Steering Group and provides details of the 13 meetings held between 15th December 2022 and 10th April 2024. An agreement log for the Dogger Bank Steering Group is also presented in section 2 of **Volume 6, DBSCP [APP-060]**.
63. Additional stakeholder engagement through the Evidence Plan Process has been undertaken during the pre-application phase to further inform the Applicants' approach to compensation at the project level. The Dogger Bank ETG included representatives from Natural England, JNCC, MMO and the Wildlife Trust. Consultation with additional stakeholders including Defra and the Planning Inspectorate has also been undertaken. Pre-application engagement including key details is summarised in **Table 3-1** below. Further details of the consultation undertaken including minutes of the ETG meetings are provided in **Volume 5, Consultation Report [APP-034]**.

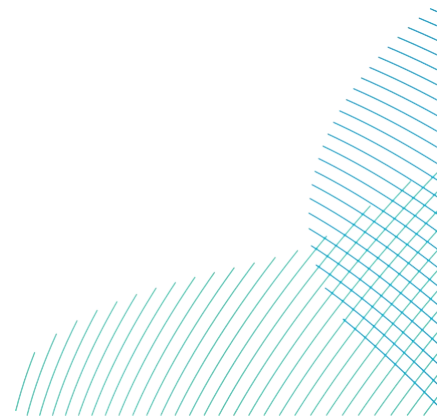
Table 3-1 Summary of Pre-application Consultation Undertaken for the Projects.

Date	Con-sultee(s)	Activity	Details
11 th April 2024	Defra	Strategic compensa-tion meeting	Meeting to discuss the Applicants' proposals with respect to strategic delivery of compensa-tion and how this should be referred to in the DCO application. During this meeting, De-fra confirmed that DESNZ would be publish-ing guidance imminently for OWF developers on how strategic compensation can be re-ferred to in planning applications in advance of any necessary statutory instruments com-ing into force. However, this advice was not available at the time of writing.
23 rd April 2024	Planning In-spectorate	Projects up-date meeting	Meeting to appraise the Planning Inspec-torate of the intended approach to the derogation case for the Projects and the develop-ment of the associated compensatory measures.
10 th April 2024	MMO, Natu-ral England, JNCC and the Wildlife Trust	Dogger Bank ETG meeting	The purpose of this meeting was to set out for stakeholders how the Projects intended to build upon the outcomes of Volume 6, DBSCP [APP-060] and to outline the level of information that would be provided as part of the DCO application, and the aspects that would be matured further post-submission. Specific information related to the Appli-cants' RIAA conclusions was also presented along with the Applicants' intended approach to compensation. Natural England provided feedback specifically in relation to compen-sation ratios and the site designation pro-cess.
23 rd April 2024	Natural England	Written feed-back follow-ing Dogger Bank ETG meeting	Letter from Natural England acknowledges the Projects' departure from the Plan level HRA conclusions with respect to impacts from abrasion/disturbance in Dogger Bank SAC. Natural England also advised that should the Projects predicted impacts be greater than those being compensated for at the Plan level, the project level plan will need to include how this shortfall will be compen-sated for. Further advice was also provided

Date	Con-sultee(s)	Activity	Details
			with respect to implementation and management plans.
13 th August 2024	DESNZ		Project update call with DESNZ which included the Applicants reporting progress of Project-led compensation plans. DESNZ highlighted the further progression by Defra to the publishing of information that would provide greater certainty regarding compensation measures for Dogger Bank SAC.
1 st October 2024	Defra	Projects update meeting & update on strategic compensation	The Applicants provided Project updates for Defra regarding delivery of compensation plans. Defra confirmed that the primary compensation measure for AEol at Dogger Bank SAC is still the designation of a new or extended SAC, to be delivered strategically. The worst-case estimated impact was also provided for clarity. Defra provided anticipated timelines for MRF implementation and details on consultation. Expected timelines for the publication of a Ministerial Note (Defra) and guidance on how developers can refer to the MRF in advance of it being operational (DESNZ) along with respective document details were also shared where possible.
15 th October 2024	DESNZ	Project update meeting	The Applicants provided update regarding recent conversations with Defra and Natural England regarding Dogger Bank SAC Compensation, with DESNZ re-affirming that the publication of further information was expected imminently.
11 th December 2024	DESNZ	Project update meeting	The Applicants engaged with DESNZ to provide a project update and discuss progress on Project-led compensation measures for FFC and Dogger Bank SAC.
23 rd January 2025	Natural England	Project Update Meeting	The Applicants met with Natural England to provide Project updates and to discuss Examination. The Applicants requested a regular meeting to progress discussions on com-

Date	Con-sultee(s)	Activity	Details
			<p>compensation so that positions can be progressed during the Examination phase. Natural England stated that they plan to respond to the Examining Authority supporting the Applicants stance that benthic compensation for Dogger Bank SAC should be delivered strategically and not at a project level (as discussed during Issue Specific Hearing (ISH) 2).</p>

64. As outlined in section 1.3.1, the Applicants are active members of the OWIC derogation sub-group which is working towards the delivery of strategic compensation. The OWIC derogation sub-group has supported the work of the COWSC group in developing strategic compensation measures for offshore wind. Further details about the role of the OWIC derogation sub-group are provided in section 1.3.1.



4 Dogger Bank SAC

4.1 Site Description

65. The Dogger Bank is an extensive sublittoral sandbank in the southern North Sea formed by glacial processes and submergence through sea-level rise. A large part of the southern area of the bank is covered by water seldom deeper than 20m below chart datum within the SAC, though depths extend to 35 – 40m in places (JNCC, 2024). The DB SAC covers an area of 12,331km² across the Dogger Bank and is located approximately 150km to the north-east of the Humber Estuary.
66. Sediments in the DB SAC range from fine sands containing shell fragments on sandbank crests to muddy sands at greater depths. The sandbank sediments support benthic invertebrate communities characterised by polychaetes, amphipods, small bivalves, hermit crabs, flatfish, and echinoderms including brittlestars. In addition to benthic invertebrates, sandeel (*Ammodytidae*) are an important prey resource within the DB SAC that support a variety of higher trophic species including fish, seabirds, and marine mammals.

4.1.1 Qualifying Features

67. The site is designated under article 4(4) of the Directive (92/43/EEC) for the following Annex I habitat:
- Sandbanks which are slightly covered by sea water all the time.

4.1.2 Conservation Objectives

68. The conservation objectives set for the designated sandbank feature and sub-features of Dogger Bank are (JNCC, 2022a):
- “For the feature to be in favourable condition thus ensuring site integrity in the long term and contribution to Favourable Conservation Status of Annex I Sandbanks which are slightly covered by seawater all the time.”*
69. This contribution would be achieved by maintaining or restoring, subject to natural change:
- The extent and distribution of the qualifying habitat in the site.
 - The structure and function of the qualifying habitat in the site.
 - The supporting processes on which the qualifying habitat relies.

4.1.3 Condition Assessment

70. In the most recent condition assessment of the Dogger Bank SAC, it was determined that the Annex I sandbank feature is currently in unfavourable condition (JNCC, 2022a). A 'restore' objective has been advised for the following attributes:

- The extent and distribution of the qualifying habitat in the site.
- The structure and function of the qualifying habitat in the site.

4.1.3.1 Extent, Distribution and Structure

71. With regard to physical change (to another seabed/sediment type), the 'restore' objective for 'extent and distribution' in the Supplementary Advice on Conservation Objectives (SACO) for Dogger Bank SAC (JNCC, 2022b) states that:

"JNCC understands that the site continues to be subjected to activities that have resulted in a change to the extent and distribution of the feature within the site, noting bottom trawling no longer occurs within the site. Installation and/or removal of infrastructure will have a continuing effect on extent and distribution. As such, JNCC continues to advise a restore objective which is based on expert judgement; specifically, our understanding of the feature's sensitivity to pressures which can be exerted by ongoing activities i.e. offshore wind farms, cabling and oil and gas industry activities..."

...Whilst JNCC does not consider it likely that the human activities taking place within the site have the potential to permanently impact on the large-scale topography of the sandbank feature, JNCC continues to advise that the extent of the sandbank feature in terms of its sedimentary composition and biological assemblages has been reduced and it continues to be reduced by ongoing activities."

72. The restore objective for 'structure' (JNCC, 2022b) states that:

"JNCC understands that the site continues to be subjected to some activities that have resulted in a change to the finer topography, sediment composition and distribution, and characteristic communities of the feature within the site, noting bottom trawling no longer occurs within the site.... As such, JNCC continues to advise a restore objective."

73. Further details concerning the physical and biological structure objectives for DB SAC are provided in the Applicants' **Volume 6, RIAA [AS-051]**.

4.1.3.2 Function

74. The SACO (JNCC, 2022b) lists three ecosystems services which "may be provided by the sandbank feature":

- Nutrition – the site provides a feeding ground where prey is made available for a variety of species of commercial importance.
- Bird and whale watching – the site provides some supporting function (provision for wider marine bird and mammal populations).
- Climate regulation – the range of sedimentary habitats and associated communities in the site perform ecological processes common to sandbanks such as deposition and burial of carbon in seabed sediments through bioturbation, living biomass and calcification of benthic organisms.

75. The SACO (JNCC, 2022b) goes on to state that:

“...A restore objective continues to be advised for function within the site based on impacts to the characterising communities and peat deposits from ongoing and historical activities i.e., wind farm, demersal fishing, aggregates, cabling and oil and gas industry activities.”

76. In terms of practical advice, the SACO (JNCC, 2022b) states that:

“Activities must look to minimise, as far as is practicable, disturbance and changes to the biological communities and the abiotic component of the Dogger Bank to conserve the functions that it provides to the wider marine environment.”

4.2 Summary of Potential Impacts

77. The following sections provide a summary of the potential impacts of the Projects on the sandbank feature of the DB SAC as set out in the Applicants’ **Volume 6, RIAA [AS-051]** and how this compares to that considered within **Volume 6, DBSCP [APP-060]**. This information sets out the context for the compensatory measures proposed by the Applicants. The SoS will ultimately determine the extent of the predicted impacts of the Projects on the DB SAC sandbanks feature based on the conclusions of the AA.

4.2.1 Quantification of Effects

4.2.1.1 Projects Alone

78. The placement of infrastructure above the seabed will result in a physical change to the DB SAC sandbank feature, resulting in a reduction in extent and permanent sandbank habitat loss in the form of ‘physical change to another seabed / sediment type’.

79. The extent of sandbank loss within DB SAC has been calculated by combining the predicted worst-case scenario footprints for turbine foundations and scour protection, offshore platform foundations and scour protection, array cable protection, inter-platform cable protection and cable and pipeline crossing protection within the site.

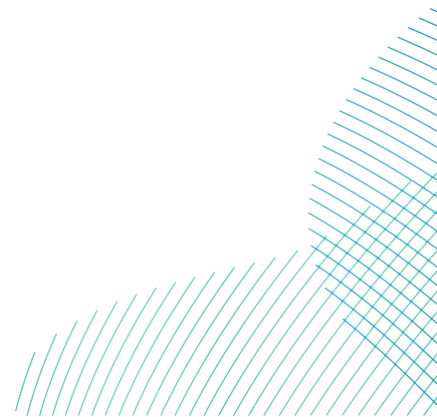
80. Following DCO submission, The Applicants engaged with Interested Parties to seek to resolve concerns or comments raised during the pre-examination period. This engagement, in combination with continuing design work, resulted in the Applicants deciding to seek a small number of changes to their application within the Offshore and Intertidal works areas. These changes are collectively referred to as 'Project Change Request 1'.
81. An initial **Change Notification Letter** [PDA-012] for Project Change Request 1 was issued at the pre-examination procedural deadline notifying the Examining Authority (ExA) of the proposed changes to Offshore and Intertidal works areas and the reasoning behind each decision. The **Change Notification Letter** [PDA-012] also included a summary of the environmental assessment update and expected conclusions, details of the proposed consultation and timetable for submission of any materials, and a proposed list of stakeholders for targeted consultation. A comprehensive update to the environmental assessment summary is provided in **Project Change Request 1 – Offshore and Intertidal Works [AS-141]**.
82. In summary, the design changes are as follow:
- Change 1: Removal of Gravity Based Structure (GBS) foundations;
 - Change 2: Removal of Electrical Switching Platform (ESP) from the Projects' Design Envelope;
 - Change 3: Reduction in number of offshore platforms in the Projects' Design Envelope, from eight to three within the Array Areas, including reductions in associated seabed preparation and scour protection;
 - Change 4: Reduction of cabling within the Array Areas, plus associated seabed preparation and cable protection; and
 - Change 5: Removal of the short trenchless crossing at landfall.
83. The Applicants' formal request to change the application was accepted by the Planning Inspectorate on 21st January 2025. As a result, the worst-case parameters for potential effects on benthic ecology have been updated and an overall reduction for the impact 'physical change to another seabed / sediment type' has been determined. The quantification of effects provided in this document represent the impacts as calculated following the acceptance of Project Change Request 1.
84. The worst-case area for habitat loss ('physical change to another seabed/sediment type') within the SAC as a result of the Projects is calculated as 1.92km². This represents 0.015% of the SAC's overall sandbank extent of 12,332km², and 0.016% of the medium to high potential habitat for sandeel within the SAC.

- 85. As outlined in the Applicants' **Volume 6, RIAA [AS-051]**, the Applicants are committed to minimising the footprint of habitat loss through the selection of an offshore cable corridor that reduces impacts on designated sites, and the minimal use of scour and cable protection measures where possible. Therefore, the final area of permanent habitat loss within the SAC is likely to be lower than that estimated as a worst-case scenario.
- 86. The predicted worst-case areas for habitat loss under the isolated, concurrent and sequential development scenarios are presented in
- 87. **Table 4-1.** For further information see section 6.3.2 of **Volume 6, RIAA [AS-051]**.

Table 4-1 Worst Case Scenarios for Habitat Loss within the DB SAC

DBS East in isolation	DBS West in isolation	DBS West and DBS East concurrently and / or in sequence
Array areas & export cable corridor	Array areas & export cable corridor	Array areas, export cable corridor & inter-platform cable corridor
0.86km ²	0.79km ²	1.92km ²

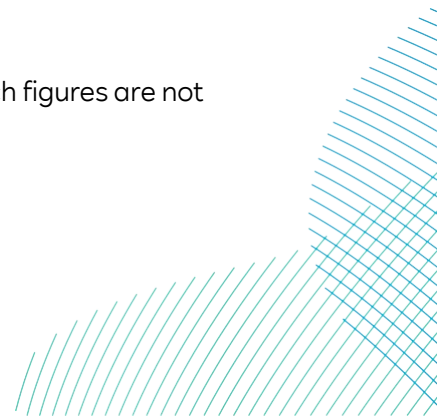
- 88. Although the extent of habitat loss is minimal, the Dogger Bank SAC has a 'restore' objective (seen section 4.1.2) in relation to the extent of the sandbank feature in terms of its sedimentary composition and biological assemblages. With regard to the physical structure, the restore objective relates to finer-scale topography and sediment composition and distribution. With regard to biological structure, the restore objective relates to the key and influential species and characteristic communities present. Given that the restore objectives were in place from the designation of the DB SAC (i.e. before any wind farms were present) and that the objectives apply at the fine scale, any permanent footprint could be considered to hinder the restore objectives no matter how small (even in comparison to the historic fishing impacts which affected at least 70% of the site).
- 89. Therefore, an AEoI of the Dogger Bank SAC in relation to habitat loss from the Projects alone cannot be ruled out.



4.2.1.2 In Combination

90. Based on the publicly available information for other projects present (and planned) within the zone of influence for DBS, an area of approximately 11.71km² may be permanently lost within the Dogger Bank SAC⁶, representing 0.16% of the total SAC area. Permanent habitat loss as a result of the Projects would equate to an additional 0.015% of the total SAC area. For further information see section 6.4.2 of **Volume 6, RIAA [AS-051]**.
91. For the reasons outlined above with respect to the impacts of the Projects alone, a conclusion of AEoI of the Dogger Bank SAC in relation to physical change (to another seabed / sediment type) in combination with other schemes cannot be ruled out.

⁶ Based on the consented footprints and not including Dogger Bank D for which figures are not available.



5 Compensation Quantum

92. **Volume 6, DBSCP [APP-060]** does not prescribe the amount of compensation required for the Projects but does outline the following process for determining this (see section 6 of **Volume 6, DBSCP [APP-060]** for further information).
- Step 1 – Calculate the impact.
 - Step 2 – Determine the compensation level. This is the amount of compensation measure required to offset the impacts that occur as a result of the Projects. This is expressed as a ratio of at least 1:1.
 - Step 3 – Apply a compensation multiplier. A multiplier may be applied to the compensation level to provide confidence that any impacts to the sandbank feature are fully offset. This is also expressed as a ratio of at least 1:1.
93. Steps 1 and 2 are discussed in relation to the compensation level required for the Projects and the Round 4 Plan in sections 5.1 and 5.2 respectively, whilst step 3 is considered in section 5.3 below.

5.1 Projects Alone

94. For the primary compensation measure proposed by the Applicants which is the designation or extension of a protected site, area is considered to be the most suitable metric to calculate compensation quantum. The impact of habitat loss as a result of the Projects within the DB SAC boundary is estimated to be 1.92km². The Applicants acknowledge that the compensation level provided must at least offset the level of impact attributed to the Projects (1.92km²).
95. To determine the appropriate scale of compensation required to offset the impact of the Projects, **Volume 6, DBSCP [APP-060]** recommends that each of the compensation measures proposed should be appraised individually in light of the different delivery options potentially available and the level they occupy in the compensation hierarchy (Defra, 2024b). For example, the higher the position of a measure in the Defra compensation hierarchy, the closer to a 1:1 ratio (impact to compensation) the compensation level will be. Following this principle, the ratio applied to compensation delivered via a SAC extension to DB SAC would be lower than that applied to the designation of a protected site (or sites) in an alternative location. For measures such as seagrass meadow restoration, which is lower down on the compensation hierarchy, or where measures are considered to present an element of risk in delivery, compensation levels above 1:1 would be more appropriate.

96. It is not possible to determine the exact compensation level required by the Projects at this stage as it has been demonstrated that this would be influenced by the exact nature and location of the proposed measures. In the case of the Applicants' primary compensation measure, designation or extension of a protected site, these details would need to be confirmed by Defra. Similarly, for restriction of fishing activities, such information would need to be provided by Defra and the MMO or relevant IFCA.

5.2 Round 4 Plan

97. As outlined in section 1.2, the Plan level HRA undertaken by The Crown Estate (The Crown Estate, 2022) concluded AEoI of the DB SAC could not be ruled out due to the predicted impact of habitat loss and direct physical damage on the sandbank feature from the Round 4 Plan and specifically the Projects, alone and in-combination with other plans and projects.
98. Whilst the Applicants have reached the same conclusion as the Plan level HRA with respect to predicted habitat loss, a conclusion of no AEoI of the Dogger Bank SAC in relation to direct physical damage (i.e. abrasion / disturbance of the seabed) from the Projects alone and in-combination has been reached within the Projects **Volume 6, RIAA [AS-051]**. Thus, there is a divergence in the outcome of the Plan level HRA (The Crown Estate, 2022) and the Projects' **Volume 6, RIAA [AS-051]** with respect to this pressure.
99. The scale of the predicted impact(s) for which AEoI cannot be ruled out determines, in part the level of compensation required. The divergence in conclusions for direct physical damage therefore has implications for the level of compensation required at the project level vs. what was predicted at the Plan level to offset the potential impacts of the Projects on the DB SAC sandbank feature.
100. **Table 5-1** presents the predicted area of habitat loss and direct damage associated with the Projects assessed within the Plan level HRA and the Applicants' **Volume 6, RIAA [AS-051]**. The reduction in overall footprint is attributable to refinements to the maximum design envelope assessed at the project level and the removal of some of the worst-case infrastructure as outlined in section 4.2.1.1 and **Volume 7, Chapter 5 Project Description (Revision 3) [REP1-009]**. However, it is acknowledged that there is a small increase in the predicted extent of habitat loss associated with the Projects from that assessed at the Plan level.

Table 5-1 Predicted Worst-case Extent of Habitat Loss and Direct Damage Associated with the Projects Assessed within the Plan Level HRA (The Crown Estate, 2022) and the Applicants' RIAA [AS-051]

Impact	Predicted impact of the Projects assessed at the Plan level (km ²)	Predicted impact of the projects assessed in the Applicants RIAA (km ²)
Habitat loss	2.035	1.92
Physical damage	32.209	28.4
Total impact	34.244	30.32
Percentage of sandbanks feature within DB SAC	0.28%	0.25%

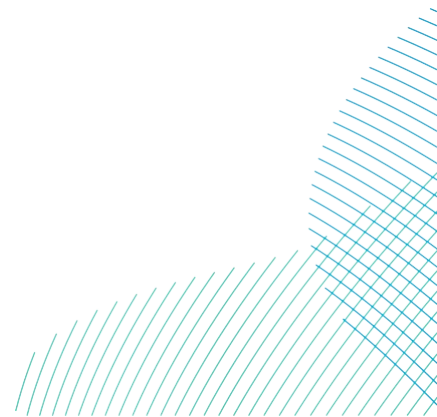
101. Given that the Applicants only consider there to be AEoI from habitat loss, the scale of the predicted impact requiring compensation at the project level is 1.92 km². Should the Secretary of State's AA for the Projects reach the same conclusion as the Applicants' **Volume 6, RIAA [AS-051]** with respect to habitat disturbance (i.e. no AEoI), then the overall scale of compensation required under the project level HRA (1.92km², 0.015% of the SAC's overall sandbank extent) would be less than that currently required under the Plan level HRA (34.224km²).
102. The project level assessment reflects updated project information, taking account of refinements to the maximum design envelope, and captures further assessment work and evidence gathering. Evidence is presented in **Volume 6, RIAA [AS-051]** which indicates rapid recovery of sandy seabed types and substrates within Dogger Bank itself following physical disturbance. The assessment presented in **Volume 6, RIAA [AS-051]** is considered to represent a detailed and robust appraisal of predicted impacts on the Dogger Bank SAC which builds upon the assessment presented within the Plan level HRA (The Crown Estate, 2022). The conclusion reached by the Applicants with respect to direct physical damage is also consistent with the Hornsea Three decision (BEIS, 2020) which only relates to permanent effects impeding restoration and is in line with the earlier Round 3 decisions (DECC, 2015).
103. Furthermore, the Applicants have submitted a document entitled **Review of Evidence on Recovery of Sandbank Habitat Following Habitat Damage [AS-025]** which addresses several comments raised by Natural England in their Relevant Representations [RR-039]. This document includes site specific evidence of rapid habitat recovery following physical impacts related to construction within Dogger Bank SAC. The submission substantiates the Applicants position to conclude no AEoI to the Dogger Bank SAC in relation to habitat loss and provides further evidence base for the compensation quantum.

104. The exact quantum of compensation required to be delivered by the Projects will be determined as part of the SoS consent decision. However, irrespective of the outcome of this decision, the Applicants' primary compensation measure, (designation or extension of a protected site) is considered more than capable of fully compensating for the predicted impacts of the Projects. Nonetheless, the Applicants consider it important that this SoS's decision seeks to avoid the likelihood of over-compensating for the predicted impacts of the Projects at the risk of eroding compensation opportunities for future projects.

5.3 Compensation Multiplier

105. As outlined in **Volume 6, DBSCP [APP-060]**, a compensation multiplier may be applied to provide additional confidence that compensatory measures can fully offset the predicted impact of a Plan or Project(s) and is intended to account for uncertainty in the deliverability and / or success of the proposed measures. However, there is very little ecological evidence supporting the application of ratios which are often derived qualitatively and fail to robustly take account of the inherent precaution already built into the impact assessments and the calculation of the level of compensation required.
106. **Volume 6, DBSCP [APP-060]** states that “*a compensation multiplier of one (1.0), based on an area metric, may be appropriate for measures targeting Annex I sandbank habitat (site extension / designation and restriction of other activities) where there is high confidence in delivery. If confidence is reduced for any reason, then a multiplier of >1 may be required. For any compensation provided by measures delivering compensation through the restoration of other habitats a higher compensation multiplier would be justified. A value of two (2.0) is proposed.*” These ratios are presented in **Volume 6, DBSCP [APP-060]** and are not agreed upon by the Dogger Bank Steering Group.
107. Several details related to the proposed compensatory measures (including extent, location, etc.) are yet to be defined and would have a bearing on what would be considered an appropriate compensation multiplier. Furthermore, it is the Applicant's understanding that it will be Defra's responsibility to determine the overall scale of a protected site designation or extension and the Project's contribution to this.

108. The Applicants have sought to align this project level compensation plan with **Volume 6, DBSCP [APP-060]** as far as possible in accordance with their AfL conditions. However, in light of the information presented above, it is not considered appropriate to apply a compensation multiplier to the Projects' predicted impacts at this time until further information is made available from Defra with respect to the strategic delivery of compensation for offshore wind projects.



6 New Protected Site Designation or Extension

6.1.1 Overview

109. The Applicants' preferred compensatory measure can only be delivered by Defra in consultation with other relevant stakeholders (including the MMO and JNCC) and is therefore regarded as a solely strategic measure.
110. This compensation measure involves the designation of a new protected site, or the extension of an existing site designated for Annex I sandbank features.
111. The implementation of this option will ensure that there is no overall loss of sandbank habitat within the UK NSN by providing legal protection to a newly designated area of Annex I sandbank. The protection of an additional area (or areas) of qualifying sandbank habitat and supporting features will be able to deliver compensation for the Projects by providing ecosystem functionality within areas that are presently unprotected.
112. Evidence provided in Appendix E of **Volume 6, DBSCP [APP-060]** confirms the presence of multiple potentially suitable Annex I sandbank sites within UK waters with coverage greater than that anticipated to be required relative to the predicted area of habitat loss within DB SAC which would be associated with the Projects. Substantiation for the case of extending DB SAC is provided by the Applicants in **Volume 6, Extension of the Dogger Bank SAC for HRA Derogation Compensation – Rationale and Evidence Base [APP-062]**. Furthermore, investigations undertaken by Outer Dowsing Offshore Wind (ODOW) in consultation with Natural England (ODOW, 2024) identified two SAC extension areas with ecological merit for Annex I sandbank compensation. The extension areas presented by ODOW are an extension to Inner Dowsing Race Bank and North Ridge SAC, and Haisborough, Hammond and Winterton SAC. The identification of suitable Annex I sandbank sites that are not presently subject to legal protection supports the feasibility of this compensation option.
113. The ecological merit of this measure is outlined in sections 3 and 5 of **Volume 6, DBSCP [APP-060]**. Furthermore, consultation (as evidenced in Appendix C of **Volume 6, DBSCP [APP-060]**) and Defra's WMS (Defra, 2025) confirm that this option is supported by Defra and Natural England.
114. Several forms of protected site designation or extension have been explored by the Dogger Bank Steering Group. These include:
 - The extension of Dogger Bank SAC.
 - The designation of a new SAC or extension to an existing SAC (other than Dogger Bank SAC) for the protection of sandbank feature.

- The designation of a new Marine Conservation Zone (MCZ) for the protection of a sandbank feature.
 - Amending SAC citation to protect or enhance associated habitat (e.g. troughs between sandbanks).
115. It is the Applicants' understanding that Defra are working to identify potential areas for designating new sites or extending existing sites, in collaboration with Natural England and JNCC.

6.1.2 Scale

116. The Applicants understand that Defra intends to only deliver new protected site designation / extension once. When designated, such a site should account for impacts on sandbanks resulting from multiple offshore wind farm developments anticipating the need to use protected site designation as strategic compensation for impacts to Annex I sandbank. As such, it is crucial to ensure that the scale of compensation is appropriately allocated.
117. The allocation of a new designated site or extension should be sufficiently large to fully compensate for multiple offshore wind projects in the North Sea, including the Projects. The extent of the designated area must provide ecosystem functionality and network benefits for the UK NSN. As such, it is anticipated that an entire sandbank system and supporting habitats should be contained within such a site.
118. It is the Applicants' understanding that it is Defra's responsibility to calculate the combined impact for multiple projects and determine the area for which strategic compensatory measures will be delivered. During a meeting chaired by the Applicants on 11th April 2024, Defra shared its intention to oversee the formation of an 'implementation group' to determine the scale of compensation to be delivered at a strategic level.
119. The worst-case impact footprint calculated at the project level for habitat loss is 1.92km². This area represents 0.015% of the Dogger Bank SAC's overall extent of 12,332km². The Applicants acknowledge that it may be appropriate to apply a compensation ratio or multiplier to the predicted impact to determine the overall quantum of compensation required. However, as outlined in section 5, it is not considered appropriate to propose a ratio at this time until further information is made available from Defra regarding the strategic delivery of new protected site designation / extensions.

120. Details of the scale of compensation proposed to be provided and how this relates to the consent decision made by the SoS will be developed post-consent in consultation with the relevant stakeholders and detailed within the Dogger Bank CIMP if this document is required in addition to the DBSIMP.

6.1.3 Delivery Mechanism

121. Strategic designation or extension of a protected site is expected to be delivered via a MRF, as outlined in section 1.3. The designation of a new or extended site will follow the full legal process required for designation, including stakeholder and public consultation. As outlined in section 1.3, the MRF is expected to be operational in Autumn 2025 ahead of offshore construction for the Projects.
122. Following implementation, sandbank habitat within a new or extended protected site would be protected by law. This designation process will be led by Defra with support from Natural England and JNCC. This process is outside the control of the Applicants and the contribution of developers in providing information on areas of search (AoS), surveying and gathering evidence is yet to be confirmed by Defra. It is understood that Defra is presently considering SAC designations or extensions as a form of delivery, though the Applicant acknowledges that an MCZ designation could also deliver compensation effectively.
123. An outline of the offshore SAC designation process is illustrated in **Figure 6-1**. Once an area is classified as a candidate SAC (cSAC), it is treated as if it is formally designated. As such, it can be considered that from this point, the site is protected. It is understood that Defra's view on delivery is that compensation is not considered to be fully implemented until management measures are in place for the designated site.

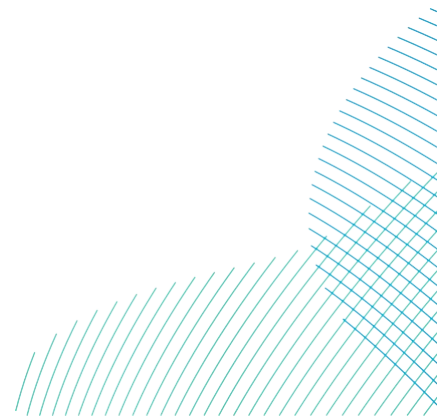
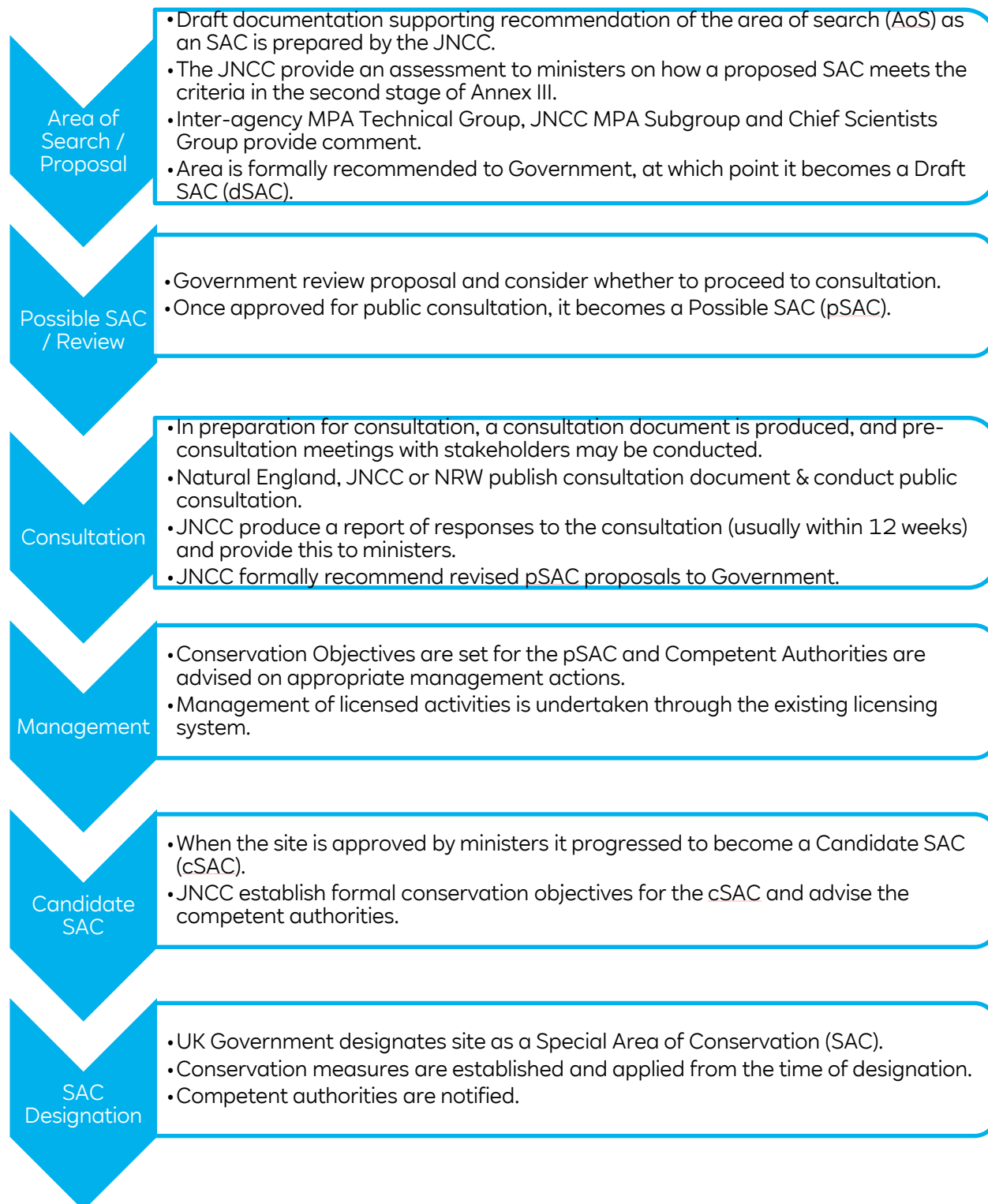
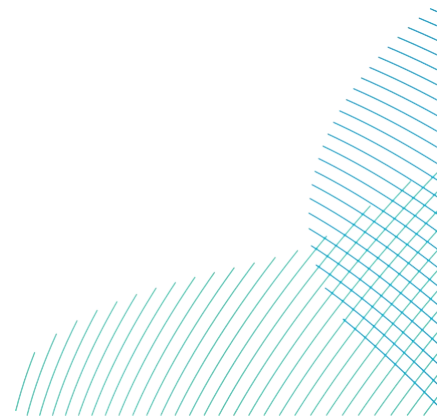


Figure 6-1 Outline of the Offshore SAC Designation Process (Based on JNCC (2015) and Defra (2021b)).



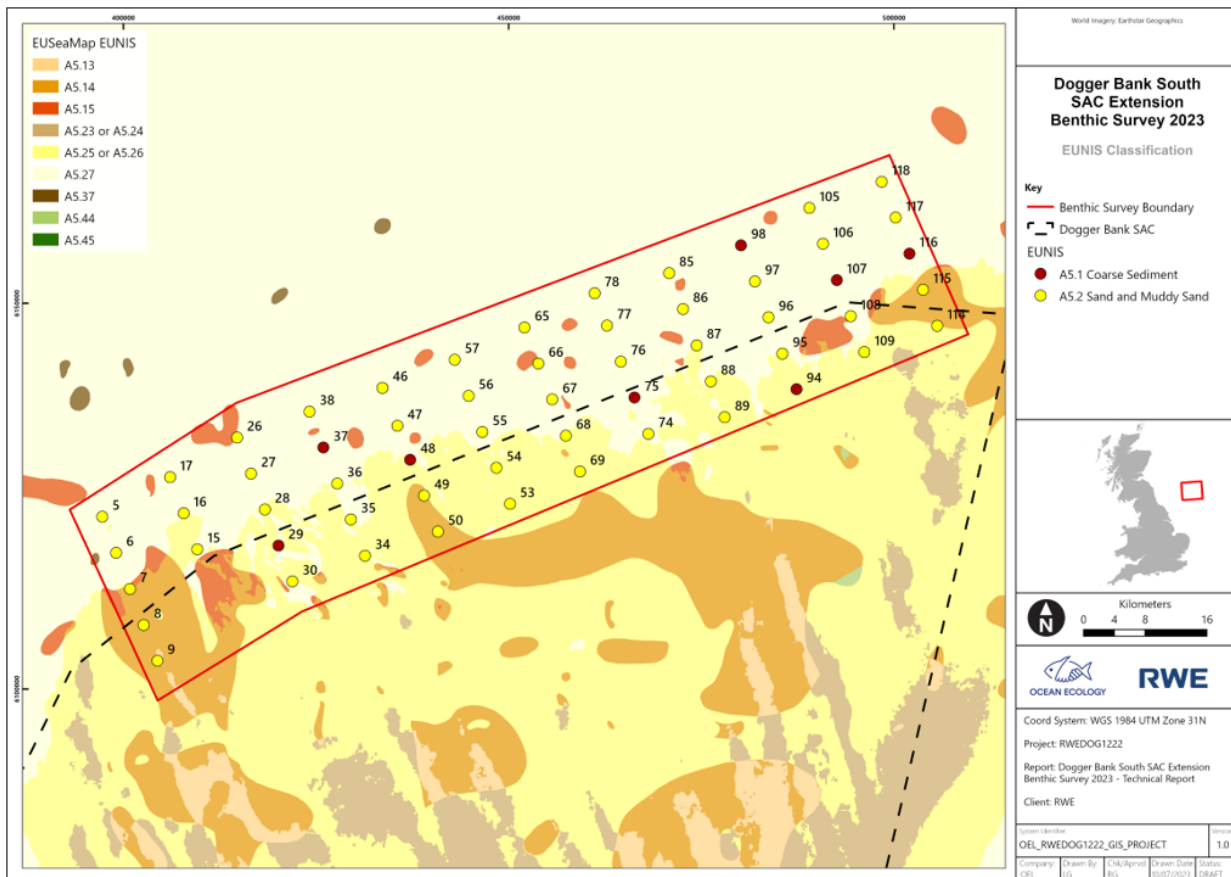
6.1.4 Location

124. It is understood that the identification of candidate areas for protected site designation or extension as a strategic measure will be overseen by Defra with support from Natural England and JNCC. However, the Applicants will continue to work with Defra on the development of this measure should support be required as part of the site selection process. Further information on the proposed location of the new protected site designation or extension will be provided post-consent and detailed within the Dogger Bank CIMP if this document is required in addition to the DBSIMP.
125. To ensure confidence in this compensation measure, NIRAS has undertaken the initial stages of a site selection exercise to provide a non-exhaustive list of potential AoS that would be suitable for a new protected site designation (section 7 and Appendix E of **Volume 6, DBSCP [APP-060]**). This has resulted in a long list of 19 areas that are considered to be potentially suitable candidates for site designation or extension from an ecological perspective.
126. Investigative work into a potential DB SAC extension area was also commissioned by the Applicants in March 2023. The benthic report for the potential DB SAC extension site is included as Appendix F in **Volume 6, DBSCP [APP-060]**. The benthic survey was carried out across an area of seabed adjacent to, and overlapping with, the northern boundary of DB SAC to characterise the habitat and communities present. The area within the maximum survey boundary is 3,197.6km².
127. The area surveyed by the Applicants is included as AoS 19 in Appendix E of **Volume 6, DBSCP [APP-060]**. This site is advantageous as a candidate for SAC extension because it addresses the same impact at the same location, scoring highly on the Defra compensation hierarchy (Defra, 2021a).
128. The investigative survey commissioned by the Applicants involved the collection of seabed imagery and grab samples across 58 stations arranged in 12 transects across the potential DB SAC extension area (**Figure 6-2**). All samples were analysed for macrobenthos and sediment distribution and assessed using univariate and multivariate statistics to identify any significant differences and groupings of benthic communities.



129. Benthic communities within the study area were similar to those described in the north-eastern region of the DB SAC by Diesing *et al.* in 2009. The full rationale for extension of the DB SAC to the north is provided by the Applicants in **Volume 6, Extension of the Dogger Bank SAC for HRA Derogation Compensation – Rationale and Evidence Base [APP-062]**. As is concluded in section 7.1 of **Volume 6, DBSCP [APP-060]**, an extension of the SAC to the north may provide an equivalent area and comparable functioning of at least one of the benthic sandbank communities present within DB SAC.

Figure 6-2 Dogger Bank SAC Benthic Study Area Showing EUNIS Habitat Classification as Determined from Utilising the EUNIS Sediment Descriptions from Particle Size Distribution of Samples Collected During the Survey.



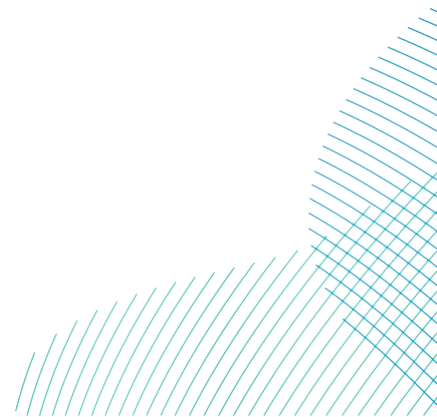
6.1.5 Timescales

130. As a strategic Defra-led measure, the timescales for implementation of a new site designation / extension are not within the Applicants' control. However, recognising the urgent need for strategic compensation to facilitate the delivery of 50GW of offshore wind, the Applicants' understanding based on engagement with Defra and details provided in the WMS (Defra, 2025) is that the ambition is for this measure to be implemented as soon as possible.
131. **Volume 6, DBSCP [APP-060]** suggests that the process of designating a new or extending an existing protected site may take up to seven years. However, further consultation with Defra suggests that timescales for implementation may be more aligned with those associated with the designation of Highly Protected Marine Protection Areas (HPMAs) (approximately two years), with some additional time allocated for consultation. Other recent OWF projects have assumed three years (Outer Dowsing Offshore Wind, 2024). It should be noted that, the designation of the first Tranche of MCZs was completed within a five-year window following the enactment of the Marine and Coastal Access Act 2009, with the first sites designated in November 2013 (JNCC, 2019). This initial process of designation also included the development of the MCZ Advice Protocol and the Ecological Network Guidance, processes that would not need to be repeated for a new MCZ designation or extension. The Applicants therefore consider designation of a new protected site or extension of an existing site to be possible within two to five years.
132. Draft Defra guidance (Defra, 2021a) states that compensation should ideally be in place, functioning and contributing to the coherence of the UK NSN prior to any impact occurring. However, this guidance also acknowledges that in some cases this may not be feasible. Defra's WMS (Defra, 2025) affirms that the DESNZ Secretary of State and the MMO may consider circumstances where the adverse effect can occur ahead of compensation being in place, though this would need to be considered in the context of other factors that are yet to be defined.
133. In accordance with the National Planning Policy Framework which relates to onshore designations (Department for Levelling Up, Housing and Communities, 2023) and advice from the Dogger Bank ETG, a new site or extension can be considered secured when it is given 'candidate' or 'recommended' status in the case of SACs (cSAC) and MCZs (rMCZs), respectively. Furthermore, the measure can be considered to have been successfully implemented when the new site or extension is approved, and the necessary management measures are in place.

134. Based on the indicative programme information presented in **Volume 7 Chapter 5 Project Description (Revision 3) [REP1-009]**, the earliest installation of seabed infrastructure (and the impact of habitat loss) is likely to occur in Q2 2027. Therefore, depending on implementation timescales, the designation of a new protected site may occur either prior to or following the commencement of construction for the Projects.
135. An extension to DB SAC or another MPA designated for Annex I sandbank may therefore be preferable to a new site designation as an extension could potentially be progressed on a shorter timescale. As outlined in section 6.1.4 above, Appendix F of **Volume 6, DBSCP [APP-060]** and in **Volume 6, Extension of the Dogger Bank SAC for HRA Derogation Compensation – Rationale and Evidence Base [APP-062]**, the Applicants have provided evidence to demonstrate that an extension to DB SAC could be a potentially feasible option to compensate for predicted impacts to Annex I sandbank and supporting features as these are considered to extend beyond the existing site boundary. However, it is acknowledged that the responsibility for identifying suitable sites, including extension areas, lies with Defra in collaboration with Natural England and the JNCC.
136. Given that site designation or extension has been approved as a strategic compensation measure by the SoS for Defra and is an established process for marine habitat conservation should give confidence that this measure can be secured. Any potential time lag between the impact occurring and the implementation of compensation could be addressed by increasing the overall scale of compensation.

6.1.6 Monitoring and Adaptive Management

137. Following successful site designation, the new or extended site will require monitoring to demonstrate that it is functioning as expected and that management measures are delivering compensation. This will likely require a baseline survey prior to site designation, possibly followed by monitoring surveys if necessary to monitor the status of the site.
138. The process for measuring the success of a new site designation or the extension of an existing site will be determined by Defra. Monitoring requirements are likely to be the responsibility of Natural England or JNCC as part of statutory condition assessment obligations.



139. It remains uncertain how monitoring for this strategic compensation measure will be funded, whether by OWF developers directly or through the MRF. As outlined in section 10 of **Volume 6, DBSCP [APP-060]**, the designation or extension of a protected site is expected to compensate for multiple projects. It is the Applicants understanding that COWSC will be responsible for determining how costs will be apportioned across multiple OWF projects. The Applicants anticipate that funding arrangements will be established by DESNZ in collaboration with Defra and COWSC during the development of the MRF. Details of funding arrangements will be provided in the Dogger Bank CIMP if required in addition to the DBSIMP and Defra's IMP.
140. The need for adaptive management will be considered once the Projects' construction period is complete and the final footprint for habitat loss is confirmed. Adaptive management will be applied as a tool to address any unexpected shortfalls of this compensation measure.
141. Adaptive management thresholds will depend on the final compensation solution and will be triggered if necessary, following the appraisal of monitoring data. Measures that have been discussed with the Dogger Bank Steering Group (outlined in section 11 of **Volume 6, DBSCP [APP-060]**) include:
- Extending measure(s) to different areas, identified through the site selection process.
 - Identifying pressures leading to failure and implementing measures to reduce those pressures.
 - Use MRF or a similar strategic route, if available.
142. Further details surrounding adaptive management, thresholds for adaptive management application and timescales are provided in **Volume 6, DBSCP [APP-060]** and will be outlined in the Dogger Bank CIMP should this document be required and Defra's IMP.
143. As a general point, the Applicants intend to explore with Defra, JNCC and Natural England how the concept of adaptive management would sit with the normal management measures and reviews which are conducted under existing legislative arrangements for the UK NSN. It is the Applicants' assumption that the existing legislative regime would operate in the normal way as the default position, irrespective of whether the purpose of new protected site designation / extension is for conservation or compensation. As such, further clarity is required as to the precise role and justification of any additional measures characterised as adaptive management.

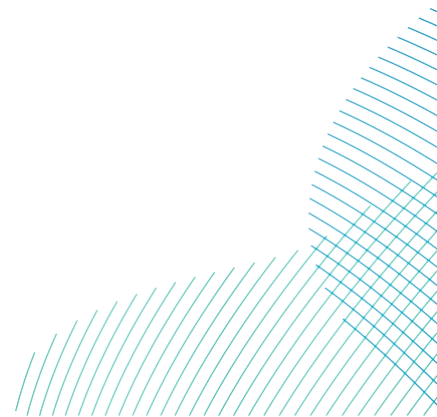
6.1.7 Outline Design Details

144. Design details for a new site designation or extension are beyond the remit for the Applicants and will be finalised by Defra. Such details to be determined will include:

- Whether the designation will be an extension of an existing site or the establishment of a new site.
- Whether multiple sites covering numerous Annex I sandbanks, or a single site covering a single large area of Annex I sandbank habitat will be designated.
- The size of a new designated site or extension.
- The location of a new designated site or extension.
- The management measures for the designated site (in consultation with other affected industries and stakeholders).
- The conservation objectives and condition assessment for the site.

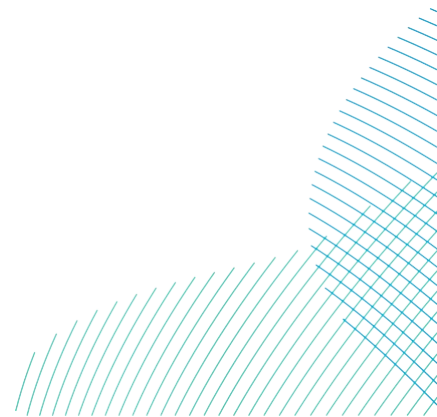
6.1.8 Potential Impacts from Implementation

145. Defra will oversee the designation of a new site, or a site extension and will be responsible for appraising any potential impacts related to the implementation of this strategic measure.



7 Funding

146. A total cost estimate for delivering compensation for the Projects is presented within **Volume 4, Funding Statement [AS-151]**. This estimate includes the Applicants' contribution to the development and operation of a new protected site designation / extension to compensate for predicted impacts on the DB SAC sandbank feature over the lifetime of the Projects.
147. This total cost cannot be broken down to provide details of individual compensation measures for commercial reasons as the majority of the compensatory measures proposed by the Applicants will be delivered strategically or collaboratively (in line with the recommendations of The Crown Estate's Plan level HRA). There remain several uncertainties around the details of the collaborative and strategic delivery mechanism (e.g. resource requirements, how many OWF projects may be voluntarily seeking to contribute to the MRF to access strategic compensation for benthic habitats and how costs may be apportioned between projects) to provide exact figures. It is, however, anticipated that these will all fall within the overall budget provided.



8 Summary

148. **Table 8-1** provides a summary of the Applicants' primary compensation measure for Dogger Bank (protected site designation or extension). The table highlights pertinent details that are provided within this application document and aspects that will be developed further following DCO submission.

Table 8-1 Summary of the Applicants' Compensation Proposal for Dogger Bank in Relation to Natural England's Checklist

NE Compensation Criteria	New site designation or extension (primary compensation measure)
<p>a) What, where, when: clear and detailed statements regarding the location and design of the proposal.</p>	<p><i>What</i> The designation or extension of a protected site for Annex I sandbank feature. Several forms of site designation or extension could be explored by Defra:</p> <ul style="list-style-type: none"> • The extension of Dogger Bank SAC; • The designation of a new SAC or extension to an existing SAC (other than Dogger Bank SAC) for the protection of sandbank feature; • The designation of a new MCZ for the protection of a sandbank feature; or • Amending SAC citation to protect or enhance associated habitat (e.g. troughs between sandbanks). <p><i>Where</i> The location of the new protected site or extension will be determined by Defra in consultation with Natural England and JNCC.</p> <p><i>When</i> The timescales for new site designation are outside of the Applicants' control. The process will be overseen by Defra and is anticipated to</p>

NE Compensation Criteria	New site designation or extension (primary compensation measure)
	take between two and five years (in line with the Tranche 1 MCZ designations and SNCB guidance provided in the Dogger Bank ETG meeting on 10 th April 2024).
b) Why and how: ecological evidence to demonstrate compensation for the impacted site feature is deliverable in the proposed locations.	In February 2024, the SoS approved designation and / or extension of MPAs for inclusion within the LoSCM and strategic delivery as compensation for offshore wind projects (Defra, 2024a). The Dogger Bank Steering Group and Defra have confirmed that this strategic measure is the preferred option according to the Defra (2021a and 2024b) compensation hierarchy. This option has ecological merit and will maintain the coherence of sandbank habitat across the UK NSN. Site selection and designation will be undertaken by Defra with support from Natural England and JNCC.
c) Policy/legislative mechanism for delivering the compensation	The mechanism is outlined in Volume 6, Habitats Regulation Derogation: Provision of Evidence [APP-051] . Strategic site designation or extension is expected to be delivered via the MRF and will follow the full legal process required for designation, including stakeholder and public consultation.
d) Agreed DCO/DML conditions	A draft schedule for DB SAC compensation is provided within Volume 3, Draft DCO (Revision 5) [REP1-004] . The condition wording proposed is still to be agreed upon with the relevant statutory stakeholders.
e) Clear aims & objectives & links to the conservation objectives of the site or feature.	The Applicants aim to compensate for the permanent loss of Annex I sandbank habitat within the DB SAC as a result of the placement of seabed infrastructure associated with the development of the Projects.

NE Compensation Criteria	New site designation or extension (primary compensation measure)
	This aligns with the conservation objective for DB SAC to maintain or restore the extent, structure, function, and supporting processes on which the qualifying habitat (sandbanks which are slightly covered by sea water all the time) relies.
f) Mechanism for further commitments if the original compensation objectives are not met - i.e., adaptive management.	Volume 6, DBSCP [APP-060] outlines potential supporting management measures. Details on the need for adaptive management and management of new MPA designation and /or extensions will be outlined in Defra’s IMP. Further details regarding adaptive management will also be provided in the Dogger Bank CIMP.
g) Clear governance proposal for the post-consent phase (e.g. ToR agreed)	The Applicants’ DB SAC compensation proposal aligns closely with the information provided in Volume 6, DBSCP [] which was developed in accordance with the ToR for the Dogger Bank Steering Group. Under these ToR, the Dogger Bank Steering Group will continue to exist under all obligations have been discharged, including all post-consent requirements. It is currently unclear whether a separate governance process will be required for the delivery of compensation in accordance with the project level derogation case (in addition to that required at the Plan level). Nonetheless a separate governance process has been outlined with respect to this project level plan subject to the SoS confirming whether this is required. Further details will be agreed with the relevant stakeholders and provided post-consent in the DBSIMP, Defra’s IMP, and project level Dogger Bank CIMP (if required).
h) Ensure development of compensatory measures is open and transparent	The Applicants have actively participated in the Dogger Bank Steering Group during the pre-application phase to support the development of

NE Compensation Criteria	New site designation or extension (primary compensation measure)
	<p>Volume 6, DBSCP [APP-060]. This engagement has informed the Applicants' approach to compensation at the project level and has been supplemented with additional engagement with the Dogger Bank ETG, Defra, Natural England and The Planning Inspectorate. Further details of the Applicants pre-application engagement are provided in section 3.1 and Volume 5, Consultation Report [APP-034]. Stakeholder engagement will continue post-application to support further development of the designation of a new site or site extension.</p>
<p>i) Timescales for implementation & how quickly the measures will contribute to the network</p>	<p>The timescales for new site designation or extension are not within the Applicants control. The process will be overseen by Defra and is anticipated to take between two and five years.</p>
<p>j) Commitments to ongoing monitoring of measure performance against specified success criteria.</p>	<p>The process for measuring the success of a new site designation or the extension of an existing site will be determined by Defra. Monitoring requirements are likely to be the responsibility of Natural England or JNCC as part of statutory condition assessment obligations and it is unclear what role developers will play in delivering monitoring. If required, the Dogger Bank CIMP will be developed in consultation with the Dogger Bank Steering Group and will outline the monitoring plan.</p>

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