

The Crown Estate and offshore transmission strategy

Danielle Lane, Round 3 Project
Manager

22 May 2008

The Crown Estate

- Crown Estate Act 1961
- Three core values:
 - Commercialism, Integrity and Stewardship
- Landowner not regulator
- Required under statute to actively manage the marine estate in a sustainable manner
- But also greater pressure on resources, space and environmental protection
- Our responsibility to balance competing demands

The Crown Estate

- Urban Estate - Substantial blocks of commercial, retail and residential property
- Rural Estate (inc. Windsor) - Approximately 113,100 ha agricultural land, 16,900 ha forestry and 22 minerals leases
- Marine Estate – c.55% of UK foreshore, almost all seabed to the 12 nautical mile territorial limit & rights to natural resources of UK Continental Shelf natural resources (200 nautical miles)
- The Renewable Energy Zones (REZ)
- Property worth £7bn (31.3.07)
- £200m paid to Treasury (31.3.07)

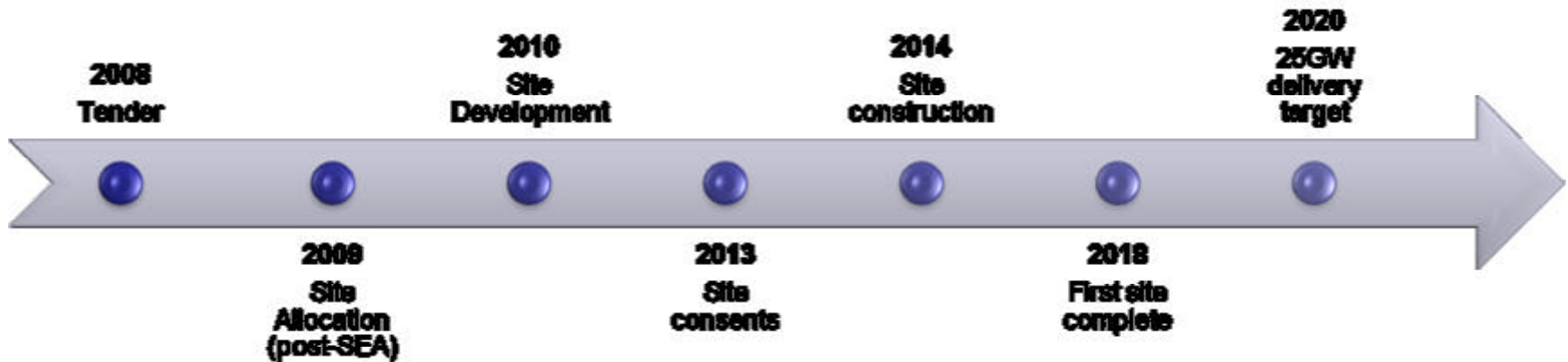


Marine Estate

- Range of activities
 - Aggregates
 - Cables and pipelines
 - Fish Farms
- New technologies bringing new opportunities
 - Offshore wind farms (Rounds 1&2)
 - Marine Renewables
 - Carbon Capture and Storage

Round 3

- Could be up to 4 times bigger than R2
- Between 3000 and 7000 turbines
- Could be equivalent to 10 times the total current UK onshore wind farm capacity
- With ultimate potential investment of between £30bn and £70bn
- But timescales are challenging



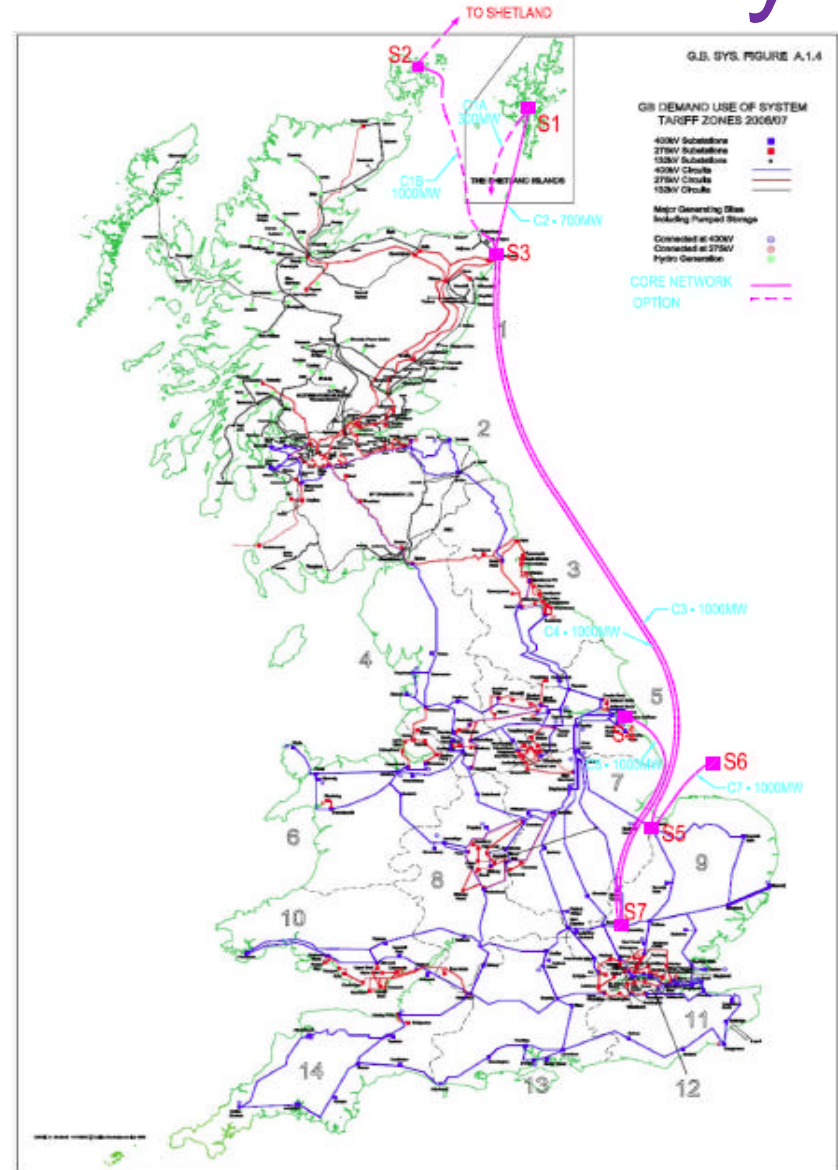
Barriers to delivery



- Site adjustments restrictions
- Consenting bottlenecks
- Cumulative issues
- Supply chain constraints
- Grid connection

East Coast Transmission Study

- Econnect carried out a feasibility study in Summer 2007
- Option for link from Scotland considered
- Encourage debate
- Potential to link in other offshore renewables?
- Other options?



Next steps

- Round 3 needs high level view
- Single site connection development
 - Land requirements?
 - Costs?
- “Network”?
- Commissioned Econnect to consider options

Scope of work

- Will include estimates of cost and land requirement for infrastructure
- Assumptions made based on 25GW target
 - Locations
 - Timings
- Considering optimal technical design
- Not considering regulatory framework
- BERR's SEA

Existing sites

- For Round 1 and 2 sites:
 - Original leases allowed for cables from wind farm sites
 - Revisions to lease documents to reflect regulatory changes
 - Licence agreements provided for OFTOs
- Arrangements will be flexible to accommodate future developments

Summary

- Relevant contracts for existing R1 & R2 sites being drafted
- Grid is integral to successful delivery of Round 3
- Grid study to
 - Help inform debate
 - Inform decisions for the Marine Estates
- Aim to publish study in November

Further information

Website: www.thecrownestate.co.uk

Danielle.Lane@thecrownestate.co.uk