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# Ørsted IPs – Deadline 5 Submission

This submission is made on behalf of Hornsea 1 Limited, the collective of Breesea Limited, Soundmark Wind Limited, Sonningmay Limited and Optimus Wind Limited (together, the "**Hornsea 2 Companies**"), Orsted Hornsea Project Three (UK) Limited, Orsted Hornsea Project Four Limited, Lincs Wind Farm Limited, Westermost Rough Limited and Race Bank Wind Farm Limited (together or in any combination, the "**Ørsted IPs**").

This submission provides an update on various matters contained in the Applicant's Deadline 4a submissions. In order to assist the Examining Authority, the Ørsted IPs have generally sought to only provide updates on matters where the position has moved forward from that presented in the Ørsted IPs' Deadline 4a Submission **[REP4a-125a]**, and therefore the Ørsted IPs continue to refer the Examining Authority to that document.

## Wake Loss

The Ørsted IPs note the Applicant's Wake Loss Methodology Clarification Note **[REP4a-119]** and wish to provide comments on the contents of this, further to the Ørsted IPs' own wake study submitted as Appendix 1 to the Ørsted IPs' Deadline 4a Submission **[REP4a-125a]**.

The Ørsted IPs note that the Applicant states that *"the high level methodology for both assessments is in principle the same. Small discrepancies in model settings and behaviour of the model may exist due to the site-specific dependence (for example, the wind regime) and because the assessment is based on the model information that is available in the public domain, but the resulting difference is expected to be minimal"*. As evidenced by Appendix 1 of the Ørsted IPs' Deadline 4a Submission **[REP4a-125a]**, this is not correct, as the wake studies undertaken by the Applicant and the Ørsted IPs have resulted in very different conclusions as to the wake effect on the Ørsted IPs' assets as a result of the Outer Dowsing Project. Although the wake model and modelling software may be the same across the studies, the wake model settings selected by the Applicant are likely to be different from those used by the Ørsted IPs and from those used by Wood Thilsted in the study submitted into the Mona Offshore Wind Farm examination.

The difference in wake loss estimates is not what would be expected from the two analyses using the same wake model and modelling software. The Ørsted IPs also consider it very unlikely that this can be explained by different input assumptions, such as layout or wind turbine characteristics. The Ørsted IPs also note that they have been very open with the settings they selected in their study, in contrast to the Applicant who has not provided any details to date of their settings used. This lack of detail hinders any meaningful review of the wake loss estimates provided by the Applicant.

The Ørsted IPs reiterate that it is of paramount importance that the modelling software is operated by experienced, impartial professionals who seek the most accurate assessment of the wake effect with the knowledge available at the time of assessment. It is standard practice within the industry that specialist independent consultants are used for this purpose.

The Ørsted IPs have also included, at Appendix 1 to this submission (and having shared this with the Applicant on 13 March 2025), details of the financial analysis undertaken by the Ørsted IPs to demonstrate the impact of the Outer Dowsing Project on those Ørsted IPs which continue to hold objections in relation to wake loss (being Hornsea 1 Limited, the Hornsea 2 Companies and Race Bank Wind Farm Limited). The Ørsted IPs note, and reiterate per their previous submissions regarding wake loss made throughout the examination, that this analysis evidences significant impact on Hornsea 1 Limited,

the Hornsea 2 Companies and Race Bank Wind Farm Limited's assets as a result of the Outer Dowsing Project across all modelled scenarios. Indeed, the Ørsted IPs note that in addition to the financial impact, the wake losses represent a significant risk to the financial viability of the Ørsted IPs' assets, both as market support for these projects falls away, and as the lifetime extension of these assets is determined. Hence, the wake losses risk bringing forward the decommissioning of over 3 gigawatts of renewable generation in the UK.

**Protective Provisions**

Further to the Ørsted IPs' Deadline 4a Submission **[REP4a-125a]**, the Ørsted IPs' refute the Applicant's claim in the Applicant's Responses to the Examining Authority's Second Written Questions **[REP4a-110]**, which states as follows (emphasis added):

*"The Applicant and the Ørsted IPs are in discussions in relation to agreement relating to the Lincs Offshore Wind Farm, with those terms to be replicated for the Race Bank Offshore Wind Farm once discussions have progressed sufficiently. The Applicant considers that the matters between the Applicant and the Ørsted IPs can be adequately addressed in the relevant agreements and therefore protective provisions or a separate requirement are unnecessary. The Applicant understands that the Ørsted IPs have no issue with this structure in principle, subject to the agreement being suitably comprehensive and sufficient progress being made."*

Whilst it is true that the Applicant and the Ørsted IPs are in discussions relating to proximity agreements for the Lincs and Race Bank Offshore Wind Farms, and the Ørsted IPs welcome these discussions, it is not correct that entering into these proximity agreements will remove the Ørsted IPs' need for protective provisions and/or a separate commercial wake loss agreement. This is because, as set out in the Ørsted IPs' Deadline 4a Submission **[REP4a-125a]**, the crux of the Ørsted IPs' request for protective provisions stems from disagreements between the Ørsted IPs and the Applicant in relation to the wake loss impacts for Hornsea 1 Limited, the Hornsea 2 Companies and Race Bank Wind Farm Limited.

The Ørsted IPs therefore seek protective provisions that adequately mitigate, or compensate those Ørsted IPs for, such wake loss impacts, along with (but separate to) a provision requiring the Applicant to enter into the aforementioned proximity agreements for the Lincs and Race Bank Offshore Wind Farms before commencing the Outer Dowsing Project. The Ørsted IPs have submitted their preferred wording for these protective provisions at Appendix 2 to this submission, having shared these with the Applicant on 13 March 2025. In particular, the Ørsted IPs note that paragraph 1 of these protective provisions permits the Ørsted IPs and the Applicant to, with written agreement, disapply the terms of these protective provisions. This has been drafted to cover a scenario in which an alternative solution is reached – for example, the Ørsted IPs and the Applicant entering into a commercial wake loss agreement relating to wake loss impacts and/or the Government producing an industry-wide solution to such matters.

Therefore, in an attempt to facilitate proactive negotiations between the Applicant and the Ørsted IPs, the Ørsted IPs provided the Applicant with an initial proposed approach, in the form of a description of the high-level fundamentals, for a commercial wake loss agreement on 13 March 2025. The Ørsted IPs note that such agreements are commonplace within the industry.

**Navigational Risk Assessment (NRA)**

Per the Ørsted IPs' Deadline 4a Submission **[REP4a-125a]**, the Ørsted IPs await the Applicant's technical note at Deadline 5 which will expand on the Applicant's reasoning (further to the response provided at Issue Specific Hearing 6) for why it considers it to be unnecessary to widen the scope of its Oil and Gas Platform Allision 3 and Marine Access Study **[APP-172]** and Helicopter Access Report **[APP-175]**. Following receipt of this technical note, the Ørsted IPs anticipate being able to confirm that an external review of the Applicant's NRA will not be commissioned, but reserve this position until the contents of that technical note are reviewed.

**Agreements**

The Ørsted IPs have nothing further to add in relation to the proximity agreements for the Lincs and Race Bank Offshore Wind Farms and the cooperation agreement relating to the Hornsea Four Offshore Wind Farm to that which was stated in the Ørsted IPs' Deadline 4a Submission **[REP4a-125a]**.

**Consultation on the Outline Cable Specification and Installation Plan (OCSIP) and Outline Vessel Management Plan (OVMP)**

As set out in the Ørsted IPs' Deadline 4a Submission **[REP4a-125a]**, the approach to resolving this matter is now agreed between the Applicant and the Ørsted IPs, being that the request for consultation from the Ørsted IPs will be addressed in the proximity agreements for the Lincs and Race Bank Offshore Wind Farms.

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**APPENDIX 1**

**FINANCIAL IMPACT ASSESSMENT**

# Outer Dowsing

## Wake Loss Financial Impact Assessment on behalf of the Ørsted IPs

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# 1 Executive Summary

This Financial Impact Assessment has been prepared in relation to the Examination of the Outer Dowsing Offshore Wind Project (**Outer Dowsing**) and estimates the financial impacts on the Ørsted IPs (being Race Bank Wind Farm Limited, Hornsea 1 Limited along with Breesea Limited, Sonningmay Wind Limited, Soundmark Wind Limited and Optimus Wind Limited (together **Hornsea 2**)) as a result of the construction and operation of Outer Dowsing.

The assessment has been carried out by Ørsted, on behalf of the Ørsted IPs, using publicly available information and shows the financial impact on the concerned projects due to wake effects resulting from Outer Dowsing. The assessment shows the financial impact, as a Net Present Value (NPV), across the Minimum Lifetime, the 10 year Life Extension period and total impact (being the combined impact to the end of the Life Extension period).

| Asset | Wake Loss (% AEP)[1] | NPV Impact (£m)[2] | | |
|---|---|---|---|---|
| | | Impact during Minimum Lifetime[3] | Additional impact during Lifetime Extension[4] | Total potential financial impact |
| Race Bank | 0.51% | £7m-£15m | £2m-£8m | £9m-£23m |
| Hornsea 1 | 0.74% | £31m-£67m | £6m-£35m | £37m-£101m |
| Hornsea 2 | 0.64% | £19m-£50m | £4m-£31m | £23m-£80m |
| **Total** | | **£57m-£131m** | **£12m-£73m** | **£69m—£204m** |

**Table 1: Overview of Wake Loss Financial Impact**

As shown in Table 1, the potential financial impacts of wake losses resulting from Outer Dowsing are significant across the Ørsted IPs' assets, with a total potential impact of between £69m and £204m (depending on discount rate). This consists of a reduction in revenue of between £57m and £131m in the Minimum Lifetime of the assets and a reduction during the potential Life Extension period of between £12m and £73m. The impacts throughout each asset's life are considered material, with the impact during the Lifetime Extension period having the potential to threaten the financial viability of Lifetime Extension and hence resulting in earlier decommissioning than would otherwise have been the case.

While the numbers shown in this Executive Summary relate to wakes predicted by the Ørsted IPs' Wake Study, the methodology has also been used to assess the financial impact using the wake losses predicted by Outer Dowsing's Wake Loss Technical Note[5]. Despite the lower wake effect predicted by Outer Dowsing's Wake Loss Technical Note, the financial impacts of such wake impacts still present a significant financial impact of at least £20m on the Ørsted IPs.

[1] Wake Loss used is that submitted by the Ørsted IPs at Deadline 4a [REP4a-125a].

[2] Range shown represents Net Discount Rates discount rates from 0% to 7.5%.

[3] The Minimum Lifetime is assumed as 24 years.

[4] Lifetime Extension is assumed as an additional 10 years of life immediately following the Minimum Lifetime.

[5] Outer Dowsing's Wake Loss Technical Note was submitted at Deadline 4 – a link to which is provided in Appendix A.

# 2 Introduction

In response to Outer Dowsing's Wake Loss Technical Note submitted at Deadline 4, the Ørsted IPs carried out their own Wake Study which was submitted at Deadline 4a[6]. The Ørsted IPs' Wake Study was conducted using wake modelling settings that would be expected from an independent expert in this part of the North Sea. As noted in the Ørsted IPs' Wake Study, it is believed that Outer Dowsing made an error in their wake model settings, meaning the wake loss estimates Outer Dowsing has submitted cannot be relied upon. The wake losses on the Ørsted IPs' assets calculated by the Ørsted IPs' Wake Study indicate a materially and consistently higher impact to those presented in Outer Dowsing's Wake Loss Technical Note.

Note: The Ørsted IPs continue to suggest that an Independent Third Party Assessment is the best approach to agree the expected wake loss between the parties.

This Financial Impact Assessment assesses both the wake impact forecast in the Ørsted IPs' Wake Study, the results of which are presented in this assessment as the expected financial impact on the concerned assets, and using the wake impact forecast in Outer Dowsing's Wake Loss Technical Note, the results of which can be found in Appendix B for comparison. Ørsted does not intend for its use of Outer Dowsing's Wake Loss Technical Note to imply any agreement with the results contained therein, rather to demonstrate that even when using the substantially lower wake impact figures in Outer Dowsing's Wake Loss Technical Note, the financial impact on the Ørsted IPs' assets remains material.

This assessment uses a simple formula to provide an indicative view of the quantum of the financial consequences of wake loss for each project. It uses a mix of publicly available data and information submitted throughout the examination process. This assessment does not intend to represent the Ørsted IPs' internal view of the financial impact, which cannot be shared publicly due to its reliance on confidential information.

The formula used to calculate the annual financial impact of wake loss is as follows:

*Annual Electricity Production (AEP)[7] X Wake Loss (%) X Forecast Electricity Price[8](£/MWh)*

This is calculated from the operational start date of Outer Dowsing until the earliest potential decommissioning dates for the impacted projects giving the "Minimum Lifetime" values. The Lifetime Extension analysis continues this assessment until the end of an assumed lifetime extension (+10 years).

The NPV is then calculated using the annual financial impact for each year across the lifetime of the assets, considering both Minimum Lifetime and the potential extended lifetime. A range of Net Discount Rates are used that take into account inflation.

[6] Orsted IPs - Deadline 4a Submission(154495828.1) – page 5.

[7] The Ørsted IPs' internal expectations of AEP are confidential and cannot be shared publicly. Instead, the AEP numbers are taken from Outer Dowsing's Wake Loss Technical Note which is referenced in Appendix A.

[8] Forecast Electricity Price is the total price received for each MWh of production.

# 3 Results

Throughout this report, the results of the financial impact assessment are presented for the wake losses predicted by the Ørsted IPs' Wake Study. The assessments demonstrate the impact, as an NPV, over the minimum 24-year lifetime of the assets, on any potential Lifetime Extension period and the total impact (being the impact to the end of the Life Extension period).

Note: The assessments have also been carried out using wake losses predicted in Outer Dowsing's Wake Loss Technical Note – these results are shown in Appendix B.

## 3.1 Impact during Minimum Lifetime

The Ørsted IPs have assessed the NPV impact of the wake losses introduced by Outer Dowsing across the minimum 24 year life for the impacted assets (Table 2). Ørsted does not consider that it would be appropriate to select one discount rate and has instead opted to run the NPV calculations using a range of potential Net Discount Rates[9] in this section and all later sections.

| Asset | Wake Loss (%) | NPV of Wake Losses during Minimum Lifetime (£m) | | | |
|---|---|---|---|---|---|
| | | Net Discount Rate of 0.0% | Net Discount Rate of 2.5% | Net Discount Rate of 5.0% | Net Discount Rate of 7.5% |
| Race Bank | 0.51% | £15m | £11m | £9m | £7m |
| Hornsea 1 | 0.74% | £66m | £51m | £39m | £31m |
| Hornsea 2 | 0.64% | £49m | £35m | £26m | £19m |
| Total | | **£131m** | **£97m** | **£74m** | **£57m** |

**Table 2: Minimum Lifetime Impact using the wake losses presented in the Ørsted IPs' Wake Study.**

The assessment shows the impact on the Ørsted IPs' assets due to wake loss from Outer Dowsing of between £57m and £131m – all levels in this range are considered material for the assets involved.

[9] The Net Discount Rate is an adjusted discount rate taking into account the assumed Inflation Rate.

## 3.2 Impact on Lifetime Extension and early decommissioning

While the minimum lifetime for the assets is 24 years, there are not currently anticipated to be any technical or consenting barriers to extending this by an additional ten years. Therefore, this analysis also considers the case of Lifetime Extension (Table 3).

| Asset | Wake Loss (%) | NPV of Wake Losses during Lifetime Extension Period (£m) | | | |
|---|---|---|---|---|---|
| | | Net Discount Rate of 0.0% | Net Discount Rate of 2.5% | Net Discount Rate of 5.0% | Net Discount Rate of 7.5% |
| Race Bank | 0.51% | £8m | £5m | £3m | £2m |
| Hornsea 1 | 0.74% | £34m | £19m | £10m | £6m |
| Hornsea 2 | 0.64% | £30m | £16m | £8m | £4m |
| Total | | **£73m** | **£39m** | **£21m** | **£12m** |

**Table 3: Impact during 10 year Lifetime Extension period using the wake losses presented in the Ørsted IPs Wake Study.**

Given the age of these assets, it is too early to determine the financial viability of Lifetime Extension, however the reduced NPV during the lifetime extension period of up to £73m between all concerned assets is material in its own right. It will put the financial viability of lifetime extension in a more challenged position and could be the determining factor in the decision on whether to extend the lifetime of these assets (and hence decommissioning earlier than would otherwise have been the case). As such, this matter should be afforded appropriate weight during decision-making. Moreover, the increased risk of early decommissioning is also present at the point that market support falls away and the assets revenue stream becomes fully merchant, due to the more constrained financial case for the assets at this point.

Note: The CO2 impact of this potential early decommissioning has not been considered in this assessment nor in Outer Dowsing's Wake Loss Technical Note.

## 3.3 Total Impact assuming 10 year Life Extension

The impact has been shown to be significant both for the Minimum Lifetime and the Lifetime Extension Period. Combining these shows the overall potential impact of the wake effect from Outer Dowsing on the Ørsted IPs' assets (Table 4).

| Asset | Wake Loss (%) | Total NPV of Wake Losses (£m) | | | |
|---|---|---|---|---|---|
| | | Net Discount Rate of 0.0% | Net Discount Rate of 2.5% | Net Discount Rate of 5.0% | Net Discount Rate of 7.5% |
| Race Bank | 0.51% | £23m | £16m | £12m | £9m |
| Hornsea 1 | 0.74% | £101m | £69m | £50m | £37m |
| Hornsea 2 | 0.64% | £80m | £51m | £34m | £23m |
| Total | | **£204m** | **£136m** | **£95m** | **£69m** |

**Table 4: Total Impact assuming 10 year Lifetime Extension using the wake losses presented in the Ørsted IPs' Wake Study.**

The assessment shows a total impact across each asset's lifetime of at least £69m and up to £204m in the case of 10 year Lifetime Extension. Given there are not currently any technical or consenting barriers foreseen which would prevent Lifetime Extension of the concerned projects, this is considered a likely range of outcomes for the total financial impact on the Ørsted IPs' assets (noting that any Lifetime Extension decision would be taken towards the end of the Minimum Lifetime and subject to more than just technical and consenting restraints).

# 4 Conclusion

This Financial Impact Assessment demonstrates that the financial impact of the wake losses introduced by Outer Dowsing are significant and considered material in all scenarios, ranging from £57m to over £200m. Even using the significantly lower wake losses suggested in Outer Dowsing's Wake Loss Technical Note (being between 27% and 47% of those determined in the Ørsted IPs' Wake Study), the financial impacts are substantial, ranging from £20m to £47m over the Minimum Lifetime (see Table 5).

Further, the wake losses represent an increased risk to the financial viability of any potential lifetime extension of the assets and hence risk bringing forward the decommissioning of the Ørsted IPs' assets.

## Appendix A – Assumptions Used

In order to produce this high-level analysis, the Ørsted IPs have made several assumptions designed to simplify the modelling and create transparency. These assumptions, based on publicly available data, relate to variable factors such as future energy prices and inflation and have a level of uncertainty. The Ørsted IPs do not wish to suggest these results are the only correct results, but rather they are demonstrative of the magnitude of the impact. The Ørsted IPs continue to suggest an Independent Third Party Assessment of the resultant wakes from Outer Dowsing.

| Variable | Source used | Notes | Source link(s) |
|---|---|---|---|
| **AEP** | AEP provided in Table 5-1 of Outer Dowsing's Wake Loss Technical Note | AEP assumed to remain stable throughout the lifetime of the asset<br><br>These numbers are used for simplicity and their use should not be interpreted as an acceptance by the Ørsted IPs that they are correct | Outer Dowsing Wake Loss Technical Note |
| **Electricity price** | Market Prices: Department for Energy Security and Net Zero energy and emissions projections December 2024 | Reference market price forecast has been used for this assessment | [redacted] |
| **ROC Prices** | Ofgem Website | Renewable Obligation Credits (ROCs) are a form of market support that is paid to generators for each MWh of energy produced<br><br>Race Bank receives 1.8 ROCs/ MWh | Ofgem ROC Prices<br>[redacted] |
| **CFD Prices** | LCCC CfD Register | CfD Assets' revenue per MWh is based on the Contract for Difference price per MWh (CFD Price). The current CFD Prices are publicly available on the LCCC website (see link)<br><br>For this Assessment the current CFD Price is taken and inflation applied throughout the remaining period in which CFD's are applicable. | [redacted] |
| **Inflation** | The Office for National Statistics CPIH (2024). Bank of England target inflation rate (2025 onwards) | Inflation assumed at BoE target rate of 2% | [redacted] |
| **Wake loss** | The results of the assessments carried out by Outer Dowsing and Ørsted on behalf of the Ørsted IPs | Wake losses are assumed static throughout the lifetime of the asset | Outer Dowsing Wake Loss Technical Note<br><br>Ørsted IPs' Deadline 4a Submission |
| **Outer Dowsing Start Date** | Outer Dowsing Website | Outer Dowsing website statement states that the target for first power is 2030 and that it has grid connection for November 2030. The Ørsted IPs hence assume their first full year of operation as 2031 | [redacted] |
| **Minimum Lifetime** | 24 Years | The Minimum Lifetime for the impacted assets is assumed to be 24 years | |
| **Asset Lifetime Extension** | 10 Years | For the purposes of this assessment, Lifetime Extension is assumed as a period of 10 years immediately following the Minimum Lifetime | |

## Appendix B – Results using Outer Dowsing's Wake Loss Technical Note

| Asset | Wake Loss (%) | NPV of Wake Losses during Minimum Lifetime (£m) | | | |
|---|---|---|---|---|---|
| | | Net Discount Rate of 0.0% | Net Discount Rate of 2.5% | Net Discount Rate of 5.0% | Net Discount Rate of 7.5% |
| Race Bank | 0.2% | £6m | £4m | £4m | £3m |
| Hornsea 1 | 0.2% | £18m | £14m | £11m | £8m |
| Hornsea 2 | 0.3% | £23m | £16m | £12m | £9m |
| Total | | **£47m** | **£35m** | **£26m** | **£20m** |

**Table 5: Minimum Lifetime Impact using the wake loss results presented in Outer Dowsing's Wake Loss Technical Note.**

| Asset | Wake Loss (%) | NPV of Wake Losses during Lifetime Extension Period (£m) | | | |
|---|---|---|---|---|---|
| | | Net Discount Rate of 0.0% | Net Discount Rate of 2.5% | Net Discount Rate of 5.0% | Net Discount Rate of 7.5% |
| Race Bank | 0.2% | £3m | £2m | £1m | £1m |
| Hornsea 1 | 0.2% | £9m | £5m | £3m | £2m |
| Hornsea 2 | 0.3% | £14m | £7m | £4m | £2m |
| Total | | **£27m** | **£14m** | **£8m** | **£4m** |

**Table 6: Impact during 10 year Lifetime Extension period using the wake loss results presented in Outer Dowsing's Wake Loss Technical Note.**

| Asset | Wake Loss (%) | Total NPV of Wake Losses (£m) | | | |
|---|---|---|---|---|---|
| | | Net Discount Rate of 0.0% | Net Discount Rate of 2.5% | Net Discount Rate of 5.0% | Net Discount Rate of 7.5% |
| Race Bank | 0.2% | £9m | £6m | £5m | £3m |
| Hornsea 1 | 0.2% | £27m | £19m | £13m | £10m |
| Hornsea 2 | 0.3% | £37m | £24m | £16m | £11m |
| Total | | **£74m** | **£49m** | **£34m** | **£24m** |

**Table 7: Total Impact assuming 10 year Lifetime Extension using the wake loss results presented in Outer Dowsing's Wake Loss Technical Note.**

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**APPENDIX 2**

**PROTECTIVE PROVISIONS**

**FOR THE PROTECTION OF HORNSEA 1 LIMITED, BREESEA LIMITED, SOUNDMARK WIND LIMITED, SONNINGMAY WIND LIMITED, OPTIMUS WIND LIMITED, RACE BANK WIND FARM LIMITED AND LINCS WIND FARM LIMITED**

*Application*

1. The provisions of this Part of this Schedule have effect, unless otherwise agreed in writing between the Ørsted IPs and the undertaker.

*Interpretation*

2. In this Part of this Schedule:

"GW" means gigawatts;

"Hornsea One Offshore Wind Farm" means the 1.2 GW wind farm located 120 kilometres off the Yorkshire coast;

"Hornsea Two Offshore Wind Farm" means the 1.3 GW wind farm located 89 kilometres off the Yorkshire coast;

"Lincs" means Lincs Wind Farm Limited (company number SC213646, with registered office at 13 Queens Road, Aberdeen, AB15 4YL);

"Lincs Offshore Wind Farm" means the 270 MW wind farm located 8 kilometres off the east coast of England, near Skegness in Lincolnshire;

"MW" means megawatts;

"Ørsted IPs" means, together or in any combination, Hornsea 1 Limited (company number 07640868), Breesea Limited (company number 07883217), Soundmark Wind Limited (company number 10721881), Sonningmay Wind Limited (company number 10722635), Optimus Wind Limited (company number 07883284) and Race Bank. The registered office for each Ørsted IP is 5 Howick Place, London, SW1P 1WG;

"Ørsted IPs' Projects" means, together or in any combination, the Hornsea One Offshore Wind Farm, the Hornsea Two Offshore Wind Farm and the Race Bank Offshore Wind Farm.

"Race Bank" means Race Bank Wind Farm Limited (company number 05017828, with registered office at 5 Howick Place, London, SW1P 1WG); and

"Race Bank Offshore Wind Farm" means the 573 MW wind farm located 17 miles off Blakeney Point on the North Norfolk coast and 17 miles off the Lincolnshire coast at Chapel St Leonards.

*Compensation*

3. Prior to the commencement of the authorised development, the undertaker must either:

    a. provide sufficient measures to mitigate in full; or

    b. compensate the Ørsted IPs for,

the wake loss impact of the authorised development on the Ørsted IPs' Projects.

4. The magnitude and form of the mitigation or compensation in paragraph 3 above shall be assessed and determined by an independent third party expert, the appointment of whom shall be agreed between the undertaker and the Ørsted IPs, acting reasonably.

*Proximity Agreement – Race Bank*

5. Prior to the commencement of the authorised development the undertaker and Race Bank must, acting reasonably, negotiate and enter into a signed and completed proximity agreement to govern the interaction between the authorised development and the Race Bank Offshore Wind Farm.

*Proximity Agreement – Lincs*

6. Prior to the commencement of the authorised development the undertaker and Lincs, acting reasonably, negotiate and enter into a signed and completed proximity agreement to govern the interaction between the authorised development and the Lincs Offshore Wind Farm.

*Disputes*

7. Unless otherwise agreed in writing between the undertaker and the Ørsted IPs, any dispute arising between the undertaker and the Ørsted IPs under this Part of this Schedule is to be determined by arbitration as provided in article 39 (arbitration) of this Order.