

Outer Dowsing Offshore Wind

Habitats Regulations Assessment

Without Prejudice Biogenic Reef Compensation Plan

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Acronyms & Definitions

Abbreviations / Acronyms

Abbreviation / Acronym	Description
AEoI	Adverse Effect on Integrity
ANS	Artificial Nesting Structures
BESS	British Energy Security Strategy
BRCIMP	Biogenic Reef Compensation Implementation and Monitoring Plan
BRCSG	Biogenic Reef Compensation Steering Group
CBRA	Cable Burial Risk Assessment
Cefas	Centre for Fisheries, Environment and Aquaculture Science
CIEEM	Chartered Institute of Ecology and Environmental Management
COWSC	Collaboration on Offshore Wind Strategic Compensation
DAS	Discretionary Advice Service
DEP	Dudgeon Extension Project
Defra	Department for Environment, Food and Rural Affairs (Defra, not DEFRA)
DESNZ	Department for Energy Security and Net Zero (formerly Department of Business, Energy and Industrial Strategy (BEIS))
DCO	Development Consent Order
DO	Dissolved Oxygen
EC	European Commission
ECC	Export Cable Corridor
EOD	Explosive Ordnance Disposal
EPP	Evidence Plan Process
ES	Environmental Statement
ETG	Expert Technical Group
ExA	Examining Authority
HHW	Haisborough, Hammond and Winterton
HRA	Habitats Regulations Assessment
HVAC	High Voltage Alternating Current
HVDC	High Voltage Direct Current
IDRBNR	Inner Dowsing, Race Bank and North Ridge
IFCA	Inshore Fisheries and Conservation Authority
JNCC	Joint Nature Conservation Committee
KM	Kilometre
LoSCM	Library of Strategic Compensation Measures
LWT	Lincolnshire Wildlife Trust
MBES	Multibeam echosounder
MCZ	Marine Conservation Zone
MMO	Marine Management Organisation
MPA	Marine Protected Area
MRF	Marine Recovery Fund
NFFO	National Federation of Fishing Organisations
ODOW	Outer Dowsing Offshore Wind
ORCP	Offshore Reactive Compensation Platforms
OWEIP	Offshore Wind Environmental Improvement Package
OWF	Offshore Windfarm
OWIC	Offshore Wind Industry Council

Abbreviation / Acronym	Description
RAG	Red-Amber-Green
RIAA	Report to Inform an Appropriate Assessment
SAC	Special Area of Conservation
SBP	Sub-bottom profiler
SEP	Sheringham Shoal Extension Project
SNCB	Statutory Nature Conservation Bodies
SoS	Secretary of State
SSS	Side Scan Sonar
TWT	The Wildlife Trust
UK	United Kingdom
UXO	Unexploded Ordnance
WMS	Written Ministerial Statement

Terminology

Term	Definition
The Applicant	GTR4 Limited (a joint venture between Corio Generation (and its affiliates), TotalEnergies and Gulf Energy Development), trading as Outer Dowsing Offshore Wind
Array area	The area offshore within which the generating stations (including wind turbine generators (WTG) and inter array cables), offshore accommodation platforms, offshore transformer substations and associated cabling are positioned, including the ORBA.
Baseline	The status of the environment at the time of assessment without the development in place.
Cable Circuit	A number of electrical conductors necessary to transmit electricity between two points bundled as one cable or taking the form of separate cables, and may include one or more auxiliary cables (normally fibre optic cables).
Cable ducts	A duct is a length of underground piping which is used to house the Cable Circuits.
Compensatory Measures	Stage 3 of the Habitats Regulations Assessments (see Derogation) involves the development of compensation measures for any features which the report to inform appropriate assessment was unable to conclude no adverse effect on integrity on.
Derogation	Stage 3 of the Habitats Regulations Assessments which is triggered once it is determined that you cannot avoid adversely affecting the integrity of a designated site. Involves assessing if alternative solutions are available to achieve the same goals as the project, if there are imperative reasons of overriding public interest, and if compensatory measures will be required.
Development Consent Order (DCO)	An order made under the Planning Act 2008 granting development consent for a Nationally Significant Infrastructure Project (NSIP) from the Secretary of State (SoS) for Department for Energy Security and Net Zero (DESNZ).
Effect	Term used to express the consequence of an impact. The significance of an effect is determined by correlating the magnitude of an impact with the sensitivity of a receptor, in accordance with defined significance criteria.
Environmental Statement (ES)	The suite of documents that detail the processes and results of the EIA.

Term	Definition
Export cables	High voltage cables which transmit power from the Offshore Substations (OSS) to the Onshore Substation (OnSS) via an Offshore Reactive Compensation Platform (ORCP) if required, which may include one or more auxiliary cables (normally fibre optic cables).
Habitats Regulations Assessment (HRA)	A process which helps determine likely significant effects and (where appropriate) assesses adverse impacts on the integrity of European conservation sites and Ramsar sites. The process consists of up to four stages of assessment: screening, appropriate assessment, assessment of alternative solutions and assessment of imperative reasons of over-riding public interest (IROPI) and compensatory measures.
High Voltage Alternating Current (HVAC)	High voltage alternating current is the bulk transmission of electricity by alternating current (AC), whereby the flow of electric charge periodically reverses direction.
High Voltage Direct Current (HVDC)	High voltage direct current is the bulk transmission of electricity by direct current (DC), whereby the flow of electric charge is in one direction.
Impact	An impact to the receiving environment is defined as any change to its baseline condition, either adverse or beneficial.
Landfall	The location at the land-sea interface where the offshore export cables and fibre optic cables will come ashore.
Maximum Design Scenario	The maximum design parameters of the combined project assets that result in the greatest potential for change in relation to each impact assessed.
Mitigation	Mitigation measures, or commitments, are commitments made by the Project to reduce and/or eliminate the potential for significant effects to arise as a result of the Project. Mitigation measures can be embedded (part of the project design) or secondarily added to reduce impacts in the case of potentially significant effects.
Offshore Export Cable Corridor (ECC)	The Offshore Export Cable Corridor (Offshore ECC) is the area within the Order Limits within which the export cables running from the array to landfall will be situated.
Offshore Reactive Compensation Station (ORCP)	A structure attached to the seabed by means of a foundation, with one or more decks (including bird deterrents) housing electrical reactors and switchgear for the purpose of the efficient transfer of power in the course of HVAC transmission by providing reactive compensation
Offshore Substation (OSS)	A structure attached to the seabed by means of a foundation, with one or more decks and a helicopter platform (including bird deterrents), containing— (a) electrical equipment required to switch, transform, convert electricity generated at the wind turbine generators to a higher voltage and provide reactive power compensation; and (b) housing accommodation, storage, workshop auxiliary equipment, radar and facilities for operating, maintaining and controlling the substation or wind turbine generators
Outer Dowsing Offshore Wind (ODOW)	The Project.
Order Limits	The area subject to the application for development consent, the limits shown on the works plans within which the Project may be carried out.
Pre-construction and post-construction	The phases of the Project before and after construction takes place.
The Project	Outer Dowsing Offshore Wind, an offshore wind generating station together with associated onshore and offshore infrastructure.

Term	Definition
Project Design envelope	A description of the range of possible elements that make up the Project's design options under consideration, as set out in detail in the project description. This envelope is used to define the Project for Environmental Impact Assessment (EIA) purposes when the exact engineering parameters are not yet known. This is also often referred to as the "Rochdale Envelope" approach.
Receptor	A distinct part of the environment on which effects could occur and can be the subject of specific assessments. Examples of receptors include species (or groups) of animals or plants, people (often categorised further such as 'residential' or those using areas for amenity or recreation), watercourses etc.
Strategic Compensation	Collaborative approach by developers and/or government departments to secure compensation for adverse effects on the conservation objectives of a protected marine area, where the scale of offshore wind delivery is likely to exceed the ability of developers to provide sufficient compensation on an individual project specific basis.
Study Area	Area(s) within which environmental impact may occur – to be defined on a receptor-by-receptor basis by the relevant technical specialist.
Subsea	Subsea comprises everything existing or occurring below the surface of the sea.

Reference Documentation

Document Number	Title
6.1.3	Project Description
6.3.3.1	Confidential Cable Burial Risk Assessment
6.1.4	Site Selection and Consideration of Alternatives
6.1.9	Benthic Subtidal and Intertidal Ecology
6.1.9.2	Benthic Ecology Technical Report (ECC)
6.1.9.5	Envision Data Analysis
6.1.10	Fish and Shellfish Ecology
7.1	Report to Inform Appropriate Assessment
7.5	Derogation Case
7.6	Without Prejudice Benthic Compensation Strategy
7.6.2.1	Biogenic Reef Compensation Implementation and Monitoring Plan
7.6.3	Without Prejudice Benthic Compensation Evidence Base and Roadmap
8.22	Outline Biogenic Reef Mitigation Plan
22.11	Sabellaria spinulosa reef supporting habitat Technical Note

1 Introduction

1. GT R4 Limited (trading as Outer Dowsing Offshore Wind) hereafter referred to as the 'Applicant', is proposing to develop the Project. The Project will include both offshore and onshore infrastructure including an offshore generating station (windfarm) approximately 54km offshore of the Lincolnshire coast, export cables to landfall, Offshore Reactive Compensation Platforms (ORCPs), onshore cables, connection to the electricity transmission network, ancillary and associated development and areas for the delivery of up to two Artificial Nesting Structures (ANS) and the creation of a biogenic reef (if these compensation measures are deemed to be required by the Secretary of State) (see Volume 1, Chapter 3: Project Description (document reference 6.1.3) for full details).
2. The offshore Export Cable Corridor (ECC) will run from the array area to landfall at Wolla Bank on the Lincolnshire coast, and the total export cable length is expected to be 514.8km (for up to four cables). The Offshore ECC has been developed through extensive route selection and evaluation work, taking into consideration environmental and engineering constraints (as presented within Chapter 4: Site Selection and Alternatives (document reference 6.1.4) of the Environmental Statement (ES)).
3. This document was updated following a request from Natural England and as agreed by the Applicant with the Examining Authority (ExA) to update the Habitats Regulations Assessment (HRA) related documentation for Deadline 4 to reflect changes made by the Applicant to the Project during the Examination phase. The Applicant has previously provided environmental reports for these updates throughout the Examination as appropriate (through the submission of the Habitats Regulations Assessment for the Offshore Restricted Build Area and Revision to the Offshore Export Cable Corridor (PD1-091)), confirming that no changes made altered the previously drawn conclusions within the Report to Inform an Appropriate Assessment (RIAA).
4. This report provides updates to that submitted within the Application arising from the removal of the northern section of the offshore Export Cable Corridor (ECC).
5. The final route passes through the Inner Dowsing, Race Bank, and North Ridge (IDRBNR) Special Area of Conservation (SAC). The Offshore ECC overlaps with 59.3km² of the SAC (7.02% of the total SAC).
6. As part of the Project development process, detailed engineering evaluation of the section of the offshore ECC has been undertaken prior to the submission of a Development Consent Order (DCO), including collection and assessment of:
 - Site specific geophysical data (including multibeam echosounder (MBES), side scan sonar (SSS), and sub-bottom profiler (SBP) data);
 - Site specific shallow geotechnical samples (gravity cores and cone-penetration test); and
 - Site specific grab samples to provide information on surface sediments.

7. These data have been used to inform early-stage assessments of both the likelihood of cable burial success using multiple cable installation tools, and the risk of exposure over the lifetime of the Project. Specifically, a detailed seabed mobility study has been undertaken, which provides critical information as to the required burial depths needed to avoid cable exposures, which has then been used to inform an assessment of the likelihood of cable burial success using the tools currently available on the market.
8. Full details of the proposed project parameters and the specific engineering works to inform the cable installation through the IDRBNR SAC are presented within the Project Description chapter of the ES (Chapter 3; document reference 6.1.3).
9. At Deadline 5 the Applicant removed the following compensation measures after the release of the Written Ministerial Statement (WMS) and in line with guidance from Natural England:
 - Anthropogenic Pressure Removal Marine Debris and Awareness Campaign;
 - Alternative measures for Annex I sandbanks and Reef; and
 - Seagrass bed habitat creation/restoration.
10. At Deadline 6 this document was updated following a request from Natural England to carry out an assessment of supporting habitats for Annex 1 *S. spinulosa* to demonstrate that the recovery of this feature will not be hindered by the lasting placement of cable protection. The Applicant has conducted an assessment of the supporting habitat for *S. spinulosa* reef within the Offshore ECC, which intersects with the IDRBNR SAC. The findings are detailed in the *S. spinulosa* Reef Supporting Habitat Technical Note (document reference 22.11) and updated RIAA (document reference 7.1).
11. It should be noted that the conservation objectives of the SAC do not require that habitats with the potential to support designated habitats receive the same level of protection as the designated habitats themselves. Whilst the conservation objective focuses on maintaining and restoring the supporting processes necessary for qualifying habitats, it is not reasonable to interpret this as a requirement to protect all habitats within the SAC that could develop into Annex I reef at some undefined time as if they were reef features themselves.
12. The Applicant considers that the further analysis and further commitment to removable cable protection in defined areas of supporting habitat bolsters the existing conclusions of the assessment that there is no AEoI. The Applicant has updated the RIAA with this detail at Deadline 6 (document reference 7.1).

1.1 Predicted Effects

13. Within the Report to Inform an Appropriate Assessment (RIAA; document reference 7.1), the Applicant has concluded that an adverse effect on integrity (AEoI) to the biogenic reef feature of the IDRBNR SAC from the construction, operation and decommissioning of the Project can be ruled out, when considering the detailed project design and associated mitigations which have been committed to (Section 2). This conclusion is based on the lack of any biogenic reef identified within the proposed cable route for the Project where it passes through the IDRBNR SAC, as detailed within the RIAA (document reference 7.1).
14. The RIAA (document reference 7.1) has been updated to include the assessment of supporting habitat for Annex I *S. spinulosa* at Deadline 6 and maintains that an AEoI to Annex I biogenic reef of the IDRBNR SAC from the construction, operation and decommissioning of the Project can be ruled out with the commitment to using removable cable protection within identified areas of Annex I supporting habitats.
15. The implementation of a Biogenic Reef Mitigation Plan (which will be developed based on the Outline Biogenic Reef Mitigation Plan (document reference 8.22) post-consent), as an established and reliable mitigation measure to avoid any impacts to *S. spinulosa* reef that could in theory develop within the cable route prior to construction, the Applicant is confident that there remains no need to provide a without prejudice derogation case for that feature of the SAC. This position is reinforced by the successful installation of the Triton Knoll offshore windfarm (OWF) cables through the SAC (which run partially adjacent to the Project offshore ECC), with complete avoidance of the identified areas of *S. spinulosa* reef. The data from Triton Knoll confirms that where any reef to develop prior to construction, then it is expected to be patchy in nature and inherently avoidable through micro-siting of the cables, facilitated by the width of the proposed cable corridor for the Project.
16. However, the Applicant has received confirmation from Natural England that until they have reviewed the additional updated project specific evidence on the characterisation of *S. spinulosa* reef across the offshore ECC they are unable to advise whether compensation for impacts to Annex I reef will also be required (See Section 1.4 – Stakeholder Engagement). Therefore, as a precautionary approach, “without prejudice” compensation measures for Annex I biogenic reef have been developed to support the Project application.

1.2 Purpose

17. This plan sets out how the compensation measures for impacts within the IDRBNR SAC on Annex 1 *Sabellaria spinulosa* reef can be secured at the time of the DCO being granted (should the SoS determine that compensation is required). The plan provides a suite of measures, including potential strategic measures and also resilience measures. At this stage it is important to note that the site selection, detailed design and monitoring of the proposed measures will be developed in consultation with relevant stakeholders.

18. A compensation implementation and monitoring plan to deliver any required compensation for this feature will be prepared based on the strategy set out in the final version of this Plan, as secured in Schedule 22 of the Development Consent Order.
19. This Plan has been updated at Deadline 4 to reflect the confirmation of the southern ECC route and to incorporate recent policy publications:
 - Strategic compensation measures for offshore wind activities: Marine Recovery Fund interim guidance (DESNZ January 2025), and
 - Ministerial Statement (29 January 2025).
20. At Deadline 5 the Applicant removed the following compensation measures after the release of the Written Ministerial Statement (WMS) and in line with guidance from Natural England:
 - Anthropogenic Pressure Removal Marine Debris and Awareness Campaign;
 - Alternative measures for Annex I sandbanks and Reef; and
 - Seagrass bed habitat creation/restoration.
21. This Plan has been updated at Deadline 6 to incorporate the Natural England advice on supporting habitats for Annex I *S. spinulosa* reef.

1.3 Compensation Measures

22. To allow for sufficient time to engage with stakeholders and develop robust ‘without prejudice’ compensation plans and supporting evidence, the Applicant investigated the feasibility of compensation options during the pre-application period. It should be noted that these workstreams are not intended to prejudice the outcome of the Habitats Regulations Assessment (HRA) process.
23. In the event that the SoS is unable to reach a conclusion of no adverse effect on the integrity of the IDRBNR SAC, the Applicant has developed ‘without prejudice’ compensation measures that can be applied (by the SoS) to compensate at scalable levels for the impacts caused by the Project.
24. This document details the final compensation options to support the ‘without prejudice’ derogation case in relation to:
 - Potential loss of biogenic reefs (specifically *S. spinulosa*) at the IDRBNR SAC resulting from the installation of export cables where the offshore ECC cross the SAC.
25. As part of the process of developing the ‘without prejudice’ derogation case, the Applicant has developed a shortlist of possible compensation options based on the existing Project proposal, recent DCO decisions that have been consented on the basis of an HRA derogation, and stakeholder feedback received to date. These shortlisted options were narrowed down from a longlist following a ranking criteria assessment (otherwise known as a Red-Amber-Green (RAG) assessment) and were discussed in the Compensation Measures Ranking Approach Note (ODOW, 2023).

26. The Applicant notes that under European Commission (EC) guidance (European Commission, 2018), the compensation should normally be in place before the effect on the designated feature takes place; however, it acknowledges that there may be situations where it will not be possible to meet this condition. The guidance states that *'best efforts should be made to ensure that compensation is in place beforehand, and, in the case that this is not fully achievable, the competent authorities should consider extra compensation for the interim losses that would occur in the meantime'*. As such, the short-listing approach has considered the feasibility of the implementation of the potential compensation measures as part of the evaluation of the different measures, alongside other aspects recommended by Natural England in the identification and selection of compensation measures.
27. The proposed 'without prejudice' compensation measures for Annex I biogenic reef are:
- SAC extension
 - Creation of biogenic reef

1.4 Stakeholder Engagement

28. The Applicant recognised the potential need to develop without prejudice compensatory measures for impacts arising from the Project from an early stage of the development. Consequently, at the outset of the Evidence Plan Process (EPP), an Expert Technical Group (ETG) was developed to cover derogation and compensation matters (addressing both benthic and ornithological receptors). This ETG was later split out to enable topic specific compensation discussions to progress within the topic specific ETGs, with benthic compensation considered within the Marine Ecology and Marine Processes ETG. The ETG members were consulted on the longlist and the shortlist of compensation options throughout the development of these. The ETG members are Natural England, the Marine Management Organisation (MMO) (with their advisors from the Centre for Fisheries, Environment and Aquaculture Science (Cefas)), and Lincolnshire Wildlife Trust (LWT).
29. Latest feedback on the Benthic Compensation Short-List received from the ETG members and Defra is summarised in Table 1.1.
30. Following consultation with the ETG, each of the shortlisted compensation options have been further explored and developed within this document.
31. The Applicant has undertaken extensive consultation with the relevant stakeholders (namely, Natural England, MMO, the Planning Inspectorate, The Crown Estate, the Wildlife Trusts, Defra, the National Federation of Fisherman's Organisations (NFFO) and relevant Inshore Fisheries and Conservation Authorities (IFCAs)).
32. The engagement has been through the Projects Evidence Plan Process and bilateral consultation, detailed in Volume 1, Appendix 6.1: Evidence Plan Consultation (document reference 6.3.6.1) and Appendix 6.2: Additional Technical Consultation (document reference 6.3.6.2).

33. If the SoS determines that compensation is required, following the DCO being made, the Project will engage with relevant stakeholders which would include the establishment of a Biogenic Reef Compensation Steering Group (BRCSG) to work collaboratively in the development of a Biogenic Reef Compensation Implementation and Monitoring Plan (BRCIMP) for the chosen compensation option.

Table 1.1 Consultation responses from the benthic compensation Discretionary Advice Service (DAS)¹

Consultee	Comment	The Project Response
Defra, Meeting, February 2024	Defra stated that they had recommended to the new SoS that there was ecological merit in SAC extensions and that due consideration was being given for inclusion of this measure within the Marine Recovery Fund (MRF). Defra also said that this measure would be only be undertaken once, but that it would be delivered strategically once it was clear the total compensation required.	Since discussions with Defra, that Applicant is aware through engagement with Defra and the OWIC derogation group that the SoS has approved SAC extensions being included as a strategic measure for Round 4 and extension projects, with Defra supporting this position. This compensation strategy has been updated to support this advance.
Natural England January 2024 ODOW & Natural England Compensation Workshop	<u>IDRBNR SAC “Without Prejudice” Derogation</u> Natural England welcomes that the Project has proposed “without prejudice” compensation measures for the Annex 1 Sandbank feature within the IDRBNR SAC. However, until Natural England has reviewed the updated project specific evidence to be provided by the Project along with the Outline Biogenic Reef Mitigation Plan and other associated documents, we are unable to advise whether we consider that compensation for impacts to Annex I Reef will also be required. Therefore, as a precautionary measure, we advise that the “without prejudice” compensation measures for Annex I Biogenic Reef are included at application.	The Outline Biogenic Reef Mitigation Plan (document reference 8.22) will be submitted as part of the application. The Project has undertaken a <i>S. spinulosa</i> review (Envision, 2024), whilst this report supports the evidence to date that no Annex I <i>S. spinulosa</i> reef are currently located in the offshore ECC, the Project appreciate that Natural England are yet to review this evidence and therefore a “Without prejudice” compensation strategy has been put forward as detailed within this plan.
	<u>Site Extension</u>	This is noted by the Project and has been considered.

¹ Note that only the most recent consultation advice is included within this table as some of the preceding advice is outdated by latest advice.

Consultee	Comment	The Project Response
	<p>Natural England agrees that a designated site extension as a benthic compensation measure would provide the required ecological functionality. While we recognise there are currently policy constraints with progressing this measure, we advise the Project submits a detailed proposal fully demonstrating how this mechanism could work to successfully deliver compensation and what the project contribution would be, noting that it is likely to be delivered strategically.</p>	<p>Site extension as a benthic compensation measure is outlined in Section 6.1 – SAC Extension.</p> <p>It is recognised that the delivery of this measure would be outside of the Project’s control.</p> <p>However, the Applicant notes that the Defra SoS has now approved designation and extension of Marine Protected Areas (MPAs) in English waters as a strategic compensation measure and confirmed this in writing to the Department for Energy Security and Net Zero (DESNZ) SoS, the Offshore Wind Industry Council and The Crown Estate on 1st February 2024. It is understood that Defra will start work to identify potential areas for designating new sites or extending existing sites to provide compensation for unavoidable damage to benthic habitats. Defra envisage that this process will be undertaken once (as opposed to multiple designations) to account for projects anticipating the need to use MPA designation as strategic compensation. Suitable areas will be identified based on ecological benefit to ensure that the overall coherence of the National Site Network is maintained, and Defra will use advice from Natural England and the Joint Nature Conservation Committee (JNCC).</p> <p>The extent of the area proposed to be designated in comparison to the potential area lost to cable</p>

Consultee	Comment	The Project Response
		<p>protection is large. The proposal allows consideration for both the uncertainty around delivering this measure and any possible time lag between the impact occurring and the implementation of compensation. Details of the ecological functionality of proposed extension areas are also presented.</p> <p>The Applicant is clear that the preferred option for compensation (if required) is for strategic compensation in the form of SAC extension.</p>
	<p><u>Alternative Protection Methodologies</u> Given the legislative changes that would be required, Natural England does not consider this option is viable within the Project's timeframe and therefore advises the Project against pursuing this compensation option</p>	<p>The Applicant acknowledges Natural England's advice and Alternative Protection Methodologies are no longer being considered as a compensation option. This response relates to an update at Deadline 5 within the Project Examination phase, following further guidance from Natural England and the published WMS.</p>
	<p><u>Marine Debris Removal</u> Natural England is not supportive of this measure. Please see the joint SNCB published paper (Statutory Nature Conservation Body joint advice on marine debris removal as compensation for impacts to benthic habitats from development (jncc.gov.uk)).</p> <p>In addition, evidence is emerging that strongly supports our position of this not being progressed for projects moving forward. This position is supported by Collaboration on Offshore Wind Strategic Compensation (COWSC) research project and</p>	<p>The Applicant acknowledges Natural England's advice and Marine Debris Removal is no longer being considered as a compensation option. This response relates to an update at Deadline 5 within the Project Examination phase, following further guidance from Natural England and the published WMS.</p>

Consultee	Comment	The Project Response
	<p>consistent with the Round 4 strategic compensation discussions.</p> <p><u>Biogenic Reef Creation</u> Natural England does not consider Annex I biogenic Reef restoration/creation as sufficiently 'like for like' for impacts to Annex I Sandbank and advises the Project does not put this forward as a compensation for impacts to Annex I Sandbank. Therefore, no further detailed advice to this measure is provided at this stage.</p>	<p>The strategy for benthic compensatory measures for Annex I <i>S. spinulosa</i> reef within the IDRBNR SAC considers the creation of biogenic reef, either in the form of blue mussel <i>Mytilus edulis</i> beds or reefs of the native oyster <i>Ostrea edulis</i>, as capable of compensating for an AEol to the IDRBNR SAC.</p> <p>The conservation objectives of the IDRBNR SAC include ensuring that, subject to natural change, the integrity of the site is maintained or restored as appropriate, and that the site contributes to achieving the Favourable Conservation Status of its qualifying features, by maintaining or restoring their structure and function (including typical species).</p> <p>The creation of blue mussel <i>M. edulis</i> beds or reefs of the native oyster <i>O. edulis</i>, as a compensation measure is outlined in Section 6.2 Creation of Biogenic Reef.</p>
MMO, Letter to response to proposed benthic compensation, October 2023	The MMO notes that ODOW have queried how the creation of biogenic reef within the SAC may impact the IDRBNR byelaw. Additionally, ODOW have queried whether the byelaw can be extended to include newly created reef of <i>Mytilus edulis</i> (blue mussel) beds.	The Applicant welcomes that the MMO support the possible proposals of byelaw extension/creation if SNCB's support the cause and appreciate further understanding of the consultation requirements.

Consultee	Comment	The Project Response
	<p>MMO stated that the byelaw could feasibly be extended/a new byelaw put in place, in principle. If the new reef is considered a feature of the site by Statutory Nature Conservation Bodies (SNCBs) then this would fall under our MPAs process.</p> <p>The byelaw states specific areas which are based on those which SNCBs have advised us should be managed as reef features. So, if SNCBs advise that new areas should be managed in this way then the MMO would do so.</p> <p>The MMO would be looking to the Department for Environment, Food and Rural Affairs (DEFRA) as to whether byelaws can be used for compensation purposes.</p> <p>MMO byelaws require formal consultation and confirmation from the Secretary of State before coming into force. The MMO advises that we would need to know exactly when we would be likely to receive such a request to advise on when management could be in place.</p>	

2 Mitigation Strategy

2.1 Natural England Advice on Benthic Mitigation

34. Natural England has produced strategic aims and objectives for offshore wind impact mitigation (Natural England, 2021) based around the impact ‘mitigation hierarchy’ of avoid, mitigate, and compensate, outlined by Chartered Institute of Ecology and Environmental Management (CIEEM) (2018) with the aim of “development leaving nature in a better state, including through emerging mechanisms for nature improvement and enhancement”.
35. As part of the pre-application consultation process, Natural England advised that the impacts on sensitive features of the IDRBNR SAC could be avoided, reduced and mitigated by implementing (but not exclusively) a number of mitigation measures. The suggested mitigation measures and detail of whether these measures could be implemented by the Project are outlined in Table 2.1 below.

Table 2.1 Natural England suggested mitigation measures

Mitigation measure	Implemented by the Project and justification if not
Avoid Designated Sites – e.g., Hornsea Three altered their project design to remove infrastructure from Markham’s Triangle Marine Conservation Zone (MCZ)	This has not been implemented - the choice of cable route followed a comprehensive site selection process, details of which are provided in Volume 1, Chapter 4: Site Selection and Consideration of Alternatives. Due to existing infrastructure, only cable routes which had gone north from the array area could have theoretically avoided the IDRBNR SAC, however, these routes were deemed unfeasible as this would have required extensive cable crossings in shallow, inshore waters, that would have been likely deemed a navigational hazard, to reach the landfall location. All routes leaving from the south of the array area could not avoid routing through the SAC, therefore the Project selected the route which had the least impact on the SAC (i.e. shortest route, avoiding known areas of biogenic reef, noting it would not have been possible to avoid all areas of sandbank habitat).
Reduce the number of export cables though the use of high voltage direct current (HVDC) system or coordinated approach with other projects – e.g., Hornsea Three, Norfolk Vanguard and Norfolk Boreas projects	Implemented in part – the Project has committed to the use of high voltage alternating current (HVAC) cable technology only. HVAC cabling has been used for the majority of UK OWFs, including all those commissioned to date. The supply chain for HVDC technology is currently much more constrained and so would have compromised the construction schedule intended to meet operation by 2030.

Mitigation measure	Implemented by the Project and justification if not
	<p>During design discussions, and in line with the mitigation hierarchy, the number of HVAC circuits required has been reduced from six to four; this number is comparable to the number of HVDC circuits used in similar sized projects, e.g. Norfolk Vanguard.</p> <p>It should also be noted that HVDC systems may have a reduced number of circuits compared to HVAC, however this does not necessarily result in a reduced number of cables as multiple cores are required to form a circuit which as a minimum would be 2 circuits with 2 single core cables and a sperate fibre optic cable each, this results in a minimum of 6 separate cables. Although likely to be in bundled configuration, there is the possibility that they may not be and installed in separate trenches instead, especially through challenging areas or depending on contractor capability. In addition any subsea joint, pull-in, landfall or repair will be separated out a minimum of 150m either side where applicable resulting in additional remedial protection and likelihood of unburied cable.</p> <p>The use of HVAC technology also helps to reduce impacts associated with onshore infrastructure, specifically in relation to the size of the substation. HVDC also requires a significantly more costly solution for technical and regulatory compliance.</p>
Reduce the number of cable crossings within a designated site to avoid the requirement for cable protection – e.g., Hornsea Three	Yes – the cable routing for the Project ensures that there are no cable crossings required within the SAC.
Cutting and removing sections of disused cables to avoid cable crossings – e.g., Norfolk projects	Yes – if any disused cables are identified during pre-construction works, these will be cut to avoid the need for a cable crossing.
Micro siting cables around reef and other features of ecological importance – all projects post Lincs OWF consent (2008)	Yes – the Project has committed to micro-siting the cable around known <i>Sabellaria spinulosa</i> reef. This commitment is secured through the Outline Biogenic Reef Mitigation Plan (document reference 8.22).
Sand wave levelling to reduce risk of free spanning cables and requirement for external cable protection – all projects since 2016 have included an element of this	Yes – sand wave levelling prior to cable installation to reduce the risk of later cable exposure and spanning is embedded into the project design.

Mitigation measure	Implemented by the Project and justification if not
Adoption of the reburial hierarchy with external cable protection being the last resort – all projects	Yes – this is embedded into the project design. Laying the cables following sandwave levelling should reduce the requirement for reburial.
At the pre-consent stage, finalise CBRA using geotechnical data to focus cable protection requirements to areas where cables are likely to be sub-optimally buried (e.g. areas with mixed sediment) – all projects since Norfolk Vanguard	Yes – all offshore cables will be buried to a sufficient depth below the seabed, as far as practicable, with target burial depth determined by the findings of a CBRA as part of the final project design process.
Use of guard vessels and/or advance mapping to avoid sub-optimally buried/surface laid cables negating the need for physical cable protection e.g., the Lincs cable in the Wash	This has not been implemented - the Project cannot commit to this measure; the final choice of cable route and installation methodology aims to facilitate the greatest chance of cable burial.
Requirement to install cable protection with the minimal footprint e.g., pinning – TWT cable corridors work	This has not been implemented – the Project cannot commit to this measure at this stage; cable protection must be sufficient to ensure the integrity of the asset. Additionally, the Applicant has not been able to obtain a copy of this report and as such cannot directly evaluate the measures proposed within it.
Requirement to install cable protection with the greatest likelihood of removal e.g., rock bags at the Norfolk projects	Yes – the Project has committed to only using removable cable protection over the sandbanks within the SAC (Volume 1, Chapter 9: Benthic Subtidal and Intertidal Ecology).
Any cable protection required on defined areas as in the of supporting habitat for <i>S. spinulosa</i> reef within the IDRBNR SAC, shown on Figure 1(document reference 8.5), will be removable.	Yes - this measure was adopted following ongoing consultation with Natural England during the Examination.
Not using jack up barges/vessels along export cable routes through benthic SACs – e.g., Norfolk projects	Yes – this measure is embedded into the project design.
No cable protection in fisheries byelaw areas to avoid hindering reef recovery, noting that cable may still go through the outskirts of these areas – e.g., Norfolk projects	Yes – this measure is embedded into the project design. Whilst the ECC includes an area to be managed as reef, this will be avoided for all construction works, as detailed within the Outline Biogenic Reef Mitigation Plan (document reference 8.22).
Design rock armouring to mirror the structure and function of geogenic reef – this was advised for the Viking Link interconnector	Yes – whilst not directly relevant for the features in the SAC, the option for ecologically designed rock protection has been included within the project design envelope; the final design for any rock protection will be discussed with the MMO and its advisors pre-construction, where agreement will be

Mitigation measure	Implemented by the Project and justification if not
	sought on whether the use of ecological rock protection is appropriate based on evidence at the time.
Detonation of unexploded ordnance (UXO) outside of designated sites to avoid the creation of a crater – suggested for Dudgeon Extension Project (DEP) and Sheringham Shoal Extension Project (SEP)	The Project is not including UXO clearance within its DCO Application. The feasibility of this measure would be a decision for an Explosive Ordnance Disposal (EOD) expert in the field and would be dependent on this being safe and feasible.

3 Guidance

3.1 European Commission Guidance

36. The Project has taken into consideration the Defra 2021 Guidance (Defra, 2012a), Draft Best practice guidance for developing compensatory measures in relation to Marine Protected Areas (in consultation) (Defra, 2021b), European Commission (EC) 2019 Managing Natura 2000 sites (European Commission, 2019) and the Inspectorates Advice Note 10 (Planning Inspectorate, 2022).
37. It should be noted that an update to the Defra compensation guidance has been published (Defra, 2024), although this is still in consultation and was received during document finalisation, so has not been relied on to inform the development of the strategy but has been considered where possible in the timeframes.
38. Should the SoS conclude that an AEoI cannot be ruled out, there are no alternative solutions and that imperative reasons of overriding public interest apply, Article 6(4) of the Habitats Directive *'requires that all necessary compensatory measures are taken to ensure the overall coherence of the network of European sites as a whole is protected.'*
39. As mentioned previously, ideally compensation should be functioning before the effects take place, although it is recognised that this may not always be possible, as stated in the EC Guidance (2012): *'in principle, the result of implementing compensation has normally to be operational at the time when the damage is effective on the site concerned. Under certain circumstances where this cannot be fully fulfilled, overcompensation would be required for the interim losses.'*
40. The (2023) National Policy Statement for Renewable Energy Infrastructure (EN-3) states that applicants should refer to the latest Defra compensation guidance. Defra (2021a) sets out the following principles that compensation should satisfy:
41. Link to the conservation objectives for the site or feature and address the specific damage caused by the permitted activity;
42. Focus on providing the same ecological function for the species or habitat that the activity is damaging OR, where this is not technically possible, provide functions and properties that are comparable to those that originally justified designation;
 - Not negatively impact on any other sites or features;
 - Ensure the overall coherence of designated sites and the integrity of the MPA network; and
 - Be able to be monitored to demonstrate that they have delivered effective and sustainable compensation for the impact of the project. The monitoring and management strategy must require further action to be taken if the compensation is not successful.
43. In relation to the second bullet point above, the guidance provides a hierarchy approach as shown in Table 3.1

Table 3.1 Compensation hierarchy (Source: Defra, 2021b)²

Hierarchy of Measures	Description
1. Address same impact at same location.	Address the specific impact caused by the permitted activity in the same location (within the site boundary)
2. Same ecological function different location	Provide the same ecological function as the impacted feature; if necessary, in a different location (outside of the site boundary)
3. Comparable ecological function same location	Provide ecological functions and properties that are comparable to those that originally justified the designation in the same location as the impact (within the site boundary)
4. Comparable ecological function different location	Provide ecological functions and properties that are comparable to those that originally justified designation; if necessary, in a different location (outside of the site boundary)

44. The guidance states that the compensation should be secured before the impact takes place, recognising that ideally the compensation would be functioning prior to construction but that this is not always possible: *'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.'*
45. As stated within Natural England's DAS advice letter (January, 2024): *'Natural England wishes to ensure that the habitats found at this site and their current condition are at the forefront of decision making when considering compensation package proposals. Within the framework of the current compensation hierarchy guidance (DEFRA, 2021), Natural England's advice is presented in the context of maintaining the ecological function of the designated feature being lost to development. By ecological function, Natural England means the natural processes, products and services that living and non-living environments provide within or between species, ecosystems and landscapes.'*
46. The consultation held as part of Defra's Offshore Wind Environmental Improvement Package (OWEIP) focusses on 'ecological effectiveness' and 'local circumstances' as the primary consideration when identifying compensatory measures, with measures that benefit the specific feature at risk being encouraged over measures that would benefit different qualifying features at risk but which could provide 'functional equivalence'.

² New guidance was published whilst this document was being finalised (https://consult.defra.gov.uk/offshore-wind-environmental-improvement-package/consultation-on-updated-guidance-for-environmental/supporting_documents/090224%20OWEIP%20Consultation%20on%20updated%20policies%20to%20inform%20guidance%20for%20MPA%20assessments.pdf). Whilst the Applicant is aware of this documentation it is noted that (1) the documentation is still out for consultation and (2) the Project delivery programme did not allow for full inclusion of the recommendations.

47. The Applicant is aware that the OWEIP is still in the process of being secured through secondary legislation and guidance, however the following updated guidance has been provided:

- Strategic compensation measures for offshore wind activities: Marine Recovery Fund interim guidance (DESNZ January 2025),
- Ministerial Statement (29 January 2025)

48. The Applicant welcomes this new guidance and it is discussed more fully in Section 5.3.

4 Inner Dowsing, Race Bank and North Ridge SAC

4.1 Overview

49. The IDRBNR SAC covers an area of 845km² and is located off the south Lincolnshire coast, extending eastwards and north from the Burnham Flats on the North Norfolk coast, occupying the Wash Approaches. As this site straddles the 12nm limit, advice is jointly delivered between the JNCC and Natural England.
50. The IDRBNR SAC encompasses a wide range of sandbank types and biogenic reef (JNCC and Natural England, 2010) and has therefore been designated for two Annex 1 habitat protected features:
- Annex I “Sandbanks slightly covered by seawater all of the time” (Annex I Sandbanks); and
 - Annex I “biogenic reef” (Annex I reef)
51. Biogenic reef created by the Ross worm *S. spinulosa* has consistently been recorded within the SAC. These reefs are known to support a variety of species including hydroids, sponges, bryozoans, anemones, as well as the commercial species European lobster *Homarus gammarus* and pink shrimp *Pandalus montagui*. Biogenic reefs formed by *S. spinulosa* allow colonisation by species not otherwise associated with the adjacent, looser sediment habitats.
52. The main sandbank features occur within the Wash Approaches, the Race Bank-North Ridge-Dudgeon Shoal system and at Inner Dowsing. The tops of the sandbanks are characterised by communities of polychaetes and amphipods. The trough areas between these sandbank features are composed of mixed and gravelly sands. The sandbanks are characterised by their sub-features: Subtidal Coarse Sediment, Subtidal Sand and Subtidal Mixed Sediment.
53. In 2022, the MMO enforced spatial restrictions within the SAC by placing a byelaw to specifically protect sandbank and reef features in the SAC from fishing pressures (Figure 4.1). The establishment of the byelaw was informed by the MMO fisheries assessment of the SAC (Joyce *et. al.*, 2021), which concluded that the preferred means of protection of the SAC would be via implementation of a (now active) byelaw to ensure the risk of adverse effect on site integrity is removed by prohibiting bottom towed fishing gear over the sandbank and reef features and prohibiting static gears over the reef features.

4.2 Conservation Objectives

54. The conservation objectives apply to the site and individual species and/or assemblage of species for which the site has been classified (the Annex 1 habitat features listed above). The ‘Supplementary Advice on Conservation Objectives’³ that was published in May 2023 reveals that for both ‘Reefs’ and ‘Sandbanks which are slightly covered by sea water all the time’ the target is to restore these features.
55. The conservation objectives for the site are therefore to ensure that, subject to natural change, the integrity of the site is restored, and that the site contributes to achieving the Favourable Conservation Status of its qualifying features, by restoring:
- the extent and distribution of qualifying natural habitats and habitats of the qualifying species;
 - the structure and function (including typical species) of qualifying natural habitats;
 - the structure and function of the habitats of the qualifying species;
 - the supporting process on which qualifying natural habitats and the habitats of qualifying species rely;
 - the population of each of the qualifying species; and
 - the distribution of qualifying species within the site.

4.2.1 Favourable Condition

56. ‘Favourable condition’ is the term used in the UK to represent ‘Favourable Conservation Status’ for the interest features of SACs. For an Annex 1 habitat, ‘Favourable Conservation Status’ occurs when:
- its natural range and the area it covers within that range are stable or increasing;
 - the specific structure and function, which are necessary for its long-term maintenance, exist and are likely to continue to exist for the foreseeable future; and
 - the conservation status of its typical species is favourable.
57. Favourable condition of Annex I Sandbanks which are slightly covered by seawater all the time and Annex I Reefs is based on the long-term maintenance of the following (JNCC and Natural England, 2013):
- extent of the habitat (and elevation and patchiness for reef);
 - diversity of the habitat;

- community structure of the habitat (population structure of individual species and their contribution to the function of the habitat); and
- natural environmental quality (e.g., water quality, suspended sediment levels).

4.2.2 Existing Pressures on the IDRBNR SAC

58. The IDRBNR sandbank and reef features are currently vulnerable (medium to high risk) to:

- Abrasion/disturbance of the substrate on the surface of the seabed – e.g. aggregate dredging, oil and gas, fishing, OWFs, cables, vessel anchorages, outfalls, coastal development;
- Barrier to species movement (Reefs only) – e.g. outfalls, coastal development;
- Changes in suspended solids (water clarity) (sandbanks only) – e.g. aggregate dredging, oil and gas, fishing, cables, outfalls, coastal development;
- Habitat structure changes – removal of substratum (extraction) – e.g. aggregate dredging, oil and gas, OWFs, outfalls;
- Penetration and/or disturbance of the substratum below the surface of the seabed, including abrasion – e.g. aggregate dredging, oil and gas, fishing, OWFs, cables, vessel anchorages, outfalls, coastal development;
- Physical change (to another seabed type) – e.g. oil and gas, OWFs, cables;
- Physical change (to another sediment type) – e.g. aggregate dredging, oil and gas, OWFs, cables, outfalls, coastal development;
- Physical loss (to land or freshwater habitat) – e.g. OWFs, outfalls;
- Removal of non-target species – e.g. aggregate dredging, fishing;
- Smothering and siltation rate changes (sandbanks only) – e.g. aggregate dredging, oil and gas, fishing, OWFs, cables, outfalls, coastal development;

59. Therefore, to fulfil the conservation objectives for these Annex I features, the Competent Authorities for this area are advised to manage human activities within their remit such that they do not result in further deterioration or disturbance of the site's features from the pressures outlined above (JNCC and Natural England, 2013).

4.2.3 Targets for Achieving Favourable Condition

4.2.3.1 Annex I *S. spinulosa* Reef

60. 27. Natural England's Supplementary Advice Targets⁴ of relevance to the Project for Annex I *S. spinulosa* reef are outlined in Table 4.1.

⁴

⁴

Table 4.1 Supplementary advice targets for *S. spinulosa* of relevance to the Project.

Attribute	Target
Distribution: presence and spatial distribution of biological communities	Restore the presence and spatial distribution of reef communities.
Extent and distribution	Restore the total extent, spatial distribution and types of reef (and each of its subfeatures).
Structure and function: presence and abundance of key structural and influential species	[Maintain OR Recover OR Restore] the abundance of listed species, to enable each of them to be a viable component of the habitat.
Structure: non-native species and pathogens	Restrict the introduction and spread of non-native species and pathogens, and their impacts.
Structure: species composition of component communities	Restore the species composition of component communities.
Supporting processes: energy / exposure	Restore the natural physical energy resulting from waves, tides and other water flows, so that the exposure does not cause alteration to the biotopes and stability, across the habitat
Supporting processes: physico-chemical properties (habitat)	Maintain the natural physico-chemical properties of the water
Supporting processes: sedimentation rate	Maintain the natural rate of sediment deposition
Supporting processes: water quality - contaminants (habitat)	Reduce aqueous contaminants to levels equating to High Status according to Annex VIII and Good Status according to Annex X of the Water Framework Directive, avoiding deterioration from existing levels. This target was set using the Environmental Agency 2019 water body classifications data
Supporting processes: water quality - dissolved oxygen (habitat)	Maintain the dissolved oxygen (DO) concentration at levels equating to High Ecological Status (specifically ≥ 5.7 mg L ⁻¹ (at 35 salinity) for 95 % of year) avoiding deterioration from existing levels. This target was set using the Environmental Agency 2019 water body classifications data
Supporting processes: water quality - nutrients (habitat)	Maintain water quality at mean winter dissolved inorganic nitrogen levels where biological indicators of eutrophication (opportunistic macroalgal and phytoplankton blooms) do not affect the integrity of the site and features, avoiding deterioration from existing levels. This target was set using the Environmental Agency 2019 water body classifications data
Supporting processes: water quality - turbidity (habitat)	Maintain natural levels of turbidity (eg concentrations of suspended sediment, plankton and other material) across the habitat

4.3 Quantification of Effect on the IDRBNR SAC

61. The offshore ECC for the Project passes due east-west through the IDRBNR SAC, crossing the North Ridge sandbank system at the eastern extent of the SAC and the Inner Dowsing sandbank at the western edge (Figure 4.1). The area of the SAC between these two sandbanks is known to be suitable habitat for the establishment of *S. spinulosa* reef.
62. Any known areas of Annex 1 *S. spinulosa* reef will be considered in the final offshore export cable routing process post-consent. The Project has committed to micro-siting windfarm infrastructure around Annex 1 reef as far as practicable, to avoid where possible direct impacts to these sensitive habitats. However, during the baseline characterisation of the Offshore ECC (see Volume 3, Appendix 9.2: Benthic Ecology Technical Report (ECC) (document reference 6.1.9.2)), all *S. spinulosa* aggregations were classified as 'Not a reef' in line with the criteria in Gubbay (2007), Hendrick and Foster-Smith (2006) and Limpenny *et al.* (2010). A *S. spinulosa* review was undertaken by Envision with the principal objectives of identification and evaluation of *S. spinulosa* reefs where the offshore ECC crosses with the SAC, using project specific and third-party data sources (which included geophysical, benthic sample, and regional seabed monitoring data). The methodological framework integrated geophysical data with benthic sample data through geospatial statistical analyses. Seabed characteristics such as rugosity, backscatter variability, and bathymetry were used to predict the distribution of seabed habitats. The study also reviewed *S. spinulosa* distribution, abundance, and reef suitability, considering data from the JNCC and habitat suitability modelling. The full methodologies and results are presented within Appendix 9.5 (document reference 6.1.9.5).
63. This review revealed that the data from the environmental baseline and habitat assessment survey found no *S. spinulosa* reef to occur with the offshore ECC or where the offshore ECC intersects with the IDRBNR SAC. Examination of other sample data show there to be elevated numbers of *S. spinulosa* in the area but analysis of video and imagery records in accordance with guidance (Gubbay, 2007) show these have been assessed as 'not-reef' due to reduced elevation from the surrounding seabed and patchiness of distribution.
64. It should be noted that the ephemeral nature of *S. spinulosa* reef is such that even had reef been recorded in the surveys to inform the DCO application, the reef may have vanished prior to construction, or reef have formed elsewhere. This recognised ephemeral nature of *S. spinulosa* reef is acknowledged in literature (Hendrick, 2007; Holt *et al.*, 1998; Pearce, 2017; UKBAP, 2007) and the Natural England core reef evaluation method (Roberts *et al.*, 2016).
65. Therefore, it is proposed that a pre-construction survey will be undertaken within the IDRBNR SAC to re-assess for potential Annex 1 reef, prior to construction activities. This approach is appropriate given the ephemeral nature of *S. spinulosa*. If found at the pre-construction phase, these features will be avoided through the micro-siting of the cables within the SAC (as secured within the Outline Biogenic Reef Mitigation Plan (document reference 8.22)).

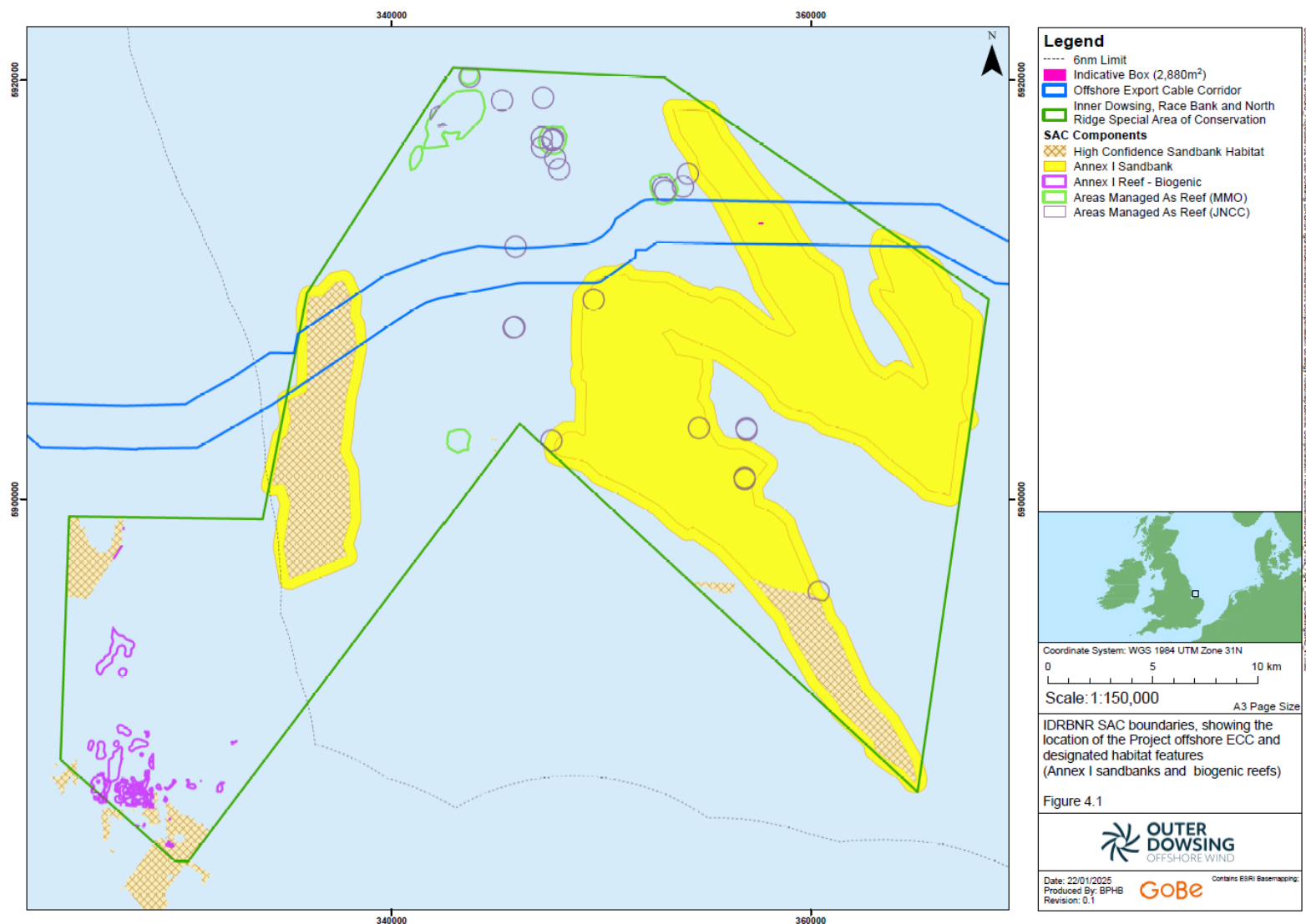


Figure 4.1 IDRBNR SAC boundaries, showing the location of the Project offshore ECC and designated habitat features (Annex I sandbanks and biogenic reefs)

4.3.1.1 *Sabellaria spinulosa*

66. As previously discussed, no Annex I *S. spinulosa* reef was recorded throughout the offshore ECC and therefore the Project maintains that a conclusion of no AEoI can be confirmed and so no derogation is required, however pending confirmation of Natural England's position and in case the Secretary of State determines compensation is required it has provided a derogation case including possible compensation on a without prejudice basis. Considering the above, Project is not in a position to quantify a realistic worst-case scenario (i.e. no spatial footprint recorded within the surveys of the receptor vulnerable to the impact).
67. Natural England provided Deadline 3 submissions Appendix C2 [REP3-067] and Appendix C3 [REP3-068] concerning supporting habitats and processes for Annex I *S. spinulosa* reef. This advice was supplemented by Natural England's comments at Deadline 4 (Appendix C4 to the Natural England Deadline 4 Submission (REP4-134)) summarised in the following paragraphs:

"Under the Supporting Processes attribute for IDRBNR SAC there is a 'Restore' target for the environmental conditions in those locations that are known, or which become known, to be important for S. spinulosa reef formation. NE consider any lasting change/loss of supporting habitat for Annex I S. spinulosa reef from the placement of cable protection will hinder the recovery of this feature and therefore the ability to meet the conservation objectives for the site and would require compensation.

Natural England advises the Applicant undertakes and submits into examination an assessment of supporting habitats and processes for potential Annex I S. spinulosa reef, to demonstrate that the recovery of this feature will not be hindered by the installation of the export cable and/or the lasting placement of cable protection. This will provide the Secretary of State comfort an adverse effect on integrity to IDRBNR SAC Annex I reef features and habitats/processes in which it relies upon will be avoided."

The Applicant conducted an assessment for the supporting habitat for *S. spinulosa* reef within the Offshore ECC, where it intersects with the IDRBNR SAC. The findings are detailed in the *S. spinulosa* Reef Supporting Habitat Technical Note (document reference 22.11). Natural England approved the Applicant's interpretation of the methodologies and the quantification of the supporting habitat area for *S. spinulosa* reef via email through DAS on 25th March 2025. The assessment identified an area of 31.23 km² of supporting habitat for Annex I *S. spinulosa* reef.

Footprint of Cable Installation within the IDRBNR SAC

68. As described above, it is not possible to define a realistic worst-case scenario due to the lack of a spatial footprint of receptor (*S. spinulosa* reef) vulnerable to the impact.

69. However, an absolute worst case scenario could assume that *S. spinulosa* reef is present across the entire offshore ECC where this crosses with the IDRBNR SAC so would be impacted by the installation of export cables (this would assume that reef covered the full 29.8km length of the cable route section which passes through the SAC and across the full 2km width, with no ability to microsite cables between individual reefs). This assumption is not at all realistic but as noted it is not possible to define a realistic worst case as the evidence the Project has to date suggests reef is not present.
70. The area for the worst-case scenario for installation of export cables within the IDRBNR SAC (excluding the sandbank features) would be 4.63km². This value has been used for the current purpose of demonstrating that the Applicant can deliver sufficient compensation in the event that an AEoI for reef is concluded.
71. Following NE requests at Deadline 3 and 4, the Applicant has calculated as a worst-case scenario that the amount of removable cable protection within the areas of supporting habitats for Annex I *S. spinulosa* reef. This amounted to a total of 0.095 km² as shown in Table 4.2 below. This is well within the worst-case scenario used above (4.63 km²) in developing the compensation measures.

Table 4.2 Calculation of area of removable cable protection within areas of supporting habitat for Annex I *S. spinulosa*.

Calculation Step Description	Value	Unit
Number of Cables	4	each
Length of transit for each cable through Supporting Habitat	16562.5	m
Length of transit for all cables through Supporting Habitat	66250	m
20% of total length	13250	m
Number of mattresses required (rounded up)	4417	each
Each mattress footprint	18	m ²
Footprint within Supporting Habitat	79506	m ²
20% allowance for installation accuracy and slippage	15901.2	m ²
Total Footprint for Supporting Habitat	95407.2 (0.0954)	m ² (km ²)

72. The Applicant considers that the further analysis and further commitment to removable cable protection in defined areas of supporting habitat bolsters the existing conclusions of the assessment that there is no AEoI.

73. It should be noted that the conservation objectives of the SAC do not require that habitats with the potential to support designated habitats receive the same level of protection as the designated habitats themselves. Whilst the conservation objective focuses on maintaining and restoring the supporting processes necessary for qualifying habitats, it is not reasonable to interpret this as a requirement to protect all habitats within the SAC that could develop into Annex I reef at some undefined time as if they were reef features themselves.

Nonetheless, the Applicant has updated the RIAA with this detail at Deadline 6 (document reference 7.1). The amount of cable protection required for the supporting habitat is also well within the potential capability of existing identified compensation measures should the Secretary of State find an AEoI for biogenic reef.

5 Benthic Compensation Approach

5.1 Longlist

74. The first stage of the “without prejudice” benthic compensation strategy involved reviewing all OWF projects that have proposed equivalent compensatory measures to date; associated consultation responses and relevant research projects were also considered. A longlist was collated based, in part, on the compensation provided as part of previous UK OWF derogation cases. This focused primarily on projects that have submitted DCO applications within the southern North Sea region as these are located within the same geographic regions as the Project and are likely to impact similar features and sites.
75. It should be noted that this process and the shortlist ranking was undertaken for the delivery for compensation to Annex I sandbank features. Further consultation with Natural England, after this process, also identified that a ‘without prejudice’ compensation strategy should be put forward for *S. spinulosa* reef.

5.2 Shortlist Ranking System

76. The longlist options for sandbanks, and used a basis for the shortlist of options for reef, were grouped into four compensation themes: habitat improvement, habitat creation, reserve creation and threat reduction. Full details of the initial RAG assessment results for Annex I sandbank habitat are presented in the Sandbank Compensation Plan (document reference 7.6.1).
77. Of the compensation options identified within Table 5.1 of Sandbank Compensation Plan (document reference 7.6.1), the following proposed ‘without prejudice’ compensation measures for Annex I biogenic reef include:
- SAC extension
 - Creation of biogenic reef

5.3 Strategic Compensation

78. One of the principal challenges for developers in relation to derogation is identifying and securing robust compensatory measures which are acceptable to regulators and SNCBs. To address this challenge, Defra is proposing to “*develop a library of ecologically robust strategic compensatory measures in partnership with industry and environmental stakeholders that are commercially feasible and deliverable*” (Defra, 2022).
79. Defra (2022) defined ‘strategic compensatory measures’ as measures “that work across a wide area, joining-up across projects and organisations to deliver an ecological benefit greater than the sum of its parts and/or measures that can only be delivered by Government (e.g., enhanced protection of MPAs).”

80. The Project understands that Natural England regards strategic compensation as ecologically effective and could provide a solution to species or habitats impacted by multiple OWFs. Furthermore, the British Energy Security Strategy (BESS) commits to both speeding up the deployment of offshore wind and to the measures proposed in the Offshore Wind Environmental Improvement Package policy paper, including strategic compensatory measures and a centralised MRF to help facilitate delivery of these measures.
81. Once in place, the proposed MRF will provide a framework to allow developers to deliver strategic compensation in a coordinated way through contributions to the fund. The MRF would also provide a mechanism for the delivery of strategic compensation measures, with appropriate input from regulators and SNCBs. This coordinated approach should enable ecological benefit to the national site networks to be maximised and delivered in a timely manner. The Energy Act received Royal Assent on the 26th October 2023. However, subsequent secondary legislation will be required to set up the MRF.
82. The OWEIP is still in the process of being secured through secondary legislation and guidance, however the following updated guidance has been provided:
- Strategic compensation measures for offshore wind activities: Marine Recovery Fund interim guidance (DESNZ, January 2025),
 - Ministerial Statement (29 January 2025).
83. The DESNZ guidance (January, 2025) guides Applicants on how to refer to the strategic measures in the OWEIP Library of Strategic Compensation Measures (LoSCM) prior to the MRF being operational. The measure provided for in the LoSCM of relevance to benthic impacts is new MPA designations and/or extensions to existing MPAs to provide benthic compensation. The guidance states:

'The Government has commenced a programme of work to identify possible modifications to the existing MPA network to provide compensation for unavoidable damage to benthic habitats from offshore wind projects. Defra has committed in a Written Ministerial Statement (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. The WMS provides further detail on the anticipated scope of any new designations and extensions to existing MPAs, based on available information. The WMS should be referenced by applicants when they are seeking development consent for projects which are expected to have adverse effects on benthic habitats and wish to use MPA designation and/or extensions as compensation. A further statement may be laid as new information becomes available...

Applicants will be required to pay into the MRF to access MPA designations/extensions as a compensation measure... and provide a high-level implementation and monitoring plan (provided by Defra) with these additional requirements to be secured in the DCO. A full Implementation and Monitoring Plan from Defra (when available) should also be secured as a requirement in the DCO...

It is recognised that the detailed information usually expected by DESNZ Secretary of State may not be fully available until the Government's MPA designation/extension programme is complete. The WMS therefore commits to the production of high-level Implementation and Monitoring Plans, which should be obtained from Defra by the applicant and provided to the DESNZ Secretary of State before works which give rise to the adverse effect for which compensation is required can commence. These plans will contain the following information:

- *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.'*

84. The Ministers note in the Written Statement (29 January 2025) that *'the timelines of some projects mean that they will still be delayed if they are required to wait for MPA designations and associated management to be functioning. Where this is the case, the DESNZ Secretary of State and the Marine Management Organisation may consider circumstances where the adverse effect can occur before compensation is in place, however this would need to be considered against other factors. Where this is permitted a greater amount of environmental compensation is likely to be needed to make up for the time delay and developers will be required to pay into the MRF before any adverse effect can occur.'*

85. As detailed within Table 1.1, recent consultation with Defra and Natural England has highlighted that the SoS has approved strategic SAC extensions for Round 4 OWF and Extension Round Projects, where compensation may be required. This has been confirmed through the Written Ministerial Statement (WMS) January 2025 and in the interim guidance on Strategic Compensation measures for offshore wind activities: Marine Recovery Fund (January 2025).

86. SAC extensions therefore would be strategically led by Defra in consultation with SNCBs to an extent are therefore outside the Projects control. Therefore, the Project has developed this documentation considering the recent advice and confirms that the Projects preference would be contribution to the delivery of proportionate SAC extension strategic compensation if compensation was deemed a requirement.

87. The Applicants will follow the recently published strategic compensation guidance (January 2025) and will work closely with SNCBs, and Defra, to progress this further.

6 “Without Prejudice” Benthic Compensation Strategy for Annex 1 Reef

88. Following the short-listing process, the following measures have been further developed to explore how each could be delivered, considering:

- The specific benefit of each measure to the National Site Network;
- The expected scale which may be required;
- How the measure would be delivered;
- Specific challenges associated with implementation; and
- Monitoring requirements.

89. The following sections present information and signposting to the Without Prejudice Benthic Compensation Evidence Base and Roadmap (Part 7, Document 7.6.3) to address the above points for each of the short-listed measures. The short-listed measures are the following:

- SAC extension
- Creation of biogenic reef

6.1 SAC Extension

90. An option for compensation for Annex I biogenic reef is changing the boundary (extending the area) of an existing SAC designated for Annex I biogenic reef to include an additional area of qualifying habitat that would be available to support this feature. SAC extensions with ecological merit include an extension to the IDRBNR SAC boundary to encompass the sandbank system (Docking Shoal) and supporting habitats outside but next to the current boundary and a westerly extension of the Haisborough, Hammond and Winterton (HHW) SAC. Whilst these extension areas are considered for sandbank features, they are also identified as high environmental value to other species of conservation importance, including biogenic reef forming species such as *S. spinulosa*.

91. This is a strategic measure that Defra have confirmed in the Written ministerial Statement (29 January 2025) they will deliver. Defra have committed to ‘*designating new MPAs and/or extending existing MPAs in Secretary of State waters to deliver sufficient strategic compensation to compensate for likely environmental effects of offshore wind development*’, for projects that received a seabed lease from The Crown estate under Leasing Round 4 (among others). The designations and associated management will be funded by offshore wind developers that successfully apply to use this measure through the MRF.

92. The Applicants preferred option for compensation, if required, is to provide a contribution to the MRF to access the MPA designation/extension as a compensation measure, the Applicant will work closely with SNCBs and Defra to progress this. Detailed information regarding the progress of this as a compensation measure, including ecological evidence and a roadmap to implementation, is provided in Without Prejudice Benthic Compensation Evidence Base and Roadmap (Part 7, Document 7.6.3). See particular detail relating to the following sections:

- Evidence Base (Section 3.2) which includes details on value and function of the measure, ecosystem functionality of the proposed measure, review of existing data within the SAC extension area;
- Delivery Process (Section 3.3) which includes details on site selection and scale of the proposed extension, a review of other users within the extension areas, proposed delivery timeframe and monitoring and adaptive management; and
- Funding (Section 3.4), which includes detail on indicative costs of the measure.

6.2 Creation of Biogenic Reef

93. This strategy for benthic compensatory measures for Annex I sandbank habitat within the IDRBNR SAC considers the creation of biogenic reef, either in the form of blue mussel *M. edulis* beds or reefs of the native oyster *O. edulis*, as capable of compensating for an AEoI to the IDRBNR SAC, where rock-based cable protection may be required over the cables on the sandbank features.

94. The creation of these biogenic reefs would provide equivalent ecosystem services to the component communities of the existing *S. spinulosa* reef and would be regarded as 'like-for-like' compensation for *S. spinulosa* reef, taking key consideration of 'ecological effectiveness' and 'local circumstances' (Defra, 2024). As natural components of the wider ecosystem, with demonstrable historical presence, this measure would be complementary to the existing conservation measures for biogenic reef within the SAC. As such, this measure would support the integrity of the wider National Site Network through supporting the key component communities associated with reef habitats.

95. The creation of biogenic reefs would follow established standards and best practice guidelines and would be conducted in close collaboration with stakeholders and restoration experts. Detailed information regarding the progress of this as a compensation measure, including ecological evidence and a roadmap to implementation for both native oyster and blue mussel reef, is provided in Without Prejudice Benthic Compensation Evidence Base and Roadmap (Part 7, Document 7.6.3). See particular detail relating to the following sections:

- Option 1: Creation of Native Oyster Beds (Section 5.3) which includes a full detailed strategy for the creation of native oyster beds; and
- Option 2: Creation of Blue Mussel Beds (Section 5.4) which include a full detailed strategy for the creation of blue mussel beds.

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