MORGAN AND MORECAMBE OFFSHORE WIND FARMS: TRANSMISSION ASSETS

Biodiversity Benefit - Supporting Statement

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Term	Meaning
Applicants	Morgan Offshore Wind Limited (Morgan OWL) and Morecambe Offshore Windfarm Ltd (Morecambe OWL).
Biodiversity benefit	An approach to development that leaves biodiversity in a better state than before. Where a development has an impact on biodiversity, developers are encouraged to provide an increase in appropriate natural habitat and ecological features over and above that being affected. For the Transmission Assets, biodiversity benefit will be delivered within identified biodiversity benefit areas within the Onshore Order Limits. Further qualitative benefits to biodiversity are proposed via potential collaboration with stakeholders and local groups, contributing to existing plans and programmes, both within and outside the Order Limits.
Commitment	This term is used interchangeably with mitigation and enhancement measures. The purpose of commitments is to avoid, prevent, reduce or, if possible, offset significant adverse environmental effects. Primary and tertiary commitments are taken into account and embedded within the assessment set out in the ES.
Development Consent Order	An order made under the Planning Act 2008, as amended, granting development consent.
Intertidal area	The area between Mean High Water Springs and Mean Low Water Springs.
Landfall	The area in which the offshore export cables make landfall (come on shore) and the transitional area between the offshore cabling and the onshore cabling. This term applies to the entire landfall area at Lytham St. Annes between Mean Low Water Springs and the transition joint bay inclusive of all construction works, including the offshore and onshore cable routes, intertidal working area and landfall compound(s).
Local Authority	A body empowered by law to exercise various statutory functions for a particular area of the United Kingdom. This includes County Councils, District Councils and County Borough Councils.
Morecambe OWL	Morecambe Offshore Windfarm Ltd (Morecambe OWL), owned by Copenhagen Infrastructure Partners' (CIP) fifth flagship fund, Copenhagen Infrastructure V (CI V), is developing the Morecambe Offshore Windfarm, also located in the east Irish Sea.
Morgan OWL	Morgan Offshore Wind Limited (Morgan OWL), a joint venture between JERA Nex bp (JNbp) and Energie Baden-Württemberg AG (EnBW), is developing the Morgan Offshore Wind Project. The Morgan Offshore Wind Project is a proposed wind farm in the east Irish Sea.
Onshore substations	The onshore substations will include a substation for the Morgan Offshore Wind Project: Transmission Assets and a substation for the Morecambe Offshore Windfarm: Transmission Assets. These will each comprise a compound containing the electrical components for transforming the power supplied from the generation assets to 400 kV and to adjust the power quality and power factor, as required to meet the UK Grid Code for supply to the National Grid.

Term	Meaning
Substation	Part of an electrical transmission and distribution system. Substations transform voltage from high to low, or the reverse by means of electrical transformers.
Transmission Assets Order Limits: Onshore	The area within which all components of the Transmission Assets landward of Mean High Water Springs will be located, including areas required on a temporary basis during construction and/or decommissioning (such as construction compounds). Also referred to in this report as the Onshore Order Limits, for ease of reading.

Acronyms

Acronym	Meaning
BNG	Biodiversity Net Gain
CA	Compulsory Acquisition
CoT	Commitment
DCO	Development Consent Order
DEFRA	Department for Environment, Food and Rural Affairs
ECoW	Ecological Clerk of Works
EWG	Expert Working Group
ExA	Examining Authority
HDD	Horizontal Directional Drilling
LNRS	Local Nature Recovery Strategy
NPPF	National Planning Policy Framework
NPS	National Policy Statement
NSIP	Nationally Significant Infrastructure Project
SoS	Secretary of State
TEP	Technical Engagement Plan

Units

Unit	Description
km	Kilometres
m	Metres
m^2	Metres squared

1 Introduction

1.1.1.1 This document supports the Onshore Biodiversity Benefit Statement (J11/F05) for the Morgan and Morecambe Offshore Wind Farms: Transmission Assets (referred to hereafter as 'the Transmission Assets'). It also provides the Applicants' responses to the Examining Authority's (ExA) Second Questions, specifically those listed in **Table 1**.

1.1.1.2 The Onshore Biodiversity Benefit Statement (J11/F05) and this clarification note outline how the project aims to deliver a minimum 10% Biodiversity Net Gain (BNG) for the above ground permanent infrastructure. The Applicants consider that a proportionate and pragmatic approach to BNG has been adopted by only including above ground permanent infrastructure. This is considered to be in line with National Policy Statement (NPS EN-1) and the guidance in the National Planning Policy Framework (NPPF) for the delivery of no net loss and measurable net gains. The approach has also been demonstrated as being acceptable for other similar DCO projects as shown in **Table 4**. Further information, as to how the Transmission Assets aligns with NPS policy is set out in **Table 2**.

1.1.1.3 This supporting statement has been developed to provide an overarching response to the questions on BNG raised by the ExA, as detailed below in **Table 1**. The supporting document covers the following:

- A review of legislation and local/ national planning policies relevant to the provision of BNG, in the absence of specific guidance on the use and application of the statutory DEFRA metric for NSIPs.
- Rationale for the Applicants' approach to the provision of BNG for the Transmission Assets referred to by the ExA as a 'bespoke BNG metric'. The Applicants can confirm that the statutory DEFRA metric calculator tool was used in the completion of the assessments and not a 'bespoke BNG metric'.
- Consideration of potential alternative approaches that could satisfy local and national planning policies in the event that the SoS was minded to agree with aviation stakeholders regarding the risk of bird strike from the use of land used to deliver biodiversity benefit being unacceptable
- Additional BNG metric calculation (using the statutory DEFRA metric calculator tool) for the whole Order Limits; separate calculations have been undertaken for the Morgan and Morecambe Transmission Assets respectively, as well as a combined assessment for the combined Transmission Assets (refer to DEFRA Metric Spreadsheet Morgan Order Limits (S_D5_20), DEFRA Metric Spreadsheet Morecambe Order Limits (S_D5_21) and DEFRA Metric Spreadsheet Transmission Assets Order Limits (S_D5_22)).

Table 1: The Examining Authority's Question 2 relating to BNG

Reference	ExQ2	Where it is addressed within this supporting statement
Q2: 5.1.12	**Lea Marsh** BAE take a similar approach (REP4-127) and emphasise that "the Biodiversity Benefit Site at Lea Marsh is not mitigating any impact and therefore there should not be any locational requirements from an ecological perspective." They continue in their submission "Given that there is no requirement for BNG, or indeed any need for the biodiversity benefit sites to be provided at all, there is no reason why the biodiversity benefit site could not be located outside of Warton Aerodrome's 13 km wildlife hazard safeguarding zone, where potential harm to aviation operations from an increased bird strike risk is likely to be lower". Why have the applicants not looked for a site outside the 13km safeguarding zone?	Please see **section 6.2** and the Site Selection of the Environmental Mitigation and Biodiversity Benefit Areas - Rev F01 (REP2-046).
Q2:6.2.2	**Biodiversity and bird strike risks** If the Secretary of State (SoS) was minded to agree with BAE Systems position as set out in their most recent submission [REP4-127] Table 2 Q6.2.3, "BAE Systems considers that it is not necessary for BNG to be provided because BNG is not a mandatory requirement for development consented through The Planning Act 2008. Consideration therefore needs to be given as part of the planning balance to whether avoiding the potential harm to aviation interests arising from the Applicants' BNG proposals (including the biodiversity benefit areas) would outweigh the biodiversity benefits of these sites, particularly in the context that paragraph 5.5.41 of NPS-EN1 requires development to avoid increased risk to aviation operations, whereas there is no statutory or policy requirement to provide BNG." Can the applicants suggest an alternative approach that would satisfy local policies outlined by Fylde Borough Council (FBC) in sections 6.2.5-6.2.7 of their submission (REP4-134) and section 4.6, with additional focus on 4.6.1, of the NPS-EN1.	Please see **section 6** on options available to deliver biodiversity benefit.
Q2:6.2.3	**Biodiversity and bird strike risks** NPS EN-1, 4.6.11 states that "*Biodiversity net gain can be delivered onsite or wholly or partially off-site. We encourage details of any off-site delivery of biodiversity net gain to be set out within the application for development consent*".	See Table **2** in response to how the Applicants have aligned the strategy with NPS EN1 in mind.

Reference	ExQ2	Where it is addressed within this supporting statement
	If SoS was minded to agree with BAE Systems position (REP4-127), can the applicant comment on the quoted paragraph 4.6.11 of NPS EN-1?	
Q2:6.2.4	**Biodiversity and bird strike risks** NPS EN-1 4.6.12 says that when delivering biodiversity net gain off-site, developments should do this in a manner that best contributes to the achievement of relevant wider strategic outcomes, for example by increasing habitat connectivity, enhancing other ecosystem service outcomes, or considering use of green infrastructure strategies. Reference should be made to relevant national or local plans and strategies, to inform off-site biodiversity net gain delivery. If published, the relevant strategy is the Local Nature Recovery Strategy (LNRS). If an LNRS has not been published, the relevant consenting body or planning authority may specify alternative plans, policies or strategies to use. If SoS was minded to agree with BAE Systems position, can the applicant comment on the quoted paragraph 4.6.12 of NPS EN-1? If SoS was minded to agree with BAE Systems position and on-site delivery of BNG was therefore not possible, could the councils and the applicants reach an agreement on alternatives that would align with the NPS EN-1? If SoS was minded to agree with BAE Systems position, will the applicants consider submitting a without prejudice strategy for off-site delivery of BNG to satisfy the NPS EN-1, section 4.6 with additional focus on 4.6.1?	See **Table 2** in response to how the Applicants have aligned the strategy with NPS EN1 in mind. See **Table 5**, which provides a hierarchy of options which could be used to deliver biodiversity benefit and align with NPS EN1.
Q2:6.2.5	**Biodiversity and bird strike risks** If any of the BNG areas were removed from the order limits what would the implications be on all the submitted application documents and any issues arising therein?	If the SoS did not consider the grant of CA powers to be appropriate for the biodiversity benefit areas, the rights over these plots would need to be removed from the Book of Reference and the Land Plans. This would retain the ability for the Applicants to deliver biodiversity benefit in these areas with the agreement of the landowner. In order to remove the areas completely from the order limits there would need to be an update to all plans that show the order limits (in particular the Land plans and Works Plans), the DCO, Book of Reference, Statement of Reasons. The alternative to this would be to retain

Reference	ExQ2	Where it is addressed within this supporting statement
		these areas as 'white land' where there are no authorised works and no CA powers which would require changes to the land plans, works plans and DCO.
Q2:6.2.6	**Calculation methodology** REP4-167 from Newton with Clifton Parish Council and Freckleton Parish Council under item 4c states: "*The parish councils ask the ExA to require the Applicants to calculate the before and after BNG figures using the correct metric, as encouraged by the National Policy Statement (EN-1 paragraph 4.6.7) so it can at least be properly considered as to whether the project will be over or under the 10% gain target. Given the pressure on other Development Consent Orders to provide 10% BNG and the imposition of requirements for high figures in recent decision letters, this is essential even though the 10% gain is not yet a legal obligation. Any requirement added for BNG should require the correct metric to be used, not a custom-made one created by the Applicants as at present. Not only is the BNG being offered much lower than is claimed if the metric is used correctly, but the measures to reduce bird hazards set out in the recently produced Outline Wildlife Hazard Management Plan (REP3-065) are only described as 'potential' and if implemented will serve to worsen the habitats being provided on which the existing calculations are based. The BNG scores should be recalculated for the habitats being offered with these downgrades, and an ecologist's opinion should be sought to confirm that with the downgrades they still fall under the definitions of the habitats claimed*." Additionally, paragraph 6.3.4 of the (REP4-134) by FBC states "*FBC therefore requested that BNG calculations be carried out for the entire Order Limits and the findings be submitted to the Examination*". a) Please respond to all points quoted above. b) Without prejudice, to better aid the decision-making process the ExA requests that the applicants provide an alternative revised BNG calculations that include temporary land affected (Where the land will be affected for more than 2 years covering the entire Order Limits area).	a) Please see **section 7.2** for a detailed response to the points. b) Please see **section 4.1** and refer to DEFRA Metric Spreadsheet Morgan Order Limits (S_D5_20), DEFRA Metric Spreadsheet Morecambe Order Limits (S_D5_21) and DEFRA Metric Spreadsheet Transmission Assets Order Limits (S_D5_22). The statutory DEFRA metric calculation spreadsheets have been provided as part of the Applicants' response to part (b) of this question. It should be noted that the calculations are drafts with a number of caveats/ assumptions (as explained in **section 4.1**) and therefore there are errors showing in the spreadsheets because post-development offsetting habitat creation/ enhancement has not been added. However, this does not affect the baseline calculations which have been undertaken to demonstrate the change in biodiversity units (for habitats, hedgerows and watercourses) for the order limits of the Morgan project alone, the Morecambe project alone and the combined Transmission Assets.
Q2:6.2.7	**Strategy for delivery**	Please see **section 7** 'and section 1.4 of the Onshore Biodiversity Benefit Statement (J11/F05).

Reference	ExQ2	Where it is addressed within this supporting statement
	Explain how will biodiversity strategy delivery be monitored and what mechanisms will be used to enforce the delivery over the 30-year period?	

2 Legislation and Policy

2.1.1.1 There is currently no statutory requirement for NSIPs to deliver BNG. The Government's proposal that this would be mandatory from November 2025 has been pushed back to May 2026 which is after the Secretary of State is due to determine the Transmission Assets application. Therefore, in spite of the wording in the National Policy Statements, there is no legal requirement for the Applicants to deliver BNG for the Transmission Assets. For this reason the Applicants' position has been to identify where biodiversity benefit could be delivered (as part of the landscaping at the onshore substations) and separately on land at Lea Marsh Fields.

2.1.1.2 To ensure both Morgan and Morecambe are able to deliver Biodiversity Benefit independently different but adjacent areas at Lea Marsh Fields have been identified, which can be seen on Figure 1.7 of the Onshore Biodiversity Benefit Statement (J11/F05).

2.1.1.3 National Policy Statements EN-1 and EN-5 contain policy relating to BNG. As noted above, in **paragraph 2.1.1.1**, these need to be considered in light of the fact that the delivery of BNG is not a legal requirement for the Transmission Assets – the Applicants' view is that these policies can therefore only be read as encouragement for projects to deliver BNG and do not mandate. **Table 2** identifies the specific BNG policies, providing the Applicants' response to each.

Table 2: BNG policies

NPS policy	Applicants' response
EN-1	
4.6.1 Environmental net gain is an approach to development that aims to leave the natural environment in a measurably better state than beforehand. Projects should therefore not only avoid, mitigate and compensate harms, following the mitigation hierarchy, but also consider whether there are opportunities for enhancements.	An Onshore Biodiversity Benefit Statement (J11/F05) has been provided as part of the application for development consent. The biodiversity benefit approach taken for the Transmission Assets considers the above ground permanent onshore infrastructure and ensures that biodiversity benefit will be delivered for the areas of (permanent) habitat loss. Furthermore, the Applicants will aim to improve habitat connectivity in accordance with NPS EN-5 where possible. The temporary land required will be restored to baseline habitat type and condition (CoT08, 14, 27). This approach affords biodiversity benefit whilst balancing other socio-economic and land use considerations.
4.6.2 Biodiversity net gain is an essential component of environmental net gain. Projects in England should consider and seek to incorporate improvements in natural capital, ecosystem services and the benefits they deliver when planning how to deliver biodiversity net gain.	The Applicants acknowledge that BNG is a fundamental part of Environmental Net Gain. In addition to contributing to the UK's Net Zero targets, this Application will also be inherently supporting the UK's climate resilience which is another key aspect of environmental net gain. As can be demonstrated by the proposed biodiversity benefits, the Applicants have considered the various elements and possible improvements in natural capital by:

NPS policy	Applicants' response
	• Accounting for the loss of habitats for above ground permanent infrastructure, through the delivery of Biodiversity Benefits that also integrates surface water management requirements through the creation of SuDS and attenuation ponds (see J10 Outline Operational Drainage Management Plan (REP4-064)), and landscape mitigation (see J2 Outline Landscape Management Plan (RE4-054)). • The enhancements and management of the proposed biodiversity benefit areas at Lea Marsh fields and the substations are in keeping with the existing natural environment, with native and diverse species being proposed. The replanting and stocking up of hedgerows and grasslands will provide greater diversity of ecological niches for species such as terrestrial invertebrates, reptiles, and amphibians, and will further promote greater ecosystem services in the area.
4.6.3 Currently biodiversity net gain policy in England only applies to terrestrial and intertidal components of projects. Principles for Marine Net Gain are currently being rolled out by the Government, who will provide guidance in due course. There are provisions in the Environment Act 2021 to allow Marine Net Gain to be made mandatory for NSIPs in the future.	A project's ability to comply with this policy must be read in light of the fact that BNG is currently not mandatory for any element of NSIPs (whether terrestrial, intertidal or marine). It is not anticipated that BNG guidance for NSIPs will be provided within the timeframe of this examination, and the implementation of mandatory BNG for NSIPs is currently planned for projects submitted from May 2026 onwards.
4.6.6 Energy NSIP proposals, whether onshore or offshore, should seek opportunities to contribute to and enhance the natural environment by providing net gains for biodiversity, and the wider environment where possible.	As set out in the Onshore Biodiversity Benefit Statement (J11/F05), the Transmission Assets are not subject to a mandatory net gain requirement under the Environment Act 2021. Nevertheless, the Applicants have worked with statutory consultees to discuss the approach, and to develop the design, to allow the maximum benefit to biodiversity within the parameters of the project. For the Transmission Assets, biodiversity benefit will be delivered within identified biodiversity benefit areas within the Transmission Assets Order Limits: Onshore (referred to as the Onshore Order Limits) where possible. The statutory DEFRA metric calculator tool has been used to demonstrate that the proposed measures would deliver measurable net gains for biodiversity. The Applicants' note that, in line with the statutory position set out above, this is 'encouragement' wording rather than mandatory.
4.6.7 In England applicants for onshore elements of any development are encouraged to use the latest version of the biodiversity metric to calculate their biodiversity baseline and present planned biodiversity net gain outcomes. This	The Applicants note the 'encouragement' to use the latest version of the biodiversity metric. They have complied with this and provided an excel document (S_D5_12) (identical to the PDF provided at Deadline 4) in response to ExA Q2 2.6.2.1 (S_D5_5).

NPS policy	Applicants' response
calculation data should be presented in full as part of their application.	
4.6.8 Where possible, this data should be shared, alongside a completed biodiversity metric calculation, with the Local Authority and Natural England for discussion at the pre-application stage as it can help to highlight biodiversity and wider environmental issues which may later cause delays if not addressed.	The Onshore ecology and onshore and intertidal ornithology Expert Working Group (EWG), held in March 2023, first proposed that biodiversity benefit would be delivered for the Transmission Assets. Further details on the proposed approach to biodiversity benefit were set out in subsequent EWG meetings, held in September 2023 and December 2023. The September 2023 EWG set out guidance and calculation data/methodology being used. Discussion included the availability of some baseline data sets, the approach to including trenchless techniques in the biodiversity assessment and treatment of areas of mitigation in the metric. The December 2023 EWG restated the key policy, guidance principles and calculation methodology. It also included discussion around areas of land potentially suitable for delivering biodiversity benefit and consultation with local schemes around the delivery of biodiversity benefit through a collaborative approach. It included results of a preliminary assessment and calculation of the preliminary areas of interest and the limited permanent habitat loss proposed for the Transmission Assets, especially when considering the proposed trenchless techniques to avoid impacts on habitats of significant ecological value. Following the EWG meeting in December 2023, a technical note setting out the proposed approach to biodiversity benefit was issued to the EWG. This note included the following. • Key considerations for the delivery of biodiversity benefit for the Transmission Assets, in particular around the voluntary basis for biodiversity benefit delivery, the amount of land required to deliver biodiversity benefit across the Transmission Assets and the overall feasibility using the DEFRA metrics for the whole of the Onshore Order Limits. • The Applicants' proposed approach to biodiversity benefit, which is to achieve at least 10% biodiversity benefit for the area of land associated with permanent above-ground infrastructure. Feedback was received following this technical note from the Environment Agency, confirming their agreement with the proposed approach, subject to commitments that: • there would be no impact (temporary or permanent) on the areas subject to Horizontal Directional Drilling (HDD); and • the land along the cable corridor and associated temporary works areas are returned to their baseline condition.

NPS policy	Applicants' response
	Feedback was not received from any of the other stakeholders that attended the EWG and the Applicants concluded that the proposed approach to the BNG assessment was satisfactory. No comments were received in response to the Section 42 consultation of the submitted application.
4.6.10 Biodiversity net gain should be applied after compliance with the mitigation hierarchy and does not change or replace existing environmental obligations, although compliance with those obligations will be relevant to the question of the baseline for assessing net gain and if they deliver an additional enhancement beyond meeting the existing obligation, that enhancement will count towards net gain.	The Applicants have adopted this approach as set out in Volume 2 Chapter 3: Onshore ecology and biodiversity (APP-075). The biodiversity benefits proposed at the onshore substations and Lea Marsh fields sit outside any requirements for ecological mitigation, although have been integrated with drainage and landscape mitigation at the onshore substations as set out above (an approach which is supported by paragraph 4.6.2 of NPS EN-1. Furthermore, the Applicants will consider the potential opportunities to collaborate with existing projects and stakeholders, as set out in the within the Outline Ecological Management Plan (J6/F05).
4.6.11 Biodiversity net gain can be delivered onsite or wholly or partially off-site. We encourage details of any off-site delivery of biodiversity net gain to be set out within the application for development consent.	The Applicants approach has been to focus on BNG on-site delivery where possible. To meet the Applicants desire to deliver a minimum of 10% net gain, further off-site measures are proposed at Lea Marsh fields to meet a shortfall in the delivery of on-site habitat and watercourse units for Morecambe and Morgan substations respectively. This area is approximately 3 km and 2.7 km respectively from the Morgan and Morecambe substations and was identified based on its proximity to the area of impact, its suitability for habitat creation measures (being dominated by low ecological value arable land and connected to an existing ditch network), and its ability to enhance the connectivity between two existing BHS's of county ecological value. The Biodiversity Benefit area at Lea Marsh Fields has been raised by aviation stakeholders as having the potential to increase bird strike risk at Warton Aerodrome. Whilst the Applicants believe the biodiversity benefit delivery at this location can be compatible with the aerodrome and not raise safeguarding issues, this is yet to be agreed by BAE. Although following a meeting on 15 September 2025 (with BAE Systems and DIO) and on 17 September 2025 (BAE Systems) the Applicants believe any previous concerns on this area could be removed following BAE and DIO's review of the Wildlife Attractants Risk Assessment (S_D3_8/F02, Appendix A). In order to be certain of the delivery of Lea Marsh fields as a Biodiversity Benefit area the Applicants require access to compulsory acquisition powers to secure the land.

NPS policy	Applicants' response
	Should the suitability of Lea Marsh fields not be agreed, the Applicants are still committed to delivering a measurable net gain to meet national and local policies. Therefore, should the Project-specific net gain proposed at Lea Marsh fields not be acceptable in its current form, the Applicants' proposed approach to delivering biodiversity benefit is as follows: • Reducing the total area of land used to deliver offsetting credits at Lea Marsh fields to deliver 10% net gain for water course units at Morgan substation and 10% net gain for habitat units at Morgan substation (noting that the BNG units delivered at the substations would not reduce because they also are required for drainage/ landscaping). • Removing Lea Marsh fields from the biodiversity benefits calculation and instead funding the equivalent Biodiversity Value to support alternative local biodiversity projects being delivered by the local authorities. • Removing Lea Marsh Fields from the biodiversity benefits calculation and instead purchasing Biodiversity Credits from an offsetting provider to meet the shortfall in units delivered at the onshore substations (either solely or in conjunction with support for alternative biodiversity projects delivered by local authorities). These options are discussed in more detail in **section 6** of this document.
4.6.12 When delivering biodiversity net gain off-site, developments should do this in a manner that best contributes to the achievement of relevant wider strategic outcomes, for example by increasing habitat connectivity, enhancing other ecosystem service outcomes, or considering use of green infrastructure strategies. Reference should be made to relevant national or local plans and strategies, to inform off-site biodiversity net gain delivery. If published, the relevant strategy is the Local Nature Recovery Strategy (LNRS). If an LNRS has not been published, the relevant consenting body or planning authority may specify alternative plans, policies or strategies to use.	The land at Lea Marsh fields is located between two existing Biological Heritage Sites (BHSs); Mason's Wood BHS and Lea Marsh BHS. The biodiversity benefits proposed will enhance habitat and species connectivity between them, as well as creating a substantial high ecological value habitat buffer to the existing BHS network to increase its resilience to current and future pressures. The land at Lea Marsh fields is within an area identified in the Lancashire Local Nature Recovery Strategy (LNRS) as "*Areas that Could Become of Particular Importance*", which are locations within the county where there are opportunities to create, connect or improve habitats most likely to provide the greatest benefit for nature and the wider environment. The location of Lea Marsh fields will therefore contribute to wider strategic outcomes and ecosystem services and connectivity.
4.6.15 Applications for development consent should be accompanied by a statement demonstrating how opportunities for delivering wider environmental net gains have been considered, and where appropriate, incorporated	The Applicants have complied with this through provision of the Onshore Biodiversity Benefit Statement (J11/F05) and the adoption of a bespoke BNG assessment using the statutory DEFRA metric calculator tool.

NPS policy	Applicants' response
into proposals as part of good design (including any relevant operational aspects) of the project. 4.6.16 Applicants should make use of available guidance and tools for measuring natural capital assets and ecosystem services, such as the Natural Capital Committee's 'How to Do it: natural capital workbook', the government's guidance on Enabling a Natural Capital Approach (ENCA)119, and other tools that aim to enable wider benefits for people and nature.	
4.6.1 Although achieving biodiversity net gain is not currently an obligation on applicants, Schedule 15 of the Environment Act 2021 contains provisions which, when commenced, mean the Secretary of State may not grant an application for a Development Consent Order unless satisfied that a biodiversity gain objective is met in relation to the onshore development in England to which the application relates.	The relevant provisions of the Environment Act are not in force and therefore this test does not apply to the Transmission Assets.
4.6.3 The Secretary of State should give appropriate weight to environmental and biodiversity net gain, although any weight given to gains provided to meet a legal requirement (for example under the Environment Act 2021) is likely to be limited.	In the absence of a legal requirement to deliver BNG, the Applicants consider that weight can be given by the SoS to their voluntary provision of BNG as part of the Transmission Assets application. In the event that the land at Lea Marsh Fields is not available (because CA powers are not available and a reasonable voluntary agreement cannot be secured) the Applicants are still committing to delivering the equivalent net gain through other means (see response above in relation to EN-1 paragraph 4.6.11). This will ensure the Projects are providing a total 10% BNG, either through a reduction in area at Lea Marsh fields, or removal of Lea Marsh fields from the calculation and alternative provision for offsetting through either funding of suitable projects in the local area or the purchase of offsetting credits from a registered provider.
EN-5	
2.5.1 When planning and evaluating the proposed development's contribution to environmental and biodiversity net gain, it will be important – for both the applicant and the Secretary of State – to supplement the generic guidance set out in EN-1 (Section 4.6) with recognition that the linear nature of electricity networks infrastructure can allow for excellent opportunities to: i. reconnect important habitats via green corridors, biodiversity stepping zones, and reestablishment of appropriate hedgerows; and/or	The biodiversity measures proposed will reconnect important habitats via green corridors and stepping stones because the land at Lea Marsh fields will enhance connectivity between two existing BHSs to encourage natural expansion of flora and fauna species associated with them. Furthermore, habitat creation measures at both the Morgan and Morecambe substations will create grassland, scrub, hedgerows and wetland habitats that will reinstate and create new ecological niches for flora and fauna species displaced by permanent habitat loss. Part (ii) is not considered applicable to the Transmission Assets because there are no opportunities to provide public access to the

NPS policy	Applicants' response
ii. connect people to the environment, for instance via footpaths and cycleways constructed in tandem with environmental enhancements.	habitat creation areas at the onshore substations or Lea Marsh fields.
2.6.6 As detailed in Section 4.1.8 of EN-1, where the use of land at a specific location is required to facilitate the development by providing for mitigation, landscape enhancement and biodiversity net gain, an applicant may, as part of its application to the Secretary of State, seek the compulsory acquisition of that land, or rights over that land. The Secretary of State will consider any such application under the provisions of the Planning Act 2008 and any associated guidance.	The Applicants have sought to secure compulsory acquisition of the land at Lea Marsh fields for BNG as envisaged by this policy. The Applicants' consideration of the relevant tests in the Planning Act and associated guidance is set out below.

3 Consultation

3.1 DEFRA Consultation on BNG for NSIPs

3.1.1.1 The Applicants provided a summary of the recent DEFRA consultation on BNG for NSIPs in response to ExAQ 1.6.2.1 (b) and the suggestion from the ExA that 'the scheme will not fully comply with future BNG requirements'.

3.1.1.2 The DEFRA consultation ran from 28 May to 25 July 2025. The scope of the consultation demonstrated both the complexity of the delivery of BNG for NSIPs and that the fundamental principles of the approach are still under consideration by DEFRA. The consultation sought feedback on:

- the percentage biodiversity gain objective and whether at least 10% of the pre-development biodiversity value is appropriate;
- the approach to irreplaceable habitat;
- the approach to calculating BNG and the appropriateness of the statutory metric user guide;
- calculation of BNG value across the whole order limits;
- approach to on-site, off-site and credits;
- approach to temporary use of land;
- phased approach to delivery.

3.1.1.3 The Consultation document also notes that Defra are intending to produce guidance on BNG for NSIPs. It is envisaged this will cover:

- schemes crossing multiple boundaries (local planning authority, NCA or MPA);
- pre-development biodiversity value, including selecting and agreeing an appropriate date to calculate this value;
- calculating the post-development biodiversity value at the application stage, and how to account for uncertainty in the detailed design of the development;

- securing significant on-site gains;
- the use of compulsory acquisition powers for BNG;
- habitat management and monitoring plans;
- drafting and discharging requirements on BNG, and how to address post-consent changes to BNG calculations;
- phased approach to biodiversity gain plan approval;
- statutory biodiversity metric case study (or studies) for NSIPs;
- the roles of developers, local planning authorities and statutory bodies in engaging with BNG;
- how to take account of aerodrome safeguarding when planning biodiversity gains;
- as the details of the marine net gain regime are developed further, we will provide clarity on the relationship between the biodiversity net gain and marine net gain regimes.

3.1.1.4 The Applicants set out in their response to ExAQ 1.6.1.2 (b) there are three principal areas of the regime where the final parameters set by DEFRA will have fundamental consequences to the approach of BNG for NSIPs. These are:

- Whether pre-development biodiversity value needs to be calculated over the entire Order limits, or over a less area of impact.
- Whether temporary impacts caused by the development need to be included in the BNG calculation or whether temporary impacts can be excluded altogether from the pre-development biodiversity value.
- Whether the requirement for BNG in policy terms will in principle meet the tests in s122 of the Planning Act relating to the compulsory acquisition of land.

3.1.1.5 Given the complexity of the delivery of BNG for linear NSIPs in particular, and the lack of clarity on how the provisions of the NPS can be met, including the availability of CA powers, the Applicants' have sought to take a reasonable and proportionate approach to their voluntary offer of biodiversity benefit for the Transmission Assets projects.

3.2 The Applicants' consultation on Biodiversity Benefit

3.2.1.1 A summary of the approach to delivering voluntary BNG was presented to stakeholders at the EWG meeting on 18th December 2023, which presented a high-level outcome of a BNG assessment of the whole PEIR Order Limits excluding the following areas:

- Where Horizontal Direct Drilling (HDD) or other trenchless techniques were proposed.
- Land identified for environment and ecological mitigation and irreplaceable habitats.

3.2.1.2 This initial BNG assessment of the PEIR Order Limits used the latest version of the DEFRA metric calculator available at that time, which was 'version 4.1'. This concluded that a total of 819 BNG units would be required to demonstrate a 10% net gain for the projects, which equated to approximately 100 ha of habitat in real terms. This was based on an assumption that habitat creation comprised medium value habitats (e.g. other neutral grassland/ scrub) in 'good' condition created on arable land or modified grassland in poor condition (273.5 units for Morecambe OWL and 545 units for Morgan OWL).

3.2.1.3 As discussed with the onshore ecology, onshore and intertidal ornithology EWG (participants included Natural England, RSPB, Local Planning Authorities and the Environment Agency) and outlined subsequently in the Technical Engagement Plan (APP-189), this level of BNG unit delivery was considered disproportionate. Due to the majority of impacts associated with the construction of the Transmission Assets are temporary in nature and following cable installation the land would reestablish back to the same or similar habitat pre-installation.

3.2.1.4 The Applicants' approach was therefore to consider only the permanent infrastructure footprint, which is a similar approach taken by other recent DCO projects.

3.2.1.5 Feedback on the Applicants' approach was requested following the issue of the technical note and meeting and only the Environment Agency provided feedback. Feedback from the Environment Agency confirmed their agreement with the proposed approach, subject to commitments that:

- There would be no impact (temporary or permanent) on the areas subject to Horizontal Directional Drilling (HDD); and
- The land along the cable corridor and associated temporary works areas are returned to their baseline condition.

4 Challenges of delivering biodiversity benefit

4.1 Without prejudice summary providing 10% BNG for the whole scheme

4.1.1.1 The Examining Authority has requested in ExAQ Q2 6.2.6 that a without prejudice BNG assessment for the whole route is undertaken i.e., for all land take within the Order Limits. There is currently no guidance on the applicability of the current DEFRA metric calculator tool for BNG assessments for NSIPs, and it is not expected to be mandatory until May 2026; it is therefore very unlikely that any interim guidance would be issued by DEFRA before the close of this examination.

4.1.1.2 Although the consultation process has now closed, there is still much debate in the industry on the approach to BNG for NSIPs including the following topics of relevance to the Transmission Assets:

- Whether it is appropriate to include all habitats within the Order Limits given that the Order Limits allow for flexibility in layout that

are not fixed until the detailed design stage post-consent, and therefore the metric overstates the habitat impacts.

- Assumptions of the time period for 'temporary' impacts, because the timeframes for construction typically exceed the 2-year period for full restoration that the current metric allows for temporary impacts, which then results in an overstatement of habitat losses.
- Concerns that the complexities surrounding the timescales for the construction and reinstatement of linear infrastructure projects cannot be adequately captured within the metric thus leading to overstatements in the impacts of development.
- Concerns regarding the proportionality of net gain requirements for linear infrastructure projects with minimal permanent land take such as buried energy transmission cables.

4.1.1.3 Against that background, a summary of the BNG assessment for the entire Order Limits is provided in the below and the spreadsheet has also been submitted into examination (refer to DEFRA Metric Spreadsheet Morgan Order Limits (S_D5_20), DEFRA Metric Spreadsheet Morecambe Order Limits (S_D5_21) and DEFRA Metric Spreadsheet Transmission Assets Order Limits (S_D5_22)). The following broad assumptions have been made:

- Habitats within the footprint of trenchless crossings have been excluded e.g., dunes at Lytham St Anne's Dunes SSSI.
- Habitats that will be temporarily affected but which cannot be reinstated within a 2-year timeframe are assumed to be lost and then recreated.
- Habitats, hedgerows and watercourses have been assigned 'moderate' habitat condition – this is on the basis that UKHabs condition assessments have not been undertaken for all habitat parcels within the Order Limits and this is considered to represent a proportionate approach.
- Separate calculations have been undertaken for habitats within the footprints of the Morgan and Morecambe Transmission Assets respectively, although the shared access roads, haul routes and temporary compounds have been included for each project.
- A combined assessment for Morgan and Morecambe Transmission Assets with the shared access roads, haul routes and temporary compounds has also been undertaken for comparison.

Table 3: Whole Order Limits BNG Assessment: Summary

Project	Habitat Units	Hedgerow Units	Watercourse units
Morgan OWL (DEFRA Metric Spreadsheet Morgan Order Limits (S_D5_20),	-358.28 (-12.69%)	-25.32 (-25.75%)	-70.81 (-54.23%)

Project	Habitat Units	Hedgerow Units	Watercourse units
Morecambe OWL (DEFRA Metric Spreadsheet Morecambe Order Limits (S_D5_21))	-332.29 (-13.12%)	-27.13 (-37.26%)	-53.55 (-53.28%)
Morgan and Morecambe Transmission Assets (DEFRA Metric Spreadsheet Transmission Assets Order Limits (S_D5_22)).	-447.46 (-17.16%)	-16.52 (-15.47%)	-90.03 (-49.90%)

4.1.1.4 In order to provide net gain across the whole Order Limits, an estimate of the offsetting requirements has been entered into the metric to provide an indication as to the quantum of habitat that would need to be created. Assuming the baseline habitat for the creation of BNG offsetting credits is modified grassland in poor condition (e.g., permanent pasture of low ecological value), which is converted to other neutral grassland in moderate condition, a total of 155 ha would be required to deliver 10% net gain or 100 ha for no net loss.

4.1.1.5 The Applicants maintain that it would be disproportionate to seek to secure land rights to impose a 30-year management plan across large swathes of the route corridor when the impacts of the scheme are largely temporary, would not impact all habitats within the Order Limits and where all habitats would be returned to their baseline condition post-construction.

4.2 Challenges of delivering Biodiversity Benefit for Above Ground Infrastructure

4.2.1 Applicability of the DEFRA metric tool

4.2.1.1 The challenges for undertaking a BNG assessment using the DEFRA metric calculator for the Order Limits were set out in the presentation to the EWG in December 2023, and are summarised below:

- Onshore elements of the Transmission Assets have a large footprint for temporary construction works despite the relatively low permanent area of land-take.
- The DEFRA metric applies temporal and difficulty multiplier penalties that generates a large volume of land to be required to deliver BNG where the land is to be returned to its pre-existing condition post-construction and returned to the landowners and its previous use.
- The Applicants are unable to commit to returning the land back to its original use within 2 years so that temporary impacts could be counted as ‘retained’ habitat within the metric, rather than lost and recreated.
- When these parameters are applied to the metric calculator, the results indicate that a very large and disproportionate area of land

would be required to deliver a minimum 10% BNG uplift even though the majority of the habitats would be fully restored post-construction and that the permanent land-take is limited to the onshore substations.

4.2.2 Land rights

4.2.2.1 The established practice for infrastructure projects involving buried transmission assets is that habitats will be fully restored to their existing habitat type and condition and handed back to the landowner for continuing agricultural/ baseline use post-construction. By contrast, other types of linear infrastructure, such as road and rail schemes that occupy the surface of land, are generally able to retain significant areas of land where habitat creation can be carried out. The Applicants therefore consider that use of compulsory powers to acquire land to deliver BNG for temporary impacts across the whole order limits would not meet the relevant tests for compulsory acquisition and could also result in landholdings becoming unviable for landowners/tenant farmers. This particularly applies to the Transmission Assets given that the Applicants are not statutorily required to deliver BNG under the Environment Act 2021, but would be providing a biodiversity benefit on a voluntary basis.

4.2.3 Suitability of the biodiversity benefit area

4.2.3.1 The biodiversity benefit area at Lea Marsh fields is close (approximately 4 km) to the area of impact associated with habitat loss at both Morgan and Morecambe substations. Whilst the current BNG guidance does not preclude the use of off-site areas (i.e., land outside the red line boundary of a development) or penalise the delivery of BNG habitats that are off-site but within the same Local Planning Authority (LPA) boundary or National Character Area (NCA) of the impact area, Natural England guidance is that mitigation should be delivered as close as possible to the area of impact.

4.2.4 Bird strike risk

4.2.4.1 The proposed biodiversity benefit areas at Morgan substation, Morecambe substation and Lea Marsh fields are within the 13km airport safeguarding zone for Blackpool Airport and Warton Aerodrome. Consequently, concerns regarding habitat creation and management and their potential implications for bird strike risk management have been raised by aviation stakeholders.

4.2.4.2 The Examining Authority has raised a number of questions (Q2:6.2.2, Q2:6.2.3, Q2:6.2.4 and Q2:6.2.5) regarding the deliverability of BNG, particularly in relation to potential bird strike risks at Warton Aerodrome. Whilst the Applicants consider the risks posed by the proposed biodiversity benefit measures to be very low (as shown in the Outline Wildlife Attractant Hazard Risk Assessment (S_D3_8/F02, Appendix A) and that the habitats will be designed and managed to minimise the risk of attracting birds (as set out in the Outline Wildlife Hazard

Management Plan (S_D3_8/F02), they acknowledge the need for this position to be fully assessed and understood. The Applicants met with BAE and DIO on 15 and 17 September 2025. This meeting focussed on all aspects of the Projects' potential to attract more birds, new birds and/ or change the use of habitats by birds within the 13 km safeguarding zone. It was clear from this meeting that the BNG areas are not areas of highest concern for increasing bird strike risk for either BAE or DIO, although their respective positions will be confirmed following full review of the updated Wildlife Attractants Risk Assessment (S_D3_8/F02, Appendix A). Therefore, despite BNG not being mandatory for DCO projects, there is little to no potential harm to aviation interests from the delivery of the proposed measures. The Applicants therefore consider that the planning balance supports the delivery of biodiversity benefit as outlined in the Onshore Biodiversity Benefit Statement J11/F05) as the risk to aviation safety would be low and manageable.

4.2.4.3 The proposed Biodiversity Benefit Area at Lea Marsh fields is currently arable farmland. Given the location of the fields close to the Ribble estuary, this land does currently occasionally attract flocks of geese (mostly Canada geese) in common with surrounding arable land in this location. The conversion of the open arable fields to a more diverse habitat including woodland, shallow ponds and scrub as is proposed for biodiversity benefits for the Transmission Assets will reduce the availability of open vistas for flocks of waterbirds, and will therefore reduce the likelihood that these species will roost and feed at Lea Marsh fields in comparison to the current habitats and land use. The provision of this land for biodiversity benefit is therefore considered to reduce, not increase, any existing bird strike risk from the agricultural use of this land.

5 Other DCO schemes

5.1.1.1 A review of four recently submitted/ consented DCOs has been undertaken to assist with placing the BNG assessment undertaken by the Applicants in context with other similar major infrastructure projects in the UK. Perhaps unsurprisingly there is inconsistency in approach given the lack of current DEFRA guidance. summary of the review is provided in **Table 4**.

Table 4: Review of BNG Assessments for Similar NSIPs

Project	DCO Status	Type of Project	BNG Assessment Summary
Rampion 2 Offshore Wind Farm	Consented April 2025	Offshore windfarm, underground cable connection (38.8km), onshore infrastructure	Commitment to 10% net gain for all onshore and intertidal (above the low water mark) habitats subject to permanent or temporary losses. Cable route habitat losses assumed temporary, with caveat that detailed timescales not yet known. Onsite BNG delivery at substations. No specific areas identified on a plan for delivery of offsite BNG to address shortfalls

Project	DCO Status	Type of Project	BNG Assessment Summary
			in BNG units, although a series of principles established for seeking to address predicted net losses.
North Falls Offshore Wind Farm	Examination closed July 2025	Offshore windfarm, underground cable connection (38.8km), onshore infrastructure	BNG calculation concludes net gain of habitat units (33.91%) and hedgerow units (+217.55%) and net loss of watercourse units (-29.19%). Assessment includes cable route footprint and onshore substation but not whole Order Limits. The development of post-consent BNG Assessment Report will be secured through DCO Requirement. Habitat losses not considered temporary where reinstatement to baseline condition would not be possible within 2-year timescale. Temporary impacts omitted from BNG baseline value calculations, including habitats within areas crossed by HDD. Mitigation and compensation for permanent habitat losses due to construction of onshore substation not yet finalised; however, assumed to be delivered at onshore substation and elsewhere within the onshore project area. No specific areas identified on a plan for delivery of offsite BNG, although a series of principles established for seeking to address predicted net losses.
Dogger Bank South Offshore Windfarms	Recommendation	Two offshore windfarms, underground cable connection, onshore infrastructure	BNG calculation concludes net loss of habitat units (-2.70%) but net gain of hedgerow (+10.11%) and watercourse (+3.09%) units. Where reinstatement of baseline habitats is proposed, it is assumed that the original habitat type and condition will be achieved (with the exception of baseline habitats in 'good' condition). Habitats subject to HDD considered 'retained' and therefore excluded from baseline calculations. Habitats within the ducted sections of cable route between the TJBs would be considered temporarily impacted and therefore excluded from baseline calculations. Assumed 50% of the temporary construction compounds would be reinstated within 2 years and therefore excluded from baseline calculations. Onsite BNG delivery at substation. No specific areas identified on a plan for delivery of offsite BNG to address shortfalls

Project	DCO Status	Type of Project	BNG Assessment Summary
			in BNG units. Report sets out recommendations for achieving net gain, acknowledging that off-site provision may be necessary.
Outer Dowsing Offshore Wind (Generating Station)	Decision	Offshore windfarm, underground cable connection (70 km), onshore infrastructure	BNG calculation concludes net loss of habitat units (-0.80%) but net gain of hedgerow units (+14.40%) and watercourse units (+0.08%). Habitat not affected due to trenchless crossing methods excluded from calculation. Onsite BNG delivery at substation but detailed design not known (assumptions made for BNG calculation). Offsite BNG being considered on land adjacent to substation.

6 The Applicants' commitment to delivering biodiversity benefit

6.1.1.1 While the statutory requirement for BNG for NSIPs is not yet in force, the Applicants are committed to proactively delivering a project that minimises environmental impact and contributes positively to local biodiversity.

6.1.1.2 The above demonstrates the current complexity and lack of clear guidance regarding the provision of BNG, and the securing of CA powers to deliver on-site BNG.

6.1.1.3 Further to this, as detailed above, the Applicants are confident that there is little to no potential harm to aviation interests from the delivery of the proposed measures and management measures will be adopted to ensure agreed bird numbers are never exceeded.

6.1.1.4 The Applicants' approach to managing this complex (and changing) position has been to:

- Explain their 'voluntary' approach to on-site BNG in the Onshore Biodiversity Benefit Statement (J11/F05) based on the land take for permanent infrastructure and the current DEFRA metric
- Seek powers to compulsorily acquire BNG land at Lea Marsh Fields to be delivered if the necessary land rights could not be secured through agreement.
- Provide a hierarchy of alternative approaches to delivering BNG (see **Table 5**), should the on-site and off-site approach not be accepted.

6.1.1.5 Should either position mean that biodiversity benefit cannot be delivered through the preferred means, the Applicants propose the following hierarchy of BNG to ensure the delivery of a positive biodiversity outcome, in order of preference:

Table 5: Hierarchy to delivering Biodiversity Benefit

Hierarchy to delivering Biodiversity Benefit	
Option 1: Deliver Biodiversity Net Gain, as per the Onshore Biodiversity Benefit Statement and delivered by the Applicants (J11/F05). (Most preferable and can deliver the largest amount of biodiversity benefit).	**On-site measures at the Onshore Substations as part of the landscaping (see section 6.2 for further details):** Biodiversity benefit is proposed at both substations, tailored to the local ecology and habitats in the area and were designed to contribute towards measurable net gain for the Transmission Assets, the outcome of which in the BNG assessment was as follows: Morgan onshore substation: • 14.81 habitat units created (18.37% net gain); • 16.52 hedgerow units created (54.56% net gain); and, • 0 watercourse units created (-23.2% net loss). Morecambe onshore substation: • 44.66 habitat units created (–16.80% net loss); and • 7.98 hedgerow units created (31.93% net gain). **Biodiversity Benefit at Lea Marsh Fields (see section 6.2 for further details):** Habitat enhancement including grassland, scrub, woodland, pond and ditch creation is proposed to contribute towards a measurable net gain for the Transmission Assets as follows: Morgan OWL: • 65.41 habitat units created; and • 5.07 watercourse units created. Morecambe OWL: • 32.7 habitat units created. **Outcome of BNG Calculation using Statutory DEFRA Metric:** With the proposed measures at Lea Marsh fields, the biodiversity net gains for each of the projects are as follows: Morgan OWL: • 66.48% net gain for habitat units (delivered at the onshore substation and Lea Marsh fields); • 54.56% net gain for hedgerow units (all delivered at the onshore substation); and • 91.77% net gain for watercourse units (delivered at the onshore substation and Lea Marsh fields). Morecambe OWL: • 25.22% net gain for habitat units (delivered at the onshore substation and Lea Marsh fields); and • 31.93% net gain for hedgerow units (all delivered at the onshore substation). • No watercourse units are impacted and therefore there is no requirement for delivering net gain. With the implementation of management and monitoring these Biodiversity Benefit areas at both the onshore substations and Lea Marsh Fields will be unlikely to be of a greater bird attractant that would result in greater bird strike risk within the 13km safeguarding buffer. These measures will require securing of CA powers to deliver them.

Hierarchy to delivering Biodiversity Benefit	
Option 2: To only deliver 10% biodiversity benefit as opposed to, Option 1 in excess of 10% biodiversity benefit, with the majority delivered at the onshore substations and reducing the total area of land taken Lea Marsh fields to only cover the shortfall of delivering 10% net gain (watercourse units for Morgan OWL and habitat units for Morecambe OWL)	In the event that the current proposals for biodiversity benefit at Lea Marsh fields are not considered acceptable to the SoS i.e., to deliver substantial measurable net gains greater than 10% (see Option 1), the area of land take at Lea Marsh could be reduced so that it only provides the shortfall of delivering 10% net gain (watercourse units for Morgan OWL and habitat units for Morecambe OWL). The on-site habitat and enhancement creation proposals at the substations would not be amended under this scenario because they have also been designed for landscaping and drainage purposes and would therefore be created in accordance with the current proposals. With the implementation of management and monitoring these Biodiversity Benefit areas at both the onshore substations and Lea Marsh Fields will be unlikely to be of a greater bird attractant that would result in greater bird strike risk within the 13km safeguarding buffer. These measures will also require securing of CA powers to deliver them.
Option 3: Removal of Lea Marsh fields from the BNG calculation and provision of funding equivalent Biodiversity Projects	Should the off-site measures at Lea Marsh Fields be deemed entirely unsuitable by the SoS, the Applicants could voluntarily commit to providing funding to support alternative biodiversity projects in the nearby area. This could be delivered via a scheme to be approved by the relevant planning authority as set out in a requirement of the DCO securing biodiversity benefit.
Option 4: Removal of Lea Marsh fields from the BNG calculation and the purchase Biodiversity Credits	Should the off-site measures at Lea Marsh fields be deemed entirely unsuitable by the SoS, and there are no options to provide funding to alternative biodiversity projects, the Applicants could voluntarily purchase statutory biodiversity credits to offset the identified shortfall in watercourse units for Morgan substation and habitat units for Morecambe substation to deliver 10 % net gain percentage. This could be delivered via a scheme to be approved by the relevant planning authority as set out in a requirement of the DCO securing biodiversity benefit

6.2 Option 1: Biodiversity Benefit Assessment for above ground permanent infrastructure

6.2.1.1 This Option would be aligned with the Applicants current proposal to deliver biodiversity benefit for above ground permanent infrastructure only. The BNG metric calculations for this are presented in the Onshore Biodiversity Benefit Statement (J11/F05) and are summarised in

6.2.1.2 **Table** 9.

6.2.2 Principles

6.2.2.1 The principles for the delivery of biodiversity benefit for the Transmission Assets and the site selection rationale, are set out in Section 4.9.7 of Volume 1 Chapter 4: Site selection and consideration of alternatives (APP-030) and Site Selection of the Environmental Mitigation and Biodiversity Benefit Areas (REP2-046).

6.2.2.2 The site selection for the Lea Marsh Fields biodiversity benefit area achieves the aims in paragraph 187(d) of the NPPF for net gains to establish '*...coherent ecological networks that are more resilient to current and future pressures', and paragraph 192 (b) to 'promote the conservation, restoration and enhancement of priority habitats, ecological networks and the protection and recovery of priority species*' for the following reasons, which have been summarised from Section 1.2.2 of the most recent version of the Onshore Biodiversity Benefit Statement (J11/F05):

- It is currently of low ecological value being dominated by arable cropland and is therefore able to deliver substantial biodiversity enhancements through habitat creation and management.
- It is also located on land between two existing Biological Heritage Sites (BHSs); Mason's Wood BHS and Lea Marsh BHS and will enhance habitat and species connectivity between them, as well as creating a substantial high ecological value habitat buffer to the existing BHS network to increase its resilience to current and future pressures.
- It is within an area identified in the Lancashire Local Nature Recovery Strategy (LNRS) as "*Areas that Could Become of Particular Importance*", which are locations within the county where there are opportunities to create, connect or improve habitats most likely to provide the greatest benefit for nature and the wider environment.
- Whilst Lea Marsh fields biodiversity benefit area is not being delivered to increase bird numbers, the Applicants note that the proposed habitat restoration and enhancement could change bird distribution within the 13 km wildlife safeguarding area. The Applicants have provided a draft Wildlife Attractants Risk Assessment (S_D3_8/F02, Appendix A) at Deadline 5, and are confident following meetings with BAE and DIO that with the appropriate monitoring and management that this area will not give rise to increased bird strike risk. BAE and DIO's formal feedback on this will be provided following their subject matter expert's review.

Table 6: Morgan Substation: Biodiversity Benefit Assessment Summary

	Net change in habitat units	Net change in biodiversity benefit
Habitat Units	+14.81	+18.37%
Hedgerow Units	+9.28	+54.56%
Watercourse Units	-1.0	-23.2%

Table 7: Morecambe Substation: Biodiversity Benefit Assessment Summary[1]

	Net change in habitat units	Net change in biodiversity benefit
Habitat Units	-9.07	-16.80%
Hedgerow Units	+3.04	+31.93%
Watercourse Units	N/A	N/A

Table 8: Lea Marsh Fields: Biodiversity Benefit Assessment Summary[2]

	Net change in habitat units	Net change in biodiversity benefit
Morgan OWL		
Habitat Units at Lea Marsh Fields for Morgan OWL	+49.41	+308.81%
Hedgerow Units at Lea Marsh Fields for Morgan OWL	0	-
Watercourse Units at Lea Marsh Fields for Morgan OWL	+5.07	-
Morecambe OWL		
Habitat Units at Lea Marsh Fields for Morecambe OWL	+24.7	+308.75%
Hedgerow Units at Lea Marsh Fields for Morecambe OWL	0	-
Watercourse Units at Lea Marsh Fields for Morecambe OWL	N/A	N/A

Table 9: Summary of Biodiversity Benefit for Option 1[3]

	Net change in habitat units	Net change in biodiversity benefit
Morgan OWL		

[1] Morecambe substation does not impact any watercourse units and therefore this habitat ttype is excluded from the net gain calculation.

[2] Watercourse units are not required at Lea Marsh fields for Morecambe substation because this project does not impact any linear watercourse habitats and therefore this habitat type has been excluded from the BNG calculation.

[3] Watercourse units are not required at Lea Marsh fields for Morecambe substation because this project does not impact any linear watercourse habitats and therefore this habitat type has been excluded from the BNG calculation.

	Net change in habitat units	Net change in biodiversity benefit
Habitat Units at Morgan Onshore Substation and Lea Marsh Fields for Morgan OWL	+64.22	+66.48%
Hedgerow Units at Morgan Onshore Substation and Lea Marsh Fields for Morgan OWL	+9.28	+54.66%
Watercourse Units at Morgan Onshore Substation and Lea Marsh Fields for Morgan OWL	+4.07	+91.77%
Morecambe OWL		
Habitat Units at Morecambe Onshore Substation and Lea Marsh Fields for Morecambe OWL	+15.63	+25.22%
Hedgerow Units Morecambe Onshore Substation and Lea Marsh Fields for Morecambe OWL	+3.04	+31.93%
Watercourse Units at Morecambe Onshore Substation and Lea Marsh Fields for Morecambe OWL	N/A	N/A

6.2.2.3 The Biodiversity Benefit calculation therefore concluded that Morgan substation can meet the minimum 10% net gain requirements for habitat units and hedgerow units, but not for watercourse units. Whereas, Morecambe substation can meet the minimum 10% net gain for hedgerow units (again delivering greater than 10% net gain) but not for habitat units. The proposals at Lea Marsh fields would therefore offset the shortfalls in watercourse and habitat units for Morgan and Morecambe respectively when measured using the DEFRA metric calculator tool.

6.3 Option 2: To only deliver 10% Biodiversity Benefit

6.3.1.1 Option 2 below sets out a way to only deliver 10% Biodiversity Benefit as oppose to, Option 1 in excess of 10% Biodiversity Benefit, with the majority delivered at the onshore substations and reducing the total area of land taken Lea Marsh fields to only cover the shortfall of delivering 10% net gain (watercourse units for Morgan OWL and habitat units for Morecambe OWL).

6.3.1.2 A revised set of BNG calculations has been undertaken to demonstrate that it would be possible to proportionally reduce the area of land required Lea Marsh Fields to only deliver 10% net gain for both Morgan OWL and Morecambe OWL.

6.3.1.3 As set out in **Table 8**, the Applicants have prioritised reducing the land take required at Lea Marsh Fields by firstly maximising the biodiversity

benefit that can be delivered at the onshore substation sites. This means that Lea Marsh Fields would only be required to deliver watercourse units for Morgan OWL and habitat units for Morecambe OWL.

6.3.1.4 This would result in a reduction in the area of land in which biodiversity benefits would be delivered at Lea Marsh Fields from 12 ha to approximately 3 ha. The location of the reduced area within Lea Marsh fields would need to be carefully considered to take into account the habitat delivery requirements such as proximity to the existing ditch network for successful watercourse unit delivery. Although this reduces the overall land take required, compulsory acquisition powers are still needed to be able to deliver the 10% biodiversity benefit in this area.

6.3.1.5 The Applicants consider that this could be secured without a reduction in the order limits through the wording of any biodiversity benefit requirement and alignment of this with the relevant works descriptions (Work No 44A and 44B). This would ensure only the land needed to provide the agreed level of biodiversity benefit could be acquired and provide necessary flexibility for the Applicants to identify and agree the relevant areas of land as part of detailed design.

6.4 Option 3: Provision of funding equivalent Biodiversity Projects

6.4.1.1 Should the offsite measures at Lea Marsh Fields be deemed entirely unsuitable by the SoS, the Applicants could commit to providing funding to support alternative biodiversity projects in the nearby area. This could be delivered via a scheme to be approved by the relevant planning authority as set out in a requirement of the DCO securing biodiversity benefit

6.5 Option 4: Purchase Biodiversity Credits

6.5.1.1 Should the offsite measures at Lea Marsh fields be deemed entirely unsuitable by the SoS, and there are no options to provide funding to alternative biodiversity projects, the Applicants could purchase statutory biodiversity credits to offset the identified shortfall in watercourse units for Morgan substation and habitat units for Morecambe substation to deliver 10 % net gain percentage. This could also be delivered via a scheme to be approved by the relevant planning authority as set out in a requirement of the DCO securing biodiversity benefit.

7 Securing and delivering biodiversity benefit

7.1.1.1 In response to the recent focus on the Applicants' provision of biodiversity benefit for the Transmission Assets and the Examining Authority's second questions, the Applicants are reviewing the most appropriate mechanism for securing and delivering biodiversity benefit.

7.1.1.2 The Applicants consider the appropriate mechanism is likely to be a requirement of the DCO which secures approval of a scheme by the relevant planning authority based on the details set out in the Onshore

Biodiversity Benefit Statement (J11/F05). The Applicants proposed a 'without prejudice' DCO requirement at Deadline 4 (see requirement 26 of REP4-007) and are reviewing the drafting of this requirement to ensure it provides this the necessary flexibility to deliver the options set out in **section 6**. If secured through this mechanism, enforcement would be via the relevant planning authority as with all other schemes or plans approved. The Applicants will confirm their proposed approach at Deadline 6.

7.2 Delivering BNG

7.2.1.1 The delivery, management and monitoring of the BNG areas will be undertaken by an appointed ecological clerk of works (ECoW) and/or independent ecological consultants, with regular reporting to the relevant planning authority. Enforcement will be supported by Requirements 26 of Schedule 2a and 2B and/ or the Section 106 planning conditions. These mechanisms will ensure that habitat enhancements are maintained and monitored over the full 30-year period, with adaptive management measures in place to respond to any unforeseen ecological changes or challenges with the proposed measures.

7.3 Land rights

7.3.1.1 As set out in paragraph 1.6.1.5 of the Statement of Reasons (REP4-016) in order to authorise the securing of compulsory acquisition powers within a development consent order the Secretary of State must be satisfised that the land:

- Is required for the development to which the development consent relates, or
- Is required to facilitate or is incidental to that development, and
- That there is a compelling case in the public interest for the land to be acquired compulsorily.

7.3.1.2 The Applicants' position is that the BNG land 'is required to facilitate or is incidental to the development'

7.3.1.3 The relevant guidance for DCOs is set out in the Communities and Local Government Guidance 'Planning Act 2008: Guidance related to procedures for compulsory acquisition' (DCLG 2013). This explains at Paragraph 8 that:

'The applicant should be able to demonstrate to the satisfaction of the Secretary of State that all reasonable alternatives to compulsory acquisition (including modifications to the scheme) have been explored. The applicant will also need to demonstrate that the proposed interference with the rights of those with an interest in the land is for a legitimate purpose, and that it is necessary and proportionate'.

7.3.1.4 In addition, in the context of land required to facilitate or is incidental to the proposed development, the guidance states (at Paragraph 11):

'An example might be the acquisition of land for the purposes of landscaping the project. In such a case the Secretary of State will need to be satisfied that the development could only be landscaped to a satisfactory standard if the land in question were to be compulsorily acquired, and that the land to be taken is no more than is reasonably necessary for that purpose, and that is proportionate'.

7.3.1.5 Given the NPS expressly provide for the securing of CA powers for the delivery of BNG the questions for the SoS to consider in authorising those powers in relation to the land at Lea Marsh is whether:

- BNG could only be delivered to a satisfactory standard with the land at Lea Marsh Fields.
- The land identified for BNG is no more than is reasonably necessary and is proportionate.
- There is compelling evidence that the public benefits of delivering BNG outweigh the private loss to those whose land is being acquired.

7.3.1.6 To aid the Secretary of State, in their decision as to whether CA powers should be granted for the delivery of BNG the Applicants have provided the following responses to demonstrate the CA tests are met.

7.3.2 Could BNG be delivered to a satisfactory standard without the land at Lea Marsh Fields?

7.3.2.1 If Lea Marsh fields were removed from the BNG calculation entirely, there would be a shortfall in habitat units for Morecambe substation and watercourse units for Morgan substation respectively to deliver 10% net gain. In principle, this shortfall would be able to be met through either off-site delivery (i.e. outside the Order Limits, the funding of other biodiversity projects in the local authority area(s), or the purchase of off-site BNG offsetting credits from either a private provider or statutory government credits. The Applicants could not be required to deliver offsite biodiversity benefit as it would not have access to CA powers if a voluntary agreement could not be secured.

7.3.2.2 In addition, as outlined in **section 4.2.3**, the Applicants have sought to site the areas of Biodiversity Benefit delivery as close to the area of permanent habitat loss as possible. If Lea Marsh Fields were to be delivered further benefits for the local ecological area would be provided as this would ensure there was a high ecological value habitat buffer between to the two BHS's which would increase their resilience to current and future pressures. Lea Marsh Fields is also an area identified in the Lancashire Local Nature Recovery Strategy (LNRS) as "*Areas that Could Become of Particular Importance*", which are locations within the county where there are opportunities to create, connect or improve habitats most likely to provide the greatest benefit for nature and the wider environment.

7.3.2.3 If Option 4 (buying biodiversity credits) were to be selected, it is unlikely that the biodiversity benefit would be delivered locally.

7.3.3 Is the land identified no more than is reasonably necessary and is proportionate?

7.3.3.1 As the Applicants' have set out above in Section 3, in agreement with the EWG pre-application, the BNG calculations and provision took a proportionate approach in that they were based upon the areas for the permanent above ground infrastructure not the whole Order Limits. To have made provision for the whole Order Limits would have required approximately 100 ha of land (no net loss) and 155Ha (10% gain), the vast majority of which would only be temporarily taken out of agricultural use during construction (although potentially for more than 2 years) and reinstated post-installation of the cables.

7.3.3.2 In addition, the Applicants have identified separate biodiversity benefit areas for each project and are only seeking the ability to acquire the land identified for their project. This ensures that the extent of the land take for each project is clear and can be considered separately for the purposes of compliance with the relevant CA tests.

7.3.3.3 The BNG assessment including the habitats at Lea Marsh fields indicates that the net gains would exceed 10% minimum net gain for projects subject to mandatory net gain. However, there is no upper limit on the net gains that can be delivered and there are precedents in the approach taken by other similar NSIP projects that are proposing to deliver greater than 10% net gain for buried cables as set out earlier in this note. The rationale supporting the selection of the Lea Marsh fields site for biodiversity benefits has been discussed at length in this note, and it is reiterated that the principles of the Applicants' strategy around improving biodiversity, and the ecological coherence and resilience of the BHS network, were the key factors in the site selection. A BNG assessment using the statutory DEFRA metric calculator has been used only to demonstrate that the projects can deliver measurable net gain, and not to ensure that an arbitrary minimum value would be delivered.

7.3.4 The public benefits outweigh the private loss

7.3.4.1 The land at Lea Marsh Fields is owned by Tallentine Limited. The land is currently let on a short term agreement for livestock grazing. The occupier of the land has a land holding away from this parcel of land and from the discussions to date, it is understood the loss of this land would not have a detrimental impact on the overall operation of the holding. The Applicants are in active discussions with the landowner with a view to securing a voluntary agreement for the purchase of the land.

7.3.4.2 An alternative to freehold acquisition would have been for the Applicant's to only seek rights in the land. However, this would not provide the Applicants with the necessary control of the use and management of the land, and would be less advantageous to the landowner who would not secure full value for the land.

7.3.4.3 The Applicants consider there may be opportunities for more limited grazing of the land in conjunction with its use as a biodiversity benefit

area and will continue to engage and work with the landowner and occupier to minimise any disturbance to the business as a result of the Applicants proposals.

8 Conclusion

8.1.1.1 The Morgan and Morecambe Offshore Wind Farms Transmission Assets are being advanced in a context where BNG is not yet a statutory requirement for Nationally Significant Infrastructure Projects. Nevertheless, the Applicants have proactively committed to delivering measurable biodiversity benefits that align with the intent of the Environment Act 2021, National Policy Statements EN-1 and EN-5, and the National Planning Policy Framework.

8.1.1.2 Through a proportionate, evidence-based approach, the Applicants have demonstrated that:

- Biodiversity benefit can be delivered for all permanent above-ground infrastructure, with measures integrated into substation landscaping, and ecological enhancements at Lea Marsh Fields.
- Lea Marsh Fields provides a strategically located opportunity to deliver substantial additional biodiversity gains, strengthen ecological connectivity between designated sites, and contribute to the Lancashire Local Nature Recovery Strategy.
- A hierarchy of biodiversity benefit delivery options ensures that biodiversity benefit can be achieved even if constraints arise, whether through on-site provision, reduced off-site delivery, funding of local biodiversity projects, or the purchase of biodiversity credits.

8.1.1.3 The Applicants' voluntary approach reflects best practice emerging across similar NSIPs and is supported by a robust 30-year management and monitoring framework. This commitment ensures that biodiversity benefit will not only offset permanent land take but also contribute to wider ecological resilience and the delivery of strategic environmental outcomes in Lancashire.

8.1.1.4 In conclusion, the Morgan and Morecambe Transmission Assets can deliver biodiversity benefit, exceed the minimum 10% target where feasible, and provide a long-term positive legacy for nature in the local area alongside the delivery of nationally significant renewable energy infrastructure.