

By e-mail

Offshore.Coordination@ofgem.gov.uk

8<sup>th</sup> September 2021

Dear Neil Copeland, Patricia Dunne and Mary Walsh,

### **Consultation – Increasing coordination in the development of offshore energy networks**

Natural Resources Wales (NRW) is grateful for the opportunity to comment on the above consultation.

The statutory purpose of NRW is set out by the Environment (Wales) Act 2016. In the exercise of its functions NRW must pursue sustainable management of natural resources in relation to all of its work in Wales and apply the principles of sustainable management of natural resources in so far as that is consistent with the proper exercise of its functions. NRW's duty (in common with the other public bodies covered by the Well-Being of Future Generation (Wales) Act 2015) is to carry out sustainable development. This means, in general terms, looking after air, land, water, wildlife, plants, and soil to improve Wales' well-being, and provide a better future for everyone. NRW are also advisors to the Welsh Government on the natural heritage and resources of Wales and its coastal waters.

NRW is also an Appropriate Nature Conservation Body under the Conservation of Habitats and Species Regulations 2017. NRW's primary roles in relation to offshore development are as a licensing authority under the Marine & Coastal Access Act 2009 for issuing Marine Licences and as a statutory consultee on strategic plans and on projects. Our comments are therefore provided in the context of NRW's statutory purpose, functions, powers and duties.

In 2019, Welsh Government declared a climate change emergency and has a long-standing commitment to decarbonisation reflected in Welsh legislation and policy. At the same time, Welsh Government has, through its Nature Recovery Planning, recognised the need for urgent action to increase the resilience of our ecosystems in order to reverse the decline in habitats and species. NRW's advice reflects the need to maximise the deployment of renewable energy whilst at the same time ensuring that significant effects on the environment are avoided.

NRW is a member of the OTNR working group and ESO Environmental subgroup and welcomes the opportunity to input into the work of the OTNR through its membership of these groups and in response to this consultation. In the annexes that follow, we have provided some general comments and have responded to the questions that are most relevant to our role and expertise.

I hope that you find these comments helpful. If you have any questions regarding the response, please contact Emily Groves ([emily.groves@cyfoethnaturiolcymru.gov.uk](mailto:emily.groves@cyfoethnaturiolcymru.gov.uk)) in the first instance.

Yours sincerely,

A handwritten signature in cursive script, appearing to read 'Mary Lewis'.

Mary Lewis

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Croesewir gohebiaeth yn y Gymraeg a'r Saesneg  
Correspondence welcomed in Welsh and English

## Annex 1. General comments

1. NRW welcomes the intention to deliver better coordination of grid infrastructure development given the potential benefits of reduced environmental impact, and is very supportive of the OTNR project. Reducing the number of landfall locations will also help to reduce impacts and consenting risk, especially off the North and South-west Wales coast where existing grid connection is already concentrated and, or where new infrastructure is anticipated.

### Welsh Legal and Policy Context

2. Grid and cabling activities are regulated through the issue of marine licences subject to the requirements of the [Marine and Coastal Access Act \(2009\)](#). Licence applications need to be accompanied by assessments that are required by legislation such as Environmental Impact Assessment (EIA) under the [Marine Works \(Environmental Impact Assessment\) Regulations \(2007\)](#) (as amended), and Habitats Regulations Assessment (HRA) that may be required under the [Conservation of Habitats and Species Regulations \(2017\)](#).
3. Many environmental receptors are protected by legislation and conventions that will require that adverse effects are avoided. An overview of the range of protections that are applicable to marine development and the requirements of the legislation that underpins them is available on the NRW [website](#).
4. The Welsh National Marine Plan (WNMP) sets out an integrated, evidenced and planned approach to sustainable development, respecting established uses and interests whilst looking to secure benefits from new opportunities; recognising the importance of our heritage, ecosystem resilience and the value of biodiversity and supporting the sustainable management of our natural resources.
5. The WNMP's 'sector supporting' policies recognise this and include policy guiding relevant public authorities and development sectors, in liaison with others, to collaborate to understand opportunities for sustainable development, and for these to be appropriately supported by marine planning through:
  - the sustainable use of certain natural resources and, in some cases,
  - the definition, development and refinement of Strategic Resource Areas<sup>1</sup>

In support of WNMP implementation Welsh Government is taking a spatial approach to understanding opportunities and constraints in relation to sustainable resource use. This is likely to include development of supplementary marine planning tools and spatial evidence to support the implementation of WNMP policy. It will be important for the OTNR to align with the requirements of the WNMP and utilise any spatial evidence that the plan develops.

6. In line with the Wellbeing of Future Generations (Wales) Act (2015) and the Environment (Wales) Act (2016), Sustainable Management of Natural Resources requires the maintenance and enhancement of ecosystem resilience and the benefits that ecosystems provide. The WNMP includes general and sector specific policies which, taken together, support delivery of SMNR and encourages the restoration and enhancement of marine ecosystems ([Marine planning | GOV.WALES](#)). It would therefore

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<sup>1</sup> Strategic Resource Areas (SRAs) would activate WNMP safeguarding policy to safeguard areas of resource of particular importance to specific marine sectors. The production of locational guidance for a sector does not require the identification of SRAs; however, sector locational guidance may inform the identification of SRAs

be sensible to consider if and how network design might also contribute to enhancement as well as the avoidance of impact.

### Marine Protected Area Network

7. Welsh Government, with support from NRW and the JNCC, are currently working with a task and finish group of marine stakeholders to identify a small number of possible Marine Conservation Zones (MCZs) within Welsh waters. The MCZs will be multi-use and their management will be determined by the sensitivity of the designated features to activities. Welsh Government are currently working to develop Areas of Search and will commence a period of informal engagement with interested sectors and stakeholders shortly (followed by a public consultation at a later stage). It may therefore be possible and necessary to factor these designations into an environmental assessment of network design.

### Environmental Sensitivity and Network Design

8. We are pleased to see that environmental assessment criteria will inform network design reduce environmental impact and consenting risk. Furthermore, we agree that it is important to holistically consider both offshore and onshore terrestrial transmission to optimise the design of the network from an environmental perspective.
9. It is important to recognise that environmental sensitivity assessments will need to take account of impacts to receptors other than biodiversity, most notably seascape and landscape but also others that may be relevant depending on location and the nature of development such as fisheries and the water environment.
10. We understand that the OTNR is working to a tight timescale, however we are concerned that insufficient time is being allowed to gather the information necessary for sufficiently precise identification of the areas that are sensitive to grid deployment. Spatial information about sensitivity, beyond the simple identification of marine protected areas (MPAs) will be needed because their large extent in Welsh waters means that cable infrastructure may well need to pass through them. Detailed information about the location of sensitive features within MPAs and that must be avoided will be needed.
11. It would be sensible to consider timing and sequencing of the work to ensure that important evidence that will emerge from a range of initiatives can be factored in, such as the Future Energy Scenarios, the Future Offshore Wind Energy Scenarios, The Crown Estate's Habitat's Regulations Assessment and the outputs of ECOWIND. We are also party to other ongoing projects, including the Poseidon Project, which has been proposed by Natural England (NE) to the Offshore Wind Evidence and Change Program, and the Offshore Wind Environmental Evidence Register (OWEER) Project. Although Poseidon is a longer term project, this is also likely to be a valuable source of evidence.
12. Through our membership of the Working Group and ESO Environmental Subgroup, we are keen to support the consideration of environmental sensitivity by the OTNR through the provision of environmental evidence and advice. However, it is currently unclear what information or evidence we will be required to provide and by when. It would therefore be helpful to provide a more detailed program for any advice on sensitivity that NRW will be expected to provide.

### Marine Licensing and Asset Ownership

13. As a regulator with responsibility for issuing marine licences, we would recommend that whatever transmission system concept is adopted, holders of a marine licence for cabling activity should also be the asset owner. This is because the licence holder is responsible for meeting the requirements of any conditions associated with the licence and where assets are split or are transferred between owners, responsibility for licence conditions can also become split making their discharge an extremely complex and time consuming process.

### Floating Offshore Wind

14. The Crown Estate has made an initial announcement that it is commencing work on a new leasing opportunity for commercial scale floating wind projects in the Celtic Sea, in support of Government's ambition to deliver 1 GW of floating offshore wind by 2030. Our understanding is that floating offshore wind will not be taken into account by plans in the Pathways to 2030 workstream, which in our view is a significant omission.

### Multi-Purpose Interconnectors

15. We have no specific comments to make in response to questions on MPI, however in making the case for MPIs, it would seem sensible to consider the benefits to other technologies beyond offshore wind.

## **Annex 2. Consultation questions (we have confined our comments to the questions relating to Pathways to 2030)**

Question 8: We consider that a holistic design will result in a more coordinated, economic and efficient network. Do you agree? Please give reasons for your answer.

Yes. NRW welcomes the network design objective that environmental impacts are avoided, reduced or mitigated by network design. The scope of the Pathways to 2030 workstream includes developments under The Crown Estates' Round 4 and Scotwind but makes no reference to Floating Offshore Wind (FLOW) Development, some of which appears likely to be operational by 2030. FLOW developments that will be completed by that date should be included so that the Generation Map and network design are comprehensive and maximise the benefits of coordination. In addition, it would be helpful to clarify how Pathways to 2030 takes account of extensions to Round 2 and Round 3 offshore windfarms that are seeking connection by 2030.

Question 9. Do you agree with the planned work for a detailed network design offshore?

Detailed Network Design should aim to give as much spatial detail about environmental sensitivity as possible. We recognise that there is a trade-off between the time taken to assess the impacts of design and the level of prescription possible. Below (in Annex 1) we have provided advice already passed to the OTNR team on this matter.

Question 10: Who do you believe is best placed to undertake the detailed design for assets that are in offshore waters?

In addition to the necessary technical understanding of grid development, the assessment of environmental sensitivity will require suitable expertise in spatial environmental evidence and impacts and will also need a good understanding of planning and consenting legislation.

### **Annex 3. Previous NRW Comments submitted to the OTNR Working Group on the Environmental Assessment Criteria (21/01/2021)**

*Notably there are cabling projects in England and Wales that have encountered difficulties in achieving consent, or in some cases have required derogations and environmental compensation for impacts, because it has not been possible to avoid important environmental sensitivities.*

*We have commented on the wording of the assessment criteria to help clarify what will be required and have made suggestions about how to apply the criteria in practice.*

- 1. It may be helpful to reword the criteria description to make the overall aim a bit clearer, we suggest: 'Significant impacts on the environment are avoided, minimised or mitigated by coordinated transmission'*
- 2. In addition to the information contained in the existing bullets we believe it would be helpful to add more specific criteria relating to the biodiversity that is most sensitive and therefore represent the most significant consenting risk. We recognise that there is a balance to be struck in the level of detailed assessment that is possible at the planning stage, in the absence of project detail and that would allow the timescales of the OTNR project to be met. We have therefore suggested a hierarchy of criteria that could be followed to help achieve that balance:*
  - Avoid MPAs altogether*
  - Avoid only the MPAs that are designated for sensitive features (such as benthic habitats and electrosensitive species)*
  - Where an MPA cannot be avoided, avoid the precise locations of designated features that are sensitive\**
  - Avoid sensitive protected features inside and outside of Marine Protected Areas*

*\*Routes passing through sensitive MPA features that are already impacted by an activity will be subject to considerable consenting risk so areas within MPA's that are subject to existing impacts that might act cumulatively on sensitive features of MPA should be avoided.*

*The above criteria could be applied in sequence on a sliding scale. The complexity of assessment would increase as you move down the hierarchy but then so would the opportunity for cable routes. For instance, where it is unlikely that cable corridors would be able to 'Avoid Marine Protected Areas' the next option would be to consider whether routing could 'Avoid Marine Protected Areas designated for sensitive features'. Then, if it is not possible to avoid Marine Protected Areas with sensitive features', attempt to 'Avoid the precise locations of sensitive features within MPAs' and so on.*

*The hierarchy is drawn from the approach set out in joint [advice](#) from JNCC and Natural England to The Crown Estate to inform planning for Round 4 and so would be compatible with the existing bullet that refers to 'Marine constraints as per TCE study'.*

3. *We recognise that applying criteria that require consideration of sensitive features outwith or within MPAs will require detailed information. Some initial information for areas relevant to Round 4 offshore wind development in [England](#) and [Wales](#) is already available via the Marine Data Exchange (scroll to the bottom of the page) but this is also more widely relevant. Additional information about sensitive features in Wales is also available via Welsh Governments planning portal [Lle](#) and NRW are planning to publish further guidance for Wales in the next few months which may also be helpful.*
4. *Finally, it may be helpful to hold more detailed discussions about the interpretation of this information and how the criteria might be applied and NRW and NE would welcome the opportunity to discuss this with you - perhaps within a workshop format similar to that employed for other aspects of the OTNR project and involving relevant stakeholders such as other consultees to the consenting process. We would be happy to participate if you felt that approach would be helpful.*