

A new approach to leasing

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Round 5 Programme Director



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Agenda

- 1 Overview
- 2 PQQ
- 3 ITT 1

- 4 ITT 2
- 5 Entry into AfL
- 6 Q&A after the lunch break



Structure of the Leasing Process

01

Pre-Qualification
Questionnaire
(PQQ)

02

Invitation to
Tender Stage 1
(ITT1)

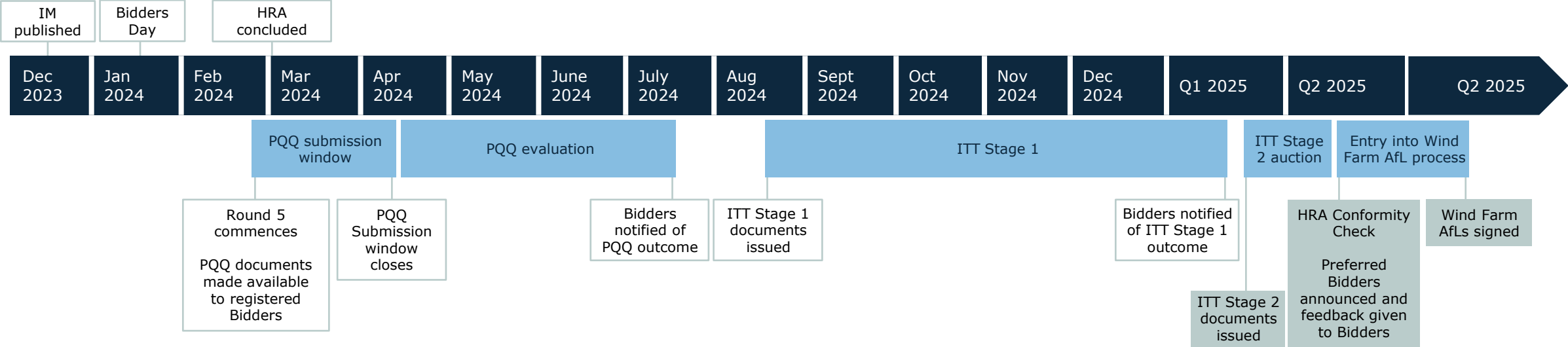
03

Invitation to
Tender Stage 2
(ITT2)

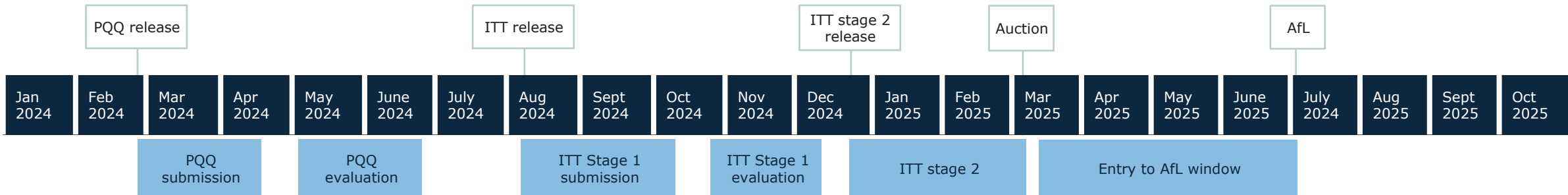
04

Entry into
Agreement for
Lease (AfL)

R5 timeline published in Information Memorandum

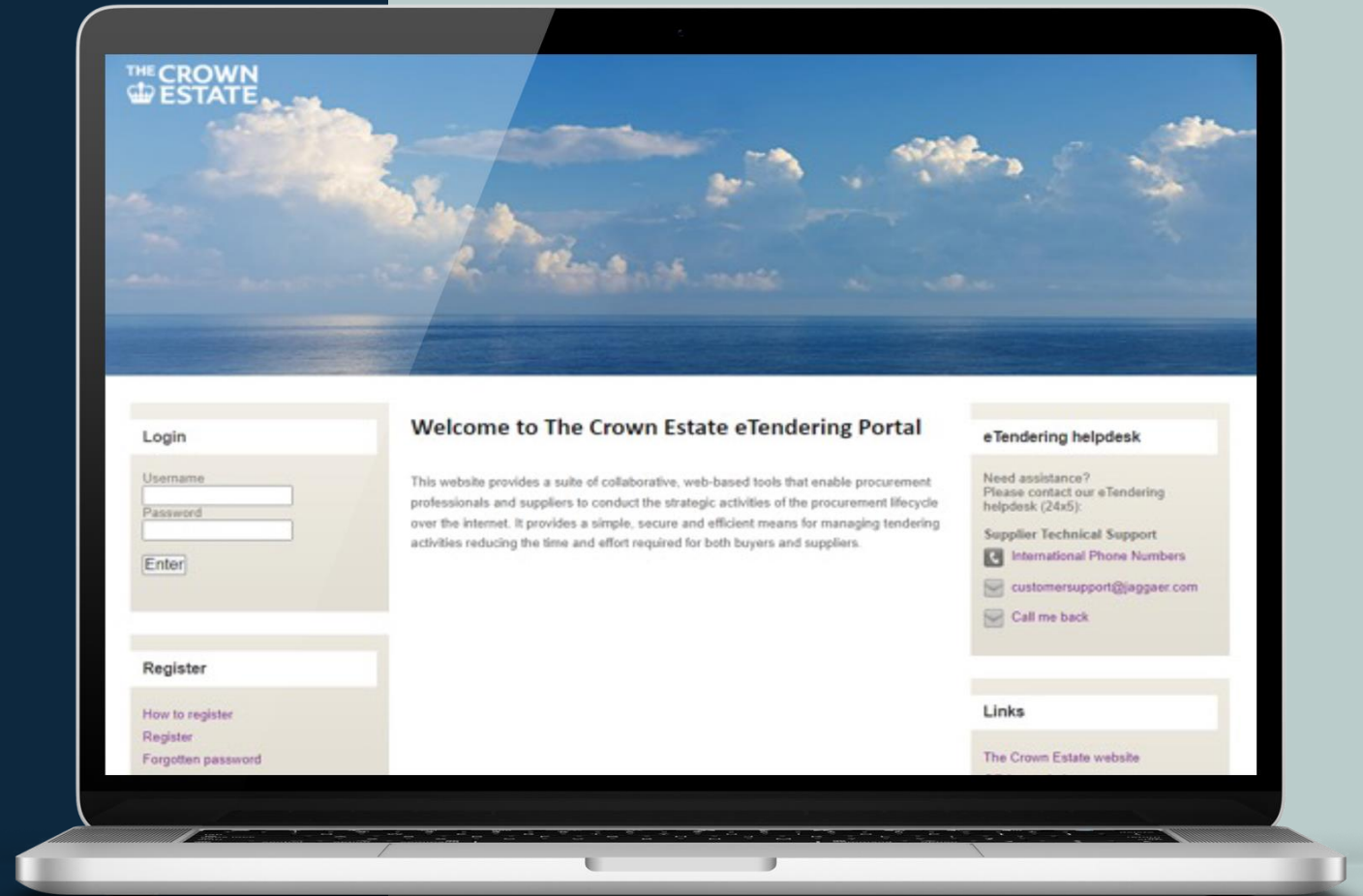


R5 timeline – new Baseline



The Crown Estate tender portal

- Only means to participate in Round 5
- Live now only for Expressions of Interest
- Non-binding but helps planning



Key features of R5 Leasing



Safety First



Ports



Social value



Environmental value



Ascending clock auction



Risk sharing on consenting

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Part 1: PQQ

Nello Bearzatto

Senior Tender Delivery Manager, Marine



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PQQ overview

Expected late February

Three key components:

Legal
Technical
Financial

PQQ submission window
of 7 weeks

Communications to be
managed via the Portal



Bidder entities

- Bids welcome from Sole Bidders and Consortia
- Consortia should be:
 - Formed by time of PQQ response submission
 - Incorporated in time for entry into AfL
- Membership of multiple Consortia not permitted
- AfLs will be entered into with a Project Company owned by Sole Bidder/Consortium



Legal elements

Mandatory and discretionary exclusion criteria:

- Bribery and fraud
- Tax compliance
- Money laundering
- Other serious professional misconduct

Red flag feedback:



Heads of Terms of:

- Preferred Bidder Letter
- AfL and Lease (Wind Farm and Transmission Asset)

Shared at PQQ stage

Opportunity for Bidders to provide "red flag" feedback or comments

Technical evaluation criteria

Bidders' track records



HSE policies

HSE enforcement
action

Offshore development
project management

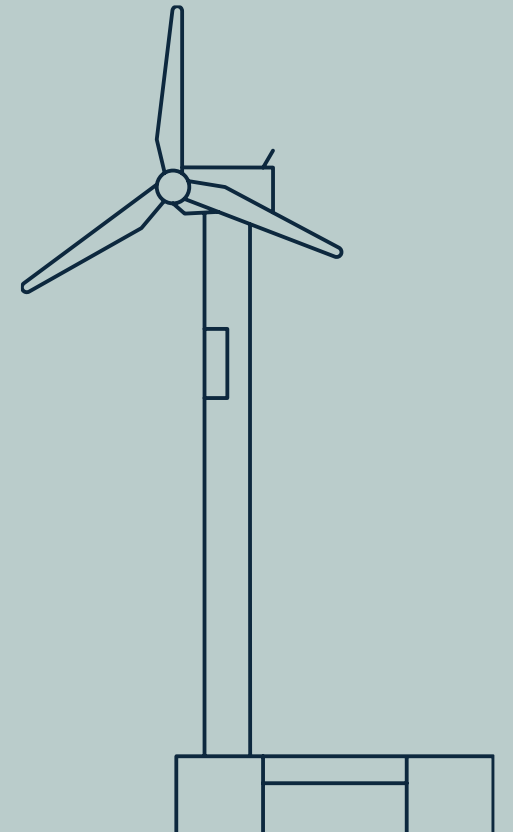
Offshore construction
management or
delivery

Planning consent

Financial evaluation criteria

Based on your three most recent sets of audited financial statements.

Five tender parameters will be evaluated:



Guarantors



Bidders can rely on a Guarantor to satisfy PQQ financial criteria

Guarantor must have direct or indirect equity shareholding of at least 10%

Signed Guarantor's letter of support required

Consortium members' weighting



Evaluated based on aggregated
financial information

Weighted according to
member's/guarantor's proposed
contribution

Members do not need individually to
pass the financial tender parameters

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Part 2: ITT 1

Nello Bearzatto

Senior Tender Delivery Manager, Marine



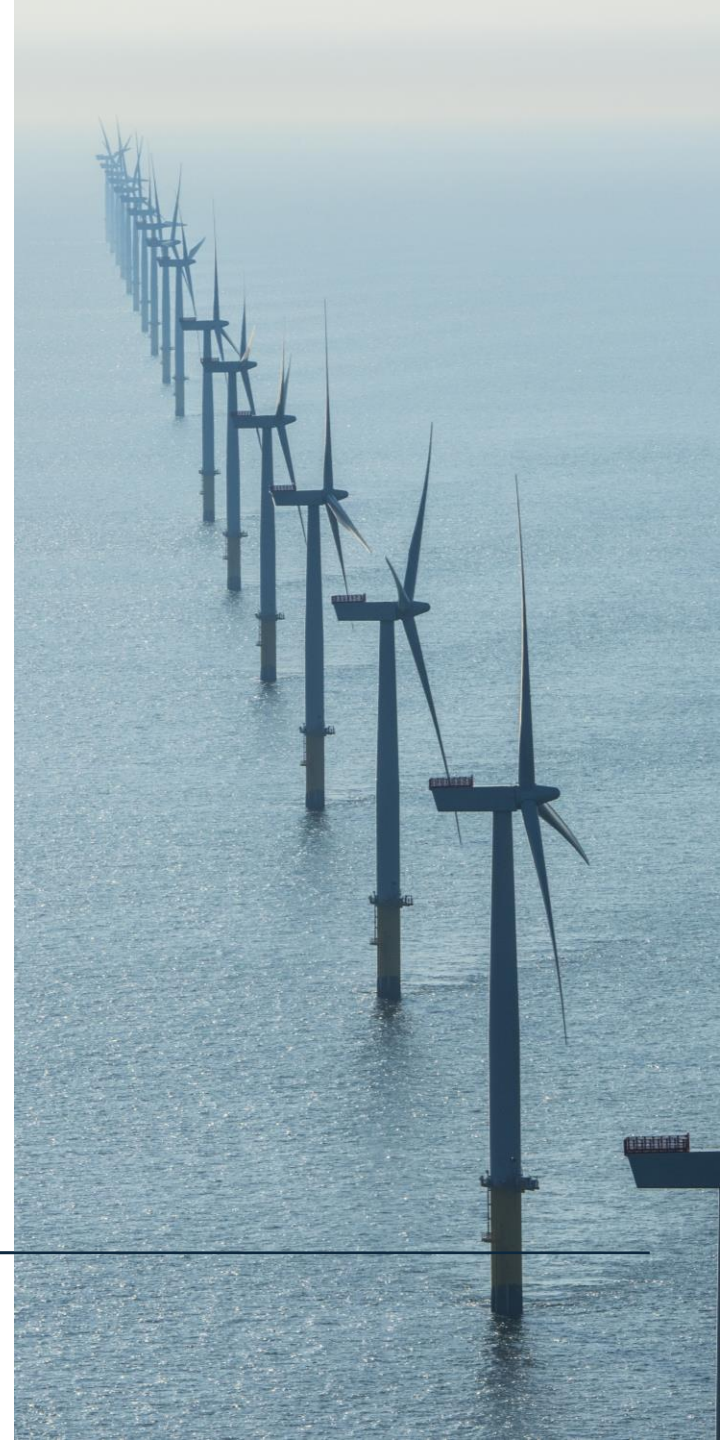
ITT Stage 1 overview

Expected August 2024

Three key components:
Bidder undertaking
Technical questions
Maximum Level of Cash (MLOC)

ITT1 submission window of
approximately 7 weeks

Communications to be
managed via the Portal



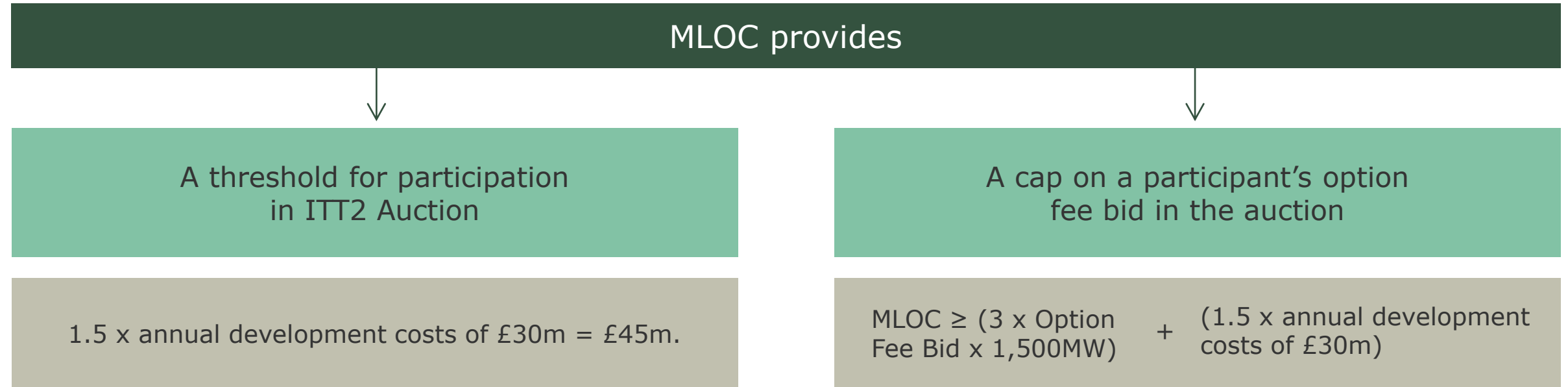
Technical Criteria



HSE management	Consenting & stakeholder engagement	Engineering risk	Schedule and organisational structure
Design envelope	Social value	Ports	Development Plan

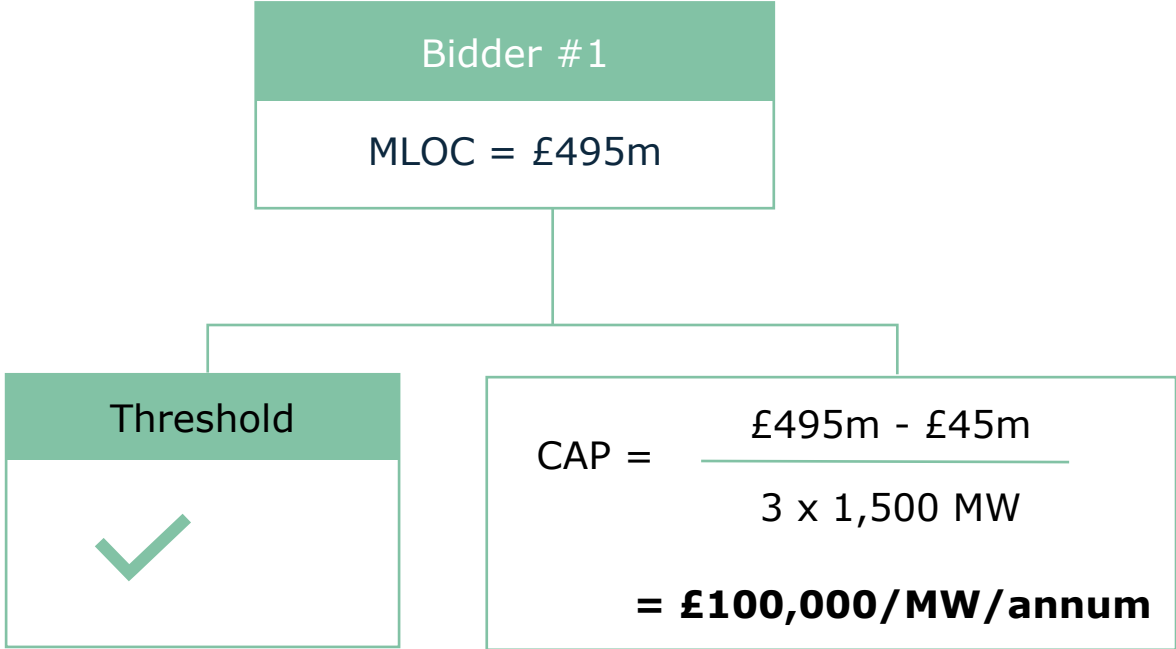
Financial: Maximum Level of Cash (MLOC)

MLOC ensures a Bidder is able to meet the minimum expected future financial commitments required for a Round 5 Development



MLOC Scenario

$$\text{Cap} = \frac{\text{MLOC} - \text{£45m}}{3 \times 1,500 \text{ MW}}$$



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Part 3: ITT 2

Simon Goodwin
Special Advisor, Marine



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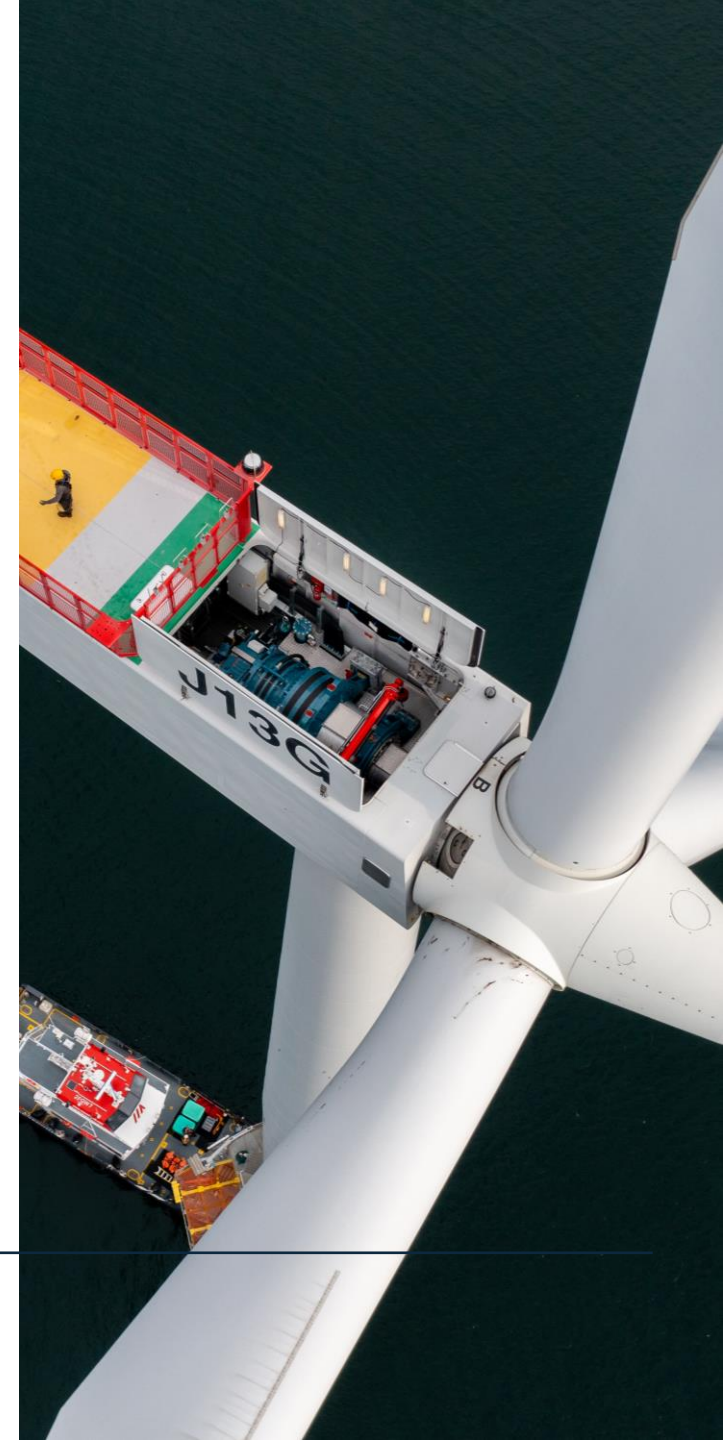
ITT Stage 2 Overview

Ahead of the auction Bidders must execute a Preferred Bidder Letter (PBL)

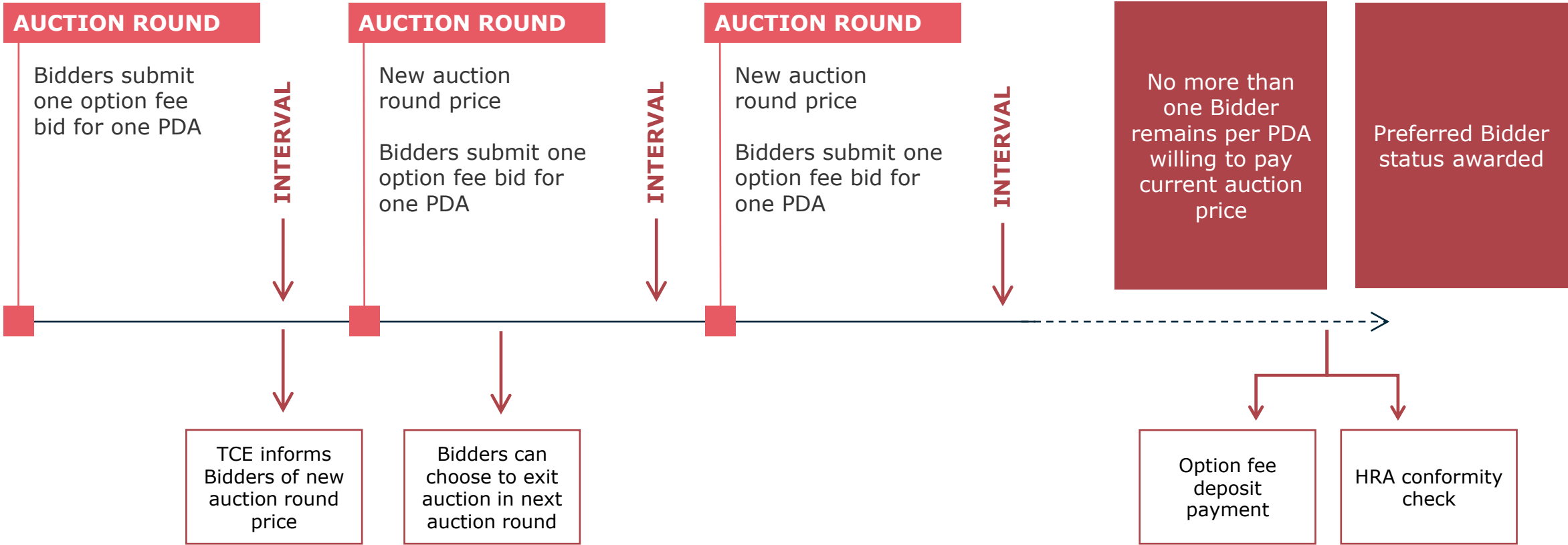
Ascending clock auction will determine a single preferred bidder for each PDA

Auction stops when we have a single and different preferred bidder for each site

HRA conformity check and option fee deposit

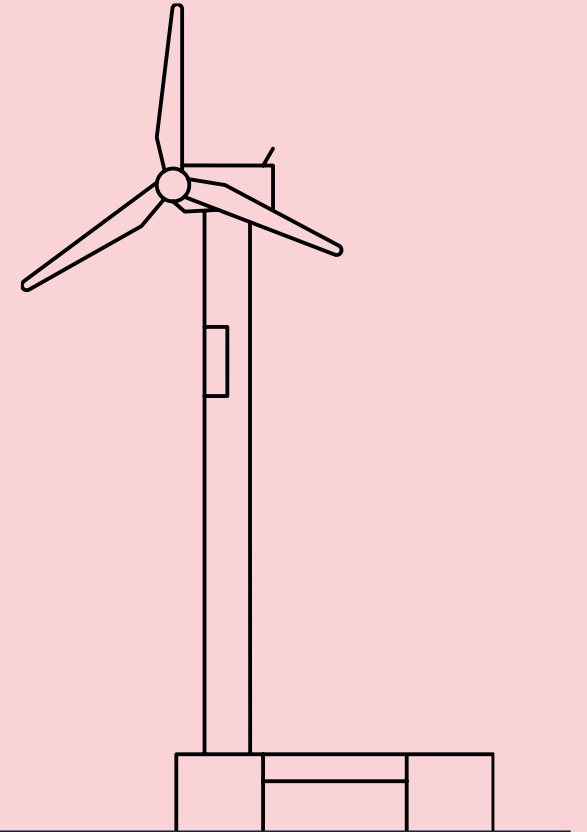


Auction



Concluding ITT Stage 2

- Before entering into PBL we will undertake the HRA conformity check
- Ensures obligations enshrined in the Round 5 legal agreements align with the outcomes of the Plan-Level HRA
- Once the HRA conformity check satisfactorily complete, the entry to AfL process concluded and developers will commence project specific environmental assessments



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Part 4: Entry into Agreement for Lease (AfL)

Jessica Astle

Legal Counsel, Marine



Key Legal Agreements

1. Preferred Bidder Letter

2. Windfarm Agreement For Lease

3. Wind Farm Lease

4. Transmission Agreement For Lease

5. Transmission Lease

Entry into Wind Farm Agreement for Lease



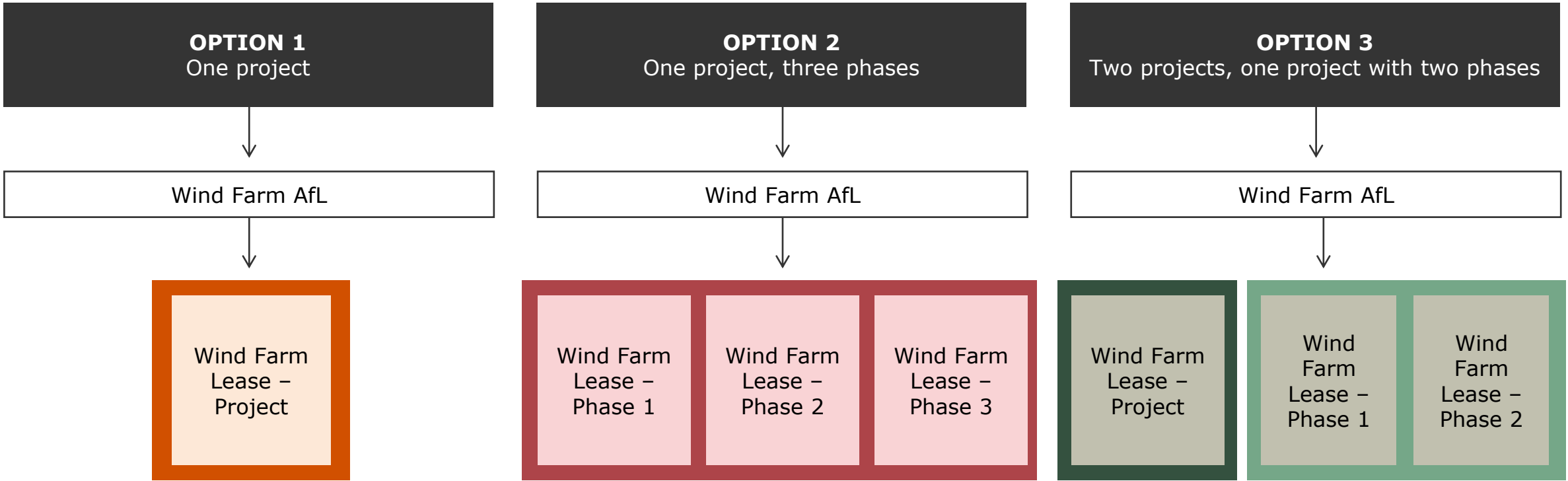
One Wind Farm Agreement for Lease for each PDA

Ports and social value commitments are contractualised

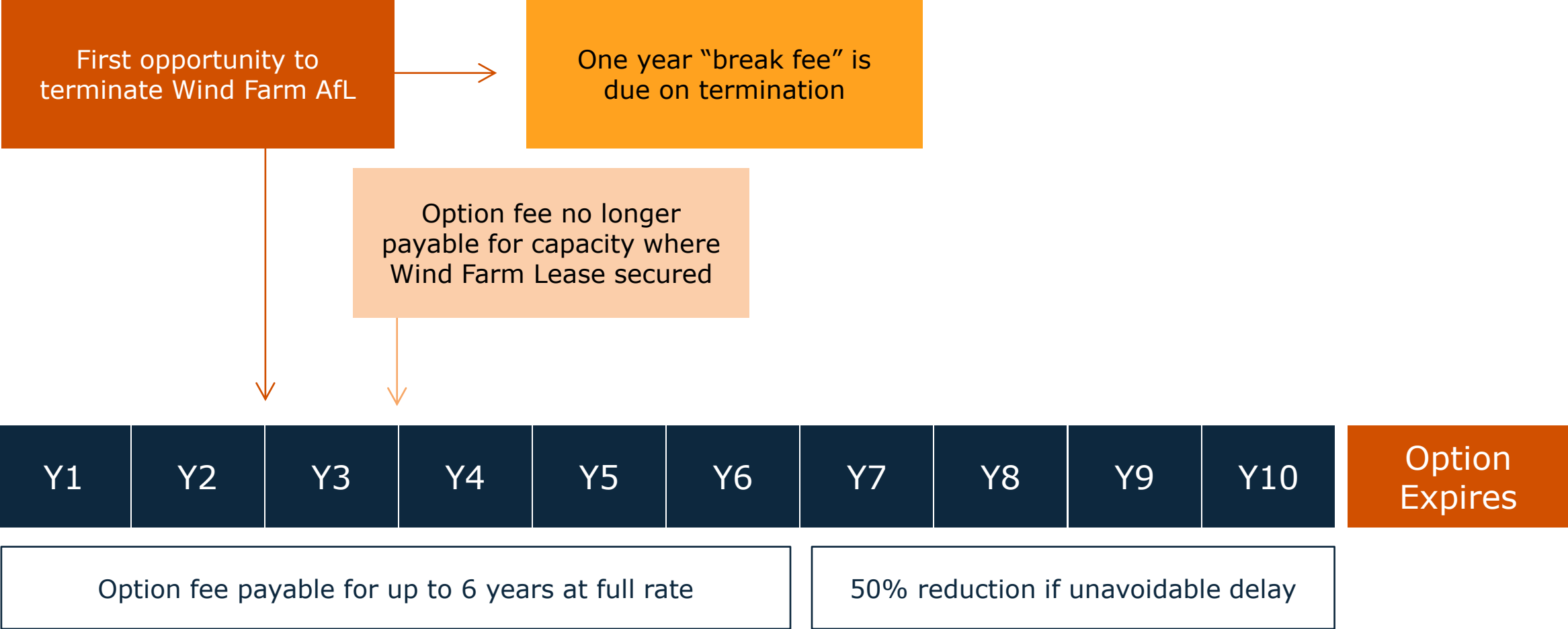
Commitment to provide a Positive Environmental Plan

Wind Farm Agreements

Project and phase flexibility



Option Period Timeline and Option Fees





Thank you