



VENDOR COVERSHEET

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F I V E 
ESTUARIES
OFFSHORE WIND FARM

FIVE ESTUARIES
OFFSHORE WIND FARM
COMPENSATION MEASURES RANKING
APPROACH NOTE

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DEFINITION OF ACRONYMS

TERM	DEFINITION
AEoI	Adverse Effects on Integrity
DCO	Development Consent Order
Defra	Department for Environment, Food & Rural Affairs
HRA	Habitats Regulations Assessment
IROPI	Imperative reasons of overriding public interest
NSIP	Nationally Significant Infrastructure Project
NSN	National Site Network
PINS	Planning Inspectorate
RAG	Red, Amber, Green
VE	Five Estuaries Offshore Wind Farm
VE OWFL	Five Estuaries Offshore Wind Farm Limited



1. BACKGROUND

- 1.1.1 Five Estuaries Offshore Wind Farm (VE) is a proposed extension to the operational Galloper Offshore Wind Farm, which is located approximately 30 km off the coast of Suffolk, England.
- 1.1.2 VE is a Nationally Significant Infrastructure Project (NSIP) under Section 15(3) of the Planning Act 2008 (as amended) (PA 2008). As such there is a requirement to apply for a Development Consent Order (DCO) to the Planning Inspectorate (PINS).
- 1.1.3 As part of the DCO application, VE OWFL is required to present the information needed to undertake a Habitats Regulations Assessment (HRA). In order to maintain the coherence of the National Site Network (NSN) network, the HRA process assesses whether the proposal has significant effects on the site features, conservation objectives and site integrity. If the HRA process deems that Adverse Effects on Integrity (AEol) cannot be excluded, a derogations process is followed. The derogations process assesses whether alternative solutions can be found. In the event that no alternative solutions can be found, and if there are imperative reasons of overriding public interest (IROPI), the final stage of the derogations process is to develop measures to compensate for harm to a site.
- 1.1.4 This document has been produced to facilitate the development of compensation measures that will form part of an HRA derogation case as required for VE. It provides information to help inform decisions regarding the potential feasibility of compensation measures. The document outlines the ranking methodology used to narrow down an initial longlist of compensation ideas into a shortlist of options. Categories against which compensation options were evaluated are outlined, and the scoring system and criteria discussed.



2. RANKING APPROACH

2.1 CURRENT GUIDANCE

2.1.1 Three documents were used to inform the design of the ranking criteria against which the longlist of compensation options will be scored and narrowed down into a short list. These are the European Commission publication "*Managing Natura 2000 sites. The provisions of Article 6 of the 'Habitats' Directive 92/43/EEC*" (European Commission, 2018); Defra guidance, currently under consultation, titled "*Best practice guidance for developing compensatory measures in relation to Marine Protected Areas*" (Defra, 2021); and the Natural England "*Checklist for compensatory measure submissions*" (Natural England, 2021).

2.1.2 The European Commission (2018) outlines the following criteria for designing compensatory measures:

- > **Targeted compensation** – the compensatory measures must be specific and appropriate to the predicted impacts;
- > **Effective compensation** – to ensure compensation measures are effective, "*technical feasibility must go hand in hand with the appropriate extent, timing and location of the compensatory measures*". Monitoring during the implementation period is needed to ensure long-term effectiveness;
- > **Technical feasibility** - the compensatory measure must follow the best scientific knowledge, and take into account the specific requirements of the ecological features;
- > **Extent of compensation** – the extent required "*is directly related to the quantitative and qualitative aspects inherent to the elements of integrity likely to be impaired and to the estimated effectiveness of the measures*";
- > **Location of compensatory measures** – compensatory measures should be located as to be most effective at maintaining Natura 2000 network coherence;
- > **Timing of compensation** – compensation must be in place at a time that ensures continuity in ecological processes; and
- > **Long term implementation** – the legal and financial basis for long-term implementation, protection, monitoring and maintenance must be secured.

2.1.3 The draft Defra guidance (2021) propose that all projects should consider the following factors:

- "a) The extent of the impact – the number and status of the features affected;*
- b) The environmental value and function of the affected feature;*
- c) The environmental value and function of the proposed compensatory measure;*
- d) The location of the proposed compensatory measure;*
- e) How quickly compensatory measures are expected to be functioning and contributing to the network; and*
- f) The confidence in the measure being entirely effective and the ability for its success to be monitored and managed accordingly."*



2.1.4 In addition, Defra outline a hierarchy of compensatory measures based on the principle that the use of non-like for like measures decreases the certainty of success. Compensatory measures lower on the compensation hierarchy are expected to deliver a larger extent of compensation. The compensation hierarchy is described as follows:

- > Address same impact at same location;
- > Same ecological function, different location;
- > Comparable ecological function, same location;
- > Comparable ecological function, different location;

2.1.5 Natural England, in its check list for compensatory measures submissions (Natural England, 2021), provides the following list of aspects that need to be included in detail in application submissions:

a) What, where, when: clear and detailed statements regarding the location and design of the proposal.

b) Why and how: ecological evidence to demonstrate compensation for the impacted site feature is deliverable in the proposed locations

c) For measures on land, demonstrate that on ground construction deliverability is secured and not just the requirement to deliver in the DCO e.g. landowner agreement is in place. For measures at sea, demonstrate that measures have been secured e.g. agreements with other sea or seabed users.

d) Policy/legislative mechanism for delivering the compensation (where needed)

e) Agreed DCO/DML conditions

f) Clear aims and objectives of the compensation

g) Mechanism for further commitments if the original compensation objectives are not met – i.e. adaptive management

h) Clear governance proposals for the post-consent phase – we do not consider simply proposing a steering group is sufficient

i) Ensure development of compensatory measures is open and transparent as a matter of public interest, including how information on the compensation would be publicly available

j) Timescales for implementation especially where compensation is part of a strategic project, including how timescales relate to the ecological impacts from the development

k) Commitments to ongoing monitoring of measure performance against specified success criteria

l) Proposals for ongoing ‘sign off’ procedure for implementing compensation measures throughout the lifetime of the project, including implementing feedback loops from monitoring.

m) Continued annual management of the compensation area including to ensure other factors are not hindering the success of the compensation e.g. changes in habitat, increased disturbance as a result of subsequent plans/projects”.



2.2 RANKING CRITERIA

2.2.1 Using the recommendations from the European Commission, Defra and Natural England discussed in the previous section, the following seven ranking categories were designed:

- > Specificity;
- > Effectiveness;
- > Technical feasibility;
- > Extent;
- > Timing;
- > Environmental value; and
- > Long-term planning.

2.2.2 For each ranking category, a scoring system ranging from one to five was designed, with one representing the lowest score and five the highest. The highest-scoring compensation measures will be taken forward to the compensation measure shortlist. In the section below, each category and the corresponding scoring criteria are discussed in detail.

SCORING

2.2.3 **Specificity:** Does the compensation measure target the impacted feature at the impacted location, or is the focus of the proposed measure a different feature and/or different location?

- > 5 points: the proposed measure benefits the impacted feature at the impacted SPA/SAC.
- > 4 points: the proposed measure benefits the same feature, but at a different site in the National Site Network.
- > 3 points: the proposed measure benefits the same feature, but at a different, non-SPA/SAC site.
- > 2 points: the proposed measure benefits a different feature at the impacted SPA/SAC.
- > 1 point: the proposed measures benefit a different feature at a different site (either within the national site network or elsewhere).

2.2.4 **Effectiveness:** is there confidence that the measure will be effective at delivering the required compensation at the proposed location?

- > 5 points: There is strong evidence on the effectiveness of the proposed measure for the impacted feature, and the effectiveness has been evidenced at similar locations (e.g. within similar habitat types).
- > 4 points: There is some evidence on the effectiveness of the proposed measure for this feature. Additionally, there is substantial evidence of the effectiveness of the proposed measure for a broadly similar feature/location, or substantial evidence of the effectiveness of a similar measure for the same feature/location.
- > 3 points: There is some evidence on the effectiveness of the proposed measure for this feature. Additionally, there is some evidence of the effectiveness of the proposed measure for a broadly similar feature/location, or some evidence of the effectiveness of a similar measure for the same feature/location.
- > 2 points: There is little to no evidence on the effectiveness of the proposed measure at the impacted feature and proposed location. There is some evidence



of the effectiveness of the proposed measure for a broadly similar feature/location, or some evidence of the effectiveness of a similar measure for the same feature/location.

- > 1 point: There is little to no evidence that the proposed measure will be effective. There is also no evidence on the effectiveness of the proposed, or similar measures on other features.

2.2.5 Technical feasibility: Does the technology/policy/legislative framework for delivery exist? Is the measure designed according to the best scientific knowledge, and is it targeted to the requirements of the impacted feature? Could the deliverability of the measure be secured (e.g. landowner agreement/planning permission in place).

- > 5 points: The technology, policy and/or legislative framework exists and is of high scientific quality and targeted to the impacted feature. Any landowner agreements, planning permissions etc. can be in place by DCO submission.
- > 4 points: The technology, policy and/or legislative framework exists and is of high scientific quality, but some work is needed (e.g. small changes to technical designs or minor, feasible, policy changes). Discussions for landowner agreements, planning permissions etc. will be underway, with some security in place by DCO submission (such as letters of comfort etc.).
- > 3 points: The technology, policy and/or legislative framework exists, but substantial work is needed (re-designs of technology, substantial legislation changes, obtaining landowner agreement, getting planning permission).
- > 2 points: Technical deliverability is deemed challenging. The technology, policy and/or legislative framework does not yet exist (but could potentially be developed), or substantial challenges in obtaining the relevant permissions are anticipated.
- > 1 point: Technical delivery is unlikely to be achievable. The technology, policy and/or legislative framework does not yet exist and is unlikely to be developed within the required timeframe. Alternatively, technology/policy/legislation exists, but other aspects of technical delivery (e.g. obtaining landowner agreement/planning permission) are deemed infeasible.

2.2.6 Extent: Can the measure be feasibly delivered at the extent (e.g. at the necessary size/area/duration) needed to deliver the required compensation? Note that this category does not consider technical feasibility and anticipated timeframes for delivery, which are assessed in separate categories.

- > 5 points: The compensation measure is delivered at such a large extent that once in place, full compensation is delivered within a very short timeframe, and substantial additional gains are likely delivered over the lifetime of the measure. Ecological function will be re-instated so rapidly that ratios of 1:1 (or below) could be considered.
- > 4 points: The compensation measure is delivered at a large extent, and is anticipated to deliver more than the required amount of compensation.
- > 3 points: The measure will be delivered at the extent required for full compensation, but substantial additional gains are not anticipated.
- > 2 points: There is uncertainty around delivering this measure at the required extent for full compensation. Ratios above 1:1 and contingency plans will be needed to ensure the compensation is delivered.
- > 1 point: The measure cannot feasibly be realised at the required extent to deliver compensation.



2.2.7 Timing: Are the timescales for implementation appropriate? Are they proportionate to the anticipated ecological impacts, and do they ensure continuity of network connectivity and ecological processes?

- > 5 points: The measure will be fully operational and is delivering the required compensation before the ecological impacts occur.
- > 4 points: The measure will be operational by the time the ecological impacts occur, but there is some uncertainty around the required compensation being fully delivered at that point in time (e.g. due to technical constraints). Any time lag is not anticipated to compromise the national site network connectivity or lead to population losses. Overcompensation may be delivered to compensate for any interim losses.
- > 3 points: The measure will be operational by the time the ecological impacts occur, but the required compensation cannot feasibly be fully delivered at that time (e.g. due to time needed for ecological processes to mature). Any time lag is not anticipated to compromise national site network connectivity or lead to population losses. Overcompensation may be delivered to compensate for the interim losses.
- > 2 points: There is uncertainty about the measure being operational by the time the ecological impacts occur, but there is certainty about the compensation being delivered within the operational phase of the wind farm. Overcompensation may be delivered to compensate for the interim losses.
- > 1 point: There is substantial uncertainty about the measure being operational by the time the ecological impacts occur, and there is uncertainty about the feasibility of delivering the compensation during the lifetime of the wind farm.

2.2.8 Environmental value: How great is the environmental value and function of the proposed compensation measure?

- > 5 points: The compensation measure benefits not only the impacted species or feature. It also likely benefits multiple other species, features or ecological processes. Non-target species which benefit include one or more species/feature of conservation concern (e.g. a red-listed species, or a locally struggling species/habitat).
- > 4 points: The compensation measure benefits not only the impacted species or feature, it also likely benefits multiple other species, features or ecological processes of conservation concern (e.g. a red-listed species, or a locally struggling species/habitat).
- > 3 points: The compensation measure benefits not only the impacted species or feature, but also likely benefits another species, feature or ecological process. of conservation concern (e.g. a red-listed species, or a locally struggling species/habitat).
- > 2 points: The measure is anticipated to deliver the necessary compensation for the impacted feature at a ratio or spatial scale significantly larger than required (i.e. overcompensates), but no wider environmental benefits are delivered.
- > 1 point: The measure is anticipated to deliver the necessary compensation for the impacted feature, at the ratio required, but no wider environmental benefits are delivered.



- 2.2.9 **Long-term planning:** Is the legal and financial basis for the project secured? Are long-term monitoring plans in place? Is management and maintenance assured?
- > 5 points: The legal & financial basis¹ for the project can or will be secured before DCO submission. Long-term management and maintenance of compensation measure (including full plans, funding, legal rights etc.) can or will be fully planned and secured before DCO submission. Comprehensive long-term monitoring and adaptive management mechanisms can or will be fully secured (including full plans, funding, legal rights etc.) before DCO submission.
 - > 4 points: The legal & financial basis OR the long-term management & maintenance OR the long-term monitoring & adaptive management can or will NOT be secured by DCO submission, but all are anticipated to be in place before construction commences.
 - > 3 points: Multiple aspects of the long-term planning (i.e. legal & financial basis, long-term management & maintenance, long-term monitoring) can or will NOT be secured by DCO submission, but all are anticipated to be in place before construction commences.
 - > 2 points: There is uncertainty about fully securing all long-term planning before construction commences. One or more aspects of the long-term planning can or will likely NOT be secured before the construction phase, but all are anticipated to be in place before the operational phase.
 - > 1 point: There is considerable uncertainty around the delivery of the long-term planning, and/or not all aspects of long-term planning can be feasibly delivered.

2.3 RAG GROUPING

- 2.3.1 Longlisted compensation measures are scored according to the criteria outlined above. Scores for each category are then summed to provide a total score (out of a maximum of 35 points)
- 2.3.2 Each compensatory measure was then allocated to a Red, Amber or Green group based on their total score as follows:
- RED:** 7 – 15 points
AMBER: 16 – 25 points
GREEN: 26 – 35 points
- 2.3.3 Measures from the **GREEN** group are taken forward to the shortlist of compensation options.

¹ The legal and financial requirements will differ between compensation options. Examples include, but are not limited to, planning permission, access permission, land acquisition, permits and funding agreements.



3. REFERENCES

Defra (2021, for consultation), 'Best practice guidance for developing compensatory measures in relation to Marine Protected Areas'. Defra guidance consultation document.

European Commission (2018), 'Managing Natura 2000 sites. The provisions of Article 6 of the Habitats Directive 92/43/EEC'. Commission notice C(2018) 7621.

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