

REPORT OF THE CONSERVATION POLICY OFFICER

SUBJECT: ATLANTIC ARRAY OFFSHORE WIND FARM

For information

Members will no doubt be aware that the above proposal is no longer being pursued.

The developer, RWE Npower Renewables Limited, cites a combination of technical challenges and economic conditions for the decision to withdraw the proposal. It is understood that the site is considerably deeper and more complex than was previously understood and that this, coupled with market conditions, has rendered the project financially unviable.

A letter from RWE dated 25th November 2013 is attached at Annex 1 to this report.

RECOMMENDATIONS

Members are invited to NOTE the information.

Background Documents

- NPA Report No. 57/13 (23rd October 2013), *Relevant Representation on Atlantic Array Offshore Wind Farm proposal*
http://www.pembrokeshirecoast.org.uk/Files/files/Committee/NPA/2013/23_10_13/57_13%20Atlantic%20Array%20Relevant%20Representation.pdf

(For further information please contact Michel Regelous, Conservation Policy Officer)



Department: Offshore Wind UK

RWE Npower Renewables Limited
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Swindon
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25 November 2013

Dear Sir/Madam

Atlantic Array Project Update

I wanted to update you regarding the Zone 8, Round 3 offshore wind project in the Bristol Channel, known as Atlantic Array.

Due to the technical challenges specific to the zone, coupled with the current market conditions, it is uneconomic for RWE to continue with the Atlantic Array development.

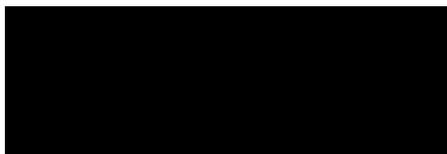
The Crown Estate has agreed to RWE Innogy's request to terminate the agreement for the Bristol Channel Zone, allowing RWE Innogy to stop its development activities in the Zone, and to surrender the option for the Atlantic Array project, thereby removing RWE Innogy's seabed rights.

The Crown Estate has no plans to undertake further work on the Bristol Channel Zone for the foreseeable future. However, the area remains one that has a good resource. As the industry develops over the next decade and on the back of more viable technologies being demonstrated, expected innovation and cost reduction may in the future open up opportunities in the more challenging areas, such as in the Bristol Channel.

The decision to stop activity on Atlantic Array has not been taken lightly and RWE remains committed to offshore wind and our investment in renewables in the UK. We will now continue to focus on the other offshore projects which we believe are more technically viable within our extensive offshore pipeline of up to 5,200MW, in addition to completing the construction of our Gwynt y Môr Offshore Wind Farm.

I would like to take this opportunity to thank you for your interest in the project.

Yours sincerely,



Paul Cowling
Director of Offshore Wind
RWE Innogy GmbH

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