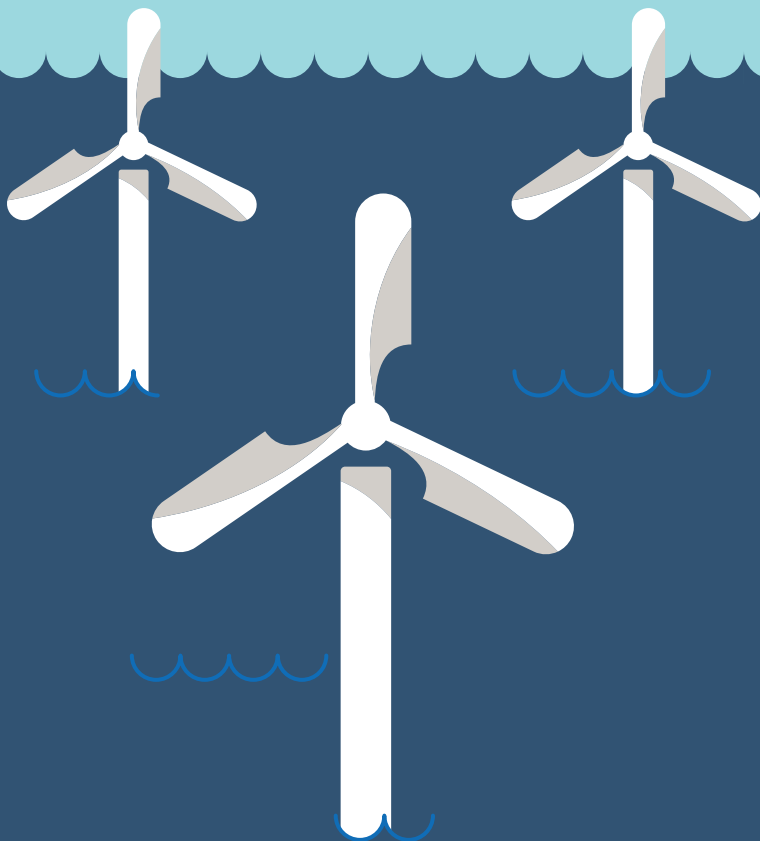




**Crown Estate
Scotland**
Oighreachd a' Chrùin Alba



ScotWind Leasing

Seabed leasing for new offshore wind farms

Offer Document January 2021

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1. Introduction to ScotWind Leasing

1.1 Purpose and context

We are delighted to launch the first cycle of ScotWind Leasing. Crown Estate Scotland is committed to helping Scotland achieve its net-zero emissions target by 2045 through our role as manager of Scotland's seabed.

The primary purpose of ScotWind Leasing is to grant property rights for seabed in Scottish waters for new commercial scale offshore wind project development, in a way that is fair and transparent. In doing so, ScotWind Leasing will provide certainty and clarity for those seeking to lease seabed in Scottish waters, encouraging the low-carbon energy generation needed to meet the world-leading targets committed to in The Climate Change (Emissions Reduction Targets) (Scotland) Act 2019.

1.2 ScotWind Leasing Documents

This Offer Document will explain the details of the offer ([Section 3](#)), how to apply ([Section 4](#)), how applications will be evaluated ([Section 5](#)), and set out the process timescales ([Section 6](#)).

This document is part of a suite which should be considered as a whole to fully understand the ScotWind Leasing process; this includes the following documents:

- This Offer Document
- The Model Form Option Agreement and Form of Lease
- The Registration Form: within the application portal
- The Application Form: this is available in an editable format on-line via the ScotWind Leasing portal
- The Guidance Notes to accompany the Application Form
- The instructions for the application portal

Reading all documents is essential for a full understanding of ScotWind Leasing.

2. Definitions

| Term | Meaning |
|--------------------------------|---|
| SMP | Sectoral Marine Plan for Offshore Wind Energy, adopted by Scottish Ministers and accompanied by a Post-Adoption Statement, published on 28 October 2020. |
| Applicant | <p>The person/entity making the application. The entity making the application will be either the “Lead and Sole Applicant” or the “Lead Applicant” as those terms are defined here.</p> <p>On occasion we use these specific terms rather than “Applicant”, where that adds clarity.</p> |
| Applicant Valuation | The valuation in £/km ² , selected by the Applicant from the pre-defined levels set out on the Application Form, which is used to determine the Option Fee. The Applicant Valuation is provided in answer to Question A7 of the Application Form, explained in Section 3.5.3 of this document. |
| Capability and Experience role | Any organisation which contributes elements of the capability and/or experience necessary to meet the requirements we place on an Applicant, and is identified in the response to Question A9 as having a Capability and Experience role, explained in Section 4.4.5 of this Offer Document. |
| Closing Date | The date by which we require a completed Application Form and attachments to be submitted, and, subject to Section 4.2 , payment of the application fee to be made to us. The Closing Date is 31 March 2021. |
| Cumulative FTE | <p>This measure is used to provide a means of quantifying the total volume of people resource required within the Option Period.</p> <p>The Cumulative FTE of any specific role is calculated by multiplying the average FTE over the Option Period by the total duration of the Option Period in years.</p> <p>Total Cumulative FTE can be calculated by adding up the Cumulative FTEs of all the roles identified in response to Question D5.</p> |
| FID | Financial Investment Decision is the stage gate in the project development process at which a financial commitment is made to progress to construction of the project. |
| FTE | Full Time Equivalent. One FTE means the amount of effort which would be available from an individual working full time for one year. By full time we mean working approximately 1710 hours in a year (i.e. equivalent of a single shift five days per week and allowing for typical holidays). |
| Funding Organisation | Any organisation identified in the response to Question A9 as having a funding role, explained in Section 4.4.4 of this Offer Document. |
| Installed Capacity | The gross nameplate capacity of the wind turbines installed in a wind farm (i.e. wind turbine generator rating multiplied by number of wind turbines), prior to accounting for “house load”, losses in substations and in transmission cables to onshore substations, etc. |
| Large Application | An application with seabed area greater than 500 km ² . |

| | |
|--|---|
| Lead and Sole Applicant | Where the legal entity which submits the completed Registration Form is not working with any other entity or organisation in making an application, and is relying on its own resources, capabilities, experience and funding ability, it is the Lead and Sole Applicant. |
| Lead Applicant | Where the legal entity which submits the completed Registration Form is working with one or more other legal entities submitting the application and is reliant on resources, capabilities, experience and/or funding abilities of any of those other entities in making an application, it is the Lead Applicant. |
| Lead Resource | A Lead Resource is an individual who has responsibility for leading and/or managing the delivery of activities within one of the five Main Capability Categories set out in Section 8, Part D of the Guidance Notes. Lead Resources must be identified as part of Question D5 'Resource Plan'. |
| Option Agreement Area | The seabed area in square kilometres (km ²) of the site covered by an application and provided as the response to Question A3. |
| Option Notice | The written notice served by the Tenant on the landlord in accordance with the Option Agreement, which may result in the grant of a lease. |
| Option Period | The Option Period is defined in the Model Form Option Agreement. The period is intended to cover the time taken to develop an offshore wind project concept from the start of the Option Agreement through to a consented project that will be capable of being financed and constructed, at which point an Option Notice may be served. |
| Person-years Experience | This measure is used to provide a means of quantifying the amount of Relevant Experience which has been gained by the Lead and Sole Applicant/Project Partners in reference to the five Main Experience Categories as described in Section 8, Part D of the Guidance Notes. For these purposes, one Person-year means the amount of Relevant Experience which would be gained by an individual working full time for one year. By full time we mean working approximately 1710 hours in a year (i.e. equivalent of a single shift five days per week and allowing for typical holidays). |
| Plan Option | The locations identified in the SMP as preferred areas for commercial scale offshore wind development. |
| Post-adoption Addendum to ScotWind Leasing | This January 2021 update to the arrangements for this cycle of ScotWind Leasing. |
| Project Partners | Collective term for the Lead Applicant plus all organisations listed in response to Question A9. |

| | |
|------------------------------------|--|
| Relevant Experience | <p>The term used to identify the sources of experience an Applicant may rely upon when answering Part D of the Application Form.</p> <p>Relevant Experience is limited to the following:</p> <ol style="list-style-type: none"> 1. Project experience: Experience attributed to the Lead and Sole Applicant/Project Partners, related to the delivery of the (up to) eight projects undertaken in the last ten years. Project experience should be described in the response to Question D1 (eight projects in total, rather than eight per organisation); 2. Corporate experience: Corporate experience covers the body of experience that the Lead and Sole Applicant/Project Partner's records, systems and processes, and staff will embody, where that is not readily evidenced by reference to specific past projects. Corporate experience should be gained within the last five years and should be described in response to Question D1; and 3. Individual experience: Individual experience is experience that is specifically attributed to an individual and cannot be claimed as Relevant Experience gained by the Lead and Sole Applicant/Project Partner organisation's involvement in a past project. Individual experience should be described in response to Question D1, and should only be put forward as Relevant Experience if the individual is listed as a named person in response to Question D5 'Resource Plan'. Individuals' experience from any length of time in the past may be counted, provided it is calculated in line with the definition of Person-years Experience. |
| Supplementary Experience Providers | <p>Organisations that contribute only experience (disclosed in response to Questions A9 and D3) but not funding or Wind Farm Delivery Responsibility, and do not have direct or indirect equity ownership of the Tenant Organisation, explained in Section 4.4.6 of this Offer Document.</p> |
| Tenant Organisation | <p>This is the organisation which enters into the Option Agreement with Crown Estate Scotland.</p> <p>We anticipate that a single legal entity will be utilised, or if it does not already exist, will be formed or established for Crown Estate Scotland to enter an Option Agreement with. If a different structure is proposed, Crown Estate Scotland will consider amendments to the Model Form Option Agreement to accommodate this.</p> |
| Wind Farm Delivery Responsibility | <p>An organisation listed in the response to Question A9 which has direct or indirect equity ownership of the Tenant Organisation and has a Capability and Experience Role is considered to have Wind Farm Delivery Responsibility, explained in Section 4.4.7 of this Offer Document.</p> |

3. Details of the offer

3.1 Areas of seabed

3.1.1 Sectoral Marine Plan for Offshore Wind Energy

Marine Scotland, as part of Scottish Government, is the planning authority for Scotland's seas and custodian of the National Marine Plan. Marine Scotland has consulted on the SMP, which is available at www.gov.scot/publications/sectoral-marine-plan-offshore-wind-energy.

Applications to Crown Estate Scotland for new offshore wind projects in this cycle of ScotWind Leasing must be sited within Plan Options of the SMP, to ensure that environmental and stakeholder considerations shape the leasing activity.

The SMP refers to Crown Estate Scotland as “CES” and notes that:

“The SA determined that an overall national limit on generating capacity of 10 GW was required as a mitigation measure ... CES will need to offer Option Agreements for an area of greater than 2,000 km² to be likely to enable the operational development of up to 10 GW of generating capacity. Making an area of up to 8,600 km² of seabed available for Option Agreements via the first cycle of ScotWind Leasing could, therefore, support the development of projects capable of delivering up to 10 GW of total generating capacity.”

The SMP assumptions on attrition and density provide an upper limit on the total area of seabed for which Option Agreements could be awarded, and establish a ratio that relates installed capacity under lease with the area of seabed initially under Option Agreement: 1 MW per 0.86 km². The SMP sets out detail about how offshore wind capacity might be distributed across the Plan Options by defining “realistic maximum development scenarios”, which establish a total GW cap for each Plan Option based on the assessment carried out on the SMP.

ScotWind Leasing includes two limits on the area of seabed awarded Option Agreements.

- The aggregate area of all Option Agreements awarded in the first cycle of ScotWind Leasing will not exceed 8,600 km².
- The aggregate area of Option Agreements awarded in each separate Plan Option in the first cycle of ScotWind Leasing will not exceed the area corresponding to the “realistic maximum development scenario” for that Plan Option. For some Plan Options the extent of the Plan Option itself will be the limiting factor rather than this rule. The final column of **Table 1** shows the lower of: the area corresponding to the Realistic Maximum Development scenario, and; the area of the Plan Option itself.

Table 1

| Plan Option | Realistic maximum development scenario for Plan Option (GW) | Extent of Plan Option area (km ²) | Extent corresponding to realistic maximum development scenario (km ²) | Maximum area that may be given Option Agreement(s) (km ²) |
|-------------|---|---|---|---|
| E1 | 3 | 3742 | 2580 | 2580 |
| E2 | 2 | 1287 | 1720 | 1287 |
| E3 | 1 | 474 | 860 | 474 |
| NE1 | 2 | 751 | 1720 | 751 |
| NE2 | 1 | 345 | 860 | 345 |
| NE3 | 1 | 265 | 860 | 265 |
| NE4 | 1 | 440 | 860 | 440 |
| NE6 | 2 | 699 | 1720 | 699 |
| NE7 | 3 | 684 | 2580 | 684 |
| NE8 | 1 | 339 | 860 | 339 |

| | | | | |
|----|---|------|------|------|
| N1 | 2 | 1163 | 1720 | 1163 |
| N2 | 2 | 561 | 1720 | 561 |
| N3 | 2 | 1106 | 1720 | 1106 |
| N4 | 1 | 200 | 860 | 200 |
| W1 | 2 | 754 | 1720 | 754 |

The area covered by leases, and the associated operating capacity, ultimately arising from the first cycle of ScotWind Leasing will be determined by numerous factors including: the level of attrition of entire projects, the proportion of each Option Agreement Area that is found to be suitable for lease in light of the SMP and other relevant considerations, as well as the details of site-specific consenting.

3.1.2 Regional-level survey effort during Option Agreement term

The SMP explains that development in Plan Options E1 and E2 is subject to the need for the completion of further regional-level survey effort.

If more than one Option Agreement is awarded across Plan Options E1 and E2, then each developer could independently undertake the required regional-level surveys. However, it is possible that the required regional-level surveys could be undertaken in a more coordinated or collaborative manner, potentially resulting in cost savings and avoiding duplication of effort. The practical implications of a coordinated approach would need to be fully considered, for example, a collaborative approach might necessitate: the identification of a lead organisation to procure and manage the surveys; agreement between all parties on matters such as costs and the timescale for the survey programme; and consideration of the residual risk relating to the effectiveness of the surveys in discharging the requirement set out in the SMP.

Once the outcome of the first cycle of ScotWind Leasing is known, Crown Estate Scotland will explore with any holders of Option Agreements in Plan Options E1 and E2 whether a coordinated and/or collaborative approach to strategic surveys is desirable and if so will seek to facilitate such an approach.

3.1.3 Interaction of area applied for with existing offshore wind seabed agreements

New applications which are 5 km or less from the boundary of an existing offshore wind farm agreement will not be accepted unless accompanied by documentary evidence that the tenant of the existing agreement is content for the new application to be made and understands that a wind farm may be constructed anywhere within the boundary defined in that application.

The existing agreements in question are Leases, Agreements for Lease and Option Agreements for wind farms (but not wind farm transmission connection cable agreements from offshore substations to shore). New applications which overlap with existing offshore wind farm agreements will not be accepted.

3.1.4 Interaction of area applied for with other seabed agreements

Noting our requirement that application areas must have a single continuous boundary and that the purpose of an Option Agreement is to allow exploratory investigation of an area of seabed, we will not reject an application if the area interacts with an existing seabed agreement (other than an existing offshore wind farm agreement). In such a situation the Applicant must understand that pre-existing rights will generally take precedence over a new Option Agreement and those rights will generally be noted, see Schedule Part 2 of the Model Form Option Agreement.

3.2 Intended project

3.2.1 Technology types

ScotWind Leasing stipulates that applications must be for offshore wind projects of a scale and nature which is compatible with the SMP, but we do not have any further specific requirements about the type of offshore wind farm technology which is to be deployed. Crown Estate Scotland is open to allowing the most effective technology for offshore wind energy capture, and for transportation of the captured energy, to be identified during the term of the Option Agreement.

3.2.2 Minimum capacity

Applications must have a minimum intended capacity that is in line with the SMP. The SMP caters for projects of at least 100 MW. Applications for projects below the minimum required capacity will not be accepted. Applications for seabed area less than 20 km² will not be accepted unless evidence is presented in response to Question B1 which demonstrates that the area is likely to be sufficient to accommodate at least 100 MW of Installed Capacity.

Where an intended project is to be constructed in multiple phases, each phase must be at least this minimum required capacity.

3.3 The extent of applications, intended Installed Capacity and density

3.3.1 Application boundary

To be valid, an application must have an area defined by a single continuous boundary all of which falls wholly within a Plan Option. We require that the area of an individual application does not exceed 860 km².

An individual application cannot include seabed from more than one Plan Option. If an Applicant wishes to apply for sites from separate areas in the SMP, then each must be the subject of a separate application.

Applicants are free to select the boundary of their application area, provided it is located entirely within a Plan Option, but should note that an application will not be successful if its area exceeds:

- The maximum area of a Plan Option that we will award Option Agreements for as set out in [Table 1](#); or
- The maximum limit we impose on an individual application (i.e. 860 km²).

The area covered by the Option Agreement offered to successful Applicants will be based on the area applied for, incorporating any refinement necessary to take account of any seabed agreements not relating to ScotWind Leasing (for example telecoms cables) in place at the time the new Option Agreement is finalised.

3.3.2 Explanation of measures of areas and of Installed Capacity in the leasing rules

For applications and Option Agreements, the main measure of the size of the intended project which we wish to concentrate on is the area in km² rather than the intended Installed Capacity. This is because we recognise that the Installed Capacity will be influenced by information which is discovered during the site development work, which is generally undertaken once an Option Agreement has been secured. Eventual Installed Capacity may also be influenced by wind turbine technology developments after applications to ScotWind Leasing are submitted.

The measure we use for calculating Option Fees and for limits resulting from the SMP is therefore in terms of area (km²) rather than capacity (MW).

Whilst concentrating on area as the key measure, we do impose a minimum intended Installed Capacity to ensure that the intended project complies with commercial scale definitions in the SMP. We also take account of intended Installed Capacity to let us ensure reasonably efficient use of seabed as set out in [sections 3.3.3 and 3.3.4](#).

3.3.3 Intended spatial density of Installed Capacity in Option Agreement Area

In line with our statutory duty to enhance the value of and income from the Scottish Crown Estate, we wish to ensure an appropriately efficient use of seabed. We therefore require that the intended Installed Capacity of the fully constructed project for which an Option Agreement is sought must result in a spatial density of at least 1 MW of intended Installed Capacity per km² of Option Agreement Area. Applications which do not meet this requirement will not be accepted.

This minimum intended spatial density of Installed Capacity per km² of Option Agreement Area is low compared to current industry practice. Whilst we are content to offer this level of flexibility, via which an Applicant could request a relatively large Option Agreement Area for the size of project they intend to construct, the Option Fee level is scaled by the area of seabed applied for.

3.3.4 Intended spatial density of Installed Capacity compared to the spatial extent of the Lease

We recognise that the intended boundary of the lease is unlikely to be known at this stage. However we will require via the Option Agreement that, when any lease is requested, the intended Installed Capacity for that lease must, in combination with the spatial extent of the lease, yield a spatial density of at least 3 MW of Installed Capacity per km² of the lease area (unless a suitable justification is provided with reference to site development work undertaken under the Option Agreement).

When applying, Applicants should be confident that they will be able to meet this requirement of the Option Agreement.

The intended Installed Capacity, and the breakdown into phases in which it is intended to be installed if the intention is to take more than one lease under the Option Agreement, will be noted in the Execution Project Programme in Schedule Part 4 of the Option Agreement and then considered when an Option Notice is served. We may accept an Option Notice for a project which departs from the Project Programme if that departure is justified. Any such adjustments must comply with the following principles:

- The whole project, and any phase, must exceed or be equal to the SMP minimum capacity of 100 MW; and
- The capacity of the initial phase must be at least enough to achieve a density of 1 MW/km² when judged against the whole Option Agreement Area (as well as achieving a density of at least 3 MW/km² when measured against the area of the Lease). This requirement of the capacity of an initial phase is capped at 500 MW (i.e. if the Option Agreement Area is greater than 500 km², the initial phase need not be more than 500 MW).

Further information is available in the Guidance Notes (Section 6) and in the model Option Agreement.

3.3.5 Degree of certainty which is anticipated

The Application Form requires provision of specific information about the proposed project and how it is intended to be developed.

We understand that the project concept will be preliminary at this stage, but it is expected that an Applicant who wishes to apply to this cycle of ScotWind Leasing will be able to use the information available from completion of a desktop study to identify a project concept which is feasible. The aim is to provide Crown Estate Scotland with an understanding of the proposed project and scale, so that Crown Estate Scotland understand the efficiency of use of seabed, deliverability, and capability and experience of Applicants.

In the interests of the transparency, fairness and integrity of the leasing process, Crown Estate Scotland will carry selected information about the application through into the Option Agreement to ensure that the basis on which successful applications were selected is reflected in the subsequent agreement.

Information which will be carried through to the Option Agreement from the submitted application includes the coordinates of the Development Site, the Option Period requested by the application (in response to Question A8 of the Application Form), the Intended Installed Capacity (response to Question A5.1 of the Application Form) and the Project Team (Project Partners named in response to Question A9), the Project Programme (as explained at 3.3.4 of this Offer Document) and the Supply Chain Development Statement.

3.4 Limit on number of applications

There are a number of different roles that organisations may have in applications, as described in [Section 4.4](#).

The number of applications for any organisation with a Wind Farm Delivery Responsibility role will be limited to five; for those fulfilling

an exclusively funding role or who are Supplementary Experience Providers but without a Wind Farm Delivery Responsibility role, no such limit will apply. **This means that if any organisation has a Wind Farm Delivery Responsibility role in more than five applications, none of those applications will be accepted.** Organisations which participate in an application would be prudent to ensure that all organisations they partner with also comply with this limit.

We limit the number of applications in which an organisation may have a Wind Farm Delivery Responsibility role to prevent Option Agreements arising from ScotWind Leasing being unduly concentrated amongst a few organisations. The limit on the number of Option Agreements operates in conjunction with our limit on the size (860 km²) of an individual application to limit concentration.

Whilst there is no specific limit on the number of applications that an organisation fulfilling an exclusively funding role may be involved with, the Guidance Notes highlight situations where a Funding Organisation which puts forward the same funding capacity or evidence of financial strength in support of more than one application will not have that aspect of its funding capability recognised in any application. Organisations which participate in an application would be prudent to ensure that all organisations they partner with are aware of this.

3.5 Agreement terms

3.5.1 Overview

The application will be for an Option Agreement and appended Form of Lease. The Model Form of Option Agreement and appended Form of Lease should be consulted for the terms of the seabed agreements being offered. The agreements take precedence over this indicative summary.

Table 2 Overview of Option Agreement terms

| Term | Overview |
|------------------------|---|
| Option Period | Option Period granted is that requested by the Applicant, up to a maximum of 10 years. After expiry of the Option Period, a Lease cannot be requested so a project cannot be constructed. |
| Option Fee | Option Fee is a one-off sum payable when entering Option Agreement, with the level set by multiplying the Applicant Valuation proposed in the application by the area of seabed covered by the Option Agreement. |
| Development milestones | There are two milestones in the Option Agreement. Both relate to submission of key project consent documents, which encourage progress to be made. If the milestones defined in the Option Agreement are not met then a reduction of the Option Period shall result. If the first milestone is not met, and the second milestone is met, then restoration of a previously reduced Option Period shall result. |

| | |
|-------------------|---|
| Intended Capacity | The intended capacity of the project will be noted in the Option Agreement and will be a consideration when an Option Notice is served. |
| Rent | Rent will be payable quarterly based on the offshore wind farm output at a rate of £1.07/MWh indexed to CPI. |
| Phasing | The Option Agreement will permit one or more Option Notices to be presented within the Option Period, with each notice that is accepted resulting in a Lease over part of the Option Agreement Area which has not yet been covered by a Lease. In this way, one or more Leases may be established over the Option Agreement Area to permit the construction and operation of the intended development in more than one phase of activity. |

3.5.2 Limited opportunity for negotiation of terms

Applicants should note that Option Agreements from this cycle of ScotWind Leasing must be consistent with the model form in their material terms, and therefore we will accept only minor and necessary departures from these model forms when the agreements are finalised. The model form is not a starting point for negotiation.

3.5.3 Payment of Option Fee

Applicants are required to provide their selection of Applicant Valuation in response to Question A7 of the Application Form. This valuation (in £ per km²), multiplied by the spatial extent of Option Agreement Area applied for (in km²), determines the Option Fee. The Option Fee must be paid at the time the Option Agreement is entered. The Option Agreement must be entered by the deadline which we will set later in the process.

3.5.4 Financial security requirements

Financial security will be required under the Option Agreement and Lease on the following basis depending on intended Installed Capacity. **Table 3** shows the financial value of the cap on liabilities for the Option Agreement and lease:

Table 3

| Intended Installed Capacity (MW) | Option Cap (£M) | Lease Cap (£M) |
|----------------------------------|-----------------|----------------|
| 100 to 500 | 5 | 7 |
| 500+ to 1000 | 5 | 10 |
| 1000+ | 5 | 15 |

We do not prescribe the form of security and are open to any suitable form. Forms of security we regard as suitable include:

- Parent Company Guarantee from a guarantor with a credit rating of at least investment grade (BBB-);
- Parent Company Guarantee from a guarantor with net assets of at least twenty times the guarantor's aggregate liability;
- Letter of Credit or Bond from a bank, financial institution or similar with an A grade or higher credit rating; and
- Cash deposit to which Crown Estate Scotland has exclusive access, or otherwise held in an account over which Crown Estate Scotland has a charge.

Where a guarantee is supported by multiple guarantors, we require this to be on a 'joint and several' basis.

3.5.5 Agreements covering transmission connection to shore

We enter bilateral discussion with the Tenant Organisation of an offshore wind farm Option Agreement or Lease about establishing an Agreement for Lease (or Option Agreement) for transmission connection cables. This discussion will take place once development work under the wind farm Option Agreement or Lease has progressed to a point where there is sufficient certainty in the likely cable route for an area of reasonable spatial extent to be defined.

3.6 Sustainability of offshore wind development in Scotland

3.6.1 Overview

Applicants to ScotWind Leasing will be required, in response to Question A13, to provide a Supply Chain Development Statement (SCDS) which provides information about the level and the location of supply chain Expenditure anticipated from their proposed project. The SCDS arrangements provide a means by which a Tenant Organisation may disclose, at their discretion, information about the anticipated supply chain Expenditure arising from their intended project and the supply chain elements via which that Expenditure might arise.

The ScotWind Leasing process does not impose any requirement on the level or the location of supply chain Expenditure that is set out by applicants in the SCDS. The SCDS information will not be used in the assessment or scoring of applications, and will not be compared with the budget information provided in Part E of the application form. If the SCDS is not provided in response to Question A13 then the application will be deemed incomplete and will not be evaluated. The Guidance Notes for Question A13 set out the requirements regarding what the SCDS should contain.

The Model Form Option Agreement (Clause 24) and Lease (Clause 11) set out how the SCDS arrangements operate and include definitions of terms which are used in this section of the Offer Document. We recommend that you read the provisions in the Option Agreement first before reading the remainder of this section 3.6. This section is intended to highlight a number of key aspects of the SCDS: the Option Agreement and Lease prevail over this Offer Document. Note that the term “Tenant Organisation” defined in the Offer Document and used here and in the Guidance Notes has the same meaning as the term “Tenant” which is defined in the Option Agreement.

The SCDS includes the SCDS Ambition table (the anticipated Expenditure), the SCDS Commitments table (the Expenditure that will be committed to), and an explanation as to how these are calculated (the SCDS Narrative). An SCDS Outlook will also be required. The SCDS Outlook is a short (no more than 1,000 words) statement which, along with the two tables, will be publicised and shared with other public sector partners.

The SCDS arrangements consist of an initial submission, periodic updates, an assessment of the stated contracted position against the previously made commitments, and reporting against the stated contracted position. **Figure 1** provides a schematic of SCDS events. The remainder of this section 3.6 and the relevant Option Agreement and lease clauses provide further detail of these events.

The Initial SCDS Commitments will be incorporated into the Option Agreement in Schedule Part 6. An SCDS Ambition table is included in the initial and any updated SCDS which is provided to Crown Estate Scotland, however, the SCDS Ambition table is at no point incorporated into the Option Agreement. The SCDS Ambition forms no part of the contractual arrangement.

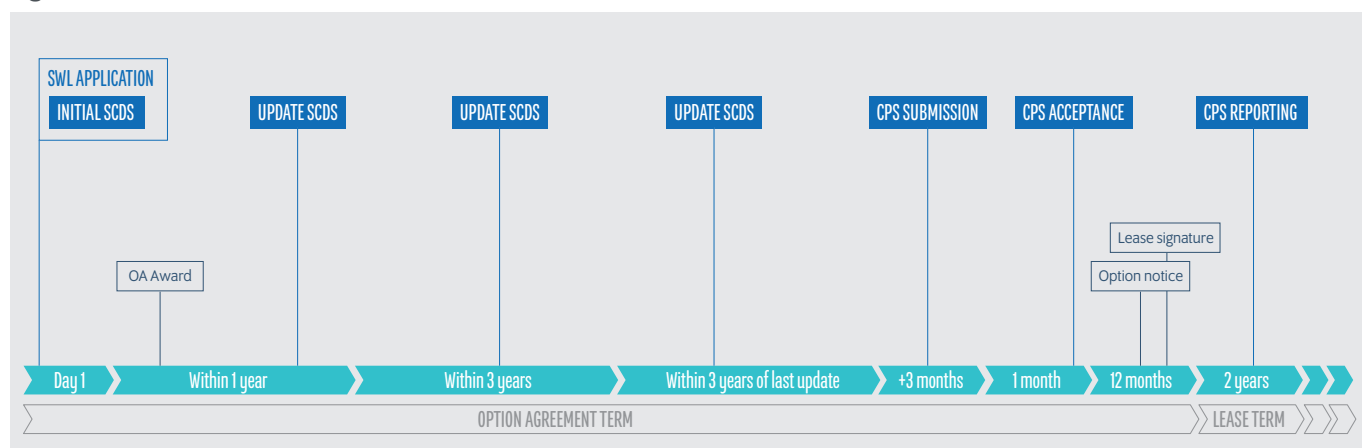
3.6.2 Rationale and how the SCDS arrangements are intended to work in practice

The information which is disclosed and updated via the SCDS arrangements is intended to play a part in supporting investment in, and development of, the supply chain. We anticipate that the early and updated flows of SCDS information will support the longer-term sustainability of offshore wind development. We have set word limits for elements of the SCDS to reflect the intention that the SCDS arrangements provide a broad-brush indication of where the main opportunities might be found for the supply chain, to permit the SCDS to highlight those opportunities and to permit interested parties to engage with them. We do not expect or require that the SCDS arrangements result in a fully comprehensive dataset relating to individual projects.

The SCDS arrangements incorporate a number of aspects which have been tailored to support investment in offshore wind development:

- The levels of the SCDS Commitments are set at the discretion of the Applicant and then updated at the discretion of the Tenant Organisation, to balance the fact that the contractual consequences which flow from the SCDS Commitments might otherwise be a barrier to investment in project development.
- The levels of the SCDS Ambition are set at the discretion of the Applicant, so that commercially sensitive information may be protected.

Figure 1 – SCDS Events



- The level of supporting information which is provided is set at the discretion of the Applicant and then updated at the discretion of the Tenant Organisation, to reflect the fact that the information relating to the supply chain may be commercially sensitive. Whilst the SCDS arrangements set out for ScotWind Leasing are clear about Crown Estate Scotland's intentions as to publication of information, the presence of Freedom of Information and Environmental Information regulations means that any information which is provided to Crown Estate Scotland has the potential to be disclosed in some form. Discretion is therefore left with the Applicant and Tenant Organisation to strike the balance between the potential benefits of greater disclosure - for example in the SCDS Narrative - to aid the efforts of interested parties in supporting supply chain development on the one hand, with the risk that such disclosure might have attendant commercial risks on the other.
- A high degree of clarity has been provided in this Offer Document, and therefore formalised as part of the ScotWind Leasing arrangements, about the conditions which must be met for an updated SCDS to be accepted and for a CPS to be accepted, to remove uncertainty about these points.
- A CPS may be presented relatively soon (three months) after an update to the SCDS, and there is a twelve-month window from the date a CPS is accepted during which an Option Notice may be presented.

The immediately following subsections give more detail about the SCDS arrangements. We follow that by two sections **3.6.9** and **3.6.10** which provide examples of how we anticipate the discretion and clarity which we cater for might be utilised; these scenarios are not intended to indicate the bounds on how the discretion which we permit might be used, but are given here to demonstrate the extent to which we anticipate the available discretion might be used.

3.6.3 Facilitating SCDS Information Flows

The information presented in this document is only accessible to those engaging directly with ScotWind Leasing and is provided in connection with the leasing opportunity. Crown Estate Scotland will shortly publish stand-alone information about the SCDS arrangements to assist supply chain and other interested parties in understanding and engaging with the opportunity provided by the SCDS information flows.

Crown Estate Scotland will undertake a programme of activity in conjunction with Tenant Organisations and other interested parties including Government with a view to letting the SCDS arrangements support the development of supply chain.

3.6.4 Basis on which Expenditure is expressed

The SCDS Ambition, SCDS Commitments and Contracted Position Statement are to be set out in Great British Pounds Sterling, expressed in the actual money amounts which have

been settled or will be settled on the face of the relevant invoices, contractual statements, etc. Clause 24 of the Option Agreement provides that the Lowest Percentage Achievement is determined by a direct numerical comparison between the SCDS Commitments and the CPS Commitments: there are no provisions relating to re-basing for currency inflation or currency conversions prior to that comparison being made. In light of this, when SCDS Commitments are being prepared, the values for Expenditure which are presented in SCDS Commitments should be calculated so that the expected inflation and currency conversion effects are built in, and therefore the comparison stipulated in Clause 24 of the Option Agreement is a correct one. Section **3.6.10** comments on the way that we expect uncertainty in such assumptions to be handled.

3.6.5 Updating the SCDS

Part of the value of the SCDS process stems from visibility of the changes in expected supply chain Expenditure which occur over time and the factors which influence those changes. As a result, Tenant Organisations will be required to provide an updated SCDS no more than 12 months after the date the Option Agreement is signed, and further updates no more than three years after the most recent updated SCDS. A Tenant Organisation has the freedom to provide an updated SCDS more frequently, for example if new information became available about, or there were changes to, their anticipated supply chain.

The Option Agreement sets out the requirements for an updated SCDS and that Crown Estate Scotland will decide whether or not to accept an update. An updated SCDS will be accepted if the following conditions are met:

- The magnitude of the change in the SCDS Commitments is in line with the change in the supply chain assumptions that have been set out in the SCDS Narrative.
- The developer has undertaken engagement with the relevant supply chain organisation(s) to seek to enable any supply chain development on which the previous SCDS was predicated.
- The developer has undertaken engagement with any relevant economic development agencies to enable any supply chain development on which the previous SCDS was predicated.

Crown Estate Scotland will make reasonable endeavours to decide whether to accept an updated SCDS within twenty working days of its receipt. For the avoidance of doubt, if the above three conditions are met then in accordance with Option Agreement Clause 24.2.5 Crown Estate Scotland will accept an updated SCDS.

When an updated SCDS is accepted by Crown Estate Scotland, it will replace the previous SCDS and will become the Current SCDS.

3.6.6 Submission of Contracted Position Statement

A CPS will be accepted if all the following four conditions are met.

- Contracts demonstrate the amount of Expenditure and the location of Expenditure:** Each item of Expenditure which contributes to the total amounts stated in the CPS Commitments (as referenced in Option Agreement Clause 24.3.5.a), suitably disaggregated into historic and future Expenditure (as referenced in Option Agreement Clause 24.3.6) is supported by suitable contractual extracts (as referenced in Option Agreement Clause 24.3.7 (ii)) which show: (i) that the location of the Expenditure was (if already incurred) or is likely to be (if yet to be incurred) the location for that item of Expenditure shown in the CPS Commitments; and (ii) that the amount of Expenditure is likely to be the amount for that item of Expenditure shown in the CPS Commitments. Fragments of contracts which support points (i) and (ii) are sufficient; full draft agreements need not be disclosed. Supporting information for the amount of Expenditure under point (ii) may need to include reasonable assumptions about volumes of contractual activity and / or out-turn pricing and / or indexation or other references which drive prices. The CPS should be based on reasonable central case estimates of such parameters; Crown Estate Scotland will accept in good faith and without further enquiry any such parameters and assumptions which are included in the CPS.
- Statements support the contracts:** Each item of Expenditure which contributes to the total amounts stated in the CPS Commitments (as referenced in Option Agreement Clause 24.3.5.a) is supported by statements (as referenced in Option Agreement Clauses 24.3.5.c and 24.3.8) confirming that there is an intention to enter the contractual arrangements which correspond to them. Provided each relevant contract is covered by a suitable statement of intention, Crown Estate Scotland will accept the statements made in good faith and will not make further enquiry, for example, as to the precise standing of the originators of the statements made within the relevant organisation(s).
- Report on support for the sustainability of offshore wind development projects (Supply Chain Engagement):** A statement (as referenced in Option Agreement Clauses 24.3.5.b and 24.3.7 (i)) which sets out the actions taken by the Tenant to discharge the requirements placed on it by Option Agreement Clause 23. Crown Estate Scotland requires that the CPS includes such a report, but does not require any particular content and will not evaluate the content of the report; provided the report is present, this condition of acceptance of the CPS will be deemed to be met.

- Plan for presentation of Option Notice:** A statement (as referenced in Option Agreement Clause 24.3.5.d) which sets out the intended timescales and activities leading to the service of an Option Notice. Crown Estate Scotland requires that the CPS includes such a plan, but does not require any particular content and will not evaluate the content of the plan; provided the plan is present, this condition of acceptance of the CPS will be deemed to be met.

Crown Estate Scotland may require an audit (as referenced in Option Agreement Clause 24.3.10) if the sum of all the individual items of Expenditure which are demonstrated as set out under “Contracts demonstrate the amount of Expenditure and the location of Expenditure” does not equal or exceed the amount of Expenditure set out in the CPS Commitments table. Crown Estate Scotland will not require an audit (as referenced in Option Agreement Clause 24.3.10) for any other reason.

For the avoidance of doubt, if the above four conditions are met and any audit has been closed out, then in accordance with Option Agreement Clause 24.3.9 Crown Estate Scotland will accept a CPS. Any audit will be deemed to be closed out once the CPS is revised so that the sum of all the individual items of Expenditure which are demonstrated in the CPS equal or exceed the amount of Expenditure set out in the CPS Commitments table (as a result of either or both of: adding additional items of Expenditure with suitable supporting evidence; and reducing the amount(s) of Expenditure in the CPS Commitments table).

Crown Estate Scotland will make reasonable endeavours to decide whether to accept a CPS within twenty working days of its receipt, or whether to require an audit.

The Option Agreement, Clauses 7 and 24.4, set out the details of how the CPS and SCDS are compared, and the calculation of any ensuing contractual remedies. The contractual consequences of the Lowest Percentage Achievement are set out in Clauses 7 and 24 of the Option Agreement. The Lowest Percentage Achievement is only calculated when a CPS is accepted and the Lowest Percentage Achievement is only considered under Clause 7 of the Option Agreement when an Option Notice is presented; there is no route by which the Lowest Potential Achievement is re-calculated at a later date and there is no later re-opening of contractual consequences under Clauses 7 and 24 of the Option Agreement even if the out-turn Expenditure position differs from the position set out in a CPS which has been accepted by Crown Estate Scotland.

3.6.7 Multiple submissions of Contracted Position Statement

A Tenant Organisation may make up to four CPS submissions in respect of any Phase. Crown Estate Scotland will consider any CPS submission which is made and, on submission of an Option Notice, will perform the comparison between the Current SCDS and the CPS which was most recently accepted (if any has been).

Since the Tenant Organisation will be able to determine in advance from the material set out in [section 3.6.6](#) whether a CPS will be accepted by Crown Estate Scotland and whether an audit will be required – and if required, how an audit can be closed out – we do not expect that the ability to make more than one submission will be utilised because a Tenant Organisation has made a CPS submission which has not been accepted. We expect that more than one submission of CPS might be made in one of two situations:

- A CPS was submitted by a Tenant Organisation to establish a firm position from which it could consider presentation of an Option Notice, but the CPS was at a level that resulted in contractual remedies arising should an Option Notice be presented and trigger its comparison with the Current SCDS. Subsequent to the initial submission of the CPS, further clarity in the supply chain contracting arrangements has emerged which permits a new CPS to be prepared which either reduces or removes the exposure to the contractual remedies which would arise on presentation of an Option Notice.
- A CPS was submitted by a Tenant Organisation to establish a firm position from which it could consider presentation of an Option Notice, but the CPS was at a level that resulted in contractual remedies arising should an Option Notice be presented and trigger its comparison with the Current SCDS. Subsequent to the initial submission of the CPS, the Tenant Organisation presents an update to the SCDS which is accepted by Crown Estate Scotland. If the assumptions underlying the updated SCDS are different to those reflected in the previously submitted CPS, a new CPS might be presented which reflects the structure or assumptions underlying the updated SCDS which is now the Current SCDS.

3.6.8 Disclosure of information

Each SCDS Outlook, consisting of: the two tables of SCDS Commitments and SCDS Ambition, plus the explanatory text of up to 1,000 words, will be made available in full on the Crown Estate Scotland website. The SCDS Narrative for each Option Agreement will not be published on the Website but may be shared with public bodies, including the Scottish Government, as appropriate.

CPS material will not be published openly. Summary level information relating to Lowest Percentage Achievement and any contractual consequence connected to accepted CPSs may be published on an individual or aggregated basis.

Following award of any lease, supply chain Expenditure will be expected to progress in accordance with the corresponding CPS Commitments. To provide visibility to Crown Estate Scotland on such progress, leases include a requirement for periodic reporting on the CPS. There are no contractual consequences connected with the content of this reporting.

CPS reporting should be prepared in an agreed format which aligns with other relevant supply chain measures across the UK, such as Supply Chain Plans linked to Contracts for Difference, SOWEC Vision and Goals, and the Offshore Wind Sector Deal.

3.6.9 Practicality of demonstrating Expenditure in a CPS

Clause 24 of the Option Agreement sets out the requirements which supporting information for the CPS must meet, in particular that near-final or final contract-based evidence is required to support the stated CPS Commitments. Some aspects of Expenditure related to a development may be relatively certain to arise and their geographic location may also be relatively certain, but for practical reasons there may be uncertainty about whether it will be possible to provide sufficient supporting information to justify inclusion of Expenditure for future project Stages in the CPS. For example, the procurement and / or contracting and / or subcontracting arrangements which will govern the geographic location of where certain works / services are to be carried out and Expenditure incurred may not, by the time the CPS must be prepared in order to permit timely preparations for submission of an Option Notice, have advanced to a point where it is possible to demonstrate such Expenditure with near-final contractual evidence. In situations such as these we would expect that the CPS Commitments would not include that Expenditure. Further, if Expenditure is taken into account in the SCDS Commitments but then uncertainty materialises as to whether contracting arrangements will have progressed to a point where particular elements of Expenditure can be demonstrated in a CPS (or such uncertainty has not been resolved at the pace which was assumed when the SCDS Commitments were made), an update might be given to the SCDS Commitments at a suitable interval in advance of the intended date of submission of the CPS, to reflect the likelihood that such Expenditure will have to be excluded from the CPS Commitments.

Whilst the SCDS Commitments may be reduced where there is uncertainty as to whether certain amounts of Expenditure can be evidenced in a CPS, we anticipate that the non-binding SCDS Ambition would not need to be similarly reduced.

3.6.10 Relationship between SCDS Ambition, SCDS Commitments and likely supply chain expenditure

We set out in [Sections 3.6.2](#) the scope for discretion about what is submitted. It follows that we do not expect either the SCDS Commitments or the SCDS Ambition to provide a complete representation of all project expenditure.

The discretion which may be applied when selecting the level of SCDS Commitments is expected to reflect, amongst other things, three specific factors.

(i.) Due to the timing and nature of the Initial SCDS and any Updated SCDS, uncertainty about requirements, components, and potential suppliers is expected to impose a significant limitation on the levels of Expenditure which will be put forward as contractually binding SCDS Commitments

(ii.) In cases where the CPS is prepared before contractual evidence is available for some aspects of expenditure which are in fact relatively certain, as discussed in [section 3.6.8](#), the fact that they cannot be contractually evidenced in the CPS means they will be excluded by prudent Tenant Organisations from the SCDS Commitments.

(iii.) Since the comparison between SCDS Commitments and the CPS is done on a face-value basis (rather than the SCDS arrangements incorporating express currency or inflation re-basing prior to comparison), the SCDS Commitments which are made must incorporate the anticipated impact of any currency inflation and currency exchange factors. Prudent Tenant Organisations will incorporate a margin to reflect the possibility that out-turn currency factors depart from those assumed when the SCDS Commitments were being calculated.

The SCDS Ambition may not reflect the same factors as the SCDS Commitments, however there will be commercial sensitivity connected with the cost-base of a project in the context of competitive route to market. The definitions and guidance make it possible for the SCDS Ambition to be presented in a way which avoids disclosure of commercially sensitive information.

The certainty we give in [section 3.6.5](#) about the basis on which updates to SCDS Commitments will be accepted is intended to enable SCDS Commitments to be made without the need to build in a full margin for every uncertainty.

3.7 Participation in industry-wide health and safety initiatives

The Option Agreement places an obligation on the Tenant to exercise prudence and foresight in the general conduct of its undertaking. Our expectation is that one aspect of such prudence and foresight (but not the sum total of it) would be that the Tenant Organisation will (i) join a forum relevant to offshore wind health and safety performance and share its incident data with such a forum on a regular and timely basis (we are aware of a number of forums such as the “G+” group) and (ii) engage with offshore wind industry health and safety initiatives and activities.

4. How to apply

4.1 Registration

Registration is completed.

Every potential application which has been registered will be assigned a unique random number which will be used to resolve any fully tied situations, set out in [Section 5.4](#). Numbers will be allocated via a fully random process which will be conducted by and observed by reputable third parties.

4.2 Application

The non-refundable application fee is set at £20,000 per application.

This Offer Document and its associated documents have been designed to let Applicants take an informed decision about whether to make an application. Applicants must pay the application fee, and if successful will be expected to pay an Option Fee and enter an Option Agreement.

Crown Estate Scotland will raise an invoice for the application fee for payment by the Lead and Sole Applicant/Lead Applicant before the submission window closes in accordance with [Table 6](#). In the absence of any further update by Crown Estate Scotland regarding our requirements for payment of the application fee, payment of the fee must be received by the Closing Date, otherwise the application will be deemed incomplete and will not be evaluated. The completeness and legibility check of the application does not provide an opportunity to remedy failure to pay an application fee.

4.3 Application Form

An Application Form and the required supporting information must be completed and submitted prior to the Closing Date. If an application is received after the Closing Date it will not be evaluated.

The Application Form is set up on the on-line portal.

An application contains qualification information and tender information. Applicants are encouraged to satisfy themselves that they will be capable of meeting the minimum required standard explained in this Offer Document and the Guidance Notes, since our process involves a single application submission rather than separate prequalification and tender stages.

Each application which is made must be complete on a stand-alone basis. One application may not refer to material submitted as part of a different application.

4.4 Who may apply and who may enter an Option Agreement?

4.4.1 Lead Applicant/Lead and Sole Applicant

Registration must be undertaken by a single entity which is capable of completing the necessary registration information and paying the application fee. The organisation which registers will be identified as the Lead Applicant or the Lead and Sole Applicant.

- Where a single organisation with all the required capability, experience and funding capacity to satisfy our requirements is involved in the registration and application, it is a Lead and Sole Applicant.
- Where the organisation which submits the completed Registration Form is working together with one or more other legal entities in making an application, it is the Lead Applicant. The organisation that performs the role of Lead Applicant does not need to be the organisation that has the largest, or any particular, role in the proposed development, provided it is a Project Partner.

We require that the Lead Applicant or Lead and Sole Applicant must be an incorporated company, but we do not require that it is registered in the UK. Beyond that basic requirement, we intend there to be flexibility to cater for the range of approaches which Applicants might wish to take.

For applications which are successful, it should be noted that we have a more stringent requirement for the Tenant Organisation which will enter an Option Agreement; we require that to be an incorporated company which is registered in the UK.

4.4.2 Tenant Organisation

The Tenant Organisation is the legal entity which enters into the Option Agreement with Crown Estate Scotland. The company that will be the Tenant Organisation need not have been created at the point that an application is made.

Where the company that will be the Tenant Organisation (which would typically be a special purpose vehicle (SPV)) has not been created or identified at the point of application it must be lawfully established, registered in the UK, and capable of entering into legal agreements prior to the deadline for execution of the Option Agreement, which we will set in due course.

4.4.3 Project Partners

Project Partners is the collective term for the Lead Applicant plus all organisations detailed in full in the response to Question A9 including those who have a Wind Farm Delivery Responsibility role, a Capability and Experience role, Supplementary Experience Providers and Funding Organisations.

Project Partners must, amongst them, be able to demonstrate the required capability, experience and funding capacity to satisfy Crown Estate Scotland's requirements.

All Project Partners are required to provide Statements of Commitment in Part G of the Application Form so that we can rely on their capability, experience and funding capacity in the evaluation of an application. Whilst we appreciate that this is an early stage to be asking for commitment regarding capacity and expertise from an organisation that may be a subcontractor, it is essential for Crown Estate Scotland to have confidence that successful Applicants will have access to the capability and experience which is set out in the application. Lesser degrees of assurance from Applicants would be inadequate to allow Crown Estate Scotland to have confidence in an application at this stage.

4.4.4 Funding Organisation

Organisations identified in Part F of the Application Form as having a role in funding the Development Budget are Funding Organisations and must be identified as such in response to Question A9. Between them, the Funding Organisation(s) must have sufficient financial resources to meet the Development Budget.

4.4.5 Capability and Experience role

Organisations which provide the Project Partners as a whole with the necessary capability or experience to satisfy Crown Estate Scotland's requirements in Part D of an application have a Capability and Experience role.

4.4.6 Supplementary Experience Providers

Organisations that have a Capability and Experience role but do not have direct or indirect equity ownership of the Tenant Organisation and are not Funding Organisations are defined as Supplementary Experience Providers.

Please note that subcontractors or other organisations which may be engaged to deliver the project once an Option Agreement is in place, but whose experience is not required to satisfy our requirements under Part D of the application, should not be identified in response to Question A9. No credit will be given in the scoring of applications for identifying such organisations.

4.4.7 Wind Farm Delivery Responsibility

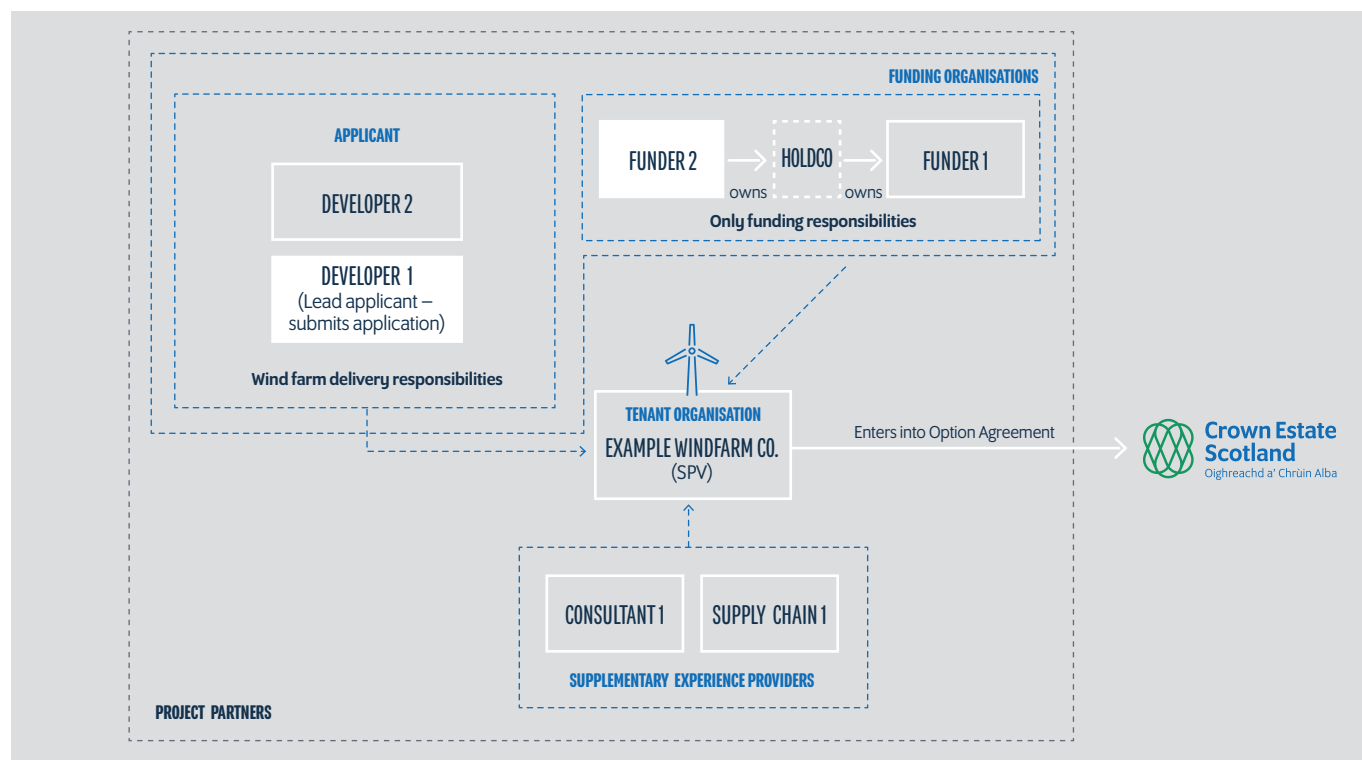
An organisation listed in the response to Question A9 which has direct or indirect equity ownership of the Tenant Organisation and has a Capability and Experience role is considered to have Wind Farm Delivery Responsibility. [Section 3.4](#) and [Section 4.4.9.3](#) set out how this role definition is used within ScotWind Leasing.

4.4.8 Illustration of structure with roles identified

The illustration below ([Figure 2](#)) provides an example of who may be involved in an application and who may enter an Option Agreement. This example illustrates the following roles:

- The Project Partners in this application are Developer 1, Developer 2, Funder 1, Funder 2, Example Windfarm Co., Consultant 1 and Supply Chain 1.
- Developer 1 registers and submits the Application Form; they are the Lead Applicant. Developer 1 cannot, or chooses not to, satisfy all Crown Estate Scotland's capability/experience and funding requirements alone, hence the application includes other Project Partners.
- Developer 1, Developer 2, Funder 1 and Funder 2 are all involved in funding the project; they are Funding Organisations. Funder 1 is owned by Funder 2.
- Funder 1 and Funder 2 contribute only funding, no capability and experience, so are not considered as having Wind Farm Delivery Responsibility roles.
- Both Developer 1 and Developer 2 have direct or indirect ownership of the SPV and have a Capability and Experience role; they are considered as having a Wind Farm Delivery Responsibility role.
- Consultant 1 and Supply Chain 1 provide the Project Partners as a whole with the necessary capabilities and experience to satisfy Crown Estate Scotland's requirements in Part D of the application; they are Supplementary Experience Providers.
- Example Windfarm Co. is the legal entity which enters into the Option Agreement and Lease with Crown Estate Scotland; it is the Tenant Organisation.

Figure 2



4.4.9 Limits and restrictions on who may apply and who may enter an Option Agreement

It is necessary for Crown Estate Scotland to have some rules about Applicants and their applications in terms of who may apply and who may enter an Option Agreement. These rules are detailed in the sections below.

4.4.9.1 Funding capacity

An organisation may not put forward the same funding capacity in support of more than one application in this cycle of ScotWind Leasing.

This means that an organisation which is involved with more than one application must have the funding capacity to separately meet its responsibilities in each application. This restriction is explained further in the Guidance Notes which detail how Part F of the application is to be completed.

4.4.9.2 Funding Organisations

A Funding Organisation must either directly or indirectly own a share of the Tenant Organisation (or participate in a legal structure with the equivalent effect) or must be the Tenant Organisation.

If there was a company, labelled HoldCo in **Figure 2**, between Funder 1 and Funder 2 (i.e. owned by Funder 2 and owning Funder 1) then any of the three of Funder 1, Funder 2 and HoldCo could be Funding Organisations.

4.4.9.3 Organisations with Wind Farm Delivery Responsibility

The definition of Wind Farm Delivery Responsibility has been designed so that organisations which have such responsibility can be limited in the number of applications they may be involved with, as set out in **Section 3.4**. Organisations which have a pure funding role, or Supplementary Experience Providers which provide capability or expertise on a contractual basis having made a commitment under Part G that they will do so, will not be limited directly by our rules as to the number of applications they may be involved with.

There are two rules relating to the Wind Farm Delivery Responsibility role:

1. At least one of the Project Partners (or the Lead and Sole Applicant) must fulfil the requirements of the Wind Farm Delivery Responsibility role in each application to this cycle of ScotWind Leasing. This rule ensures that at least one equity owner (direct or indirect) of the Tenant Organisation contributes capability and experience in delivering the development.
2. No organisation may have a Wind Farm Delivery Responsibility role in more than five applications to this cycle of ScotWind Leasing. Through this limit, we want to avoid organisations with a Wind Farm Delivery Responsibility role from becoming over-stretched.

4.4.9.4 Expectations regarding number of Project Partners

We do not have any restrictions on the number of Project Partners that may be put forward as part of an application. We would, however, anticipate that fewer than ten Project Partners would be required for each application.

4.5 Measures to ensure the continuing relevance of information on which an application is evaluated

We have incorporated some measures to ensure the basis on which our decisions will be taken is preserved to a suitable degree as development progresses.

4.5.1 Remedy under the Option Agreement if information provided in an application should be found to be materially inaccurate or misleading

It is a condition of the Option Agreement that the Tenant Organisation warrants that the information which was provided in an application and upon which Crown Estate Scotland is acting in reliance when reaching a decision on that application is true and accurate. In the event that information provided at the time of application is proven to be false or materially misleading, Crown Estate Scotland may terminate the Option Agreement.

4.5.2 Changes to the Lead and Sole Applicant/Project Partners after making an application

If between the Closing Date for applications and offer of an Option Agreement there are changes to the Lead and Sole Applicant/Project Partners, Crown Estate Scotland must be notified. Notification of changes should be communicated to Crown Estate Scotland via the ScotWind Leasing email address:

scotwind.leasing@crownestatescotland.com

quoting the application ID, or via the ScotWind portal.

An Applicant should be satisfied that any changes leave the Lead and Sole Applicant/Project Partners no less able to satisfy the evaluation criteria than at the point the application was submitted.

Option Agreements are awarded and entered in to on the basis of the information provided in the application and assessed, therefore the updated information should not change the basis of that assessment.

Should a Tenant Organisation sign an Option Agreement in the knowledge that changes have occurred that leave the Lead and Sole Applicant/Project Partners less able to satisfy the evaluation criteria, the Tenant Organisation will be in breach of the agreement and Crown Estate Scotland has the right to terminate

4.5.3 Flexibility to accommodate changes to the Tenant Organisation and its affiliated organisations after entering an Option Agreement

We recognise that the companies and individuals involved in the project at application stage may change after an Option Agreement has been executed. As per the terms of the Option Agreement, some changes must be notified to Crown Estate Scotland. We will assess the impact of such changes with reference to the criteria and standards which we applied when evaluating applications in deciding whether we approve those changes. When making that assessment we will take into account the position of the project at that time. For example, if the need for certain capability had fallen away as work had been completed in an area then we would not necessarily require its continued availability, whereas we did require it at the outset.

Termination of Option Agreements because of material reduction in a Tenant Organisation's capability can only take place if and when Crown Estate Scotland reach the view that the changes are such that it is unlikely to be possible to deliver the offshore wind farm as applied for, having afforded an Applicant the time and opportunity to demonstrate otherwise.

5. Evaluation of applications and resolution of competing interest

5.1 Evaluation

5.1.1 Aims of evaluation

Our evaluation aims to achieve two things. First, determine whether we have sufficient confidence that an application is likely to result in a successful project for us to be willing to offer an Option Agreement. Second, if there is competing interest for a location, to determine which application should be given preferred status and offered an Option Agreement.

5.2 Evaluation process

5.2.1 Completeness & legibility check

For each application we receive, we will conduct a completeness and legibility check. We want to check that responses to each question have been included in the submission and that the material is legible.

If we find that material is illegible or missing, we will notify the Applicant and ask that they rectify the error within three working days of our request. If no additional material or more legible material is received within the required timescale then we will evaluate the application as originally submitted.

5.2.2 Spatial analysis of applications

We will generate a spatial data report for each individual application, covering basic spatial parameters. This will include compliance with Plan Options, whether the application is in competition with another as set out in 5.3.1 and whether it interacts with an existing offshore wind farm (i.e. if it is 5 km or less from an existing offshore wind farm agreement boundary).

5.2.3 Crown Estate Scotland initial moderation

When we evaluate applications, more than one reviewer will evaluate every part. The review team will hold moderation meetings to confirm the grade and detailed score of an application. These meetings will also confirm any aspects of the application which we need clarified by the Applicant.

The work of the reviewers will be subject to checks for compliance with our internal evaluation process via a defined programme of sampling audits. These audits will be carried out as the evaluation work is in progress.

5.2.4 Clarification questions put to Applicant by Crown Estate Scotland

If our evaluation identifies any aspect of an application which we consider needs clarified then we will issue clarification requests, with a deadline for responses of ten working days after we make our request. Clarifications received before the expiry of the

response deadline will be considered; any arriving after it will not.

The purpose of these clarifications is not to give an Applicant a chance to modify the detail of their application, but rather to clarify the submitted information.

We will not raise clarification questions when information is absent or illegible. This means that any incompleteness or illegibility which we raise with Applicants during the completeness check (see 5.2.1) but which was not rectified by our deadline cannot be dealt with at the clarification stage.

5.2.5 Final moderation

We will consider any Applicant clarifications received and finalise the evaluation of the application, taking these into account. We will hold a final moderation meeting to confirm the coarse grading and detailed scoring of the application.

5.2.6 Coherence and consistency

Please note that to strengthen our levels of confidence that an application is likely to result in a successful project, we have embedded checks in the evaluation methodology that test whether the application is coherent and consistent.

Applicants must ensure that responses ‘hang together’ across the entire application to satisfy these checks.

5.3 Coarse grading and detailed numerical score

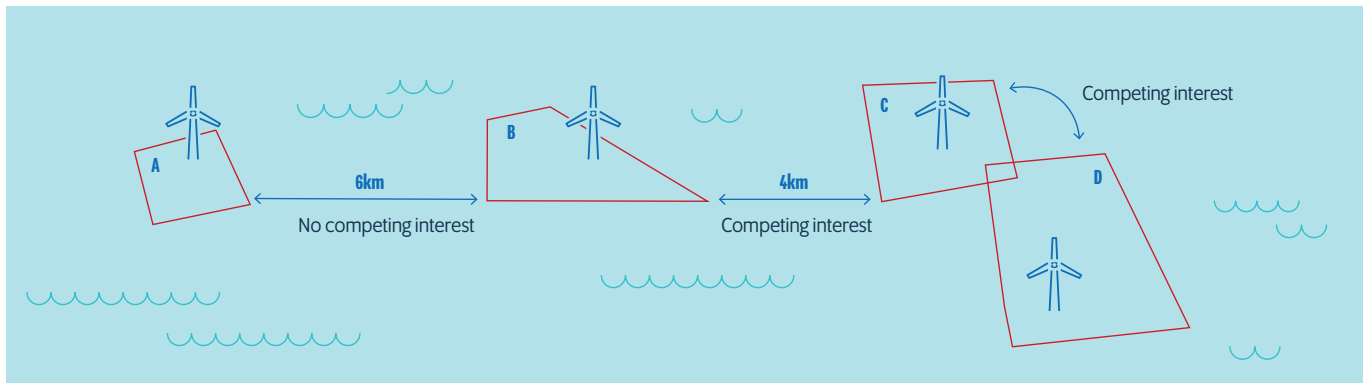
The detail of how the application will be scored is set out in the Guidance Notes and applicants should read these carefully. This section of the Offer Document only provides a brief overview.

The application will be evaluated to determine an overall coarse grading for the application on a three-point scale from Band 1 (lowest) to Band 3 (highest). All answers except those to Questions A7 (Applicant Valuation) and G2 (Preparedness) will be considered in detail to derive the coarse grade band.

A coarse grade of Band 1 will be awarded where the response does not meet Crown Estate Scotland’s minimum level of acceptable response. This grade is intended to identify applications where there is insufficient confidence that the project will proceed successfully so Crown Estate Scotland will not offer an Option Agreement.

A detailed numerical score is also calculated from the evaluation. A subset of the answers where further detailed information sits behind the coarse grade will contribute to the detailed numerical score for the application.

Figure 3



5.3.1 Competing interest

Competing interest occurs when two new applications have 5 km or less between the application area boundaries or the areas overlap, as shown in [Figure 3](#).

Where there is competing interest, we will offer an Option Agreement only to the application that has a higher score. We have decided to offer the highest scoring Applicants the seabed they request, rather than attempting to broker compromises. We have taken this approach because we do not wish to risk weakening the higher scoring application.

5.3.2 Applying relevant SMP and Plan Option limits

To properly account for the limits to the area of seabed awarded from the SMP described in [Section 3.1](#), our approach is to check that none of the limits prescribed by the SMP are exceeded each time we identify an application that could be given preferred status.

In the event that the award of Option Agreement would exceed either of the limits identified in the SMP, that application would not be offered an agreement.

5.4 Overall ranking and offer of Option Agreement

5.4.1 Hierarchy of projects

Following the coarse grading, which results in the removal of those applications scoring Band 1, applications are set in overall ranking order considering four scoring inputs successively:

- A coarse grading which can be Band 2 or Band 3, with Band 3 being highest ranked.
- An Applicant Valuation which will be either £2,000/km², £6,000/km² or £10,000/km². Higher valuations are higher ranked.
- A detailed numerical score, which will be between 0 and 450. Higher scores are higher ranked.
- Random number allocation at Registration (described in [Section 4.1](#)). Higher number is higher ranked.

An illustration of an overall ranking table is included below:

Table 4

| Project | Coarse Grading | Applicant Valuation | Detailed Numerical Scoring | Randomly Allocated Number | Overall Ranking |
|---------|----------------|---------------------|----------------------------|---------------------------|-----------------|
| A | 3 | 10,000 | 448 | 18 | 1 |
| B | 3 | 10,000 | 406 | 71 | 2 |
| C | 3 | 10,000 | 406 | 65 | 3 |
| D | 3 | 6,000 | 395 | 12 | 4 |
| E | 3 | 6,000 | 321 | 89 | 5 |
| F | 3 | 2,000 | 347 | 27 | 6 |
| G | 2 | 10,000 | 322 | 61 | 7 |
| H | 2 | 6,000 | 222 | 3 | 8 |
| I | 2 | 6,000 | 209 | 19 | 9 |
| J | 2 | 6,000 | 200 | 76 | 10 |
| K | 2 | 2,000 | 186 | 39 | 11 |
| L | 2 | 2,000 | 158 | 88 | 12 |

Applications are considered for the offer of an Option Agreement, beginning with the highest ranked.

An application is checked to see whether its addition to the seabed to be awarded would, when taken together with any other Option Agreements which it has already been decided will be offered, exceed either the limit on the total seabed to be awarded, or the total which may be awarded in a particular Plan Option, explained in [3.1.1](#). If the highest ranked application currently under consideration would breach either limit, or both of them, then it will not be considered for offer of an Option Agreement but otherwise it will be successful and will be offered.

Any applications which compete (see [5.3.1](#)) with a successful higher ranked application will be removed from the overall ranking, as they have been out-competed.

Each application in the ranking is considered in turn. Once the full list has been considered, each application which achieved a coarse grading of Band 2 or higher will either have been selected for offer of an Option Agreement, will have been defeated in competition, or will have been discounted because of the limits under [3.1.1](#).

Applicants that are offered an Option Agreement will be required to pay the Option Fee, arrange any required security, and sign the Option Agreement by the deadline which we will set at the time (further information on timescales for the offer of Option Agreement is provided in [Table 6](#)).

If any Applicants do not complete the steps required by the deadline then those applications will be regarded as having been withdrawn. Should that occur, a new overall ranking of all the applications remaining in contention will be established and the above steps repeated to generate a second batch of applications to be offered Option Agreements, with a second deadline for them to be signed. Applications which remain in contention for the second batch are those previously discounted because of the limits under [3.1.1](#) or out-competed by applications which have now been withdrawn, provided they were not in competition with an application which resulted in a signed Option Agreement in the first batch of offers. We will not run a third batch of offers.

Where applications achieved a coarse grade of Band 2 or above but did not secure the offer of an Option Agreement in the batches described above, the Clearing process may be available to them, as described in Section [5.4.3](#).

5.4.2 Overview illustration of how successful applications are identified

This section provides a worked example of how the applications, scoring and SMP might work in combination to determine which applications receive offers of Option Agreements.

Figure 4 shows the layout of Plan Options and example applications made to ScotWind Leasing.

Table 5 shows the results of the evaluation of the set of applications, along with the area and location of the application.

Figure 4

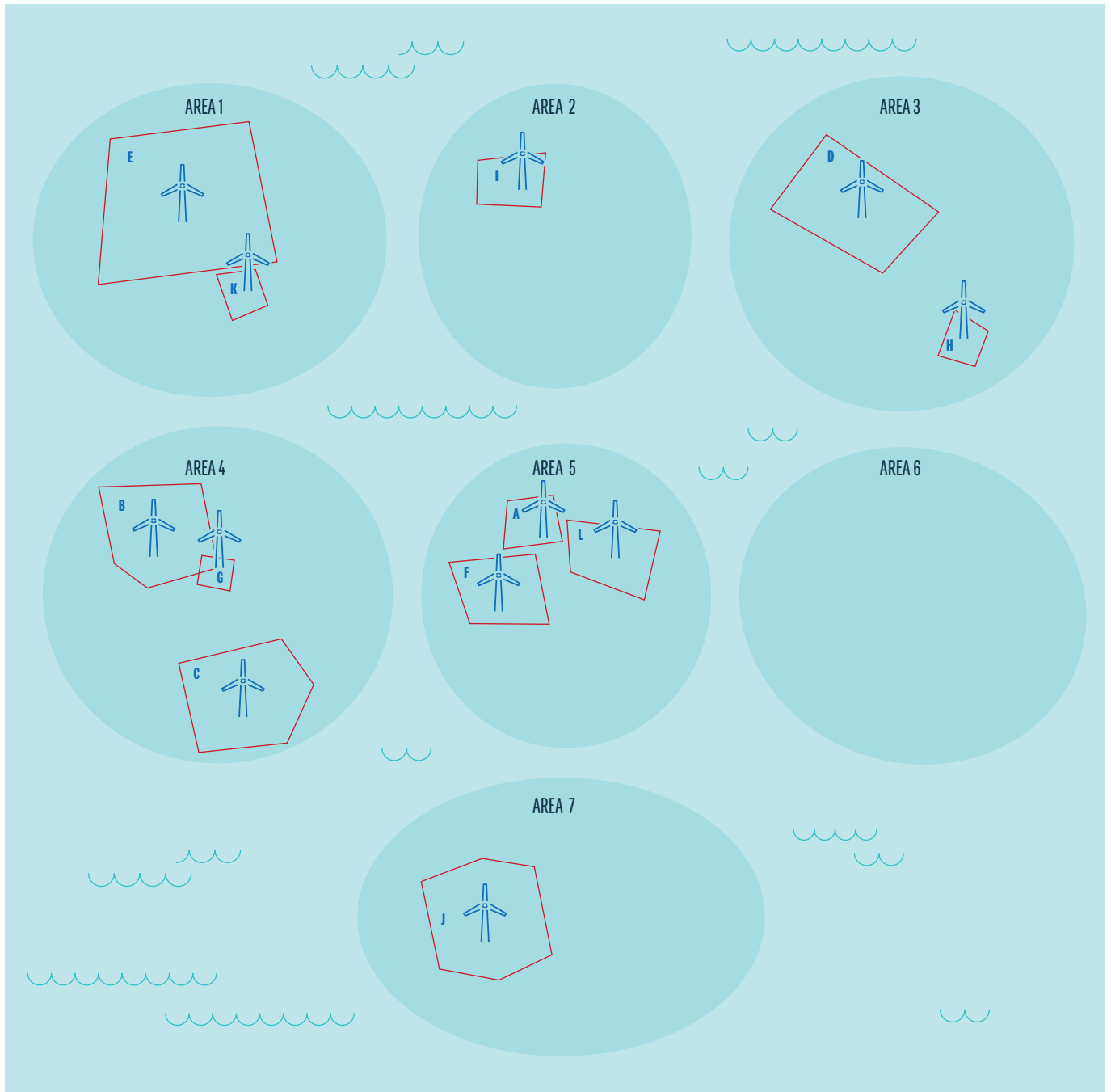


Table 5

| Project | Coarse Grading | Applicant Valuation | Detailed Numerical Scoring | Randomly Allocated Number | Overall Ranking | Plan Option | Application Area (km ²) | Result |
|---------|----------------|---------------------|----------------------------|---------------------------|-----------------|-------------|-------------------------------------|--------|
| A | 3 | 10,000 | 448 | 18 | 1 | 5 | 288 | ✓ |
| B | 3 | 10,000 | 406 | 71 | 2 | 4 | 501 | ✓ |
| C | 3 | 10,000 | 406 | 65 | 3 | 4 | 542 | ✗ |
| D | 3 | 6,000 | 395 | 12 | 4 | 3 | 611 | ✓ |
| E | 3 | 6,000 | 321 | 89 | 5 | 1 | 850 | ✓ |
| F | 3 | 2,000 | 347 | 27 | 6 | 5 | 430 | ✗ |
| G | 2 | 10,000 | 322 | 61 | 7 | 4 | 152 | ✗ |
| H | 2 | 6,000 | 222 | 3 | 8 | 3 | 222 | ✓ |
| I | 2 | 6,000 | 209 | 19 | 9 | 2 | 330 | ✓ |
| J | 2 | 6,000 | 200 | 76 | 10 | 7 | 550 | ✓ |
| K | 2 | 2,000 | 186 | 39 | 11 | 1 | 230 | ✗ |
| L | 2 | 2,000 | 158 | 88 | 12 | 5 | 420 | ✗ |

Project A is the highest placed in the overall ranking and its inclusion would not result in the overall or Plan Option limits on seabed being exceeded; as a result, Project A is offered an Option Agreement.

Any other applications for seabed that is within 5 km of the boundary of Project A will be removed from the overall ranking, having been out-competed. Projects within Plan Option 5 with a boundary greater than 5 km from Project A remain in the overall ranking as long as, taken together with Project A, the area of seabed awarded will not exceed the Plan Option 5 area limit from the SMP.

In this illustration, Projects F and L are both within Plan Option 5 and have boundaries within 5 km of Project A. As a result, they are both removed from the overall ranking.

Project B is the next highest application still in the overall ranking and will be considered for offer of an Option Agreement, provided it does not cause the limit on total seabed or on Plan Option 4 to be exceeded. In this illustration Project C and Project G are within Plan Option 4. Project G has an overlapping boundary with Project B so is out-competed and is removed from the overall ranking. Project C has a boundary greater than 5 km from Project B but, taken together with Project B exceeds the area limit from the SMP for Plan Option 4, so is removed from the overall ranking.

Similarly, the rest of the projects not already removed from the overall ranking are considered in turn:

- An offer of an Option Agreement will be made to Project D.
- Project H, although also within Plan Option 3, does not compete with Project D and does not exceed the Plan Option 3 areas limit from the SMP so remains in the overall ranking.
- Projects E, I and J are not in competition with any higher ranked Projects and do not exceed the Plan Option or overall Plan Option limits, so can be offered Option Agreements.
- Project K is in Plan Option 1 and is in competition with Project E (which is ranked higher) so was removed from the overall ranking when Project E was successful.

5.4.3 Explanation of Clearing

Clearing is intended to provide an opportunity within the first cycle of ScotWind Leasing for capable Applicants (achieving a coarse grade higher than Band 1) who do not receive an offer of an Option Agreement through the process described in 5.4.1. Several conditions must be met before Clearing requests may be made, if these conditions are met then we will invite requests for Clearing from eligible Applicants:

- There must be at least one Applicant which is entitled to make a Clearing request.
- At least one Applicant who is in a position to make a Clearing request must confirm that it intends to do so.
- There must be scope for further Option Agreements within any restrictions imposed by the SMP.

Applicants entitled to make a Clearing request are those who achieved a coarse grading of higher than Band 1, but which were not offered Option Agreements because they were out competed for their preferred site by other applications (see Section 5.4 for further detail on how the overall ranking is established). If there is at least one Applicant which is entitled to make a Clearing request and there is scope for further Option Agreements within any restrictions imposed by the SMP, then the first step of Clearing will be for Crown Estate Scotland to invite requests for Clearing from Applicants. If at that point at least one Applicant who is in a position to make a Clearing request confirms that it intends to do so then the three conditions for Clearing will be satisfied and Clearing may commence.

Applicants are not required to make Clearing requests. However, Applicants who do not make a Clearing request bring their application to an end.

Crown Estate Scotland will publish information in relation to the award of agreements, including the organisations who are counterparties, to conclude the Option Agreement award process. This will take place prior to the commencement of Clearing so that parties that wish to participate in the Clearing process can contact the relevant parties to seek consent.

Clearing will entail an Applicant submitting a revised Application Form for an area of seabed which falls within the SMP. The area of seabed in a Clearing request need not overlap with, or be located in the same Plan Option, as was the initial application.

Those making Clearing requests are required to have consent from wind farm tenants established prior to this cycle of ScotWind Leasing if separated from them by 5 km or less, as was the case for all initial applications. Those making Clearing requests are also required to have consent from the holders of Option Agreements already awarded via this cycle of ScotWind Leasing if separated from them by 35 km or less. In addition to this new requirement Clearing applications must also meet all the conditions set out for ScotWind Leasing, and competing interest will be resolved in the same way as for the initial batch or batches of awards.

The Clearing process will be based on the same evaluation methodology described in this Offer Document unless any modifications to the approach are necessary because of the circumstances at the time. If it is relevant to do so, we will confirm the Closing Date for Clearing applications later.

6. Process and timescales

6.1 Process steps and timescales

Timescales for ScotWind Leasing are set out in **Table 6** below. The application window on the leasing portal opens on the date of publication of this Post-adoption Addendum, on 15 January 2021. When the application window opens, applicants will be able to access the live Application Form on the leasing portal. No information entered in the application form or uploaded to the portal is received by Crown Estate Scotland until the application has been formally submitted. Applications may be submitted at any time until the Closing Date however they will not be considered complete until the application fee is paid. Invoices for application fees will only be raised for applicants who confirm their intention to apply. Invoices are scheduled to be issued on 26 February to enable payment by the application window Closing Date. Detail and timing regarding the application invoice procedure is given below.

The dates presented in **Table 6** for activities that occur after the Closing Date for applications are provisional. Once the number of complete applications is known, we will give a further on update the process steps and timescales for the remainder of ScotWind Leasing including the anticipated date for Option Agreements to be offered to successful applicants.

6.2 First cycle of ScotWind Leasing

Table 6 sets out dates where these have been defined and provides estimates of the duration of those steps for which firm dates have yet to be set. The estimated durations are provisional at this stage since we may adjust the final timetable in light of the information available to us at the time.

Table 6

| Activity | Confirmed date |
|--|------------------|
| Cut-off date for receipt of clarification questions on the Post-adoption Addendum to be considered for priority treatment. See section 6.3 | 29 January 2021 |
| Publication by Crown Estate Scotland of its response to clarification questions on the Post-adoption Addendum which were given priority treatment. See section 6.3 | 12 February 2021 |
| Non-binding Intention to Apply (ITA) message will be sent to applicants on the ScotWind Leasing online application portal. See section 6.4 | 12 February 2021 |
| Deadline for response to non-binding ITA message See section 6.4 | 19 February 2021 |
| Proforma invoices issued to applicants that have confirmed their intention to apply. Total application fee £20,000 + VAT | 26 February 2021 |
| Final date that clarification questions received via the leasing portal will be read | 10 March 2021 |
| All responses to questions received by 10 March will be released by | 24 March 2021 |
| Closing Date for applications: Applications should be made in accordance with the description in Section 4, the Application Form and Guidance Notes. | 31 March 2021 |

| Activity | Estimated Date or Duration |
|---|---|
| <p>The elapsed time required for the following steps is dependent on the number of applications we receive. Crown Estate Scotland's provisional view of the elapsed time for the steps is presented now. Applicants should note that the position may change, but we wish to give a broad indication of our current thinking. We will provide an updated timetable with firm dates in April 2021 once application numbers are known.</p> | |
| <p>Confirmation to registered Applicants as to whether the application and application fee have been received and will be evaluated</p> | <p>7 April 2021</p> |
| <p>Evaluation of applications The steps set out in Section 5 of this Offer Document to determine which Applicants will be offered Option Agreements.</p> | <p>Concludes six months from Closing Date</p> |
| <p>Offer Option Agreements To conclude the Option Agreement award process, we will publish any information in relation to our intention to award agreements that may aid transparency; run proximity checks for existing seabed agreements and use that information to finalise the Option Agreement with each of the confirmed Applicants. Option Agreements must be signed, any necessary security arranged and Option Fee paid within the deadlines which we will define for the first and possible second batch of offers that we will make. We anticipate setting a deadline measured in weeks between an offer of an Option Agreement being made and the deadline for completion.</p> | <p>Start: Within two weeks of evaluation process concluding</p> |
| <p>Feedback to Applicants (prior to commencement of Clearing) We want to provide feedback to unsuccessful Applicants including confirmation of the scoring their application received. We intend to provide feedback to Applicants via virtual or face-to-face meetings. The purpose of the meeting is not to re-visit the scoring decisions, but to assist with the Applicant understanding areas where different approaches might have improved their score. This will be possible once we have notified all Applicants of the outcome of our evaluation.</p> | <p>Commencing within two months of the deadline for completing Option Agreements (or the latest deadline, if two batches of offers are made).</p> |
| <p>Clearing Where Applicants have met the minimum standards but have been defeated by higher ranking projects, Applicants may choose to apply for an alternative location which is not in competition. This application will be considered on its merits and subject to associated timescales.</p> | <p>Four months following the deadline for completing Option Agreements (or the latest deadline, if two batches of offers are made).</p> |
| <p>Closure of the first cycle of ScotWind Leasing Preparations start for the next cycle of ScotWind Leasing which we will consider commencing around 24 months after completion of the first cycle of leasing. We will take account of the circumstances at the time and will have regard to the iterative review process for the SMP when deciding on the arrangements for the next cycle of leasing.</p> | <p>Conclusion of Clearing.</p> |

6.3 Clarification of the Post-adoption Addendum

Applicants may raise clarification questions on the Addendum, via the leasing portal. An initial cycle of responses will be provided on a fixed timetable: those questions submitted in the first two weeks following publication will be screened by Crown Estate Scotland and any received during that initial period which appear likely to have material impact or be of wider interest will be answered as a matter of priority. Responses to those priority questions will be released within a further two weeks.

Thereafter, further responses will be issued on a rolling basis (most likely a weekly cycle), in response to any questions raised prior to a final cut-off date for questions. The final date that clarification questions received via the leasing portal will be read and responded to is 10 March 2021 and all responses to questions received by that date will be released by 24 March 2021.

6.4 Arrangements for confirming intention to apply and payment of application fee

Applicants will be invited on 12 February 2021 to indicate whether they intend to make an application, with a deadline for responses of 19 February 2021.

Registered Applicants who do not respond confirming their intention to apply by 19 February 2021 may not be issued with an invoice by Crown Estate Scotland for the Application Fee. Without an invoice, an applicant may not be able to pay an Application Fee by the required deadline and so may not be able to submit a valid application. A positive response to the intention to reply message may therefore be necessary for a valid application to be submitted.

Registered Applicants who confirm their intention to apply by 19 February 2021 are not obliged to complete an application and are not, as a result of indicating their intention to apply, committed to pay the application fee. Therefore confirmation of intention to apply is non-binding, though as explained above, is likely to be necessary to complete an application. An Applicant that confirms their intention to apply, and is in receipt of an invoice for the application fee, may later decide, prior to the Closing Date, not to submit the application.

7. Data Protection, Freedom of Information and Disclaimer

7.1 Data Protection

Any personal data submitted to Crown Estate Scotland as part of your application will be processed in accordance with our obligations under the Data Protection Act 2018 and the EU General Data Protection Regulation 2016 and any other applicable law and in accordance with our Privacy Notice which we intend will be available on our website prior to the Closing Date. The lawful basis of processing this personal information is our legitimate interest to consider and evaluate your application to enter into an Option Agreement with us and develop an offshore wind project, and for us to manage any resulting contract.

7.2 VAT Treatment

The application fee paid in respect of the ScotWind Leasing process is subject to VAT.

Payments in relation to agreements for seabed which is wholly outside Scottish Territorial Waters are outside the scope of VAT. In other cases, Option Fee and rent payments may be subject to VAT depending on: the location of the Option Agreement Area or the Lease area, notices given by Crown Estate Scotland to HMRC, and on applicable guidance given by HMRC.

7.3 Freedom of Information

All information submitted to us may need to be disclosed and/or published by us under the Freedom of Information (Scotland) Act 2002 (FOISA) and the Environmental Information (Scotland) Regulations 2004 (EISRs) and to: our external advisers; the Scottish Ministers; the Scottish or United Kingdom Parliament or any other department, office or agency of HM Government who in turn may require to disclose information in compliance with the FOISA and the EIRs, any other law, or, as a consequence of judicial order, or order by any court or tribunal with the authority to order disclosure.

We intend to publish the Applicant Valuations submitted for those applications which result in an Option Agreement being entered into. We intend to publish these prior to the start of the second cycle of ScotWind Leasing. If the conditions for holding Clearing are met then Applicant Valuations will be published after Clearing has been completed for the first cycle of leasing.

If you consider that any of the information included in your application is commercially sensitive, please identify it and explain the issues that may arise from disclosure and/or publication. It should be remembered though, that, even where you have indicated that information is commercially sensitive, this may still be disclosed. Marking material as “confidential” or “sensitive” equivalent should not be taken to mean that any duty of confidence is accepted by Crown Estate Scotland by virtue of that marking.

7.4 Status of activity

This is a competition for each of the bidders to achieve an interest in land by way of a lease. Therefore it is not a contract to which the Public Contracts (Scotland) Regulations 2015 apply.

7.5 Disclaimer

This document provides guidance to the process for securing an Option Agreement. It is not intended to be a definitive guide to the legal content of contractual agreements with any successful Applicant. For the avoidance of doubt the Option Agreement or Lease and any other legal documents referred to in these documents set out the legal terms for such arrangements and this document provides a summary only.

Neither Crown Estate Scotland nor any of its advisors accept any liability or responsibility for the adequacy, accuracy or completeness of any of the information or opinions contained in this document. No representation or warranty, express or implied, is or will be given by Crown Estate Scotland or any of its agents or advisors with respect to the information or opinions contained in it. Any such liability or responsibility is hereby expressly disclaimed.

The document is provided solely for the purposes set out in it and is not intended to provide the basis of any investment decision.

Nothing in the document is, or should be relied upon, as a promise or representation as to Crown Estate Scotland's ultimate decision in relation to the award of an Option Agreement or Lease, which will depend on the outcome of the leasing process and other external factors. For the avoidance of doubt nothing in the document constitutes an offer which is capable of acceptance by an Applicant.

Crown Estate Scotland cannot in any circumstances be held responsible for any costs incurred by an Applicant which relate in any way to the document or application. Crown Estate Scotland does not owe any duty of care to any Applicant in respect of matters arising in any way out of the document or such procedures and processes.

Applicants should note that they are responsible for checking, at their own expense, the accuracy of all information on which they rely in connection with this document, whether produced by Crown Estate Scotland or not. Further, all expenses incurred by an Applicant in respect of and consequent upon this document are for the Applicant's own account.

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