

Crown Estate Scotland (Interim Management) Heads of Terms for Electricity Interconnector cables within the Territorial Waters of the United Kingdom adjacent to Scotland

These terms apply to electricity interconnectors with an international dimension, export cables for energy installations not on the Crown Estate, and domestic electricity transmission cables (non-export). Crown Estate Scotland (Interim Management) charges standardised licence fees for all International Interconnector cables as set out below. Domestic (UK) and cables to the Isle of Man will be dealt with on a case by case basis but the Licence provisions will normally reflect the terms set out below.

Licence

Licensor	Crown Estate Scotland (Interim Management)
Licensee	[]
Term	([40] years)
Licence Start Date	TBC
Longstop Date	TBA
Base Fee	£150,000.00 per annum payable from the Licence Start Date until the Operational Date
Additional Fee	£250,000.00 per gigawatt of rated capacity for the Cable[s] payable from the Operational Date in addition to the Base Fee
Operational Date	the date which is the earlier of: (a) the date on which the Cable[s] [is/are] first used for the Permitted Use; and (b) the Longstop Operational Date
Longstop Operational Date	[]
Permitted Use	transmission of electricity (in the case of electricity cable[s]) and the transmission of data signalling protection and control functions ancillary to the transmission of electricity (in the case of fibre optic cable[s]) If a further fibre optic cable is proposed for purely communications reasons (which is often the case) then this can be accommodated but

	will be charged in line with (separate) telecoms HoTs
Acceptable Covenant Strength	<p>Net Assets of no less than (£X) subject to upwards only annual inflation adjustments</p> <p>The Licensee will produce confirmation of meeting the Acceptable Covenant test on each anniversary throughout the Licence and at any time during the Licence on 5 days' notice</p>
No dredging Zone	235m on either side of the Cable Corridor
Works Restriction Zone	<p>In water less than 55m below chart datum 235 metres either side of the Cable Corridor</p> <p>In water greater than 55m below chart datum 485 metres either side of the Cable Corridor</p>
Rent Reviews	<p>Indexation The Licence Fee will be subject to review at annually on and after the Licence Start Date</p> <p>Reviews will be upwards only and in line with the Consumer Prices index of the Office for National Statistics</p> <p>Market Review On the [10th] anniversary of the Licence Start Date and each 10th anniversary thereafter</p> <p>If the parties cannot agree then The Valuation Office will act as an Independent Expert</p>
Termination	Either party may terminate the Licence at any time after the Cable has been Fully Decommissioned subject to 6 months' notice expiring on a payment day and Licence Fee having been paid up-to-date
Decommissioning	Licensee will decommission the Cable in line with the Final Decommissioning Plan as agreed with the Licensor
Residue of the Cable	Any sections left on the seabed (as specified in the Final Decommissioning Plan) after completion of the decommissioning works shall remain the property of the Licensee
Diversion	The Licensor may at any time or any times request a diversion of the Cable to a reasonable alternative route

	<p>In this event:</p> <ul style="list-style-type: none"> • The Licensor will pay the costs and expenses reasonably incurred in obtaining the consent and other expenses and carrying out the diversion of the Cable • The provision of the Licence will apply to the Cable in the altered route
Alienation	The Licensee will not hold the Licence on trust, grant a sub-licence, novate or assign, in part or whole, unless permitted
Indemnity	The Licensee will fully indemnify and keep the Licensor indemnified for the entirety of the Licence
Insurance	The Licensee will effect and maintain third party and public liability insurance at a minimum level of (£25,000,000) for each and every event
As Laid plans and co-ordinates	Within 10 days of the Cable being laid, the Licensee will provide as laid plans and co-ordinates
Maintenance	Where necessary to repair damage, the Licensee may replace a part of the Cable or make additions to the Cables or carry out such re-protection or additional re-protection works. Within 10 days following works new as laid plans and co-ordinates must be provided to the Licensor

These Heads of Terms are not intended to be contractual in effect