**Netherlands Offshore Wind Farm Borssele cheapest world wide**

The cost of building and operating the Borssele offshore wind farm is expected to be Euro 2.7 billion cheaper than previously estimated. Moreover the 700 MW wind farm will generate 22.5% more electricity than anticipated.

The lower than anticipated price follows fierce competition between companies in the public tender to secure the permit and associated subsidy to build and operate the wind farm. Overall, there were 38 bids, with Danish offshore wind developer, Dong Energy, submitted the winning bid. The wind farm is expected to be ready mid-2020 and will be constructed more than 22 km off the coast of the province of Zeeland.

The Minister of Economic Affairs, Henk Kamp, said: "Worldwide it has never happened before that an offshore wind farm can be built at such low cost. The Dutch system in which companies have to compete with each other while the government regulates all conditions for building the wind farm has proved to be very successful. This reduction of cost represents a major breakthrough in the transition to more sustainable energy.”

**10,000 jobs and sustainable electricity for five million households**

One million households will be provided with electricity generated by the 700 MW wind farm off the coast of Borssele. Four additional offshore wind farms, each 700 MW, will follow in the coming years, also off the coast of the provinces of North and South Holland. Combined, these five wind farms will have a combined capacity of 3,500 MW, generating enough electricity for more than five million households. This a major contribution to the Netherlands goal of 16 % sustainable energy in 2023. The size makes this project unique. In comparison, the largest offshore wind farm in Europe at the moment is the 630 MW London Array project. Meantime, the average size of offshore wind farms built in 2015 in Europe had a capacity of 337.9 MW.

Minister Kamp continued :"Over the next few years the five largest wind farms in the world will be built in the Netherlands. With the development of offshore wind farms we are building a new economic sector. The development of offshore wind farms has already created around 4,000 jobs in the Netherlands, such as in manufacturing, construction and research. This is expected to grow to 10,000 jobs by 2020." A greater part of the construction of the new wind farm in the Borssele Wind Farm Zone is expected to be conducted from the port of Vlissingen.

**Unique process**

Under the Dutch system, interested market parties could bid in the subsidy and permit tender, with a maximum price cap set at 12.4 Euro cent per kilowatt hour. Dong Energy submitted the lowest bid with an average of 7.27 Euro cent per kilowatt hour. This is 5.1 Euro cent less than the originally estimated compensation. This results in a cost reduction of Euro 2.3 billion over the 15-year period that the SDE+ subsidy compensation is available. Until now the lowest auction price for constructing and operate a wind farm was 10.3 Euro cent per kilowatt hour, for a wind farm off the coast of Denmark.

The government regulates all conditions for the construction of the wind farms: the exact location, consents, the connection to the electricity grid. Further the government makes an operating grant available. Producers receive financial compensation for the renewable energy they generate. In the subsidy and permit tenders the lowest bid will be awarded. That company will receive a permit to build and operate the wind farm and granted the associated subsidy. This makes the construction of the wind farms cheaper. Previously, companies had to receive consents before they could compete for the grant and had to install the export cables to shore themselves. Now TenneT, the Dutch transmission system operator, takes care of the offshore grid connections.

It is expected that the tender for the second wind farm (Borssele Wind Farm Sites III and IV) will be closed in the last week of September 2016. After that, from 2017 the development of wind farms off the coast of the provinces of South Holland and North Holland is foreseen.