



Rijksdienst voor Ondernemend
Nederland

Tender for the granting of offshore wind farm permit Hollandse Kust (noord) Wind Farm Site V

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What topics are explained?

- Looking back at The Energy Agreement for Sustainable Growth 2013 (“The Energy Agreement”)
- Offshore Wind Energy Act
- Ministerial order for the Granting of Offshore Wind Farm Permit for HKN Site V
- Application form and appendices
- Policy guideline for changes
- Agreements with The Central Government Real Estate Agency



Agreements in The Energy Agreement

- "Scaling up offshore wind to 4,450 MW installed in 2023"
- "For offshore wind projects, the SDE+ funds for 2020 will be fully committed due to the implementation period of 4 years".
- "A cost reduction of 40% per MWh over the period 2014-2024".



Agreements The Energy Agreement

- "Scaling up offshore wind to 4,450 MW installed in 2023"
- Including Wind Farm Site V:
 - Committed in 2020: 4,739.5 MW
 - To be installed in 2023: a challenge



Offshore Wind Energy Act

- Amended Wind Energy Act has been offered to the House of Representatives
- A Ministerial Order under the current legislation. There is no waiting for the amendment of the Wind Energy Act.



Requirements Wind Energy Act (Section 14)

A permit can only be awarded if, based on the application, it is sufficiently plausible that the construction and operation of the wind farm:

- a. is feasible;
- b. is technically feasible;
- c. is financially feasible;
- d. can be started within four years of the date on which the permit has become irrevocable;
- e. is economically feasible within the period of time specified in the permit;
- f. meets the requirements of the site decision.

If there is insufficient evidence that one or more criteria have been met, the application will be rejected and therefore not ranked.



Offshore Wind Energy Act

- Procedure without subsidy described in Sections 22 to 25;
- Enforcement described in Sections 26 to 28.



Offshore Wind Energy Act, Section 23(2)

Applications must always include:

- a design for the wind farm;
- a timetable for the construction and operation of the wind farm;
- an estimate of the costs and revenue;
- an estimate of the social costs;
- an identification and analysis of the risks;
- a description of the measures to ensure cost-efficiency;
- a list of the parties involved in the construction and operation of the wind farm;
- a description of the knowledge and experience of the parties involved.



Offshore Wind Energy Act, Section 24

If multiple applications comply with 14 and 23, they are ranked according to:

- a. the knowledge and experience of the parties involved;
- b. the quality of the design for the wind farm;
- c. the capacity of the wind farm;
- d. the social costs;
- e. the quality of the identification and analysis of the risks;
- f. the quality of the measures to ensure cost-efficiency.

The above comparative assessment has been set out in more detail within the Ministerial Order for the Granting of Offshore Wind Farm Permits for Hollandse Kust (Noord) Wind Farms Site V.



Offshore Wind Energy Act, Section 25

- Decision on application within 13 weeks after the closure of the tender
- One-off option to extend for a further 13 weeks



Offshore Wind Energy Act: Enforcement

Section 27

If the provisions under or pursuant to this Act are infringed, the Minister of Economic Affairs and Climate Policy can impose an administrative enforcement order on the infringer.

What is the penalty under the administrative enforcement order?

- Arguments of both parties are always heard first
- Depends on culpability
- Is always proportional



**Ministerial Order for the permitting
of Offshore Wind Energy
Hollandse Kust (noord)
Wind Farm Site V**



Ministerial Order for the permitting of Offshore Wind Energy Hollandse Kust (noord) Wind Farm Site V

- Section 1 Definitions
- Section 2 Application for a permit Wind Farm Site V
- Section 3 Submission requirements
- Section 4 Feasibility and equity capital
- Section 5 Weighing of the ranking criteria
- Section 6 Costs application permit
- Section 7 Entry into force of the Ministerial Order
- Section 8 Title of the Ministerial order
- Appendix to the Ministerial Order



Ministerial Order: Section 2

Submitting the application

- From 2 April 2020 to 30 April 2020, 17:00h
Address: RVO.nl, Hanzelaan 310 in Zwolle
(by appointment)
- Submission in person using prescribed application form with mandatory appendices
- > You will receive confirmation of receipt.



Ministerial Order: Section 3(1a)/2 Windreport

- By an independent organisation with expertise
- Use: reputable calculation models, environmental models, wind models and wind maps
- Must contain the following as a minimum:
 - Wind turbine details: the locations, make, type and technical specifications, including axis height, rotor diameter and power curve
 - Local wind data for the wind farm
 - Calculation of the P50 value for the net electricity production
- Losses: availability, wake effects, electricity losses and curtailment losses
 - For the wake effect, only the wind farm for which the application is made and Prinses Amalia and Egmond aan Zee (OWEZ) are taken into account.



Windreport

- Renowned models:
- In terms of wake effect:
 - > Models suitable for large Offshore Wind Farms
 - > Average of at least 3 different models
 - > Clearly state parameter settings
 - > This is further described in the application form



Ministerial Order: Sections 3(1b) and (1c) → Wind Farm Site Decision and Water Decree

- Details to be supplied under Wind Farm Site Decision and Water Decree:
- Documents which demonstrate that the applicable Wind Farm Site Decision is being complied with are requested in the application form and the appendices;
- Information that demonstrates that the declaration referred to in Section 6.16d(1)(c) of the Water Decree can be submitted in good time;
- Only requested if the wind turbine has not yet been certified.



Ministerial Order: Section 3(3) → Timetable

- a. The wind farm operator's consent to the conditions of the offshore grid transmission system operator for the connection and the transport of electricity in accordance with the Electricity Act (*Elektriciteitswet*) 1998
- b. The awarding of contracts to suppliers and installers
- c. The installation of the first foundation
- d. The installation of the first wind turbine
- e. The start date for supply of electricity
- f. The date of commissioning of 95% of the offshore wind farm
- g. The date of commissioning of the entire offshore wind farm
- h. The decommissioning of the offshore wind farm
- Milestone a and f are relevant for the ranking



Ministerial Order: Section 3(4) Costs/benefits

The estimate of costs and benefits contains an operation calculation including:

- a. a specification of the investment costs per component of the power generation facility;
 - b. an overview of all costs and benefits of the power generation facility;
Benefits = value of electricity + value of GoOs
 - c. a calculation of the return on investment over the project period.
- RVO.nl provides an Excel calculation model for this purpose.



Ministerial Order: Section 3(5) → Social costs

- The costs of TenneT for the Alpha platform and the export cable are regarded as social costs
- The more MWh, the lower the costs per MWh
- Is a ranking criterion
 - Maximum of 10 points for $\geq 3,300,000$ MWh per year
 - 9 points for $\geq 3,200,000$ and $< 3,300,000$ MWh per year
 - Etc.



Ministerial Order: Section 3(5) → Social costs

Acceleration of construction

- Planning to bring 95% of the wind farm into use earlier
- 10 points for acceleration of at least 21 months
- 7 points for acceleration of at least 15 months
- 4 points for acceleration of at least 9 months
- 2 points for acceleration of at least 3 months

Calculated from 10 September 2025, so maximum score if 95% is ready before 10 December 2023



Ministerial Order: Section 3(5) → Social costs

Stimulate innovation

- For the benefit of the integration of future wind farms into the Dutch energy system
- Split into two parts
 - > Demonstration of the innovation (max 7 points)
 - > Knowledge sharing about the innovation (max 3 points)
- To be appointed experts will compare bids



Ministerial Order: Sections 3(9) Knowledge and experience of the parties involved

- a. the installed capacity of the wind farms for which the party responsible for project management during construction performed the project management;
 - b. the number of wind turbines supplied by the supplier;
 - c. the number of wind turbines installed by the installer;
 - d. the number of foundations produced by the supplier;
 - e. the number of foundations installed by the installer;
 - f. the number of **electricity connections** at sea for which infield cabling has been supplied by the supplier;
 - g. the number of wind turbines connected by the installer of the infield cabling;
 - h. the installed capacity of the wind farms which the party responsible for maintenance and operation maintained and operated.
- Is a ranking criterion; maximum of 10 out of 100 points



Ministerial Order: Section 3(6) Risks

The identification and analysis of the risks shall at least contain:

- a. the risks associated with the financial yield of the electricity to be generated;
 - b. the risks involved in the construction of the wind farm;
 - c. the risks involved in the operation of the wind farm.
- Is a ranking criterion
 - Is assessed on a continuous scale
 - By experts
 - Maximum of 10 out of a 100 points



Ministerial Order: Section 3(7) Measures to ensure cost-efficiency

The application must include information on the following:

- the risk assessment methods;
 - the mitigating measures taken in respect of the risks as mentioned in Section 3(6)
-
- Is a ranking criterion
 - Is assessed on a continuous scale
 - To be appointed experts
 - Maximum of 30 out of 100 points (yield risk counts for a 14/30 share)



Ministerial Order: Section 3(10)

The following details shall also be appended to the application:

- a. a summarised description of the construction, operation and decommissioning of the wind farm;
- b. a financing plan, including the intended backers and the share that they would be expected to contribute;
- c. if the applicant is a collaborative venture, a statement of participation in the collaborative venture signed by each participant;
- d. the most recently adopted financial statements of the applicant, its parent company and each of the participants in the collaborative venture or their parent companies, for a year no more than three calendar years prior to the year in which the application is submitted.



Ministerial Order: Section 4 Feasibility

> **Paragraph 1** *Technical feasibility: The design for the wind farm shall contain the following as a minimum:*

- Wind energy yield calculation
- Details of requirements stipulated in the site decision
- Information on certification for non-certified turbines

> **Paragraph 2** *Financial feasibility:*

- Costs and benefits
- Financing plan
- Financial statements
- Requirement: Equity capital at least 20% of investment

> **Paragraph 4** *Likelihood that construction and operation will start within 4 years*

- Partly on the basis of the timetable submitted

> **Paragraph 5** *Economic feasibility based on operation calculation including:*

- Investment costs per component
- Costs and benefits for the duration of the project
- Calculation of the return on investment



Ministerial Order: Sections 5–8

- > Section 5: Ranking criteria
 - Respective weighting based on points. Higher number of points results in a higher ranking
 - In case of equal ranking, each criterion is examined by order of priority (f,d,e,c,a,b)

- > Section 6: Costs of applying for a permit €0,-
- > Section 7: Ministerial Order to enter into force 1 April 2020
- > Section 8: Title of the Ministerial Order:
Regeling vergunningverlening windenergie op zee kavel V Hollandse Kust (noord). Translated: Ministerial Order for the Granting of Offshore Wind Farm Permits for Hollandse Kust (noord) Wind Farm Site V



Appendix to Ministerial Order

- Amendment criterion a, knowledge and experience:
 - suppliers of (infield) cabling
- Amendment of criterion d, social costs
 - production tightened
 - acceleration of the construction
 - demonstration of the innovation
- Amendment of criterion e and f
 - criterion e and f streamlined with each other
 - assessment criterion clarified



What do you need for an application?

- The prescribed application form
 - Official application will be made available via mijn.rvo.nl
- An operation calculation model
- Relevant appendices
 - Listed in the application form checklist



The application form

1 Applicant's details and application

2 Intermediary

3 Design details for the wind farm:

- P50 value for the electricity production
- Total installed capacity
- Turbines certified or non-certified
- Turbine types



The application form

4 Timetable for construction and operation:

- Transmission system operator's conditions
- Contracts to suppliers and installers
- Installation of the first foundation
- Installation of the first wind turbine
- Starting date for the supply of electricity
- Date for the decommissioning of the wind farm
- The date of commissioning of 95% of the wind farm
- The date of commissioning of the entire wind farm
- The decommissioning of the wind farm



The application form

5. Financial data

- Investment costs for Site V
- Supplement equity capital with capital of a parent company or not.
- Amount of equity capital
- Necessary for assessment of 20% equity capital



The application form

6 Regulations of the Wind Farm Site Decision

- Type of foundation
- Use of sacrificial anodes yes/no

7 Appendix checklist

- To verify that all relevant appendices have been attached

8 Declaration and signature



The application form, appendices

1. Summarised description of the construction, operation and decommissioning of the wind farm
2. Wind report
3. Operation calculation
4. Financial statements
(including consent by parent company if applicable)
5. Financing plan
6. Table of wind turbine details and wind turbine locations



The application form, appendices (continued)

7. Overview of the knowledge and experience of the parties
8. Description and substantiation of the planning in order to 95% of the wind farm to be brought online earlier
9. Description of the demonstration and knowledge sharing of the innovation (max 50 pages)
10. Overview of the identification and analysis of the risks (max. 50 pages)
11. Description of the measures to ensure cost-efficiency (max. 100 pages)



The application form, appendices (continued)

12. Overview of the collaborative venture
13. Certification plan for non-certified turbines
14. Environmental impact of the foundation
15. Concept press release (optional)



Policy rule for amendments

How are amendments dealt with after the permit has been issued?

A new policy rule is published in accordance with the existing policy rule, in which changes are allowed, but the overall ranking score must remain the same or improve. (exception criterion b and d)



What will the permit cover?

- Permit drawn up in the name of the recipient for 30 years
- Which activities in which time periods
- Obligation to implement the project in accordance with the application
- Annual reporting obligation
- Obligation to provide a bank guarantee for decommissioning
- Signature of preliminary agreement with Central Government Real Estate Agency (RVB) within one month



Agreement with Central Government Real Estate Agency (RVB)

- Within one month after the permit is issued enter into a preliminary agreement with the Central Government Real Estate Agency (RVB)
- After the permit has become irrevocable, the right of superficies must be established within one year, together with the lease agreement.



Payments to Central Government Real Estate Agency (RVB)

Reservation fee (up to 4 years after permit has become irrevocable)

- 116,844 euros per year

During operational period (from 4 years after permit has become irrevocable)

- 704,659.20 euros per year for the right to the seabed lease

Retribution during dismantling

- 116,844 euros per year plus indexation

One-time rental price

- EUR 32,950 (one-off payment)



Final date for submitting questions

- Questions can be submitted to woz@rvo.nl
- The last questions that will be answered by RVO must be received by RVO no later than 1 week before the tender opens (26 March 2020)
- These questions will be answered asap and there will then be no further communication until the results of the tender are announced
- The one exception is making an appointment for submission



Questions about innovation

The Ministerial Order mentions innovation in the wind farm or in respect of directly related resources at Site V. What is meant by this?

All the innovation must take place at Site V. This means the innovation may take place both in respect of the turbines and in respect of resources or installations directly related to the wind farm (such as TenneT's platform). However, the inclusion of surrounding oil and gas platforms will not generate any points for innovation.



Questions about innovation

What scope is there for innovations on TenneT's platform?

Two spaces which the wind farm operator may use are available on the platform. Those spaces may also be used for innovation. However, there are some restrictions on the use of those spaces. For example, TenneT will not permit any innovations associated with hydrogen production on the platform.



Questions about innovation

Will an innovation receive a higher score if it has a greater impact on the supply profile of the wind farm itself?

The assessment criterion aimed at the impact of innovations reads as follows: "Potential impact of the innovation for wind farms in the future if the innovation is made market ready". This, then, has to do with the impact the innovation will have on future wind farms and not its impact on the supply profile of the wind farm itself. There is no assessment criterion aimed at the impact on the supply profile of the wind farm itself.



Questions about innovation

How should uncertainties surrounding innovations be dealt with?

It is the applicant's responsibility to provide supporting arguments showing the innovation can be demonstrated in time. The extent to which it can plausibly be assumed the innovation can be demonstrated in time will be taken into account in the assessment. Example: for permits yet to be granted, it is the applicant's responsibility to show plausibly that they can be obtained in time.



Questions about innovation

Should the demonstration of an innovation or innovations be accelerated in the same way as the construction of the wind farm?

The demonstration of innovations must start no later than 60 months after the permit becomes irrevocable. This means they do not need to follow the wind farm's accelerated time frame. Since innovations may be components of the wind farm, parties will score points for accelerating the construction of at least 95% of the wind farm.

Note: In the published Ministerial Order of 13 December 2019 the word 'permit' was mistakenly replaced by 'Wind Farm Site Decision'. The Ministry has corrected this by means of an amendment on the Ministerial Order.



Going forward

- **www.RVO.nl/windenergie-op-zee for:**
 - Publication of questions and answers on the Ministerial Order
- **<http://Offshorewind.rvo.nl> for:**
 - Publication of questions and answers on research data
 - Publication of Project & Site Description
 - Publication of sheets from this meeting
 - Publication of research data
- **Zwolle Office for:**
 - Information meeting on applying for a permit
 - Submission of application for a permit for HKN Site V
- **Visit www.mijnrvo.nl for:**
 - Official documents and application form for a permit application.