WHITE PAPER FOR DEVELOPMENT AND REGULATION OF OFFSHORE WIND IN NORWAY
Ministry of Petroleum and Energy of Norway

20 August 2021

WindEurope welcomes the white paper put forward by the Ministry of Petroleum and Energy and stresses the great interest from the industry to successfully realise this offshore wind ambition. WindEurope represents the wind industry supply chain with over 400 members across 35 countries.

To this end we recommend:

As we take forward your ambitious plan for offshore wind, we await to understanding where this energy is going to be consumed and how it fits your wider vision of Norway's energy system.

This entails planning for the import and/or export of offshore wind to the North Sea grid electricity and wider energy system. These wider considerations are crucial to designing transmission infrastructure, in particular grids.

Ensure the Government plans for other grid infrastructure beyond radial connections. Hybrid projects – wind farm grid-connected to a different country through an interconnector – are very high on the agenda for the industry to develop projects in Norway to take electricity where it is most needed. This requires setting a regulatory framework that provides a clear financing structure for those investing in projects. And clarifying on respective roles of Statnett and developers as soon as possible whether the approach is hybrid or radial. As developers, we are open to having a role ourselves to design and build this infrastructure.

It is too early to introduce a pure price-auction model for granting seabed development rights and other models should be explored for the first commercial projects. Norway would be the first country in the world to do their first wind farms through auctions. Although using a purely price-auction could deliver the first projects, it will not bring other socio-economic benefits which are better served with a qualitative criterion.

However, if the Government wishes to go ahead with an auction, we recommend:

- Set a prequalification process to ensure bidders will follow through the development of the project during leasing, permitting and operation. This will allow the Ministry to manage the administrative workload effectively.
- Evaluate consortia as a single participant, this will allow candidates to reinforce their overall capabilities by building on each other's strengths.

- Set a price cap for the bids and communicate on it.
- Include qualitative criteria as part of the prequalification and/or evaluation and define it as early as possible. Japan is a good example of evaluation criteria with equal weights to both price and feasibility of the project proposal. The latter evaluates the applicants' experience, coordination with stakeholders and impact on the local economy.
- Place a transparent, non-discriminatory process and involve stakeholders.
- Set different models for floating wind and bottom fixed offshore wind areas.
- Divide the areas according to technologies and give sufficient space to allow for optimisation of the project. By 2030 fixed bottom wind farms coming online will be between 1,000 – 2,000 MW. Floating wind will be installing the first commercial projects of 300 – 500 MW.
- Scotland, Japan, and the Netherlands have good practices on the above. Particularly ScotWind is a recent reference model with good elements, it has set a transparent and non-discriminatory framework with caps for leasing, commitment for supply chain development, and enabling sites for fixed and floating technology.

The wind industry reiterates its commitment to a just energy transition and to the Ministry of Petroleum and Energy to realise these ambitions in collaboration with the wind industry. And in the same way, it encourages the Norwegian Government to emphasize all stakeholders to participate in consultations for the development of offshore wind.

Giles Dickson
CEO, WindEurope

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