



Rijksdienst voor Ondernemend
Nederland



Outline of Borssele Wind Farm Site V (Innovation Site)



Overview

- Goals of the innovation site
- Basic idea
- Subsidy
- Example of investment subsidy
- Grounds for refusal
- Ranking
- Conditions
- Planning schedule

Status: concept. Subject to change. The final ministerial order will be leading.



Goals of the innovation site

Reasons that government is providing this possibility:

- to allow companies established in the Netherlands to test/demonstrate fully or nearly fully developed technologies (showcase)
- to contribute to reducing costs of offshore wind farms
- to contribute to the Dutch economy via market expansion and enhancement of the (export) potential of Dutch companies
- to bolster knowledge building in the Netherlands via the involvement of Dutch SMEs and knowledge institutes.

Status: concept. Subject to change. The final ministerial order will be leading.



Basic idea

- Demonstrating new technologies more expensive than standard rollout
- Subsidy for extra Site V investments as compared to Site III
- Advance funding: raising the SDE+ base amount means funding after production has started
- Operation phase commences as soon as installation is commissioned
- Tender with ranking based on four qualitative criteria, not price
- Single winner
- Regular Borssele sites mirrored wherever possible

Status: concept. Subject to change. The final ministerial order will be leading.



Subsidy

- Investment subsidy and exploitation subsidy (= subsidy per kWh)
- Single combined application for the subsidy and the wind permit
- Two turbine locations; nominal capacity for the site at least 12 MW and at most 20 MW
- Per turbine nominal capacity of min. 6 MW and max. 10 MW
- Ministry is investigating whether more MW/turbine is possible if environmental impact ≤ 10 MW; procedure to be elaborated
- Investment subsidy: 45% of the extra costs relative to site III
- Medium-sized enterprises +10%, small-sized +20%
- Exploitation subsidy: in accordance with SDE+ (15 yrs+1; base amount – correction amount (price fossil energy) = subsidy)
- Base amount SDE+: fixed amount = winner site III = €0.545/kWh

Status: concept. Subject to change. The final ministerial order will be leading.



Example of investment subsidy

| | |
|--|-------------|
| Investment costs innovation site 20 MW | €70,000,000 |
| Regular investment costs for 20 MW (based on Borssele site III*) | €50,000,000 |
| Extra costs | €20,000,000 |
| Subsidy large undertaking (45% of 20 mln) | €9,000,000 |
| Subsidy medium-sized undertaking (55% of 20 mln) | €11,000,000 |
| Subsidy small undertaking (65% of 20 mln) | €13,000,000 |
| * reference amount/MW to be based on ECN advice | |

Status: concept. Subject to change. The final ministerial order will be leading.



Grounds for refusal

- Unlikely that site will be commissioned within four years after definite permit is granted
- Implausible that the project plan is feasible (technically/financially/economically)
- Fewer than 3 points per ranking criterion (out of 5)
- Equity < 10% of the total investment costs
- Equity < 20%: no declaration of intent from a funding party for the remaining part of that 20%
- Wind farm does not comply with the site decision
- Outstanding recovery order against the applicant (claim)
- Applicant is an ailing enterprise

Status: concept. Subject to change. The final ministerial order will be leading.



Ranking

- Committee of independent experts
- Four criteria, each score 3 or more points (scale of 1-5 points)
 1. Contribution to the cost reduction of offshore wind farms
 2. Contribution to the Dutch economy
 3. Innovation: degree of innovation relative to international state of the art and strengthening of the Dutch knowledge position
 4. Quality of the project (approach/method, risk handling, feasibility, participating parties, effectiveness/efficiency of resource deployment)
- Each criterion weighs equally
- Highest score wins, single winner
- Multiple applicants with highest score: lowest investment subsidy (minus SME top-up) wins

Status: concept. Subject to change. The final ministerial order will be leading.



Conditions

- Execution agreement with the Ministry within two weeks of contract being awarded
- Bank guarantee of €600,000 within four weeks of contract being awarded
- Second bank guarantee of €2,200,000 within 12 months of contract being awarded
- The wind farm should be in operation within four years of the decision being taken to award the subsidy
- Payment of investment subsidy ceases when electricity production starts (condition of the GBER)
- Final report

Status: concept. Subject to change. The final ministerial order will be leading.



Planning schedule

| Milestone | Date |
|---|---|
| Public internet consultation | 4 January – 1 February 2017 |
| Official publication of Ministerial Order in <i>Staatscourant</i> and <i>Staatsblad</i> | 1 August 2017 |
| Tender open | 1 October 2017 |
| Feedback on project ideas by committee of independent experts | November 2017 |
| Tender closing date | January 2018 |
| Decision | April 2018 |
| Start of production | from 31 August 2020 (Platform Beta from Tennet operational) |

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More information

<http://offshorewind.rvo.nl>



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www.tki-windopzee.nl

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