

## ESA says yes to support Norwegian offshore wind



Line Voldstad Partner, Head of Regulatory and FPR (Norway)



Katrine Lillerud Lead Lawyer



Oda Linneberg Uggen Associate

## The EFTA Surveillance Authority (ESA) has approved a new aid scheme for investment in floating offshore wind with a budget of NOK 4 billion.

The goal is to accelerate the technology development and roll-out of offshore wind and to support more commercial small-scale offshore wind projects with shorter lead times that produce energy by floating wind turbines. The technology for floating offshore wind is promising, but not yet commercially viable, and support schemes are therefore necessary. By using floating turbines, it will be possible to create electricity at water depths where turbines with fixed foundations are not feasible. Floating offshore wind could be placed further out at sea where wind is more consistent and has a higher average speed, and where the facility will have less impact on the environment.

Increased energy demand as a result of rising energy prices following Russia's attack on Ukraine, as well as the climate crisis, are reasons why the scheme is approved in line with the European Commission's <u>Temporary</u> <u>Crisis and Transition Framework for State aid measures to support the economy following the aggression</u> <u>against Ukraine by Russia</u>.

Based on current market information, the projects under the scheme will probably have 1-4 wind turbines, with an installed capacity of 10-15 MW, but it does not rule out providing support for slightly larger projects. The aid intensity granted may constitute up to 100% of the total investment cost. The largest investment costs (CAPEX) are stated to be:

## 1. Turbines and installation

- 2. Substructure
- 3. Tow-out and connection
- 4. Mooring and anchor with installation
- 5. Internal cables with installation
- 6. Port
- 7. Project development.

Funding is to be awarded by Enova, following a competitive tender process, and must be awarded no later than 31 December 2025. The support scheme will be open to all new floating offshore wind projects that can be completed within five years of the award and that have commenced after 9 March 2023 and where work has not started before submission of the application. Details on the tender will be published on Enova's website in advance. The first tender is expected to be announced in Q4 of 2023 or Q1 of 2024.

The qualification and award criteria are discussed in more detail in the ESA's decision, which is available here.

Services	EU/EØS- og Konkurranserett
Sectors	Energy and Natural Resources