



# ESA greenlights offshore wind farm aid scheme in Norway



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*The EFTA Surveillance Authority (ESA) has granted approval for financial aid earmarked for the operationalization of offshore wind farm projects, a key component of Phase I within the Sørlige Nordsjø II / Southern North Sea II area comprising in total 1.5GW (SN II) situated on the Norwegian continental shelf.*

The approved measure is strategically designed to bolster renewable energy production, stimulate innovation, and contribute to technological and industrial advancements. This initiative is poised to play a pivotal role in assisting Norway in achieving its emissions reduction targets and facilitating the nation's transition towards cleaner energy sources.

## Scope

The Norwegian Authorities, represented by the Ministry of Petroleum and Energy (MPE), officially notified ESA in December 2023 of their intention to provide aid for offshore electricity production in the North Sea. It is crucial to note that the aid specifically pertains to the initial phase of the expansive SN II development.

## Financial Aid structure – bilateral CfD

The aid will be dispensed through a bilateral contract for difference (CfD) mechanism (cf. the final CfD version published on 7 November 2023), wherein the Norwegian State intervenes by compensating if the market price falls below the agreed-upon strike price, but receives the difference if the market price is higher than the offered strike price. The beneficiary of the aid grant will follow a competitive procedure, where qualified bidders are competing to offer the lowest strike price, measured in NOK per kWh. The clearance from ESA for Norway under the state aid in form of the CfD amounts for up to NOK 23 billion (EUR 2.04 billion).

## Compliance

Crucially, ESA's approval of this scheme aligns with the European Commission's Temporary Crisis and Transition Framework, reflecting compliance with broader regulatory frameworks and international standards.

The approved financial aid reflects a commitment to fostering sustainability and green energy initiatives, in line with global efforts to combat climate change. As the first phase of SN II progresses, the competitive procedure for aid distribution will likely set a precedent for future renewable energy projects, emphasizing the importance of transparent and competitive processes.

Source: [ESA godkjenner støtte til utbygging av norsk havvindpark | ESA \(eftasurv.int\)](#)