



Announcement of first offshore wind competitions - Norway



Siren Skalstad Ellensen
Partner



Kaare Oftedal
Partner, Sektorleder fornybar energi

The long-awaited first competitions for the offshore wind areas Sørlige Nordsjø II, phase 1 (SN II) and Utsira Nord (UN) have been announced in a press release today 29th March 2023, by the Minister of Petroleum and Energy, Terje Aasland, and the Prime Minister, Jonas Gahr Støre. The “kick-off” marks the start of a new industrial phase in Norway, towards reaching the aim of 30,000 MW offshore wind by 2040.

This also marks the government’s follow-up on the Energy Commission’s report (NOU 2023:3) on an urgent need for “increased renewable energy production faster”, including an aim of reaching 40 new TWh of renewable energy production (from offshore wind, land wind, hydropower and solar) and 20 TWh of energy efficiency within 2030.

The final awarding will take place within end of 2023.

The competition process relates to SN II and UN, and below is a summary of the most important criteria for both project areas within the North Sea, that the applicants/JV consortia must fulfill:

SN II:

- 1500 MW of installed capacity to be awarded in phase 1

- Production license to be awarded to 1 applicant finally, based on;
- **Step 1: Pre-qualification**
 - Minimum 6 and maximum 8 applicants may participate in the pre-qualification phase
 - Applicants must evidence and document that they meet the following criteria:
 - Implementation ability (weighted 60%)
 - Sustainability (weighted 20%)
 - Positive local ripple effects (weighted 20%)
 - Satisfactory technical competence (and experience)
 - Financial strength
 - Fulfill requirements for health, environment and safety (HSE)
 - MPE to propose proposition to the Parliament for authorization to enter into a bilateral CfD (contract for difference) as state subsidy (limited upper ceiling, and proposed reservation price NOK 0.66/kWh)
 - Grid solution: Radial direct linked onshore to either Kvinesdal or nearby Kristiansand (construction, ownership and operation of radial for applicants' own risk and cost)
- **Step 2: Auction**
 - Pre-qualified applicants only may participate in the auction
 - British auction model with open bidding round
- Application deadline 4 August 2023

UN:

- 1500 MW of installed capacity, divided between 3 areas of 500 MW each
- Option of in total additional 750 MW (250 MW per area) increased capacity
- Production license for the 3 areas to be awarded to the best 3 applicants
- No pre-qualification process
- Qualitative criteria process, based on five main criteria;
 - Cost level 2030 (weighted 30%)
 - Implementation ability (weighted 30%)
 - Innovation and technology development, floating offshore wind in Norway (weighted 20%)
 - Sustainability (weighted 10%)
 - Positive local ripple effects (weighted 10%)
- MPE has confirmed that a competition on issuance of state subsidy will be held, where only 2 out of 3 applicants will receive state subsidy. MPE to propose proposition to the Parliament for authorization to enter into a bilateral CfD (contract for difference) as state subsidy (limited upper ceiling, and 15 year' long-term

agreement from start of production)

- Grid solution: Open solution - either joint grid solution for all 3 areas, or separate grid solution per project. Radial direct linked onshore to either Karmøy, Gismarvik or Spanne (construction, ownership and operation of radial for applicants' own risk and cost)
- Application deadline 1 September 2023

There are also sub-categories under each main category, that complements the requirements for the application process.

Please do not hesitate to contact us to discuss the regulatory framework or questions related to the offshore wind licensing process, including content of applications etc.

For further information, please see (links on areas only in Norwegian):

[Announces the first competitions for offshore wind - regjeringen.no](#)

SN II:

[Sørlige Nordsjø II - regjeringen.no](#)

[Oppdatert høst23 \(regjeringen.no\)](#)

[vedlegg-3-prosjektområdet-nettilknytning-og-regulatoriske-forhold-for-forste-fase-av-sorlige-nordsjo-ii.pdf \(regjeringen.no\)](#)

[Oppdatert høst23 \(regjeringen.no\)](#)

UN:

[Utsira Nord - regjeringen.no](#)

[utlysningsdokument-utsira-nord.pdf \(regjeringen.no\)](#)

[vedlegg-3-prosjektområder-nettforhold-og-regulatoriske-forhold-for-utsira-nord.pdf \(regjeringen.no\)](#)

[vedlegg-4-beskrivelse-av-kvalitative-kriterier-for-utsira-nord.pdf \(regjeringen.no\)](#)