



ROYAL NORWEGIAN
MINISTRY OF PETROLEUM AND ENERGY

Announcement of competition for project areas in Utsira Nord for offshore renewable energy production





Contents

1. Introduction	3
2. Determination of project areas	4
3. Competition for the awarding of project areas	6
4. Competition for state aid.....	8
5. Application for the awarding of project areas	8
6. Further information.....	12
7. Schedule.....	13
8. Reservations.....	13
9. Appendices	13



1. Introduction

- I. The Ministry of Petroleum and Energy (the Ministry) hereby announces a competition for project areas for offshore renewable energy production in Utsira Nord, in accordance with Act No. 6 of 21 April 2021 on offshore renewable energy production (the Offshore Energy Act).
- II. The competition for project areas is being carried out in accordance with Section 2-3 of the Offshore Energy Act and Chapter 2A of the Regulations to the Offshore Energy Act. The competition winners will be awarded a project area with a time-limited exclusive right to carry out a project-specific impact assessment and apply for a licence pursuant to Section 3-1 of the Offshore Energy Act for production facilities; cf. Section 2-3 (4) of the Offshore Energy Act. Winners of the competition will have the opportunity at a later date to participate in a competition for state aid for the projects. The announcement and awarding of project areas will take place in accordance with the provisions of the Offshore Energy Act and the Regulations to the Offshore Energy Act. The provisions of the Public Administration Act shall otherwise apply. The Public Procurement Act does not apply to the competition.
- III. The Utsira Nord area was opened for offshore renewable energy production through a Royal Decree of 12 June 2020. Four special conditions were set for Utsira Nord:
 - a) No licence shall be granted for wind farms within the Norwegian Armed Forces' firing range END253, unless the Ministry of Defence agrees that a licence may be granted.
 - b) No licence shall be granted which could adversely impact on maritime safety, and emphasis shall be placed on the Norwegian Coastal Administration's assessments.
 - c) In the case of activities in particularly valuable and vulnerable areas, conditions aimed at avoiding damage to the particularly valuable and vulnerable environmental values must be anticipated.
 - d) A licence for the development of up to a maximum of 1,500 MW may be granted.

The Ministry of Defence has agreed that licences may be granted for wind farms within the area that overlaps with the Armed Forces' firing range END253; cf. letter

a). The proposed division into project areas has been clarified with the Norwegian Coastal Administration; cf. letter b).

- IV. The area that makes up Utsira Nord is delimited by the following coordinates:
04° 16' 09'' E, 59° 26' 53'' N
04° 40' 25'' E, 59° 28' 56'' N
04° 24' 27'' E, 59° 04' 10'' N
04° 48' 44'' E, 59° 06' 18'' N

The coordinates are given using geodetic datum WGS 84.



2. Determination of project areas

- I. The Ministry hereby establishes the following three project areas in the Utsira Nord area; cf. Section 2a of the Regulations to the Offshore Energy Act:



Utsira North

 Project area
 Opened area

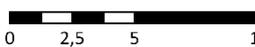
 Kilometers
0 2,5 5 10

Figure 1 Illustration of the project areas in Utsira Nord.

Project area 1 is delimited by the following coordinates:

04° 17' 01.00'' E, 59° 26' 56.03'' N

04° 33' 18.83'' E, 59° 28' 19.39'' N



04° 35' 40.28'' E, 59° 22' 30.39'' N
04° 18' 16.41'' E, 59° 21' 03.84'' N
04° 17' 07.53'' E, 59° 24' 12.80'' N

Project area 2 is delimited by the following coordinates:

04° 19' 15.04'' E, 59° 18' 23.38'' N
04° 36' 46.87'' E, 59° 19' 51.31'' N
04° 39' 16.73'' E, 59° 13' 47.90'' N
04° 21' 07.22'' E, 59° 13' 16.63'' N

Project area 3 is delimited by the following coordinates:

04° 24' 15.09'' E, 59° 04' 42.20'' N
04° 22' 14.17'' E, 59° 10' 13.26'' N
04° 40' 20.59'' E, 59° 11' 08.22'' N
04° 42' 32.21'' E, 59° 05' 45.34'' N

The geodetic datum is WGS 84, and the areas are delimited by geodetic lines between the vertices.

- II. Shipping will be able to use the buffer zones between the project areas.
- III. The installed capacity in each project area must be a minimum of 460 MW and a maximum of 500 MW. The Ministry refers to the work of the Norwegian Water Resources and Energy Directorate (NVE) concerning the identification of new areas and capacity expansion; cf. assignment from the Ministry of 9 February 2022. If the outcome of this work indicates that it is possible to expand the capacity, consideration will be given to increasing capacity by up to 750 MW per project area, and possibly also adjusting the project area; cf. point V.
- IV. The capacity density for the development in the project area must be at least 3.5 MW/km².
- V. The Ministry reserves the right at any time to adjust the project area within the area opened up if this is necessary to develop the project or out of consideration for other affected interests. Any adjustments that take place after a project area has been awarded will be made in consultation with the developer.

3. Competition for the awarding of project areas

- I. Project areas will be awarded through a competition based on qualitative criteria; cf. Section 2-3 of the Offshore Energy Act. These criteria are set out in Appendix 4 and will be assessed as a whole when the application deadline has expired.
- II. After the application deadline, the Ministry will assess whether the applicants possess a satisfactory level of technical expertise and financial strength, and comply with



relevant health, safety and environmental requirements. Applicants who meet the requirements will be ranked according to the qualitative criteria.

- III. The three applicants who receive the highest overall score in the qualitative competition will each be awarded a project area. The applicant with the highest score will be awarded their preferred project area, the applicant with the second highest score will be awarded their preferred project area among the remaining two project areas, and the applicant with the third highest score will be awarded the last project area.
- IV. The three applicants who receive the highest overall score in the competition shall, as soon as possible and no later than four weeks after they are notified by the Ministry that they are to be awarded a project area, establish an undertaking (developer) that will be awarded its own project area. The right to be awarded a project area shall lapse if the above is not implemented by the deadline.
- V. Within six weeks of the decision to award a project area, the undertaking must submit a notification with a proposal for a project-specific study programme; cf. Section 2d of the Regulations to the Offshore Energy Act.
- VI. The project is to be further developed and matured within the framework of, and in accordance with, the description given in the application, which forms the basis for the awarding of the project area. Changes compared to the description given in the application must be substantiated, for example in order to achieve cost reductions, improvements or more efficient project implementation or safeguard social or environmental considerations. All changes must be qualitatively as good as or better than the description given in the application which forms the basis for awarding of the project area. The licence application must document that any changes are qualitatively equivalent or better.
- VII. The requirements regarding further development and amendments to the preceding paragraph VI apply irrespective of any transfer of ownership interests. When assessing applications for consent to transfers pursuant to Section 2d of the Regulations to the Offshore Energy Act, the Ministry attaches great importance to ensuring that the project area is awarded through a competition, partly on the basis of the applicant's project concept, experience, technical expertise and financial strength. Until the energy facility has been constructed and commissioned, the Ministry cannot be expected to give its consent to transfers which, in the opinion of the Ministry, would impair the implementation capacity. The Ministry may also impose conditions for consent to transfers pursuant to Section 2d of the Regulations to the Offshore Energy Act.
- VIII. Licence applications must be submitted in accordance with Section 7 of the Regulations to the Offshore Energy Act.



- IX. For the parts of the project area that are not covered by the licence decision, the developer's right to these areas pursuant to Section 2-3 of the Offshore Energy Act will lapse.

4. Competition for state aid

- I. Projects that have been further developed and matured in accordance with paragraph 3 VI will be permitted to compete for state aid as part of the licensing process. Detailed rules for the competition will be set out at a later date.
- II. The Ministry will submit a proposition to the Storting containing a proposal for authorisation to grant state aid for offshore renewable energy production in Utsira Nord.
- III. In the proposition, the Ministry will propose that the state aid competition be arranged so that one project does not receive state aid. Projects awarded state aid will receive aid for 500 MW.
- IV. In the proposition, the Ministry will also propose that a two-way contract for difference be used as a support mechanism, that an upper cap be set on the state aid, that a reservation price be set in connection with execution of the auction, and that the duration of the contract be set to 15 years from the start of production. The contract for difference will be stipulated by the Ministry at a later date and will not be subject to negotiation. Guarantees will be required.
- V. The project that does not receive state aid may apply for an extension of the exclusive right to the project area; cf. Section 11 of the Offshore Energy Act. During this period, the project may make use of the general public funding policy instruments, and the Ministry will propose to the Storting that the project will be able to participate in any future competitions for state aid for offshore renewable energy production, provided that this can be organised in a manner that ensures genuine competition for state aid.

5. Application for the awarding of project areas

- I. In order to assess any application for the awarding of a project area, the Ministry will require information about the project and the applicant.
- II. Several companies wishing to develop a project together (consortium) must submit one joint application. The applicant companies are collectively regarded as a single applicant. The applicant companies in a consortium may fulfil the documentation requirements collectively, unless specified otherwise.



III. The application must contain:

- A) Signed application letter
- B) Additional information about the applicant
- C) Copy of articles of association, partnership agreement or binding cooperation agreement
- D) Documentation of compliance with the qualitative criteria
- E) Letter of confirmation from parent company or associate contributing to fulfilment of the qualitative criteria
- F) Public version of the application

A) Signed application letter

The applicant must submit an application letter, signed by person(s) authorised to bind the company/companies. A power of attorney must be submitted if the application is signed by anyone other than those who are authorised to sign on behalf of the company. In the case of consortia, the application must be signed by all the applicant companies.

Applications for project areas for Utsira Nord apply to all project areas. The applicant is asked to rank the project areas from the most preferred to the least preferred. Ranking must be done in the application letter. A template for an application letter can be found in Appendix 1.

B) Additional information about the applicant

The applicant must provide the following information:

- i. Full name of the applicant company, address and organisation number.
- ii. Documentation confirming that the applicant has been legally established in the form of a certificate of incorporation from the Register of Business Enterprises (Norwegian companies) or equivalent documentation confirming that the applicant is registered in the Register of Business Enterprises, professional register or trade register in the state in which the enterprise is established (foreign companies).
- iii. An overview of the applicant's group structure. The overview shall contain the full name, address, organisation number and ownership interest of all group companies, as well as a chart showing the company structure.
- iv. Information about the applicant's beneficial owners in accordance with Section 14 of the Money Laundering Act.
- v. Information on where the companies specified in points i) and iii) are registered, the companies' head offices, as well as the composition of the board along with a statement of the board members' domicile and nationality, and who is responsible for the day-to-day management of the companies.

Where several companies apply jointly, the information listed above must be presented for all companies. The share that each of the cooperating companies has must be clearly stated.



**C) Copy of articles of association,
partnership agreement or binding cooperation agreement**

The applicant must submit articles of association or a binding partnership agreement. The applicant must also submit any shareholder agreement, if available. If there is no shareholder agreement, this must be stated.

Where several companies apply jointly as a single consortium, a binding agreement on cooperation between the applicant companies must be submitted, including relevant collaboration, partnership, company and/or shareholder agreements and associated appendices.

In addition, a summary of the content of the enclosed agreement(s) must be enclosed on a maximum of two pages (per agreement). The summary must describe the key elements of the agreement(s), including decision-making processes and voting rules, roles, ownership, financial liability, transfer limitations, cancellation and termination, etc. The summary shall contain unambiguous references to the relevant provisions of the agreement(s).

D) Documentation of compliance with the qualitative criteria

In the application, the applicant must submit the requested documentation for evaluation of the qualitative criteria. The documentation requirements and how the criteria will be assessed are described in Appendix 4.

The application and associated appendices must be structured and marked in accordance with the layout in Appendix 4 (including both main and secondary criteria).

E) Letter of confirmation from parent company or associate contributing to fulfilment of the qualitative criteria

If the applicant's fulfilment of one or more of the criteria is based on contributions from the parent company or another associated company, the applicant must submit a letter of confirmation signed by the parent company or associate.

If the applicant relies on contributions from several companies, letters of confirmation must be provided by all companies.

The letter of confirmation must be drawn up as specified in Appendix 6. It must specify which of the criteria (including secondary criteria) the contribution concerns.

F) Public version of the application

The applicant must submit a copy of the entire application, including appendices, where technical installations and procedures, as well as operational or business matters that must be kept secret for competitive reasons (cf. Section 13 of the Public Administration Act) have been redacted. The applicant must submit a separate document stating the reasons for each paragraph in the application that is requested be redacted and why it is important that this information be kept secret for competitive reasons; cf. Appendix 2. If other legal grounds for secrecy are cited, this must be specified separately.



It should be noted that the Ministry will, when requesting access, make an independent assessment of whether or not there is a legal basis for exempting the information the applicant has redacted from public disclosure. If, in the view of the Ministry, there are no grounds for exempting the information, the Ministry will be obliged to provide access to such information.

IV. The application for the awarding of areas must be submitted by:

1 September 2023 at 12.00pm

Applications submitted after this deadline will not be considered.

V. No more than one application from the same applicant or consortium will be accepted.

VI. It will not be possible to make changes to the application after expiry of the application deadline.

VII. No changes may be made within the applicant or applicant companies (consortium) after the application deadline for awarding of project areas until the project areas are awarded. Changes in ownership following the awarding of project areas are regulated by Section 2d of the Regulations to the Offshore Energy Act; cf. also paragraph 3 VII above.

VIII. The Ministry must be notified immediately of any changes to the information in paragraph 5 III letters B and C through to the award date. The Ministry may independently request additional documentation.

The Ministry must also be notified immediately of any significant changes in the factual circumstances which form the basis for the application through to awarding of the project area.

VIII. The application must be submitted in Norwegian. Appendices to the application that were originally prepared for purposes other than the application may be submitted in English or another Scandinavian language if they are not available in a Norwegian version.

IX. The application must be submitted electronically via a technical solution¹. If the technical solution contains several versions of the same document, the most recently submitted version will be considered to be the valid one.

X. The applicant is responsible for any ambiguities in the application, and for ensuring that all questions and requirements are answered and documented.

¹ The technical solution will be announced before the application deadline.



- XI. The Ministry may, at its discretion, request in writing that the applicant send, clarify or supplement the information and documentation that have been received if the information or documentation appears to contain errors or ambiguities, or if certain information or documents are missing. If the applicant fails to submit the requested information within five working days, the application will not be considered.
- XII. The Ministry reserves the right to reject applications that contain deviations, reservations or ambiguities in relation to the announcement documents.

6. Further information

- I. The announcement documents and associated appendices have been prepared in Norwegian. The Ministry will publish an unofficial English version of the announcement documents as soon as possible. In the event of differences between the two versions, the Norwegian version shall apply.
- II. After announcement, all communication with the Ministry regarding the announcement and the awarding of project areas in Utsira Nord shall only take place by email to havvind@oed.dep.no. Enquiries made via other channels will not be answered.
- III. Applicants may submit written questions concerning the documents during the period from 17 April to 1 June 2023. Questions may only be submitted by email to havvind@oed.dep.no, and will be answered on an ongoing basis and made available in anonymised form on <https://www.regjeringen.no/no/id2830329/>.
- IV. All information about the competition, including questions and answers and any changes, will be published at <https://www.regjeringen.no/no/id2830329/>.
- V. Applicants are encouraged to stay up-to-date on <https://www.regjeringen.no/no/id2830329/>.



7. Schedule

Activity	Date
Announcement published	29 March 2023
Period for submission of questions	17 April – 1 June 2023
Deadline for submission of application	1. September 2023
Anticipated award of project areas	December 2023

8. Reservations

- I. In the period up to the application deadline, the Ministry may make corrections, supplements or amendments to the announcement documents. Any corrections, supplements or amendments to the announcement documents will be announced at <https://www.regjeringen.no/no/id2830329/>. In the event of any changes, the Ministry will consider whether or not the application deadline should be postponed.
- II. The Ministry is working on amendments to the regulations, including those relating to national security. The awarding of project areas will be carried out in accordance with the rules in force at any given time.
- III. The Ministry reserves the right not to award one or more project areas.
- IV. The Ministry reserves the right to amend the conditions for the state aid competition if one or more of the developers chooses not to claim an awarded project area or withdraw from the competition, or if other circumstances render it necessary to ensure effective competition.
- V. Any state aid shall be subject to both the Storting granting authorisation to enter into a contract for difference for renewable energy production in Utsira Nord and a positive decision from the EFTA's Surveillance Authority (ESA) following prior notification of the state aid measure. The Ministry reserves the right to make changes to the state aid model on the basis of the Storting's decision or any changes that are necessary to obtain ESA's approval pursuant to the state aid rules.

9. Appendices

Appendix 1 - Template for application letter, Utsira Nord

Appendix 2 - Template for grounds for redaction of application for awarding of project area in Utsira Nord

Appendix 3 - Project areas, grid conditions and regulatory conditions for Utsira Nord

Appendix 4 - Description of qualitative criteria for Utsira Nord

Appendix 5 - Template for cost estimate for Utsira Nord

Appendix 6 - Template for confirmation of intention to support applicant

If any errors are discovered in the announcement and associated appendices, please notify the Ministry by e-mail to havvind@oed.dep.no.