ROYAL NORWEGIAN
MINISTRY OF PETROLEUM AND ENERGY

Annex 11

MINIMUM REQUIREMENTS FOR SUSTAINABILITY AND POSITIVE RIPPLE EFFECTS

1. General information

The Norwegian Government wants the project to be carried out in a sustainable manner and that the project caters for positive ripple effects. Section 2-3 of the Offshore Energy Act states that applicants must be able to document that they have satisfactory technical expertise and financial strength, and that they meet the relevant HSE requirements. Upon announcement, the Ministry may also impose other objective and non-discriminatory conditions. The Ministry has therefore established minimum requirements for the execution of the project with regard to sustainability and positive ripple effects.

The minimum requirements must be met during the implementation of the project. The Ministry wants to be assured that the requirements will be met, and the applicant must therefore document the fulfilment of the requirements when submitting its application in the competition for the allocation of the project area.

The minimum requirements have been included in Appendix A to the Contract-for-Difference ("CfD") and in this Appendix 11 to the Competition announcement document.

In connection with the competition for the allocation of the project area, the applicants must submit plans that comply with the content requirements for the plans, as stated in sections 2.2 - 2.5 and 3.2 - 3.4 below. If the submitted plans do not meet the minimum content requirements established for the plans in accordance with sections 2 and 3 below, the applicant will be rejected from the competition. The application shall also comprise additional requested information as described below.

The documentation that is submitted in order to document the fulfilment of the minimum requirements during the competition phase will constitute annexes to Appendix A in the CfD.

2. Requirements for sustainability

2.1 Overall on the sustainability requirements

The government aims to ensure that the development of offshore wind energy is carried out in a sustainable manner that takes climate and environmental considerations into account. For the execution of the project, the Ministry is therefore establishing minimum requirements for the execution, which the applicant must meet when implementing the project . The sustainability requirements are intended to contribute to a sustainable development of offshore wind projects that will ensure coexistence and minimise consequences for the climate and environment.

When granting the licence, the Ministry may impose conditions regarding mitigating measures or similar actions for the same purposes. There will be a requirement that the licence holder of offshore wind energy facilities must carry out an analysis of the project's sustainability and deliver a final report no later than two years after the commissioning of the facility. The final report must contain a GAP analysis that compares the plans with the results. The final report will be made public.

2.2 Climate footprint

The applicant must have in place a climate plan with descriptions of planned and possible measures to minimise the project's climate footprint.

As a minimum, the plan must contain a description of the following elements:

a) Planned and possible measures to minimise the climate footprint of the project

The plan must also contain descriptions of why the concrete measures in the plan are considered the most important measures to meet the objective under this item.

The applicant must submit documentation showing that the applicant has carried out analysis of the climate footprint. The documentation must include the following:

b) Estimated climate footprint (CO_2e emissions to air) calculated in accordance with ISO 14040 and 14044
    a. System boundary is to be defined in accordance with the ISO standard
    b. Carbon factors must be obtained from an Ecoinvent version 3 database, primary data to be used if the applicant has access to such data
    c. The climate footprint must be reported in both CO_2e/kW, CO_2e/kWh, absolute emissions of tonnes of CO_2e for the project, and absolute emissions of tonnes of CO_2e for each phase of the project as defined by the ISO standard

The plan should be no more than four pages (conducted analysis of the climate footprint may be additional to the four pages)

2.3 Coexistence

The applicant must have in place a plan that contains measures to facilitate good co-use and coexistence within the project area and with the affected stakeholders.

As a minimum, the plan must contain a description of the following elements:

a) Planned measures that may improve the coexistence within the project area, including the involvement of any affected stakeholders
b) Planned work on the co-use and coexistence with fisheries and maritime traffic.

The plan must also contain descriptions of why the concrete measures in the plan are considered the most important measures to meet the objective under this item.

The plan should be no more than four pages.

2.4 Waste, recycling and reuse

The applicant must have in place a plan to ensure that the project contributes to a well-functioning waste management, with particular focus on recycling.

As a minimum, the plan must contain a description of the following elements:

a) Waste management in the project
b) The potential for recycling
    - The description must include estimates of the possible proportion of recyclable materials for turbine, turbine blades, turbine tower, foundation, cables and substation
c) Reuse of larger elements in the power plant
d) Use of material and chemicals in the project
e) Planned measures against pollution, including microplastics.

The plan must also contain descriptions of why the concrete measures in the plan are considered the most important measures to meet the objective under this item.

The plan should be no more than four pages.

2.5 Nature and environment

The applicant must have in place a plan for the work related to nature and environment, knowledge and innovation. The plan must aim to ensure that the considerations for the nature and environment are properly maintained during the implementation of the project, as well as to contribute to increased knowledge and innovation within technology and methods that reduce the environmental impact or provide positive environmental effects in the project area.

As a minimum, the plan must contain a description of the following elements:

a) Planned work related to nature and environment
b) Any planned measures that may contribute to increased innovation within technology and methods that reduce the environmental impact or provide positive environmental effects in the project area

The plan must also contain descriptions of why the concrete measures in the plan are considered the most important measures to meet the objective under this item.

The plan should be no more than four pages.

3. Positive ripple effects

3.1 Overall on the requirements for positive ripple effects

When developing the offshore wind energy industry, the government wishes to ensure that there will be positive ripple effects. The Ministry is therefore establishing minimum requirements for the execution, which the applicant must meet when implementing the project. The requirements for positive ripple effects are intended to contribute to a development of the

industry by building experience and developing expertise in the supply chains during the construction of the first phase of Sørlige Nordsjø II.

When granting the licence there will be a requirement that the licence holder of the offshore wind energy facility must carry out an analysis of the ripple effects of the development project and deliver a final report no later than two years after the commissioning of the facility. The final report must contain a GAP analysis that compares the planned ripple effects with the results. The final report will be made public.

3.2 Development of expertise

The applicant must have in place a plan for the work in the project that will contribute to the development of expertise within the supply industry, and that will provide incentives for the use of skilled workers and apprentices.

As a minimum, the plan must contain a description of the following elements:

a) Planned measures for development of expertise aimed at the supplier industry that will be implemented in connection with the project, for instance such as introduction programmes, supplier meetings, collaboration projects etc.
b) For which parts of the project the use of skilled workers and apprentices will be relevant
c) How the applicant will encourage its sub-contractors to make use of skilled workers and apprentices
d) Contributions to and collaboration with institutions and associations related to relevant research and development within the field of offshore wind energy.

The plan must also contain descriptions of why the concrete measures in the plan are considered the most important measures to meet the objective under this item.

The plan should be no more than four pages.

3.3 Smaller and medium-sized enterprises (SMEs)

The applicant must have in place a plan for how the project can contribute to smaller and medium-sized enterprises gaining experience with deliveries or services related to offshore wind energy.

SMEs are defined as enterprises with up to 100 employees.

As a minimum, the plan must contain a description of the following elements:

a) Planned contract strategy, including how the SMEs can contribute to the relevant segments of studies, manufacturing, installation, operations and maintenance, including as sub-contractors or equipment suppliers.
b) Any other planned measures that contribute to SMEs gaining experience with deliveries or services within the segments of studies, manufacturing, installation, operations and maintenance.

The plan must also contain a description of why the planned contract strategy and any other planned measures are considered to be the best strategy to meet the objective under this item.

If any contracts have been entered into with SMEs, a brief description of such contracts with SMEs on deliveries or services within segmented studies, manufacturing, installation, operations and maintenance must be submitted.

The plan should be no more than four pages, with a possible addition of ¼ of a page per contract described.

3.4 Development of the supplier industry

The applicant must have in place a plan for how the project will contribute to developing the supplier industry in an economically sustainable manner that will help Europe and Norway achieve its ambitions for offshore wind energy.

As a minimum, the plan must contain a description of the following elements:

a) Description of the planned tender and contract strategy, including for the development and operational phases, and how this strategy can contribute to developing the supplier industry.
b) Any other planned measures for the project to contribute to developing the supplier industry in an economically sustainable manner so that it can contribute to the green transition

The plan must also contain a description of why the planned tender and contract strategy and any other planned measures are considered to be the best strategy to meet the objective under this item.

The plan should be no more than four pages