



Rijksdienst voor Ondernemend  
Nederland



# Outline of Borssele Wind Farm Site V (Innovation Site)



# Overview

- Goals of the innovation site
- Basic idea
- Subsidy
- Example of investment subsidy
- Grounds for refusal
- Ranking
- Conditions
- Planning schedule

*Status: concept. Subject to change. The final ministerial order will be leading.*



# Goals of the innovation site

Reasons that government is providing this possibility:

- to allow companies established in the Netherlands to test/demonstrate fully or nearly fully developed technologies (showcase)
- to contribute to reducing costs of offshore wind farms
- to contribute to the Dutch economy via market expansion and enhancement of the (export) potential of Dutch companies
- to bolster knowledge building in the Netherlands via the involvement of Dutch SMEs and knowledge institutes.

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## Basic idea

- Demonstrating new technologies more expensive than standard rollout
- Subsidy for extra Site V investments as compared to Site III
- Advance funding: raising the SDE+ base amount means funding after production has started
- Operation phase commences as soon as installation is commissioned
- Tender with ranking based on four qualitative criteria, not price
- Single winner
- Regular Borssele sites mirrored wherever possible

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# Subsidy

- Investment subsidy and exploitation subsidy (= subsidy per kWh)
- Single combined application for the subsidy and the wind permit
- Two turbine locations; nominal capacity for the site at least 12 MW and at most 20 MW
- Per turbine nominal capacity of min. 6 MW and max. 10 MW
- Ministry is investigating whether more MW/turbine is possible if environmental impact  $\leq 10$  MW; procedure to be elaborated
- Investment subsidy: 45% of the extra costs relative to site III
- Medium-sized enterprises +10%, small-sized +20%
- Exploitation subsidy: in accordance with SDE+ (15 yrs+1; base amount – correction amount (price fossil energy) = subsidy)
- Base amount SDE+: fixed amount = winner site III = €0.545/kWh

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## Example of investment subsidy

Investment costs innovation site 20 MW	€70,000,000
Regular investment costs for 20 MW (based on Borssele site III*)	€50,000,000
Extra costs	€20,000,000
Subsidy large undertaking (45% of 20 mln)	€9,000,000
Subsidy medium-sized undertaking (55% of 20 mln)	€11,000,000
Subsidy small undertaking (65% of 20 mln)	€13,000,000
* reference amount/MW to be based on ECN advice	

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## Grounds for refusal

- Unlikely that site will be commissioned within four years after definite permit is granted
- Implausible that the project plan is feasible (technically/financially/economically)
- Fewer than 3 points per ranking criterion (out of 5)
- Equity < 10% of the total investment costs
- Equity < 20%: no declaration of intent from a funding party for the remaining part of that 20%
- Wind farm does not comply with the site decision
- Outstanding recovery order against the applicant (claim)
- Applicant is an ailing enterprise

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# Ranking

- Committee of independent experts
- Four criteria, each score 3 or more points (scale of 1-5 points)
  1. Contribution to the cost reduction of offshore wind farms
  2. Contribution to the Dutch economy
  3. Innovation: degree of innovation relative to international state of the art and strengthening of the Dutch knowledge position
  4. Quality of the project (approach/method, risk handling, feasibility, participating parties, effectiveness/efficiency of resource deployment)
- Each criterion weighs equally
- Highest score wins, single winner
- Multiple applicants with highest score: lowest investment subsidy (minus SME top-up) wins

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# Conditions

- Execution agreement with the Ministry within two weeks of contract being awarded
- Bank guarantee of €600,000 within four weeks of contract being awarded
- Second bank guarantee of €2,200,000 within 12 months of contract being awarded
- The wind farm should be in operation within four years of the decision being taken to award the subsidy
- Payment of investment subsidy ceases when electricity production starts (condition of the GBER)
- Final report

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# Planning schedule

Milestone	Date
Public internet consultation	4 January – 1 February 2017
Official publication of Ministerial Order in <i>Staatscourant</i> and <i>Staatsblad</i>	1 August 2017
Tender open	1 October 2017
Feedback on project ideas by committee of independent experts	November 2017
Tender closing date	January 2018
Decision	April 2018
Start of production	from 31 August 2020 (Platform Beta from Tennet operational)

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## More information

<http://offshorewind.rvo.nl>



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