

DUTCH GOVERNMENT AGENCY DELIVERS A SET OF ‘STATE-OF-THE-ART’ OFFSHORE WIND SITE STUDIES PROCEDURE TO MINIMISE PROJECT RISKS AND COSTS

DNV GL grants certification to the Netherlands Enterprise Agency for offshore wind site study package for the upcoming offshore wind tender round for Hollandse Kust (zuid) Wind Farm Sites I and II.

DNV GL, the world’s largest resource of independent energy experts and certification body, has awarded the Netherlands Enterprise Agency with an overarching certificate* for the quality of its comprehensive package of site studies for companies planning to compete in the tenders to build offshore wind farms at Sites I and II of the Hollandse Kust (zuid) Wind Farm Zone (HKZWFZ). The tender round for HKZWFZ Sites I and II, each planned to be 350 MW, is expected to open in September 2017.

The Netherlands Enterprise Agency, known as Rijksdienst voor Ondernemend Nederland (RVO.nl), is an agency of the Dutch Ministry of Economic Affairs. It is responsible for overseeing the country's offshore wind programme. Commenting on the DNV GL certification, Ruud de Bruijne, Project Manager, Offshore Wind Energy, RVO.nl said: “We are delighted to have met the criteria required by DNV GL to certify the quality of our site study package for Hollandse Kust (zuid) Wind Farm Sites I and II. The Dutch Government is determined to work with the wind power industry as effectively as possible to ensure the goals are achieved of our offshore wind power programme, targeting 4,500 MW of installed capacity by end 2023 and reducing costs by 40%. This certification illustrates our strong commitment to that end.”

Traditionally, in most other countries, it is the wind power developers themselves who take on the pre-construction development risk and cost associated with site surveys and related studies required for final project designs and implementation. Also, government's role is traditionally limited to the provision of market frameworks (regulations and incentives) and, in some cases, site allocation and overseeing the general calls for tenders/power project auctions. In the Netherlands, the Government takes a much more direct approach, assuming responsibility for site surveys, environmental impact assessments and grid infrastructure and connection as well as providing subsidy support and designating wind farm sites.

This new approach by the Dutch Government has already proved successful, with the costs for implementing projects offered in the

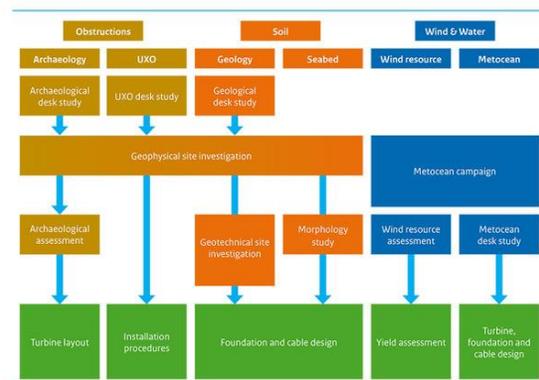


Figure 1: An overview of the site studies conducted by the Netherlands Enterprise Agency for the Hollandse Kust (zuid) Wind Farm Sites I and II and how they will feed into the final wind farm designs of developers participating in the next tender round.

Borssele Wind Farm Zone tenders held in 2016 being amongst the lowest ever seen in the world. In total, some €7 billion in budgeted subsidies have been saved so far. The Dutch Offshore Wind Programme operates using the Stimulation of Sustainable Energy Production (SDE+, Stimulerings Duurzame Energieproductie) tender and subsidy legislation. In each of the two Borssele tenders that have already taken place under the current system, the price the winning bidders said they needed to realise the wind projects was substantially lower than anticipated whilst the project plans remain robust.

In the first tender round, DONG Energy Borssele I B.V. won the project permits and related 15-year subsidy to develop 700 MW across Borssele Wind Farms Site I and II. Its winning bid was €72.7/MWh, significantly lower than the €124.0/MWh SDE+ subsidy price cap applied for the tender. In the second tender round, for a further 680 MW at Borssele Wind Farm Sites III and IV, a Dutch consortium called Blauwwind II c.v (comprising Shell, Van Oord, Eneco and Mitsubishi/DGE) bid €54.5/MWh, again significantly lower than the €119.97/MWh capped price and much lower than in the previous round.

For the HKZWFZ projects, RVO.nl increased its emphasis on providing complete, high-quality site data even further. "Following further consultation with the wind industry, we have taken the lessons learned from the previous Borssele tender rounds and significantly enhanced our site study procedures to ensure that companies can fully prepare the most competitive bids possible for HKZWFS I and II and truly optimise the design of their wind farms," Ruud de Bruijne said. "Our improved approach not only reduces risk for developers even further, but sets a new standard of best practice for other governments to follow - one where proactive action by the Dutch Government means offshore wind power costs can be significantly reduced whilst quality of projects and local job creation remains high."

RVO.nl followed a thorough quality assurance procedure for the HKZ site investigations, including verification against applicable standards by a range of accredited certification bodies. DNV GL verified the metocean study, the soil investigations and the morphodynamic study. The metocean campaign was verified by ECN. The archaeology study was verified by RCE, whilst the UXO report was verified by the Ministry of Defence.

DNV GL was then asked to assess the overall package of site studies conducted, with a view to awarding an overarching certificate confirming the work has been conducted in line with industry best practice. The objective of this final procedure was to validate the quality of all the site studies and to ensure overall high standards, completeness and consistency between them and ensure the whole package forms a suitable basis for the preliminary design of offshore wind farms.

DNV GL's overarching certification report* confirms that RVO.nl has met the requirements of DNVGL-SE-0190:2015-12 (Project certification of wind power plants) with regards to its metocean investigations, geotechnical investigations and geological ground model, morphological investigations and wind investigation. It

also confirms that, in doing so, it has also fulfilled the Site Assessment Requirements listed in IEC 61400-22:2010-05 (Wind turbines – Part 22: Conformity Testing and Certification). It concludes that "the site-conditions have been established correctly and that risks and uncertainties have been minimised according to state-of- the-art methods."

RVO.nl will be presenting at the WindEurope Conference & Exhibition 2017 being held in Amsterdam on 28-30 November 2017. It will outline the Dutch Government's Offshore Wind Programme in detail, discussing the results so far and plans for the future. Further information on the event can be found at <https://windeurope.org/confex2017/>

ADDITIONAL INFORMATION FOR EDITORS

*** WIND FARM ZONE HOLLANDSE KUST (ZUID) (WFS I AND WFS II), Certification Report Site Conditions Assessment, Netherlands Enterprise Agency, Published by DNV GL 21/03/2-17: Report No.: CR-SC-DNVGL-SE-0190-02664-2**

About the Netherlands Enterprise Agency

The Netherlands Enterprise Agency (RVO.nl) is an agency of the Dutch Ministry of Economic Affairs. It implements policy for various ministries in the areas of sustainability (including offshore wind), agricultural innovation and international business and cooperation. Netherlands Enterprise Agency (RVO.nl) is the contact point for businesses, knowledge institutions and government bodies for information and advice, funding, networks and legislation and regulations.

Further information: <http://offshorewind.rvo.nl> and www.rvo.nl/windenergie-op-zee

About DNV GL

DNV GL is the world's largest resource of independent energy experts and certification body. It provides classification, technical assurance, software and independent expert advisory services to the maritime, oil & gas and energy industries. It also provides certification services to customers across a wide range of industries.

Further information: <https://www.dnvgl.com>

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