

Ministerie van Economische Zaken  
en Klimaat

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The President of the House of Representatives  
of the States General  
Prinses Irenestraat 6  
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Date 13 October 2021  
Subject Progress in the roll-out of offshore wind energy and the configuration  
of the permit process for Hollandse Kust (west) Wind Farm Sites VI  
and VII

Dear Madam President,

This letter is to inform the House of progress achieved in the roll-out of offshore  
wind energy and the proposed approach to granting permits for the wind farms at  
Hollandse Kust (west) Wind Farm Sites VI and VII.

### Roadmap 2030: progress

This year started with the construction of the first subsidy-free offshore wind farm  
in the world, Hollandse Kust (zuid), Sites I-IV. In addition, the sites in the  
Borssele Wind Farm Zone are now supplying sustainable energy to the Dutch grid.  
Awarding permits for two sites (VI and VII) in the Hollandse Kust (west) Wind  
Farm Zone will mark the start of implementing the Offshore Wind Energy  
Roadmap 2030. This new Roadmap will bring total Dutch offshore wind capacity to  
approximately 11 gigawatts by 2030.

Offshore wind plays a key role in achieving climate targets and making our energy  
supply, industry, and transport more sustainable. In 2020, the final permit  
procedure (Hollandse Kust (noord), Site V) under the original Offshore Wind  
Energy Roadmap 2023 of the Energy Agreement was successfully completed. This  
means the agreed objective of growth and cost reduction in offshore wind has  
been achieved (Parliamentary Paper 35092, no. 9).

The overview below summarises the current schedule for the roll-out of offshore  
wind energy.

Wind Farm Zone, site(s)	Capacity (GW)	Award of permits for site(s)	Delivery of the offshore grid	Commissioning of the wind farm
Second round decision (still contributing in 2030)				
<i>Luchterduinen</i>	0.13	2011	2015	2015
<i>Gemini Wind Farm</i>	0.6	2010	2016	2016
Roadmap 2023 (Energy Agreement)				

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**Our reference**  
DGKE-E / **Fout! Onbekende  
naam voor  
documenteigenschap.**

**Appendix/Appendices**  
1

<i>Borssele, Sites I and II</i>	0.75	implemented in 2016	implemented in Q3 2019	implemented in 2020
<i>Borssele, Sites III, IV, and V</i>	0.75	implemented in 2016 (V in 2018)	implemented in Q3 2020	implemented in 2020 (V in 2021)
<i>Hollandse Kust (zuid), Sites I and II</i>	0.76	implemented in 2017–2018	expected in Q4 2021	expected in 2022–2023
<i>Hollandse Kust (zuid), Sites III and IV</i>	0.76	implemented in 2018–2019	expected in Q1 2022	expected in 2022–2023
<i>Hollandse Kust (noord), Site V</i>	0.76	implemented in 2019–2020	expected in Q1 2023	expected in 2023
<b>Roadmap 2030 (Climate Agreement)</b>				
<i>Hollandse Kust (west), Site VI</i>	approx. 0.7	expected in Q4 2021	expected in Q1 2024	expected in 2025–2026
<i>Hollandse Kust (west), Site VII</i>	approx. 0.7	expected in Q4 2021	expected in Q1 2026	expected in 2026
<i>Ten noorden van de Waddeneilanden</i>	approx. 0.7	expected in Q4, 2022*	expected in Q1 2027*	expected in 2027*
<i>IJmuiden Ver, Sites I to IV</i>	approx. 4.0	two tenders expected in Q4 2023 and Q4 2024	two platforms and cable connections, expected in Q4 2028 and Q4 2029.	expected in 2028 to 2029

Last year, my predecessor presented an appraisal of the North Sea Energy Outlook (NEO) to the House (Parliamentary Paper 32813, no. 646). This indicates offshore wind capacity will have to continue to grow significantly after the 2030 Roadmap in order to make our energy supply more sustainable in an efficient and timely manner to 2050. Some of this further growth will need to occur in the short term, up to and including 2030, to meet the more stringent European CO<sub>2</sub> reduction target of 55% by 2030.

## **Preparations for continued growth of offshore wind energy**

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DGKE-E / **Fout! Onbekende naam voor documenteigenschap.**

The aforementioned NEO Letter to the House of Representatives also announced a number of specific preparatory actions necessary to enable timely further growth of offshore wind energy. The outgoing government is now taking essential preparatory measures to allow the next government to determine any additional requirements for offshore wind in 2030 and beyond. No irreversible steps are being taken yet, but rather steps that keep the option to accelerate open.

One key action is the designation of new Wind Farm zones to enable the further development of wind energy in the North Sea, on the condition that Wind Farm Site Decisions take into account ecological integration. This is taking place as part of the North Sea Programme 2022–2027 under the supervision of the Minister of Infrastructure and Water Management, naturally in conjunction with the Minister of the Interior and Kingdom Relations, the Minister of Agriculture, Nature and Food Quality, and the Minister of Defence, and with me, due to the integrated spatial planning considerations in the North Sea. The additional draft of the North Sea Programme will be made available for inspection in November. The North Sea Programme 2022–2027 will come into effect in March 2022. It is up to the next government to decide the extent to which, the manner in which, and the order in which the Wind Farm Zones will be used, in the form of an addition to the Roadmap 2030.

The process outlined above in preparation for further growth is in line with the motion put forward by Member of Parliament Boucke et al, calling for the designation of offshore wind farms to be accelerated, with due regard for the provisions of the North Sea Agreement, for the designation of at least 10 gigawatts to be ensured this year, and for the House to be informed of progress in this area in October 2021 (Parliamentary Paper 35668, no. 21), and the motion put forward by Members of Parliament Van der Lee and Kröger, calling for a greater need for offshore wind energy to be taken into account (Parliamentary Paper 32813, no. 629).

A second action initiated in line with the provisions of the Climate Agreement is to examine whether the instruments for the realisation of offshore wind need to be supplemented or adapted for this next phase of the roll-out of offshore wind. I have launched an investigation to address this issue, which is being carried out in close cooperation with relevant stakeholders in the wind sector, grid operators, and industry parties. The investigation will also take into account the motion put forward by Members of Parliament Mulder and Sienot on tender models for combining offshore wind with hydrogen production (Parliamentary Paper 35092, no. 16) and the motion put forward by Members of Parliament Sienot and Van der Lee on additional options for the cost-effective roll-out of offshore wind (Parliamentary Paper 35092, no. 14). I anticipate this investigation will be completed this autumn, after which I will inform the House of the findings in a vision on the approach for further growth of offshore wind energy.

A number of other motions have been put forward and commitments made, which I will address in greater detail in letters to the House of Representatives.

## **Permits for Hollandse Kust (west) Sites VI and VII**

In addition to the steps being taken to enable offshore wind energy to continue in the longer term, the outgoing government is also taking steps to achieve growth in the short term. To this end, I, along with the Minister of the Interior and Kingdom Relations, the Minister of Infrastructure and Water Management, and the Minister of Agriculture, Nature and Food Quality, recently made the two (revised) draft Hollandse Kust (west) Wind Farm Site Decisions available for inspection in late September 2021. Hollandse Kust (west) Wind Farm Sites VI and VII lie more than 50 kilometres offshore and each offer scope for a capacity of approximately 700 megawatts. In specific terms, this means these wind farms together will contribute around 14% of the target in the Climate Agreement (49 TWh of offshore wind by 2030) and around 6% of current electricity consumption in the Netherlands. Both sites will be connected to the offshore grid by a TenneT platform (offshore 'power socket'). TenneT has different completion dates for the two platforms: platform Alpha (Site VI) will be completed by 31 March 2024 and platform Bèta (Site VII) by 31 March 2026. The wind farms are expected to be commissioned in the period 2025 to 2026.

Permits for this Wind Farm Zone need to be considered in conjunction with the context, options, and challenges set out in the aforementioned North Sea Energy Outlook. Careful ecological integration in the North Sea and into the energy system are two of the biggest challenges facing the further growth of offshore wind. This approach is also in line with the principles laid down in the National Strategy on Spatial Planning and the Environment (2020) and the North Sea Agreement. My aim in configuring the permit process for the Hollandse Kust (west) sites is therefore to work with the parties and organisations involved to take specific steps towards integrated solutions.

Over the last six months, I have spoken to the relevant public and private parties, NGOs, and knowledge institutions about the challenge posed by further growth of offshore wind in the period up to 2050. A key focus in these discussions was how the permit procedure for an offshore wind farm can contribute to the integration of the wind farm into the North Sea ecosystem and the energy system as a whole and how it can help to increase the ecological space available for offshore wind energy. Based on this consultation, evaluations of previous subsidy-free permit procedures, the research on the business case of offshore wind energy projects commissioned by the Ministry of Economic Affairs and Climate Policy and carried out by research agency Afry (Parliamentary Paper 33561, no. 51) and the Minister of Finance, I propose the permit process for the Hollandse Kust (west) sites be configured as follows:

- Building on the last three subsidy-free procedures, permits for the sites within this Wind Farm Zone should also be granted via a subsidy-free procedure in a competitive market under the Offshore Wind Energy Act (*Wet windenergie op zee*), as it stands after the Offshore Wind Energy (Amendment) Act (*Wet tot wijziging van de Wet windenergie*) enters into force this autumn.

- Two independent permits will be granted for Hollandse Kust (west) Wind Farm Sites VI and VII (both 700 MW) based on two separate ministerial orders. The permit process for Site IV will focus on integration into the ecosystem and for Site VII on integration into the energy system.
- Interested parties can choose to submit an application for one or both sites. The applications for each site are separate and will be assessed separately.
- If two or more applications are submitted for the same permit, the permit will be granted based on the application of a comparative assessment with a financial bid. This decision is in line with current market conditions and is a comprehensive approach to creating solutions and options for the further growth of offshore wind energy.
- The three fixed criteria laid down by law continue to apply in full to both sites: a) the amount of the financial bid, b) certainty that the wind farm will be built, and c) the wind farm's contribution to energy supply.
- Additional ranking criteria will be drawn up by ministerial order for each site, each focusing on a different challenge that contributes to the further growth of offshore wind energy within the preconditions of the ecosystem and the energy system. These additional ranking criteria focus on ecological innovation for Site VI and on system integration for Site VII. Further rules may be imposed on the financial bid criterion by ministerial order.
- Pursuant to Section 10 of the Offshore Wind Energy Act, the costs of the EIA report and location studies by the Netherlands Enterprise Agency will be payable by the party to whom the permit is granted. These amounts are intended to compensate for preparation costs incurred by Central Government and will be laid down by ministerial order. These preparations are carried out in order to specify the details of the Wind Farm Zone for the Wind Farm Site Decision and to mitigate risks. The preparation costs for Sites VI and VII each amount to approximately €13.5 million. By charging these costs, we are also complying with the EU state aid rules.

Please see below for an explanation of the substantive focus chosen for each site:

*Site VI: ecological innovation*

Both the Climate Agreement and the North Sea Agreement stipulate that the further roll-out of offshore wind energy can only take place within the preconditions of a healthy ecosystem. Wind Farm Site Decisions already contain mandatory requirements to this end. However, given the vulnerable state of the North Sea ecosystem, my aim with this permit procedure is to stimulate market parties to develop new concepts, knowledge, and solutions in addition to the requirements. Innovative solutions are needed to ensure we can continue to generate more offshore wind energy in the future within the ecological preconditions and to enable us to gain important knowledge in this area. The comparative assessment therefore assigns a relatively higher number of points to the stimulation of innovation and the development of solutions that will have an impact on future wind farms (for example, avoiding negative effects on certain bird populations) than to large-scale roll-out and application at the Hollandse Kust (west) Wind Farm Site IV itself.

### *Site VII: system integration*

The generation of sustainable offshore energy must be aligned to both the onshore energy infrastructure and to energy demand. This link between supply and demand is a precondition for the successful subsidy-free further growth of offshore wind energy in the period up to 2040, but also applies now to any additional wind farms required in 2030 to achieve the increased European target of a 55% reduction in CO<sub>2</sub> compared to 1990. Another factor to consider is there is currently a lack of transmission capacity to the electricity grid (Parliamentary Paper 29023, no. 268). Careful integration of renewable energy into the energy system is therefore essential.

In order to take specific steps to address this issue, the ranking criteria for this site therefore focus on stimulating investments and innovations that ensure the energy yield from Hollandse Kust (west) Site VII is aligned to onshore energy demand. Such measures can be implemented both offshore and onshore in the Netherlands. Specifically, more points are assigned to the large-scale roll-out of measures than to innovations. This allocation is in line with the major and urgent sustainability ambitions and policy visions.

I anticipate this design of the permit process will generate most competition between wind farm developers and thus provide greatest added value for society. The decision to focus on a single challenge in each permit process is motivated by the desire to ensure investments and innovations are not watered down or mutually dependent, but are, above all, effective and additional. Each comparative assessment is therefore designed to make a focused contribution to a key precondition for the future roll-out of offshore wind energy. The assessment is also designed to stimulate the market to invest in, and share knowledge of, projects and innovations that are in the public interest. The addition of the financial bid is a further step following three subsidy-free procedures that will ensure sufficient competition and that the sites are awarded at a fair value.

The fact I have decided that the comparative assessment with a financial bid is the most appropriate permit procedure for these two sites does not mean this also applies to future offshore wind energy permit procedures. In accordance with the Offshore Wind Energy Act, I will review the most appropriate approach for each permit procedure.

### **Timeline and preconditions for permit tenders**

Draft versions of the ministerial orders will be informally submitted to the sector for consultation in November of this year. The final orders will then be published in the Government Gazette in January 2022. The same timeline will apply to both permit procedures. The application deadline will be in the spring, and the winners will be announced in a letter to the House of Representatives in summer 2022. As in previous procedures involving a comparative assessment, an independent committee of experts will be used to select the winners.

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Finally, the Wind Farm Site Decisions will invoke the partial exemption for nitrogen under the Nitrogen Reduction and Nature Improvement Decree (*Besluit Stikstofreductie en Natuurverbetering*), which entered into force on 1 July 2021 and applies to all construction work in the Netherlands. Nitrogen reduction will not be an additional criterion in the permit process regulations.

**Our reference**  
DGKE-E / **Fout! Onbekende naam voor documenteigenschap.**

Yours sincerely,

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