

Ministerial Order issued by the Minister of Economic Affairs and Climate Policy on 13 December 2019, no. WJZ/19201387, containing specific rules for permitting of offshore wind energy for Hollandse Kust (noord) Wind Farm Site V (Ministerial Order for the permitting of Offshore Wind Energy Hollandse Kust (noord) Wind Farm Site V)

The Minister of Economic Affairs and Climate Policy,

Having regard to Section 14(2), Section 23(1), (3) and (4), and Section 24(3) of the Offshore Wind Energy Act (*Wet windenergie op zee*);

Has decided as follows:

Article 1

In this Ministerial Order, the following terms shall have the following meanings:

Flexibility of the wind farm's supply profile: the extent to which the supply of electricity to the offshore grid over time is not directly dependent on the wind conditions at the time of supply;

Site V: Site V of the Hollandse Kust (noord) Wind Farm Zone as indicated in Wind Farm Site Decision V for the Hollandse Kust (noord) Wind Farm Zone (Government Gazette 2019, no. 24545);

Minister: the Minister of Economic Affairs and Climate Policy;

P50 value for the net electricity production: the expected annual energy production for a particular combination of location and power generation facility for the production of renewable electricity using wind energy, which should be determined with a probability of 50%;

TRL: the scale that indicates how close a particular innovative technology is to being introduced to the market, in accordance with the levels applied by the European Commission in its Horizon 2020 research and innovation programme (https://ec.europa.eu/research/participants/data/ref/h2020/other/wp/2018-2020/annexes/h2020-wp1820-annex-g-trl_en.pdf);

Act: the Offshore Wind Energy Act.

Article 2

1. An application for a permit for Site V shall be submitted in the period between 2 April 2020 and 30 April 2020, 17:00h CEST
2. The application shall be submitted using a form provided by the Minister.

Article 3

1. The design for the wind farm, as referred to in Section 23(2)(a) of the Act, shall at least include:
 - a. A wind-energy yield calculation which has been prepared by an independent organisation with expertise in the field of wind-energy yield calculations, with use made of reputable calculation models, environmental models, wind models, and wind maps, and which contains at least the location data, the make, type, and technical specifications, including axis height, rotor diameter, and capacity curve of the wind turbines, the local wind data for the wind farm, and a calculation of the P50 value for the net electricity production of the wind farm;

- b. The documents that demonstrate the applicable Wind Farm Site Decision is being complied with;
- c. Information that demonstrates the declaration referred to in Section 6.16d(1)(c) of the Water Decree (*Waterbesluit*) can be submitted in good time.
2. In calculating the P50 value for the net electricity production, the availability, wake effects, electricity losses, and curtailment losses are taken into account; for the wake effect, only the wind farm for which the application is made, Offshore Wind Farm Egmond aan Zee, and Offshore Wind Farm Prinses Amalia are taken into account.
3. The timetable as referred to in Section 23(2)(b) of the Act shall state the completion dates of the following activities:
 - a. The wind farm operator's consent to the conditions of the offshore grid operator for the connection and transmission of electricity in accordance with the Electricity Act 1998 (*Elektriciteitswet 1998*);
 - b. The awarding of contracts to suppliers and installers;
 - c. The installation of the first foundation;
 - d. The installation of the first wind turbine;
 - e. The start date for the supply of electricity;
 - f. The date when 95% of the wind farm will be commissioned;
 - g. The date when the whole wind farm will be commissioned; and
 - h. The decommissioning of the wind farm.
4. The estimate of the costs and revenue as referred to in Section 23(2)(c) of the Act shall at least contain an operation calculation including:
 - a. A specification of the investment costs for each component of the power generation facility;
 - b. An overview of all costs and benefits of the power generation facility;
 - c. A calculation of the return on investment over the project period.
5. The estimate of the social costs as referred to in Section 23(2)(d) of the Act shall at least address the following:
 - a. The utilisation of the grid of the offshore grid operator, expressed in the number of MWh per year;
 - b. Where applicable, a description and substantiation of the schedule allowing 95% of the wind farm to be operational before the project completion deadline;
 - c. Where applicable, a demonstration of innovation in the wind farm or in respect of directly related resources at Site V that contributes to increasing the flexibility of the supply profile of offshore wind farms in the future;
 - d. A dissemination and communication plan that outlines how knowledge of the innovation, as referred to in subparagraph c, will be shared with others.
6. The identification and analysis of the risks as referred to in Section 23(2)(e) of the Act shall at least contain:
 - a. Risks involved in the construction of the wind farm;
 - b. Risks associated with changes in the revenue of the electricity to be generated; and
 - c. Risks involved in the operation of the wind farm.
7. The description of the measures to guarantee cost efficiency as referred to in Section 23(2)(f) of the Act shall at least contain the risk management methods and the proposed mitigating measures in respect of the risks referred to in paragraph 6.
8. The parties involved in the construction and operation of the wind farm as referred to in Section 23(2)(g) of the Act shall include:
 - a. The applicant and, if the applicant is a joint venture, each participant in the joint venture;
 - b. The party responsible for the project management;
 - c. The supplier of the wind turbines;
 - d. The installer of the wind turbines;

- e. The supplier of the foundations;
 - f. The installer of the foundations;
 - g. The supplier of the infield cabling;
 - h. The installer of the infield cabling; and
 - i. The party responsible for maintenance and operation of the wind farm.
9. The description of the knowledge and experience of the parties involved, as referred to in Section 23(2)(h) of the Act, relates to knowledge and experience of offshore wind farms and shall include:
- a. The installed capacity of wind farms for which the party responsible for project management during construction performed the project management;
 - b. The number of wind turbines supplied by the supplier;
 - c. The number of wind turbines installed by the installer;
 - d. The number of foundations produced by the supplier;
 - e. The number of foundations installed by the installer;
 - f. The number of offshore electricity connections for which the supplier supplied cabling;
 - g. The number of wind turbines connected by the installer of the infield cabling; and
 - h. The installed capacity of the wind farms which the party responsible for maintenance and operation is maintaining and operating.
10. The following details must also be appended to the application:
- a. A summarised description of the construction, operation, and decommissioning of the wind farm;
 - b. A financing plan, including the intended backers and the share it is envisaged that they would contribute;
 - c. If the applicant is a joint venture, a statement of participation in the joint venture signed by each participant; and
 - d. The most recently adopted financial statements of the applicant, its parent company, and each of the participants in the joint venture or their parent companies, for a year no more than three calendar years prior to the year in which the application is submitted.

Article 4

1. The assessment of the technical feasibility of the construction and operation of a wind farm shall in any case take account of the design for the wind farm submitted by the applicant, as referred to in Section 23(2)(a) of the Act.
2. The assessment of the financial feasibility of the construction and operation of a wind farm shall in any event take account of the estimate submitted by the applicant of the costs and revenue, as referred to in Section 23(2)(c) of the Act, and the data referred to in Section 3(10)(b) and (d). The applicant's equity capital shall amount to at least 20% of the total investment costs for the wind farm to which the application relates.
3. At the applicant's request, the following factors shall be taken into account when determining the equity capital referred to in the second paragraph:
 - a. If the applicant is a joint venture, the equity capital of each of the participants in the joint venture;
 - b. If the applicant or a participant in a joint venture is a subsidiary company, the additional equity capital of the parent company, provided the parent company assents to such in writing.
4. The assessment of the likelihood of it being possible to start the construction and operation of the wind farm within four years of the date on which the permit becomes irrevocable shall in any event take account of the timetable proposed by the applicant, as referred to in Section 23(2)(b) of the Act.

5. The assessment of the economic feasibility of the construction and operation of a wind farm shall in any event take account of the estimate submitted by the applicant of the costs and revenue, as referred to in Section 23(2)(c) of the Act.

Article 5

1. The respective weighting of the ranking criteria as referred to in Section 24(3) of the Act shall take place in accordance with the rating in points as set out in the Appendix. The higher the score, the higher the ranking.
2. Where, during the ranking of applications based on the respective weighting of the ranking criteria as referred to in paragraph 1, two or more applications are ranked equal highest, the criterion specified in Section 24(2)(f) of the Act shall have greater weight than the criteria specified in Section 24(2)(a to e inclusive) combined.
3. Where, in application of paragraph 2, two or more applications are ranked equal highest, the criterion specified in Section 24(2)(d) of the Act shall have greater weight than the criteria specified in Section 24(2)(a to c inclusive and e) combined.
4. Where, in application of paragraph 3, two or more applications are ranked equal highest, the criterion specified in Section 24(2)(e) of the Act shall have greater weight than the criteria specified in Section 24(2)(a to c inclusive) combined.
5. Where, in application of paragraph 4, two or more applications are ranked equal highest, the criterion specified in Section 24(2)(c) of the Act shall have greater weight than the criteria specified in Section 24(2)(a to b inclusive) combined.
6. Where, in application of paragraph 5, two or more applications are ranked equal highest, the criterion specified in Section 24(2)(a) of the Act shall have greater weight than the criteria specified in Section 24(2)(b) of the Act.

Article 6

The costs for handling an application for a permit as referred to in Article 2(1) are €0.

Article 7

This Ministerial Order shall enter into effect on 1 April 2020.

Article 8

This Ministerial Order is referred to as: Ministerial Order for the Granting of Offshore Wind Farm Permits for Hollandse Kust (noord) Wind Farm Site V.

This Ministerial Order and the associated explanatory notes will be published in the Government Gazette.

The Hague,

The Minister of Economic Affairs and Climate Policy,

Appendix to Article 5(1) of the Ministerial Order for granting offshore wind energy permits for Hollandse Kust (noord) Wind Farm Site V

Respective weighting of the ranking criteria as referred to in Section 24(2)(a) of the Act

1. Weighting in points:

Criterion: Knowledge and experience of the parties involved (Section 24(2)(a) of the Act) Maximum score: 10				
		Qualitative criteria	Assessment criterion	Score
1	Knowledge and experience of the parties responsible for project management	These parties have been responsible for the project management of offshore wind farms	These wind farms have a joint capacity of less than 25 MW	0
			These wind farms have a joint capacity of 25 MW or more	3
2	Knowledge and experience of suppliers of the foundations	These parties have supplied foundations for offshore wind farms	Fewer than 10 foundations have been supplied	0
			Ten or more foundations have been supplied	1
3	Knowledge and experience of installers of the foundations	These parties have installed foundations for offshore wind farms	Fewer than 10 foundations have been installed	0
			Ten or more foundations have been installed	1
4	Knowledge and experience of suppliers of the wind turbines	These parties have supplied wind turbines for offshore wind farms	Fewer than 10 wind turbines have been supplied	0
			Ten or more wind turbines have been supplied	1
5	Knowledge and experience of installers of the wind turbines	These parties have installed wind turbines for offshore wind farms	Fewer than 10 wind turbines have been installed	0
			Ten or more wind turbines have been installed	1
6	Knowledge and experience of suppliers of the cables which connect the individual wind turbines and link them to the platform	These parties have supplied cables which are used for offshore electricity connections	Cables supplied for fewer than 10 offshore connections	0
			Cables supplied for 10 or more offshore connections	1
7	Knowledge and experience of installers of the cables which connect the individual wind turbines and link them to the offshore substation platform	These parties have installed cables which connect individual wind turbines and link them to an offshore platform	Cables installed for the connection of fewer than 10 wind turbines to a platform	0
			Cables installed for the connection of 10 or more wind turbines to a platform	1
8	Knowledge and experience of the parties responsible for the maintenance and operation of the wind farm	These parties have maintained and operated offshore wind farms	Experience of maintaining and operating offshore wind farms with a joint capacity of less than 25 MW	0
			Experience of maintaining and operating offshore wind farms with a joint capacity	1

			of 25 MW or more	
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Criterion: Quality of the design for the wind farm (Section 24(2)(b) of the Act)

Maximum score: 10

		Qualitative criteria	Assessment criterion	Score
1	The Realisation Agreement and the Connection and Transmission Agreement concluded with the offshore grid operator	The period after the permit becomes irrevocable within which the applicant (permit holder) can agree with the offshore grid operator's conditions for the Realisation Agreement and the Connection and Transmission Agreement in accordance with the Electricity Act 1998 (<i>Elektricitwet 1998</i>)	The period is longer than 12 months	1
			The period is between 6 months and 12 months	5
			The period is shorter than 6 months	10

Criterion: Capacity of the wind farm (Section 24(2)(c) of the Act)

Maximum score: 10

		Qualitative criteria	Assessment criterion	Score
1	Generation capacity of the wind farm	The combined installed capacity of the wind farm in MW	Not less than 693 MW and less than 720 MW	1
			Equal to or greater than 720 MW and less than 740 MW	5
			Equal to or greater than 740 MW and not more than 760 MW	10

Criterion: Social costs (Section 24(2)(d) of the Act)

Maximum number of points: 30

		Qualitative criteria	Assessment criterion	Score
1	Efficiency of the use of the offshore grid	The calculated P50 value for the annual net electricity production	Less than 2,900,000 MWh a year	1
			Equal to or greater than 2,900,000 MWh and less than 3,000,000 MWh a year	3
			Equal to or greater than 3,000,000 MWh and less than 3,100,000 MWh a year	5
			Equal to or greater than 3,100,000 MWh and less than 3,200,000 MWh a year	7
			Equal to or greater than 3,200,000 MWh and less than 3,300,000 MWh a year	9
			Equal to or greater than 3,300,000 MWh a year	10
		The time when it has been shown plausibly that at least 95% of the wind farm is in use before the maximum period of 60 months after the permit becomes irrevocable	At least 3 months earlier	2
			At least 9 months earlier	4
			At least 15 months earlier	7
			At least 21 months earlier	10
2	Stimulation of innovation for the purpose of the integration into the Dutch energy system of future wind farms	<p>Demonstration of innovation in the wind farm or in respect of directly related resources at Site V that contributes to increasing the flexibility of the supply profile of offshore wind farms in the future.</p> <p>When carried out, each demonstration should at least include the demonstration of a prototype in an operational environment (TRL7) in the form of a pilot. The demonstration should start no later than 60 months after the permit becomes irrevocable.</p>	Potential impact of the innovation for wind farms in the future if the innovation is made market ready	0-7
			The ingenuity and inventiveness of the innovation in comparison with the best products, services, or processes currently available on the market	
			Extent to which it is shown that the innovation can be demonstrated successfully in an operational environment	

		Extent to which it is clear which specific, measurable, and time-bound progress the demonstration will make and how that will be made known during the execution of the innovation	
		Extent of the assurance that the operation of the wind farm as a whole is not at risk during the demonstration	
	Extent to which knowledge and experience regarding the innovation being demonstrated is shared	Extent to which knowledge is shared	0-3
		Quality of a dissemination and communication plan	
		Extent to which the dissemination and communication plan describes the knowledge to be shared in specific, measurable, and time-bound terms	
		Extent to which the target groups have been specified and the means of dissemination and communication are in line with this	

Criterion: Quality of the identification and analysis of the risks (Section 24(2)(e) of the Act)

Maximum score: 10

		Qualitative criteria	Assessment criterion	Score
1	Risks associated with changes in the financial yield of the electricity to be generated	Price risks for electricity and guarantees of origin	Short-term market fluctuations on the spot market	0-4
			Long-term price changes	
			The position of offshore wind energy in the future energy mix	
		Volume risks	Uncertainty about production and sales volumes	
		Imbalance costs	Short-term imbalance costs	
			Development of the energy mix in the long term	
		Risks with regard to purchasers	Financial strength and other relevant qualities of the internal or external purchaser	
Relationship between the amount purchased by the purchaser and the total trade flow of the internal or external purchaser				
2	Risks associated with the construction of the wind farm	Supply risks for crucial components	Availability of suitable manufacturing facilities	0-3
			Manufacturing capacity availability in a specific period	
			Availability of components with a long lead or production time	
		Transport and installation risks	Availability of suitable installation vessels	
			Availability of specific transport and installation equipment	
			Weather-related risks, in terms of the transport and installation equipment to be used and the design of the wind farm	
3	Risks associated with the operation of the wind farm	Offshore activities	Accessibility of installations	0-3
			Availability of suitable equipment	
		Energy yield	Risk of average wind speed in the long term	

		Annual variations and their impact on liquidity	
	Functioning of the technology	Availability of the wind turbine and infield cabling	
		Preventive maintenance costs	
		Technical failure factors	
		Large-scale corrective interventions	

Criterion: Quality of measures to ensure cost-efficiency (Section 24(2)(f) of the Act)
Maximum score: 30

		Qualitative criteria	Assessment criterion	Score
1	Mitigation of risks associated with changes in the financial yield of the electricity to be generated	Sales strategy for the electricity generated and guarantees of origin	The sales method	0-14
			Pricing period	
			Allocation of imbalance risk	
			General structure of the (internal or external) purchaser	
		Contract types	Nature of purchase and payment obligations	
			Relationship with market reference prices	
		Financial strength of the purchaser	Internal guarantee systems	
			Financial quality of purchaser	
			Any additional financial guarantees	
2	Mitigation of risks associated with costs for the construction of the wind farm	Design, manufacturing, and delivery strategy	Design measures that mitigate manufacturing and delivery risks	0-8
			Transport strategy and installation strategy	
			Contract strategy, subdivision into work packages	
			Experience in the field of supply chain management	
			Risk management for the interfaces between different work packages	
			Management of the design, certification, and manufacturing throughput time	
			Availability of production capacity for the relevant design during the project period	

			Protection against fluctuations in commodity prices, equipment prices, and changing interest rates	
		Security of availability of the most important required materials and parts	Availability (own or contracted) of installation vessels and equipment	
			Suitability of vessels and equipment with regard to weather risks and environmental requirements	
			Availability of staff capacity	
3	Mitigation of risks associated with the costs of operating the wind farm	Operational and maintenance strategy	Logistics concept	0-8
			Availability of staff capacity	
			Design choices which optimise the wind farm's accessibility	
		Optimisation of the energy yield	Design choices which optimise the wind farm's availability	
			Measures that optimise the production profile	
			Analysis of operating margins and financial buffers and measures to accommodate variations in wind and the non-availability of the wind farm	
		Assurance with regards to the functioning of the technology	Suppliers' availability guarantees	
			Strategies for the management of preventive and corrective maintenance	
			The way in which insurance policies are used to mitigate operating risks	

2. Indicative values on a continuous scale from 0 to 100 expressed as percentages for the criteria referred to in Section 24(2)(e) and (f) of the Act and for part 2 in the "Criterion: Social costs" table, referred to in part 1 of this Appendix:

Indicative interim values on a continuous scale	
Excellent, with added value	100%
Very good, with some added value	80%
Good	60%
Very satisfactory	40%
Satisfactory	20%
Moderate	0%

EXPLANATORY NOTES

1. Background and objective

On 6 September 2013, employers, employees, environmental and nature conservation organisations, energy companies, local and regional authorities, the central government, and many other bodies and organisations signed the Energy Agreement for Sustainable Growth. One of the pillars under this Energy Agreement is the resolve to upscale the generation of renewable energy. The target is to achieve a 14% share for renewable energy in 2020 and a 16% share in 2023. One resource to be used for that purpose is offshore wind energy. Site V in the Hollandse Kust (noord) Wind Farm Zone is the last of the planned sites included in the Energy Agreement. On 25 July 2019, the Cabinet published a proposal for a Climate Agreement, which sets out the agreements and measures that should make it possible to reach the reduction target of 49% by 2030. Again, offshore wind energy is one of the most important sources of sustainable energy to meet this target.

The Offshore Wind Energy Act (*Wet windenergie op zee*) (hereinafter referred to as the Act) provides for an integrated statutory framework for the large-scale generation of offshore wind energy. A central notion in the Act is that wind farms can be built only after a permit has been issued for that purpose for sites designated in a Wind Farm Site Decision. In 2015 and 2016, permits with respect to the Borssele Wind Farm Zone were awarded through a procedure involving the award of subsidies based on the Stimulation of Sustainable Energy Production Decision (*Besluit stimulering duurzame energieproductie*) and the Ministerial Order for Offshore Energy 2015 and 2016 (*Regeling windenergie op zee 2015 en 2016*). In 2018 and 2019, permits were granted for the sites in the Hollandse Kust (zuid) Wind Farm Zone via a procedure without subsidy.

The present Ministerial Order includes further rules for granting the permit for Hollandse Kust (noord) Wind Farm Site V, in accordance with the procedure without subsidy. Offshore wind energy is a technology that is developing rapidly. The costs of an offshore wind farm vary greatly depending on the choices made by a producer as regards turbine technology, foundation technology, and the operating approach. Over the past few years, costs have been reduced considerably. This cost reduction was seen for the first time in the results of the subsidy tenders for the Borssele Wind Farm Zone. During the application procedures for the Hollandse Kust (zuid) Wind Farm sites, it became clear that, under the current market conditions, it is possible to construct and operate wind farms without a subsidy (House of Representatives 33.561, no. 41 and no. 49). In view of these developments and the observation that the Hollandse Kust (noord) Wind Farm Zone is similar to Hollandse Kust (zuid), it is desirable to grant permission for Hollandse Kust (noord) Wind Farm Site V in 2020 according to the procedure without subsidy as well.

2. Designation of offshore wind energy sites

Wind Farm Sites are designated exclusively within a zone that is designated in the National Water Plan. The National Water Plan is a policy plan that has been adopted on the basis of the Water Act (*Waterwet*). Among others, the Hollandse Kust Wind Farm Zone is designated in the National Water Plan 2016-2021. This Water Plan was amended in 2016 to offer the option of constructing wind farms within a 10-12 nautical mile zone off the coast. The Wind Farm Site Decision specifies where and under which conditions a wind farm may be built and

operated. TenneT has been designated the offshore grid operator and is therefore responsible for connecting the wind farms to the grid. TenneT's technical concept is based on platforms to which a maximum of 760 MW of wind power can be connected.

3. Applying for a permit

The present Ministerial Order lays down further rules for granting a permit for the construction and operation of wind farms at Site V in connection with the application, the assessment of applications, and the respective weighting of the ranking criteria required if two or more applications for a permit are being considered.

Under the Act, one permit is granted for each Wind Farm Site. Article 2 of this Ministerial Order lays down the period within which applications for the permit for Site V can be submitted. There is also a stipulation requiring all applications submitted to make use of the form provided by the Minister of Economic Affairs and Climate Policy through the RVO.nl website. The address the application must be sent is stated on that form. Article 3 of this Ministerial Order stipulates the data and documents to be submitted with the application. Additional data can be added in the application.

4. Assessment of applications

In addition to a procedure where the permit-granting process is linked to the award of a subsidy, the Act also provides for a procedure without a subsidy award. As is the case with the procedure with subsidy, a permit is granted only where the construction and operation of the wind farm is capable of implementation, is technically, financially, and economically feasible, complies with the Wind Farm Site Decision, and can be started within four years of the date on which the permit becomes irrevocable. Article 4 of this Ministerial Order sets out additional rules for these assessment criteria where necessary.

The level of equity capital is one of the factors examined in the assessment of financial feasibility. The construction and operation of a wind farm are regarded as financially feasible only if the application shows the applicant's equity capital amounts to at least 20% of the total investment cost for the wind farm. If the applicant is a joint venture, the level of equity capital of participants in the joint venture and their parent company or companies can be included to determine the level of the equity capital. If the applicant is a subsidiary company, the equity capital of the parent company or companies can be included in the calculation. If an application is submitted jointly by partners in a joint venture, it qualifies as an application by a joint venture. If several parties jointly incorporate a company that submits an application, the application will qualify as an application by that company rather than as an application by a joint venture.

A part of the area covered by the Wind Farm Sites is located in the Dutch territorial sea. The Dutch State is the owner of the seabed of the territorial sea. To build installations on this seabed, a right of superficies must be created. Creating a right of superficies involves costs. In order to assess the financial and economic feasibility of a project, it is therefore necessary also to establish whether creating a right of superficies has been taken into consideration. The right of superficies does not need to be created at this point.

The purpose of the capital requirement in Article 4(2) is to prevent permits from being awarded to parties without sufficient financial substance. An applicant can also claim sufficient financial substance on the basis of the capital of other participating parties. This is expressed in Article 4(3). The equity capital of other entities will only be included if the applicant so requests. The written consent of the parent company is required if its equity capital is to be included in the calculation.

This is not intended to constitute any obligation on the other party to stand surety for the applicant's liabilities. Hence, the concepts of parent company and subsidiary company in Article 4 will have to be given a broad interpretation. For example, if the applicant is a joint venture, the equity capital of all partners in the joint venture and their parent companies can be included in the calculation. In the case of a private limited company in formation, both the capital of the parent company or companies and that of the founder can be included. If an application is submitted by a limited partnership, the equity capital of the general partner and its parent company or companies can be included in addition to the limited partnership's segregated capital.

5. Ranking of applications

Under Section 24 of the Act, where two or more applications that meet the requirements referred to in Section 14 and Section 23 of the Act are submitted for a single site, the permit shall be awarded in accordance with the ranking based on six qualitative criteria specified in Section 24 of the Act.

The Appendix to the Ministerial Order sets out how the different ranking criteria are weighted. In ranking of applications, the greatest weight is attached to the criteria that contribute to an assurance as regards the timely commissioning of the wind farm, continuity in its operation, and the reduction of social costs. For this reason, greater weight is attached to "the quality of the measures to ensure cost-efficiency" (maximum score of 30) and "social costs" (maximum score of 30) than to the other criteria (each having a maximum score of 10).

As regards the "knowledge and experience of the parties involved" criterion, the greater the experience of the key parties involved in the construction and operation of the wind farm with the development of an offshore wind farm, the higher an application will be ranked. As regards the "quality of the design for the wind farm" criterion, the schedule for the project is assessed with the period within which the Realisation Agreement, as well as the Connection and Transmission Agreement with the offshore grid operator, TenneT, can be concluded being taken into account for ranking purposes. This is an important first step on the way towards the completion of the wind farm.

As regards the "capacity of the wind farm" criterion, the greater the level of installed capacity achieved – within the limits of the Wind Farm Site Decision – the higher an application will be ranked. It is accepted that a higher level of installed capacity contributes to a higher level of energy production by the wind farm.

As regards the "social costs" criterion, an application will be ranked higher in proportion to the extent to which the wind farm's annual electricity generation is higher, the extent to which the wind farm will be commissioned and supplies electricity to the grid sooner than the maximum allowed development term in the permit, the extent to which innovations are incorporated into the wind farm, or in respect of directly related resources at Site V, that will contribute (in due course)

to more flexibility in the profile of future wind farms to be connected to the grid and the extent to which knowledge and experience regarding these innovations is shared in the public domain. This is because social costs are reduced in proportion to the extent to which more targeted use is made of the offshore grid constructed by TenneT and financed by public funds.

As regards the "quality of the identification and analysis of risks" criterion, the higher the quality of the analysis, the higher an application will be rated. As regards the "quality of measures to ensure cost-efficiency" criterion, the higher the quality of the measures taken to accommodate or mitigate risks identified, the higher an application will be ranked.

To enable sufficient differentiation to be made, the criteria for "social costs", as far as stimulation of innovation is concerned, "quality of the identification and analysis of the risks", and "quality of the measures to ensure cost-efficiency" are weighted on the basis of a continuous scale, in percentage terms. Incremental scales are used for other criteria to ensure maximum transparency for applicants.

It is possible that two or more applications will be given the same score in the assessment. In that case, the ranking criteria will be weighted as set out in Article 5(2 to 6 inclusive). Based on Article 5(2), that weighting makes "quality of the measures to ensure cost-efficiency" the deciding factor. If two or more applications for each Wind Farm Site are still ranked joint highest, paragraph 3 will be applied, and in that case the "social costs" criterion will be the deciding factor. Accordingly, paragraphs 4 through 6 will be applied where necessary.

6. European law aspects

No subsidy is granted on the basis of the present Ministerial Order. However, there is a certain advantage for developers in the sense they can avoid costs on research in connection with the Environmental Impact Assessment and Appropriate Assessment. After all, those costs were borne by the Government in the preparations for the present Ministerial Order, when the relevant Wind Farm Site Decisions were adopted. On the other hand, the current procedure for the award of permits (involving the aforementioned ranking criteria) will encourage applicants to propose measures that will incur higher costs but will reduce the social costs in the long run. This being the case, developers are not believed to derive any advantage from the arrangement.

It should be noted that, as part of the evaluation based on the "Guidelines on State Aid for Environmental Protection and Energy 2014-2020" (2014/C 200/01) of the subsidy framework of the Stimulation of Sustainable Energy Production Decision (SDE+), the European Commission previously assessed the arguments given by the Netherlands for the separate, site-based approach for offshore wind energy as satisfactory. In its decision (aid scheme SA.39399 (2015/N)), the European Commission approved the reduction of the costs described above and thereby the advantage given to the party obtaining the permit. The European Commission has been asked to approve an extension of the SDE+ module until 2020 (inclusive).

7. Consultation

The Ministerial Order was made available for informal consultation between 15 October 2019 and 1 November 2019 via the website www.rvo.nl. Prior to that

consultation, in the period between 3 July 2019 and 6 September 2019, interested parties were given the opportunity to make their views on the Ministerial Order due to be drawn up known, verbally or in writing, in two workshops and bilateral talks. These views have been taken into account where possible. Additional explanatory notes, as requested, will be posted on the website of the Netherlands Enterprise Agency (RVO).

Several revisions were made to the Ministerial Order in response to the informal consultation regarding said Ministerial Order. To improve competitiveness in the supply chain, the phrasing of subparagraph 6 of the "knowledge and experience of the parties involved" criterion was expanded to include all parties who have experience of installing offshore electricity connections, and the weighting of points in subparagraph 1 of the "social costs" criterion was revised with regard to the "calculated P50 value for the annual net electricity production" category, thus somewhat closing the weighting gap between the top-ranked assessment criteria. The category related to "The time when it has been plausibly shown that at least 95% of the wind farm is in use before the maximum period of 60 months after the permit becomes irrevocable" in the same subparagraph of the same criterion was revised to allow parties to complete almost the entire wind farm ahead of schedule and to take a little more time to complete a small number of turbines, taking into account the fact that the implementation of innovations may require more time. In subparagraph 2 of the "social costs" criterion, the demonstrations referred to are explained more clearly in the phrasing of the qualitative criterion. In addition, the phrasing of several other sentences was slightly revised to provide greater clarity.

8. Regulatory burden

Under the present Ministerial Order, information must be provided on how the project proposal performs on the basis of the ranking criteria elaborated on in the Ministerial Order. However, that information is already largely available to applicants because it is relevant to internal decision-making on the project. It is expected the regulatory burden will, on balance, be similar to or slightly lower than that experienced with regard to the Ministerial Order for the Granting of Offshore Wind Farm Permits for Hollandse Kust (zuid) Wind Farm Sites III and IV. The relevant difference is that applicants had to submit two separate applications for the individual sites under the Ministerial Order for the Granting of Offshore Wind Farm Permits for Hollandse Kust (zuid) Wind Farm Sites III and IV. In the present Ministerial Order, only one permit is granted, and applicants therefore only have to submit one application. As the requested content of the single application on the basis of the present Ministerial Order is comparable to the content provided by an applicant submitting an application for both sites under the Ministerial Order for the Granting of Offshore Wind Farm Permits for Hollandse Kust (zuid) Wind Farm Sites III and IV, the regulatory burden is comparable.

The regulatory burden relates to the following one-off activities carried out by applicants for a permit.

As part of their applications, applicants must submit data on the basis of which the technical and financial feasibility of their proposal is assessed. The production estimates also form part of this. This obligation to provide information is elaborated on in Article 3 of the present Ministerial Order, including for the purposes of the assessment based on the ranking criteria. An annual report on the progress of the project relative to the schedule must be provided during the construction of the power generation facility. This should be a brief description of

the progress of the project in relation to a number of benchmark dates. This way, an assessment can be made of when the power generation facility can be commissioned and whether that will take place within four years of the date on which the permit became irrevocable. Each applicant has the option to submit an objection followed by an appeal against the award of a permit or the decision on the objection respectively. To determine the administrative costs of this part of the permit award process, a total of three objection and appeal procedures are assumed.

The above results in the following overall picture of the regulatory burden. The calculation of the administrative costs is based on an internal rate of €60 per hour. This results in around €100,000 in administrative costs for the submission of about six applications. Only one of those applications can be accepted. The administrative costs incurred during the project and in relation to the final report on the project will amount to a total sum of approximately €40,000. The administrative costs of objection and appeal procedures amount to around €10,000. The total administrative costs for all applications under this Ministerial Order therefore amount to €150,000.

9. Entry into force

The present Ministerial Order shall enter into force on 1 April 2020. This means it will enter into force in accordance with government policy on common commencement dates.

The Minister of Economic Affairs and Climate Policy,