

### **Questions and Answers (final)**

### SDE+ category offshore wind energy



Will the winning tender bid price be corrected for inflation during the construction and operation phases?

#### **ANSWER**

No, the winning tender bid price will not be corrected for inflation.



Can a party participate in more than one consortium?

### **ANSWER**

An applicant can submit only one bid on site I, one bid on site II, and a combined bid (two bid prices) on sites I and II. A company is allowed to participate in more than one consortium, as each consortium is considered to be a different applicant.



Can several subsidiaries within a group also submit bids?

### **ANSWER**

An applicant can submit only one bid on site I, one bid on site II, and a combined bid (two bid prices) on sites I and II. More than one subsidiary in a group is allowed to submit a bid, as they are considered to be individual applicants.

# **Q**UESTION 4

Will the subsidy grant decision include a provision stipulating that the base amount can be corrected in connection with the revenues arising from the greenhouse gas emission rights trading system?

### **ANSWER**

Such provision will not be included in the subsidy grant decision.



In which language should the bids be submitted?

#### **ANSWER**

The combined application form for the SDE subsidy and permit is available only in Dutch. However the applicant can complete the form in Dutch or English.

# **Q**UESTION 6

If an applicant wants to submit a combined bid for sites I and II, must they also submit separate bids for each site?

### **ANSWER**

Yes, a tender bid price for each site must be entered on the combined bid application form for sites I and II.

# **Q**UESTION 7

In the case of a combined application, can the applicant submit a bid from two legal entities?

#### ANSWER

No, a combined application means submitting two bids in the name of a single legal entity.

# **?**QUESTION 8

The annual accounts of the parent company can be used to fulfil the requirement that the applicant's equity capital must at least amount to 10% of the total investment costs. Can these annual accounts also be those of the parent of the parent, the so-called grandparent?

### **ANSWER**

An applicant can also use the annual accounts of the parent company of the applicant's parent company to prove that the amount of the equity capital is equal to or more than 10% of the total investment costs.

# **Q**UESTION 9

Can interested parties subscribe to a mailing list for news concerning Offshore Wind Energy?

### **ANSWER**

No, this service is not being offered. Research data and information about meetings can be found at offshorewind.rvo.nl



Will the investment amounts that must be reported in the profit and loss account ever be made public?

### **ANSWER**

RVO will not make public the investment amounts specified in the profit and loss account on its own initiative. However, a court can oblige RVO.nl to make this information public in the context of freedom of information proceedings.



Which type of certification must a wind turbine fulfil?

#### **ANSWER**

Article 6.16g of the Dutch Water Decree prescribes that a certificate stating that the wind farm is strong enough to resist the anticipated impact of wind, waves, and sea currents must be submitted at least four weeks before the commissioning of the wind farm. The Ministerial Order for Offshore Wind Energy 2015 also requires the applicant to demonstrate that these rules will be complied with. Applicants using a type of wind turbine that has already been certified for offshore wind energy do not have to submit additional information. Applicants wanting to make use of a type of wind turbine that has not yet been certified for offshore wind energy, must submit information that demonstrates that the applicant is able to fulfil the requirements in Article 6.16g of the Water Decree.

# **Q**UESTION 12

Is it correct that the provisional correction amount will be determined for the period from October to the end of September and that the final correction amount will be determined from January up to the end of December?

### **ANSWER**

Yes. The provisional correction amount will be determined for the 12 months preceding the publication of the provisional correction amount. As publication will occur in the month of October, the provisional correction amount is determined for the period from October to end September. The final correction amount will be determined for the period from January to end December.



Can a bank guarantee also be issued in the form of a 'parent company guarantee'?

#### ANSWER

The bank guarantee can only be issued by a bank of which the branch concerned is established in a member state of the European Union.



Energy Research Centre of the Netherlands (ECN) calculates the costs for profile and imbalance. How is this done?

#### **ANSWER**

The profile and imbalance factors are calculated once a year by ECN, namely for the 'final correction amounts' of the final settlement. For this purpose, a number of market parties provide ECN with information about the volume of the imbalance and the hourly wind production. The assumption is that 100% of the anticipated wind production will be sold via the day-ahead market (APX) and that the entire volume of the imbalance (deviation of the actual production from the day-ahead expectation) will be traded via the imbalance market of TenneT.



If a wind farm, after an SDE period of 15 years, still has unused production and is therefore entitled to a (partial) 16th year, will the advances simply continue to be paid in the 16th year?

#### **ANSWER**

The monthly advances will also continue in the 16th year if a party still has accumulated unused production after 15 years, provided that the advances never exceed 80% of the remaining production that is still eligible for subsidies.



Who determines the final P50? Is this the developer or the authority?

#### **ANSWER**

The developer must have a wind report prepared by an independent organisation with expertise in the field of of wind energy yield calculations, in which well-known calculation models, environment models, wind models, and wind charts are used. The P50 in this wind report is the final P50.



Which information will RVO make available about the ranking and the winner?

#### ANSWER

The sequence of the ranking for each site will be announced. However, RVO.nl will not actively divulge the tender bid prices, except for those of the winners of the sites. Only the tender bid price and the maximum subsidy budget of the winner will be released, once RVO has received the Implementation Agreement and the bank guarantee.





When will the bank guarantee be sent back?

### **ANSWER**

The bank guarantee will be sent back once the applicant has commissioned the power generation facility. The date of the 'commissioning' with respect to the return of the bank guarantee will be the date on which proof is provided of the initial delivery of electricity. This means that the bank guarantee with accompanying letter will be returned to the bank and a copy of this letter will be sent to the applicant, once RVO has received proof that Guarantees of Origin (GO) have been issued for the electricity delivered.



When must the signed Implementation Agreement and the bank guarantee be submitted?

### **ANSWER**

The subsidy is granted on the suspensive condition that an implementation agreement is concluded between the state and the subsidy recipient in accordance with the agreement included in the schedule to the ministerial order within 2 weeks after the date of the subsidy grant decision. The subsidy grant is also subject to the suspensive condition that the subsidy recipient demonstrates, within 4 weeks after the date of the subsidy grant decision, that a bank guarantee as referred to in Article 2, paragraph 1 of the agreement included in the schedule has been issued.

The decision will explicitly mention these suspensive conditions, including the exact dates and times.



Is there also an English language version of the application form?

#### **ANSWER**

The application form is available only in the Dutch language. <u>A translated application form</u> will be included as an example in the Project & Site Description version 3 | Borssele Wind Farm Sites I and II . This is not an official document for the purposes of the application.



Will the advances continue if the production of a wind farm significantly declines?

### **ANSWER**

The payment for the advances will (provisionally) be reduced or stopped if the production of a wind farm significantly declines and the advances risk exceeding the actual production.



Will RVO apply a weighting when ranking the applications, or only the minimum criteria and the lowest price per MWh?

#### **ANSWER**

An application fulfilling all requirements and conditions of the regulations will be ranked. The application with the lowest tender bid price will be ranked highest. In the event of equal tender bid prices, the winning tender bid price will be determined by drawing lots.



Can electricity production be eligible for subsidies prior to the official commissioning of a wind farm?

### **ANSWER**

The commencement date of the subsidy period can be divided between at most five different start dates, provided that the subsidy period always begins on the first day of the month and that all start dates are at least 2 months apart. This means that electricity produced prior to the official commissioning of a wind farm can also be eligible for SDE.



How and when is the SDE+ payment effected? Advance payment? Monthly? Annually? And on which day of the calendar month is the 80% advance payment on the SDE made? (revised question)

### **ANSWER**

The SDE+ always begins on the first day of the month. From that moment, a monthly advance will be paid in the amount of 80% of 1/12th of the annual production eligible for subsidies. RVO will organise the advance payments in the payment system so that they are normally paid in the first week of the particular month. The next year, the final correction amount will be determined during the month of April. Once this has been determined, any remaining subsidy for the year concerned will be paid out in the months thereafter. (revised answer)

# **Q**UESTION 25

Two bank guarantees are mentioned in the ministerial order. The first bank guarantee amounts to 10 million euros and the second to 35 million euros. Does the second bank guarantee replace the first one or does it supplement the first one and does the overall bank guarantee to be submitted amount to 45 million euros?

#### **ANSWER**

The second bank guarantee replaces the first bank guarantee.

# **?**QUESTION 26

Is it correct that the basic electricity price has in the meantime been set permanently at 0.029 euros per kWh?

### **ANSWER**

Yes, the basic electricity price has been published in the ministerial order and set at 0.029 euros/kWh.



Can the applicant himself also prepare a wind report and have it subsequently approved by an independent party?

### **ANSWER**

No. The wind report must be prepared by an independent party. It cannot be prepared by the applicant himself.



There are wind turbines with a booster. How is a booster taken into account when determining the capacity of the wind farm?

#### **ANSWER**

The capacity used is the nominal capacity, as defined in the Ministerial Order for Offshore Wind Energy 2015.

# **Q**UESTION 29

If the winner of the call for subsidy tender requests the revocation of the subsidy/permit as a consequence of appeal proceedings after an amendment to the Wind Farm Site Decision, will the next party in the ranking become eligible for the subsidy/permit or will this result in a new tender procedure for the site concerned?

#### **ANSWER**

A new call for subsidy tender will be issued if a winner withdraws after an amendment to the Wind Farm Site Decision.

# **?** QUESTION 30

Was it an intentional decision to include a suspension option in the project's mandatory implementation period of five years after the granting of subsidy in the event that the Wind Farm Site Decision becomes irrevocable later and to not provide for that suspension option in the obligation of providing a second bank guarantee of 35 million euros?

#### **ANSWER**

Yes, the absence of a suspension option in the provision of the second bank guarantee of 35 million euros is intentional.

# **Q**UESTION 31

Do the permit and the subsidy qualify as a public works concession, so that the Minister of Economic Affairs as well as the winner of the tender are subject to the tender obligations arising from the 2012 Public Procurement Act?

### **ANSWER**

The Ministerial Order for Offshore Wind Energy 2015 is a subsidy regulation and is not subject to the Public Procurement Act. *The permit is also not subject to the Public Procurement Act. (revised answer)* 





What is the procedure regarding supplements and additions to the application for grants and in which manner will RVO request supplements or additions?

#### **ANSWER**

Once the tendering period has ended, the application can no longer be supplemented or modified with information that has an impact on the assessment of the application.



What are the steps taken by RVO with respect to the assessment and ranking of applications and are all applications being assessed?

### **ANSWER**

All the applications that are complete are assessed and only those applications that fulfil all conditions will be ranked.

# **Q**UESTION 34

Will the applications be assessed only by employees of RVO or will RVO also temporarily hire experts with specific market knowledge of wind energy projects?

### **ANSWER**

The applications will be assessed by employees of RVO and by experts with specific market knowledge of wind energy projects.

## **Q**UESTION 35

Can RVO confirm that no other information must be submitted than the application form and all schedules specified in the application form?

#### **ANSWER**

An applicant must only complete the application form and submit all applicable schedules together with the application form to RVO. No other information is required.



Is it mandatory to enter the IBAN and SWIFT/BIC on the application form?

### **ANSWER**

The entry fields for the IBAN and SWIFT/BIC on the application form are optional. These fields can be skipped if the IBAN and SWIFT/BIC are not yet known.

## **?** QUESTION 37

Does the table showing the coordinates of the Belgian Wind Farms (1 July 2015) also apply to the combined application for Borssele Wind Farm Zone sites I and II?

### **ANSWER**

Yes, the system remains the same for the combined application. You can also use the wind report for Borssele Wind Farm Zone sites I and II for the combined application.





Until when can the starting date for the SDE subsidy be changed?

#### **ANSWER**

The date of the start of the subsidy period can be changed at the grant recipient's request to a maximum of three times, subject to the proviso that the request must not be submitted later than the date when the power generation facility is commissioned and this date shall not be set later than within the time limit laid down under Article 61 (1) of the Stimulation of Sustainable Energy Production Decision.



The starting date may be changed three times, but I have five different starting dates. How should I handle this?

### **ANSWER**

You can ask for all the various starting dates to be changed in each request.



Say the financing plan shows 20% of own assets, but it later transpires that more external assets can be brought in, so that less own assets need to be invested: is that permissible?

### **ANSWER**

You should indicate in the financing plan how you intend to finance the wind farm. You are not obliged to finance the wind farm in precisely that way, however, as financial close will not take place until subsidy has been granted to the winner of the tender.



What reservations are financiers permitted to include in the letter of intent?

### **ANSWER**

In principle no reservations resulting in a large decree of discretion are permitted in the letter of intent. Certain statements are permitted, however. Here are a few examples:

The financing arrangement offered to [name of Tenderer] is subject to:

- the approval of [name of the financier's competent body (e.g. the relevant credit committee)] of [name of financier];
- satisfactory results of due diligence;
- completion of the financing/loan documents in the legal relationship between [name of tenderer] and [name of financier].

This statement of support is issued solely for [\_\_\_name of tenderer\_\_\_] and no other natural or legal person is entitled to rely on this statement or derive any rights from it.

To avoid misunderstanding, this statement does not constitute any unconditional or irrevocable commitment or legally binding obligation whatsoever to provide financing.





Are there minimum credit ratings for financiers?

### **ANSWER**

No minimum credit ratings for financiers have been laid down in advance, but the better the financier's credit rating, the more plausible the financing plan will be in this respect.



Are there any requirements that the annual account must meet?

#### **ANSWER**

Requirements have been laid down for the annual account. You should send in the most recent annual account, no more than three years old. It must also have been passed. The requirements are set out in the notes to Appendix 4 to the application form.



What is the minimum value for the return on the project?

#### **ANSWER**

No minimum return on the project has been laid down in advance. Its financial feasibility will ultimately be examined as a whole.

# **Q**UESTION 45

It is mandatory to fill in the RVO's operating model, but am I permitted to send in a model of my own as well? And say the two models produce different returns, which one should I enter on the application form?

### **ANSWER**

An applicant may submit his own estimated operating figures in addition to the mandatory RVO model, but the RVO model takes precedence. An applicant must also use the same data in his own model as in the RVO model, and the calculations in his own model must be explained. If the models differ, the returns may also differ. RVO will look in particular at the plausibility of the data and understands that a different model may produce different returns.



If RVO does not understand the operating model, will they ask additional questions?

### **ANSWER**

It is the applicant's responsibility to answer the questions on the application form and in the operating model clearly and in full. If necessary RVO may ask questions for clarification if it is unclear how something should be interpreted, but RVO will not ask for additional information if something has not been properly substantiated. If an applicant submits such a poor application that the application cannot be ranked, the applicant can only take action against this once he has received the decision rejecting the application.

# **Q**UESTION 47

Is it permissible for the applicant company to be a B.V. or N.V. (private limited company/limited liability company) in formation?

#### **ANSWER**

The applicant company may be a B.V. or N.V. in formation, but it is advisable to complete the formation of the B.V. or N.V. as soon as possible.

## **?** QUESTION 48

Can interested parties be placed on a mailing list for news concerning the Offshore Wind Tenders in the Netherlands?

### **ANSWER**

No, this service is not provided. Research data and meetings can be found on offshorewind.rvo.nl.

## **Q**UESTION 49

If the applicant uses an 'SPV' (Special Purpose Vehicle), may each parent of each participant in that SPV count towards the requirement that the applicant must have assets amounting to a minimum of 10% of the total investment cost?

#### **ANSWER**

If the applicant uses an 'SPV' (Special Purpose Vehicle), the parent of each participant in that SPV is permitted to count towards the requirement that the applicant must have assets amounting to a minimum of 10% of the total investment cost.

## **?**QUESTION 50

Is it permissible to split the bank guarantee into separate parts, with various partners in the partnership each sending in their own part of the bank guarantee?

#### **ANSWER**

It is not permissible to split the bank guarantee into separate parts.



Is the winner of the tender required to pay a fee for the use of the sites?

#### **ANSWER**

Borssele Wind Farm Zone sites I and II are entirely outside the 12-mile zone, so the winner will not pay any fee for their use.

# **Q**UESTION 52

Is the winner of the tender required to pay for all the research costs for the site concerned?

#### **ANSWER**

The research costs prior to the call for the subsidy tender will be paid by the government, not by the winners of the tender.

# **?** QUESTION 53

Precisely what is meant by 'the obligation to start building a wind farm within four years of the date on which the permit becomes irrevocable'?

### **ANSWER**

'Starting building' means actual offshore construction, for example laying the first foundations.

# **?**OUESTION 54

Could RVO publish a list of parties approved by RVO for the preparation of the wind report?

### **ANSWER**

RVO does not publish a list of parties approved for the preparation of a wind report.

# **Q**UESTION 55

The Ecofys wind resource assessment for the Borssele Wind Farm Zone (for sites I, II, III and IV combined) gives an average wind speed for the entire zone, but also gives specific average wind speeds for each site, the average wind speed for sites I and II being lower than the average wind speed for sites III and IV. Does the specific wind speed for sites I and II have to be taken into account when preparing the wind report?

#### **ANSWER**

The specific wind speeds for each specific location and wind turbine must be taken into account when calculating the P50 in the wind report.



Is it possible that the profile and imbalance costs will in future be determined individually for Borssele Wind Farm Zone sites I and II, for example by providing production and availability data?

### **ANSWER**

The profile and imbalance costs are set annually by ECN. The policy is to set the same profile and imbalance costs for all wind farms in the Dutch area of the North Sea annually, not separate costs for each wind farm.

# **?**QUESTION 57

What power curve should be used to calculate the P50 in the wind report?

#### **ANSWER**

The wind report is prepared by an independent party with expertise in calculating wind energy yields. That party will use the power curve issued by a certification authority. If that is not yet available, the wind turbine supplier should provide the power curve.

# **?** QUESTION 58

The Belgian Wind Farms that were operational on 1 July 2015 need to be taken into account when calculating the P50 for site I or II. Is a power curve available for those turbines?

### **ANSWER**

The information on the Belgian Wind Farms is set out on the RVO website, including the type, but the power curve is not provided.

# **Q**UESTION 59

Say an SDE grant of subsidy is ruled null and void as a result of a successful appeal and the second bank guarantee of 35 million euros has already been issued, will the bank guarantee be returned?

### **ANSWER**

If the SDE grant of subsidy is ruled null and void, RVO will return the 35 million euro bank guarantee to the bank, with a copy to the applicant.

## **?** QUESTION 60

In the Offshore Wind Energy Act (wet Windenergie op Zee) Section 14 paragraph 1 part d states that a permit can only be issued if, in the application, it is shown that it is plausible for construction and commissioning of the wind farm to start within four years after the date the permit becomes irrevocable. Does this four-year period relate to both the construction and commissioning, or does it mean that it should be plausible to start construction only within four years?



### **ANSWER**

In the application it has to be made clear that it is plausible for both construction and commissioning to start within four years after the date the permit is irrevocable. 'Start commissioning' means delivering the first electricity to the electricity grid. After the winner has been awarded the grant and permit, some delays can occur. This will have no impact on the evaluation of the application.



In section 6.16g subsection 2 of the Water Act (Waterbesluit) the following is stated: "At least four weeks before putting the wind farm into operation, the operator will provide Our Minister with a statement confirming that the construction/installation of the wind turbines and other balance of plant components forming part of the wind farm comply with the first section. A wind farm will be started up in different parts." How should this section be interpreted?

### **ANSWER**

At least four weeks before putting the first part of the wind farm into operation the operator will provide the mentioned statement.



In the Wind Farm Site Decisions two coordinate systems are used to determine the site boundaries. These two systems show minor differences for some coordinates. Which of the two systems is leading?

#### **ANSWER**

The boundaries of the Wind Farm Sites as published in the Wind Farm Site Decisions are binding. In the Wind Farm Site Decisions two coordinate systems are used. This might show minor differences for some coordinates. These differences can be ignored. The use of both coordinate systems is allowed. One of the requirements in the Wind farm Site Decisions is that the rotor blades must remain completely within the contours of the Wind Farm Site border coordinates (WFSD I and II, III 2.4). This is the case if the rotor blades remain within the border resulting from one of the coordinate systems.



Can the wind farm be decommissioned directly after the SDE-subsidy is determined?

### **ANSWER**

In the Wind Farm Site Decisions for site I and II an obligation for electricity production is mandatory for a period much longer than the period of the SDE-subsidy. You can only decommission the wind farm after these terms are expired and not directly after the SDE-subsidy is determined.



In the application form, I can also apply with a BV or NV in formation. Isn't it mandatory to have a Chamber of Commerce number?

### **ANSWER**

In the application form you can also apply with a BV or NV in formation without knowing the Chamber of Commerce number.

# **Q**UESTION 65

Can the Dutch Government guarantee that the SDE-subsidy for the tender offshore wind energy sites I and II is exempt from VAT during the entire duration?

### **ANSWER**

Yes, the SDE-subsidy is exempt from VAT.