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DGKE-DRE / 55305796

Appendices
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Date
Subject: permit procedure offshore wind energy IJmuiden Ver Gamma and Nederwiek I (4 GW)

Dear Speaker,

With this letter, I inform your House of how I intend to license the next offshore wind farms. This concerns Wind Farm Site Gamma in the IJmuiden Ver Wind Farm Zone and Wind Farm Site I in the Nederwiek Wind Farm Zone[1]. After the previous and largest Dutch licensing round to date for the IJmuiden Ver Wind Farm Zone (Wind Farm Sites Alpha and Beta), this is the second round in which approximately 4 GW is tendered simultaneously. The rollout of offshore wind energy makes an important contribution to achieving climate objectives, our strategic autonomy and the Dutch economy.

In this letter, I explain why I will license these sites using the tender procedure of a comparative assessment with a financial bid and how I intend to outline this procedure. In addition, as I previously promised, I will further discuss the standardisation of wind turbine dimensions in this letter.[2] Finally, I inform your House about a number of measures I have taken to strengthen the safety of, among other things, offshore wind farms.

IJmuiden Ver Wind Farm Site Gamma and Nederwiek Wind Farm Site I

IJmuiden Ver Wind Farm Site Gamma and Nederwiek Wind Farm Site 1 are located approximately 53 km and 95 km from the coast respectively. Appendix 1 contains a map of these offshore wind farm zones.

[1] Wind Farm Site I is located in the southern part of the Nederwiek Wind Farm Zone. For this reason, the name Nederwiek (zuid) Wind Farm Site I is sometimes used.
[2] No commitment number; a commitment on standardisation of wind turbine dimensions was made during the Plenary debate - Adoption of the budget statements of the Ministry of Economic Affairs and Climate (Parliamentary Paper 36410-XIII) for the year 2024 and Adoption of the budget statement of the National Growth Fund for the year 2024 (Parliamentary Paper I 36410-L) answer 1st term + remainder, held on October 12, 2023.

The wind farms are connected to the offshore grid via two TenneT platforms ("offshore sockets"), each of which has a 2 GW direct current connection to an onshore substation. The electricity generated from the wind farm at IJmuiden Ver Wind Farm Site Gamma is transported to the Maasvlakte, and that from Nederwiek Wind Farm Site I is transported to Borssele.[3]

The expected commissioning periods of the wind farms in IJmuiden Ver Wind Farm Site Gamma and Nederwiek Wind Farm Site I is the second quarter of 2031 and the fourth quarter of 2030 respectively.[4]

Site size

As I previously promised, I will inform your House about the site size for these tenders.[5] I have heard from a majority of wind farm developers that they prefer sites of 1 GW. At my request, consultancy firm Afry recently prepared a report on the market conditions for offshore wind energy.[6] In its report, Afry states, among other things, that smaller sites of 1 GW - at least compared to sites of 2 GW – bring advantages under current market conditions. Smaller sites reduce the perceived (financial) risks of wind farm developers due to the lower investment required.

I have decided to investigate a site size of 1 GW for the upcoming tender, as an alternative to the originally intended site size of 2 GW. I am also investigating the option of one site of 2 GW and two sites of 1 GW. This additional research is necessary because I want to be sure that sites of 1 GW are workable.

Firstly, I am investigating how I can clearly design the framework for the construction and test phase of two 1 GW wind farms and one 2 GW platform. These wind farms will be connected, by TenneT, to 2 GW direct current platforms due to the relatively large distances to the onshore connection locations and the large amount of power to be connected. The delivery of the planned direct current connections requires a specific procedure because, unlike alternating current connections, a direct current connection must be tested, for which the entire wind farm must be connected and ready to supply full power. Mutual dependencies and obligations and the (financial) risk distribution between TenneT and two wind farm developers (instead of one wind farm developer for a site size of 2 GW) must be sufficiently clear. I want to prevent these mutual dependencies from leading to additional social costs. I consider this in the Offshore Wind Energy Development Framework and the Offshore Grid Compensation Decree. I also consider the impact on the supply chain. Secondly, I investigate the consequences for the timelines of the Wind Farm Site Decisions and therefore possible consequences for the schedule of the permit tenders and the construction time for the wind farms.

3 The permits for the connection of IJmuiden Ver Wind Farm Site Gamma are already irrevocable. The permits for the connection of Nederwiek Wind Farm Site I are not yet irrevocable.

4 Parliamentary Paper 33561, No. 61; Offshore Wind Energy Development Framework, published in April 2024.
5 No commitment number; a commitment regarding wind farm site size was made during the Commission debate on the National Energy System Plan, held on February 8, 2024.
6 https://rvo.nl/ijver-gamma-nederwiek-zuid

The Wind Farm Site Decisions have currently been drawn up on the basis of two 2 GW sites. Changing a Wind Farm Site Decision from being for a 2 GW site into two separate Decisions, each for a 1 GW, for one or both of the Wind Farm Zones in question could lead to the need for additional research for the environmental impact assessments and thus to additional time required. Finally, I investigate whether and to what extent there is room for *overplanting*[7] in the sites.

I am looking at this in coordination with the wind energy sector and TenneT. I plan to inform the House about the selected site size around summer, after I have completed my further research.

Permit tender procedures: comparative test with financial bid

The Offshore Wind Energy Act (hereinafter: the Act) has four possible tender procedures for granting a permit for the construction and operation of offshore wind farms.[8] To make a careful decision, I have investigated the market conditions in recent months. To this end, I have held discussions with, among others, the wind energy sector and energy-intensive industry and had an independent market test carried out by Afry. I also had discussions with the Ministers of Finance, Infrastructure and Water Management, Nature and Nitrogen and Agriculture, Nature and Food Quality to consider other policy objectives. Furthermore, as far as possible at this time, I have considered experiences from previous (subsidy-free) permit tender procedures in the Netherlands and other North Sea countries.

In the following paragraphs, I will first discuss a number of points that I considered in the choice of procedure, such as market conditions and the suitability of offshore wind energy within the ecological carrying capacity of the North Sea and in the energy system. I then explain my choice of procedure, including a brief look ahead to possible alternatives and future permit tender procedures.

Market conditions

Market conditions for offshore wind energy have deteriorated in the past year. On the one hand, costs (including interest, material, equipment and labour) have increased and, on the other hand, revenues are more uncertain because the expected development of demand for electricity is lagging behind. Sufficient demand for electricity is - apart from its importance for the entire energy system - essential for a solid business case for offshore wind energy. This has increased financial risks and weakened the business case. As a result – although still several per site – fewer wind farm developers submitted an application for the recently closed tender for permits for IJmuiden Ver Wind Farm Sites Alpha and Beta compared to previous tender rounds.

[7] Overplanting means that more GW of capacity can be connected to the platform than the cables can transport. This is possible because, for example due to weather conditions, the maximum capacity of the wind farm is rarely used. By making overplanting possible, the export capacity of approximately 2 GW can be fully utilised more often and therefore more efficiently.
[8] Section 14a of the Offshore Wind Energy Act states that a permit is granted with the application of a tender procedure with a subsidy, a comparative test, a comparative test with a financial bid or an auction.

As I mentioned earlier, Afry recently conducted a study into the market conditions for offshore wind energy. It concludes that market conditions have deteriorated, with an increasing difference between expected revenues and costs (Levelised Cost of Electricity, LCOE) increasing the risk for developers. To respond to changes in the market and to ensure that sufficient parties submit an application per tender round, Afry recommends the procedure of a comparative test and also the development of a subsidy. To ensure stable and sustainable growth of offshore wind energy, it recommends that, in addition to investigating subsidy options, we should continue to stimulate both innovation and the demand profile of electricity. Afry further indicates that the Dutch model is appreciated by wind farm developers. Compared to the other countries examined in this report, Denmark, Germany and the United Kingdom, the Netherlands makes more use of qualitative criteria in the tender procedure, while the licensing procedures examined in the other countries mentioned focus more on a financial element. In other countries, the risk of canceling offshore wind energy projects for which permits have already been granted is also slightly greater.

I have recently ensured that the business case improves by giving wind farm developers more time for the connection of offshore wind farms to TenneT's platforms.[9] This gives a wind farm developer more time and flexibility for the realisation of the wind farm. This can reduce realisation costs. In addition, this reduces the financial consequences of a small delay for wind farm developers.

Suitability of offshore wind energy within the ecological carrying capacity of the North Sea and in the energy system

The realisation of approximately 21 GW by the end of 2032, in accordance with the Additional Offshore Wind Energy Roadmap, is only possible if this fits within the ecological carrying capacity of the North Sea and it can be integrated into the energy system.[10] In the realisation of the wind farms in Hollandse Kust (west) Wind Farm Sites VI and VII, significant steps are already being taken in the field of system integration and reducing the negative effects of offshore wind farms on North Sea nature and making a positive contribution to the recovery of North Sea nature. When awarding permits for IJmuiden Ver Wind Farm Sites Alpha and Beta, I also encouraged measures in the field of ecology and system integration.

The Court of Audit's 2023 accountability study, recently shared with your House, shows that a comparative test (with a financial offer) is appropriate if - as is currently the case - there is insufficient knowledge to translate the goals set for the tender into regulations.[11]

[9] Parliamentary Paper 33561, No. 61.
[10] Parliamentary Paper 33561, No. 53 and 61.
[11] Results of accountability research 2023 at the Ministry of Economic Affairs and Climate, reference 2024D19083.

Nature in the North Sea is in such a poor condition[12] that it is becoming increasingly challenging to issue permits for offshore wind farms. There are currently ecological challenges in taking the Wind Farm Site Decisions for the remaining wind farms of the Additional Roadmap (in a timely manner). To the extent possible, i.e. to the extent that techniques are proven and feasible, I am therefore already prescribing ecological regulations in the Wind Farm Site Decisions. These regulations impose strict requirements on the construction and operation of the wind farm.

In addition, it is necessary to continue to encourage innovative ecological measures to continue to mitigate the impact of wind farms on nature as much as possible and thus perpetuate the future rollout of offshore wind energy. By encouraging additional ecological measures in a comparative test now, we create more certainty that wind farms can also be built in the longer term. With this, I want to challenge and encourage market parties to come up with solution-oriented and innovative applications in this area.

The integration of the electricity produced by offshore wind farms into the energy system also remains challenging, because the growth in electricity demand lags behind the growth in the supply of renewable energy. This is detrimental to the business case of offshore wind farms and, if there is too great a difference between supply and demand, it can lead to high social costs as a result of the use of congestion management by the grid operator. That is why I am investigating whether and how the offshore wind farm tender can stimulate growth in demand for renewable electricity and whether and how alternative transport rights can alleviate congestion onshore. I am looking, among other things, at options for encouraging onshore electrolysers with as few risks as possible for the business case of wind farm developers. I am also investigating whether and how alternative transport rights can alleviate congestion onshore.

In addition, together with the Minister of Economic Affairs and Climate, I am investigating how project development for making industry more sustainable can be better facilitated in connection with the upscaling of the supply of sustainable energy.[13] For example, we look at different solutions for rising network rates and the observed competitive disadvantage for industry.[14]

When looking at the development of offshore wind energy, I take into account the balance between the energy transition, food transition and nature transition in the North Sea. In this context, the Minister of Infrastructure and Water Management, together with the Minister of Agriculture, Nature and Food Quality, Minister for Nature and Nitrogen, Minister of the Interior and Kingdom Relations and myself, are investigating how we can best shape multi-use in offshore wind farms.[15] We also include the permit tender procedures for offshore wind farms in this, provided this does not have a negative impact on the rollout of offshore wind energy and

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[12] This is evident from, among other things, the State of the North Sea, 2023.
13 In accordance with the motion by Member Boswijk et al.; Parliamentary Paper 36410 XIII, No. 29

14 Parliamentary Paper 32813, No. 1372.

[15] Multi-use of offshore wind farms is permitted in accordance with the North Sea Programme 2022-2027 for: aquaculture, passive fishing, nature restoration and development and other forms of renewable energy generation and storage (such as offshore solar energy and batteries); see Parliamentary Paper 35 325, No. 9.

the business case for offshore wind farms can handle this. With regard to aquaculture and passive fishing, we take into account the principles of the recently published Vision for Food from the Sea and Large Waters.[16] We also consider the role of other forms of renewable energy generation and storage in meeting the goals of the National Energy System Plan[17]. In addition, it is important that North Sea nature is strengthened and its ecological carrying capacity is guaranteed.

Tender procedure choice

I have decided to license IJmuiden Ver Wind Farm Site Gamma and Nederwiek Wind Farm Site I using the procedure of a comparative test with a financial bid. This procedure aims to encourage and challenge parties to come up with innovative solutions for social goals as outlined above, which contribute to the further growth of offshore wind energy. The focus of the comparative test with a financial offer will therefore be on social goals. In addition, I am adding the financial offer to ensure competition and the value the wind farm sites can have for Dutch society. A financial bid also helps to differentiate between substantively similar applications and thus minimises the risk that I will have to draw lots to award the permit. In the detailed explanation of the financial bid (weighting and amount), I consider the business case for offshore wind farms and the relationship with the ranking criteria and set preconditions. The exact interpretation of the ranking criteria, weighting and preconditions can influence the financial return.

Wind farm developers can take their business case into account when submitting an application and are free to determine the amount of the bid depending on the business case. In a comparative assessment, it is not mandatory to respond to all criteria when applying for a permit, so parties can also choose to include a very low financial bid.

Developments in future tender procedures

With the National Energy System Plan, the Government is committed to increasing the supply of domestic sustainable energy as much as possible at this stage of the transition. As I indicated earlier in this letter, it is very important for the business case for offshore wind farms that demand development is in line with the development of offshore wind energy. However, it may be that a different approach is temporarily needed for granting permits for offshore wind energy to bridge the period in which demand is not yet sufficiently in line with supply, also in view of the current market conditions. To respond to this, I explore various options as a fallback option. A subsidy with excess profit limitation[18] or a two-sided contract-for-difference (CfD)[19] are temporary options, but are accompanied by several major challenges. This includes: finding finding sufficient budget, integration into the legal system and obtaining state aid approval from the

[16] Parliamentary Paper 21 501-32, No. 1624.
[17] National Energy System Plan (version of 1 December 2023).
[18] As I intend to include in an amendment to the Decision on the stimulation of sustainable energy production and climate transition; see also Parliamentary Paper 31239, no. 387.]
[19] A two-sided CfD concerns a contract between two parties, in this case the Government and a developer, who agree on a fixed price, in this case for electricity. If the price is not achieved on the market, the Government will supplement up to the agreed amount. If more than the agreed price is earned on the market, the developer pays the surplus to the Government.

European Commission. The advantages of a two-sided CfD compared to a subsidy with excess profit limitation are that society can benefit if market conditions are very favorable, and that it is in line with the European regulation on the reform of the EU electricity market (Electricity Market Design). I am currently investigating how we can implement two-sided CfDs within Dutch law, both for offshore wind energy and other technologies, so that I could use this mechanism - if necessary - in the future.[20] The fallback options mentioned here can disrupt the market, which is why I am reluctant to use these fallback options and, if they are necessary, want to limit their use to a minimum. I will inform your House later this year about my investigation into these fallback options.

In addition to the comparative test (with financial bid) and subsidy, the law makes it possible to grant a permit for a wind farm through an auction procedure. An auction is an objective, fast and predictable licensing procedure, provided it is possible to set adequate conditions in the necessary areas that contribute to social goals and that it fits within the market conditions. As I explained above, however, I still see challenges surrounding the integration of offshore wind energy within the ecological carrying capacity of the North Sea and in the energy system. I expect these challenges to continue in the coming years. It is therefore necessary to continue to encourage measures regarding the suitability of offshore wind energy through the comparative test with a financial offer.

Given these challenges, I cannot currently estimate when an auction may be the most appropriate licensing procedure and I expect that a comparative test (with a financial bid) will be most appropriate for the time being. In the coming years, I will take steps - as far as possible - to increasingly include qualitative criteria as preconditions in the Wind Farm Site Decisions, to make auctioning possible in the future.[21] In accordance with the law, I will re-examine this prior to each permit tender, always taking into account market conditions, social challenges and lessons from previous permit tenders.

Design of the comparative test with financial offer

Based on the law, additional rules and criteria can be imposed on the design of a comparative test with a financial offer. When ranking applications, I will, in any event, take into account the amount of the financial bid, the certainty of realisation of the wind farm and the contribution of the wind farm to energy supply.

In addition, I would like to establish additional ranking criteria or rules that will be taken into account when ranking and assessing permit applications:

- I will include an additional ranking criterion in the field of ecology in the regulations (Ministerial Orders), focusing on innovative measures that minimise or mitigate the impact of the wind farm on nature, or even have a

[20] Parliamentary Paper 31239, No. 392 (answer to question 18) and No. 393.
[21] See also page 37 Figure 6 Auction assessment framework or comparative test of the 2023 accountability investigation at the Ministry of Economic Affairs and Climate of the Court of Audit, Parliamentary Paper 2024D19083.

positive effect. As far as possible, I include information from the applications for IJmuiden Ver Wind Farm Sites Alpha and Beta.

- To grow the required flexible demand, in addition to encouraging direct electrification, I will investigate the link between onshore electrolysis and the licensing of the offshore wind farm and possibly include it in the tender procedures, either as a ranking criterion or as a requirement. I will also investigate whether and how alternative transport rights can alleviate congestion onshore. In the near future, I will be talking to the wind energy and hydrogen sectors, ACM and TenneT to further shape this.
- The precise interpretation and weighting of the ranking criteria and the financial bid will be further developed when the draft Ministerial Orders are drawn up.
- The number of applications that a party or consortium can submit per tender will be limited - just as with IJmuiden Ver Wind Farm Sites Alpha and Beta - to reduce the implementation risks and regulatory burden for both the public and private sectors.
- As with the previous permit tenders for Hollandse Kust (west) Wind Farm Sites VI and VII and IJmuiden Ver Alpha and Beta, the costs for the site characterisation studies and environmental impact assessments will be charged to the permit holders. To prevent prohibited state aid in the form of avoided costs for studies in the context of the environmental impact assessment and Appropriate Assessment made by the Government in the preparation of the Wind Farm Site Decisions, these costs are charged to the ultimate permit holders. The amount for this will be determined when the (draft) Ministerial Orders are published.
- I intend to include a maximum permit period for a site of 40 years in the Wind Farm Site Decisions.

When designing the comparative test with a financial bid for the permit for these wind farm sites, a general point of attention is that I want to limit the number of cost-increasing measures in order to minimise social costs and not put further pressure on the business case for offshore wind farms.

I intend to include a regulation in the Wind Farm Site Decisions that will ensure I gain more insight into the consumption of raw materials, environmental impact and value retention of offshore wind farms.[22] I want to use this information to draw up a roadmap for circularity, so that in the future I can further stimulate the degree of circularity of offshore wind farms via a ranking criterion or regulation and the wind energy sector can prepare for this. Drawing up a circularity roadmap for offshore wind energy is in line with the stated ambitions of the National Circular Economy Programme 2023-2030[23] to work out goals more concretely at product group level. Wind farms have been designated by the circular manufacturing industry transition team as one of the priority product groups.

[22] In accordance with the Boucke/Hagen motion to include requirements regarding circularity in all yet to be issued permit tenders for offshore wind energy; Parliamentary Paper 36200-XIII, no. 48.

[23] National Circular Economy Programme 2023-2030 (version of 3 February 2023). Parliamentary Paper 32852, No. 225.

Circularity of wind farms is important because it limits dependence on third countries for (rare) raw materials and increases the sustainability of wind farms.

I also intend to include a provision in the Wind Farm Site Decision on the International Responsible Business Conduct (IRBC) Agreement for Renewable Energy, if this is legally appropriate after further study of the upcoming framework of the European regulation for a net-zero industry (Net Zero Industry Act, NZIA). I will further develop the legal feasibility of this in the coming period. I intend to do this because production processes in the international supply chain for renewable energy technologies, such as offshore wind energy, are not free from risks for people and the environment.[24] By including such a requirement, I aim to ensure that the permit holder pays attention to IRBC early in the process of construction and realisation of the offshore wind farm, based on the guidelines and principles of the Organisation for Economic Co-operation and Development and the United Nations. That is why the Dutch Government also encourages cooperation between various parties from the wind energy sector and civil society in the multi-stakeholder IRBC Agreement for Renewable Energy, to which the Ministries of Economic Affairs and Climate and Foreign Affairs are also parties.

Schedule for permit tenders

The schedule for the permit tenders is as follows. I aim to publish the draft versions of the Ministerial Orders in the last quarter of this year. In the Ministerial Orders, I will further elaborate on the ranking criteria mentioned in this letter, as well as the other elements of the tender procedures. The draft Wind Farm Site Decisions are planned to be published during the course of this year. As I mentioned in my letter about the update of the Additional Roadmap,[25] there are various challenges, such as the ecological frameworks and spatial integration, that can hinder the (timely) taking of Wind Farm Site Decisions and thus could influence the schedule for these permit tenders. I would like to note that, together with the State Secretary for Economic Affairs and Climate, I am currently investigating how a wind farm in Nederwiek Wind Farm Site I can be integrated in accordance with the nearby gas transit platform K13-A. This research is taking place in the context of the tailor-made solutions that the State Secretary and I advocate and about which we informed your House in May 2023.[26] The site characterisation studies will be completed in the first quarter of 2025. The aim is to publish the final Ministerial Orders in the Government Gazette in the first half of 2025. The application period will close at the end of the third quarter of 2025. I will determine the precise date in the Ministerial Orders.

As with previous permit tenders with a comparative test (with financial bid), I take advice from an independent expert committee(s). After the applications have been

[24] I also give substance to two motions, namely the Sienot/Van motion der Lee (Parliamentary Paper 35092, No. 15) on setting requirements in permit tenders for offshore wind farms regarding good environmental and working conditions during the construction and installation of wind turbines and the Wassenberg/Jetten motion (Parliamentary Paper 32813, No. 211) on including guidelines on the origin of the raw materials used in the production of wind turbines and solar parks.
[25] Parliamentary Paper 33561, No. 61.
[26] Parliamentary Paper 34682, No. 161.]

assessed, the permits will be awarded. I will inform your House about this in due course.

Standardisation of wind turbine dimensions

I have promised your House to provide more clarity about the standardisation of wind turbine dimensions (fixing the tip depth, tip height and minimum power of the wind turbines for a longer period of time).[27] For this purpose, I examined whether standardisation has the intended effect of strengthening the supply chain and, if so, whether this should be prescribed by the Government, can be taken up by the wind energy sector itself or in an EU context. I also consulted the wind energy sector and neighbouring countries and took note of the proposal for the North Seas Standard from wind energy trade association NedZero.

On the one hand, standardisation can provide increased predictability, improve production quality and lead to production acceleration. On the other hand, it can result in reduced connection of the supply chain to the global market and in more limited flexibility in terms of choices when designing wind farms. I see that the development of wind turbines continues unabated. Moreover, it is still unclear what the effects of standardisation are on various aspects, such as ecology, shipping safety, aviation and energy yields.

In addition, there is division within the wind energy sector and among neighbouring countries about the usefulness and necessity of standardisation. Wind turbines are not developed exclusively for the Dutch market, which means that standardisation would be much more effective and have fewer disadvantages if it were prescribed in (Northwest) Europe or worldwide.

Taking everything into account, I do not currently consider it desirable for the Government to prescribe standardisation of the dimensions of wind turbines.[28] The wind energy sector itself is of course free to focus on this. I will continue to closely monitor developments in the field of standardisation of wind turbines and I will continue to consult with the other members of the North Seas Energy Cooperation (NSEC) partnership on this matter. Within NSEC, we look at standardisation in a broad sense, such as technical standards. We also look at how further standardisation can help the supply chain scale up more cost-effectively. An example of this is standardising a number of wind turbine components, so that installation vessels require less conversion time between projects.

However, I can provide more information about the wind turbine dimensions for the next wind farms. For example, I intend to apply a tip height of a maximum of 1000 feet (304.8 metres) for the wind turbines located in IJmuiden Ver Wind Farm

[27] No commitment number; commitment was made during the Plenary debate - Adoption of the budget statements of the Ministry of Economic Affairs and Climate (Parliamentary Paper 36410-XIII) for the year 2024 and Adoption of the budget statement of the National Growth Fund for the year 2024 (36410-L) answer 1e term + remainder, held on 12 October 2023. See also Parliamentary Paper 33561, No. 59.
[28] I hereby fulfill the commitment mentioned in footnote 24.

Site Gamma and Nederwiek Wind Farm Site I. I will provide further information about where and under what conditions the wind farms on these sites may be built and operated later this year in the (draft) Wind Farm Site Decisions.

For Nederwiek (noord) Wind Farm Sites II and III, I am investigating the effects on aviation and other (environmental) aspects of turbines higher than 1000 feet. I will include these insights in the decision-making process for this and subsequent wind farm sites. In the, yet to be published, draft note on scope and level of detail (*conceptnotitie reikwijdte en detailniveau,* cNRD - the research proposal for the environmental impact reports yet to be drawn up for the Wind Farm Site Decisions) for this and future sites, a bandwidth is proposed for: the number of wind turbines, the dimensions of the wind turbines and the foundation techniques. When the cNRD is made available for inspection, anyone is free to submit an opinion on the proposed bandwidth. I determine the final bandwidth in the Wind Farm Site Decisions. This provides the framework within which an optimal wind farm design can be achieved.

Safety aspects of offshore wind farms

The vital energy infrastructure in and on the North Sea is threatened by sabotage.[29] I have recently taken a number of measures to ensure the digital and physical security of wind farms in the North Sea. For example, the Wind Farm Site Decisions for the Alpha and Beta sites in the IJmuiden Ver Wind Farm Zone include a regulation on safety, which states that operational control of the wind farms must take place from the EU. The ultimate permit holder must also draw up a safety strategy and share it with me. I intend to include a similar provision again in the Wind Farm Site Decisions for IJmuiden Ver Wind Farm Site Gamma and Nederwiek Wind Farm Site I.

In addition, the Offshore Wind Energy Implementation Regulation has been amended with effect from 1 January 2024, which makes it possible to assess risks to public safety, security of supply or security of supply in the event of a change of control or transfer of the permit, even before a wind farm is operational. This test will be carried out when awarding permits for future offshore wind farms and when changing control of already permitted offshore wind farms.

Conclusion

I am aware that your House and the wind energy sector are curious about the outcome of the permit tenders for IJmuiden Ver Wind Farm Sites Alpha and Beta. I expect to be able to announce the results in a Letter to Parliament in June, after the Netherlands Enterprise Agency (RVO) and the independent expert committees have completed their assessment.

As soon as the permit holders are known and where possible and relevant, I will include the lessons from these permit tenders in the Wind Farm Site Decisions and

[29] Parliamentary Paper 33450, No. 118.

Directorate-General for Climate and Energy
Directorate Achievement of Energy Transition

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the further elaboration of the ranking criteria in the comparative test with a financial bid for IJmuiden Ver Wind Farm Site Gamma and Nederwiek Wind Farm Site I.

R.A.A. Jetten

Minister for Climate and Energy

Directorate-General for Climate and Energy
Directorate Achievement of Energy Transition

Appendix 1 – Map of designated Offshore Wind Farm Zones

Our reference
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Appendix 2 – Substantiation and evaluation of the proposal (CW3.1)

Our reference
DGKE-DRE / 53305796

Policy choices explained Substantiation of effectiveness, efficiency and evaluation (CW3.1)	
1. **Goal(s)**	A successful, efficient and responsible growth of wind energy in the Dutch North Sea within the preconditions of a future climate-neutral energy system and North Sea nature. The main purpose of the permit tender is to award a permit to build and operate offshore wind farms.
2. **Policy instrument(s)**	The comparative test with a financial offer based on the Offshore Wind Energy Act.
3. **A. Financial consequences for the Government**	*Financial bid*: The Government receives the possible proceeds from the financial bid. *Costs of environmental impact assessments and site characterisation studies*: The costs of the environmental impact assessments and site charactisation studies (to be determined, because they have not yet been completed) will be borne by the party awarded the permit(s). These preparations are made to map out details about the Wind Farm Zone(s) for the Wind Farm Site Decision(s) and to mitigate risks. The payments serve to compensate the Government for the preparation costs incurred and are determined by Ministerial Order(s). By charging these costs to the permit holder, EU state aid rules are complied with.
B. Financial consequences for social sectors	The costs for the application, including construction, are borne by the applicants/winners of the permit(s) for the relevant wind farm sites within the IJmuiden Ver and Nederwiek Wind Farm Zones. These costs are taken into account in the business case for these wind farm sites that the permit applicant(s) are considering. The winner(s) of the permit(s) receive(s) the proceeds from operating the offshore wind farm. In addition, parties that participate in the tender, but ultimately do not obtain the permit, bear costs for the preparation of their applications. Participating in the tender is a free choice and the cost-benefit assessment is entirely up to the parties.
4. **Targeted effectiveness**	Given current market conditions and the importance of encouraging social goals (such as ecology), this tender procedure has been chosen. In this way, competition is promoted to come up with solution-oriented and innovative permit applications, insofar as they fit within current market conditions. It is currently unknown ex ante what the solutions will be in the field of

	ecology, for example. Innovative solutions are required through the comparative test. What is known is that it is necessary to continue to encourage innovative ecological measures to further mitigate the impact of wind farms on nature as much as possible and thus perpetuate the future rollout of offshore wind energy.
5. **Targeted efficiency**	The Offshore Wind Energy Act provides for four possible tender procedures for awarding a permit for the construction and operation of offshore wind farms, namely: a procedure with a subsidy, a comparative test, a comparative test with a financial bid or an auction. Given current policy aims, the comparative test with a financial bid is the most appropriate instrument to license the relevant wind farm sites in the IJmuiden Ver and Nederwiek Wind Farm Zones: this can stimulate solutions to challenges in the rollout of offshore wind energy – also in the future – to realise offshore wind energy in a responsible manner and to achieve renewable energy targets. To ensure competition and the value that the wind farm sites can have for Dutch society, the addition of a financial bid is prudent. By designing the comparative test with a financial bid, innovations and solutions are developed for every step towards realising an offshore wind farm: during design, construction and operation. This approach integrally contributes to stimulating stated social goals. Many of these effects cannot be guaranteed afterwards and must therefore be included in the permit tender procedure from the outset.
6. **Evaluation of the process**	After the permit(s) for the winner(s) are irrevocable, the permit tender procedures will be evaluated by the Netherlands Enterprise Agency (RVO), so that new insights can be used to design future tenders for offshore wind energy. The Minister of Finance will also be involved in the evaluation of the upcoming permit tender procedures.