Netherlands Enterprise Agency

Offshore Wind Energy Action Plan

Commissioned by the ministry of Climate Policy and Green Growth

Unofficial translation

>> Sustainable. Agricultural. Innovative. International.

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Groene Groei

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About Offshore Wind Energy Action Plan

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Dear Chairman,

Offshore wind energy plays a key role in the energy transition. At the same time, we see that the business case for offshore wind farms in the Netherlands and surrounding countries is under signifcant pressure. Global developments demonstrate the urgency of a resilient, affordable and sustainable energy system over which we have as much control as possible. There are currently no alternatives to offshore wind farms that can supply energy in a timely manner and at this large scale. It is therefore important to prevent the development of offshore wind energy from stalling.

Given its caretaker status, the Government is cautious with new policies. The Government is therefore focusing on the measures necessary in 2026 to prevent stagnation and is preparing more structural measures. With this letter, the Government is therefore presenting the Offshore Wind Energy Action Plan to the House of Representatives.[1] The Action Plan contains two solutions to continue the roll-out of offshore wind energy: 1. stimulating the construction of offshore wind farms (supply stimulation) and 2. stimulating the development of electricity demand (demand stimulation).

In the short term, the Government is taking two measures with this Action Plan that are necessary to prevent the development of offshore wind farms from coming to a standstill. Firstly, for supply stimulation, the Government intends to award 2 GW of offshore wind farms in 2026 with subsidies and is making preparations for this. €948.3 million has already been allocated from the Climate Fund to address the issues surrounding offshore wind energy. The lion's share of this is for the 2 GW tenders in 2026. Secondly, for demand stimulation, the Government is extending the Indirect Cost Compensation (IKC-ETS) scheme by one year, until 2028, to make electricity costs competitive and is making €150 million available for this.

For the period from 2027 onwards, the Government is preparing more structural solutions to continue the roll-out of offshore wind energy. The Action Plan includes an inventory of potential additional policies for both supply and demand

[1] This Action Plan was announced in the debate on the Climate and Energy Outlook on 11 March 2025.

stimulation to achieve the offshore wind energy objectives. Implementing this policy will require significant funding. By making these preparations now, a new Government can get to work quickly.

This letter explains the deterioration of the business case for offshore wind energy and the impact of delays on social costs. It then explains – along the lines of supply and demand trends – the new measures, existing policy, and opportunities for additional policy. In this Letter to Parliament and the attached plan, the Government also further elaborates on the motions submitted by Members of Prliament Postma et al., Grinwis et al., Postma et al., Erkens, and the commitment made to Members of Parliament Kröger on RES and offshore wind, as well as the commitment regarding negative prices, *Contracts for Difference* (CfD) and long-term price guarantees.[2] In the Letter to Parliament of 16 May 2018 concerning the developments in the offshore wind energy tenders for IJmuiden Ver Gamma and Nederwiek I-A,[3] these motions were partially addressed by taking a number of concrete measures to make the upcoming tender round more attractive and increase its chances of success. In a subsequent letter about CfD and/or letter about offshore wind energy, negative prices will be discussed in more detail.

Importance of offshore wind energy

Offshore wind energy is essential for achieving green growth and sustainability in the Netherlands and is of great importance for making the Dutch energy system more resilient. A sustainable and resilient energy system in the Netherlands requires more sustainably generated energy locally to reduce its dependence on imports. The North Sea is relatively shallow, and a lot of energy is consumed on the Dutch coast. This makes the Dutch North Sea ideal for generating large volumes of electricity cost-effectively.

Due to the great importance of offshore wind energy, the previous government doubled the commitment to approximately 21 GW of offshore wind energy by 2032.[4] In this Government's programme, the importance of offshore wind energy has been reaffirmed, as well as the commitment to fully implement the Offshore Wind Energy Roadmap (21 GW). The Government wants to adopt the Partial Revision of the North Sea Programme 2022-2027 by the end of 2025, containing the wind farm zones for after the current Offshore Wind Energy Roadmap.

In the North Sea Wind Energy Infrastructure Plan, this Gvernment has operationalised the offshore wind energy targets and adjusted them to 30 – 40 GW by 2040. The main reasons are the sharply increased costs and new scenarios that show that demand for hydrogen (offshore) in particular is lagging behind compared to previous scenarios.[5] This new bandwidth has been confirmed in the Climate and Energy Memorandum.[6] There are no alternatives to offshore wind energy available in the Netherlands that can be applied in a timely manner and on this scale. For these reasons, the Government attaches great importance to the continued roll-out of offshore wind farms.

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[2] Parliamentary Papers II 2024/2025, 33561, no. 73; Parliamentary Papers II 2024/2025, 33561, no. 71; Parliamentary Papers II 2024/2025, 32813. No. 1487; Parliamentary Papers II 2024/2025, 32813, no. 1446; Parliamentary Papers II 2024/2025, TZ202502-010; and Parliamentary Papers II 2024/2025, TZ202505-077.

[3] Parliamentary Papers II 2024/2025, 33561, no. 84.

[4] Over-programming of the Doordewind II Wind Farm Site (2 GW) supplements the Offshore Wind Energy Roadmap to approximately 23 GW. In May 2025, the Government decided that grid operator TenneT may start with the offshore grid of Doordewind II. Since TenneT has not entered into any commitments for the Ten Noorden van de Waddeneilanden and Hollandse Kust West 8 sites, TenneT (including this over-programming of Doordewind II) has entered into commitments for approximately 21 GW. Parliamentary Papers II 2021/2022, 33561, no. 53 and Parliamentary Papers II 2024/2025, 33561, no. 85.

[5] The North Sea Wind Energy Infrastructure Plan | June 2025.

[6] The Climate and Energy Memorandum will be sent to the Parliament at the same time as this Action Plan for Offshore Wind Energy.

Partial Revision of the North Sea Programme 2022 – 2027

The Government intends to adopt the Partial Revision (PR) of the North Sea Programme by the end of 2025, as previously indicated in the Letter to Parliament accompanying the draft PR of 18 April 2025. In the PR, the Government designates two new wind farm areas in the North Sea with a combined size of approximately 21 GW, Doordewind West Wind Farm Zone(2 GW) and area 6/7 (maximum 19 GW), and permanently deletes the previously designated Lagelander Wind Farm Zone. In making the designation, the Government first looked at the scope for fisheries and carefully weighed up all interests in the North Sea, including fisheries, defence, mining, shipping and nature. With the designation of these areas, it will remain possible for the next government to realise 30 – 40 GW by 2040, in line with the North Sea Wind Energy Infrastructure Plan. This is crucial for the energy independence and sustainability of the Netherlands. It is a spatial reservation, without financial obligations.

It is up to the next Government to decide whether or not to develop wind energy in area 6/7. This decision follows the adoption of the accompanying Offshore Wind Energy Roadmap. At that time, the next government must have provided appropriate financial coverage for the integration costs and any other costs associated with the decision. For the Doordewind area, the government has covered the integration costs in the 2025 Spring Memorandum. This area has also been designated in the most recent Offshore Wind Energy Roadmap.

Offshore wind farm business case under pressure

The business case for offshore wind farms in the Netherlands is currently under considerable pressure due to sharply increased costs for financing and materials, among other things. This is also visible in surrounding countries. In Germany, the United Kingdom, Denmark and Belgium, (subsidy-free) tenders for wind farms have recently failed and tenders have been postponed due to limited market interest.

We are entering a new phase[7] of the energy transition, in which the continued growth of renewable generation, and especially large-scale generation such as offshore wind energy, must be accompanied by simultaneous large-scale electrification. Lagging electricity demand, compared to previous expectations, is a major cause of the deteriorated business case. Electricity demand is lagging behind because industrial parties have to make large investments to electrify, although it is uncertain whether they can recoup the costs. In addition, development costs for offshore wind farms have risen due to higher interest rates, inflation and increased labour and material costs. The deteriorated business case may lead to – without government intervention – the stallinging of the roll-out of offshore wind energy and thus an important part of the energy transition. This is despite the Dutch approach in which the permitting process and connection to the electricity grid is taken out of the hands of wind farm developers, thus making construction as attractive as possible, the *so-called one-stop-shop*. The fact that the roll-out of offshore wind farms is at risk of stalling is reflected in the various market surveys, tenders in neighbouring countries, discussions with, and public appeals from, wind farm developers, parties in the supply chain, industrial parties,

[7] Explanations of the different phases of the energy transition can be found, for example, in the International Energy Agency's study, Integrating solar and wind: Global experience and emerging challenges | September 2024 | IEA.

the financial sector and grid operators. The Government will continue to work with these parties to continue developing offshore wind farms.

Impact of costs of offshore grids
To ensure that the Netherlands has sufficient renewable energy available in a timely manner, previous governments have instructed TenneT, as the offshore grid operator, to realise the necessary new electricity infrastructure ('offshore grid').[8] This decision was made to provide both wind farm developers and the industry with an overview of the availability of this infrastructure. This decision was also made due to the long lead times for the realisation of such complex infrastructure projects and the high demand in the supply chain for platforms and cables. Several risks were identified in this decision, such as the mismatch between the pace of supply and demand development. When the target of offshore wind energy was doubled in 2022, the House was informed about this risk.[9]

TenneT has concluded contracts with suppliers for the realisation of the offshore grid and has made agreements in these contracts about its construction. The obligation of these contracts for the realisation of the offshore grid is approximately €42 billion.[10] in total and is depreciated over approximately 40 years. As previously informed to the House of Representatives, the Government does not consider it realistic to adhere to the planning for a number of wind farms[11] in the Offshore Wind Energy Roadmap. Due to delays in the construction of offshore wind farms, TenneT will incur substantial additional costs. Delays in the construction of offshore wind farms will have an impact on TenneT's planning and costs for the offshore grid. Financially, the impact of this initial delay is very significant. If the planning for the Offshore Wind Energy Roadmap is further delayed, TenneT's delay costs will increase further. This is highly undesirable, and the Government wants to do everything possible to minimise these costs as much as possible.

Additional costs due to delays will be passed on by TenneT in the network rates of citizens and businesses in the longer term, after review by the Netherlands Authority for Consumers and Markets (ACM). A specific estimate of the cost of delays will be shared with the House of Representatives in a confidential appendix, because it contains business-sensitive information from TenneT. As soon as the final costs are known, these will be included in TenneT's cost estimate, which the Government will inform the House about.

New measures for the Offshore Wind Energy Action Plan
Given the business case for offshore wind farms and the impact of delays on social costs, the Government intends to take the following measures along the lines of supply and demand.

Supply stimulation: subsidy for offshore wind farms
To increase the success rate of tenders for offshore wind farms, the Government intends to award 2 GW of offshore wind farms with subsidies in 2026[12] and is currently making all the preparations for this.[13] Due to its risk-reducing and

[8] Additional Roadmap for Offshore Wind Energy 2030 | June 2022 | Rijksoverheid.nl.
[9] Ditto.
[10] Parliamentary Papers II 2024/2025, 2025Z08895.
[11] The Government has decided to open only one I GW tender in October this year (Nederwiek I-A) and to postpone the other two 1 GW tenders (IJmuiden Ver Gamma-A and Gamma-B). The tender for Nederwiek I-A has also been pushed back a month and now closes in October 2025. In addition, the schedule for IJmuiden Ver Beta (Zeevonk) has been delayed: only 1 GW will be completed in 2029, as originally planned, while the other half of this wind farm (1 GW) will be completed at the end of 2032.
[12] With the use of the 'Temporary Support Mechanism for Offshore Wind Energy' (Tijdelijk ondersteuningsmechanisme windenergie op zee, TOWOZ), as explained in Section 4.4 of the Action Plan. TOWOZ is a support mechanism with a similar design to the current SDE++ methodology, but is specifically aimed at offshore wind energy.
[13] This includes, among other things, an amendment to the Decree on the Stimulation of Sustainable Energy Production and Climate Transition (SDEK) and EU state aid approval.

therefore cost-reducing effect, subsidies for offshore wind farms – in the form of a price certainty mechanism – contributes to the realisation of offshore wind energy at the lowest social cost. The maximum application amount is set up in such a way that the total social costs are balanced with the total social benefits.[14] This means that the maximum application amount is not solely determined by the costs of constructing the wind farm.

The draft subsidy schemes are scheduled for publication in January 2026 at the latest. A market consultation will then take place, and the tender will close in September 2026. In preparation, the Government is asking the Netherlands Environmental Assessment Agency (Planbureau voor de Leefomgeving, PBL) for an analysis of a number of financial values in the subsidy scheme, such as the provisional correction amount. PBL will also consult with the market on the findings from their preliminary analysis. When the draft subsidy schemes are published, the Government will also announce which two 1 GW sites will be issued to tender. This depends, among other things, on the outcome of the subsidy-free tender for Nederwiek I-A (1 GW), which is planned for October of this year. The starting point is to adhere to the original order of the planning schedule from the Offshore Wind Energy Roadmap as much as possible. In consultation with the wind energy sector and TenneT, an updated Offshore Wind Energy Roadmap is being prepared.

For 2026, the Government has opted to awarded permits for offshore wind farms with a subsidy. CfDs can not be used in 2026 because this requires a change in the law. For the subsidy provided, the subsidy is reclaimed when electricity prices are relatively high.

Demand Stimulation: Indirect Cost Compensation (IKC)
In addition, the Government is committed to demand development. Within the options currently available to make electricity costs competitive, the Government has decided to extend the Indirect Cost Compensation (*Indirecte Kosten Compensatie,* IKC) ETS scheme by one year, until 2028, and has allocated €150 million for this purpose. The IKC compensates passed-on ETS costs of electricity production through the electricity price for business sectors that have been designated by the European Commission as 'exposed to a high risk of leakage outside the EU'. This currently amounts to an average of €20-25/MWh. A budget for the scheme was previously allocated until 2027.

Existing policy
In addition to the aforementioned measures, the Action Plan contains an overview of existing policies for stimulating supply and accelerating demand development.

Supply stimulation
The Government is committed to stimulating supply with various measures. Previously, the site size was reduced from 2 GW to 1 GW. This reduces the required investment per site, reducing the (financial) risks for wind farm developers and enabling for more parties to invest. In addition, in the Nederwiek I-A tender, it was decided that in the event of a proven deteriorated business case, wind farm developers would be offered the opportunity to return the permit for a fee, voluntary ranking criteria in the tenders would be scaled back, and any financial offer would only be paid when the wind farm is put into operation.[15]

Demand stimulation

[14] The benefits of the offshore wind farm are assessed in terms of avoided greenhouse gas emissions, avoided additional costs incurred by TenneT due to delays and avoided gas imports. In addition to the subsidy, the costs also include TenneT's possible additional redispatch costs. Redispatch costs are costs incurred by grid operators such as TenneT to reduce congestion on the electricity grid by asking market parties to adjust their electricity generation or consumption so that the electricity grid does not become overloaded.
[15] Parliamentary Papers II 2024/2025, 33561, no. 84.

In addition, the Government is committed to increasing (flexible) electricity demand with various measures. This is an important condition for the energy transition. The Government is committed to standardising and pricing electrification as well as to stimulating it with subsidy schemes. Standardisation and pricing are implemented, for example, through the energy saving obligation and the EU ETS. With the EU ETS, the price of fossil fuels will increase over time, making electrification more attractive. The energy saving obligation requires specific cost-effective electrification options. In addition, the Government encourages electrification through schemes that address (among other things) electricity costs for companies, such as the SDE++ and the IKC scheme. For example, the SDE++ scheme compensates for the unprofitable portion of various electrification techniques, among other things. Over the past four years, 3.4 TWh of electrification projects have been approved. Through the IKC scheme, electrified companies with a risk of leakage are supported by compensating for ETS costs in the electricity price. There are also a number of schemes that address (among other things) investment costs for electrification, such as the DEI+, NIKI and VEKI schemes, and the EIA. With these schemes, investment support is available for different stages of development and implementation of electrification technologies. The Government discusses this in more detail in the Action Agenda for Electrification of Industry.[16]

The Government is also committed to tackling and mitigating the consequences of grid congestion. Grid congestion is a brake on electrification. The House will be informed in more detail, at the end of September, about the progress of the actions in the National Grid Congestion Action Programme (Landelijk Actieprogramma Netcongestie, LAN) to combat grid congestion through faster expansion of infrastructure and better utilisation of the existing grid. Despite the current threshold of grid congestion, it is sensible to continue the roll-out of offshore wind farms. The extent to which more offshore wind energy leads to additional grid congestion for a longer period of time is limited and depends on the landfall location. To account for the effects of extra grid congestion, the expected grid management costs (*redispatch*) are factored in when determining the maximum amount of the subsidy to be paid. When choosing which sites will be issued to tender in 2026, the landfall location, and thus the expected grid congestion, will also be taken into account. This landfall can be chosen in such a way that 2 GW of wind farm capacity hardly leads to more grid congestion.. This is taken into account alongside TenneT's delay costs and the most obvious location from that perspective. On the demand side, grid congestion can hinder the growth of electrification, but growth is still possible, and electrification that is already possible can be realised.

Inventory of additional measures
Finally, the Action Plan also contains an inventory of potential measures to improve the business case of offshore wind farms. In addition, the following are also listed below.

Supply stimulation
On the supply side, options have been identified to offer wind farm developers price certainty with a CfD, as a follow-up to the proposed subsidy in 2026. The current Government is making all the technical and legal preparations so that a CfD for supply support can be deployed from mid-2027, if the legislation is processed in time and the necessary budget is decided in time. Previous governments have licensed offshore wind farms using a procedure with a comparative assessment (with a financial bid). This encourages parties to propose innovative solutions for societal goals, such as ecology and system integration, that contribute to the further growth of offshore wind energy and other societal challenges facing the Netherlands. The comparative assessment has led to

[16] Parliamentary Papers II 2024/2025, 2025D37567.

solution-oriented and innovative bids from parties. These innovations contribute to reducing the negative impacts of the construction and operation of offshore wind farms. Recent tender rounds with a comparative assessment have led to knowledge on subjects such as ecology, enabling this knowledge to be (partially) incorporated as a precondition into in regulations in Wind Farm Site Decisions or permits. This is in line with the rules for non-price criteria from the European Union *Net Zero Industry Act* (NZIA). In the last tender round, the criteria for the comparative assessment were simplified and streamlined in order to better reflect the impact on the wind farm's business case. For future tender rounds, the Government is also looking at how solutions can be stimulated – in line with the business case – for societal goals that contribute to the further growth of offshore wind energy, such as ecology, system integration, and fisheries.

The Government has also started a study into the possibilities of giving wind farm developers more time to realise offshore wind farms. It is looking at extending the time between the milestones from the Offshore Wind Energy Development Framework for the realisation of the wind farm and offshore grid.[17] The wind energy sector wants to extend the realisation time and thus reduce risks and costs. At the same time, more time leads to higher costs for TenneT. The Government must therefore weigh up what is technically necessary and what the social costs and benefits are of a possible extension. When the Offshore Wind Energy Roadmap is updated, the results of this study will be incorporated into the new planning schedule.

In addition, the Government has started a study looking at adding the site in the Ten Noorden van de Waddeneilanden (TNW) area to the Doordewind Wind Farm Zone and thus give more space to generate the same amount of electricity, i.e. without additional cables to shore. With more space per turbine, turbines generate more electricity each, which increases energy yields.[18] This will also increase utilisation of the TenneT infrastructure. Due to the prolonged pause of Demo 2, as decided in the Climate and Energy Memorandum, it is no longer given that the TNW site will remain reserved for this purpose. A prerequisite for this study is that this takes place within the space designated for offshore wind farms and therefore does not lead to an expansion of the already designated offshore wind farm zones.

For the business case of offshore wind farms, it is important to keep tender conditions as simple as possible. To implement the commitment on RES and offshore wind[19], the Government has analysed requirements for cooperative ownership of offshore wind energy, specifically on the basis of tenders in Belgium and Denmark. Both countries have designed offshore wind energy procedures with requirements for cooperative ownership. Recenty, the tender in Denmark failed and the one in Belgium was paused due to, among other things, deteriorating market conditions. The feasibility of the requirements for citizen participation played a role in this. Given the pressure on the business case, the Government does not intend to include preconditions for cooperative ownership in upcoming tenders. However, the Government will discuss opportunities for citizen participation with the wind energy sector during the market consultation on the next tenders. The Government is also keeping an eye on developments in citizen participation in tenders in neighbouring countries.

Finally, another aspect that touches on the business case for offshore wind farms is a feed-in network tariff, whereby not only the customer, but also the producer, pays for the transmission of electricity. ACM is currently preparing to introduce

[17] This concerns the possible extension of the period between Milestones 1 and 2 in the permitting process. For more information about the current milestones, see Development Framework for Offshore Wind Energy | May 2025, Section 4.2.2.
[18] The importance of more space is shown, for example, by this study – 21 GW Roadmap Wake Study | July 2025 | Whiffle.
[19] Parliamentary Papers II 2024/2025, TZ202502-010.

this. The wind energy sector has expressed concerns and expects the introduction of this tariff to have a significant impact on their business case and thus on the realisation of offshore wind farms. This concern is understandable and real. The responsibility and authority for setting such a network tariff lies with the ACM and preparations are still in full swing. The Government is in contact with ACM about the design of the tariff and the research and reviews being conducted for this purpose. The Government will raise the concerns about the consequences for offshore wind farms. Furthermore, in accordance with the Erkens motion[20], the consequences of a possible feed-in network tariff for a CfD will be investigated.

Stimulating demand
The Government is in talks with Invest-NL about the development of a possible guarantee fund for parties that enter into long-term contracts with providers of renewable electricity, including offshore wind energy. The aim is to set up a guarantee fund with private financiers, so that electricity customers with a lower or unassessed creditworthiness that want to electrify will be given the opportunity to enter into long-term contracts with wind farms. This helps both these companies and the offshore wind farms. This autumn, a decision will be made about the development of the fund, for which €1 million is reserved in the KGG budget. After the development of the fund, a financing round will follow to obtain the buffer capital. Depending on the duration of this, the fund can be deployed from 2026 in the best case scenario.

In addition, there are additional options to accelerate the development of demand for sustainable electricity. Accelerating the growth of electricity demand focuses on removing barriers, such as the price of electricity, grid tariffs and investment costs for electrification. This could include further analysis of CfDs on the demand side. This requires further research into the desirability and feasibility. An appendix to the Action Plan provides the final report on the exploration of the use of CfDs for industrial electrification. This report shows that a well-designed CfD can mitigate price risks for industry and thereby stimulate investments in electrification and demand for sustainable electricity. The Government will include further analysis of this option for mitigating electricity price risks in the further exploration of options for reducing grid costs and network tariffs, as announced in the Letter to Parliament on amortisation.[21]

Finally
The Government is confident that these actions in the field of supply and demand development will allow the roll-out of offshore wind farms to continue. Given the insights we now have, this new pace of 2 GW in 2026 is more realistic and appropriate to the demand development scenarios. Measures taken by this government in the short term, combined with preparations it is making for the next government, will enable essential steps to be taken: for our energy independence, for a good competitive position for our industry, and for the sustainability of our country.

Sophie Hermans
Minister for Climate Policy and Green Growth

[20] Parliamentary Papers II 2024/2025, 32813, no. 1446.
[21] This letter will be sent to the House of Representatives at the same time as this Action Plan for Offshore Wind Energy.

This is a publication of

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