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PORTUGAL
RENEWABLE
ENERGY
SUMMIT





Thomas Schulz

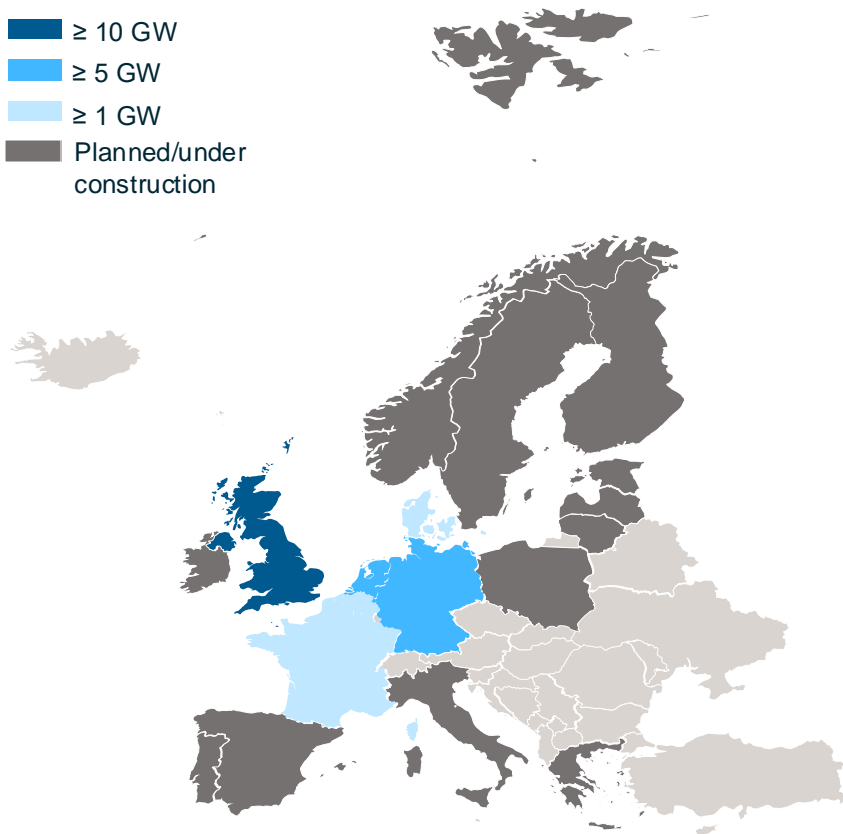
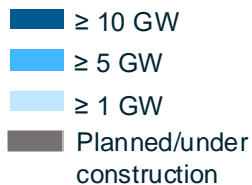
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**Offshore Wind
Energy in Europe**
lessons learned, trends

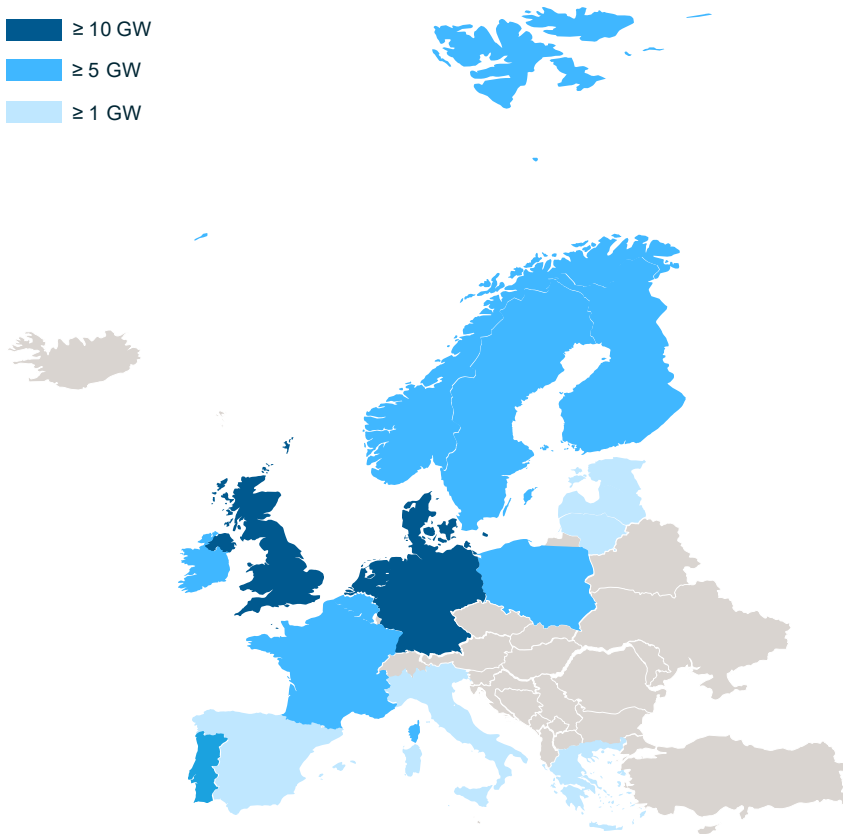
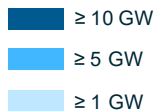


Offshore Wind Energy in Europe – Where do we stand, where are we headed?

Offshore wind farms, capacity installed in Europe 2024

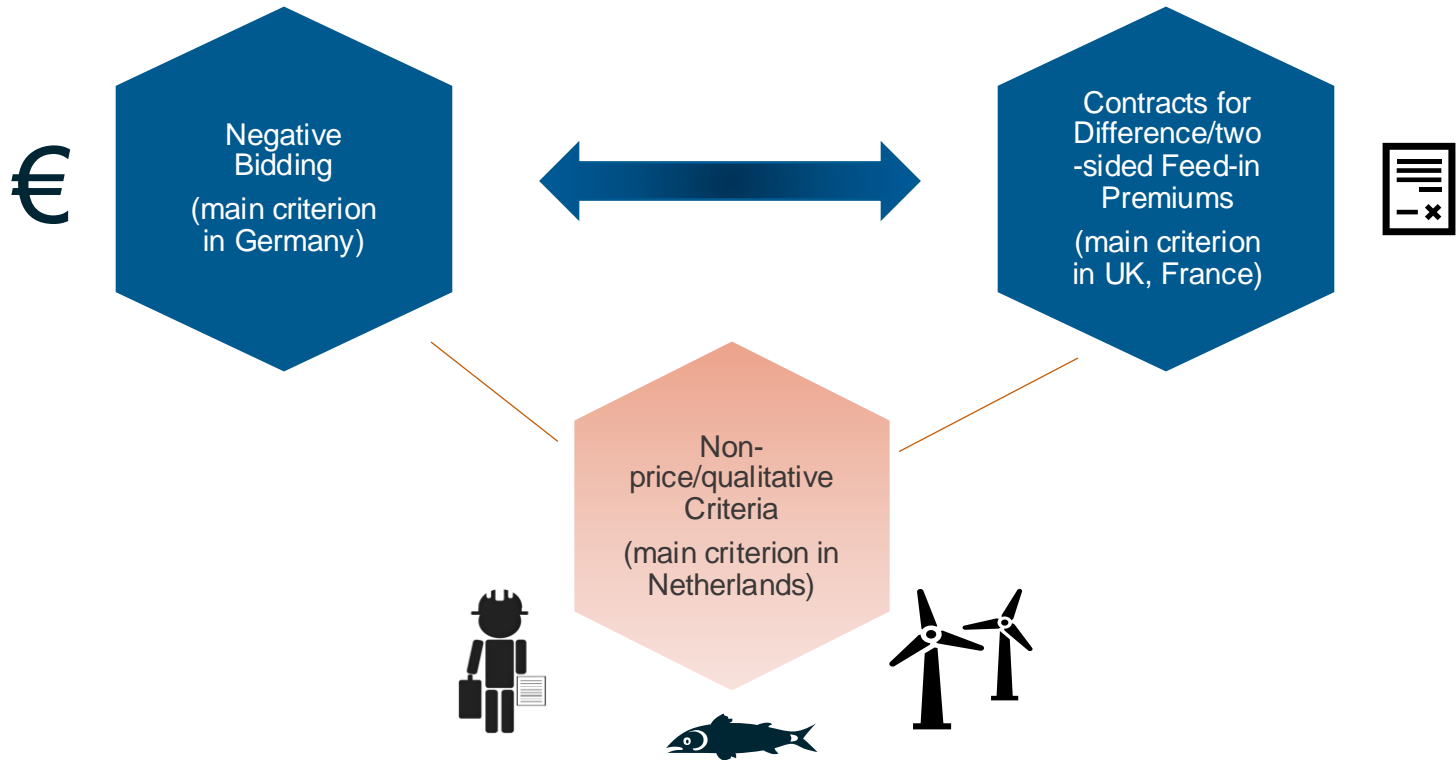


Offshore wind farm capacity in 2030 (official announcements)



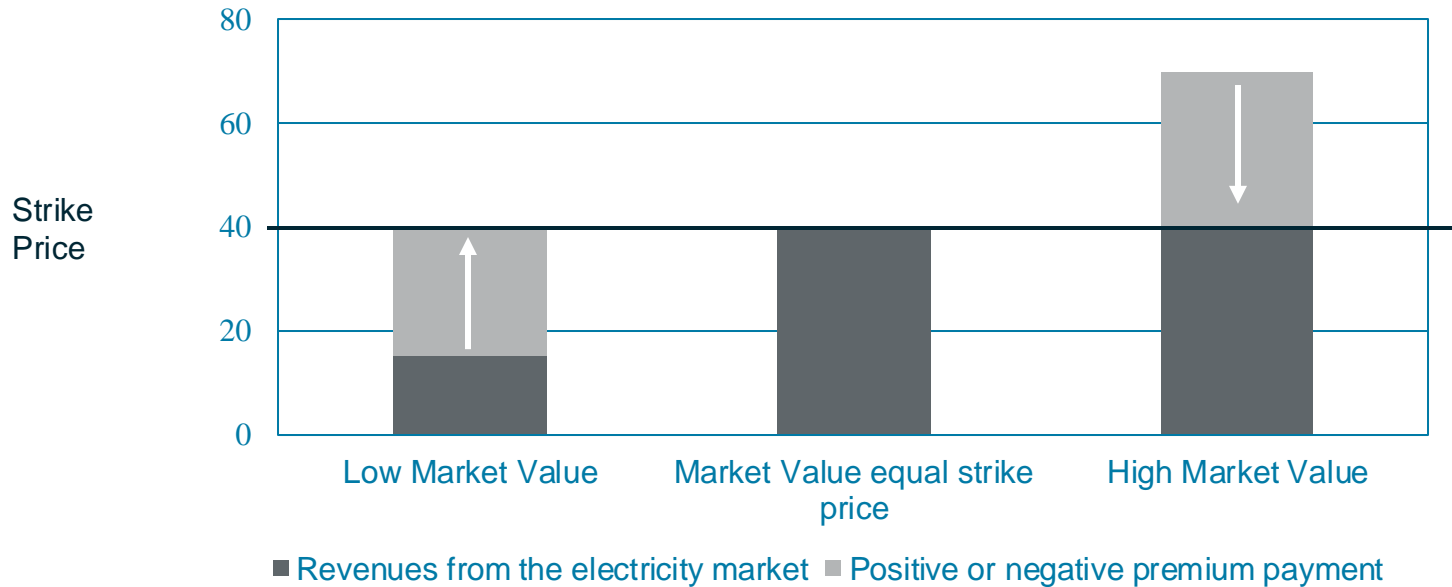
Tender structure – in a post-subsidy world

The following primary structuring options are available, optionally in combination with additional criteria:



Tender structure – CfD/two-sided Feed-in Premiums

Contracts for Difference Euros per megawatt hour



Tender structure - examples of non-price/qualitative criteria

Qualitative Criteria in Germany (for certain sea areas, they account for 40% of the bid value)

- Conclusion of PPAs
- Securing skilled workers
- Environmental protection during foundation of the WTGs
- Decarbonisation in production of the WTGs

Qualitative Criteria in the Netherlands (comparative assessment as one tender type)

- Technical expertise of the developer and subcontractors
- Developers' financial strength
- System integration solutions (including electrolysers, battery storage)
- Ecology and ESG (e.g. compliance with supply chain due diligence and use of circular materials)

Advantages/disadvantages of respective tender structuring options

Negative Bidding	Non-price Criteria	Contracts for Difference
High Comparability, very straightforward ✓	Limited Comparability ✗	High Comparability ✓
High costs for developer, passed on to supply chain and consumers ✗	Cost reduction ✓	Costs depending on the individual case ✓✗
Encouraging bets on technological advancements and rising electricity prices ✗	Qualitative criteria to be well selected (meaningful and allowing for differentiation) ✓✗	Generally high reliability, but issue of sudden cost increases ✓✗
Likelihood of realisation decreases if bets not fulfilled ✗	Likelihood of realisation not affected ✓	Likelihood of realisation decreases if no sufficient cost adjustment ✓✗
Normal system integration ✓	High system integration ✓	Limited system integration ✗

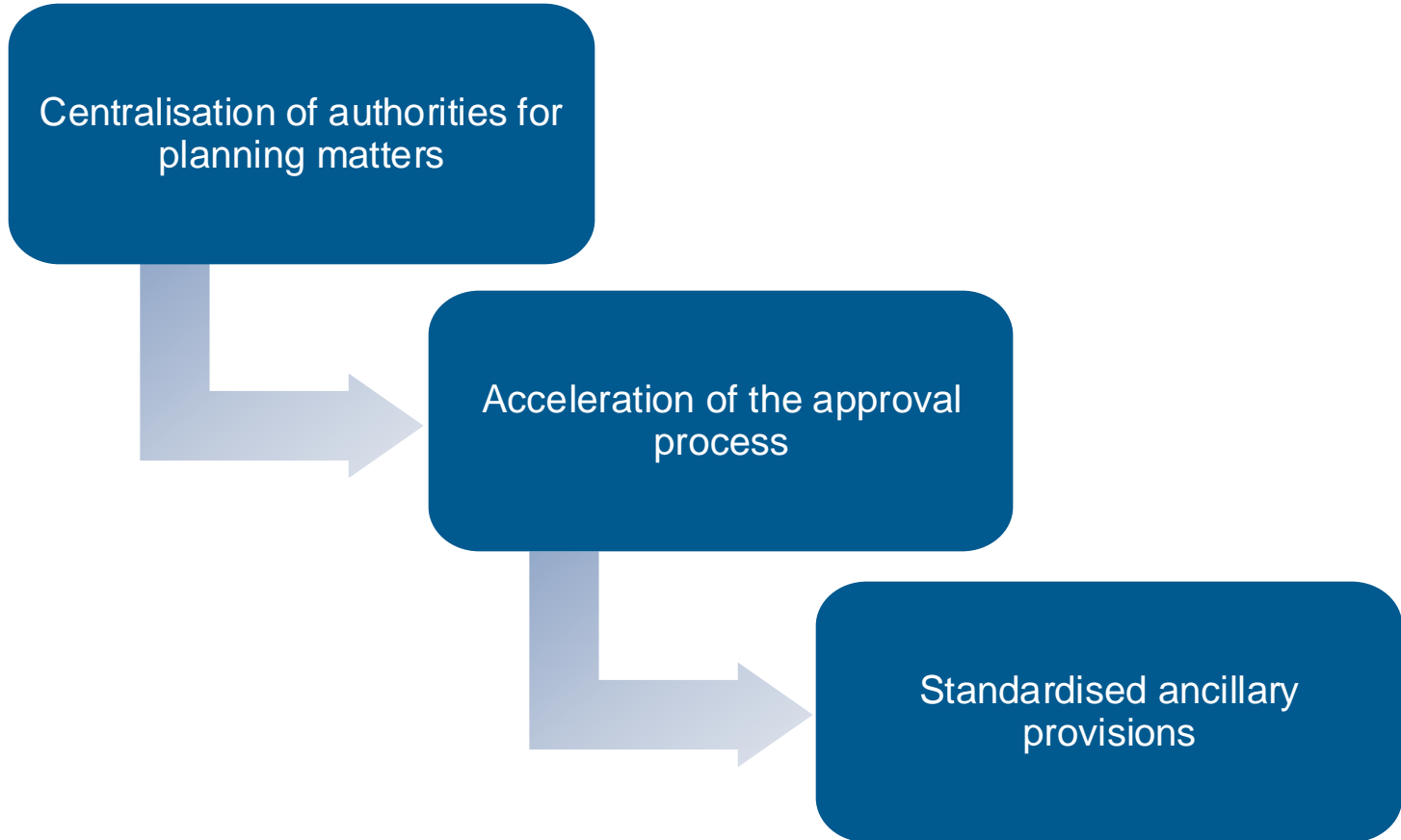
Tender structure – further issues across all tender variants

Limitation of sea areas/capacity that a bidder can be awarded per tender

Obligation for the bidder to provide security (ensuring project realisation)

Third-party litigation

Permit – key issues



Grid connection – structuring options and key issues

Construction by TSO (NL, FR, GER)	Construction by Project Developer (UK)
High security for project developer ✓	Connection with tenders allowing for further differentiation of the award ✓
Typically, compensation for delayed or interrupted grid connection ✓	Project developer bears the risk of grid connection delays/interruptions itself ✓✗
Cost borne by the general public, financed through a levy on consumers or state budget ✓✗	Possibility of cost reduction from the perspective of the general public ✓
	Compliance with EU unbundling rules necessary (electricity generation ↔ grid operation) ✗
↓	↓
Significant investment and time required to expand the inland grid ✗	
Rising risk of inland grid congestion and redispatch measures ✗	

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