

**Ministerial Order issued by the Minister of Economic Affairs dated 13 October 2017 No. WJZ / 17122295, containing specific rules for permitting offshore wind energy permits for Wind Farm Sites I and II of the Hollandse Kust (zuid) Wind Farm Zone (Ministerial Order for permitting offshore wind energy permits for the Hollandse Kust (zuid) Wind Farm Sites I and II)**

The Minister of Economic Affairs,

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

Has decided as follows:

**Article 1**

The following definitions are understood in this Ministerial Order:

*Wind Farm Site I*: Wind Farm Site I of the Hollandse Kust (zuid) Wind Farm Zone as indicated in Wind Farm Site Decision I for the Hollandse Kust (zuid) Wind Farm Zone (Government Gazette 2016, 67082);

*Wind Farm Site II*: Wind Farm Site II of the Hollandse Kust (zuid) Wind Farm Zone as indicated in Wind Farm Site Decision II for the Hollandse Kust (zuid) Wind Farm Zone (Government Gazette 2016, 67120);

*Minister*: The Minister of Economic Affairs

*P50 value for the net electricity production*: the expected annual energy production for a particular offshore wind farm at a specific location should be determined with a probability of 50%;

*Act*: The Wind Energy Act.

**Article 2**

1. An application for a permit for Wind Farm Site I or Wind Farm Site II shall be submitted in the period between 17:00 on 15 December 2017 and 17:00 on 21 December 2017.

2. The application shall be submitted using a form provided by the Minister.

**Article 3**

1. The design for the wind farm, as referred to in Section 23(2)(a) of the Act, shall at least include:

a. a wind energy yield calculation which has been prepared by an independent organisation with expertise in the field of wind energy yield calculations, with use made of reputable calculation models, environmental models, wind models and wind maps, and which contains at least the location data, the make, type and technical specifications, including hub height, rotor diameter and capacity curve of the wind turbines, the local wind data for the wind farm and a calculation of the P50 value for the net electricity production of the wind farm;

b. the documents that demonstrate the applicable Wind Farm Site Decision is being complied with;

- c. information that demonstrates that the declaration referred to in Section 6.16d(1)(c) of the Water Decree can be submitted in good time.
2. The calculation of the P50 value for the net electricity production shall include availability, wake effects, electricity losses and curtailment losses, and, for the wake effect, take account only of the wind farm for which the application is made and the Luchterduinen wind farm.
3. The timetable, as referred to in Section 23(2)(b) of the Act, shall state the completion dates of the following activities:
  - a. the wind farm operator's consent to the conditions of the offshore grid operator for the connection and the transmission of electricity in accordance with the Electricity Act (Elektriciteitswet) 1998;
  - b. the awarding of contracts to suppliers and installers;
  - c. the installation of the first foundation;
  - d. the installation of the first wind turbine;
  - e. the start date for supply of electricity;
  - f. the decommissioning of the wind farm.
4. The estimate of the costs and yield as referred to in Section 23(2)(c) of the Act shall at least contain an operation calculation including:
  - a. a specification of the investment costs for each component of the power generation facility;
  - b. an overview of all costs and benefits of the power generation facility;
  - c. a calculation of return on investment over the project period.
5. The estimate of the social costs referred to in Section 23(2)(d) of the Act shall at least address the utilisation of the grid of the offshore grid operator expressed in the number of MWh per year;
6. The identification and analysis of the risks, as referred to in Section 23(2)(e) of the Act, shall at least contain:
  - a. the risks involved in the construction of the wind farm;
  - b. the risk of fluctuating electricity prices and the value of Guarantees of Origin;
  - c. the risks involved in the operation of the wind farm.
7. The description of the measures to guarantee cost efficiency, as referred to in Section 23(2)(f) of the Act, shall at least contain the risk assessment methods, the way in which risks have been safeguarded in the past and are being safeguarded for ongoing offshore wind energy projects, as well as the mitigating measures taken in respect of the risks referred to in the sixth paragraph.
8. The parties involved in the construction and operation of the wind farm as referred to in Section 23(2)(g) of the Act shall include:
  - a. the applicant and, if the applicant is a collaborative venture, each participant in the collaborative venture;
  - b. the party responsible for the project management;
  - c. the supplier of the wind turbines;
  - d. the installer of the wind turbines;
  - e. the supplier of the foundations;
  - f. the installer of the foundations;
  - g. the supplier of the site cabling;
  - h. the installer of the site cabling;
  - i. the party responsible for the maintenance and operation of the wind farm.
9. The description of the knowledge and experience of the parties involved, as referred to in Section 23(2)(h) of the Act, relates to knowledge and experience of offshore wind farms and shall contain:
  - a. the installed capacity of the wind farms for which the party responsible for project management during construction performed the project management;
  - b. the number of wind turbines supplied by the supplier;
  - c. the number of wind turbines installed by the installer;

- d. the number of foundations produced by the supplier;
  - e. the number of foundations installed by the installer;
  - f. the number of wind turbines for which the supplier supplied site cabling;
  - g. the number of wind turbines connected by the installer of the site cabling;
  - h. the installed capacity of the wind farms which the party responsible for maintenance and operation maintained and operated.
10. The following details shall also be appended to the application:
- a. a summarised description of the construction, operation and decommissioning of the wind farm;
  - b. a financing plan, including the intended backers and the share it is envisaged that they would contribute;
  - c. if the applicant is a collaborative venture, a statement of participation in the collaborative venture signed by each participant, and
  - d. the most recently adopted financial statements of the applicant, its parent company, and each of the participants in the collaborative venture or their parent companies, for a year no more than three calendar years prior to the year in which the application is submitted;

#### **Article 4**

1. The assessment of the technical feasibility of the construction and operation of a wind farm shall in any case take account of the design for the wind farm submitted by the applicant, as referred to in Section 23(2)(a) of the Act.
2. The assessment of the financial feasibility of the construction and operation of a wind farm shall in any event take account of the estimate submitted by the applicant of the costs and yields, as referred to in Section 23(2)(c) of the Act, and the data referred to in Section 3(10)(b) and (d). The applicant's own assets shall amount to at least 20% of the total investment costs for the wind farm to which the application relates.
3. At the applicant's request, the following factors shall be taken into account when determining the own assets referred to in the second paragraph:
  - a. if the applicant is a joint venture, the own assets of each of the participants in the joint venture;
  - b. if the applicant or a participant in a joint venture is a subsidiary, the additional own assets of the parent company may be included, provided the parent company assents to such in writing.
4. If it transpires that the applicant has submitted an application for a permit for Wind Farm Site I and also for Wind Farm Site II, the assessment of the financial feasibility referred to in the second paragraph will include the entirety of the investment costs for both wind farms.
5. The assessment of the likelihood of it being possible to start the construction and operation of the wind farm within four years of the date on which the permit becomes irrevocable shall in any event take account of the timetable proposed by the applicant, as referred to in Section 23(2)(b) of the Act.
6. The assessment of the financial feasibility of the construction and operation of a wind farm shall in any event take account of the estimate submitted by the applicant of the costs and yields, as referred to in Section 23(2)(c) of the Act.

#### **Article 5**

1. The respective weighting of the ranking criteria, as referred to in Section 24(3) of the Act, shall take place in accordance with the rating in points as set out in the Appendix. The higher the score, the higher the ranking.
2. Where, during the ranking of applications based on the respective weighting of the ranking criteria, as referred to in the first paragraph, two or more applications are ranked equal highest, the criterion specified in Section 24(2)(f) of the Act shall

have greater weight than the criteria specified in Section 24(2)(a to e inclusive) combined.

3. Where, in application of the second paragraph, two or more applications are ranked equal highest, the criterion specified in Section 24(2)(e) of the Act shall have greater weight than the criteria specified in Section 24(2)(a to d inclusive) combined.

4. Where, in application of the third paragraph, two or more applications are ranked equal highest, the criterion specified in Section 24(2)(d) of the Act shall have greater weight than the criteria specified in Section 24(2)(a to c inclusive) combined.

5. Where, in application of the fourth paragraph, two or more applications are ranked equal highest, the criterion specified in Section 24(2)(c) of the Act shall have greater weight than the criteria specified in Section 24(2)(a to b inclusive) combined.

6. Where, in application of the fifth paragraph, two or more applications are ranked equal highest, the criterion specified in Section 24(2)(a) of the Act shall have greater weight than the criteria specified in Section 24(2)(b) of the Act.

#### **Article 6**

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

#### **Article 7**

This Ministerial Order shall enter into effect from 1 November 2017.

#### **Article 8**

This Ministerial Order is referred to as: The Ministerial Order for permitting offshore wind energy permits for Hollandse Kust (zuid) Wind Farm Sites I and II

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

The Hague,

The Minister of Economic Affairs,

**Appendix to Article 5(1) of the Ministerial Order for permitting offshore wind energy permits without subsidy**

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

1. Weighting in points:

<b>Criterion: the knowledge and experience of the parties involved (Section 24(2)(a) of the Act)</b>				
<b>Maximum score: 10</b>				
	<b>Qualitative criteria</b>	<b>Assessment criteria</b>	<b>Score</b>	
<b>1</b>	The knowledge and experience of the parties responsible for project management	These parties have been responsible for the project management of offshore wind farms	These wind farms have a joint capacity of less than 25 MW	0
			These wind farms have a joint capacity of 25 MW or more	3
<b>2</b>	The knowledge and experience of suppliers of the foundations	These parties have supplied foundations for offshore wind farms	Fewer than 10 foundations have been supplied	0
			Ten or more foundations have been supplied	1
<b>3</b>	The knowledge and experience of installers of the foundations	These parties have installed foundations for offshore wind farms	Fewer than 10 foundations have been installed	0
			Ten or more foundations have been installed	1
<b>4</b>	The knowledge and experience of suppliers of the wind turbines	These parties have supplied wind turbines for offshore wind farms	Fewer than 10 wind turbines have been supplied	0
			Ten or more wind turbines have been supplied	1
<b>5</b>	The knowledge and experience of wind turbine installers	These parties have installed wind turbines for offshore wind farms	Fewer than 10 wind turbines have been installed	0
			Ten or more wind turbines have been installed	1
<b>6</b>	The knowledge and experience of supplier of the cables which connect the individual wind turbines and link them to the platform	These parties have supplied cables which connect individual wind turbines and link them to an offshore platform	Cables supplied for the connection of fewer than 10 wind turbines to a platform	0
			Cables supplied for the connection of 10 or more wind turbines to a platform	1
<b>7</b>	The knowledge and experience of installers of	These parties have installed cables which connect	Cables installed for the connection of fewer than 10 wind turbines to a platform	0

	the cables which connect the individual wind turbines and link them to the platform	individual wind turbines and link them to an offshore platform	Cables installed for the connection of 10 or more wind turbines to a platform	1
<b>8</b>	The knowledge and experience of the parties responsible for maintenance and operation of the wind farm	These parties have been responsible for the maintenance and operation of offshore wind farms	Experience of maintaining and operating offshore wind farms with a joint capacity of less than 25 MW	0
			Experience of maintaining and operating offshore wind farms with a joint capacity of 25 MW or more	1

**Criterion: the quality of the design for the wind farm (Section 24(2)(b) of the Act)**

**Maximum score: 10**

		<b>Qualitative criteria</b>	<b>Assessment criteria</b>	<b>Score.</b>
<b>1</b>	The implementation agreement and the connection and transport agreement concluded with the offshore grid operator	The period after the permit becomes irrevocable within which the applicant (permit holder) can agree with the offshore grid operator the conditions for the implementation agreement and the connection and transmission agreement in accordance with the Electricity Act 1998.	The period is longer than twelve months	1
			The period is between six months and twelve months	5
			The period is shorter than six months	10

<b>Criterion: the capacity of the wind farm (Section 24(2)(c) of the Act)</b>				
<b>Maximum score: 10</b>				
		<b>Qualitative criteria</b>	<b>Assessment criteria</b>	<b>Score</b>
<b>1</b>	The generation capacity of the wind farm	The combined installed capacity of the wind farm in MW	Not less than 342 MW and less than 360 MW	1
			Equal to or greater than 360 MW and less than 370 MW	5
			Equal to or greater than 370 MW and not more than 380 MW	10

<b>Criterion: the social costs (Section 24(2)(d) of the Act)</b>				
<b>Maximum score: 10</b>				
		<b>Qualitative criteria</b>	<b>Assessment criteria</b>	<b>Score</b>
<b>1</b>	The efficiency of the use of the offshore grid.	The calculated P50 value for the net electricity production	Less than 1,300,000 MWh a year	1
			Equal to or greater than 1,300,000 MWh and less than 1,350,000 MWh a year	3
			Equal to or greater than 1,350,000 MWh and less than 1,400,000 MWh a year	5
			Equal to or greater than 1,400,000 MWh a year	10

<b>Criterion: the quality of the identification and analysis of the risks (Section 24(2)(e) of the Act)</b>				
<b>Maximum score 20</b>				
		<b>Qualitative criteria</b>	<b>Assessment criteria</b>	<b>Score</b>
<b>1</b>	Risks associated with changes in the financial yield of the electricity to be generated	Price risks for electricity and Guarantees of Origin	Short-term market fluctuations	0-20
			Long-term price changes	
			The position of offshore wind energy in the future energy mix	
		Volume risks	Access to sufficient funds for trading	

		Imbalance costs	Short-term imbalance costs
			Development of the energy mix in the long term
<b>2</b>	Risks associated with the construction of the wind farm	Supply risks for crucial components	Availability of suitable generation facilities
			Generation capacity availability in a specific period
			Availability of components with a long lead or production time
		Transport and installation risks	Availability of suitable installation vessels
			Availability of specific transport and installation equipment
			Weather-related risks, in terms of the transport and installation equipment to be used and the design of the wind farm
<b>3</b>	Risks associated with the operation of the wind farm	Offshore activities	Accessibility of installations
			Availability of suitable equipment
		Energy yield	Risk of average wind speed in the long term
			Annual variations and their impact on liquidity
		Functioning of the technology	Availability of the wind turbine and site cabling
			Preventive maintenance costs
			Technical failure factors
			Large-scale corrective interventions



**Criterion: the quality of the measures to ensure cost-efficiency (Section 24(2)(f) of the Act)**  
**Maximum score 40**

	<b>Qualitative criteria</b>	<b>Assessment criteria</b>	<b>Score</b>	
<b>1</b>	The mitigation of risks associated with changes in the financial yield of the electricity to be generated.	The sales strategy for the electricity generated and Guarantees of Origin	Internal or external sales	0-40
			Pricing period	
			Allocation of imbalance risk	
		The contract types	Nature of offtake and payment obligations	
			Relationship with market reference prices	
		The financial strength of the purchaser	Internal guarantee systems	
			Financial quality of purchaser	
			Any additional financial guarantees	
		<b>2</b>	The mitigation of risks associated with the costs for the construction of the wind farm	
Transport strategy and installation strategy				
Contract strategy, subdivision into different work packages				
Risks on the interfaces between the various project components				
Experience in the field of engineering management				
Protection against increases in the prices of raw materials and increases in interest				
The security of supply of products in the chain	Access to suitable production capacity for the intended design			
	Access to production capacity in a specific period for the project			
	Experience in the field of supply chain management			
Certainty with regard to the	Ability to use own installation capacity			

		availability of supplies and components with a long lead or production time	Existing framework agreements	
			Project-specific contracts	
<b>3</b>	The mitigation of risks associated with the costs of operating the wind farm	The operational and maintenance strategy	Own capacity and contracted capacity	
			Logistics concept	
			Human resources ensuring the availability of qualified personnel	
		The optimisation of the wind farm's accessibility and availability	Design choices which optimise the wind farm's availability	
			Design measures which increase the wind farm's accessibility	
			Equipment and vessels which increase the wind farm's accessibility	
		The financial management	Analysis of operating margins and financial buffers to accommodate variations in wind and the non-availability of the wind farm	
			Suppliers' availability guarantees	
			The way in which insurance policies are used to mitigate operating risks	

2. Indicative values on a continuous scale from 0 to 100 expressed as percentages for the criteria referred to in Section 24(2)(e) and (f) of the Act:

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

## **EXPLANATORY NOTES**

### **1. Background and objective**

On 6 September 2013, employers, employees, nature conservation and environmental organisations, energy companies, non-central government authorities, central government and many other bodies and organisations signed the Energy Agreement for Sustainable Growth (Energieakkoord voor duurzame groei). One of the pillars under the Energy Agreement is the resolve to upscale generation of renewable energy. The target is to achieve a 14% share for renewable energy in 2020 and a 16% share in 2023. One resource to be used for that purpose is offshore wind energy. The Offshore Wind Energy Act provides for an integrated statutory framework for the large-scale generation of offshore wind energy. A central notion in the Act is that wind farms can be built only after a permit has been issued for that purpose for sites designated in a Wind Farm Site Decision. In 2015 and 2016, permits in the Borssele Wind Farm Zone were awarded through a procedure involving the permitting of subsidies based on the Stimulation of Sustainable Energy Production Decision and the Ministerial Order for Offshore Energy 2015 and 2016

The present Ministerial Order includes further rules for the awarding of permits for Wind Farm Sites I and II in the Hollandse Kust (zuid) Wind Farm Zone, in accordance with the procedure without subsidy. Offshore wind energy is a technology that is developing rapidly. The costs of an offshore wind farm vary greatly depending on the choices made by a producer as regards turbine technology, foundation technology and the operational approach. There has been a substantial reduction in costs in recent years, evident in, among other things, the results of subsidy tenders for the Borssele Wind Farm Zone. The combination of a long-term reduction in costs, lasting cyclical factors (interest, steel prices, over-capacity in the offshore sector) and expectations of rising electricity prices, has resulted in fewer and fewer applications being made for subsidies for the generation of offshore wind energy. This Spring, a tender for an offshore wind farm in Germany was won by an applicant planning to develop the wind farm without a subsidy. This development illustrates that the substantial global reduction in costs realised in recent years, for example in for tenders for the Borssele Wind Farm Zone and for a number of Danish wind farms, is set to continue. It is therefore conceivable that it will also be possible to develop the wind farms at the Hollandse Kust (zuid) Wind Farm Sites I and II in the Netherlands without subsidies. Bearing in mind the possibility that construction and operation without a subsidy could be profitable, it is preferable to use the procedure without subsidy for the award of permits for Wind Farm Sites I and II in the Hollandse Kust (zuid) Wind Farm Zone in 2017.

### **2. Designation of offshore wind energy sites**

Wind Farm Sites are designated only within a zone designated in the National Water Plan. The National Water Plan is a policy plan established on the basis of the Water Act (Waterwet) and includes, as one of its components, the National Structural Vision for Offshore Wind Energy. Among others, the Hollandse Kust Wind Farm Zone is designated in the National Water Plan 2016-2021. The Wind Farm Site Decision stipulates where and under which conditions a wind farm may be built and operated. TenneT has been designated the offshore grid operator and is therefore responsible for connecting the wind farms to the grid. TenneT's technical concept is based on platforms to which a maximum of 760 MW of wind power can be connected.

### **3. Applying for a permit**

The present Ministerial Order stipulates further rules for the construction and operation of wind farms at Wind Farm Sites I and II in connection with the application, assessment of the application and the respective weighting of the ranking criteria which is required if two or more applications for a permit are being considered.

Under the Act, one permit is granted for each wind farm site. Applications may be made for a permit for each of the two wind farm sites. Article 2 of the present Ministerial Order specifies the period within which applications for permits for Wind Farm Sites I and II may be made. There is also a stipulation requiring use to be made of the form provided by the Minister of Economic Affairs through the RVO.nl website when submitting an application. The address to which the application must be sent is stated on that form. Article 3 of the present Ministerial Order stipulates the data and documents to be submitted with the application. Additional details may be stated in the application, including in cases where the applicant wishes to be considered for both available permits and wishes to provide information on the benefits of scale that would be achieved with the construction and operation of a wind farm at both sites.

### **4. Assessment of applications**

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

The level of own assets is one of the factors examined in the assessment of financial feasibility. The construction and operation of a wind farm are regarded as financially feasible only if the application shows the applicant's own assets amount to at least 20% of the total investment costs for the wind farm. If the assessment of the application reveals the applicant has applied for a permit for both Wind Farm Sites, the proportion of own assets shall be calculated taking into account the total investment costs for the wind farms at both Wind Farm Sites. If the applicant is a collaborative venture, the level of own assets of participants in the collaborative venture and their parent company or companies can be included to determine the level of own assets. If the applicant is a subsidiary company, the own assets of the parent company or companies can be included in the calculation. If an application is submitted jointly by partners in a collaborative venture, it qualifies as an application by a collaborative venture. If several parties jointly incorporate a company that submits an application, the application will qualify as an application by that company rather than as an application by a collaborative venture.

The purpose of the asset requirement in Article 4(2) is to prevent permits from being awarded to parties without sufficient financial substance. An applicant can also claim sufficient financial substance on the basis of the assets of other parties that participate in it. This is expressed in Article 4(3). The own assets of other entities will only be included if the applicant so requests. The written consent of

the parent company is required if its own assets are to be included in the calculation.

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

## **5. Ranking of applications**

Under Section 24 of the Act, where two or more applications which meet the requirements referred to in Section 14 and Section 23 of the Act are made for each Wind Farm Site, the permit shall be awarded in accordance with the ranking based on six of the qualitative criteria specified in Section 24 of the Act.

The Appendix to the Ministerial Order sets out how the different ranking criteria are weighted. In the ranking of the applications, the greatest weight is attached to the criteria which contributes towards an assurance as regards the timely commissioning of the wind farm and continuity in its operation. Importance is also attached to the maximum energy generation of the wind farm. For this reason, greater weight is attached to "the quality of the identification and analysis of risks" (maximum score of 20) and "the quality of the measures to ensure cost-efficiency" (maximum score of 40 points) than to the other criteria (each having a maximum score of 10).

As regards the "knowledge and experience of the parties involved" criterion, the greater the experience of the key parties involved in the construction and operation of the wind farm with the development of an offshore wind farm, the higher an application will be ranked. As regards the "quality of the design for the wind farm" criterion, the schedule for the project is assessed with the period within which the implementation agreement, as well as the connection and transmission agreement with the offshore grid operator, TenneT, can be concluded being taken into account for ranking purposes. This is an important first step on the way towards the completion of the wind farm. As regards the "capacity of the wind farm" criterion, the greater the level of installed capacity achieved – within the limits of the Wind Farm Site Decision – the higher an application will be ranked. It is accepted that a higher level of installed capacity results in higher energy production by the wind farm. As regards the "social costs" criterion, the higher the expected electricity production of the wind farm, the higher an application will be ranked. Social costs are reduced as more targeted use is made of the offshore grid constructed by TenneT using public funds. As regards the "quality of the identification and analysis of risks" criterion, the higher the quality of the analysis, the higher an application will be rated. Three types of risk are relevant here: Changes in the price of electricity and the value of Guarantees of Origin for sustainable electricity, as well as the risks associated with the construction and operation of the wind farm. As regards the "quality of measures to ensure cost-efficiency" criterion, the higher the quality of the measures taken to accommodate or mitigate the risks identified, the higher an application will be ranked.

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

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

## **6. European-law aspects**

No subsidy is granted on the basis of the present Ministerial Order. However, there is a certain advantage for developers in the sense that they can avoid costs on research in connection with the environmental impact report and Appropriate Assessment. After all, those costs were borne by the government in the preparations for the present Ministerial Order and when the relevant Wind Farm Site Decisions were adopted. Furthermore, the present Ministerial Order does not attach any costs to an application for a permit. The European Commission assessed the justification given by the Netherlands for the separate, site-based approach for offshore wind energy as satisfactory as part of the evaluation based on the 'Guidelines on State aid for environmental protection and energy 2014-2020' (2014/C 200/01) of the subsidy framework of the Stimulation of Sustainable Energy Production Decision (SDE+). In its decision (aid scheme SA.39399 (2015/N), the European Commission approved the reduction of the costs described above and thereby the advantage given to the party obtaining the permit.

## **7. Consultation**

The Appendix to the present Ministerial Order was available for informal consultation between 15 September 2017 and 22 September 2017 through the website [www.rvo.nl](http://www.rvo.nl). Prior to that consultation, between 2 and 14 August 2017, parties were given the opportunity to make their views on the Ministerial Order to be drawn up known verbally or in writing. Where possible, account has been taken of those views.

## **8. Regulatory burden**

With the present Ministerial Order, information on how the project proposal performs on the basis of the ranking criteria elaborated on in the Ministerial Order must be provided. However, that information is already available to applicants because it is relevant to internal decision-making on the project. Expectations are that the regulatory burden will, on balance, be similar to that experienced with the Ministerial Order for Offshore Wind Energy 2016.

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

The applicant must submit details on the basis of which the technical and financial feasibility is assessed for each application. The production estimates also form

part of this. This obligation to provide information is elaborated on in Article 3 of the Ministerial Order, including for the purposes of the assessment based on the ranking criteria. An annual report on the progress of the project relative to the schedule must be provided during the construction of the power generation facility. This should be a short description of the progress of the project in relation to a number of evaluation moments. This way, an assessment can be made of when the production facility can be commissioned and whether that will take place within four years of the date on which the permit became irrevocable. Each applicant has the option to submit an objection and then an appeal against the award of a permit or the decision on the objection. To determine the administrative costs of this part of the permit award process, a total of three objection and appeal procedures are assumed.

The above results in the following overall picture of the regulatory burden. The calculation of the administrative cost is based on an internal rate of €60 an hour. This results in around €100,000 in administrative costs to submit some 12 applications. Of those applications, a maximum of two can be accepted. The administrative cost during the operation and for the final report on these two projects amounts to a combined total of around €40,000. The administrative cost of objection and appeal procedures amounts to around €10,000. The total administrative cost for all applications under this Ministerial Order therefore amounts to €150,000.

## **9. Entry into force**

The present Ministerial Order shall enter into force on 1 November 2017. This is a departure from government policy on common commencement dates as regards the date of entry into force and the time of entry into force. This departure is justified because the private costs for a deferred entry into force would be excessive. The application period starts on 15 December 2017 and ends on 21 December 2017. Owing to the advance consultation and publication before 1 November 2017, applicants have been given sufficient opportunity to prepare their applications.

The Minister of Economic Affairs,