

Copenhagen Offshore Wind Conference

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Prof. dr. Martha M. Roggenkamp
Simmons & Simmons and University
of Groningen, The Netherlands

Barriers to the
Development of Wind
Energy in the North
Sea

Legal Aspects

LEGAL FRAMEWORK

- NORTH SEA IS DIVIDED INTO DIFFERENT OFFSHORE AREAS
- ACCORDING TO INTERNATIONAL LAW COASTAL STATES HAVE LIMITED JURISDICTION OUTSIDE 12 MILE-ZONE
- IN THE EEZ COASTAL STATES HAVE SOVEREIGN RIGHTS REGARDING THE PRODUCTION OF WIND ENERGY AND THE ESTABLISHMENT OF INSTALLATIONS
- THE NORTH SEA STATES APPLY DIFFERENT APPROACHES TO THE REGULATION OF OFFSHORE WIND ENERGY:
 - THE ELECTRICITY ACT APPLIES IN THE EEZ IN UK, DK, B
 - AN OFFSHORE INSTALLATION ACT APPLIES IN G AND NL

ACCESS TO OFFSHORE LOCATIONS

- DEPENDING ON THE LEGAL REGIME A PREQUALIFICATION PROCEDURE APPLIES FOR BEING AWARDED A LICENCE
- DK, UK AND B: TENDERING PROCEDURE DETERMINES THE AWARD OF A LICENCE BASED ON ELECTRICITY ACT. TECHNICAL FINANCIAL QUALITIES OF APPLICANT/APPLICATION ARE DECISIVE
- THE TENDER PROCEDURE CONCERNS EITHER PRESELECTED AREAS (DK AND UK) OR IS BASED ON 'AN OPEN DOOR POLICY' (B)
- THE AWARD OF A LICENCE DOES NOT GUARANTEE THE ESTABLISHMENT OF TURBINES. A CONSTRUCTION OR ENVIRONMENTAL LICENCE MAY STILL BE REQUIRED (B)
- NL AND G: LICENCE FOR THE CONSTRUCTION OF WIND TURBINES IS BASED ON A SYSTEM OF 'FIRST COME FIRST SERVED'. ONLY REQUIREMENT: APPLICANT HAS COMPLETED AN E.I.A.

AWARD OF LICENCES / LICENCE CONDITIONS

- CONDITIONS CONCERN DURATION OF THE LICENCE, EXTENSION AND/OR WITHDRAWAL OF THE LICENCE
- MANY LICENCE CONDITIONS ARE THE RESULT OF INTERNATIONAL LAW REQUIREMENTS AND CONCERN THE IMPACT ON THE ENVIRONMENT AND OTHER USERS OF THE SEA: SHIPPING, FISHERY, DEFENSE AND OIL INDUSTRY
- ISSUES OF CONCERN:
 - THE ESTABLISHMENT OF SAFETY ZONES (NOT IN DK)
 - REMOVAL OBLIGATIONS (INTERN. STANDARDS?)
 - RELATION WITH OIL & GAS ACTIVITIES (PRIORITY RIGHTS)

CABLES AND INTERCONNECTIONS

- THE CONSTRUCTION OF CABLES REQUIRES A LICENCE
- THE PROCEDURES FOR THE AWARD OF LICENCES FOR THE ESTABLISHMENT OF WIND FARMS AND CABLES ARE USUALLY NOT INTEGRATED (EXCEPT DK AND NL).
- COMBINED APPLICATION FOR BOTH LICENCES MAY ACCELERATE THE DEVELOPMENT OF OFFSHORE WIND.
- LICENSEE PAYS FOR THE INSTALLATION OF CABLES (EXCEPT IN DK).
- DESIGNATION OF CABLE CORRIDORS CAN SPEED UP THE DEVELOPMENT OF A PROJECT.
- ACCESS TO INTERCONNECTORS (NORNED/BRITNED)?

FINANCIAL ASPECTS - SUBSIDIES

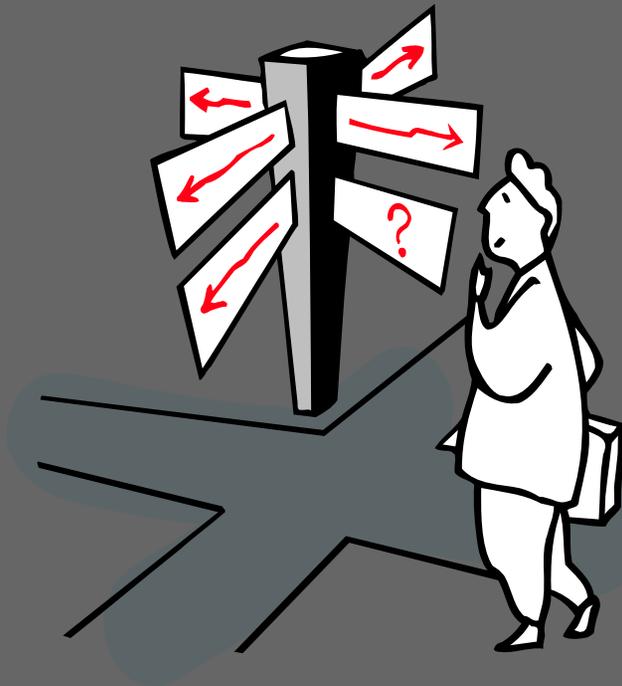
- THE ESTABLISHMENT OF OFFSHORE WIND ENERGY REQUIRES FINANCIAL OR OTHER INCENTIVES
- FINANCIAL INCENTIVES VARY FROM DIRECT TO INDIRECT GOVERNMENT SUBSIDIES WHICH MAY CONSTITUTE STATE AID
- INCENTIVES MAY DERIVE FROM CO2 POLICY (SUBSIDIES BUT ALSO LESS NEED TO BUY CO2 CERTIFICATES)
- OTHER INCENTIVES:
 - OBLIGATION OF TSO/DSO TO PURCHASE RENEWABLES
 - OBLIGATION OF SUPPLIERS TO PURCHASE A CERTAIN AMOUNT OF RENEWABLE ENERGY
- ▶ DIFFERENCES IN NATIONAL REGIMES OBSTRUCT INTERCONNECTION TO OTHER / FOREIGN CABLES

CONCLUSION AND OVERVIEW OF BARRIERS

- GOVERNMENT POLICY GOALS ARE NOT A PROPER INDICATION OF IT'S INTEREST IN DEVELOPING OFFSHORE WIND ENERGY.
- THE DEVELOPMENT OF OFFSHORE WIND ENERGY REQUIRES A STABLE REGULATORY REGIME AND A LONG-TERM PERSPECTIVE FROM GOVERNMENT
- PRELICENSING PROCEDURES BASED ON A PRESELECTION OF AREAS PROVIDES BEST RESULTS ESPECIALLY IN COMBINATION WITH AN INTEGRATED CABLE POLICY
- PRESELECTION OF AREAS SHOULD NOT BE LIMITED TO WIND PARKS BUT EXTENDED TO CABLE CORRIDORS
- FOCUS ON SUBSIDIES HAS NEGATIVE IMPACT. NATIONAL INCENTIVES OBSTRUCT CONNECTION TO FOREIGN CABLES

BARRIERS TO THE DEVELOPMENT OF OFFSHORE WIND ENERGY IN THE NORTH SEA

HOW TO PROCEED?



ON NATIONAL LEVEL:
INTRODUCTION OF TENDERING
SYSTEM, PRESELECTION OF AREAS
AND CABLE CORRIDORS, RE-
ASSESSMENT OF INCENTIVES

AND... INTERNATIONAL LEVEL:
HARMONISATION OF INCENTIVE
REGIMES AND CABLE CONNECTIONS

► POSSIBILITY FOR INTERREGIONAL
NORTH SEA COOPERATION?

BARRIERS TO THE DEVELOPMENT OF OFFSHORE WIND ENERGY IN THE NORTH SEA

Martha Roggenkamp