



Photo: Danish Energy Agency.

8. March 2021

## **Invitation to market dialogue on the procurement framework for the Energy Island in the North Sea**

The Danish Energy Agency will conduct a market dialogue for potential bidders and relevant industries on the procurement framework for the coming Energy Island in the North Sea.

The market dialogue is part of the initial preparations for the coming procurement procedure for co-ownership of the Energy Island in the North Sea. The specific framework for the coming procurement procedure will be established in a subsequent political process.

### **Purpose and focus of the market dialogue**

In February 2021, a broad majority of the Danish Parliament agreed that the Energy Island should be an artificial island connecting and distributing power from the surrounding offshore wind farms. The establishment of the Energy Island as an artificial island will be a completely new concept for capture, distribution and utilisation of power from offshore wind on an unprecedented scale. The Energy Island will be located in the North Sea with a starting capacity of 3 GW from connected offshore wind farms. The capacity may increase to 10 GW in future. The political agreement acknowledges that it is important to include expertise from commercial operators in order to fulfil the potential of the project. It is therefore the aim of the Danish State that the ownership of the Energy Island should be shared between a commercial co-owner and the Danish State. The Danish State must however always be the majority owner of the Energy Island (and majority owner of activities defined as critical infrastructure).

The project contains unknown and untested aspects, not only in relation to the physical design and establishment, as well as operation and maintenance, but also the financial aspects in relation to business model, financing and risk management. Furthermore, there is a large innovation and export potential in the project where it would be advantageous to involve commercial operators.

The market dialogue will concern the co-ownership of the Energy Island in the North Sea and will not deal with the conditions for establishing wind farms and power transmission connections.

In order for the coming tendering of the co-ownership of the Energy Island to target the relevant tenderers, the Danish Energy Agency wishes to learn from the market dialogue how to optimise the timetable, how the co-ownership should best be structured, how an artificial island could be constructed, and how the project as a whole will become a profitable investment for both the commercial co-owner and the Danish State. In this way, the framework for the procurement will be optimised so that the Danish Energy Agency will receive good and qualified tenders, ensuring an optimal solution for the establishment and co-ownership of the Energy Island to the benefit of society.

## **Participation in the market dialogue**

The Danish Energy Agency will invite up to a maximum of 10 commercial operators to participate in virtual dialogue meetings via Skype. A group of several commercial operators (e.g. a consortium) that wishes to participate

jointly in the dialogue meeting will be considered one commercial operator in this context.

The selection of participants for the virtual dialogue meeting will be based on the aim to secure a broad composition of relevant market operators and potential tenderers, preferably consisting of potential commercial co-owners of the Energy Island, relevant financial investors and contractors and/or project developers.

The Danish Energy Agency reserves the right to invite less participants to the virtual dialogue if the Danish Energy Agency assesses that a broad composition of relevant market operators can be obtained with less than 10 participants.

In addition to the virtual dialogue meetings, the Danish Energy Agency encourages all relevant market operators and potential tenderers to submit written recommendations and answers to the questions raised by the Danish Energy Agency in the document referred to as “Discussion Paper”.

Requests for participation in a meeting and written recommendations should be submitted by e-mail to Signe Marie Enghave at [sgme@ens.dk](mailto:sgme@ens.dk). In the request for participation in the market dialogue, please provide a brief introduction to your business(es) and state why you are interested in this project.

### **Indicative timetable for the market dialogue**

15 March 2021	“Discussion Paper” will be available on <a href="https://ens.dk">ens.dk</a>
16 March 2021 at 12:00 noon	Deadline for requests for participation in a virtual dialogue meeting with the Danish Energy Agency
18 March 2021	The Danish Energy Agency will submit invitations to dialogue meetings to the selected operators
22-26 March 2021	Virtual dialogue meetings with invited participants.
6 April 2021	Deadline for submission of written answers and recommendations.

After the dialogue meetings, the Danish Energy Agency will publish a short summary of the overall findings from the market dialogue.

The Danish Energy Agency expects to issue invitations for a second market dialogue in Q4 2021 where the specific procurement framework is expected to have been established.

The Danish Energy Agency will issue invitations containing a video link before the meetings.

### **Background:**

- The parties behind the [Danish Climate Agreement of 22 June 2020](#) decided [in February 2021](#) that the Energy Island in the North Sea should be established as an artificial island that will connect and distribute power from the surrounding offshore wind farms. The Energy Island in the North Sea must initially be able to handle power production from 3 GW offshore wind turbines, but the offshore wind capacity must in the longer term be able to increase to 10 GW.
- It has been decided that the Danish State must always be the majority owner. The political agreement emphasises that the establishment of the Energy Island is not only the task of the Danish State but a task of national importance that is best solved by activating relevant expertise across the Danish State and the market. The Danish Energy Agency therefore prepares a procurement procedure for the role as the Danish State's commercial co-owner of the artificial island.
- The Parties behind the Danish Climate Agreement also agreed on the location of the artificial island and on the initial 3 GW offshore wind farms. The island and the offshore wind farms will be located in the North Sea at least 80 km west of Thorsminde.

### **Further information**

For further information about the Danish energy islands, see the Danish Energy Agency's website [here](#).

### **Contact**

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