



# Tender material for the Danish CCS Fund

The public tender is the official text. This presentation holds no legal value.

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Klima-, Energi- og  
Forsyningsministeriet

# Outcome of public consultation

- The draft tender material has been in public consultation from the 28th of June to the 20th of August.
- DEA received 27 answers with good inputs.
- The DEA has pre-notified the subsidy scheme to the European Commission in order to start the state aid approval process. As the scheme has not yet been approved, adjustments or change to the material may occur.
- The following topics were raised during the consultation
  - › Uncertainty regarding timely availability of on-shore CO<sub>2</sub>-storage
  - › Timeline for tender
  - › Risks regarding termination for cause
  - › Possible contract award already after indicative offer
  - › Issue regarding length of guaranties

# Uncertainty regarding timely availability of onshore CO2-storage

- Multiple actors have highlighted
  - › That the timeline for the tender and the expected timeline for development of onshore storage sites do not fit.
  - › It is likely that onshore storage projects first will be able to take final investment decision on their projects after the final offer in the CCS-tender.
  - › Risk regarding which storage sites that will develop, and uncertainty concerning their prices.
- Revisions in the tender material
  - › More flexibility with regards to temporary and permanent changes in the projects, if it turns out that in the chosen storage location the subsoil is not suited for CO2 storage, or if the chosen storage site is not developed by the operator.
  - › Possibility for postponement of commercial operation date if the exploration of the subsoil clearly demonstrates that the subsoil is not technically suited for Storage of CO2.

# New time schedule for the tender process

- Ensures better time for the preparation of prequalification for actors who had planned their project towards the tender in 2025.
- Shorter time from final bid to contract award also means fewer costs associated with long compliance periods for subcontractors.
- See more detailed expected time schedule in the tender specifications page 6.



# Other changes to the tender material

- Possibility to award contracts based on indicative offers
    - › De facto stricter requirements for indicative offers
  - Period before the DEA can use the clause on termination for cause is short compared to risk for delays
    - › Increased risk premium
  - Operators are obliged to provide a guarantee, which covers all and any type of claim raised by DEA under the contract. In the draft material, the guarantee was fixed at three year running subsidy maximum and was adjusted for inflation.
    - › Higher cost in related to obtaining guaranties
- Only possible to award contracts based on final offers
- Period before DEA can terminate contract for cause is extended from 12 to 24 months
- In the final material, the guarantee is reduced after the Operator is no longer subject to penalty.

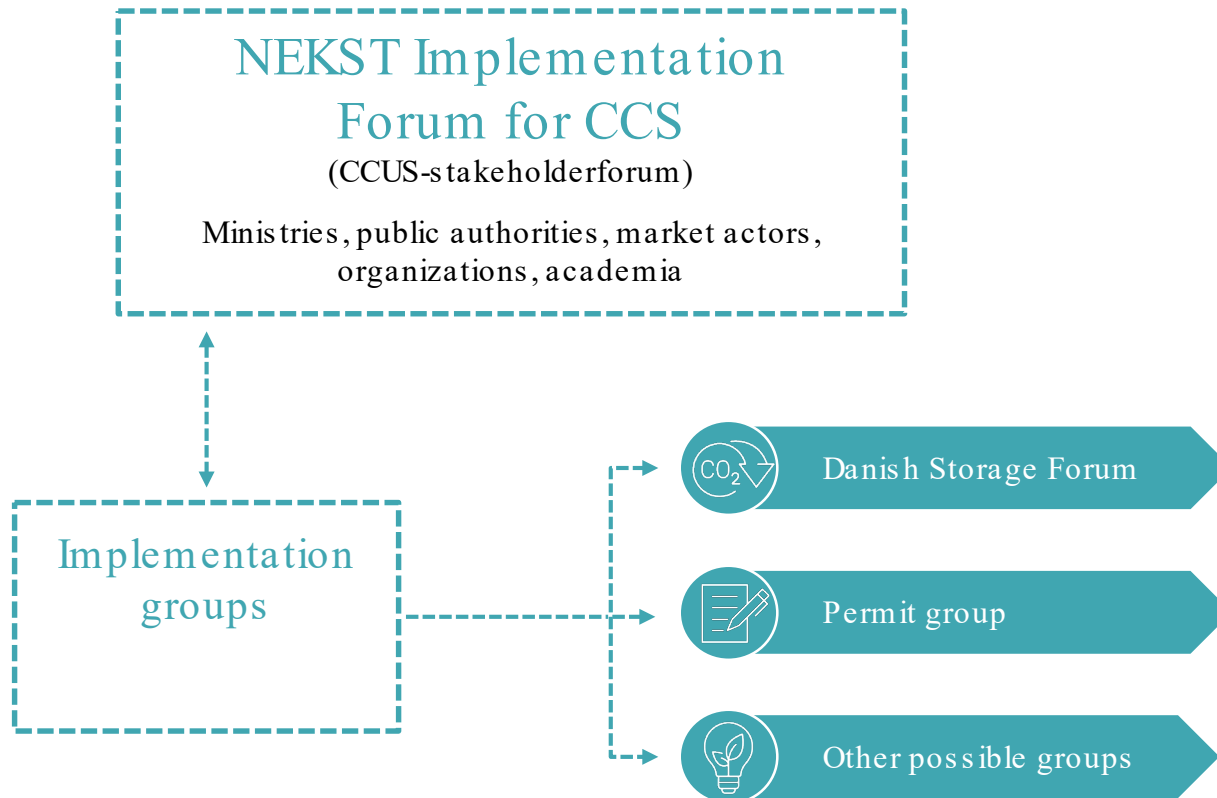
# Bidcap

- To safeguard against very high bids a maximum bid cap is introduced in the tender material
- The bid cap will be based on the projects evaluation price i.e. offered rate plus evaluation technical supplement and include VAT.
- The bid cap in the CCS tender: 1750 DKK

# CCS-NEKST forum for implementation



# Organization of NEKST - CCS forum for implementation



## Next steps:

- Before the end of October, the Ministry will send an invitation to the first meeting in NEKST Implementation Forum for CCS.



# Next steps: prequalification



# Next step! Prequalification

The DEA will prequalify up to ten market actors for participation in the tender.

The deadline for application for prequalification is 25 March 2025.

## Minimum Requirements (must be met)

### Economic and Financial Standing:

- Positive equity (above zero).

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### Contractual minimum requirements :

- The Operator is responsible for achieving CO2 emission reductions and/or negative CO2 emissions in accordance with the Contract (complete value chain).
- The Operator must ensure that all certificates, approvals, licences and permits necessary to establish and operate the Value Chain are obtained.
- The Operator shall ensure that the Delivered Quantity originates from (a) Carbon Capture Plant(s) placed in Denmark
- The Operator shall ensure that the Annual Quantity of CO2 which as a minimum shall be 100.000 tonnes of CO2 is captured and Stored each calendar year from year 2030 and until and including 2044.
- The Operator shall be paid Subsidies per tonne of CO2 captured and Stored in accordance with the Contract.

# Prequalification: Selection criteria

If more than 10 candidates fulfill the minimum requirements regarding economic and financial capacity and are not covered by any of the applicable exclusion grounds, the selection of candidates invited to tender will be based on an evaluation of the following criteria:

## Technical and Professional Ability

- › Which candidates have demonstrated the most relevant experiences with planning and/or operating CCS activities, including e.g. demonstration projects, pilot projects and research projects, and
- › Which candidates have demonstrated the most relevant experiences with acquiring and establishing plants or platforms and/or modifying or expanding plants or platforms and commissioning hereof.

# Questions?



# Further questions

Further questions must be submitted via EU Supply

<https://eu.eu-supply.com/ctm/Supplier/PublicPurchase/414103/0/0?returnUrl=&b>

