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Denmark-Copenhagen: Environmental services
2022/S 013-029417

Prior information notice

This notice is for prior information only

Services

Legal Basis:

Directive 2014/24/EU

Section I: Contracting authority

I.1) **Name and addresses**

Official name: Energistyrelsen (Danish Energy Agency)

National registration number: 59778714

Postal address: Carsten Niebuhrs Gade 43

Town: Copenhagen

NUTS code: DK011 Byen København

Postal code: 1577 Copenhagen V

Country: Denmark

Contact person: Tina Schøn, Henrik Sulsbrück

E-mail: tnsn@ens.dk

Telephone: +45 33926700

Internet address(es):

Main address: <https://ens.dk/ansvarsomraader/ccs-fangst-og-lagring-af-co2>

I.3) **Communication**

The procurement documents are available for unrestricted and full direct access, free of charge, at: http://eu.eu-supply.com/app/rfq/rwlentrance_s.asp?PID=320815&B=KEFM

Additional information can be obtained from the abovementioned address

I.4) **Type of the contracting authority**

Ministry or any other national or federal authority, including their regional or local subdivisions

I.5) **Main activity**

Other activity: The Danish Energy Agency is responsible for production, delivery and use of energy, as well as efforts to pursue reductions of greenhouse gas emissions.

Section II: Object

II.1) **Scope of the procurement**

II.1.1) **Title:**

Deployment of CCUS funds

II.1.2) **Main CPV code**

90700000 Environmental services

II.1.3) **Type of contract**

Services

II.1.4) **Short description:**

With the Danish Climate Agreement for Energy and Industry of 22 June 2020, a majority of the Danish Parliament decided that carbon capture and storage is to be an important element in achieving Denmark's climate policy objectives. The decision prompted the setting up of technologically neutral and market-based funds (the CCUS funds) of DKK 16 billion, which are scheduled for deployment between 2024-2048. The Danish Energy Agency (DEA) is responsible for the deployment of the CCUS funds. The funds are intended to ensure the capture, transport and storage of 0.4 million tonnes of CO₂ per year from 2025 and an additional 0.5 million tonnes of CO₂ per year from 2030.

The DEA wishes to inform the market of the DEA's preliminary overall assumptions and considerations regarding the deployment of the CCUS funds (see section II.2.4), and about a market dialogue and preliminary timeline (see section VI.3)).

II.1.5) **Estimated total value**

II.1.6) **Information about lots**

This contract is divided into lots: yes

II.2) **Description**

II.2.1) **Title:**

First phase deployment of the CCUS funds

Lot No: 1

II.2.2) **Additional CPV code(s)**

90720000 Environmental protection

II.2.3) **Place of performance**

NUTS code: DK0 Danmark

Main site or place of performance:

Denmark

II.2.4) **Description of the procurement:**

The deployment of the funds will take place in two phases: phase 1, which is the subject-matter of this Prior Information Notice, and phase 2, which will be implemented in future. For the purpose of the phase 1 deployment of the CCUS funds, the DEA intends to conclude one or more agreements to support the political objective of CO₂ reductions of 0.4 million tonnes per year from 2025.

Information about the CCUS funds can be found in the Danish Climate Agreement for Energy and Industry of 22 June 2020 (<https://fm.dk/media/18085/klimaaftale-for-energi-og-industri-mv-2020.pdf>), Agreement of 30 June 2021 (<https://kefm.dk/Media/637606718216961589/Principaftale%20om%20CO2-lagring.pdf>) and Agreement of 14 December 2021

(https://kefm.dk/Media/637750877973046181/Aftaletakst_final.pdf).

The phase 1 deployment of the funds will be implemented by allocating funds with focus on the carbon capture facility/facilities. The carbon reductions must count as reductions in the Danish national climate accounts. The funds shall cover the costs of capture, transport, and permanent storage of CO₂. Bidders are therefore assumed to be responsible for the whole value chain.

The DEA expects that the first phase of the deployment of the CCUS funds will take place through a negotiated bidding process with one or more negotiation rounds. The DEA further expects that the bidding process,

including the bidding material, will be conducted in English. The DEA is considering whether the deployment of funds in the first bidding process will be split into one or more agreements.

It is expected that bidders will be required to deploy carbon capture and storage into operations no later than 2025.

The DEA is furthermore working under the assumption that funds are granted per ton captured, transported, and stored carbon. The DEA is considering the criteria for the bidding process, including matters such as price per ton CO₂ captured and stored, delivery schedule, project maturity, and total amount of CO₂ delivered and stored. It is noted that the DEA will notify the CCUS funds to the European Commission as an aid scheme in accordance with the procedure prescribed by Article 108 of the Treaty on the Functioning of the European Union and that the deployment of the funds is dependent on the Commission's prior approval.

The market dialogue and the bidding process will be conducted subject to the necessary legislative changes.

II.2.14) **Additional information**

Regarding section II.3) it is noted that the date is based on the DEA's current expectations and that the date might be subject to change. Reference is also made to the preliminary timeline in section VI.3).

In relation to section II.1.6), it should be noted that the DEA has not yet decided whether the deployment of this phase of the CCUS funds is to include one or more agreements.

II.3) **Estimated date of publication of contract notice:**

31/03/2022

Section IV: Procedure

IV.1) **Description**

IV.1.8) **Information about the Government Procurement Agreement (GPA)**

The procurement is covered by the Government Procurement Agreement: yes

Section VI: Complementary information

VI.3) **Additional information:**

The DEA has started an initial market dialogue regarding the first phase of deployment of the CCUS funds. The market dialogue consists of short individual dialogue meetings with a number of market operators, including both operators of carbon capture plants and carbon storage operators, as well as the possibility for all market operators to provide input in writing. The dialogue meetings were held during November and December 2021. In continuation, the DEA wishes to ensure that in particular other market operators are encouraged to contribute to the DEA's considerations regarding the preparation of the deployment of the CCUS funds by providing input in writing. Thus, all interested operators are welcome to provide input in writing.

The DEA has prepared a note containing the DEA's current assumptions and considerations regarding the deployment of the CCUS funds (as also described in this Prior Information Notice) as well as information regarding the market dialogue and its current topics ("the Note"). The Note is available via the site stated in the Prior Information Notice section I.3), "Digitale Udbud".

Interested market operators are invited to submit written contributions concerning the subject-matters of the initial market dialogue to the DEA through Digitale Udbud – preferably no later than 4 February 2022.

Interested operators who are only able to provide input regarding certain parts of the topics (e.g. operators in the transportation and storage part of the CCUS market only) are also encouraged to submit contributions.

1. As a market operator, you must log in to Kammeradvokaten/Poul Schmith's internet-based eSourcing system (Digitale Udbud). If you do not have a login, you must first register online. A quickguide for suppliers is available here https://eu.eu-supply.com/img/brandings/ka_quickguide_en.pdf
2. Log in to the system and click "Accept". By accepting you will gain access to the material under "Documents", receive notifications and be able to submit written contributions.
3. Written contributions to the DEA should be submitted via the tab "Messaging". You are able to attach a PDF etc. to the message.

Following closure of the initial market dialogue, the DEA expects to start a second round of market dialogue in February 2022, where the market will be able to prepare and provide further written input based on specific topics/questions (which may potentially be elaborated on in writing and/or discussed (subsequently) at dialogue meetings if deemed relevant by the DEA). The DEA expects that further information regarding the second round of market dialogue will also be published on the site Digitale Udbud (see section I.3)). All interested operators are encouraged to register themselves on the site.

Information about CCS in general available on the DEA's CCS website: <https://ens.dk/ansvarsomraader/ccs-fangst-og-lagring-af-co2>. All interested operators are encouraged to stay updated on the website.

At this time, the DEA expects that the timeline for a potential second round of market dialogue and the bidding process will be as follows:

- February 2022: Initiation of a potential second round market dialogue
- Spring 2022: Initiation of bidding process (publication)
- Summer 2022: First bids received from participants
- December 2022: Conclusion of agreement

It is emphasized that the sole purpose of this Prior Information Notice and the Note is to inform the market about the market dialogue and of the DEA's current assumptions and considerations regarding the deployment of the CCUS funds, and that no determinations and decisions have been made with respect to e.g. the legal framework and structure of the deployment of the funds and the foreseen bidding process.

VI.5) **Date of dispatch of this notice:**

14/01/2022