

Tender for the North Sea energy island to be launched in Spring 2023

Following a political agreement, the construction of the North Sea Energy Island – one of the largest projects in Danish history – now enters into a new phase. The tender material and competitive dialogue kicks off next Spring.

A political agreement between a broad majority of the Danish Parliament 3rd October sets the direction for the coming tender for the North Sea energy island.

The tender procedure will be competitive dialogue allowing the tender material to be developed and finalized in cooperation with the prequalified bidders. The tender will predominantly be based on functional requirements providing flexibility in design optimization to the private sector.

“We look forward to entering the next phase of the project and to working with the many great visionary companies and people within the green energy market. Through a competitive dialogue as part of the tendering process it is our hope and ambition to establish a strong foundation for the North Sea energy island. Investing in more green energy is no longer an option but a must,” says Mogens Hagelskær, Deputy Director in The Danish Energy Agency with responsibility for the energy islands in Denmark.

To ensure full market awareness of the upcoming tender, the Danish Energy Agency and its financial advisors will carry out a marketing campaign targeted at potential investors. The campaign will be executed over the next months and be based on public available information to ensure competition, transparency and a level playing field for all bidders.

The tender will be published following a political decision based on the progress of international agreements on interconnectors, the specific financing model for the energy system and updated profitability calculations.

Facts about the North Sea energy island tender

- The tender for the construction and co-ownership will be published in the spring of 2023 following the procurement procedure Competitive Dialogue
- A political agreement between a broad majority of the Danish Parliament 3rd October sets the direction for the coming tender for the North Sea energy island.
- The architecture of the island will combine on-island transmission with platform based systems situated around the island to speed up construction and provide flexibility for decades to come
- Bidders will be allowed to include additional areas for innovative activities compliant to legislative and safety regulation and subject to approval from the jointly held energy island company
- The island is expected to be characterized as critical infrastructure why the Danish State will be the majority owner and the private co-owner must fulfill a range of specific requirements and may be subject of screening

- The business model for the energy island company will be based on a long term lease agreement with the Danish TSO Energinet allowing open and free competition for the surrounding offshore wind farms and related innovative activities
- High requirements for social responsibility, ESG and sustainability will be set in the tender

Facts about the North Sea energy island

- The establishment of an artificial island in the North Sea will serve as a hub for offshore wind farms of initially 3 GW by 2033, aiming at 10 GW by 2040.
- The Danish state will own 50,1% and the private partner 49,9% of the energy island company that will be structured as a jointly owned limited partnership company (in Danish "P/S").
- The offshore wind turbines around the island will supply green electricity to power millions of households in Denmark and Europe.
- The artificial island in the North Sea and the surrounding offshore wind farms will be established approximately 100 km off the coast of Jutland.

Contact

The Danish Energy Agency, Center for Energy Islands: +45 33 95 51 21