

**Conditions for
tender of aid for electricity generated
at onshore wind turbines, solar PV
installations and open door offshore
wind turbines**

May 2019

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1. The contracting authority

Danish Energy Agency (Energistyrelsen)
Amaliegade 44
1256 Copenhagen K, Denmark
Tel.: + 45 33 92 67 00
CVR no. (central business reg. no.): 59 77 87 14
www.ens.dk

All enquiries, including questions etc., must be submitted electronically during the tendering procedure on the tender portal via the following link:

[Web-link will be added]

2. Regulation of the technology-neutral tender

The Danish Energy Agency's technology-neutral tender for concluding contract(s) on price premiums for electricity generated at onshore wind turbines, open door offshore wind turbines and solar PV installations in Denmark are not covered by the Danish Public Procurement Act¹, the EU Concession Contracts Directive² or the EU Utilities Directive.³

¹ Act no. 1564 of 15 December 2015 implementing Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC.

The Danish Energy Agency has decided to expose the contract(s) on price premiums to competition. This tendering procedure is therefore subject to the general principles of EU law in the TFEU Treaty⁴, e.g. concerning equal treatment, transparency, proportionality and non-discrimination on the grounds of nationality. Furthermore, the tender procedure is organised and state aid approved in accordance with the European Commission's Guidelines on State aid for environmental protection and energy 2014-2020⁵.

The rights and obligations of the Danish Energy Agency and of the winning tenderer under this tendering procedure are described in the price premium contract, see Appendix 7 to these tender conditions.

3. Voting agreement on the technology-neutral tender

In accordance with the voting agreement of 26 September 2017 between the government (Venstre – the Liberal Party of Denmark, Liberal Alliance and the Conservative People's Party) and the Danish People's Party on a new aid model for wind turbines and solar PV in 2018-2019 (in the following referred to as 'the voting agreement') it was decided to set aside a total of DKK 1,165 million (2017 prices) for new aid to renewable energy in 2018 and 2019. Pursuant to the voting agreement, it was decided to set aside a total of DKK 1,015 million (2017 prices) for an annual technology-neutral tender for wind and solar energy in 2018 and 2019. In continuation of the voting agreement, it was decided to set aside a total of DKK 842 million (2018 prices) instead of a total of DKK 1,015 million (2017 prices) for an annual technology-neutral tender for wind and solar energy in 2018 and 2019. The total financial budget of DKK 842 million (2018 prices) is to be distributed across the entire aid period for both tendering rounds.

The voting agreement of 26 September 2017 is available in Danish via the Danish Energy Agency website:

www.ens.dk/vindogsoludbud

4. The tender documents

The tender documents consist of:

- These tender conditions, which primarily contain guidelines for preparing bids and requirements for tenderers etc.

² Directive 2014/23/EU of the European Parliament and of the Council of 26 February 2014 on the award of concession contracts, Danish Executive Order no. 1625 of 15 December 2015.

³ Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC, Danish Executive Order no. 1624 of 15 December 2015.

⁴ The Treaty on the Functioning of the European Union.

⁵ 2014/C 200/01

- Template for tender letter including declarations on obligation to construct and connect to the grid etc. (Appendix 1)
- Template for description of installation(s) covered by the tender letter (Appendix 2) (to be completed by the tenderer in connection with the submission of bids)
- Template for a demand guarantee (DK/UK) (Appendix 3) (to be completed by the tenderers guarantor before conclusion of contract)
- Template for declaration from the municipality and template for declaration from the tenderer about solar PV installations (see tender letter) not subject to requirements for planning documentation (Appendix 4) (only one of the two templates are to be completed o be completed by the municipality or the tenderer in connection with the submission of bids, if relevant) // template for declaration of support from the municipality council regarding open door offshore wind turbines (to be completed by the municipal board in connection with the tenderers bid if relevant) (Appendix 4)
- Template for conditional award decision to the marginal bid (Appendix 6.a) (to be completed by the Danish Energy Agency, if relevant, after the submission of bids)
- Template for reduced bid from the marginal tenderer (Appendix 6.b) (to be completed by the Danish Energy Agency and the marginal tenderer, if relevant, after the submission of bids)
- Template for description of installation(s) covered by the reduced bid (Appendix 6.c) (to be completed by the marginal tenderer, after the submission of bids)
- Draft contract for a price premium for electricity (in the following referred to as 'the price premium contract'), (Appendix 7)
(Appendix 1-3 of the tender documents is included as Appendix 1-3 to the price premium contract)

All the tender documents are available on the tender portal via the following link:

[*Web-link will be added*]

In the event of discrepancies between these tender conditions and the price premium contract, including appendices, the price premium contract, including appendices, prevails.

5. Content of the technology-neutral tender

5.1 General

These tender conditions apply to the technology-neutral tender in 2019 of price premiums for electricity generated by onshore wind turbines, by open door offshore wind turbines, and/or at solar PV installations (in the following referred to as 'the 2019 technology-neutral

tendering round') pursuant to section 50 c of the Danish Promotion of Renewable Energy Act⁶. The 2019 technology-neutral tendering round covers new installations where work on the project has not started and does not cover installations connected to the grid in a consumer installation. There is a bid cap of 13.00 øre per kWh.

5.2 Repowering

A wind turbine will be considered a new installation when the entire wind turbine including tower, nacelle and rotor consists of parts straight from the factory. Foundations from a previous project can be reused to establish a new installation.

A solar PV installation will be considered a new installation when the PV panels and inverters consist of parts straight from the factory. Mounting structures from a previous project can be reused in a new installation.

5.3 Definition of open door offshore wind turbines

“Open door offshore wind turbines” covers offshore wind turbines that have obtained a construction licence on the basis of an application under the open door procedure and provided the construction licence has not been put up for tender pursuant to the current regulations in the Danish Promotion of Renewable Energy Act.

[The Danish Energy Agency is investigating whether clause 5.4 must be changes as a result of the expansion of the municipality's right to object from 8 km to 15 km.]

5.4 Declaration from the municipal board about open door offshore wind turbines

Open door offshore wind turbines that are planned to be located up to 8 km from the coastline of one or more municipalities, and that participate in the 2019 technology-neutral tendering round, and that are not subject to, or exempt from, the current rules on the municipality's right to object pursuant to the Danish Promotion of Renewable Energy Act,⁷ in relation to this tendering round are subject to the municipality's right to object, see clause 7.3 below. The object of the requirement is to put equal all the open door offshore wind turbines projects which are planned located up to 8 km from one or more municipalities' coast line. The requirement does not apply to 1) open door offshore wind turbines subject to the rules on the municipality's right to object pursuant to the Danish Promotion of Renewable Energy Act⁸, and 2) open door offshore wind turbines that are planned to be located more than 8 km from the coastline of one or more municipalities and that participate in the 2019 technology-neutral tendering round.

5.5 Price premium for electricity

A price premium contract provides access to production aid in the form of price premiums granted for the entire actual production of electricity generated at installations covered by the price premium contract and delivered to the Danish collective electricity supply grid. An installation with one grid connection to the Danish collective electricity supply grid is considered to be one installation.

⁶ Act no. 504 of 23 May 2018.

⁷ Act no. 1003 of 27 June 2018.

⁸ Act no. 1003 of 27 June 2018.

5.6 Time of grid connection

In accordance with section 5(4) of the Danish Promotion of Renewable Energy Act, the time of grid connection is defined as the date at which the installation supplies electricity to the Danish collective electricity supply grid for the first time, because this date will be noted in the register of master data (in Danish: stamdataregistret).⁹

5.7 Total number of price premium contracts

The total number of price premium contracts to be issued has not been determined. The intention is to conclude one or several price premium contracts on the basis of the award criterion lowest price premium (see clause 6.1 below) until the total budget of DKK [*] million (2019 prices) [*will be updated to 2019 prices*] has been spent, see clause 6.4 below.

5.8 Fixed price premium and aid period

Aid is in the form of a fixed price premium in øre per generated kWh added to the electricity price.

The fixed price premium is granted for electricity generated by installations covered by the price premium contract for 20 years from the time of grid connection. The time of grid connection is defined in accordance with clause 5.6 above.

Aid is paid for the entire amount of actual electricity production that is produced at installations covered by the price premium contract and delivered to the Danish collective electricity supply grid, see clause 5.5 above. The actual aid paid out will not be affected by the Danish Energy Agency's calculation of budget allocation, see clause 6.4 below.

Regardless of the above, price premiums will not be granted for electricity production during hours when the spot price for electricity is not positive. The spot price for electricity is the hourly price per kWh on the spot market for the relevant area (DK1 or DK2) stated by the Nordic Electricity Exchange, NordPool.

5.9 Projects at an advanced stage (late bidding)

Tenderers are responsible – prior to submitting a bid – for finding a suitable geographical location for the installations covered by the bid and for obtaining the required planning documentation in pursuance of the Danish Planning Act, the Danish Act on Environmental Impact Assessment and/or any other relevant legislation, including all relevant decisions, permissions, approvals, possible dispensations and similar for the construction of installations covered by the bid.

Tenderers who wish to bid for a fixed price premium for electricity generated by onshore wind turbines and/or solar PV installations must submit an adopted local development plan with their bid, including an approved EIA report or an EIA decision that there is no obligation to prepare an EIA report; a rural zone permit; and/or a dispensation from an adopted local development plan and/or a dispensation from a rural zone permit if such a dispensation exist pursuant to the Danish Planning Act and Danish Act on Environmental Impact Assessment.

⁹ Executive Order no. 1729 of 26 December 2017 on control and inspection of payments of price premiums and other support to electric power generating plants etc.

Tenderers who wish to bid for a fixed price premium for electricity generated at solar PV installations that are not subject to requirements of an adopted local development plan, including an approved EIA report or an EIA decision that there is no obligation to prepare an EIA report; a rural zone permit and/or a dispensation from an adopted local development plan and/or a dispensation from a rural zone permit if such a dispensation exist, must submit with their bid a declaration either from the municipality or from the tenderer itself (see Appendix 4) that there are no requirements for an adopted local development plan or an EIA decision that there is no obligation to prepare an EIA report; a rural zone permit and/or a dispensation from an adopted local development plan and/or a dispensation from a rural zone permit if such a dispensation exist, in accordance with the Danish Planning Act and Danish Act on Environmental Impact Assessment.

Tenderers who wish to bid for a fixed price premium for electricity generated by open door offshore wind turbines must submit with their bid a construction licence, an adopted local development plan for the part of the project that is located onshore, as well as a completed template for a declaration of support from the municipal board (see Appendix 4) indicating that the municipal board is positive towards the construction of the open door offshore wind turbine project, see clauses 5.4 and 7.3. This declaration must be submitted with the bid, if the project will be located up to 8 km from the coastline, and if the project is not subject to the rules on the municipality's right to object pursuant to the Danish Promotion of Renewable Energy Act, see clause 5.4.

5.10 Obligation to construct projects and connect them to the grid, and extension of the time limit for grid connection

5.10.1 Obligation to construct projects and connect them to the grid

A winning tenderer is obligated to construct the solar PV installation(s) covered by the price premium contract and to ensure the installation(s) are connected to the grid.

Within two years of concluding the price premium contract, a winning tenderer must have connected to the grid onshore wind turbines and/or solar PV installations covered by the price premium contract see however clause 5.10.2 below.

Within four years of the date of signing the contract on price premium, a winning tenderer must have grid-connected the open door offshore wind turbines covered by the price premium contract see however clause 5.10.2 below.

The obligation to connect to the grid will be considered met when 85% of the total installed capacity covered by the price premium contract (see however clause 5.11.2) has been connected to the grid within the time limit for grid connection of two years for onshore installations and four years for offshore installations, see however clause 5.10.2 below. The time of grid connection is defined in accordance with clause 5.6 above.

The right to price premiums will lapse and a retention penalty must be paid corresponding to an amount calculated in accordance with the price premium contract (see clause 5.11.3) if an installation covered by the price premium contract is not connected to the grid or is connected to the grid later than two years for onshore installations and four years for

offshore installations of concluding the price premium contract, see however clauses 5.10.2 and 5.11.2 below.

Installations covered by a price premium contract must be connected to the grid pursuant to the current rules on grid connection set out in the Executive Order on grid connection of wind turbines and solar installations that is binding for all agreements on grid connection entered on 1 July 2018 or on a later date.

5.10.2 Extension of the time limit for grid connection

A winning tenderer is entitled to an extension of the time limit for grid connection of the solar PV installations covered by the price premium contract (see clause 5.10.1 above) in the event of a delay caused by one or more of the following circumstances:

1. Circumstances relating to the Danish Energy Agency.
2. Circumstances arising for which the winning tenderer is without fault and over which the winning tenderer has no control, for example war, extraordinary natural events, fire, strikes, lockout or malicious damage.
3. Precipitation, low temperatures, strong winds or other weather conditions preventing or delaying work, where such weather conditions occur to a significantly greater extent than usual for the season and area in question.
4. Public orders or bans which are not caused by circumstances attributable to the winning tenderer.
5. A requirement for a stay of execution following directly from legislation or from a decision on a stay of execution by an appeals board or a court of law.
6. If the winning tenderer does not obtain required permits, dispensations and approvals etc. besides the ones required at the time of submitting the bid in accordance with the requirement concerning late bidding (see clause 5.9 above) from the authorities, although the winning tenderer has applied for this from the relevant authorities more than one year before expiry of the obligation to grid connect, see clause 5.10.1 above.
7. The grid company or the transmission company is not ready to connect the onshore wind turbines, solar PV installations and/or open door offshore wind turbines to the Danish collective electricity supply grid with a minimum of 85 % of their installed capacity covered by the price premium contract before the time limit for grid connection (see clause 5.10.1 above) because the winning tenderer has not been able to obtain the required permits, dispensations and approvals etc. besides the ones required at the time of submitting the bid in accordance with the requirement concerning late bidding (see. clause 5.9 above) from the authorities although the winning tenderer has applied for the required permits, dispensations and approvals etc. from the relevant authorities more than one year before the obligation to construct the project and connect it to the grid takes effect, see clause 5.10.1 above.

8. The grid company or the transmission company is not ready to connect the onshore wind turbines, solar PV installations and/or open door offshore wind turbines to the Danish collective electricity supply grid with a minimum of 85 % of their installed capacity covered by the price premium contract before the time limit for grid connection (see clause 5.10.1 above) and the winning tenderer has concluded an agreement about grid connection of the solar PV installation covered by the price premium contract no later than one year before expiry of the time limit for grid connection, see clause 5.10.1 above.
9. If more than two UXOs are to be removed in connection with the establishment of open door offshore wind turbines.
10. If the construction of the solar PV installation in accordance with the price premium contract cannot be launched due to a major preliminary survey, see section 26(3) of the Danish Museum Act, Consolidating Act no. 358 of 8 April 2014, or if the project has to be discontinued due to archaeological surveys, see section 27 of the Danish Museum Act, Consolidating Act no. 358 of 8 April 2014.
11. Case processing of an expropriation case by the Danish Safety Technology Authority pursuant to section 27 of the Danish Electricity Safety Act.

The extension of the time limit will correspond to the actual delay caused by the circumstances in nos. 1-11 claimed by the tenderer. Winning tenderers entitled to an extension of the time limit must immediately submit a written request to the Danish Energy Agency for the Danish Energy Agency's consent to the extension. In connection with such a request, the winning tenderer must be able to substantiate that the delay in question was caused by the circumstances claimed by the tenderer, and that the delay could not reasonably have been avoided or limited.

Price premiums will not be disbursed after 23 years from signing a contract on price premium concerning onshore wind turbines and/or solar PV installations. If an installation covered by a contract on price premium is connected to the grid later than three years after establishment of the contract on price premium, irrespective of the reason, the period with price premiums will be reduced proportionately with the delay exceeding the three years.

Price premiums will not be disbursed after 25 years from signing a contract on price premium concerning open door offshore wind turbines. If an installation covered by a contract on price premium is connected to the grid later than five years after establishment of the contract on price premium, irrespective of the reason, the period with price premiums will be reduced proportionately with the delay exceeding the five years.

5.11 Retention penalty and guarantees

5.11.1 Retention penalty

The right to price premium will lapse and a retention penalty (a contractual penalty) will be immediately payable upon demand:

- if, after concluding a price premium contract for electricity generated by installations covered by a price premium contract, a winning tenderer notifies the Danish Energy Agency in writing that, irrespective of the reason, it will not or cannot construct and/or connect to the grid installations covered by the price premium contract;
- if the circumstances show that the winning tenderer will not or cannot construct and/or connect to the grid installations covered by a price premium contract, see however clause 5.10.2;
- if onshore installations covered by the contract have not been connected to the grid by no later than two years after concluding a price premium contract, see however clauses 5.10.2 and 5.11.2; and
- if open door offshore wind turbines covered by the price premium contract have not been connected to the grid four years after signing the contract on price premium, see however clauses 5.10.2 and 5.11.2.

If one or more of the above circumstances exclusively relates to part of the installed capacity covered by the price premium contract, the retention penalty will be calculated proportionally on the basis of the installed capacity which is not connected to the grid within the time limit for grid connection. Accordingly the price premium will only be granted for that part of the capacity covered by the price premium contract which is grid connected within the time limit for grid connection, see clause 5.10 above.

5.11.2 Grid connection of a capacity smaller or larger than 85 %

If the capacity connected to the grid is smaller than 85 % of the capacity indicated in the price premium contract, a retention penalty will be payable for that part of the 85 % which is not connected to the grid within the time limit (see clause 5.10) and price premiums will only be granted for electricity supplied to the Danish collective electricity supply grid for the part of the 85 % which is connected to the grid before the time limit for grid connection, see clause 5.10 above.

If the capacity connected to the grid within the time limit for grid connection (see clause 5.10) is larger than the capacity indicated in the price premium contract there will only be granted price premiums for a proportional share of the electricity supplied to the Danish collective electricity supply grid. The share of the electricity production to which there will be granted a price premium will be calculated as the ratio between the capacity which is connected to the grid within the time limit (see clause 5.10) and the capacity which is indicated in the price premium contract. The share is constant for the entire aid period and is calculated separately for onshore wind turbines, offshore wind turbines and solar PV installations at the time of grid connection.

5.11.3 Calculation of retention penalty

The retention penalty depends on the capacity of the individual winning project and will be calculated as DKK 170 per MWh on the basis of the stated capacity in the bid and an estimated amount of full-load hours per year for each technology.

The size of the retention penalty for each winning project will thus be calculated using the following formula, ~~rounded to the nearest million to one decimal place~~:

$$\text{Retention penalty} = \text{capacity} * \text{full load hours per year} * \text{DKK 170 per MWh}$$

Tenderers are to indicate MW installed capacity in their bid for wind turbine

Tenderers are to indicate MWp for solar PV installations which is the DC effect of the photovoltaic solar panels used.

The calculation of the retention penalty will include the same number of full-load hours per year as the calculation of the budgetary allocation, see clause 6.4 below:

Onshore wind turbines: 3,400¹⁰ full-load hours per year.

Solar PV: 1,155¹¹ full-load hours per year.

Open door offshore wind turbines: 4,450¹² full-load hours per year.

Examples:

For a contract on price premium for onshore wind turbines with a capacity of 50 MW, the retention penalty will amount to DKK 28.9 million.

For a contract on price premium for solar PV installations with a capacity of 50 MWp, the retention penalty will amount to DKK 9.8 million.

For a contract on price premium for open door offshore wind turbines with a capacity of 50 MW, the retention penalty will amount to DKK 37.8 million.

5.11.4 Guarantee

5.11.4.1 Declaration of intent to provide a demand guarantee

With the bid the tenderer must submit a declaration of intent (see Appendix 5) in Danish or English from a financial institution stating that said institution will provide a demand guarantee toward the Danish Energy Agency corresponding to the amount of the retention penalty, see clause 5.11.3 above. The tenderer must use the Danish or English template enclosed as Appendix 5. The Danish version and the English version of Appendix 5 have equal status and have the same validity.

5.11.4.2 Demand guarantee

Prior to the conclusion of price premium contract, the winning tenderer must provide a demand guarantee in Danish or English from a financial institution for an amount corresponding to the size of the retention penalty, see clause 5.11.3 above. The winning tenderer must use the Danish or English template enclosed with the contract as Appendix 3. The Danish version and the English version of Appendix 3 have equal status and have

¹⁰ Corresponding to the 50% proportionally best producing existing onshore wind turbines and adjusted upwards due to expected technology developments.

¹¹ Corresponding to full-load hours in the Danish Energy Agency's most recent technology catalogue from 2018, adjusted upwards with 10%.

¹² Corresponding to the assumed number of full-load hours for Kriegers Flak

the same validity. It is a prerequisite that the Danish Energy Agency has received the original demand guarantee from the winning tenderer before the Danish Energy Agency's signing of the price premium contract.

5.11.4.3 Lapse of the demand guarantee

The obligation to provide a guarantee will lapse when 85% of the installed capacity covered by the price premium contract has been connected to the grid see however clause 5.11.2 above regarding construction of a smaller capacity than 85 %. In situations covered by clause 5.11.2 the obligation to provide a guarantee will lapse when payment of penalty has occurred regarding the share of the 85 % of the capacity indicated in the price premium contract which has not been connected to the grid before the time limit of grid connection (see clause 5.10). The time of grid connection is defined in accordance with clause 5.6 above.

5.12 Joint and several liability

If the Danish Energy Agency establishes a price premium contract with a consortium, all members of the consortium will be jointly and severally liable for all obligations covered by the price premium contract.

If the tenderer is an undertaking in the process of being established, the founders of the undertaking will have to assume joint and several liability with the tenderer on the date of conclusion of the price premium contract and until the undertaking has been registered, see section 41(3) of the Danish Companies Act.

Any claim arising pursuant to the price premium contract may therefore be directed towards 1) any of the participants in the consortium, and 2) any founders in situations in which the tenderer is an undertaking in the process of being established.

Joint and several liability will only be enforced to the extent that the winning tenderer is in breach of the price premium contract and if such a breach is not remediated by the winning tenderer on demand from the Danish Energy Agency. Joint and several liability only covers claims by the Danish Energy Agency.

5.13 The loss-of-value scheme, the option-to-purchase scheme, and the guarantee fund

The winning tenderer is subject to the loss-of-value scheme and the option-to-purchase scheme pursuant to the regulations in the Danish Promotion of Renewable Energy Act in force at any time. It is a prerequisite for granting of price premiums that obligations in relation to the loss-of-value scheme and the option-to-purchase scheme has been met pursuant to sections 6-12, 13-17 and 54 in the Danish Promotion of Renewable Energy Act.

Tenderers can participate in the technology-neutral tendering procedure regardless of whether they have applied for the provision of a guarantee under the current rules applying to the guarantee fund set up to support financing of preliminary surveys etc. by wind turbine cooperatives and solar PV cooperatives in the Danish Promotion of Renewable Energy Act.

6. Award criterion, ranking, flexibility mechanism and budget allocation

6.1 Award criterion

Award of price premium contract in accordance with the 2019 technology-neutral tendering round will be within a total budget of DKK [*] million (2019 prices) [will be updated to 2019 prices]. Within this budget frame the Danish Energy Agency will conclude contract(s) on price premium for electricity generated by installations covered by the winning bid on the basis of the award criterion **lowest price premium**, which will be assessed as follows:

- **The amount of the offered price premium in øre per kWh for electricity production for 20 years from grid connection**

The price premium for a/the winning tenderer(s) is defined according to the principle of “pay-as-bid”. Each contract will therefore contain the price premium (expressed in øre per kWh) that the winning tenderer has submitted in its bid.

The price premium offered is to be a fixed øre amount (constant in current prices) and will not be indexed. The price premium is to be stated as an amount in øre per kWh with max. 2 decimal places.

Bids above 13.00 øre per kWh will not be accepted.

6.2 Ranking

A price premium contract will be awarded to the tenderer(s) that submit compliant bids with the lowest price premium (see clause 6.1 above) and that can be kept within the budget, see clause 6.4 below.

If several bids contain the same price premium, the bids in question will be ranked according to the size of the expected production (the capacity offered*the pre-defined number of full-load hours), from the largest to the smallest.

If several bids, each of which can be accommodated within the budget, contain the same price premium and the same expected production, the bids in question will be ranked through drawing lots to the extent that it is not possible to award all of the bids a contract within the total budget of DKK [*] million (2019 prices) [will be updated to 2019 prices].

6.3 Flexibility mechanism

If the Danish Energy Agency decides that there is a marginal bid the Danish Energy Agency will offer the tenderer the opportunity to downscale the project to a size that can be contained within the remaining budget but at the price premium originally offered in accordance with Appendices 6.a-6.c. The ‘marginal bid’ means a compliant bid which – assessed on the basis of the price premium in the bid – can be awarded a price premium contract but which will entail that the Danish Energy Agency’s total budget of DKK [*] million (2019 prices) [will be updated to 2019 prices] will be exceeded.

The Danish Energy Agency will send a conditional award letter to the marginal tenderer via the tender portal with information about the size of the remaining budget see Appendix 6.a. The conditional award letter will state that in order for the Danish Energy Agency to

be able to accept the bid, the tenderer will have to downscale its project so that it may be retained within the remaining budget see Appendices 6.a-6.c.

If the Danish Energy Agency does not receive an accept from the marginal tenderer in accordance with Appendices 6.a-6.c no later than to days after the Danish Energy Agency has send the conditional award letter the Danish Energy Agency will consider this a rejection of the offer to downscale and the conditional offer of price premium contract will lapse without further notice. The marginal tenderer will hereafter receive a refusal of offering a price premium contract see clause 10 below.

If the Danish Energy Agency does not receive an accept from the marginal tenderer to deliver the project in question in accordance with the remaining budget (see Appendices 6.a-6.c) and there are no other bids with the same price premium as the marginal bid, the remaining budget will not be utilised.

If the Danish Energy Agency does not receive an accept from the marginal tenderer to deliver the project in question in accordance with the remaining budget (see Appendices 6.a-6.c) and there are other bids with the same price premium as the marginal bid, these will be considered in the order from largest to smallest expected production. Projects that exceed the budget will be offered to downscale the project, while projects that do not exceed the budget will be awarded a price premium contract. This procedure will be applied until the total budget has been spent. This rule will only be applied in situations where several projects have been submitted with the same price premium as the marginal bid.

6.4 Budget allocation

The 2018 technology-neutral tendering round has a total budget of DKK [*] million (2019 prices) *[will be updated to 2019 prices]*.

Tenderers are to submit a price premium per kWh and the capacity of the project (MW). For solar PV installations, the project's capacity is to be stated in MW_p, which is the DC effect of the photovoltaic solar panels used.

Expected annual production will be calculated on the basis of the assumed number of full-load hours per year (see below) i.e. the Danish Energy Agency will calculate an expected annual production and corresponding amount of aid, and, thus, the share of the budget that the bid absorbs.

Price premium contracts will be awarded to tenderers with the lowest offered price premiums per kWh until the total budget of DKK [*] million (2019 prices) *[will be updated to 2019 prices]* has been spent see however clause 6.3 above.

The budget allocation for the individual project will be calculated using the following formula:

$$\text{Budget absorbed} = \sum_{\text{year}=0}^{\text{year}=20} \frac{\text{price premium} * \text{capacity} * \text{fullload hours per year}}{\text{index of consumer prices}_{\text{year}}}$$

The price premium offered and the project's capacity must appear from the individual bid, (see Appendix 1) while the assumption concerning full-load hours depends on the technology used. In connection with the evaluation, the calculation will be based on the following production assumptions for each technology:

Onshore wind turbines: 3,400¹³ full-load hours per year.

Solar PV: 1,155¹⁴ full-load hours per year.

Open door offshore wind turbines: 4,450¹⁵ full-load hours per year.

Budget allocation is calculated separately for each technology in case of installations with a combination of solar PV and wind turbines.

The calculation of the budget allocation for each bid will be based on the assumption that installations covered by the contract on price premium will be grid-connected from 1 January 2020. The calculation of the budget allocation is solely of an evaluation-technical nature and the assumptions used in the calculations will therefore not affect the actual aid payment, the date of grid connection or similar.

The index of consumer prices has been projected by the Danish Ministry of Finance. The index is shown in the table below for each individual year:

[The table below will be updated]

Table 1. Consumer price index

2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
1.000	1.0156	1.0307	1.0494	1.0681	1.0895	1.1098	1.1308	1.1523	1.1740	1.1962

2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
1.2186	1.2414	1.2650	1.2891	1.3136	1.3385	1.3639	1.3899	1.4163	1.4432	1.4706

Source: Danish Ministry of Finance, hybrid of price and wage assumptions, the consumer price index in the Convergence Programme 2018 and the Economic Review from May 2018. After 2030 the annual growth is estimated at 1.9 pct.

Example:

A solar PV project of 50 MWp with a bid of 11.00 øre per kWh (corresponding to DKK 110.0/MWh) will result in a total budget allocation of DKK 103,867,406:

	2019	2020	2021	...	2039
103,867,406 =	0 +	$\frac{110.0 * 50 * 1,155}{1.0307}$ +	$\frac{110.0 * 50 * 1,155}{1.0494}$ +	... +	$\frac{110.0 * 50 * 1,155}{1.4706}$

7. Bid, declarations and documentation

¹³ Corresponding to the 50% proportionally best producing existing onshore wind turbines and adjusted upwards due to expected technology developments.

¹⁴ Corresponding to full-load hours in the Danish Energy Agency's [most recent](#) technology catalogue [from 2018](#), adjusted upwards with 10 %

¹⁵ Corresponding to the assumed number of full-load hours for Kriegers Flak.

7.1 The bid

A bid must contain one bid price (the price premium offered), which is binding for the tenderer.

The bid must contain a description of the tenderer. The description must contain the following elements:

The name and address of the tenderer:

- The name of a contact person, if the tenderer is a company
- The registration number of the company, if the tenderer is a company (e.g. CVR no. (central business reg. no.))
- The national identification number of the person if the tenderer is a natural person (e.g. CPR no.)
- Telephone number of the tenderer or of a contact person
- Email address of the tenderer or of a contact person.

The tender letter template (see Appendix 1) which the tenderer must complete when submitting the bid, is available at the tender portal:

[Web- link will be added]

The bid (see Appendix 1) must furthermore include a description of the installations (see Appendix 2). If a bid (see Appendix 1) covers several installations Appendix 2 is to be completed for each installation covered by the bid. Appendix 2 must among other things include the following elements:

- The installed capacity of installations covered by the bid. The installed capacity is to be stated in whole kW and is the largest active capacity the installations covered by the bid have been constructed to supply continually. If an installation is made up of different technologies the installed capacity per technology is to be stated.
- For solar PV installations, the DC effect of the photovoltaic solar panels used in installations covered by the bid should also be stated. The DC effect should be stated in whole kWp.

In addition a declaration of intent to provide a demand guarantee (see Appendix 5) must be enclosed with the bid.

A single, collected bid may be submitted, covering several installations at different planned locations, or bids may be submitted individually for each installation. Tenderers may submit several bids.

Installations covered by a bid must be located in Denmark, including on the Danish continental shelf, except for the Faroe Islands and Greenland.

The tenderer bears the full commercial risk for the kWh price premium offered.

7.2 Declarations

In the tender letter (see Appendix 1) the tenderer must give the following declarations:

- 1) solemn declaration stating that the tenderer is not subject to any outstanding recovery order to repay aid following a previous Commission decision declaring an aid illegal and incompatible with the internal market;
- 2) solemn declaration stating that the tenderer is not an undertaking in difficulty. An undertaking is considered to be in difficulty when, without intervention by the State, it will almost certainly be condemned to going out of business in the short or medium term as defined in the Commission Communication 2014/C 249/01 on Guidelines on State aid for rescuing and restructuring non-financial undertakings in difficulty,
- 3) solemn declaration on not to receive any other aid than price premiums pursuant to the price premium contract. A guarantee pursuant to the current rules on the guarantee fund in the Danish Promotion of Renewable Energy Act is not considered other aid in this context;¹⁶
- 4) solemn declaration on not to have unpaid due debt of DKK 100,000 or more to public authorities regarding taxes, duties or contributions to social security schemes pursuant to Danish legislation or legislation in the country in which the tenderer is established¹⁷; and
- 5) declaration stating that work on the project to construct new installations covered by the bid has not started;¹⁸
- 6) declaration stating that the tenderers tender letter does not include any reservations including to the tender documents;
- 7) declaration stating that the tenderer is informed that the Danish Energy Agency will process personal information given by the tenderer in connection with submitting the bid; and
- 8) declaration stating that the tenderer is informed that the Danish Energy Agency is eligible to publish information regarding the winning bid including price premium, capacity and the name of the winning tenderer.

7.3 Documentation

The tenderer must also if relevant in relation to technology submit the following documentation with the tender letter:

¹⁶ See section 21 of the Danish Promotion of Renewable Energy Act, Consolidating Act no. 1003 of 27 June 2018.

¹⁷ See the principles in section 135(3) of the Public Procurement Act.

¹⁸ The definition of when a project has been commenced is given in section 5(1), no. 6, of the Promotion of Renewable Energy Act, Consolidating Act no. 1003 of 27 June 2018 and the definition of a new installation is given in clause 5.2 of the tender conditions.

For onshore installations subject to requirements for planning documentation:

- an adopted local development plan, including an approved EIA report or an EIA decision that there is no obligation to prepare an EIA report; a rural zone permit; and/or a dispensation from an adopted local development plan and/or a dispensation from a rural zone permit if such a dispensation exist pursuant to the Danish Planning Act and the Danish Act on Environmental Impact Assessment (see clause 5.9 above).

For solar PV installations not subject to requirements for planning documentation:

- a declaration from the municipality or from the tenderer itself that there is no requirement for an adopted local development plan including an EIA report or an EIA decision that there is no obligation to prepare an EIA report; a rural zone permit and/or a dispensation from an adopted local development plan and/or a dispensation from a rural zone permit if such a dispensation exist pursuant to the Danish Planning Act and the Danish Act on Environmental Impact Assessment (see clause 5.9 above).

For open door offshore wind turbines:

- a construction license and an adopted local development plan, including an approved EIA report or an EIA decision that there is no obligation to prepare an EIA report; a rural zone permit; and/or a dispensation from an adopted local development plan and/or a dispensation from a rural zone permit if such a dispensation exist for the part of the project that is located onshore pursuant to the Danish Planning Act and the Danish Act on Environmental Impact Assessment (see clause 5.7 above).
- A completed template on declaration from the municipal board stating that the municipal board does not have any objections to construction and grid connection of the open door offshore wind turbine project covered by the bid (see clause 5.9 above). The tenderer must submit a declaration from all relevant municipalities.

7.4 Incomplete tenders

The Danish Energy Agency will not consider bids in which the tender letter, declarations and documentation pursuant to clauses 7.1-7.3 above are missing.

8. Deadline for bids and formal requirements

Deadline for receipt of bids is

[date and time]

Bids received after this deadline will not be considered.

A bid must contain:

- a completed and signed template for the tender letter and declarations (Appendix 1) see clauses 7.1 and 7.2 above;
- a completed template with a description of installations covered by tenders (Appendix 2) see clause 7.1 above;

- for onshore installations: either an adopted local development plan, including an EIA approval or an EIA decision that there is no obligation to prepare an EIA report; a rural zone permit; and/or a dispensation from an adopted local development plan and/or a completed template with a dispensation from a rural zone permit if such a dispensation exist for installations subject to requirements of planning documentation pursuant to the Danish Planning Act and the Danish Act on Environmental Impact Assessment; or a completed template on planning documentation with a declaration from the municipality or the tenderer (Appendix 4) see clause 7.3 above for installations not subject to requirements of planning documentation;
- for offshore installations: a construction license and an adopted local development plan, including an approved EIA report or an EIA decision that there is no obligation to prepare an EIA report; a rural zone permit; and/or a dispensation from an adopted local development plan and/or a dispensation from a rural zone permit if such a dispensation exist for the part of the project that is located onshore pursuant to the Danish Planning Act and the Danish Act on Environmental Impact Assessment;
- for offshore installations: a completed template on declaration of support from the municipality board concerning open door offshore wind turbines (Appendix 4) see clause 7.3 above;
- for offshore installations: a completed template with a declaration of intent from a financial institution for the provision of a demand guarantee (Appendix 5) see clause 7.1 above;

All communication must take place electronically. Bids must be submitted via the tender portal, which can be accessed directly from the following link:

[Web-link will be added]

Bids cannot be submitted in any other way, including by email.

If the tender portal is down due to technical reasons up to one week before the deadline for the receipt of bids, the Danish Energy Agency reserves the right to prolong the deadline for submitting bids.

If a tenderer finds parts of the tender documents to be unclear, the tenderer is invited to submit substantiated questions concerning this see clause 14 below.

9. Language

Bids, including appendices, must be in Danish (see Appendix 1). However, the required declaration of intent to provide a demand guarantee (see Appendix 5) will be accepted in Danish or English.

The Danish Energy Agency has prepared the tender documents in Danish. The tender documents will also be made available in an English translation.

In the event of any discrepancy between the Danish version of the tender conditions, including appendices, and the English translation of the tender conditions, including appendices, the Danish version of the tender conditions, including appendices, prevails, see however clauses 5.11.4.1 and 5.11.4.2.

10. Award

When the Danish Energy Agency has assessed whether the bids received are compliant, and which bids have the lowest offered price premiums within the budget of DKK [*] million (2019 prices) [*will be updated to 2019 prices*], the Danish Energy Agency will notify all tenderers of whether their bids have been accepted. Notification to any marginal tenderers will happen at the same time. With regard to tenderers that are not awarded a price premium contract and tenderers that have submitted incomplete bids and therefore will not be considered (see clause 7.4) the notification will also contain a brief account of the relevant grounds for the decision.

The Danish Energy Agency reserves the right to cancel the tender of price premiums for electricity generated at onshore wind turbines, solar PV installations and offshore wind turbines without awarding price premium contracts.

Notification of the award decision to the winning tenderers does not mean that the price premium contract has been concluded. The price premium contract will not be considered concluded (and the tendering procedure finally completed) until the price premium contract has been signed. The price premium contract cannot be signed until after expiry of a period of ten calendar days calculated from the day after the day when the Danish Energy Agency submitted its notifications about the award of the price premium contract.

It is a condition for the Danish Energy Agency's conclusion of the price premium contract with the winning tenderer that the demand guarantee for the retention penalty (see Appendix 3) has been provided no later than at the time of the winning tenderer's signing of the price premium contract, see clause 5.11.4.2 above.

11. Tender validity period and costs of participation

Tenderers are bound by their bids until signing of the contract(s) on price premium, however for no longer than three months from expiry of the deadline for submitting bids (tender validity period).

The tenderer's costs in connection with the tendering process, including any costs associated with obtaining the necessary decisions, approvals, licences/permits and dispensations etc., are of no concern to the Danish Energy Agency.

12. Processing of bids

The Danish Energy Agency will treat all bids with confidentiality.

However, the Danish Energy Agency reserves the right to publish anonymised statistics about the tendering round.

The Danish Energy Agency is eligible to publish information about the winning price premium(s) including the name(s) of the winning tenderer(s). Furthermore, the Danish Energy Agency may be obliged to grant access to documents pursuant to the rules on access to documents in the Danish Public Information Act, the Danish Public Administration Act and the Act on Environmental Information.

The Danish Energy Agency is not obliged to return bids to the tenderers.

In the evaluation of bids and other submitted documentation, the Danish Energy Agency reserves the right to use external assistance if necessary.

The Danish Energy Agency considers it material that the tendering procedure creates effective competition between the tenderers and that all tenderers are treated equally.

13. Checklist

Has the tenderer enclosed with the bid:

1. A tender letter (Appendix 1) containing:
 - a. a price premium per kWh and capacity;
 - b. a solemn declaration on the obligation to construct and connect to the grid specified installations;
 - c. a solemn declaration stating that the tenderer does not have unpaid, due debt to public authorities exceeding DKK 100,000;
 - d. a solemn declaration stating that the tenderer has complied with any and each recovery order to repay aid following a previous decision from the European Commission declaring an aid illegal and incompatible with the internal market;
 - e. a solemn declaration stating that the tenderer is not an undertaking in difficulty. An undertaking is considered to be in difficulty when, without intervention by the State, it will almost certainly be condemned to going out of business in the short or medium term as defined in Commission Communication 2014C 249/01 on Guidelines on State aid for rescuing and restructuring non-financial undertakings in difficulty;
 - f. a solemn declaration stating that the tenderer will not receive other aid than the price premiums under the price premium contract. A guarantee pursuant to the current rules on the guarantee fund in the Danish Promotion of Renewable Energy Act is not considered other aid in this context;
 - g. a declaration stating that the work on the project has not started;
 - h. a declaration stating that the tenderer has not included any reservations to the tender documents;
 - i. a declaration stating that the tenderer is informed that the Danish Energy Agency will process personal information given by the tenderer in connection with submitting the bid; and

- j. a declaration stating that the tenderer is informed that the Danish Energy Agency is eligible to publish information concerning the winning bid including price premium, capacity and the name of the winning tenderer.
2. A completed template for the description of installation(s) covered by the bid (Appendix 2).
3. A completed template for letter of intent to provide a demand guarantee (Appendix 5).
4. For onshore wind turbines: adopted local development plan, including an approved EIA report.
5. For onshore wind turbines: an adopted local development plan, including an approved EIA report or an EIA decision that there is no obligation to prepare an EIA report; a rural zone permit; and/or a dispensation from an adopted local development plan and/or a dispensation from a rural zone permit if such a dispensation exist, in accordance with the Danish Planning Act and the Danish Act on Environmental Impact Assessment, see clause 7.3 above.
6. For solar PV installations: either an adopted local development plan, including an approved EIA report or an EIA decision that there is no obligation to prepare an EIA report; a rural zone permit; and/or a dispensation from an adopted local development plan and/or a dispensation from a rural zone permit if such a dispensation exist, in accordance with the Danish Planning Act and the Danish Act on Environmental Impact Assessment or a completed template for declaration regarding no requirement of planning documentation from the municipality or from the tenderer itself (Appendix 4), see clause 7.3 above.
7. For open door offshore wind turbines: a construction license and an adopted local development plan, including an approved EIA report or an EIA decision that there is no obligation to prepare an EIA report; a rural zone permit; and/or a dispensation from an adopted local development plan and/or a dispensation from a rural zone permit if such a dispensation exist for the part of the project that is located onshore pursuant to the Danish Planning Act and the Danish Act on Environmental Impact Assessment.
8. For open door offshore wind turbines: a completed template on declaration from the municipality board concerning open door offshore wind turbines (Appendix 4) see clauses 5.4, 5.9 and 7.3 above.

The tender letter must state which company or combination of companies is/are submitting the bid.

14. Questions concerning tender documents

Tenderers may submit written questions regarding the tender documents. Questions may be submitted in Danish or in English. Questions/answers in Danish will not be translated into English, and questions/answers in English will not be translated into Danish.

It is essential to the Danish Energy Agency that all tenderers are able to submit relevant bids within the framework of the tender conditions. All potential tenderers are therefore

encouraged to use the opportunity to submit written questions on the tender documents, pointing out conditions which the tenderers find unclear or inappropriate. The Danish Energy Agency reserves the right to make amendments to the tender documents during the tender procedure if this is deemed appropriate in the light of questions received or if it turns out to be necessary due to other reasons. Such amendments will however not concern fundamental elements.

Questions must be submitted electronically via the tender portal at the following link:

[Web-link will be added]

All written questions (anonymised) and answers to these will be published on the tender portal.

[The Danish Energy is investigating whether it may be possible to pose technical questions on the tender portal up until the deadline for submitting bids.]

Questions received by no later than *[date]* will be answered by no later than six days before the deadline for submitting bids. However, tenderers are encouraged to submit questions well before this date.

Questions that are received later than six days before expiry of the time limit for submitting bids cannot be expected to be answered.

15. Information on the tendering procedure

All information about the tendering procedure, including answers to questions and any changes to the tender documents, will be published on the tender portal:

[Web-link will be added]