

Section 1: Background & purpose of the mini market dialogue

In June 2020¹, a majority in the Danish parliament agreed to establish two energy islands – one in the North Sea with an initial capacity of 3 GW and another in the Baltic Sea with a capacity of 2 GW. The pre-investigations in the Baltic Sea were later expanded to allow for a capacity of 3 GW although a political agreement of the expansion have not yet been reached. For the latter of these energy islands, henceforth titled ‘Energy Island Bornholm’, the windfarms will be placed 15 km-20 km from the shore depending on whether the energy Island will have a total capacity of 2 GW or 3 GW. The Danish Energy Agency is responsible for tendering the concession(s) to build offshore wind connected to Energy Island Bornholm. The concessionaire will be responsible for connecting the windfarm to a point of connection on the island of Bornholm.

In February 2021², the Danish parliament concluded that the optimal timing for the island’s realization should depend on the ability to distribute electricity from the windfarm. Further, if this occurred later than 2030, the parliament decided that it should be investigated whether Energy Island Bornholm could be realized in a stepwise commissioning. Such a decision would entail that part of the Energy Island would operational before or in 2030 after which the remaining elements of the Energy Island would be operational. This mini market dialogue should be seen in the perspective of this condition (please follow the links in section 4 in the document for a full overview of the Energy Island and its context).

Specifically, the purpose of this mini market dialogue is threefold:

1. Obtain market’s input concerning various, although not decided, scenarios and conditions that could occur in the realization of Energy Island Bornholm.
2. Obtain market’s input concerning the attractiveness of the tender given specific scenarios and conditions.
3. Obtain market’s input concerning VAT regulation.

There are different ways in which Energy Island Bornholm can be realized. The questions raised in this mini market dialogue seek to qualify various options. Thus, it is expected that for a given question revolving around conditions and/or scenarios, the market player will evaluate the condition in terms of risk, cost, time and quality. Specifically, it is expected that the market player will comment on what a given condition will entail for these three aspects. Questions on conditions and/or scenarios are marked as such in the **questions** below.

This mini market dialogue is also initiated to obtain input to the coming tender material. In particular, the dialogue will provide insight into the attractiveness of the tender given certain conditions. Accordingly, it is expected that for a given question concerning attractiveness, the market player will evaluate what such a decision would entail for the market player’s likelihood of participating in the tender. Additionally, it is expected that the market player reflects on how a given condition is worsening or improving the attractiveness of the tender.

¹ Climate Agreement for Energy and Industry (2020)

² Addition to Climate Agreement (2021)

Section 2: Questions to be answered by the market player

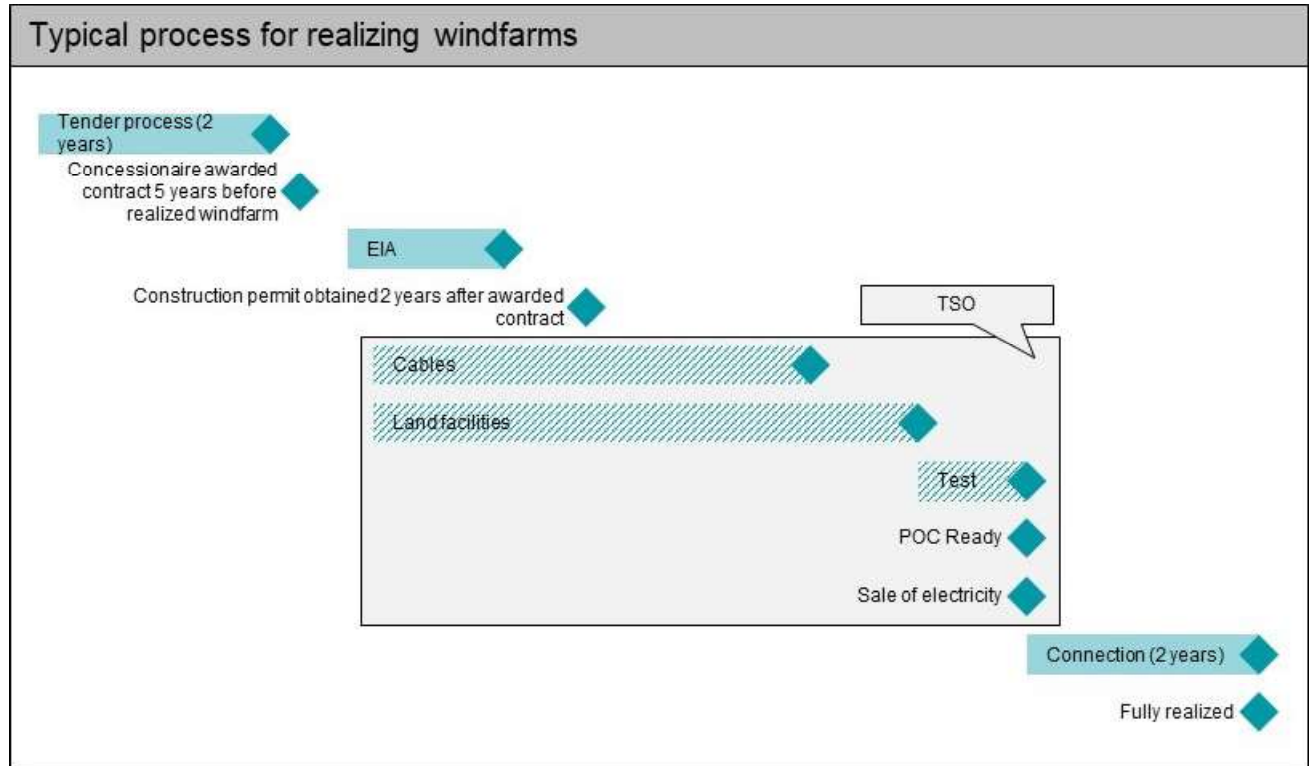
The following part of the document lists the questions that should be answered by the market player.

| ID | Area | Question |
|----|----------------|---|
| 1 | Tender | The tentative tender process provides about 80 calendar days for prequalification, 60 calendar days for preliminary bids, and 50 calendar days for final bids. Are these timeslots sufficient? |
| 2 | Timeline | Duration from concession agreement to fully realized windfarm is expected to be 6 years. What are your considerations regarding this timeframe? Would the optimal timeframe depend on the total capacity of the windfarm? |
| 3 | Timeline | In previous Danish offshore wind tenders, at least 2 years has been allowed from the point of connection (POC) is ready to the deadline for fully operational wind farm. As indicated in process schedule 2 in section 3, which options can be implemented to shorten this window (without shortening the window from concession agreement to fully realized windfarm)? Would a window for grid connection of e.g. 1 year be sufficient? Why/why not? For the various possibilities, please outline risk, cost, and quality implications. |
| 4 | Timeline | As indicated in process schedule 3 in section 3, how do you perceive an overlap of the test phase for the connectors connecting Bornholm to Zealand and Germany with the connection window for wind turbines? Please describe the impact on risk, cost, time and quality. |
| 5 | Timeline | At Bornholm, it could be possible to provide service power (for commissioning and operation of wind turbines without production) from the existing grid on Bornholm before the interconnectors to Zealand and Germany are ready. How big commercial impact would access to service power have on your business case? When would access to service power be relevant? In what ways can you imagine such service power to be provided? |
| 6 | Attractiveness | How would overlap or shortening of window for grid connection, as mentioned above, affect the attractiveness of the tender? (See process schedule 4 in section 3) |
| 7 | Attractiveness | Would it be attractive for the tenderer to engage in overplanting? Why and to which extent? |
| 8 | Attractiveness | Would it be preferable to put the concession areas Bornholm 1 and Bornholm 2 for tender in two separate tenders or one combined? Please qualify your answer. See section 5 for a map. |
| 9 | Regulation | <p>According to the Danish VAT law, the territorial scope of the VAT is limited to the territorial waters.</p> <p>The reserved area for both Bornholm 1 and 2 is divided between the Danish territorial waters and the Danish exclusive economic zone. Because of current applicable Danish VAT law, a part of the offshore wind farm in Bornholm 1 og 2 will be subject to VAT, while another part of the same offshore wind farm will not be subject to VAT.</p> |

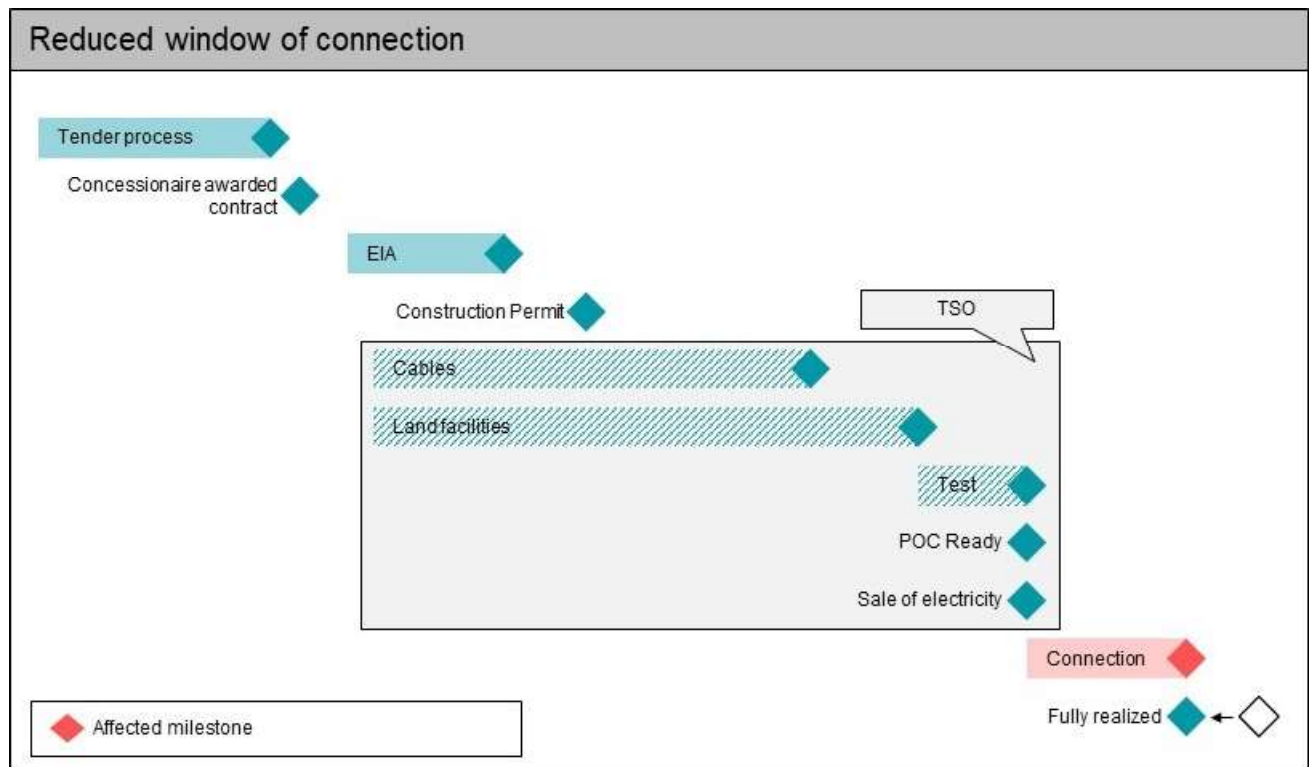
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|--|--|---|
| | | <p>The Danish Energy Agency is currently in dialogue with the Danish Tax authorities regarding VAT legislation. However, we kindly request input as to which challenges such a division represents for an offshore wind farm in regards of VAT.</p> |
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Section 3: Process schedules

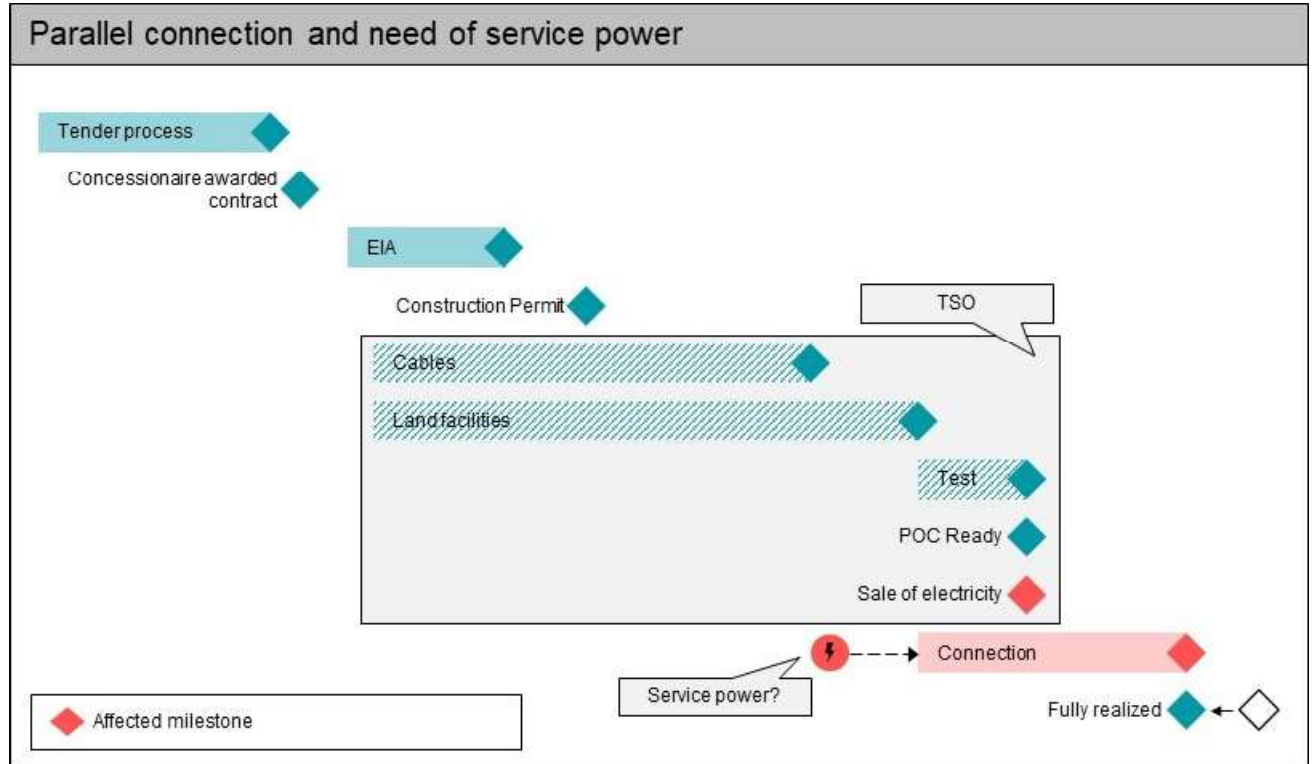
Process schedule 1



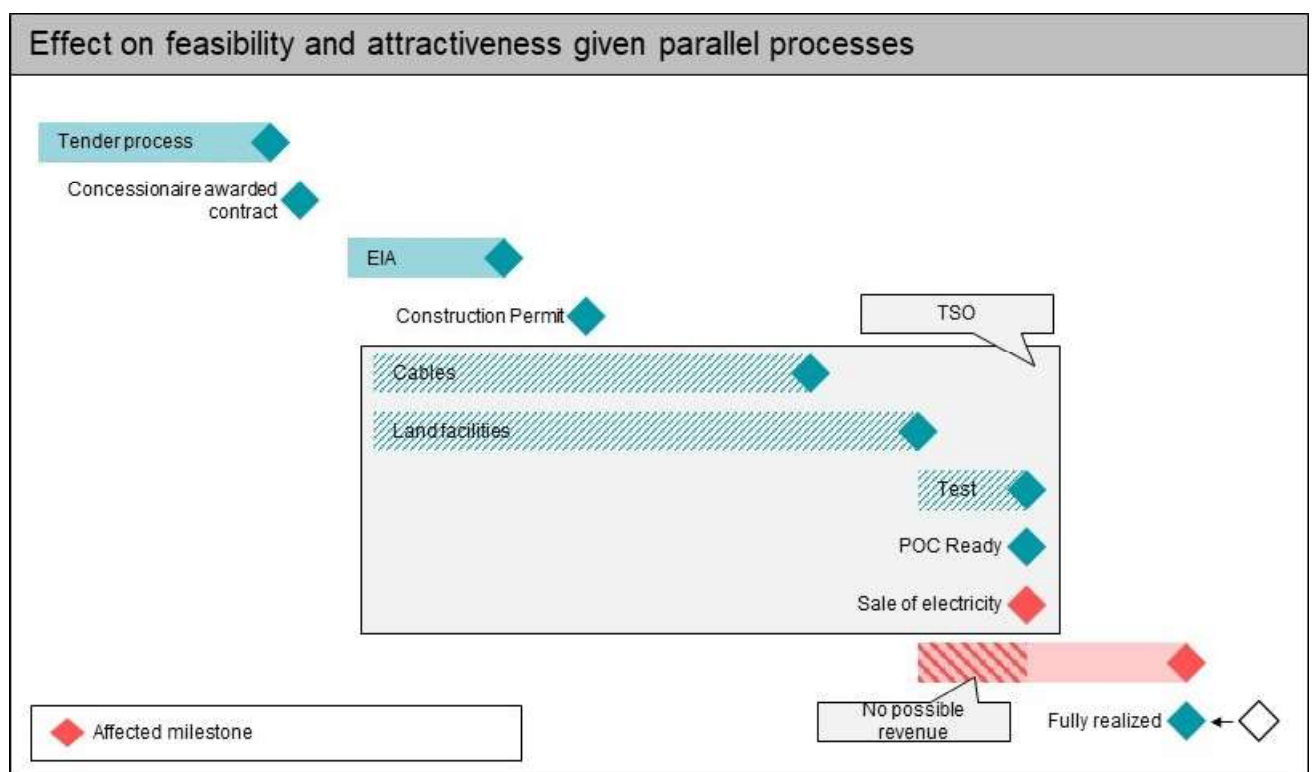
Process schedule 2



Process schedule 3



Process schedule 4



Section 4: Links to additional material concerning the Energy Islands

- [Description of the Energy Islands](#)
- [Climate agreement for Energy and Industry etc. 2020](#)
- [Addition 4th of February 2021](#)
- [Addition 1st of September 2021](#)
- [General news from Energinet on the Energy Islands](#)

Section 5: Map of location for windfarm

