

Offshore Wind in the European Union

What authorities have jurisdiction over offshore wind in the EU?

- **European Commission** – Proposes regulatory frameworks that, if adopted, are applicable to all EU Member States, including on electricity markets, renewable targets, pan-EU energy infrastructure planning and development, environmental protection, procurement or resilient supply chains. The European Commission is composed by Directorate-Generals (DGs). **DG ENER** is in charge of EU legislation on energy matters and also proposes Strategies on the way forward, such as the Commission's Offshore Renewable Energy Strategy in 2020, that largely defines today's framework for offshore development. Many other Commission's Directorate-Generals have specific angles relevant for offshore, e.g.: **DG COMP** ensures competition policy and a level playing field within the Union's Member States and approves any State aid support scheme proposed by Member States; **DG TRADE** does the same at a global level and pursues compliance with WTO rules and commitments; **DG MARE** is in charge of EU legislation on maritime spatial planning; etc.
- **EU's Member States** – the EU-27 Member States (Belgium, Denmark, the Netherlands, etc.) decide how their energy mix is to look like, while ensuring compliance with EU law (e.g. climate law). As such, Member States decide their own targets for specific technologies, to the extent that targets have not been established at EU level (e.g. there are EU targets for renewables as a whole, while Member States have set non-binding commitments for offshore renewables). Member States are in charge of the public-driven actions to deploy offshore, such as setting national maritime spatial plans or for permitting procedures (ministries appoint competent authorities).
- **Agency for the Cooperation of Energy Regulators (ACER)** – It establishes technical regulation supporting the European Commission on the implementation of the Internal Energy Market, such as on markets, infrastructure planning or market surveillance. It is composed by the National Regulatory Authority of each Member State. It also serves as escalation body for certain bilateral or regional cross-border decisions and monitors the correct functioning of ENTSO-E.
- **European Network of Transmission System Operators for Electricity (ENTSO-E)** – Regulated association of national Transmission System Operators, who operate the energy system and the transmission network. EU legislation gives ENTSO-E legal tasks in transmission planning (including offshore), markets, system operation, adequacy, etc.
- **Municipalities, city and local governments** - Require various construction permits for onshore transmission infrastructure

How are areas identified for offshore wind development?

- Member States identify their own areas, complying with EU legislation that defines how to do so (e.g. on public consultations or aspects to consider), and define where offshore projects can take place both in territorial waters and EEZs, considering the environment and other users of sea (environment, fisheries, maritime transport, military, etc.)

How are offshore wind areas leased to developers?

- Each Member State decides its own approach as long as compliant with EU law (competition, equal treatment, etc.). Frequently Member States hold auctions, with or without support schemes; some Member States also have developer-led applications, where a commercial developer may request consent to perform investigations on an area, that may lead to a request for lease. Member States defines auction winners according to pre-set criteria (e.g. price but also non-price such as sustainability or sector integration).

How is power procured?

- Projects participate in the different EU-wide energy market procurements (day-ahead, intraday, etc.) and may arrange other contractual agreements such as PPAs (while these are frequently financial).

Who is in charge of offshore wind generation and transmission permitting?

- Developers must get permits from the national competent authority(-ies) decided by the Member State. EU law sets in certain cases (such as offshore cross-border infrastructure projects) the need to have unique points of contact (one-stop shops) to ease and streamline the work of developers.

Who is responsible for offshore wind transmission and interconnection financing and planning?

- National regulatory authorities are in charge of accepting a sharing of the cost of cross-border projects, which will then be recognized in the national tariffs that consumers pay. EU legislation sets a framework on how to make agreements of cross-border cost allocation.

Who is responsible for planning, financing, and building the offshore wind supply chain?

- The supply chain is driven by the private sector in the EU. Local content requirements are not allowed and the supply chains develop as deemed more efficient by the industry. The Commission and Member States monitor possible bottlenecks or weaknesses in the supply chain, in which case they may decide to address it (e.g. financing of a port upgrade).

Who is responsible for training the offshore wind workforce?

- Largely driven by colleges/universities, specialised educational organisations and the private sector supporting (new) staff. The European Commission has established platforms for cooperation between public and public entities in identifying and creating new platforms.

Are there any public incentives and/or financing for offshore wind development?

- Public support is frequently decided by Member States, while support schemes have to be approved by the European Commission before it is granted, so ensure that it does not create distortions in the competition within the European Union. Contracts for difference are currently the preferred type of support scheme for new renewable projects. Infrastructure projects are typically developed by Transmission System Operators, which are regulated and ultimately paid by consumers. The European Commission has a number of financing programmes supported by EU budget for a limited number of projects that bring EU-wide value.

Who owns, operates, and upgrades ports for offshore wind?

- EU ports are run by a mix of public and private authorities. Often, ports are owned by a city or municipal port authority.