



Hywind Tampen: A Regulatory Gamechanger for (Norwegian) Offshore Wind?

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Hywind Tampen: one of many firsts

- 88MW medium-sized offshore wind farm
 - World's first medium size floating wind farm
 - 11 turbines
- Power 2 oil and gas fields
 - Again a first
 - Snorre and Gullfaks
 - 140kms from the coast of Norway
- First OWF built in Norway





Hywind Tampen in a nutshell

- Connected to **oil and gas platforms**
 - Not connected to Norwegian network
 - Important for State aid and market impact
- Based on 10 patents developed by Equinor
- **Owned by Equinor and its partners**
 - Mix of public and private companies, including OMV and ExxonMobile





Game changer for State aid?

ESA EFTA Surveillance Authority

ESA at a glance Internal Market State aid Competition Newsroom Careers

Newsroom

Updates

Logo, photos and videos

Communications contact

11 MAR 2020 STATE AID

ESA greenlights aid to floating offshore wind farm

ESA has today approved Norway's initiative to reduce CO2 emissions by building a floating offshore wind farm consisting of 11 wind turbines.

The Hywind Tampen project is the highest individual aid award ever approved by ESA.

The development of floating offshore wind farm is part of Norway's aims to reduce its carbon footprint and transition towards a more sustainable energy supply.

European State Aid Law Quarterly > [Volume 19 \(2020\), Issue 2](#) > Pages 225 - 231



Is Hywind Tampen's State Aid Approval a Kickstart for the Norwegian Offshore Wind Industry? · Decision 017/20/COL Hywind Tampen, EFTA Surveillance Authority · Annotation by Ignacio Herrera Anchustegui

Annotation on Decision 017/20/COL of the EFTA Surveillance Authority of 11 March 2020 on the Hywind Tampen Project

Ignacio Herrera Anchustegui



https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=2335166





ENOVA financing

- Project partially **funded by ENOVA**
 - State owned investment company
 - For R&D in climate and energy activities
- August 2019 funding for **2.3 billion NOK** granted
- Is this State aid?
 - **Yes!**

The logo for ENOVA, with the letters 'E', 'N', and 'O' in a dark blue color, and 'V' and 'A' in a red color.



ESA Clearance of aid

- Norway requested **ESA's assessment of Decision**
- Clear **there is aid**
 - Money from the State
 - Only a few get the aid
 - The aid made the project possible
 - Electricity and offshorewind market affected
- Claimed aid was **compatible with the EEA Agreement**
 - Pursues an objective of common interest
 - **Environmental protection** -Article 61(3)(c) of the EEA Agreement

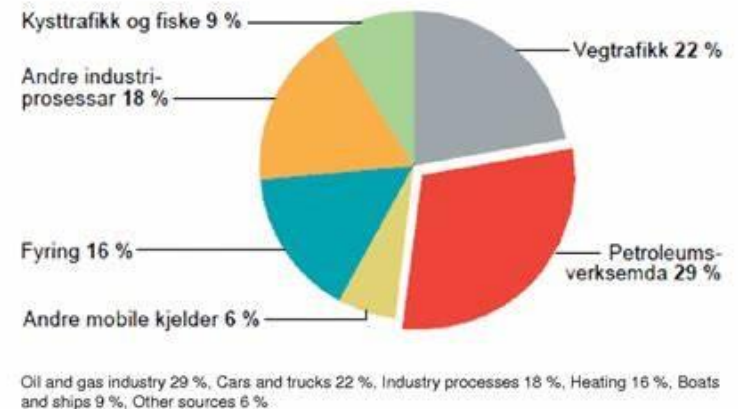




Objective of common interest?

- Objective is to **reduce CO2 emissions**
 - Hywind Tampen will substitute 35% electricity generation from gas turbines for platforms
 - Estimate of **200,000 tons of CO₂ per year** will be reduced
 - 100,000 private cars a year
 - Is objective of common interest

CO₂ Emissions Norway





Assessment = justified

- Project not possible without the aid
 - Not profitable
- Aid was investment and not operation
 - Less restrictive and different from other offshore wind farms
 - Because off-the-grid
 - No need for energy auctions
- No major competition distortions





Game changer for projects?



What we do >

Where we are >

How & why >

Careers >

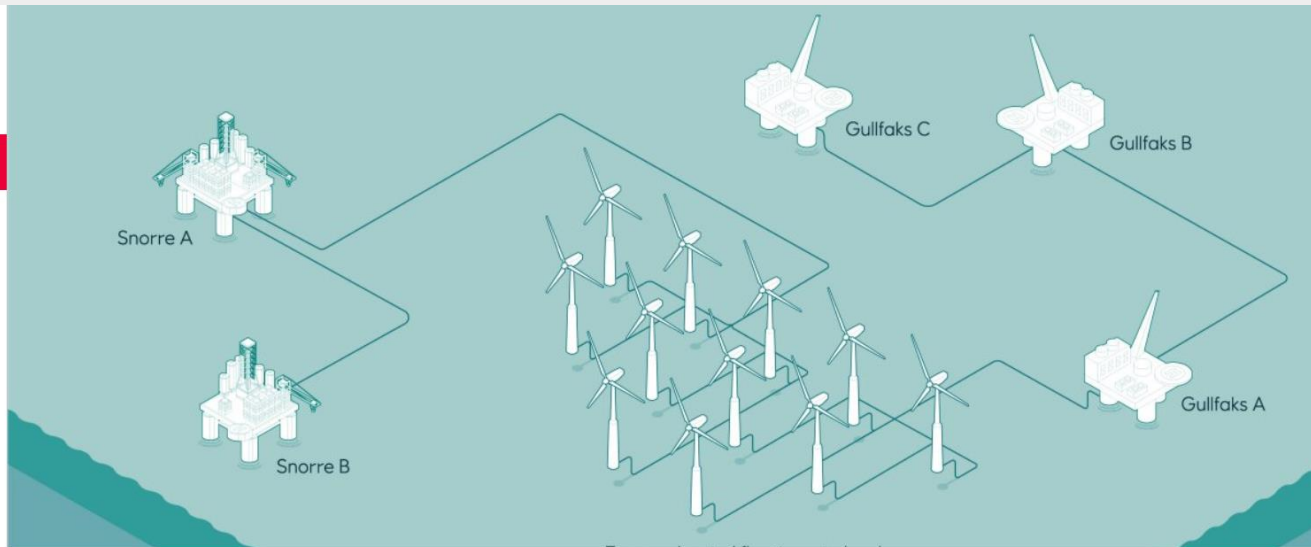
Stories >

About us >

News & media

Investors

Suppliers

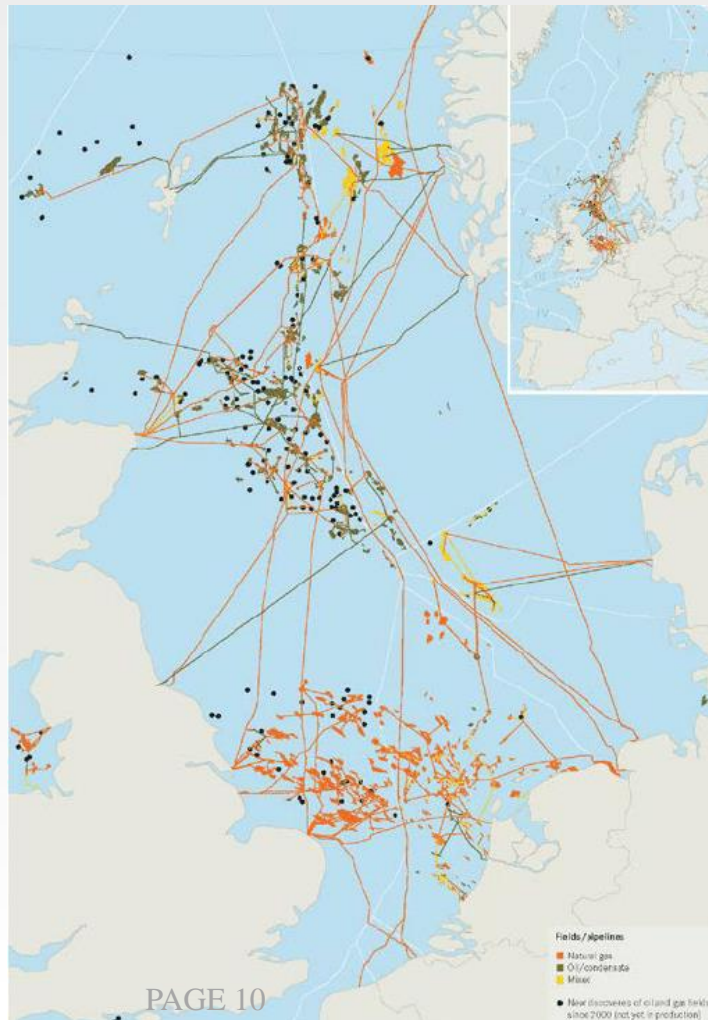


Hywind Tampen: the world's first renewable power for offshore oil and gas





Offshore wind for oil and gas



- Hywind Tampen is the first of what *could be a trend*
 - ‘Greeneficiation of oil and gas production’?
- Plenty of opportunities
 - 87 oil and gas active platforms in Norwegian waters
 - 184 in the North Sea in 2018





Petroleumsloven

- **Authorized under petroleumsløven**
 - Not the Havenergilova
 - Not under Energilova
- **Petroleumsløven will regulate it**

Why?

- Based on a modification of power supply to Snorre and Gullfaks as authorized under change of plans for development and operation





Licensing

- Hywind Tampen did **not require** a (new) concession/license
 - Under the Energilova or havenergilova
 - As a facility that produces electricity
 - No competition on who will construct it
 - It is the **oil and gas field operators**
 - If under the oil regime, *no EU/EEA law to care about?*





Environmental impact

- If under the petroleum's regime **environmental impact** to be done under §4.2 of the **Petroleumsoven**
- Not havenergilova
- **Different standards** to be applied?





Tax benefits

- As part of a petroleum installation
 - Gets tax treatment
 - 78% tax applies
 - **But only over net profits**
 - **Deductions are allowed** for all relevant costs, including costs associated with exploration, research and development, financing, operations and decommissioning.
 - Is this a cost for oil and gas production?
- **Different** from the ‘normal’ regime to wind power?
- Makes this **quite attractive** for owners of oil & gas fields and offshore wind turbine developers





Connection to the network

- **No** need to be **connected** to the Norwegian (or any) national **transmission network**
 - No need to deal with NVE in this sense
 - **No TPA or tariffs**
- Not connected to the network, **does not sell electricity to the grid** – end consumers
 - No need to worry about Art. 9 of the Utilities Directive (**offentlig anskaffelser**)





Concluding thoughts

