



ROYAL NORWEGIAN
MINISTRY OF PETROLEUM AND ENERGY

Appendix 4

Description of prequalification criterion for the first phase of Sørliche Nordsjø II

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1. General information

This document describes the prequalification process that the applicant must fulfil in order to participate in the auction for the project area for the first phase of Sørliche Nordsjø II. The document also describes the documentation requirements and how the prequalification criterion will be assessed. The document is Appendix 4 to Announcement of competition for project areas in Sørliche Nordsjø II for offshore renewable energy production.



2. The prequalification process

2.1 Introduction

Pursuant to Section 2-3 of the Offshore Energy Act, the Ministry may require actors wishing to participate in a competition for a project area to be prequalified. Section 2-3 of the Offshore Energy Act stipulates that, at the prequalification stage, applicants must document an adequate level of technical expertise and financial strength, and fulfil relevant health, safety and environmental requirements. In the announcement, the Ministry may also impose other objective and non-discriminatory conditions.

The Ministry of Petroleum and Energy is responsible for evaluating applications for prequalification. If necessary, the Ministry will obtain assistance from other government agencies or external experts when evaluating the applications.

2.2 Assessment of the applicants' qualifications

The Ministry will first assess whether the applicant fulfils the prequalification criterion and associated sub-criteria. The criterion will be considered to be fulfilled or not fulfilled. If the applicant does not fulfil the prequalification criterion, the application will be rejected.

2.3 Ranking of applicants who fulfil the prequalification criterion

If the Ministry receives more than six applications, the Ministry will then rank the applicants on the basis of the prequalification criterion.

A score from 1-10 will be given, based on a discretionary evaluation of the sub-criteria (with the exception of the sub-criteria 1C Project owner's integrity and 1F Health, safety and environment, which will be assessed as fulfilled/not fulfilled).

The best application will receive 10 points, while a score will be given that reflects relevant differences relative to the best application for the other applications.

2.4 Selection of ranked applicants

After ranking the applicants, the Ministry will, based on the ranking, select a minimum of six and a maximum of eight applicants to participate in the auction. The decision concerning the final number of applicants who are selected to participate in the auction will depend on an overall assessment.

3. Prequalification criterion

This chapter describes the prequalification criterion and the documentation that must be submitted.



3.1 Execution capability

The Offshore Energy Act stipulates that applicants must possess satisfactory technical competence and financial strength and fulfil relevant health, safety and environment (HSE) requirements in order to participate in the competition for the announced area; cf. Section 2-3, third paragraph. The criteria relating to financial strength, technical competence of key personnel, relevant experience and health, safety and the environment under the prequalification criterion 'Execution capability' are intended to ensure that applicants meet the aforementioned statutory requirements.

The government wishes to ensure that the first offshore wind projects are operational by 2030. In order to achieve this goal, it is important that applicants who take part in the auction have a sufficiently mature project concept, as well as solid project and funding plans. The Ministry therefore also stipulates requirements regarding the project concept, project plan and funding plan under the criterion 'Execution capability'.

Table 2 Prequalification criterion: Execution capability

Ref.	Criterion	Explanation	Documentation
1A	Financial strength	<p>Applicants must have sufficient financial strength to carry out feasibility studies and project planning, and construct and operate the energy facility including both production installations and grid installations.</p> <p>As a minimum requirement, applicants must have the following:</p> <ol style="list-style-type: none">1. an average annual turnover of at least NOK 40 billion over each the last three years.2. Solvency ratio (equity/total assets) of at least 20 percent in the last annual report for the last 3 years, or a credit rating of at least BBB- (S&P) / BBB- (Fitch) / Baa3 (Moody's). <p>Greater financial strength will be considered positively.</p>	<ul style="list-style-type: none">• Annual reports for the last three years• Auditor's reports for the last three years (if not included in the annual report).• Credit ratings for the last three years. The most recent credit rating must not be more than twelve months old as of the application deadline.• Statement with specified financial key figures. <p>If the applicant is unable to submit annual reports, auditor's reports or credit ratings for the last three years, the applicant must submit other documentation that provides confirmation of financial and financial capacity in the same way as the requested documentation.</p> <p>If the applicant consists of several applicant companies (consortium), the requested documentation must be enclosed for all companies.</p>



		<p>The turnover requirement will be assessed collectively for the consortia. The solvency requirement will be assessed for all companies in the consortium.</p> <p>However, in connection with the assessment of whether or not the minimum turnover requirement is met, an assessment will be made of each applicant company's contribution to the consortia. In the assessment, particular consideration will be given to whether or not each applicant company satisfies the minimum turnover requirement calculated on a pro-rata basis according to the individual applicant company's share in the consortium.</p> <p>If the applicant is dependent on financial support from the parent company or other companies, the solvency will be calculated collectively for the companies concerned.</p> <p>For consortia, the regulation of financial responsibility in the collaboration agreement will be taken into account in the assessment of the consortium's overall financial strength.</p>	<p>If the applicant makes use of the financial support of the parent company or other companies, a signed confirmation letter from the company providing the support must be submitted; cf. Appendix 7.</p> <p>Maximum of two pages with a description of key figures (appendices, annual reports, auditor's reports and credit ratings are in addition).</p>
1B	Funding plan for the project	<p>The applicant must have a robust and realistic funding plan for the project.</p> <p>The funding plan must be based on equity in the project company corresponding to at least 20 percent of the project's estimated investment cost.</p>	<ul style="list-style-type: none">• Funding plan for the project, which at least:<ul style="list-style-type: none">a) specifies the project budget until the investment decision is made, andb) specifies funding of the costs for the entire project from investment decision until commissioning.• Description of the applicant's experience of planning and implementing funding of up to three relevant projects.• If the applicant is a consortium, the distribution of equity must be specified in the agreement. If the equity is obtained from another entity (parent



			<p>company, etc.), a signed confirmation letter from the company providing the support must be submitted; cf. Appendix 7.</p> <p>Maximum of ten pages (appendices may be in addition)</p>
1C	Project manager's integrity	<p>The applicant must possess the necessary integrity as a project manager.</p> <p>The applicant must have his tax and VAT affairs in order. Applicants with arrears linked to their certificates for tax and value added tax may be rejected.</p> <p>The applicant, associated companies, owners or representatives must not be subject to sanctions or restrictive measures.</p> <p>If the applicant, associated companies, owners or representatives have previously been convicted of an offence, adequate measures shall be taken to prevent any recurrence and ensure the necessary integrity.</p> <p>If the applicant is a consortium, all companies in the consortium must possess the necessary integrity.</p> <p>The criterion will only be deemed to be fulfilled/not fulfilled, and will not be assessed in connection with the ranking of applications.</p>	<ul style="list-style-type: none">• Tax and VAT certificates, no more than 6 months old as of the deadline for receipt of applications for prequalification, confirming that the applicant has fulfilled its obligations with regard to the payment of taxes, National Insurance contributions and VAT. For more information, see skatteetaten.no. Foreign applicants must submit certificates from the corresponding authorities to the Norwegian authorities.• If the applicant is involved in an appeal case or dispute with the tax authorities concerning the levying or notification of tax penalties (or a corresponding sanction imposed by foreign tax authorities for missing or inaccurate information), an account must be provided of the case as part of the application. <p>The applicant shall certify that neither the applicant, the applicant's direct or indirect holding company(s), the applicant's ultimate underlying owner(s), directors, managing director nor any other person in an administrative, management or control body of the aforementioned companies:</p>



		<ul style="list-style-type: none">• Are subject to sanctions or restrictive measures by Norwegian authorities or in accordance with obligations under international law by which Norway is bound• Has been legally convicted or issued with a fine for the following criminal offences within the last three years:<ul style="list-style-type: none">a) Participation in a criminal organisationb) Corruptionc) Fraudd) Terrorist acts or criminal offences related to terrorist activitye) Money laundering or terrorist financingf) Child labour and other forms of human trafficking <p>If persons or companies referred to above have been convicted of one or more of the above criminal offences within the last 3 years, the applicant must declare this. In such cases, the applicant must also submit documentation showing whether the applicant has implemented the following measures in order to maintain the necessary integrity as Project manager:</p> <ul style="list-style-type: none">• Compensation paid by the company(s) or person(s) concerned for any losses arising from the circumstance, or pledged such payment.• Active cooperation with competent authorities to clarify the facts and circumstances of the matter, and• Implemented appropriate technical, organisational and personnel measures to prevent recurrence.
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1D	Competence of key personnel	<p>The applicant must have key personnel with relevant and appropriate expertise and experience in order to carry out the project.</p> <p>The applicant will be assessed on the competence and experience of key personnel.</p> <p>If the applicant is dependent on key personnel from the parent company or other companies, the competence and experience will be assessed collectively for the companies concerned.</p>	<ul style="list-style-type: none">• Up to 20 CVs of key personnel of the applicant and, if relevant, binding partners who will be used in the project, including a description of the role within which the competence will be used. <p>If the applicant makes use of key personnel from the parent company or other companies, a signed confirmation letter from the company providing the support must be submitted; cf. Appendix 7.</p> <ul style="list-style-type: none">• Maximum of one page per CV, including the role within which the competence will be used.
1E	Relevant experience	<p>The applicant must have the experience and competence necessary to carry out the project in an adequate manner.</p> <p>The applicant must at least have experience of:</p> <ol style="list-style-type: none">1) One reference project covering the construction of a large-scale offshore wind farm with a capacity of 300 MW or more. The reference project must be fully commissioned. <p>and</p> <ol style="list-style-type: none">2) a) one reference project covering the planning, construction and operation of large offshore grid installations using HVDC technology with a voltage level of at least 300 kV; <p>or</p>	<ul style="list-style-type: none">• Documentation of reference projects where the description of each reference must include the following (as far as relevant for the individual reference project):<ol style="list-style-type: none">a) Name of offshore wind farmb) Description of the main elements of the offshore wind farm, including a grid solution from the connection point onshore/offshorec) The applicant's role in the project (i.e. developer, owner, main contractor, subcontractor, etc.).d) Contact person for the client, licensing authority, etc. (preferably including telephone number and e-mail address).e) Date of contract signing with authorities/licence and date of commercial commissioningf) Location of the offshore wind farm and grid installations, including farm layoutg) The project's planned capacity (MW) and actual installed capacity (MW)



	<p>b) one reference project covering the planning, construction and operation of large offshore grid installations using HVAC technology with a voltage level of at least 220 kV;</p> <p>or</p> <p>c) other relevant reference projects of comparable complexity and size. The reference projects could, for example, include larger high-voltage installations and maritime operations. Projects must demonstrate the sound management of complicated technical, contractual and regulatory interfaces.</p> <p>If the applicant uses the alternatives in b) or c) to fulfil the minimum criterion, the applicant must describe and document how the applicant will secure sufficient HVDC expertise in order to carry out and operate the project.</p> <p>The reference project(s) must document experience of at least the following project deliverables:</p> <ul style="list-style-type: none">- Project planning (e.g. development, project management, design and engineering),- Licensing process (e.g. impact assessment, licence application, contact with the authorities and detailed planning),	<p>h) The applicant's contribution to the project within the relevant project deliverables</p> <p>i) The current phase of the project (under construction, operational, etc.) and how long the applicant has been associated with the project</p> <p>j) Summary HSE statistics for the project: H2 value¹ (total occupational injury frequency) and information on type of injury.</p> <p>If the applicant intends to utilise the technical and professional competence of another entity (parent company, etc.), a signed confirmation letter from the company providing support must be submitted; cf. Appendix 7.</p> <p>Maximum of three pages per reference project and maximum of five reference projects in total (illustrations may be in addition). If the applicant attaches more reference projects than this, five reference projects will be selected through the drawing of lots.</p>
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¹ H2 value or "Total Recordable Injuries" is defined as the total number of occupational injuries. The H2 value is calculated according to the following formula:
$$\frac{\text{Number of injuries with and without absence} \times 1,000,000}{\text{Number of working hours}}$$
 For more information on H2 values, see [Energi Norge's industry guide to reporting HSE statistics](#).



		<ul style="list-style-type: none">- Procurement.- Construction and installation (e.g. foundations, transport, installation and commissioning),- Operation and maintenance (e.g. optimisation of operations, power trading and power supply security and emergency preparedness). <p>At least one reference project must include experience of all project deliverables, except operations and maintenance.</p> <p>Only project deliverables completed by the prequalification deadline will be considered. This means that if the project is under construction, only the parts of the project that have been completed by the application deadline will be considered. The applicant is asked to specify this in the description of the reference project.</p> <p>Reference projects with particular relevance for the first phase of Sørliche Nordsjø II (with regard to capacity, grid structure, bathymetry, technology, etc.) will be given a positive weighting.</p> <p>If the applicant is dependent on experience and competence from the parent company or other companies, this will be assessed collectively for the companies concerned.</p>	
1F	Health, safety and environment	The applicant must have satisfactory systems in place for quality assurance, HSE and internal control, and fulfil applicable HSE rules in force at any given time.	<ul style="list-style-type: none">• HSE declaration signed by person(s) authorised to bind the applicant.• Documentation of planned systems for quality assurance and HSE.• Documentation of planned systems for internal control.



		The criterion will only be deemed to be fulfilled/not fulfilled, and will not be assessed in connection with the ranking of applications.	Maximum of two pages in total. (HSE declaration may be in addition)
1G	Project concept	<p>The applicant must have a sound project concept and have made good progress in maturing the project.</p> <p>As a minimum requirement, the applicant must have defined a clear and realistic project concept.</p> <p>If the applicant is able to demonstrate that the project concept can be adapted to the connection and electrification of Ekofisk, if further studies indicate that it is relevant, this will be considered positively. The possibility of connecting to Ekofisk is described in more detail in Appendix 3, and in a copy of a letter from ConocoPhillips, which is published at regjeringen.no.</p> <p>The project concept must be consistent with the applicant's response to the sub-criterion 1H Project Plan.</p>	<ul style="list-style-type: none"> • Description of the project summarising the technical characteristics of the project, which at least outlines: <ul style="list-style-type: none"> a) Planned installed capacity and estimate for net annual energy production p50 b) Project location, area requirements (onshore and offshore) and offshore wind farm layout/design c) Location of installation port and operation and maintenance base d) Type of turbine (MW, tower height, tip height, etc.) e) Type of foundations (jacket/monopile etc.) f) Type of cable (i) within the production installation, (ii) between the production installation and the landfall point, (iii) between the landfall point and connection point and, if applicable, cable route g) Technical lifetime of the installations (production installations and grid installations) h) Offshore transformer and converter i) Onshore transformer and converter j) Preliminary calculations of wake effects (taking into account own production installations only) <p>The applicant is asked to provide as precise a description of the project as possible, including an outline of various factors (risk, technology development,</p>



			<p>etc.) which could impact on the design of the production installation (turbine size, location of turbines, etc.). If no concept has yet been chosen, relevant solutions must be described. Uncertainty regarding the choice of concept must be stated clearly.</p> <p>It is emphasised that the project concept will form the basis for the contract for difference.</p> <p>Maximum of 15 pages in total. (Illustrations may be in addition).</p>
1H	Project plan	<p>The applicant must have a good understanding of what will be required for the project to be implemented within the project's framework as regards time, cost, resource requirements and quality.</p> <p>The applicant must have a project plan and a risk assessment of the project.</p> <p>The applicant will be assessed on whether the project plan is making realistic progress, with clear milestones for carrying out activities in connection with licence processing, preliminary engineering, construction and commissioning etc.</p> <p>The applicant will be assessed for the overall risk management of the project.</p>	<ul style="list-style-type: none"> • Project plan, which at least outlines progress, key milestones and organisation of the project. The project plan must include at least the following milestones: <ul style="list-style-type: none"> a) Entry into agreements with suppliers concerning manufacturing and installation b) Execution of project-specific impact assessment c) Application for licence and approval of detailed plan d) Final Investment Decision (FID) e) Start of manufacturing of foundations and manufacturing of the last foundation f) Start-up of manufacturing of turbines and manufacturing of last turbine g) Installation of first and last turbine foundations h) Installation of first and last turbines i) Installation of offshore transformer and converter



			<p>j) Installation of onshore transformer and converter</p> <p>k) Installation of export cables</p> <p>l) Start date for electricity production for first and last turbines</p> <p>m) Testing of the facility</p> <p>n) Date of full operation (commercial operation date)</p> <p>o) Decommissioning and removal of the energy facility.</p> <ul style="list-style-type: none">• Risk assessment, where the applicant describes key factors which could delay the project and the planned strategy for remedying these.• Description of relevant suppliers of key elements, including any formalised agreements, tenders and price estimates and other dialogue with these.• Description of the applicant's experience of planning and implementation of relevant projects. <p>The applicant is asked to assume that the following case handling times will be required by the authorities in the schedule:</p> <ul style="list-style-type: none">• Four months for MPE to determine an investigation programme (including consultation).• A total of twelve months for consideration of the licence application and detailed plan (including consultation). <p>Applicants are also asked to state the expected number of months from granting of the licence until the completion of installation of the energy facility and power from all turbines are delivered to the onshore</p>
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			<p>connection point. If it is of significance whether the detailed plan is approved at the same time as the licence or not until later, it is requested that the time implications of these two alternatives be specified separately.</p> <p>It is emphasised that the project plan, including information on the anticipated construction time as requested in the previous paragraph, will form the basis for the schedule in the contract for difference.</p> <p>Maximum of 15 pages (any agreements may be in addition).</p>
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