

Feedback on the Norwegian Energy Transition 2021

potential partnerships with Belgium

The Federal Minister of Energy of Belgium thanks the Norwegian Ministry of Petroleum and Energy for the opportunity to provide input as part of the proposals for amendments to the Offshore Energy Act and the Offshore Energy Act regulations.

In the context of the Green deal and the Fit for 55 package, the European Union aims to be the first continent to be climate neutral by 2050. Norway's long-term strategy is even more ambitious, as Norway aims to reach the goal of climate neutrality already in 2030 and to reduce its emissions by 90 to 95 % by 2050. The perspective of collaboration between Belgium and Norway holds several subjects of strategic interest.

1 Importance of Norwegian import of natural gas

Belgium is at an international crossroad for gas, with interconnection points with the Netherlands, Norway, the UK, Germany, France and Luxembourg, as well as the port of Zeebrugge through which liquefied natural gas (LNG) is imported. Belgium and Norway are strategic partners involved in export and transit of natural gas in Zeebrugge and in security of supply.

2 Participations in CCS on the Norwegian continental plate

Belgian industrial consortia, such as Arcelor Mittal, Air Liquide and the Port of Antwerp, are involved in initial MOU's aiming at partnerships related to CCS. We are committed to liaise with the Regions in order to facilitate possible collaboration with Norway in this respect.

3 Hydrogen

Belgium is at the center of a European region with a high need for renewable hydrogen in the future as we foresee this as a fuel for difficult to abate industrial sectors. Considering Belgians local renewable electricity production will be barely sufficient to fulfill the demand of electricity, it is clear that renewable hydrogen will be part of the equation. Also in this respect, close collaboration with Norway is worthwhile exploring.

4 Participation in Norway's offshore wind

Belgian companies are involved in partnerships aiming to submit applications for concessions in the upcoming tenders of Southern North Sea and Utsira North. The Belgian government and private companies want to engage in a broader collaboration supporting the priorities of the White Paper.

It is important that the pre-qualification criteria allow for these companies to bring in their experience in order to meet the goals of the White Paper. Therefore, allowing consortia between Belgian and Norwegian companies to further develop the projects, it is important to use the existing experience and help to build a Norwegian Supply Chain fit for purpose.

Within the pre-qualification criteria, technical expertise is, as mentioned, important. In this regard, we would like to emphasize that offshore wind turbines (generation assets) and offshore connection assets (transmission assets) are two distinct and independent categories fraught with their own challenges. Expertise in developing, building and operating offshore generation assets does not automatically lead to expertise in developing, building and operating offshore transmission assets. Therefore, relevant specific expertise in transmission assets is crucial to deliver a high-quality project on time, on budget and with the desired impact on the energy transition as a whole.

With regard to the reference to the Offshore Energy Act paragraph 3-5 and the requirement that a license shall be granted to a Norwegian entity unless international agreements suggest otherwise, we would like to propose that the regulation incorporates some flexibility to take into consideration certain circumstances where it may be beneficial to grant the grid license to an entity established also under the laws of other countries, especially in view of the fact that the Norwegian government does not foresee in the immediate future that the southern part of the concessions should be linked to Norway.

Belgium is also a front runner in the Marine Spatial Planning and has significant experience in combining offshore wind with the specificities of for example Nature 2000, commercial fishing, defense priorities and the like. A broad participative process has been followed to come to a balanced Marine Spatial Plan taking into account all stakeholders and limited space.

5 Citizen Participation

The energy transition belongs to all Europeans and involving citizens also in offshore wind projects increases their overall commitment to the climate goals. In Belgium, a new law is under preparation to support this development. Belgium and Norway can share experiences in involving their citizens into the European Energy System Integration.

6 Importance of secured grid connection and offtakers

Linking the offshore wind in the North Sea to Belgium implies the possibility of a future connection to France and Southern Germany.

With the large offshore wind potential of Norway, it will be key to find the right offtakers to successfully realize the offshore wind projects. Especially for the projects for which Norway is aiming the realization without state aid. We regret however the current assumption to allocate seabed rights through royalties for bottom-fixed offshore wind projects, considering they will have a negative price impact on the consumers. If we all look at electrification as the way forward for the future, it is preemptive to have huge price increases for electricity in order to realize a real uptake, electricity prices from renewables need to be competitive. This competitive price is important for the project developers to find a sustainable business case and therefore an important factor in the timely realization of the offshore wind projects.

Belgium has a huge experience in building offshore wind farms and in their operation and maintenance. Belgium is in the top league with respect to installed capacity (ranked 5th worldwide and 2nd after Denmark in installed capacity per capita) as for business leadership in offshore wind globally (DEME, Jan De Nul, ELIA, ...). We continue to maximize the development of offshore wind farms within our territorial water. Moreover, we are already looking into the strategies for dismantling of wind turbine and the re-use of components into a full circular economy.

On the other hand, we have a very high energy consumption, which allows developers to supply electricity to these customers and securing the cashflow for the project. Additionally, Belgium is well connected to the neighboring countries, allowing to reach more customers.

Our Transmission Grid Operator has a large experience in offshore grid connections and can help realizing the connections from the wind farms in Norway or alternatively the connection point given by Statnett. Therefore, supporting the timely realization of the offshore wind projects. A developer with a view on a big European market has a high interest in a guaranteed grid connection, which Belgium can also help to establish.

Perhaps it may even be considered to use the mentioned option to allocate an Area upon request without announcement. This to allow for a wind farm to be developed by a combination of Belgian and Norwegian companies to maximize the local value chains and to allow for this area to be connected to the European Market via an interconnection between this wind farm in Norway and Belgium.

Conclusion

We are convinced that the Belgian and Norwegian energy policy and climate objectives are quite complementary. The Belgian expertise and well established grid interconnections are an important asset in this regard. Also from an industry perspective, there is a clear demand to engage in collaboration of the various topics mentioned above.