

Appendix 2

Project areas, grid conditions and regulatory circumstances for Utsira Nord

Table of contents

1.	General information			
2.	Proje	ect areas	2	
2	.1	Buffer zone	2	
2	.2	Anchoring of wind turbines	2	
2.3		Weather radar	2	
2.4		Strategic impact assessment	2	
2	.5	Coexistence	2	
3.	3. Seabed surveys in the project areas			
4.	Grid	connection and grid facilities	4	
4	.1	Connection of offshore wind from Utsira Nord	4	
4	.2	Point of connection, grid investment contribution, and costs for customer specific		
4 fa	.2 acilitio	Point of connection, grid investment contribution, and costs for customer specific	4	
4 fa 4	.2 acilitio .3	Point of connection, grid investment contribution, and costs for customer specific es Information from previous assessments	4 5	
4 fa 4 4	.2 acilitio .3 .4	Point of connection, grid investment contribution, and costs for customer specific es Information from previous assessments Other relevant information	4 5 5	
4 fa 4 4	.2 acilitio .3 .4 .5	Point of connection, grid investment contribution, and costs for customer specific es Information from previous assessments Other relevant information Regulation of grid facilities	4 5 5 5	
4 fa 4 4 5.	.2 acilitio .3 .4 .5 Tax .	Point of connection, grid investment contribution, and costs for customer specific es Information from previous assessments Other relevant information Regulation of grid facilities	.4 .5 5 5 6	
4 fa 4 4 5. 6.	.2 acilitio .3 .4 .5 Tax . HSE	Point of connection, grid investment contribution, and costs for customer specific es Information from previous assessments Other relevant information Regulation of grid facilities regulations	.4 .5 5 5 6 6	
4 fa 4 4 5. 6. 7.	.2 acilitio .3 .4 .5 Tax . HSE Cons	Point of connection, grid investment contribution, and costs for customer specific es Information from previous assessments Other relevant information Regulation of grid facilities regulations	4 5 5 6 6 7	
4 fa 4 4 5. 6. 7. 8.	.2 acilitia .3 .4 .5 Tax . HSE Cons Colla	Point of connection, grid investment contribution, and costs for customer specific es Information from previous assessments Other relevant information Regulation of grid facilities regulations sortia and competition matters	4 5 5 6 7 7	



1. General information

This appendix provides general background information for the project areas in Utsira Nord. Among other things, the appendix covers planned and completed surveys relating to the project area, grid connection and regulatory matters.

2. Project areas

2.1 Buffer zone

To limit wake effects, the Ministry has included five-kilometre buffer zones between the project areas.

Applicants must assume that new offshore wind areas may be opened or that additional project areas may be awarded within already opened areas. Applicants must also take into account wake effects from existing or future project areas. The Ministry may impose licence conditions to mitigate any potential wake effects between project areas.

2.2 Anchoring of wind turbines

Anchoring of wind turbines to the seabed in the buffer zones between project areas will be possible provided the anchors do not impede shipping in the area. The average depth in Utsira Nord is 265 metres. Draught varies between ships but will generally not exceed 25 metres. It is assumed that anchors for floating turbines in Utsira Nord will be submerged to a depth that is sufficient to ensure that they do not impede shipping. Final anchoring will be assessed during the consideration of the licence application or detailed plan.

Anchoring must take place within the coordinates that delimit the Utsira Nord area.

2.3 Weather radar

The Norwegian Meteorological Institute has pointed out that turbines in Utsira Nord may interfere with the signal of the weather radar located at Bømlo. Any impacts on the radar must be included in the project-specific impact assessments, and licence conditions may be imposed to mitigate potential consequences for the radar.

2.4 Strategic impact assessment

The Norwegian Water Resources and Energy Directorate (NVE) has carried out a strategic impact assessment of the areas Sørvest F, Vestavind B and Vestavind F. Utsira Nord is part of Vestavind F. NVE will deliver the strategic impact assessments for the remaining 17 identified offshore wind areas in June, after which they will be subject to a public consultation.

These assessments will provide a good foundation for assessing which areas should be opened and tendered in the future. Therefore, it may be possible that new project areas in Vestavind F or other nearby areas could be announced at a later date.

2.5 Coexistence

The Ministry is committed to ensuring good coexistence with other industries. Winners of the competition will be granted a project area with a time-limited, exclusive right to carry out a project-specific impact assessment and to apply for a production licence under Section 3-1 of the Offshore Energy Act, cf. Section 2-3 (4). Award of a project area does not otherwise confer exclusive rights to carry out activities in the area.



The Royal Decree of 12 June 2020 opening Utsira Nord highlighted heavy shipping traffic, with multiple vessel types. The area is opened for petroleum activity, although no petroleum operations currently take place there. There remains a possibility of hydrocarbon finds, but resource potential for petroleum is deemed low based on current knowledge.

Assessment of coexistence issues will be addressed in the project-specific impact assessment, which will examine any necessary mitigation measures. The Ministry may impose license conditions to limit harm or inconvenience to the environment, biodiversity, cultural heritage or other commercial interests.

3. Seabed surveys in the project areas

Data collection for seabed investigations for offshore wind in Utsira Nord was completed in 2024. Table 1 describes the data types collected.

Data for Utsira Nord will not be published until after the award of project areas, and the data will then be shared with those who have been awarded project areas. Since parts of the data lie within 12 nautical miles, authorization and potentially sufficient security clearance may be required to access the collected information.¹

Applicants that are awarded project areas will be charged the State's expenses for these surveys related to the project area. The costs for the surveys for Utsira Nord are estimated at NOK 38.5 million. Each of the awarded applicants will cover one-third of these costs.

The Norwegian Offshore Directorate will manage data access and payments.

Survey	Description
2D Ultra-High-	2D seismic data with high resolution for mapping down to 100–
Resolution (UHR)	200 meters below the seabed. Purpose: To map channels with
multi-channel seismic	potential for unstable ground for foundations, risks of shallow gas
	deposits, and boulders that may cause issues for anchoring. A
	sparker source was used with a receiver cable length of 160
	meters.
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Sub-bottom sonar	Sub-Bottom Profiler (SBP) data providing very high-resolution
	To identify changes in layering near the surface of the seabed and
	detect boulders
Multibeam echo	Multibeam Echosounder (MBES) bathymetry data maps the
sounder bathymetry	seabed with a grid resolution of 1.5 meters
(MBES)	seased with a grie resolution of 1.5 meters.
Back-scatter data	Backscatter (reflection values) data is collected to classify the
	seabed and identify changes. Purpose: Contributes to optimizing
	seabed mapping alongside MBES and SSS data.
MBES water column	MBES water column data. Purpose: To map gas bubbles in the
data	water column, which may indicate gas leaks from the seabed.

Table 1: Description of data types collected for Utsira Nord

¹ Cf. the Act on Information about specifically designated areas, sensitive objects, and seabed conditions and the Act relating to national security.



Survey	Description
Magnetometer data	Used to identify seabed hazards such as wrecks, existing
	pipelines, cables, and other metal objects on or just below the
	seabed.
Side-scan sonar (SSS)	A side-scan sonar emits high-frequency sound pulses to identify
data	seabed hazards such as oil and gas-related infrastructure (wells,
	pipelines, etc.), wrecks, cables (power and communication),
	unexploded ordnance (UXO), and boulders. Grid resolution of 1
	meter

Source: Norwegian Offshore Directorate

4. Grid connection and grid facilities

4.1 Connection of offshore wind from Utsira Nord

The power production from Utsira Nord shall be connected to the mainland. The Ministry assumes that the connection can take place via an alternating current (AC) connection. The rights holder will be responsible for building, owning, and operating a radial grid facility from the production facility to the point in the grid specified by Statnett.

Statnett has reserved 500 MW of grid capacity for the connection of offshore wind from Utsira Nord. The grid capacity will be allocated to the rights holder who wins the competition for state aid. Once it has been determined which rights holder will receive state aid, they must apply for grid capacity in the usual manner, no later than six months after the decision in accordance with Statnett's guidelines.²

Statnett has an obligation to connect facilities for the production of electrical energy, cf. the Energy Act section 3-4 a., and rights holders who do not receive state aid may request connection and reservation of grid capacity from Statnett.³

4.2 Point of connection, grid investment contribution, and costs for customer specific facilities

Statnett is responsible for designating connection points for grid connection in the transmission network. The Ministry refers to a letter from Statnett dated March 25, 2025, where Statnett recommends that offshore wind from the project areas in Utsira Nord be connected to one of the two new planned transformer stations, Karmøy or Gismarvik.⁴ Further details about the connection at these two recommended connection points are provided in Statnett's letter.

The rights holders must assume that they shall cover all relevant grid costs for the energy facility, as well as expect to pay grid investment contribution in accordance with the current regulations for onshore grid facilities, cf. chapter 16 of the Regulation for Trading Licensees. However, the Regulatory Authority for Energy (RME) has granted Statnett an exemption from requiring an investment contribution from production under the ten-year rule for the

⁴ <u>The letter is available here: https://www.statnett.no/globalassets/havvind/oppdrag-fra-oed/nettilknytning-av-500-mw-havvind-fra-utsira-nord.pdf</u>

² See <u>https://www.statnett.no/havvind/tilknytning-av-produksjon-fra-havvind/</u>

³ <u>Tilknytning til strømnettet | Statnett</u>



grid investment Blåfalli-Gismarvik.⁵ This applies to all production connected west of the SKL intersection.⁶

The rights holder must cover the costs of building, owning, and operating the facilities required to connect the wind farm to Statnett's designated connection point. Statnett assumes that the developer owns and operates its own switchgear with control systems at the relevant transformer stations. Cost estimates and further details for the establishment of customer-specific onshore facilities are provided in Statnett's letter of March 25, 2025. It should be noted that the estimate is subject to uncertainty.

4.3 Information from previous assessments

Statnett has assessed various aspects related to the grid connection of offshore wind from Utsira Nord. The Ministry has requested that Statnett make as much relevant information as possible available, developed in connection with the work on Utsira Nord. Statnett will publish reports from completed impact assessments once they are finalized in Q2 2025.⁷

4.4 Other relevant information

The rights holder shall submit a notification with a proposed impact assessment program for the grid connection. NVE will process the notifications collectively and will send them out for a joint public consultation. In its review of the notifications before the consultation, NVE may request that the rights holders make adjustments—for example, updating the names of any overlapping route alternatives—so that these are coordinated across the notifications, if the rights holder have not already coordinated this themselves.

NVE has created an information page for the case at

<u>https://www.nve.no/energi/energisystem/havvind/utsira-nord</u>. In case of contact with landowners, rights holders, and other stakeholders, the Ministry requests that reference be made to this information page. The Ministry also requests that the link to this page be included in the notifications.

The Ministry refers to NVE's decision in July 2024 to adopt impact assessment programs for Statnett's plans for coordinated grid connection for Utsira Nord (NVE ref. 202406296-59) and for Vår Energi / Equinor Energy AS's plans for the electrification of the Balder and Grane petroleum fields (NVE ref. 202210897-73). These documents and the associated background note (202210897-70) may contain information useful for the preparation of the notifications. We also refer to statements from landowners, authorities, and other stakeholders received by NVE during the public consultations of both cases. Documents are available via <u>www.einnsyn.no</u>.

4.5 Regulation of grid facilities

For grid facilities located within the baseline of the territorial sea, the Energy Act's rules on third party access apply, in particular sections 3-4 and 3-4 a of the Energy Act.

⁵ The Regulatory Authority for Energy's decision of February 24, 2025, with reference 202302962-8.

⁶ The SKL intersection (*Nw: SKL-snittet*) currently consists of two lines from Sauda and a line from Husnes to Børtveit. The SKL intersection is a restriction on the total transmission to Haugalandet across these three lines. The new Blåfalli-Gismarvik line will constitute a fourth transmission connection in the intersection, increasing the total transmission capacity.

⁷ For further information about Statnett's work on grid connection from Utsira Nord, see Statnett's website. <u>Nettilknytning Utsira Nord | Statnett</u>.



For grid solutions outside the baseline of the territorial sea, regulatory amendments will be required to provide a legal basis for third-party access requirements on the grid owner. However, the Ministry does not intend to impose an obligation to undertake investments on grid owners outside the baseline where a third party wishes to connect to the grid facility. This means that offshore wind developers may facilitate the connection of consumption and/or production to their grid, but there will be no requirement to do so if it necessitates modifications to the grid facility. The Ministry's position is that the grid owner should assess whether it is rational to accommodate third parties when planning and establishing grid facilities.

Statnett has authority under the Regulation on System Responsibility to impose requirements and make decisions that apply to connection points within the baseline of the territorial sea. The Ministry will ensure that Statnett also receives the authority to set conditions—such as defining and monitoring the functionality of generation facilities outside the baseline and other relevant requirements—through a future offshore system responsibility regulation. This may be achieved either through regulatory amendments or through license conditions.

The Ministry has asked NVE to begin developing regulations to safeguard offshore security of electricity supply, based on the recommendation in NVE report no. 19/2024.⁸ The Ministry of Energy has instructed NVE to base its work on the assumption that such regulations should enter into force before a license is granted for Sørlige Nordsjø II.⁹ License conditions related to security of electricity supply may also be imposed.

5. Tax

Under the general provisions of the Taxation Act, revenues from wind power and other renewable energy resources will be taxable for companies domiciled for tax purposes in Norway.

Effective from the 2024 income year, foreign companies are also subject to tax on income from wind power and other renewable energy resources in Norway's economic zones. This ensures that activities within the Norwegian tax jurisdiction are taxed and provides more equal conditions for Norwegian and foreign actors. The tax liability is established in Section 2-3, first paragraph of the Taxation Act, as a limited tax liability. As with companies that are tax resident in Norway, companies with limited tax liability will follow the general tax rules with a tax rate of 22 percent.

Resource rent tax for location-bound activities with extraordinary returns (resource rent) is an important part of a growth-oriented tax system. Given current projections for costs and electricity prices for offshore wind, no sustained resource rent is expected, and therefore this government does not intend to introduce a resource rent tax.

6. HSE regulations

The Norwegian Ocean Industry Authority (Havindustritilsynet) has been delegated responsibility for regulating and supervising safety and the working environment for offshore renewable energy production. On December 4, 2023, the authority submitted a draft regulation on safety and the working environment for offshore renewable energy production

⁸ <u>NVE Rapport 19/2024</u>: Innspill til forvaltningsregime: Ivaretagelse av kraftforsyningssikkerhet til havs.

⁹ Utarbeidelse av regelverk for ivaretakelse av kraftforsyningssikkerhet til havs.



for public consultation. The authority is now continuing work on finalizing the regulation. The HSE regulatory framework will be function- and risk-based, meaning that the requirements in the regulation can be met by following recognized norms and standards. The responsibility for safety lies with the operators themselves, including through systematic risk management.

A legislative proposal to make the working environment act applicable to these activities is currently under consideration by the Storting (Norwegian Parliament).

7. Consortia and competition matters

It is the applicant's own responsibility to ensure that cooperation with competitors and potential competitors complies with competition rules.

8. Collateral

The Ministry is working to secure a legal basis for the pledging of installations and licenses pursuant to the Offshore Energy Act. This legal basis will be in place well before expected commissioning.

9. Other

The Ministry is working on regulatory changes, including related to national security. The awarding of project areas will be carried out in accordance with the rules in force at any given time.

The Ministry will consider imposing conditions in licenses granted under the Offshore Energy Act requiring that activities carried out under such licenses be governed by Norwegian law and structured in accordance with Norwegian contract traditions.