Klima-, Energi- og Forsyningsudvalget 2023-24
KEF Alm.del - Bilag 98
Offentligt

Open Door 2.0

A supplementary model built on the principles of the original Open Door model and designed to sit alongside Denmark's public tenders. Open Door 2.0 places emphasis on pace, scale and keeping the seabed open for a broader range of potential developers.

Contact:
OX2 Denmark
Tue Lippert
tue.lippert@ox2.com
Phone: +45 53880188

Contents

Resumé

Der er sket store ændringer for havvindssektoren i Danmark inden for det seneste år, heriblandt suspenderingen af Åben Dør-ordningen. Udviklere af offshore wind (OSW) kunne efter først til mølle-princippet opføre OSW-projekter på dansk havbund, men ordningen blev suspenderet på grund af usikkerhed om, hvorvidt den levede op til EU's konkurrenceregler. Suspenderingen af ordningen har betydet, at størstedelen af de 33 Åben-dør-projekter (23GW), der allerede var under udvikling, nu er annulleret, og Danmarks potentielle OSW-kapacitet har lidt et betydeligt tab.

Regeringen har forsøgt at imødekomme dette tab ved at annoncere et nyt statsligt udbud af OSW. I denne ordning vil staten have en ejerandel på 20% af enhver udbudsvinders projekt, undtagen på Energiø Bornholm. Selvom det statslige udbud potentielt kan bidrage med 9GW inden 2030, er det stadig en betydelig udfordring at nå op på de 23GW, som var i udvikling under Åben-dør-ordningen. Nationale klimamål og nye internationale aftaler fra 2022 og 2023 betyder, at regeringen er under pres for at levere en betydelig etablering af ny grøn energi.

Det foreslås derfor at identificere en alternativ ordning for tildelingen af OSW-projekter, som giver udviklere adgang til havbunden samtidig med at sikre overskudsdeling med staten. Den nye model for Åben Dør vil være et supplement til de statslige udbud og dermed hjælpe regeringen med at nå sine klimamål.

Nøgleprincipperne for Åben Dør 2.0, der skal lempe barriererne for at opføre OSW i Danmark, er:

- **At tillade åben adgang -** Udviklerne af OSW vil stå for udvælgelse og forundersøgelse af havarealer inden for rammerne af Danmarks havplan.
- **At dele overskuddet med staten og sikre diversitet blandt udviklere -** Modellen erstatter kravet om store forhåndsbetalinger med et krav om overskudsdeling med staten, når vindmølleparken er gået i drift og genererer overskud. Dette åbner for at mindre, men kompetente udviklere, kan få adgang til det danske marked, samtidig med at staten er sikret indtjening fra brugen af havbunden.
- **At begrænse den administrative byrde -** Modellen vil fritage myndighederne fra en stor del af den administrative byrde og i stedet lægge den på udviklerne. Dette vil bidrage til at forkorte processen med at opføre OSW.
- **At prioritere store projekter -** Udviklere vil blive tilskyndet til at opføre store OSW-projekter for at udnytte de tilhørende fordele ved projekter i stor skala i form af hastighed og kapacitet.

Executive Summary

Over the past year there have been large changes to the offshore wind sector in Denmark, including the suspending of the Open Door model. The model allowed first come, first served access for developers to develop certain areas of the Danish seabed for offshore wind (OSW), and at the time of suspension had 33 projects (23GW) in its pipeline, the majority of which have since been cancelled. The suspension was due to anxiety about the model's robustness in relation to EU competition law, and has resulted in a considerable loss of potential OSW capacity in Denmark.

The Government's response has been to announce new OSW targets that will be delivered through a public tender model. All projects accepted under this model (except Energy Island Bornholm) will be partially owned by the State, who will take a 20% minority stake in each project. Although these projects will help to ensure that 9GW of capacity can be delivered before 2030, there remains a considerable challenge in closing the gap to the 23GW, which the Open Door model had in its pipeline. National climate targets and new, international agreements signed in 2022 and 2023 mean that the Government is under pressure to deliver significantly on establishing new green power.

It is therefore proposed to identify a new alternative model that grants developers access to seabed, but takes a profit sharing mechanism with the State into account. The new Open Door model is established to function alongside the public tenders, and can help close the gap and enable the Government to successfully meet its climate goals.

The key principles of the Open Door model 2.0 is to reduce the barriers for developing offshore wind in Denmark by:

- **Enabling an open access approach** – The model places site selection and pre-assessment requirements on the developers within the boundaries outlined in Denmark's Marine Spatial Plan.
- **Giving potential upsides for the State, whilst encouraging developer diversity** – The model removes the need for large upfront payments from the developers in exchange for using the seabed. Instead, compensation to the State is shifted to after the wind farm has started to operate and is generating revenue.
- **Limiting the additional administrative burden** – The model aims to limit the requirements on government entities and other public authorities, which will also help to increase pace of development.
- **Prioritising larger wind farms** – The model aims to encourage developers to submit larger wind farms with the included large-scale benefits and thereby implementing speed and scale in the model.

Section 1: background – why is there a need for Open Door model 2.0?

Key developments in the offshore wind sector in Denmark

Throughout 2023 there have been large changes in the Danish offshore wind sector. At the beginning of the year, the Danish Government announced the suspension of the Open Door scheme, which had been in operation since 1999. The suspension resulted in 33 offshore wind projects being put on hold, totalling almost 23GW of green power capacity. The reason for the suspension was due to anxiety about the model's robustness in relation to EU law and the legality of the 'first come, first served' principle that underpinned the entire scheme. After further investigation, only 9 of the 33 projects have been able to continue into development.

Despite this, the Danish Government is under pressure to deliver on offshore wind, not only to support national climate targets, but also to fulfil international agreements. Denmark aims to operate on 100% green power by 2030, with a large proportion of this supplied by wind power. The Danish Energy Agency's latest 'Klimastatus og fremskrivning' memo indicates that by 2035, wind has the potential to account for almost 65% of power produced. Likewise, on the international stage, the Danish Government outlined in the memo 'Danmark Kan Mere II', that Danish offshore wind will play a large role in Europe's decarbonisation pathway. In 2022, Denmark signed the 'Esbjerg agreement', a joint agreement with Germany, The Netherlands and Belgium, which aims to develop 65GW of offshore wind capacity in the North Sea by 2030, and a total of 150GW by 2050.

To support these commitments, a majority of the Danish political parties made an agreement in May 2023 to deliver 9GW offshore wind by 2030 through public tenders. This includes 6GW of newly defined seabed areas, as well the 3GW Energy Island Bornholm. The tenders are set to run between the end of 2024 and the start of 2025. They will include a unique state ownership model in which the Danish State becomes a minority owner (taking a 20% stake) of the projects.

Although these announcements of the public tenders should support the capacities needed to deliver on the 2030 targets with the proposed over-planting and direct connection to PtX, the Danish Government will need to ensure that green power supply can continue to keep up with demand. The green transition will put increased pressure on the power network, with the transition to Electric Vehicles (EVs) and the decarbonisation of heat. Furthermore, Denmark has signed a new 'Joint Declaration of Intent' with Germany aiming to deliver significant volumes of green hydrogen. All of these initiatives are aligned with Denmark's ambition to reach upwards of 4-6GW of electrolysis capacity by 2030, requiring access to more, cheap wind power beyond the new capacities outlined in the public tenders.

In support of a new Open Door model

A more agile model that can sit alongside the public tenders will be critical to support the goals outlined above without burdening the Danish authorities and public entities too much.

Although there are many upsides to the public tender models, there are also certain shortcomings that a market driven tender model can help to address. Firstly, there remains large undeveloped areas of the seabed. This is reflected in the 24 Open Door projects that were cancelled, but also indicated in the Danish Marine Spatial Plan, which includes large areas of un-designated seabed zones. Furthermore, the minimum requirements laid out in the tender materials only enable a small group of the relevant renewable

developers to participate. These groups tend to be the larger, global players who have the capital reserves necessary to pay the upfront costs associated with leasing the seabed. The state ownership model and public tender process also place a high administrative burden on the Danish Energy Agency (DEA) and the sector.

A new and revised Open Door model complementing the public tenders will help to ensure that the Danish seabed remains an area for accelerated expansion of green energy that can empower those developers, who are looking to use innovative approaches.

Removing the requirements for large upfront payments to lease the seabed during planning phases will help to enable smaller, more agile developers to participate. This will help diversify the development of seabed, spreading risk from a handful of actors to a broader range of developers. Remuneration for the use of the seabed could instead be postponed until the wind farm is generating considerable revenues and consist in parts of the profit. This is an important point to emphasise given the current challenges faced by the sector from resource constraints, and rising costs of raw materials and capital due to high inflation, the fallout from COVID-19 and the energy crisis.

A simpler application and evaluation process will also help to reduce the administrative time required by the DEA. In addition, an emphasis on supporting the green hydrogen agenda rather than requiring a connection to a highly stained power grid will also help lowering the burden on Energinet and public entities, and accelerate development timelines.

This memo lays out a detailed overview of the key principles of an Open Door 2.0 model and provides a demonstration of the possible upsides the Danish State could gain from Open Door 2.0 offshore wind projects. The insight gained from this memo could serve as useful knowledge for the Government in their investment into further facilitating the green transition.

Section 2: Design criteria – what should Open Door model 2.0 help achieve?

The design of the Open Door model 2.0 is based on a number of key criteria to ensure that the model can successfully address the key points set out in Section 1.

The model's design will help address the specific shortcomings of the original Open Door model[1]. The eight design criteria are outlined in Figure 1 below.

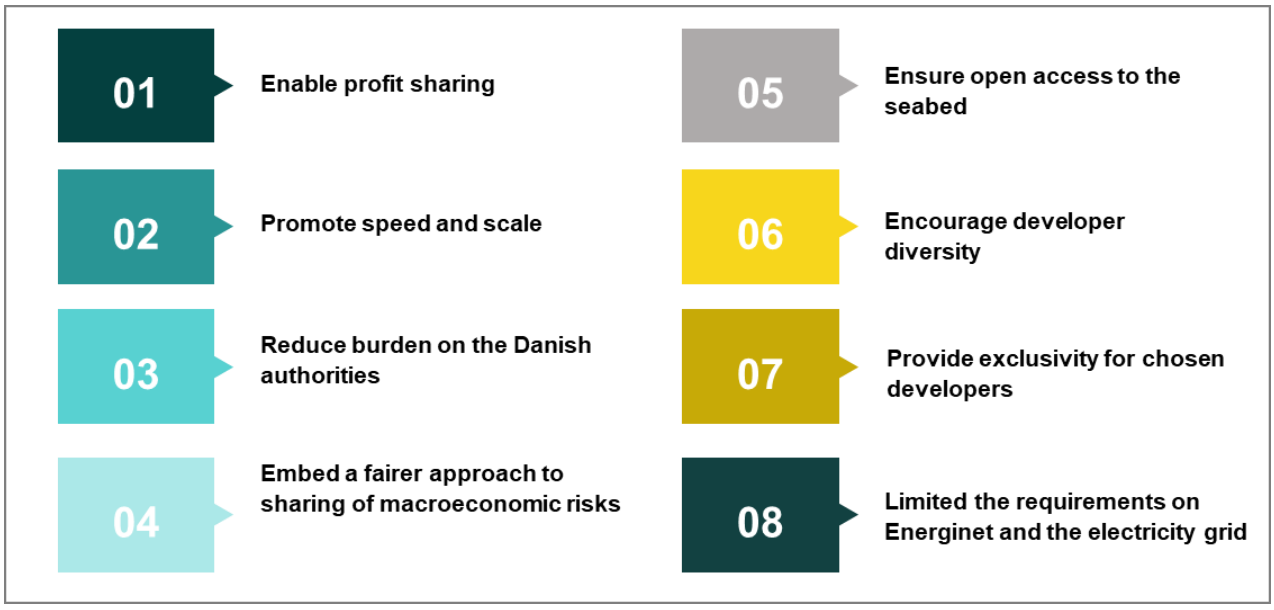

Figure 1: Design criteria used to guide the design of the Open Door model 2.0

Detailed overview of the eight design criteria

1. Enable profit sharing
   Since the Danish seabed is a public resource, developers should not freely be able to exploit it without providing a benefit back to the State and the Danish public. Conversely, developers should be able to earn sufficient profits on the wind farms they construct and operate. Therefore, the model should be designed in a way where profit can be shared between the developer and the Danish State. Sharing profits after the wind farm starts operating instead of requesting a large upfront fee ensures that a wider range of market players can participate, including smaller developers who can deliver in a faster and more agile way.

2. Promote speed and scale
   The new model should be designed in a way that encourages developers to design offshore wind projects that can be delivered at pace. This can partially be achieved by providing incentives for developers to meet certain milestones within set timescales, but also by reducing administrative hurdles and bottlenecks. In addition, the model should also favour and promote the development of larger wind farms. This can be achieved through design criteria #1, which, through economies of scale, will mean that larger projects can generate higher profits faster. Embedding size as part of

[1] This includes considerations for the EU's state aid rules, however Open Door model 2.0 has not yet been evaluated from a legal perspective.

the evaluation criteria when choosing between two different projects for an overlapping area will also help to achieve this. Speed and scale are both important factors to consider given the accelerated pace of renewables build-out needed to achieve net zero in Denmark and the political ambition of becoming an exporter of green hydrogen.

3. Reduce the burden on the Danish authorities
   The new model should be designed to ensure only limited resource requirements will be needed from public entities, such as the DEA and Energinet. Designing a model that has a simple evaluation process will help reduce any additional burdens. Thus, ensuring that time is effectively managed will be beneficial. Containing the application process within a certain period of time can indeed help with reducing the burden on the Danish authorities.

4. Embed a fairer approach to sharing macroeconomic risks
   Unpredictable or uncontrollable macroeconomic risks should be shared between the developer and the State. This helps to reduce the developer's risk premium, therefore enabling a lower cost of borrowing when funding the upfront capital costs required to develop and construct a wind farm. This is likely to benefit Denmark in the long run as it will help to increase profits and probably result in the developer being more willing to share a larger percentage of profits.

5. Ensure open access to the seabed
   One of the great successes of the original Open Door scheme was the underlying principle that any developer had equal opportunity to submit an application to develop a portion of the Danish seabed. Open Door 2.0 continues to promote this notion. The areas of seabed open to development should be undesignated and follow plans laid out in the new Marine Spatial Plan.

6. Encourage developer diversity
   The model should be designed in a way that encourages diversity amongst the developers constructing and operating wind farms on the Danish seabed. To ensure that Danish offshore wind is not taken over by a few, dominating operators, the model should be designed in a way that encourages diversity amongst the developers. By doing so, the model can reduce risk and ensure healthy business development as well as fostering opportunities for continued innovation within the sector.

7. Provide exclusivity for chosen developers
   Developers, whose applications are selected, should gain exclusivity over the specific area of seabed that they have applied for a defined period of time. Exclusivity will help to reduce the risk for the developers as they develop their projects and it should likewise increase the incentives among other developers to apply in the future. It is important that once exclusivity has been granted, the model should be designed in a way that prevents inefficiencies from forming and instead continues to incentivise and reward pace. The aim is to ensure rapid development and build-out of the selected projects. As known from the public tenders, the authorities can add penalty schemes for companies that are awarded exclusivity but do not use it.

8. Limit requirements on Energinet and the electricity grid
   As well as preventing a large administrative burden on public entities for running the process, the model should also prevent unnecessary large capex requirements being placed on Energinet and the electricity grid. Large additional volumes of offshore wind will need to be connected to the grid, and possibly result in the need to increase grid capacities in certain areas. Projects that limit these requirements should be prioritised[2]. For example, wind farms could be directly connected to a PtX plant rather than connected to the power grid. The developer should be responsible for both the offshore and onshore assets related to the wind farm, including transformers and cables, as this will also limit the burden on Energinet.

Section 3: An overview of the Open Door model 2.0

The Open Door model 2.0 is an annual, open tender process that has been specifically designed to meet the design criteria outlined in Section 2.

Under an annual open tender process, it will be possible for a wide range of national, regional and global offshore wind developers to bid for any area of Denmark's available seabed. Developers commit to paying a percentage of their annual profits above a certain threshold, starting at an agreed point in time after commissioning, in exchange for access to the seabed. For the purpose of this memo, the grace period is set to 10 years from the commissioning date. The proposed model is outlined below in Figure 2.

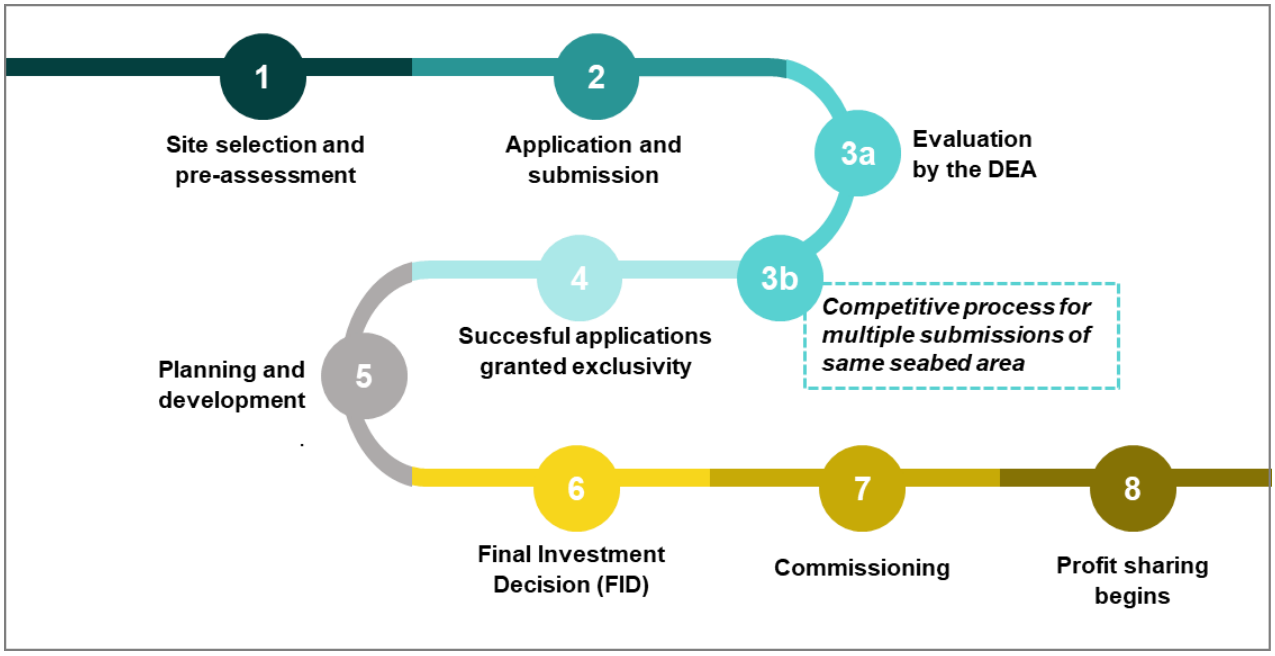

Figure 2: Outline of the key process steps that make up Open Door Model 2.0

Detailed overview of the Open Door model 2.0 process steps

1. Site selection and pre-assessment
   Developers will produce their independent survey of the available areas of the Danish seabed to identify a site that they are interested in pursuing to develop a wind farm. The developer will then

[2] Within the boundaries of EU legislation Energinet can be excused from obligations to secure enough capacity to bring the wind farms production to the grid

perform a preliminary site assessment to determine its potential capacity and size, identify any technical considerations, and build an initial business case to determine potential revenue generation over the lifetime of the wind farm. The pre-assessments are performed independently and without the support of the DEA.

2. Application and submission

   The application process for Open Door model 2.0 takes place on an annual basis. The reason for this is to limit the burden on DEA resources, to support a more predictable estimate of time requirements, and to generate a higher likelihood for competition in the higher-value locations. To apply, the project must satisfy several minimum requirements. This is to ensure that all projects submitted can create value for the state, and to limit efforts spent on evaluating projects that have not been seriously considered or thought through. A limit to how many applications (or GW) each company can participate in and submit in an annual process can be considered and potentially included. A key element and a minimum requirement to the application, is the percentage of profit the developer is willing to share with the state and the total amount of revenue the wind farm is expected to generate. The profit-sharing percentage that is submitted in the application is final and cannot be amended.

3. a) – Evaluation by the DEA

   Once the application has been submitted, the DEA will evaluate all the applications that have been received to ensure that the minimum requirements have been met. Any applications that are submitted outside of the annual application window or do not meet the minimum requirements will be rejected. All projects that satisfy the minimum requirements will be accepted unless there are two applications competing for the same area or overlapping area of the seabed. Where this is the case, further evaluation will take place to identify the winning project. Further information on the minimum requirements can be accessed in Section 4.

3. b) – Competitive process for multiple submissions of same seabed area

   Where there are two or more applications for the same area of the seabed or overlapping areas of the seabed, a competitive process will be initiated. A predefined set of evaluation criteria will be used by the DEA to make a decision on which project should be granted exclusivity in an area. The primary evaluation criteria should be based on the amount of profit the state is expected to receive throughout the life cycle of the wind farms. However, it may be prudent for the DEA to consider other criteria, such as speed and size, etc., which are also important for Denmark's national climate targets. Running only an annual process is expected to encourage higher competition and better quality in the submitted bids over the most sought-after sites. As the process continues, the number of available sites will decrease, which will further increase competition. Higher competition will lead to larger amounts of revenue for the state to reinvest into facilitating the green agenda, as developers are willing to share a higher percentage of their profits to secure the most valuable sites. Further information on the evaluation criteria can be accessed in Section 4.

4. Successful applications granted exclusivity

Developers with successful applications will be awarded exclusivity over the seabed area they will develop for a given period of time. This means that no other developers can subsequently bid for some or all of this area.

5. Planning and development
   Once exclusivity is granted, developers should be quick to start the execution of their agreed plans. They should be working to their agreed timelines submitted to the DEA, which formed part of their application process. Developers who are not able to meet their timelines without mitigating circumstances may lose their exclusivity rights and the seabed will again be available to bid on in subsequent application rounds. Also, penalties for not meeting development plans or bonus/malus structures can be included in the terms. Alternative consequences may also be explored. The reason for a focus on meeting milestones is to ensure that the seabed is developed at a pace that can support Denmark in meeting its climate targets and to prevent any exploitation of the Open Door model 2.0.

6. Final Investment Decision (FID)
   Construction of the wind farms begins. Developing an OSW represents a huge investment decision, and it is therefore customary among developers to have a formal internal process leading up to the Final Investment Decision with the Board of directors.

7. Commissioning
   The wind farm reaches commissioning and goes into operation. The grace period of no profit sharing begins. The developer keeps all revenue, recuperating the investments made during the planning and construction phases.

8. Profit sharing begins
   10 years from the commissioning date (the grace period), the developer will begin to share the agreed percentage of profit with the State on an annual basis. The sharing of profit only applies once the developer has exceeded a certain profit threshold each year. This threshold is predefined by the Danish Government and can be dependent on interest rates and risk metrics. The profit-sharing continues until the wind farm is decommissioned. Further information regarding the profit-sharing process is outlined in Section 5.

Section 4: Evaluation criteria – how will projects be selected?

As dictated by the design criteria in Section 1, the evaluation process must not create a considerable burden on the DEA. All projects should be accepted as long as they meet certain minimum requirements. These minimum requirements should be defined by the DEA. Where more than one application is made for the same seabed area, the projects will be evaluated against a set of evaluation criteria.

1. **Minimum requirements**
   To be defined by the DEA but follow below evaluation criteria and factors. It is proposed that the DEA include a requirement that will prevent no or very low-profit sharing from taking place.

2. **Evaluation criteria where competition exists**

The primary factor for consideration is the amount of revenue the state will receive through the profit sharing of the proposed projects. Other criteria could also be taken into account to ensure that the projects align with Denmark's national climate goals. Alternatively, these other factors could also be used to inform the minimum requirements. An overview of these is provided below:

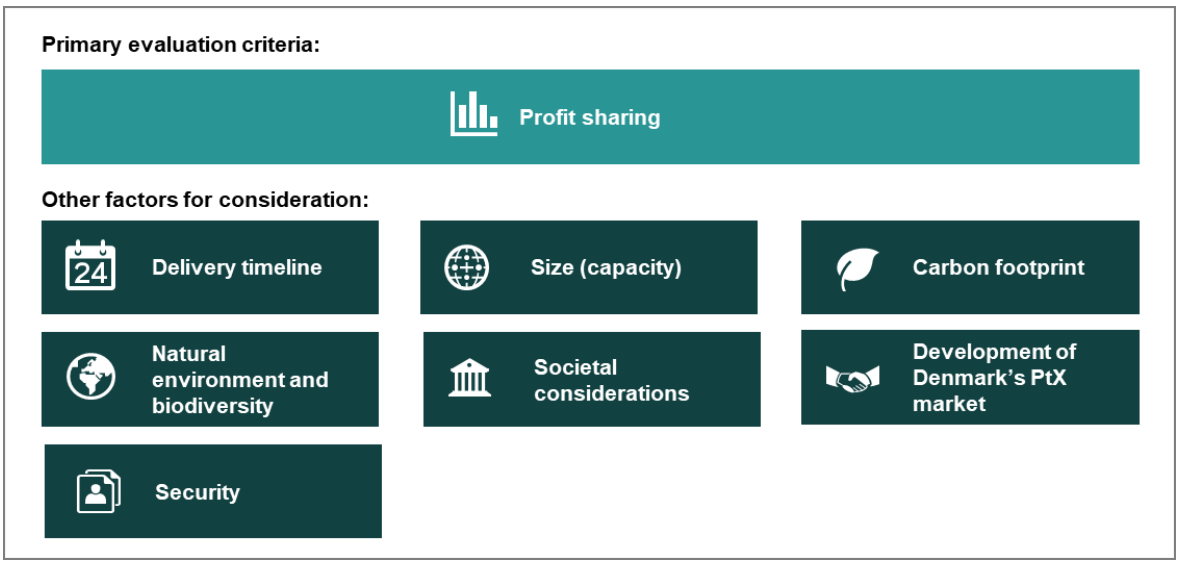

Figure 3: overview of proposed evaluation criteria and considerations

Primary evaluation criteria:

- **Profit sharing -** The project that will result in the highest amount of revenue for the state should be favoured. Both the total expected profit and the profit-sharing percentage should be considered.

Other optional considerations for DEA to take into account when defining the minimum requirements (phase 3A) or evaluation criteria (phase 3B):

- **Delivery timeline** - Projects that can be deployed at a pace and with a commissioning date before 2030 should be favoured to help meet national climate targets.
- **Size (capacity) -** Larger projects with higher capacity should be favoured to obtain economies of scale and unlock efficiencies.
- **Carbon footprint -** Projects that can be delivered with a lower carbon footprint over the entire project lifetime (e.g., materials, construction methods, efficient operations etc.) should be favoured.
- **Natural environment and biodiversity -** Efforts should be made to limit the environmental impact by favouring projects with the least negative and biggest positive impact on the natural environment and biodiversity.

- **Societal considerations -** Projects should contribute positively to society, by considering factors such as social provisions and anti-corruption. Projects that support the use of local components and local job creation may also be favoured.
- **Development of Denmark's PtX market** - Projects that can demonstrate that they support PtX build-out in Denmark and can ease the load on Energinet to minimise costs for grid reinforcement should be prioritised.
- **Security** - Projects that support effective security considerations should be prioritised, e.g., surveillance and protection of the critical infrastructure integrity, infrastructure redundancy, monitoring, cybersecurity, etc.

Section 5: Detailed overview of the profit-sharing process

The most important evaluation criteria in the case of competition is the amount of profit that will be shared with the state. The DEA may also wish to embed a minimum profit-sharing percentage as part of the minimum requirements for submission. The key principles of this element of the model are outlined below and in Figures 4 and 5:

- The developer is responsible for all costs (devex, capex, opex, abex) associated with the wind farm throughout its entire lifecycle.
- The developers receive a set 'grace period' from the point of commissioning. The grace period is a period of time where the developer may receive 100% of the revenues generated by the wind farm. It is recommended that the grace period should be set to 10 years, however, this can be changed.
- After the 10-year grace period, the developer shares the profits generated within each subsequent year of operation with the state. Each year, the profits above a certain threshold will be shared. Profit generated up to this point is referred to as the 'non-sharing profit amount', which the developers can keep 100% of. This profit will conceptually remunerate lending capital in the project. Profit generated above this threshold will be shared with the state at a percentage rate chosen by the developer (e.g., 50%). The threshold of non-sharing profit is to be defined by the Danish Government. See Figure 4 for further details.
- At the point of submission, the developer commits to the percentage of profit they are willing to share e.g., 50%.

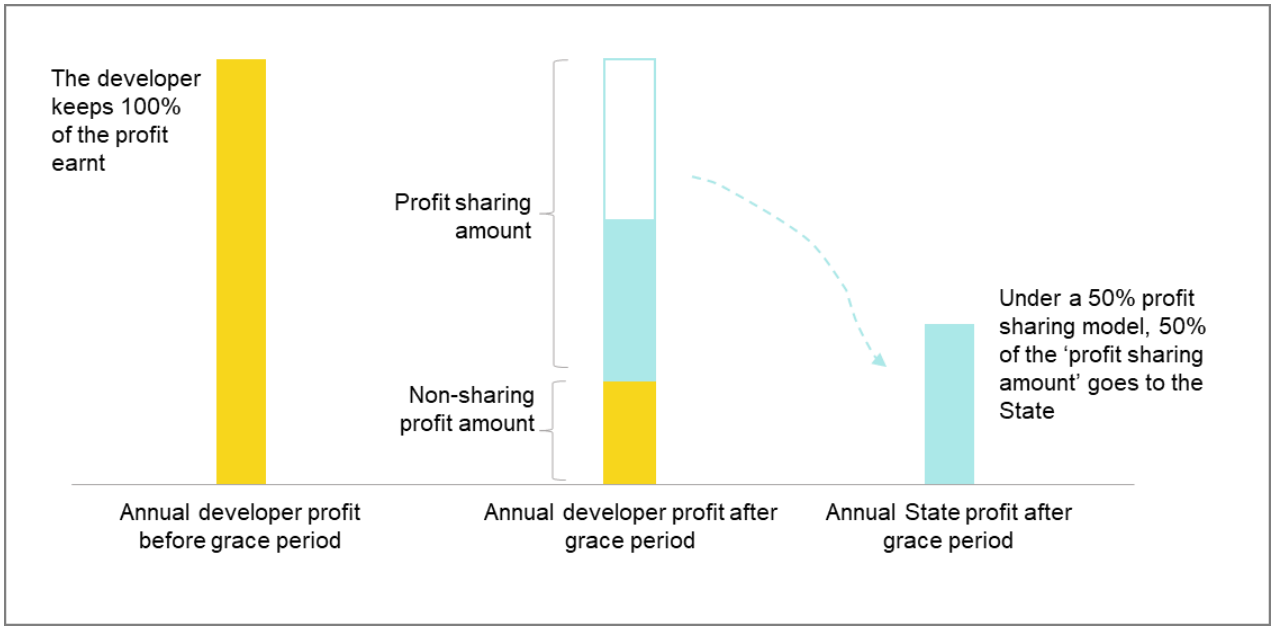

Figure 4: Overview of the annual profit of the developer and the State before and after the grace period. This diagram is only for illustrative purposes and it is unlikely that total revenues will remain the same year on year.

The sharing of profits will have an impact on the cumulative cash flows for the developer over the lifetime of the wind farm. Figure 5 shows the results of a financial modelling exercise based on a 4GW wind farm.

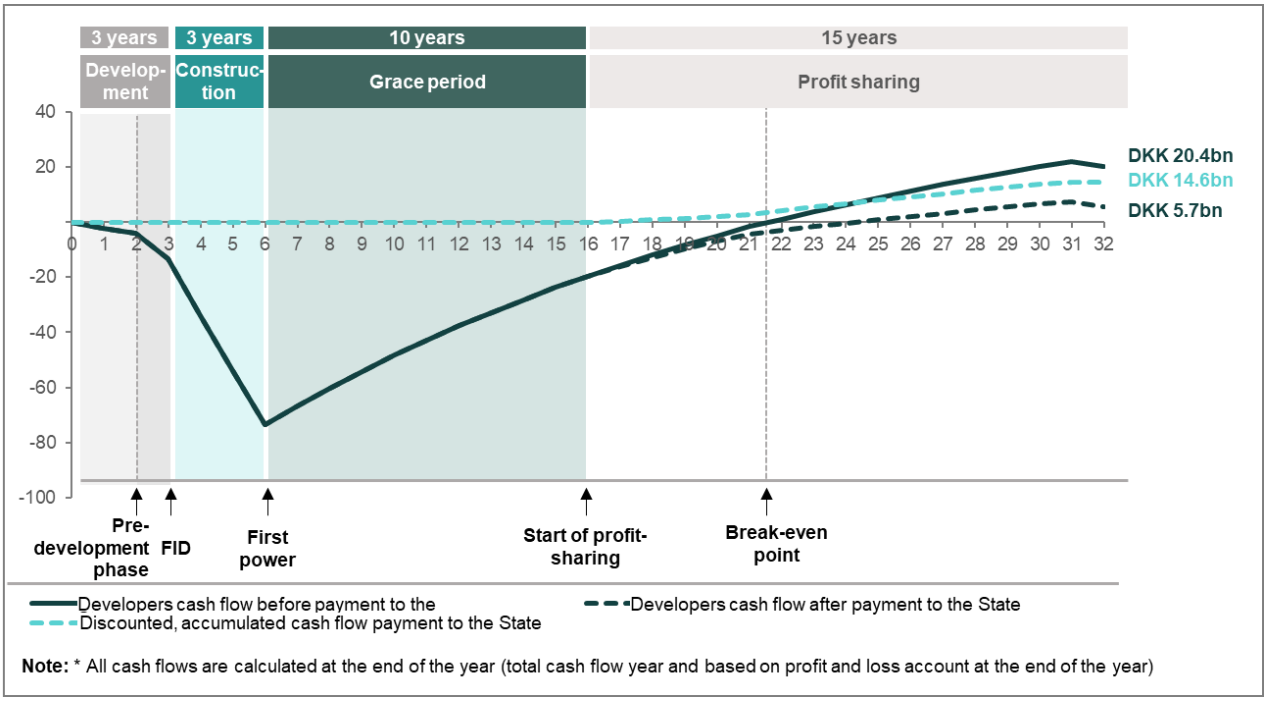

Figure 5: Illustrative accumulated cash flow for developer and the State, based on 4 GW wind farm with a 10 year grace period and a profit sharing percentage of 50%. Cumulative cash flows are shown in DKK bn.

Under this example, the State could achieve revenues of more than 14.6bn DKK, and the developer can gain a total profit of 5.7bn DKK across the full lifetime of the wind farm. The figure demonstrates the large initial capital expense (capex) the developer pays for the construction of the wind farm, which they then recover throughout the wind farm's useful life. Figure 5 also clearly demonstrates how the State only begins to receive revenue once the grace period has ended.

The model shows that with no profit sharing, the developer can expect to break even after 21.5 years (i.e., 15.5 years after commissioning). However, with profit-sharing the breakeven point is pushed back by two years as they will be sharing a portion of their annual profits with the State. There is not expected to be a large change in the breakeven point compared to models that require a large upfront cost for the use of the seabed. This is because the initial investment costs will be much higher, and therefore take much longer to recover.

Any developer would, due to the profit-sharing mechanism, have an incentive to reduce profits in the licensed company if these can be shifted towards other related entities. Elements from the transfer pricing control and regulation on arms-length business interaction that applies in the power and gas distribution business can be used here. Similar measures are necessary to ensure fair profit sharing in models with state co-ownership.

Section 6: Comparing Open Door model 2.0 to other models – what are the key differences?

Below is a table summarising an evaluation of three separate models against the design criteria presented in Section 2. The three models that are evaluated include the public tender model, the old Open Door model, and the proposed Open Door model 2.0.

	Present	Cancelled	Proposed
	Public tender	**Open Door**	**Open Door Model 2.0**
	The DEA announces a site-specific tender for an offshore wind farm of a specific size.	*Developer takes the initiative to establish a new wind farm of any size anywhere on the seabed.*	*Developer participates in annual tender to establish a wind farm of any size anywhere on the seabed.*
01 Enable profit sharing	✓	✗	✓
02 Promote speed and scale	✗	✓	✓
03 Reduce burden on the Danish authorities	✗	✓	✓
04 Embed a fair approach to sharing of macroeconomics risks	✓	✗	✓
05 Ensure open access to seabed	✗	✓	✓
06 Encourage developer diversity	✗	✓	✓
07 Provide exclusivity chosen developers	✓	✓	✓
08 Limit the requirements on Energinet and the power grid	✗	✓	✓

Figure 6: comparison between public tender model, old Open Door model, Open Door model 2.0 to the design criteria

The table demonstrates that the Open Door model 2.0 satisfies the design criteria, improving on the previous Open Door model. It also clearly shows that Open Door model 2.0 delivers a separate service that sits well alongside the public tender model.

One of the unique features of the public tender is the state ownership model, which dictates that the State must partially own (20%) of all the offshore wind projects selected as part of the tender. It could also be possible to embed this principle into the Open Door model 2.0 in the place of profit sharing. Certain considerations would need to be taken into account, such as the impacts on the level of additional administrative burdens that would be placed on the DEA and the level of risk that the Government is willing to take in terms of minimum requirements.

Section 7: Conclusion

There are clear advantages for implementing a new Open Door model 2.0:

1. **Support Denmark's PtX and green energy ambitions**

   A fast and simple model for offshore wind development in Denmark will accelerate the growth of green energy in both the short and long term.

2. **Become a key energy transition player for Europe**

   The model will help secure Denmark's position as a leading player in Europe's green transition and lay the foundations for a PtX industry in Denmark.

3. **Reinvestment into Denmark's green economy**

   The state receives revenue from the rights to the seabed, which may be reinvested in other initiatives that contribute to the green transition.

4. **Green job creation**

   The model will increase investments in the green transition and create new green jobs in Denmark.

5. **Reduced burden on the authorities**

   By offering an alternative model for public offshore wind tenders the administrative burden on DEA and Energinet will be reduced.

Disclaimer – This memo's financial data and results are based on a financial model developed by KPMG on the basis of input from OX2. Data from the financial model should be considered to be illustrative example data and cannot be used for commercial valuations, trading recommendations or the like.