

Annex 2: Project description for Thor Offshore Wind Farm

The English version is a translation of the original in Danish for information purposes only. In case of a discrepancy, the Danish original will prevail.

Contents

1. About the project description.....	333
2. Main contents of the concession	333
3. Routing onshore and grid connection	555
4. Preliminary investigations and the environmental assessment process	666
5. Subsidy scheme for Thor Offshore Wind Farm.....	999
6. Defence Command Denmark, radar and UXO	999
7. Licences	101010
8. Administrative procedure after award of the concession.....	101010
8.1. EIA approval of the concessionaire's part of the onshore installation etc.	111111
8.2. Licence for preliminary investigations for the offshore installation and environmental impact assessment (EIA), etc.	121212
8.3. Concessionaire's time schedule	131313
8.4. Licence for construction.....	141414
8.5. Inspection etc. during the construction phase	151515
8.6. Licence for electricity production and authorisation to produce electricity	151515
8.7. Decommissioning of the installation.....	161615
9. Reservation for unbundling regulations	161616
10. Management of energy storage through batteries and PtX etc.	161616

1. About the project description

This project description outlines the main content of the concession being tendered for Thor Offshore Wind Farm and contains other relevant background information for the project.

See point 16 of the tender conditions on prerequisites and conditions for the tendering procedure and the concession agreement.

In the event of any discrepancy between this project description, on the one hand, and the draft concession agreement (annex 3), the model licences and the model authorisation (annexes 3.1-3.4), on the other hand, the latter documents take precedence, as the model licences take precedence over the concession agreement.

2. Main contents of the concession

The following is a description of the overall contents of the concession. The concession consists of a concession agreement, the licences and the authorisation mentioned below. The concession agreement obligates the successful tenderer (concessionaire) to construct and connect to the grid Thor Offshore Wind Farm with associated internal collection grid, including offshore and onshore facilities for transmission of power to shore and onwards up to the connection point onshore under the framework terms and conditions stipulated in the concession agreement, as well as to exploit the wind resources in this area for the production of electricity on the financial terms laid down in connection with the concession agreement, provided that the necessary licences for construction and connection to the grid are obtained by the concessionaire. The concession agreement is conditional upon various prerequisites. See points 1 and 7 of the draft concession agreement (annex 3).

The concession agreement is accompanied by model licences for preliminary investigations, construction of the Thor Offshore Wind Farm, electricity production, and a model authorisation to produce electricity. The licences and the authorisation are contained in these tender materials in the form of model licences in annexes 3.1-3.4 to the concession agreement. As the project continues and the concessionaire obtains these necessary licences, these licences will replace the relevant model licences and become annexes to the agreement.

The concessionaire will have exclusive rights to the subject of the licences when the conditions for issuing such licences have been met.

The concessionaire will therefore have exclusive rights and an obligation to conduct preliminary investigations for Thor Offshore Wind Farm in the North Sea in a specified area of Danish territorial waters and in the exclusive economic zone, to construct and connect to the grid the offshore wind farm as well as to exploit the wind power.

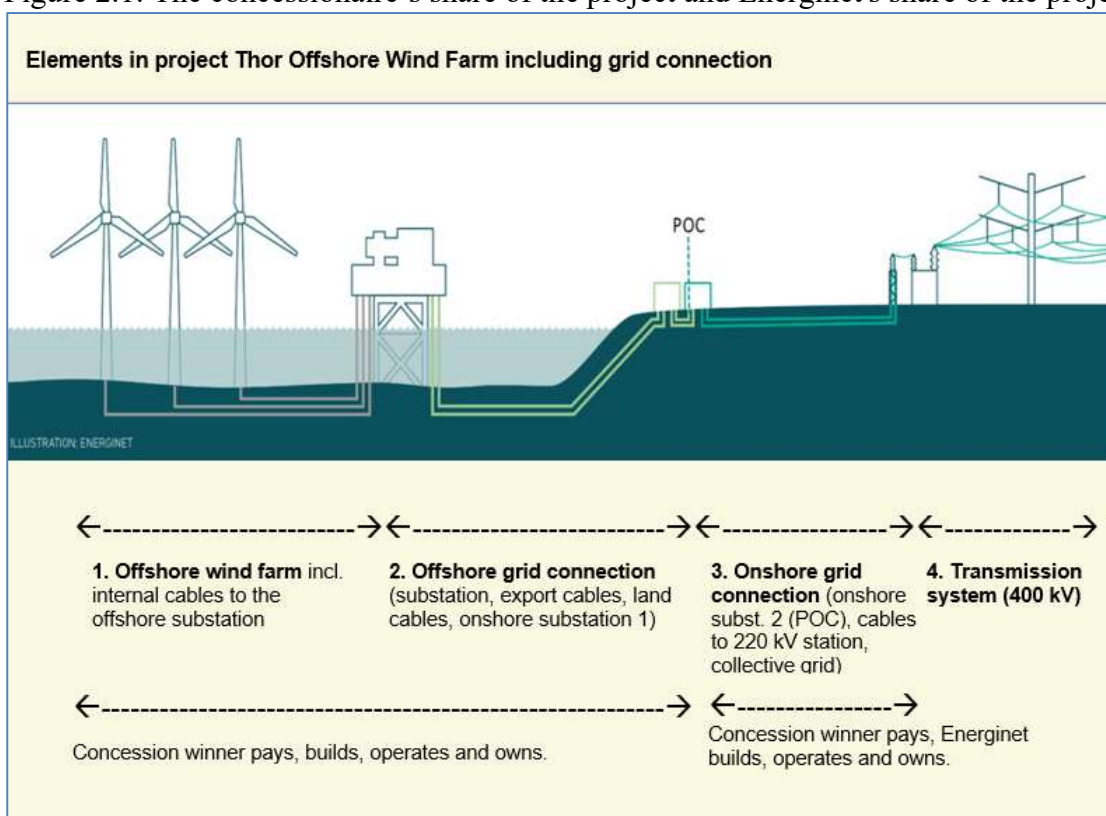
Annexes 3.1 and 3.2, model licences for preliminary investigations and construction of Thor Offshore Wind Farm, describe ~~the overall current preliminary investigation the tendered gross project area of 286440km². The final area within which the project can be developed will be finally defined when the strategic environmental assessment process for the plan for Thor has been completed in the first half of 2021. The model licences will then be updated with a gross project area expected to have a size of max. 286km², see more about this under point 2.1 in annex 3.1 (model licence for preliminary investigations) and section 3.2 in annex 3.2 (model construction licence), see section 4 below.~~

The offshore wind farm must have a capacity of min. 800 MW and max. 1,000 MW. The exact capacity will be determined by the tenderer in the tender, and the exact size thus depends on the tender from the successful tenderer.

See the energy policy agreement of 29 June 2018, between the Government at that time (Denmark's Liberal Party, Liberal Alliance and the Conservative People's Party), and all other parties in the Danish Parliament (the Folketing) at that time (the Danish People's Party, the Danish Red-Green Alliance, Alternative, the Social Liberal Party and the Socialist People's Party), in which tendering of an offshore wind farm in 2021 of a minimum 800 MW was decided. See also the subsequent political decisions made by the political parties to the Energy Agreement (energiforligskredsen), including the decision to include routing onshore, the decision on a wind farm size of 800-1,000 MW, as well as the decision on selecting the site for Thor in the Danish territorial waters and in the exclusive economic zone.

Electricity is to be routed onshore to the Danish electricity supply grid, except in the situations mentioned in annex 3 (draft concession agreement), section 22 (exploitation of energy to produce other forms of energy, including PtX, etc.). The cable system from the wind farm to the connection point onshore (Point of Connection, POC), including a nearshore substation 1, which is no. 1 and 2 in Figure 2.1, will be financed, established, owned and operated by the concessionaire. Energinet will establish, own and operate the nearshore substation 2, that hosts the POC, and the grid up to the 400 kV grid in Idomlund, but this part will be financed by the concessionaire, which is no. 3 in Figure 2.1. Further matters with respect to grid connection are described in point 3 and annex 3.7 (grid connection agreement) and [annex 3.8](#) (grid connection interfaces), and an overview of the installation is shown in Figure 2.1

Figure 2.1: The concessionaire's share of the project and Energinet's share of the project



The concessionaire will be entitled to support for electricity production in accordance with section 9 of annex 3 (draft concession agreement). Subsidies will be determined based on the successful final tender submitted in the tendering procedure. The model to calculate the subsidies and settlement etc. is described in more detail in annex 3.9 (subsidy scheme, award criterion and costs to be included in the tender).

The concession does not prevent the Danish Energy Agency from otherwise exploiting the concession area whenever this is compatible with exploitation of the wind resources. Nor does the concession prevent that concessions be granted for offshore wind turbines in the vicinity of the concession area. However, a buffer zone of 4-6 km around the farm, as described in annex 3.2 (model licence for construction) will be kept clear.

If the concession agreement is entered into with a consortium, all members of the consortium will assume joint and several liability with respect to all obligations under the concession agreement and the associated licences etc. The same applies for companies which support the tenderer financially and economically. The joint and several liability is described in more detail in section 14 of the concession agreement, annex 3 (draft concession agreement).

The following describes some of the most important steps and prerequisites for completion of the project.

See also the draft concession agreement (annex 3), as well as the model licences, and the model authorisation (annexes 3.1-3.4).

3. Routing onshore and grid connection

The concessionaire is to supply the total output produced by the offshore wind farm at one electrical point onshore (POC) and at a voltage corresponding to use of 245 kV equipment - in other words 220 kV.

The concessionaire is to establish, own, operate and maintain the internal collection grid, including subsea cables for routing onshore, any offshore substation(s), cable routing onshore from the coastline including the nearshore substation onshore up to the point of connection (POC), and the concessionaire bears all the costs, risks and grid losses associated with this grid. The point of connection is defined in annex 3.8 (grid connection interfaces for Thor Offshore Wind Farm).

Furthermore, the concessionaire is obligated to pay for the establishment of Energinet's part of the onshore installation (no. 3 in Figure 2.1). The costs of this ~~will not~~ ~~are not likely to~~ exceed DKK [7014] million, excluding VAT at current prices. ~~The final amount will be included in the revised tender materials, which are expected to be published on 1 August 2021.~~ The concessionaire is only to pay the actual costs up to the cap of the onshore installation, except the situations in annex 3 (draft concession agreement), point 8.78 mentioned ones, because the cap of DKK [7014] million, excluding VAT, at current prices, has been set in order to reduce the risk of the tenderer in managing an expense over, which the tenderer has no influence. The onshore installation will be part of Energinet's collective electricity supply grid and Energinet is therefore free to plan any future expansion of capacity in the stretch from the nearshore substation near Volder Mark to Idomlund. The concessionaire will not be liable to pay for any such an expansion. The specific date of payment of the DKK [7014] million, excluding VAT, at current prices can be agreed between Energinet and the concessionaire as mentioned in annex 3.7 (draft grid connection agreement).

Energinet is obligated to establish the onshore grid connection part from POC and forward to Idomlund and have the point of connection ready to receive the first kWh by no later than 1 January 2025, unless a later date is agreed with the concessionaire.

With regard to the obligations of Energinet to the concessionaire, if Energinet fails to fulfil its obligations with respect to commissioning, Energinet will be liable in damages for the loss suffered by the concessionaire in this respect. See section 10 on compensation for non-compliance with obligations regarding grid connection and section 11 on compensation as a consequence of reductions in annex 3 (draft concession agreement).

4. Preliminary investigations and the environmental assessment process

Strategic environmental assessment (SEA) and other preliminary investigations offshore

As the competent authority, the Danish Energy Agency - although in practice Energinet - ~~has~~will prepared a strategic environmental assessment (SEA) of the plan for Thor Offshore Wind Farm, which will include offshore installations including the offshore substation and internal cables, and the overall installation onshore including Energinet's and the concessionaire's onshore substations. On the basis of the environmental report, which ~~will~~contains positions on consultation proposals and limitations regarding protected birds, marine mammals, etc., as well as the outcomes from the seabed investigations, the area for preliminary investigations ~~will be~~has been specified narrowed down to a ~~construction area~~gross project area of ~~max.~~ 286 km² within the current the preliminary investigation area, see annex 3.1 (model licence for preliminary investigation) and annex 3.2 (model licence for construction).

The strategic environmental assessments ~~will be~~is described and collated in an environmental report, which ~~was expected to be~~published ~~on~~in February 1 2021, where the report ~~was~~will be subject to a public hearing. At the same time, an ESPOO-consultation (consultation of neighbouring countries) ~~was~~will be undertaken.

Furthermore, Energinet has conducted initial geotechnical, geophysical and environmental preliminary investigations and provided MetOcean data, etc., see annex 10 (existing data and results from preliminary investigations).

Results in the form of reports and data from completed investigations can be accessed on ens.dk/Thor (reports) and via an FTP site (data) maintained by Energinet. Data made available via Energinet's FTP site is available for free, but is targeted at potential bidders for the Thor project.

The Energinet FTP site can be accessed as follows:

1. Interested bidders can send a request to the Danish Energy Agency to get access to the site. The request should be sent to Jeppe Lundbæk by email to jel@ens.dk, and include the following information:
 - a. Applicant name (company name or name of the consortium)
 - b. Applicant's contact person, name
 - c. Applicant's contact person, email
 - d. Applicant's contact person, telephone number

2. The Danish Energy Agency and Energinet will send guidelines to the applicant on how to access the FTP server, including username and password for the bidder.

The FTP website will be updated in accordance with the plan in annex 10 (existing data and results from preliminary investigations). Reports related to the environment as well as other reports that do not require access to the FTP server will be on the Danish Energy Agency project website: ens.dk/Thor.

As stated in annex 10, a smaller part of the MetOcean data ~~will not be available until the beginning of 2021. This data~~ is subject to confidentiality and will only be available to prequalified bidders.

Four cable corridors have been investigated from the offshore area and forward to the landfall on the coast, but only the two northern corridors are relevant, as the southern alternative landfall is obsolete by now. The two relevant cable corridors including their coordinates can be found in annex 3.1 (model licence for preliminary investigations) and annex 3.2 (model licence for construction). The two cable corridors provide a possibility of choosing corridor based on different optimisations of the internal grid in the wind farm. All preliminary investigations ~~have been~~ ~~are expected to be~~ completed in April 2021, so that bidders ~~havewill been~~ able to examine these before the deadline for submission of their initial tender, and have them available in good time before submitting the final tender.

~~After~~~~When~~ the public hearing over the environmental report (SEA) is concluded, the Danish Energy Agency will, on the basis of the inputs of the hearing, prepare a concluding report (sammenfattende redegørelse) with the final decision regarding the approval of the plan (SEA) for Thor. This concluding report ~~was is expected to be~~ published in ~~May~~~~May~~~~April~~ 2021.

The final decision regarding the approval of the plan (SEA) for Thor can be appealed to the Energy Board of Appeals with a four week period for complaints, which ~~will is expected to be completed~~ ~~expire on June 28 at the end of~~ ~~in~~ ~~May~~ 2021.

Annex 10 contains overall descriptions of the conditions to be reported on in the preliminary investigations and the overall environmental report. Moreover, references have been included to the methods, baseline investigations, etc. on which the investigations are based, and these give a certain indication of the expected conditions.

The Danish Energy Agency will notify all applicants/tenderers about new versions of the tender materials, when these are published through the electronic tendering system.

Environmental assessment of the specific project (EIA) onshore

Energinet will draw up an EIA report for the overall installation onshore, i.e. from the beach edge up to the two nearshore substations and further on to the 400 kV grid in Idomlund.

The EIA report ~~was is expected to be~~ published ~~in~~ ~~by no later than~~ 1 April 2021, and after the public consultation in ~~April~~~~May~~ - June 2021, it is expected that the Danish Environmental Protection Agency will be able to grant an EIA approval in ~~August~~~~September~~ 2021. An EIA approval will be granted for the total onshore installation with separate sections with the terms and conditions for the concessionaire's and Energinet's share of the installation, respectively.

Immediately after the concession agreement has been concluded, the concessionaire will receive the part of the EIA approval that concerns the concessionaire's part of the onshore installations.

The EIA report and other materials in connection with the EIA process for onshore installations will regularly be published on Danish Energy Agency website.

The EIA approval from the Danish Environmental Protection Agency may be appealed to the Environment and Food Board of Appeal (Miljø- og Fødevareklagenævnet) with a four-week deadline, which is expected to expire by no later than in Q3~~4~~ 2021. There will be one EIA approval for all installations onshore, and thus one deadline.

Appeals against an EIA approval generally have no suspensory effect, unless the Environment and Food Board of Appeal (Miljø- og Fødevareklagenævnet) decides otherwise, although application of the decision is at own risk.

Costs of preliminary investigations and establishment of Energinet's part of the installation onshore

The concessionaire is to pay Energinet's costs of preparing preliminary investigations and the EIA for the onshore installation, see section 23(3) of the Renewable Energy Act, cf. Consolidating Act no. 125 of 7 February 2020 with later amendments (in the following referred to as the RE Act). Moreover, the concessionaire is to pay the costs of MetOcean data collected/purchased by Energinet, as well as the costs of analysing the potential impacts of the wind farm, e.g. on Defence Command Denmark's radar and radio cover, see point 6. The total costs ~~are amounts to not expected to exceed DKK [151220] million, at current prices, excluding VAT at current prices and excluding interest due at the time of payment.~~

When the final licence for construction has been granted, and this can no longer be appealed, the concessionaire must thus transfer ~~the above an~~ amount to cover Energinet's costs of conducting preliminary investigations etc. ~~The final amount will be included in the revised tender materials, which are expected to be published on 1 August 2021.~~ In the event of any cancellation of the concession, this amount will be reimbursed by Energinet with the addition of interest from the due date of payment, calculated as the discount rate of the National Bank + 1%. See section 7 of annex 3 (draft concession agreement), describing the situations that could lead to cancellation of the concession.

Establishment of the planning basis for stations

The relevant municipalities (Municipality of Lemvig and Holstebro Municipality) are the planning authorities pursuant to the Planning Act responsible for adopting a planning basis for establishing the substations. As part of this, the municipalities will ensure that the planning basis complies with the regulations on environmental assessments (EIA) of plans and programmes in the Act on environmental assessments of plans and programmes and of specific projects, cf. Consolidating Act no. 973 of 25 June 2020 with later amendments (in the following referred to as the Environmental Assessment Act). The municipalities have decided to prepare supplements to the municipal development plan, with associated local development plans for establishment of the two nearshore stations and for expansion of the existing Idomlund station, respectively.

~~The planning basis for all three stations is expected to be adopted by the municipal councils by no later than December 2020, excluding a four week appeals deadline. An adopted planning basis is~~

~~required before the Danish Environmental Protection Agency can grant an EIA approval for the onshore installation. The necessary planning basis in the form of a local development plan and a supplement to the municipal development plan, which is a prerequisite for the EIA permit to be granted for the onshore facility, is being implemented approved by resp. Holstebro Municipality and Lemvig Municipality, as it has finally been approved for the facility at Idomlund (Holstebro Municipality) and will finally be adopted in Lemvig Municipality in Mays Spring, 2021.~~

~~The planning basis in the form of a local development plan and a supplement to the municipal development plan can be appealed to the Planning Appeals Board (Planklagenævnet) regarding legal matters, with a four-week time limit for appeal. The appeal deadline for Lemvig Municipality expires on 24 June 2021. A rural zone permit, if relevant, can also be appealed to the Planning Appeals Board (Planklagenævnet) with a view to a full review.~~

Appeals against a supplement to the municipal development plan and/or local development plans generally have no suspensory effect, unless the Planning Appeals Board (Planklagenævnet) decides otherwise, although application of the decision is at own risk.

Environmental assessment of the specific project (EIA) offshore

The concessionaire will prepare an environmental impact assessment report for the overall installation offshore, i.e. the offshore wind farm, including the offshore substation and all cables up to the routing onshore point on the coast at Tuskær.

The environmental impact assessment report must comply with current regulations in the Environmental Assessment Act, and there must be relevant consultations, etc. An approved environmental impact assessment report is required before the Danish Energy Agency can issue a licence for construction for the offshore wind farm. See annex 9 (environmental-assessment and licence process).

5. Subsidy scheme for Thor Offshore Wind Farm

A detailed description of the subsidy scheme is in annex 3.9 (subsidy scheme, award criterion and costs to be included in the tender) and in point 9 on settlement terms in annex 3 (draft concession agreement).

6. Defence Command Denmark, radar and UXO

The construction of Thor Offshore Wind Farm will have implications for Defence Command Denmark's radar and radio communications systems. In the event that Defence Command Denmark assesses that the offshore wind farm leads to changes in the quality of existing radar monitoring and radiocommunication, the concessionaire must enter into an agreement with Defence Command Denmark about the mitigation measures deemed necessary by Defence Command Denmark. These measures may include anything from updating existing hardware and/or software to more extensive procurement of supplementary radars and radio-communications equipment and/or software.

The mitigation measures will be at the expense of the concessionaire and will have no suspensory effect on the offshore wind farm project, unless Defence Command Denmark assesses that the offshore wind farm could seriously impact the authority tasks performed by Defence Command Denmark.

Defence Command Denmark, ~~and~~ the Danish Energy Agency and Energinet (the Danish TSO) ~~havewill~~ jointly in 2020 ~~conducted~~ an analysis of the possible impacts of the offshore wind farm, e.g. on Defence Command Denmark's radar and radio cover. On the basis of the results of the analysis, Defence Command Denmark will determine preliminary needs for any necessary mitigation measures as well as a “worst-case” estimate of costs, and this is expected to be published by no later than 15 August 2021.

However, when submitting the estimates, Defence Command Denmark will at all events make reservations for significant differences between the wind farm array/turbine size etc. and the scenarios stipulated in the analysis that could entail a need to reassess the analysis results, and thus the associated costs estimate.

In the event that any UXO (unexploded ordnance) is identified in the construction area for the offshore wind turbines, all work must be temporarily stopped and Defence Command Denmark must be notified via the Joint Operations Centre (JOC), see section 14 of Executive Order no. 1351 of 29 November 2013 on safety of navigation in connection with construction work and other activities etc. in Danish waters.

See pointsection 5 in annex 3 (draft concession agreement) and point 2.4 in annex 3.2 (model licence for construction).

7. Licences

The Danish Energy Agency is the EIA authority for the offshore part of the project, while the Danish Environmental Protection Agency is the EIA authority for the onshore part of the project.

The Danish Energy Agency will issue the following licences and authorisation pursuant to the RE Act and the Electricity Supply Act, see Consolidating Act no. 119 of 6 February 2020 with later amendments:

- Licence to conduct preliminary investigations, see section 22 of the RE Act (“licence for preliminary investigations” see the model licence in annex 3.1)
- Licence to construct Thor Offshore Wind Farm with an internal collection grid in territorial waters and onshore, see section 25 of the RE Act (“licence for construction”, see the model licence in annex 3.2)
- Licence to exploit the energy from the electricity production plant, see section 29 of the RE Act (“licence for electricity production”, see the model licence in annex 3.3)
- Authorisation to produce electricity, see section 10 of the Electricity Supply Act (“electricity production authorisation”, see the model authorisation in annex 3.4)

8. Administrative procedure after award of the concession

The following is a description of the administrative procedure in connection with establishment of the offshore wind farm and the most important requirements for the concessionaire. See also the detailed provisions of the concession agreement, the model licences, and the model authorisation as well as the description of the environmental-assessment and licence process for Thor Offshore Wind Farm in annex 9.

The administrative procedure includes:

1. An EIA approval for the concessionaire's part of the onshore installation
2. Licence for preliminary investigations for the offshore installation and environmental impact assessment, etc.
3. Concessionaire's time schedule
4. Licence for construction (EIA approval for the offshore installation)
5. Inspection etc. during the construction phase
6. Licence for electricity production and authorisation to produce electricity
7. Decommissioning of the installation

See annex 4 (list of important dates for the establishment of Thor Offshore Wind Farm), in which there is an outline of the overall time schedule for the construction phase.

8.1. EIA approval of the concessionaire's part of the onshore installation etc.

Immediately after conclusion of the concession agreement, Energinet will transfer an EIA approval, see section 25 of the Environmental Assessment Act, to the concessionaire so that the concessionaire can exploit the part of the EIA approval that concerns the project onshore from the routing onshore point at Tuskær and up to the point of connection (POC), i.e. including the concessionaire's part of the nearshore substation (see figure 2.1 in section 2). Cf. point 4 above, At this time, the municipal planning basis ~~has will already been~~ issued and the appeal ~~deadline s period completed. has expired.~~

If the concessionaire considers that the planned specific project for the onshore installation cannot be included in the environmental impact assessment report and the EIA approval prepared by Energinet, the concessionaire will have to apply to the Danish Environmental Protection Agency for a change in the project in accordance with the regulations in section 18(1) or (2) of the Environmental Assessment Act. This means that it will probably be necessary to screen whether the changes to the project are subject to a duty to prepare an EIA, after which an environmental impact assessment report will have to be prepared describing the environmental impacts of the changes to the project.

Before cables to the onshore installation can be sunk, the concessionaire must secure the rights to do this. Authority for expropriation is in section 27 of the Act on the safety of electrical plants, electrical installations and electrical equipment, see Consolidating Act no. 26 of 10 January 2019 with later amendments (the Electrical Safety Act). Expropriation is against full compensation for any losses incurred by landowners and on the basis of the application for a licence submitted to the Danish Safety Technology Authority and the Ministry of Transport and Housing, which grants authorisation for expropriation.

When the concession agreement has been established and the Danish Energy Agency has issued the licence for preliminary investigations and Energinet has transferred the EIA approval of the onshore installation to the concessionaire, the concessionaire may ask for a non-binding statement of intent from the Danish Safety Technology Authority on the expropriation. The Danish Energy Agency may assist the concessionaire with this, if necessary. Such a statement provides a certain basis for any later expropriation and requires a specific assessment from the Danish Safety Technology Authority of whether the public good can justify establishment of the project. In this connection,

focus will be on ensuring that establishment of Thor Offshore Wind Farm is based on the 2018 Energy Agreement with associated decisions by the parties to the agreement, that an SEA of the plan for Thor Offshore Wind Farm has been completed, that an EIA approval for the onshore part has been granted, and that any municipal planning basis required already exists.

With regard to clarifying voluntary agreements with landowners regarding acquisition of rights, a local meeting with the affected landowners and close neighbours is usually held, and the concessionaire will have to organise this. Discussions at the meeting will include proposed cable corridors and there will be an introduction to construction work, the negotiation process, as well as principles for compensation.

If a voluntary agreement cannot be negotiated into place with landowners, and there is a need to carry out expropriation, the concessionaire will have to apply to the Danish Safety Technology Authority. The same considerations as mentioned above will apply, including emphasis on the political mandate to establish the offshore wind farm in the 2018 Energy Agreement with associated decisions by the parties to the agreement etc.

If the expropriation process becomes protracted, the concessionaire has the option to apply for an extension of the deadline, see section 5 in annex 3 (draft concession agreement). If expropriation cannot be achieved, the concession agreement will lapse, see section 7 of the draft concession agreement.

8.2. Licence for preliminary investigations for the offshore installation and environmental impact assessment (EIA), etc.

The model preliminary investigation licence (annex 3.1) ~~will be~~ is being specified on the basis of the strategic environmental assessment and the other preliminary investigations carried out by Energinet, as mentioned under point 4, including in relation to ~~the size and specific location of the preliminary investigation~~ the size of the gross-project area and the specific locationsite. The specifications ~~is will be~~ published together with the concluding report (sammenfattende redegørelse) along with the revised tender materials by no later than 1 August in May 2021, and is also included in the revised tender materials.

In order to issue a licence for preliminary investigations pursuant to section 22 of the RE Act, as soon as possible after conclusion of the concession agreement, and by no later than 1 April 2022, the concessionaire must inform the Danish Energy Agency about the fundamental framework and dimensions of the planned project offshore, as well as the preliminary investigations the concessionaire will conduct. The concessionaire must also submit a survey plan indicating the method and time schedule for the preliminary investigations as well as a forecast of the underwater noise and a measurement programme for any noise abatement measures in connection with the preliminary investigations. The information in this application for a licence for preliminary investigations concerning geophysical and geotechnical investigations shall follow the documentation requirements regarding underwater noise, which follows from the Danish Energy Agency's guidelines in "Ansøgningsvejledning for forundersøgelser til havs af 5. april 2019".

The concessionaire must also submit an assessment of the possible impacts of the preliminary investigations on the environment. The assessment should cover possible impacts on designated international nature conservation sites, e.g. for use by the Danish Energy Agency when assessing

whether an impact assessment should be completed for the planned preliminary investigations or parts of these, see Executive Order no. 1476 of 13 December 2010 on impact assessments concerning international nature conservation sites and protection of certain species in connection with projects on establishment etc. of offshore electric power generating plants and offshore electricity supply grids, before these preliminary investigations are implemented. See section 2 in annex 3 (draft concession agreement) and annex 9 (environmental-assessment and licence process).

By concluding the concession agreement, the concessionaire commits itself to conducting an environmental impact assessment (EIA) and preparing an environmental impact assessment report for the specific offshore project in accordance with the regulations in Part III of the Environmental Assessment Act or the environmental assessment regulations applicable at any time. In addition to the information mentioned above, the concessionaire may request that the Danish Energy Agency issue a statement on the extent and detail of the information required from the concessionaire in the environmental impact assessment report (statement on the scope of the content, cf. section 23(2) of the Environmental Assessment Act). The statement will be submitted for four-weeks' consultation and for Espoo consultation. See points 1.10 and 2.1 in annex 3 (draft concession agreement) as well as annex 9 (environmental-assessment and licence process).

The licence to conduct preliminary investigations will thus be granted and notified to the successful tenderer so that the concessionaire can carry out an environmental impact assessment of the concessionaire's specific project for the offshore wind farm within the framework of these tender terms and conditions and prerequisites in the environmental report for the overall project area prepared by Energinet. The licence for preliminary investigations will be granted to provide the concessionaire with the option of carrying out supplementary geotechnical and geophysical surveys as well as MetOcean and UXO investigations.

The model licence for preliminary investigations, see annex 3.1 will, if necessary, be supplemented with specific conditions etc. on the basis of the information from the concessionaire on the specific preliminary investigations for the project, as well as on the basis of a possible impact assessment as stated above.

The licence for preliminary investigations can be appealed to the Energy Board of Appeal within a four-week time limit for appeal.

The regulations on preparation of an environmental impact assessment report etc. are stated in the Environmental Assessment Act.

8.3. Concessionaire's time schedule

The concessionaire must prepare a time schedule for completion of the project and submit this to the Danish Energy Agency by no later than 1 April 2022, see section 2 of annex 3-2 (draft concession agreement). The time schedule must show how the concessionaire plans to complete the environmental impact assessment for the offshore wind farm project and meet the requirements for constructing the offshore wind farm, including how the deadline for completion of the farm prior to 31 December 2027 will be met.

In addition to proposed dates for status meetings, status reports, etc. the time schedule should, as a minimum, state when the concessionaire expects to:

1. Initiate negotiations with relevant landowners,
2. Initiate a dialogue with Defence Command Denmark on radar and any mitigation measures,
3. Submit the completed environmental impact assessment report for the offshore installation,
4. Submit an application for a licence for construction (see annex 3.2),
5. Commence construction work,
6. Pull cables onshore to the connection point (POC) onshore,
7. Apply for a licence for electricity production (see annex 3.3) and an authorisation to produce electricity (see annex 3.4),
8. Supply the first kWh from the first turbine to the grid, and
9. Supply the first kWh from the last turbine to the grid.

Once the time schedule has been approved, any changes to the time schedule will be subject to prior negotiations with the Danish Energy Agency.

Along with the time schedule, the concessionaire must submit a signed grid connection agreement between the concessionaire and Energinet, which regulates the main elements in the collaboration between the parties during the construction and operation phases.

8.4. Licence for construction

The model licence to construct Thor Offshore Wind Farm (annex 3.2) lists the coordinates of the 286440 km² preliminary investigation gross project area within which the tendered offshore wind farm is to be located.

~~The model licence will be adjusted in relation to the specified preliminary investigation area as well as other relevant matters on the basis of the results in the environmental report (SEA). The specifications will be published along with the revised tender materials by no later than 1 August 2021. The model licences will then be updated with a gross project site expected to have a size of max. 286 km².~~

When the process for the environmental impact assessment of the specific project offshore has been completed, the Danish Energy Agency will decide on the licence to construct the electricity production plant and associated internal collection grid under section 25 of the RE Act. The licence for construction comprises the EIA approval under section 25 of the Environmental Assessment Act for the part of Thor Offshore Wind Farm with internal collection grid that is located offshore.

Among other things, the Danish Energy Agency will issue the licence for construction on the basis of the concessionaire's environmental impact assessment report, any supplementary information and the result of the consultations carried out. The model licence for construction, see annex 3.2, is therefore expected to be adjusted in relation to the concessionaire's specific project and the environmental impact assessment report.

In this respect, the Danish Energy Agency expects that specific conditions will be imposed on the basis of the specific project, including possible mitigation measures arising from the environmental impact assessment.

On the basis of the bird survey already completed and the occurrence of protected species in the area, the Danish Energy Agency ~~does not~~ expects that there will be requirements for bird-monitoring measures, but it can only be decided in connection with the EIA of the specific project.

The licence for construction will be made public and may be appealed to the Energy Board of Appeal with a time limit for appeal of four weeks.

Appeals against the licence for construction will not have suspensory effect, unless the Energy Board of Appeal decides otherwise. However, the licence for construction cannot be utilised until expiry of the four-week appeal period. Decisions by the Energy Board of Appeal cannot be appealed to another administrative authority. See the Energy Board of Appeal website:

<https://naevneneshus.dk/start-din-klage/energiklagenævnet/>

8.5. Inspection etc. during the construction phase

During the construction phase, i.e. after the licence for construction for the offshore part has been issued, the Danish Energy Agency will supervise compliance by the concessionaire with the conditions laid down in the model licence for construction (annex 3.2) with later clarifications on the basis of SEAs etc., see above, as well as the more specific terms that will be notified in the final licence on the basis of the concessionaire's environmental impact assessment of the offshore part of the project.

If, after the issue of the licence for construction, the concessionaire assesses that changes in the specific project cannot be covered by the final environmental impact assessment report and EIA approval for the offshore part, or is in doubt about this, the concessionaire must contact the Danish Energy Agency with a view to a possible new or supplementary environmental impact assessment, see sections 18 and 21 of the Environmental Assessment Act.

8.6. Licence for electricity production and authorisation to produce electricity

Pursuant to section 10 of the Electricity Supply Act, electricity production from plants with a capacity of more than 25 MW can only be carried out by undertakings that have obtained an authorisation from the Minister for Climate, Energy and Utilities. There are requirements with respect to technical and financial capacity in connection with applications for authorisation to produce electricity. A concessionaire which has been prequalified in this tendering procedure and which thereby, in this context, has satisfied the minimum requirements for economic/financial capacity and for technical capacity, and which has not since changed its corporate structure, will generally be assumed also to satisfy the requirements for economic/financial capacity and technical capacity with regard to an authorisation to produce electricity, provided the circumstances of the concessionaire are otherwise unchanged.

The licence to exploit the wind power pursuant to section 29 of the RE Act cannot be applied for until the construction work has been initiated and no later than two months prior to connection to the grid of the first turbine.

A model licence for electricity production is in annex 3.3.

Production of electricity for the collective electricity supply grid must not be carried out until the licence has been obtained. A condition for obtaining the licence to exploit the wind power is that the concessionaire can document that all the terms of the licence to construct the electricity production plant have been complied with or will be complied with. The licence for electricity production is

valid for 30 years and on request can be extended for up to five years, provided the relevant legislation at the given time so allows.

See the model authorisation to produce electricity in annex 3.4.

8.7. Decommissioning of the installation

Irrespective of when the electric power generating plant is decommissioned, the concessionaire will be obliged, at its own expense, to restore the area to its former condition, including to dismantle the plant and carry out the necessary decommissioning of the offshore part of the plant, i.e. the offshore wind farm with the internal collection grid offshore, including any offshore substation(s), pursuant to a decommissioning plan approved by the Danish Energy Agency and with a view to obtaining an approval for dismantling.

The concessionaire must provide an adequate guarantee for decommissioning the installation offshore, and this guarantee must be approved by the Danish Energy Agency. The guarantee must be provided by no later than 15 years after the first turbine is connected to the grid. By no later than two years prior to the expiry of the licence for electricity production or two years prior to when the plant is to be decommissioned, the concessionaire must present a plan to the Danish Energy Agency for approval, with details of how dismantling of the plant will be carried out.

The Danish Energy Agency makes reservation for any later requirements for dismantling and guarantees for the onshore parts of the installations.

See section 6 in annex 3 (draft concession agreement) and annex 3.2 (model licence for construction), as well as annex 3.4 (model authorisation).

9. Reservation for unbundling regulations

If the Danish Energy Agency considers it necessary, ~~including~~ in order to comply with the EU regulations on equal and non-discriminatory third party access to the transmission grid, the Danish Energy Agency will be entitled to, at any time, including in an extension of the concession period, but prior to an approval for dismantling of the plant, appoint a transmissions system operator (Energinet) to take over the cables routing onshore with associated offshore substation and nearshore substation onshore without payment or compensation apart from that mentioned in point 21.3 of the draft concession agreement. In this situation, Energinet will thus take over the concessionaire's dismantling obligations as well, cf. section 6 in annex 3 (draft concession agreement).

For further information about the Danish Energy Agency's option to appoint Energinet to take over the above installations established by the concessionaire, see section 21 in annex 3 (draft concession agreement).

10. Management of energy storage through batteries and PtX etc.

Batteries

Use of batteries or other temporary storage of electricity in connection with the electricity production plant is possible within the framework of the concession, provided that this is solely with respect to staggered supply to

the collective electricity supply grid, whereby all electricity produced is still delivered to the Danish collective electricity supply grid, see point 1.4 in annex 3.2 (model licence for construction).

If, during the term of the concession agreement, the concessionaire wishes to expand or change the electricity production plant with a view to storing the electricity produced on batteries or similar, and if this requires additional installations, the concessionaire will have to ensure that the new installations can be covered by the EIA approval for the onshore installation, see section 8.1 and/or the construction licence for the installation offshore, see section 8.4 and 8.5, as additional EIA processes would otherwise have to be carried out.

Any changes or extensions to the electricity production plant require prior written approval from the Danish Energy Agency, as well as any other relevant authorities, and that the change is in accordance with the relevant licences and approvals for the electricity production plant, as well as other relevant legislation, including regulations in force on public procurement and regulations on state aid. Approval from the Danish Energy Agency does not exempt the concessionaire from obtaining any licences required pursuant to other legislation.

PtX etc.

It is possible to apply for a licence to expand or change the electricity production plant in order to exploit wind power for production of other types of energy, including PtX etc., see section 22 in annex 3 (draft concession agreement).

Approval of changes or extensions to the electricity production plant, and the licences required for these, will only be granted by the Danish Energy Agency to the extent that such approval can be granted within the relevant regulations for public-sector tendering procedures, and only to the extent that this does not otherwise conflict with legislation in force at any time, including the regulations on environmental assessment, the concession agreement, the approval by the European Commission of the subsidy scheme, as well as other terms and conditions imposed in the licences and authorisations issued for the electricity production plant.

In all cases, the approval by the Danish Energy Agency will be conditional on political approval by the political parties to the Energy Agreement (energiforligskredsen) of the requested extension or change of the electricity production plant.

For further information on the possibility to exploit wind power for production of other types of energy, including PtX etc., see section 22 in annex 3 (draft concession agreement).