



ZERO-SUBSIDY TENDER: The 1.5GW Hollandse Kust Zuid wind farm, which began operations last year

Photo: Vattenfall

Dutch offshore wind industry backs CfDs

Companies welcome government pledge to provide support mechanism for new projects, writes **Karolin Schaps**

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The offshore wind industry has welcomed a recent promise by Dutch minister for climate and green growth Sophie Hermans to implement a Contracts for Difference (CfD) mechanism aimed at improving conditions for new projects.

"The [government] will ensure that everything needed for the Contracts for Difference will be ready as soon as possible," she told the Dutch parliament last month, which proceeded to accept a motion to push the process forward.

"We expect that the Bill can be sent to the House at the end of this year or in early 2026," she added, paving the way to make the legal changes needed to implement the support measure.

The Netherlands was the first offshore wind market worldwide to award a zero-subsidy tender in 2018, for the 1.5GW Hollandse Kust Zuid wind farm which started operating last year. But price inflation and high interest rates, supply chain bottlenecks, capacity limits on

infrastructure and permitting complexity have magnified the cost of building offshore wind farms to an extent that many developers are unable to build new projects under the current framework.

"For the Dutch market it is now necessary to have a financial safety net so that projects can continue to proceed," said a spokesperson for RWE.

The German utility sees the conundrum of long-term electricity prices, increasing costs and insufficient industrial demand for green electricity as fundamental challenges in the Dutch market.

After recent offshore wind auctions in Denmark and the UK attracted no bids, the Dutch government is determined to improve

conditions for its upcoming tenders, aimed at helping to meet the country's 2033 target of 21GW in installed offshore wind capacity.

Minister Hermans will devise a new "action plan" for offshore wind, on which she will update the Dutch parliament in mid-April and which will include further details on the support mechanism, a spokesman told reNEWS.

"Vattenfall supports CfDs as the preferred instrument. In order for CfDs to support a healthy market, the fundamentals need to be in place. We should aim for having a cost-efficient CfD, so without (fully) compensating for lack of demand or additional costs via the CfD," said Ireen Geerbex, Vattenfall's



'COST-EFFICIENCY IS KEY': Ireen Geerbex of Vattenfall

Photo: Vattenfall

market development director for offshore wind in the Netherlands.

If the necessary legal changes are made according to the minister's outlined schedule, the new CfD mechanism could be in place ahead of next year's 5GW tender round in September, said André Craens, senior specialist for offshore wind at Dutch wind energy association NedZero.

This is an improvement on the implementation timeline as the mechanism had previously not been expected to come into force before 2027. ■

Tender will proceed in Q3 despite concerns

This year's Dutch offshore wind tender for three sites totalling 3GW will go ahead in the third quarter as planned, despite concerns it may not attract any bids because the new CfD model will not be in place.

"At this moment there is no delay [to the tenders]," a spokesman for the Netherlands ministry for climate and green growth told reNEWS.

The government will open the auction for the Ijmuiden Ver Wind Farm Zone (IJWVWFZ) sites Gamma-A and Gamma-B, at 1GW each, alongside the 1GW Site 1-A in the Nederwiek Wind Farm Zone (NWWWFZ) in Q3.

The government had already sweetened conditions of the tender last year by chopping up two 2GW plots into four 1GW sites to reduce financial risks for developers. The auction for the NWWWFZ Site 1-B has been pushed back to the subsequent tender set for Q2-Q4 2026.

After an offshore wind auction in Denmark concluded without any bids at the end of last year and a tender in the UK failed in 2023, concerns are rising that this year's Dutch tender will also be unsuccessful, especially without a CfD model in place.

Developers contacted did not want to disclose whether they will bid in this year's tender.

"There should be enough appetite for at least two out of the 3GW and that will probably be considered a success," says Pepijn Docter, offshore wind consultant and former government adviser. The Dutch system's clarity on price per MWh, timelines and costs for preparing bids makes the market attractive enough to expect sufficient bids, he added. ■