Lot C – Commercial and Legal Risks and Leasing Approach Applicability to Jersey

Sustainability is our business

Glossary

Abbreviation	Definition
AR	Allocation Round
CES	Crown Estate Scotland
CfD	Contract for Difference
CPPA	Corporate Power Purchase Agreement
CRE	Energy Regulation Commission [France]
DCO	Development Consent Order
DEA	Danish Energy Agency
EBL	Electricity Business Licence
EEZ	Exclusive Economic Zone
ETS	Emissions Trading Scheme
FEPA	Food and Environment Protection Act 1985
FiP	Feed-in Premium
FiT	Feed-in Tariff
GoJ	Government of Jersey
IEM	Internal Electricity Market
INTOG	Innovation and Targeted Oil and Gas
LiDAR	Light Detection and Ranging
MEAG	Marine Economy Advisory Group
MEF	Marine Economic Framework
MPA	Marine Protected Area

Abbreviation	Definition
MSP	Marine Spatial Plan
NPC	Non-Price Criteria
NSIP	Nationally Significant Infrastructure Project [UK]
OFTO	Offshore Transmission Owner [UK]
OSW	Offshore Wind
OWAT	Offshore Wind Acceleration Taskforce
OWF	Offshore Wind Farm
OWIC	Offshore Wind Industry Council
POI	Point of Interconnection
PPA	Power Purchase Agreement
PWOP	Public Waters Occupancy and Use Permit [South Korea]
RTE	Réseau de Transport d'Électricité [France]
RTMS	Route to Market Secured
SCDS	Supply Chain Development Statements
SMEs	Small and Medium Enterprises
TCE	The Crown Estate
TPC	Taiwan Power Company
TSO	Transmission System Operator
WFSD	Wind Farm Site Decision
WTG	Wind Turbine Generator

Contents

Executive Summary

In this report, ERM has outlined key common risks and opportunities associated with offshore wind leasing, drawing on real life examples from the UK, France, Denmark and The Netherlands. Examples show that, with the right mechanisms implemented, leasing frameworks can provide financial, socio-economic and environmental benefits to governments and wider communities.

In light of our comprehensive review of the leasing framework, ERM has conducted an in-depth analysis of various leasing and tendering options across the aforementioned countries, as well as several emerging markets, including Taiwan, South Korea, and India. This aims to understand the functionality of each approach and assess their applicability to Jersey.

Jersey's existing frameworks and commercial position have been assessed and a comparative analysis undertaken to assess its competitiveness against other European markets reviewing legal robustness, market readiness and attractiveness and geographical and resource advantages.

Benchmark of Jersey's position relative to other European markets.

	Legal Robustness	Market Readiness	Market Attractiveness	Geographical advantages	Resource advantages
The UK	Very High	Medium	High	High	Very High
France	Very High	High	High	High	Very High
The Netherlands	Very High	High	High	Very High	High
Denmark	Very High	High	Medium	High	High
Jersey (Scenario 1)	High	Low	Low	High	Medium
Jersey (Scenario 2)	High	High	High	High	Medium

In addition to comparing Jersey with other jurisdictions, a high-level analysis has also been undertaken to determine how Jersey would compare if realistic actions were undertaken to enhance Jersey's current position.

- Jersey Scenario 1 – Current Position (business as usual)
- Jersey Scenario 2 – Future position with realistic actions implemented

Commercial and legal risk-opportunity assessment

Common Commercial Risks and Opportunities

Common Commercial Risks and Opportunities

Jurisdictions are likely to face commercial risks and opportunities through offshore wind leasing based on financial attractiveness, community impact, and market competition.

Overview

Several elements influence the commercial risks and opportunities associated with leasing seabed for offshore wind development. The table on the right summarises the financial attractiveness and community impact of leasing frameworks to governments in the UK, France, the Netherlands and Denmark. The competition within the offshore wind market is also summarised.

It is important to note that the commercial risks and opportunities at any given time are also highly dependent on the market conditions at that time. Where the market was at an all time high 3-4 years ago and seabed leases could demand a premium, recent market conditions have made developers more reserved with their financial commitments. As such each government is giving appropriate consideration to their leasing model to ensure it elicits the financial premium desired whilst maintaining high interest and competition from the market.

Leases can bring financial attractiveness in terms of short to medium term revenue when the right financial mechanisms are enabled. Growing the offshore wind industry can be a catalyst for economic growth, increasing jobs, skills and supply chains.

Through non-price criteria and requirements, governments can implement wider socio-economic and environmental benefits to the wider region.

While this report assesses the risks and opportunities to the government, it must be noted that the risk and opportunities relative to developers will likely be different.

	Financial Attractiveness	Community Impact	Market Competition
England/Wales	Revenue from developers secured through option fees and ongoing lease agreements.	Wider social and economic benefits implemented through tender criteria, e.g. skills development, net marine gain.	Financial support in the form of CfD provide competition (when deemed economical), backed up by robust frameworks.
Scotland	Mechanisms used in the ScotWind auction resulted in lower than possible financially attractive revenue streams due to price capping.	Large potential impact from supply chain development statements – the impact is yet to be determined.	High competition in ScotWind, likely influenced by low option fees.
France	Significant revenues recovered from auctions and tax systems. Economic growth from increased employment.	Non-price criteria has supported social and environmental benefits.	High competition resulting in varied ecosystem of developers.
The Netherlands	The approach used requires significant investments, part of them are compensated with financial bid.	Auction criteria can vary in order to benefit the community.	High competition resulting in formation of consortiums to strengthen bids and lower risks..
Denmark	Mechanisms used would lead to substantial financial benefit to the government.	Large impact from local supply chain companies and governments' investments.	Mechanisms allow for high market interest, but the conditions are too risky for developers to submit applications.

Common Commercial Risks and Opportunities – The UK

The Scottish offshore wind industry presents different risks and opportunities compared to the rest of the UK, owing to its varying levels of maturity.

England and Wales

Financial Attractiveness

Six leasing rounds have been completed to date in the UK. Due to the maturity of the industry, pipeline, financial incentives on offer and relative political stability the UK is able to demand a high premium for seabed leasing. Round 4 leasing was specifically designed to generate high competition and high returns, resulting in option fees of over £870 million in total. For Round 4, the option fees were part of the bidding process, as opposed to fixed costs. The revenue from option fees paid by successful developers in Round 4 contributed to a record net revenue profit of over £1 billion in 2023-2024. The approach to tendering for Round 4 was successful in meeting the objectives of The Crown Estate but should be cautioned that the lease tender was undertaken during a market peak, it is unclear if similar fees would be achieved now. In 2023, the UK's offshore wind workforce totalled 30,000, and this figure is expected to grow to 100,000 by 2030.

Community Impact

Through its leasing rounds, The Crown Estate seeks to create social and environmental value, benefiting local communities and enhancing the natural environment. Community impact has played a more significant role in criteria for Round 5. For the on-going Round 5, bidders will be evaluated on generating social and environmental value, specifically focusing on skills and training, tackling inequalities in employment, environmental benefits and working with local communities.

Market Competition

The UK is an attractive market to offshore wind developers, notably due to the mature frameworks which have grown in line with the evolving offshore wind market, including the leasing and CfD framework. The UK leasing rounds have been competitive, largely in part as the UK market and economy offer an attractive investment for developers, and due to the established leasing framework, which provides low-risk evidence-based site selection. Importantly, experience has proven that CfD rounds must have sufficient budget to guarantee developer participation. No bids for offshore wind were submitted in Allocation Round (AR) 5 as the administrative strike price was deemed too low to support the economic viability of projects, based on cost increases and wider macro-economics.

Scotland

Financial Attractiveness

The ScotWind auction caused controversy over the considerable disparity anticipated between the actual financial return to the government and the potential financial return that could have been achieved. Crown Estate Scotland (CES) launched the ScotWind leasing round and capped the option reserve prices at £10,000/km^2. This was later raised to £100,000/km^2 after questions were raised to government about the disparity between English and Scottish seabed prices. ScotWind raised more than £755 million in option fees through 20 projects, which will be passed to the Scottish Government for public spending.

ScotWind was deemed by many to be extremely undervalued. Analysis showed that on a per MW basis, Leasing Round 4 attracted around 40 times the option fee than ScotWind did[1]. Had ScotWind raised the same option fee as Round 4, up to £28 billion could have been raised through annual payments for up to a decade[1]. ScotWind is expected to produce between £64.4 and £103.5 million in CES rents per year across all 20 sites. Though, depending on the total output of projects and grid upgrade fees could exceed £820 million per year – around ten times higher. It should however be noted that many of the Scotwind projects utlise floating foundation technologies and have challenging grid connections which likely reduced the lease revenue CES was able to achieve.

Community Impact

CES requires applicants for the ScotWind offshore wind leasing rounds to produce Supply Chain Development Statements (SCDS), to outline the expected investment developers will make in the local supply chain and workforce in Scotland and the rest of the UK. Across all 20 of the published SCDS reports, over £76 billion of total spending has been committed, £28.8 billion of this has been committed within Scotland. Though the commitments will also compete with cost considerations, which could be favoured by developers. In fact, it could be more profitable for developers to break these commitments, based on the signed conditions.

Market Competition

As Scotland has a nascent offshore wind market and limited supply chain, option fees were lowered to ensure auction participation and competition, which as a result was high. For Scotland's INTOG leasing round, 13 projects out of a total of 19 applications were awarded Exclusivity Agreements.

[1]*Dalzell, C. 2023. ScotWind: One Year On*

Common Commercial Risks and Opportunities – France

Annual tax revenues and fees provide a generous income stream to the government. One 1 GW offshore wind farm is expected to provide €3.4 billion to the state over a 20-year period.

Financial Attractiveness

The French government receive fees for occupation of the public maritime domain. Offshore wind operators and Réseau de Transport d'Électricité (RTE) must pay the state an annual fee and tax revenues which varies based on the project location (see right)[1].

The Energy Regulation Commission (CRE) estimates that offshore wind power, with one project in operation (Saint-Nazaire) and two projects that will gradually come into service during 2024 (Fécamp and Saint-Brieuc), should bring in €106 million to the State in 2023. Additionally, the CRE estimates that the 1,047 MW Centre-Manche project will lead to a net payment of €3.4 billion to the State over the 20 years of the supplementary remuneration contract.

Additionally, the industry is contributing to significant job and economic growth. There was a 260% increase in offshore wind employment in France from 2019 to 2022[2]. It's estimated there were 6,982 jobs in the offshore wind industry in France by the end of 2022[2]. According to the offshore wind pact, the French government has committed to creating 20,000 direct and indirect jobs in France by 2035[3].

Community Impact

The French government implemented non-price criteria into auctions which must represent at least 50% of the scoring. Examples of the environmental criteria include the number of Wind Turbine Generator's (WTGs) and blade recycling or reuse rate. Examples of the social criteria include the share of the work services committed to be carried out by Small and Medium Enterprises (SMEs) and the amount of financing or equity investment proposed for the installation.

The French government has set a non-binding goal for 50% of the offshore wind supply chain to be sourced from local content by 2035. This could provide advantages to local jobs and industry generation, though it may also add cost pressures.

Positive impacts have been provided from the onshore wind industry in France, such as increased tourism and local economic growth. However, the French government have faced negative backlash from the public regarding impacts on offshore wind to local communities and fisheries.

Market Competition

Market competition for French offshore wind auctions has remained high, with 13 projects successfully awarded over seven allocation rounds. The French offshore wind market has attracted a wide range of developers, suppliers and investors, varying in size. This has created an ecosystem of knowledgeable companies and clusters in all segments of the value chain.

Projects are awarded a FIT for a period of 20 years; the European Commission approves a budget for state aid ahead of each tender. The latest fixed project was awarded in 2023 with a strike price of 44.9 €/MWh for Centre Manche 1 . The latest floating projects were awarded in 2024 with a strike price of 92.70 €/MWh (Narbonnaise) and 85.90 €/MWh (Gulf of Fos).

There are some frameworks and mechanisms which provide good incentives for developers to focus on France, for examples, the TSO are responsible for the development and construction of the grid and the tariff awarded is linked to inflation.

With large technical potential for offshore wind and a plan to develop offshore wind up to 2040 in development, there is large potential for developers.

	Public Maritime Domain	EEZ
Annual Tax Revenues	• €19,890/MW installed	
Annual Fees	• €1,000 per mast and €0.50 per linear meter of connection for the maritime public domain • €1 per linear meter for the terrestrial public domain • €4,000 per MW for the maritime public domain • €6,000 per MW on the terrestrial public domain	• €10,000 per offshore platform

[1]*Eoliennesenmer. 2025. General information on offshore wind power – Economy and taxation*
[2]*Wind Observatory. 2023. Analysis of the French wind power industry.*
[3]*French Government. 2022. Offshore Wind Pact.*

Common Commercial Risks and Opportunities – The Netherlands

The Dutch Government takes on more risk by being responsible for conducting preliminary studies and connecting the projects. This approach gives the state greater control over the process and helps streamline it.

Financial Attractiveness

In the case of the Netherlands, the government is responsible for several steps in the development process. All studies conducted prior to the auction, as well as grid connection, fall under the government's responsibility.

With the current auction model, the main criteria for each site can be adjusted. Some auctions may prioritise ecological considerations, while others focus on the integration of electricity into the onshore grid. A financial bid component was introduced in the latest criteria, making development slightly more feasible for the state.

In the most recent auction, it was announced that Noordzeker (ABP, APG, SSE Renewables) will pay over €1 million per year for 40 years for the IJmuiden Ver Alpha site, while Zeevonk II (Vattenfall, CIP) will pay €20 million per year for 40 years for IJmuiden Ver Beta.

Although tenders in the Netherlands are considered successful, analysis highlights a financing gap that threatens the industry's competitiveness[1]. A key issue is the difficulty in securing mid-sized investments (between €5-10 million). High capital requirements and long return times make investors hesitant. Additionally, following the introduction of financial bids, the Dutch tender system's focus on cost over innovation limits opportunities for new technologies and sustainable growth.

Community Impact

The Netherlands' relatively small Exclusive Economic Zone (EEZ) means that offshore wind farms occupy significant portions of its maritime area. Thus, the establishment of offshore wind farms can limit access to certain fishing zones, potentially affecting the livelihoods of local fishing communities. This has raised concerns among fishermen regarding reduced access to traditional fishing grounds and potential disruptions to marine ecosystems.

After the introduction of the zero-subsidy model, criteria were introduced for some sites to benefit certain parts of the country. For example, for Sites IJmuiden Ver Gamma-A and -B, there is a greater focus on the integration of electricity into the onshore energy system. This can be done, for example, by stimulating demand for electricity in South Holland, where a large number of industrial companies is located. If they start using electricity instead of, for example, natural gas (electrification), the electricity produced by the offshore wind farms will not have to go as far into the grid.

Market Competition

Since the shift to a zero-subsidy model a few years ago, offshore wind auctions in the Netherlands have become highly competitive. Unlike the previous subsidy-based model, the new framework allows developers to evaluate potential returns more easily and was designed addressing the shortcomings of an old system, enabling faster project development. It is very common among bidders to form consortiums to strengthen the applications and share risks associated with development. Especially after the financial bid was introduced alongside qualitative criteria.

On average, development timelines in the Netherlands for offshore wind projects are faster than in many other European markets, with a higher likelihood of successful project realisation, thanks to a strong regulatory framework and efficient processes. A notable precedent in the market's history is the Gemini project, which became operational ahead of schedule and generated €250 million in net pre-completion revenues.

Despite the Netherlands' efficient regulatory framework and streamlined processes, challenges such as grid integration impact project timelines. If TenneT (the local TSO) is unable to provide timely connections, the process of securing grid connections can become lengthy, forcing developers to wait for available capacity. Rising development costs have also affected the industry and the financial feasibility of projects in the market. Some developers, prior the September 2025 tender, announced that they would not participate in the auction, citing increasing development costs and uncertainties over power prices. The government is exploring options to improve conditions and adapt to market changes, including the introduction of Contracts for Difference (CfD).

The Netherlands has developed an extensive portfolio of ports suitable for the offshore wind industry, with 9 key ports strategically located across the country. These ports serve as hubs for the assembly, installation, and maintenance of offshore wind farms. The Netherlands' is focused on developing infrastructure to become a leading maritime hub in Europe.

[1]Investnl. 2025. Dutch offshore wind industry under pressure due to financing gap. Available at: https://www.invest-nl.nl/actueel/betere-toegang-tot-financiering-voor-een-sterkere-offshore-windsector?lang=nl

Common Commercial Risks and Opportunities – Denmark

The current auctions in Denmark have the potential to provide long-term revenue streams to the Danish government. However, the recent auction mechanisms proved uneconomical for developers, leading to no applications being submitted for the latest tender.

Financial Attractiveness

The Danish government is responsible for organising the offshore wind auction process and designating development zones. Once the zones are established, it is the responsibility of the developers to define the exact boundaries of the sites within those zones. However, the entire designated zones are generally expected to be utilised, as developers are allowed to overplant the initial project size of 1 GW in the case of some sites. Allowing developers to overplant projects beyond 1 GW maximises the use of designated zones, increasing potential revenue and economic benefits.

The outcome of the 2021 tender highlighted the intense competition and the attractiveness of the tender under Denmark's zero-subsidy model at that time. All upcoming tenders were set to use the same model, which lowered the commitment and financial risk for the government.

It is currently outlined in the conditions of Denmark's offshore wind tender that the state will own 20% of offshore wind farms, which can provide a long-term revenue stream for the government. While government ownership could offer more financial security and confidence in project realisation, it has also negatively impacted the financial viability of projects when considering other conditions.

Community Impact

Denmark is investing in workforce development of the offshore wind sector by funding educational programs that train local workers in maintenance, engineering, and operations. This focus, along with the presence of large supply chain companies, ensures that the expansion of offshore wind energy creates long-term job opportunities and supports economic growth in coastal regions.

The country has implemented community compensation schemes to ensure that residents affected by offshore wind projects receive direct benefits. Developers are required to contribute to local funds that support initiatives such as coastal infrastructure improvements, tourism promotion, and environmental conservation. For example, in the case of the Thor Offshore Wind Farm, financial resources have been allocated to enhance community projects and mitigate any perceived negative impacts on coastal areas. These measures help maintain public support and ensure that offshore wind developments contribute positively to local economies.

Market Competition

Market conditions significantly impact the financial success of offshore wind tenders. If auction conditions are perceived as too risky or financially unviable, such as high negative bidding expectations or strict co-ownership requirements, governments may receive fewer or no bids, as seen in the 2024 tender. This delays expected revenue and undermines energy targets, forcing government to adjust tender terms or risk project cancelations.

The potential developers estimated an annual return of just 4% – about half of 8-10% of return considered sufficient to bid[1]. This resulted in the present value gap of DKK 9 billion (€1.2 billion) between what the developers expected a bid would yield and what was needed.

Rising costs associated with offshore wind development have made investment financially risky. Increased material and construction expenses, supply chain disruptions, and higher operational costs have made the situation even more challenging. Additionally, supply chain bottlenecks across Northern Europe have driven up development costs, and the responsibility for connecting projects to the energy system further increases CapEx.

With current market conditions, there are very few opportunities for developers in Denmark. The hydrogen industry relies on offshore wind farms in the North Sea to enable large-scale green hydrogen production through electrolysis. However, the pipeline was delayed in 2024 not providing a realistic alternative revenue stream. In February 2025, the government decided to launch the southern pipeline section (the 7) with a commissioning in 2030.

The Danish government's requirement for a 20% co-ownership stake in offshore wind projects has made investments even less appealing to the developers. Moreover, there are no government-backed guarantees on electricity prices, exposing developers to significant market risks. Additionally, the impact on wholesale electricity prices from adding 6–9 GW of production capacity to a grid with an average consumption of 5 GW could further influence investment decisions.

[1]DEA. 2025. Key Commercial Factors in Relation to Offshore Wind Tenders, prepared by Boston Consulting Group. Available at: https://ens.dk/presse/energistyrelsen-offentliggoer-rapport-om-kommercielle-noeglefaktorer-i-relation-til-udbud-af

Contextual Assessment of Jersey's Position

Jersey is deemed to be extremely stable and attractive from a governance and financial markets perspective.

Existing Frameworks in Jersey

The Government of Jersey's management of its marine area is overseen by the States of Jersey using legislation relating to fisheries, planning and development, extraction, pollution and other activities.

Some legislation may need to be possibly enhanced or updated to make it relative to offshore wind and more in line with industry standards. There is no overlap with UK legislation and little overlap with EU legislation offering alignment with existing mature offshore wind legislation. There is the anticipation that specific legislation will be put in place to deal with the requirements of developing an offshore wind farm.

In March 2021, the Government of Jersey established a Marine Economy Advisory Group (MEAG) to bring together Jersey's commercial fishermen, aquaculture producers and merchants, to work together on an overarching marine economy strategy. The Marine Economic Framework (MEF), published in 2022, sets out a strategy for Jersey's marine economy and creates a platform to enable objectives related to net-marine gain, alignment between government departments, continued marine policy development and economic resilience of Jersey's marine businesses.

There are a fairly well-established set of maritime and environmental laws, including a comprehensive Jersey Marine Spatial Plan (MSP). The commitment to establishing an MSP in Jersey was strong from Ministers and widely supported by States members. Ongoing commitment in required to ensure the MSP is continuously updated and developed. Notably:

- The development of offshore wind may require revisiting the issue of land reclamation.
- The requirement for modernising the existing power cable network (from France and to Guernsey) will require consideration of the cable network. It is suggested in the JMSP Legislation and Policy Review that consideration be given to future cabling requirements.
- Details of any offshore wind consenting regime and associated legislative framework are required to ensure that those factors can be incorporated into the MSP.

The Territorial Sea Act 1987 (Jersey) Order 1997 established Jersey's Territorial Waters to the Internationally agreed 12-mile limit or the median point between Jersey, Guernsey and France.

In regard to leasing land in Jersey, there are two laws that govern agricultural land in Jersey, the Agricultural Land (Control of Sales and Leases) (Jersey) Law 1974 and the Protection of Agricultural Land (Jersey) Law 1964. Both are administered by the Land Controls section of Natural Environment.

Energy Strategies

There are established energy strategies in Jersey. The Carbon Neutral Roadmap, published in March 2022, establishes an overall energy policy position, stating that the Government will examine the options for utility scale renewable energy generation and ensure a diverse, safe and resilient supply of energy to meet the Island's future needs. The Pathway 2050: An Energy Plan for Jersey, sets ambitious goals to transition towards a low-carbon economy by the year 2050

The policies of the Bridging Island Plan, March 2022, have been carefully formulated to achieve the sustainable development of the island with a balance between social, environmental, and economic considerations. Strategic Proposal 3 proposed the creation of an MSP for Jersey to best manage and secure the comprehensive and sustainable use of marine and coastal waters.

Additionally, the Future Economy Programme 2023 focuses on 3 components: economic strategy, economic projects and economic awareness.

Commercial Position

Jersey is considered a very safe space for structured financing. The funds market in Jersey is enormous because it's seen as very stable and well-structured regime and country.

There are existing controls in place that mean entities set up in Jersey and managed entirely through Jersey, using Jersey financial management teams, pay zero corporation tax. This provides benefits to the Jersey finance industry as there needs to be finance directors in jersey to manage the companies.

Paying zero tax on all profits generated would provide a significant benefit to developers, increasing market attraction. Though zero tax regime would need to be balanced to ensure Jersey was able to recoup financial benefits through other means.

Comparative Analysis of Jersey’s Position

Benchmarking Jersey's position relative to other jurisdictions

Legal Robustness

Overview

Legal robustness refers to the strength of the legal structure or regime of offshore wind frameworks. Legal frameworks define how offshore wind projects are approved, funded, and regulated. Governments outline policies that outline the permitting process, clarify environmental impact requirements, and, if applicable, provide financial mechanisms (subsidies). Legal structures play a crucial role in ensuring that OSW farms can be developed in compliance with all the standards and gives confidence to the developer.

Offshore wind frameworks in many European countries have been heavily influenced by the broader EU regulatory framework, which sets common targets, market structures, and grid integration guidelines. Countries often adapt frameworks to their specific needs, incorporating elements such as auction systems, grid connection models, and permitting processes.

Market	Policies	Frameworks	Regional influence
The UK	World leading offshore wind relevant policy and regulations.	Mature frameworks which have evolved over 20+ years; annual CfD auctions, six leasing rounds completed, one in progress.	Supported by EU framework and legislations.
France	Well-established offshore wind relevant policies and frameworks.	Well developed EU 'Competitive dialogue' process. From 2012, the French government have launched a total of 14 projects through seven tenders, AO1 – AO6 as well as a floating pilot.	Supported by EU framework and legislations.
The Netherlands	Well-established offshore wind relevant policies and transparent process.	A number of auction models available and practiced (Subsidy, Comparative Assessment and Comparative Assessment with Financial Bid).	Supported by EU framework and legislations.
Denmark	Established offshore wind relevant policies and transparent process.	The government is working closely with the offshore wind industry through open dialogue. Although the zero-subsidy mechanism is well-established, the conditions proved to be to too risky.	One of the oldest offshore wind markets. Supported by EU framework and legislations.
Jersey	Existing legislation may need to be enhanced or updated to make it relevant to offshore wind and in line with wind industry standards.	Comprehensive MSP published in 2024 and established Marine Economic Framework. Recently established energy strategies.	Jersey's legislative framework has selective alignment with EU laws, though has a good working relationship with EU and surrounding neighbours.

Benchmarking Jersey's position relative to other jurisdictions

Market Readiness

Overview

Market readiness refers to the degree to which a market is prepared to support the establishment of offshore wind farms. It is determined by several factors, including Government alignment, grid availability, supply chain capabilities, and workforce development.

Governments and local TSOs are making significant investments in grid infrastructure to support the expansion of offshore wind. However, the connection delays still pose a challenge due to long permitting processes, as well as slow pace of expansion and modernisation.

Supply chain readiness is an important factor affecting project timelines, costs, and feasibility. Although the outlined markets benefit from well-developed supply chain infrastructure, including vessels and ports, growing demand for key components has led to supply chain bottlenecks across European markets.

Several countries are leveraging each other's ports to facilitate the storage, assembly, and transport of components. For example, the Netherlands, Denmark, and Germany have established interconnected port networks that allow the sharing of infrastructure for assembly and shipping of large offshore wind components.

Market	Government Departments	Grid	Supply Chain	Workforce
The UK	Established departments – Department for Energy Security and Net Zero. Developed industry groups: Offshore Wind Industry Council (OWIC), Offshore Wind Acceleration Taskforce (OWAT).	Grid expected to be constrained. As part of the "Pathway to 2030", TSOs are responsible for ensuring that the grid infrastructure can accommodate the large-scale expansion of offshore wind.	UK has limited supply chain though, supply chain and ports investment, with supportive government schemes have been put in place. Eight freeports in England, two green freeports in Scotland and two freeports in Wales.	There is a growing push to increase local jobs and skills across the UK with skills support mechanisms and local skills improvement plans.
France	Established departments - Ministry of the Ecological Transition and Energy Regulatory Comission.	Issues with grid-balancing, though France is investing €100bn to upgrade its grid by 2040.	France hosts a significant share of Europe's blade and foundation manufacturing capacity. The French supply chain also has domestic capabilities to supply cables and nacelle assembly.	260% increase in offshore wind employment in France from 2019 to 2022.
The Netherlands	Established departments – Netherlands Enterprise Agency (RVO).	Grid could become an issue if the pace of construction and modernisation does not increase. TenneT is heavily investing in the construction of new infrastructure.	Existing capabilities to manufacture some of the key offshore wind components. Nine ports suitable for offshore wind development.	Dutch research institutions offer support and workforce to local developers.
Denmark	Established Departments – Danish Energy Agency (DEA).	Expected to accommodate the planned expansion of offshore wind.	Existing capabilities to manufacture key offshore wind components. Nine ports suitable for offshore wind development.	Investments in training local workforce led to the establishment of hubs focused on developing skills for offshore wind sector.
Jersey	Well structured government, with relevant departments.	Resilient grid infrastructure, though insufficient capacity for GW scale wind farm.	No existing wind supply chain, though strong maritime and financing industry.	No specific offshore wind workforce but transferable skills through strong maritime industry.

Benchmarking Jersey's position relative to other jurisdictions

Market Attractiveness

Overview

Market attractiveness is largely dependent on market characteristics, ease of doing business, corruption perception index, geo-political risks.

A mature pipeline of projects that have progressed through development, along with established frameworks to facilitate further growth, are key factors that make a market more attractive to developers. The most advanced offshore wind markets globally, tend to feature these mature elements, offering greater regulatory stability, reduced investment risks, and a clearer path to project completion.

Financial systems between these markets can vary significantly, offering different risk levels to developers depending on the structure of subsidy frameworks. Some markets provide certainty through Contracts for Difference (CfD), while others on zero-subsidy models. The presence or absence of financial support can affect the attractiveness of the market.

Market	Market Mechanisms	Established OSW Framework	Subsidy Framework	Politics (OSW targets)	Secure Offshore Wind Pipeline	Future Developments	Risk reduction measures	Metrics*
The UK	Globally competitive and transparent tax regime. Generous R&D and patent tax relief.	Established regulatory regime with independent legal system. Streamlined planning process.	Bankable support regime.	43-50 GW by 2030.	14 GW operational; 16 GW RTMS.	Leasing Round 6 + under strategic consideration, but yet to be announced.	World class data and research of seabed, i.e. Whole of Seabed Programme.	EODB – 83.5; CPI – 75.3.
France	Attracts foreign investment through policy incentives, marketing, overseas trade promotion offices, and investor support mechanisms.	1 Well established, 4 projects through seven tenders launched since 2021, AO1 – AO6 as well as a floating pilot.	Projects are awarded a FIT for a period of 20 years.	18 GW by 2035; 40 GW by 2050.	1.5 GW operational; 3.9 GW RTMS.	Up to 10 GW of capacity awarded through next auction. Further sites identified for development up to 2050.	Bidders engage in a technical dialogue to refine tender offers and define project specifications. TSO responsible for grid.	EODB – 76.8; CPI – 70.1.
The Netherlands	Globally competitive and transparent mechanisms.	The Offshore Wind Energy Roadmap established a framework, with site awards since 2016.	Zero-subsidy.	21 GW by 2032; 50 GW by 2040; 70 GW by 2050.	5.3 GW operational; 5.7 GW RTMS.	Roadmap outlines 8 development zones totalling 21 GW.	Preliminary studies conducted by the government. Local TSO responsible for grid connection.	EODB – 76.1; CPI – 84.4.
Denmark	The existing mechanisms are not competitive under the current conditions.	Site awarded in 2021 is under construction since the beginning of 2025.	Zero-subsidy.	12.6 GW by 2030.	2.65 GW operational; 1 GW RTMS.	Over 9 GW outlined in the upcoming auctions.	Government co-ownership provides extra security for developers	EODB – 85.3; CPI – 100.
Jersey	Competitive tax regime and strong finance management community. Wealth of local tax and legal experts.	Established MSP.	TBC	Pathway 2050: An Energy Plan for Jersey.	No existing pipeline.	Government exploring OSW development of up to 1GW.	TBC	Stable and simple jurisdiction in regard to doing business**.

**Ease of Doing Business score, 2020, The World Bank; Corruption Perception Indec, 2025, World Economics*
***TMF Group's Global Business Complexity Index 2024*

Benchmarking Jersey’s position relative to other jurisdictions

Geographical advantages

Overview

The geographical advantages of each market depends largely on its access to the coast, supply chain, grid and transmission network. Geographical advantages can significantly affect the feasibility, efficiency and project costs of its offshore wind farms.

Geo-political features play a significant role in shaping offshore wind markets. The proximity to demand centres and markets is an important factor. Countries like the UK, the Netherlands and France are connected by several interconnectors, allowing for easier electricity exchange. In addition, the European Union's Internal Electricity Market (IEM) facilitates the cross-border exchange of electricity between member states.

Shared policies can further enhance geo-political advantages. After nearly 50 years of EU membership, the EU-27 and UK energy markets are deeply interlinked.

Proximity to the Northern European supply chain allows for greater access to key components. Being closer to major manufacturing hubs helps secure a stable supply these components. Additionally, shorter transport distances lower the risk of delays and cost fluctuations associated with shipping.

Market	Geographical	Geo-political	Supply Chain	Grid/Transmission
The UK	Island country with a large coastline and access to North Sea, Irish Sea, Celtic Sea and English Channel.	Politically stable. On 1 January 2021, the UK left the EU’s internal energy market. The EU-UK Trade and Cooperation Agreement will run until June 2026.	Close proximity to Northern Europe supply chain.	The UK plans to expand interconnectors with neighbouring countries France, the Netherlands, and Belgium to import and export energy.
France	Extensive coastline and second largest maritime area in Europe.		Close proximity to Northern Europe supply chain.	France and the UK are connected by three electric interconnections with a combined capacity of 4 GW. Celtic Interconnector connecting to Ireland in development.
The Netherlands	North Sea coastline to the north and west. Energy connection potential with several countries. Limited floating potential.	Politically stable through EU. IEM allows for the cross-border exchange of electricity between EU member states.	Optimal location for accessing the supply chain.	The Netherlands is interconnected with the UK, Norway, and Denmark and plans to connect future projects to both the UK and Dutch grids.
Denmark	Access to both North and Baltic Seas.		Part of the Northern Europe supply chain. Close proximity to other markets with established supply chains.	Existing interconnectors to the UK, Norway, Germany, and the Netherlands. Potential connection of 3 GW Bornholm Energy Island to Germany and Poland.
Jersey	Close proximity to UK and France. The waters adjacent to Jersey’s territorial seas are within the jurisdictions of Guernsey and France.	Politically stable market. Supply from France, via three undersea cables, provides around 95% of the Island’s electricity.	Close proximity to Northern Europe supply chain.	Existing cables into France and Guernsey. Internal grid capacity is sufficient for domestic needs, but not greater.

Benchmarking Jersey’s position relative to other jurisdictions

Resource advantages

Overview

The offshore wind technical potential is an estimate of the amount of generation capacity that could be technically feasible, considering only wind speed and water depth. Presented numbers are initial, high-level estimate and do not look at other technical, environmental, social, or economic constraints. Once these other constraints are considered, the realistic practical potential is only a small fraction of the total technical potential but, given the vast global offshore wind resource, even this small fraction is still a significant and abundant energy resource. Just one percent of the global offshore wind technical potential could generate enough electricity to meet the current global demand.

The offshore wind resources in the presented markets offer significant resource advantages due to strong wind speeds and favourable seabed conditions. The North Sea possesses some of the highest and most consistent wind speeds in Europe, making them ideal locations for offshore wind farms. The UK, the Netherlands, France and Denmark benefit from steady offshore wind resources, ensuring high energy generation.

Market	Fixed Technical Potential*	Floating Technical Potential*	Characteristics
The UK	449 GW	1,366 GW	Shallow water and high wind speeds on the east coast. The southern North Sea is very suitable for fixed bottom projects with shallow, sandy seabed and high wind speeds but no floating opportunity. The Celtic Sea presents a great opportunity for floating offshore wind. Scotland has very high wind speeds and the knowledge of operating extremely deep waters due to the Oil and Gas sector which makes the region very attractive for floating wind.
France	169 GW	454 GW	Near shore deep waters and one of the most extensive and exposed coasts in Europe, subsea conditions are complex. The wind speeds are particularly high along the north coast, where there are many areas with 9-10 m/s average speeds. The Gulf of Lion, off the southeast coast, has wind speeds of up to 11 m/s.
The Netherlands	207 GW	0.5 GW	Water depths do not fall beyond 70 m, providing widespread opportunities for fixed-bottom projects. Further fixed-bottom opportunities are located further north, close to its border with the United Kingdom and Denmark. Although this area is situated far away from existing high-voltage grid infrastructure, there are possible interconnecting opportunities to other countries though the North Sea hub. High wind speeds of 10+ m/s are seen off the northern and north-western coastline. Wind speeds of 9-10 m/s are seen to the north-west, spanning towards the Netherlands’ borders with Belgium.
Denmark	261 GW	67 GW	Denmark has a significant offshore wind potential for fixed-bottom projects, primarily in the North Sea. Shallow waters can be found along the west coastline, in the North Sea, and east coastline, in the Baltic Sea. Denmark has 302 designated Marine Protected Areas (MPAs) which cover a marine area of 19,155 km2 (18% of its EEZ). Most of Denmark’s designated MPAs are in the Skagerrak Strait and Kattegat Strait. There is moderate shipping activity in the Baltic Sea.
Jersey	8.6 GW	0.3 GW	2,455 km^2 of territorial sea. The seabed area to the west of Jersey is flatter and less complex, with a greater exposure to high energy weather, waves and currents. Water depths are greater but remain relatively shallow (<50m). Average wind speeds of 8/ms +. The highest wind speeds are found in the west and south-west of the Bailiwick.

**Source – World Bank Group’s Offshore Wind Development Program, led by ESMAP in partnership with IFC.*

Benchmarking Jersey's position relative to other jurisdictions

Conclusion

ERM has carried out a comparative analysis of Jersey and other jurisdictions based on legal robustness (e.g., environmental laws, permitting, processes), market readiness and attractiveness for offshore wind developers and geographical and resource advantages.

In addition to comparing Jersey with other jurisdictions, a high-level analysis has also been undertaken to determine how Jersey would compare if realistic actions were undertaken to enhance Jersey's current position. ERM analysed Jersey using two scenarios:

- Jersey Scenario 1 – Current Position
- Jersey Scenario 2 – Position with realistic actions implemented

It is considered that the two areas where Jersey has greatest potential to improve on are Market Readiness and Market Attractiveness. Jersey is deemed to be extremely stable from a governance perspective, though some enhancements to legislation, ensuring applicability to offshore wind, would likely improve Jersey's position. ERM have outlined key recommendations which the Government of Jersey could action to provide advantages to the market. These are outlined on page 21.

It should be noted that Scenario 2 takes into account the possibility of all leasing and tendering options currently under review, for which each option can create greater or lesser market readiness and attractiveness.

For all countries noted (and indeed globally) the legal robustness, market readiness, attractiveness and geographical advantages are evolving as the industry and markets mature. Furthermore, due to increase competition for investment, each country is seriously assessing how they can improve their competitive advantage.

Market	Legal Robustness	Market Readiness	Market Attractiveness	Geographical advantages	Resource advantages
The UK	Very High	Medium	High	High	Very High
France	Very High	High	High	High	Very High
The Netherlands	Very High	High	High	Very High	High
Denmark	Very High	High	Medium	High	High
Jersey (Scenario 1)	High	Low	Low	High	Medium
Jersey (Scenario 2)	High	High	High	High	Medium

Benchmarking Jersey's position relative to other jurisdictions

Emissions Trading Scheme

Carbon trading regimes are market-based mechanisms designed to reduce greenhouse gas (GHG) emissions by assigning a price to carbon emissions. These regimes enable entities (such as businesses, industries, or countries) to trade emission allowances or credits to meet their climate targets more cost-effectively.

EU

- The EU Emissions Trading Scheme (ETS) was launched in 2005. It is the world's first carbon market and among the largest globally;
- The ETS helped bring overall EU emissions down by 62% between 2005 and 2030 while generating revenues to finance the green transition;
- It covers emissions from electricity and heat generation, industrial manufacturing and aviation sectors, which account for roughly 40% of total GHG emissions in the EU;
- It operates in all EU countries plus Iceland, Liechtenstein and Norway, and is linked to the Swiss ETS (since 2020).

In 2024, the EU ETS included passenger and cargo ships of 5,000 gross tonnes (GT) or more which are used to transport offshore wind infrastructure. From 2027, offshore wind installation ships of 5,000 GT or larger will also be regulated by the scheme. The decision on adding cargo ships of 400-4999 GT to the EU ETS scheme is currently under consideration.

The average EU ETS carbon price is expected to be €84.4 per metric ton of CO2 during the period 2022 to 2025 but is projected to rise to almost €100 per metric ton of CO2 during the period 2026 to 2030[1]. The non-compliance penalty is currently €100 for each tonne of emissions not declared. The system covers:

- 50% of emissions from voyages starting or ending outside of the EU (allowing the third country to decide on appropriate action for the remaining share of emissions).
- 100% of emissions that occur between two EU ports and when ships are within EU ports.

[1]WeBridge. 2025. How does the EU ETS impact offshore wind developers?. Available at: https://www.windenergybridge.com/insights/how-does-the-eu-ets-impact-offshore-wind-developers
[2]International Carbon Action Partnership. 2018.. Benefits of Emissions Trading. Available at: https://icapcarbonaction.com/system/files/document/benefits-of-ets_updated-august-2018.pdf

UK

On 28 November 2024, the UK ETS Authority published a detailed consultation on the expansion of the UK ETS to include the domestic maritime sector from 2026. The UK ETS Authority confirmed its intention to begin with a ship threshold of 5000GT, although there is a commitment to reassess this threshold by 2026.

It is proposed that the UK ETS maritime expansion covers:

- Domestic voyages, this will include voyages which start and end at the same port in the UK
- Emissions at berth, this will include emissions at berth in UK ports from ships travelling. domestically, internationally, and to or from Crown Dependencies and British Overseas Territories, regardless of the location of the next or previous port of call.

This approach aligns with the definition of domestic emissions used in the UK's National Atmospheric Emissions Inventory (NAEI), and the coverage of emissions at berth within the EU ETS.

The UK ETS Authority has not changed its position in relation to international journeys, emissions from journeys which start or end outside of the UK will not be caught. The Authority recognised the importance of achieving internationally agreed policy measures to reduce emissions from shipping and will monitor developments of international schemes, including those from the International Maritime Organization (IMO) and other jurisdictions, and will consider how these interact with their own policy.

Implications of ETS

ETS policy has proven to be politically tenable, ETS can be designed to address particular concerns of different stakeholder groups. For example, the free allocation of some allowances to especially energy-intensive and trade-exposed sectors as an initial and transitional allocation method may help to overcome concerns of industrial groups regarding carbon leakage or competitive distortions. At the same time, the use of auction revenues to compensate households for rising energy costs may win over consumer groups. The ability to address issues of allocation and revenue use through negotiations at the design stage, while still ensuring the policy achieves a set level of emissions reductions, means ETS policy can work well in achieving consensus among domestic interest groups[2].

Identify strategic actions to enhance Jersey's advantage

Priority actions to enhance offshore wind development in Jersey.

Typical key measures to reduce risks or capitalize on opportunities

There are a number of well understood mechanisms that new and existing offshore wind markets have previously taken to improve their competitive attractiveness. When considering strategic actions Jersey can undertake to enhance Jersey's advantage some of these mechanisms are applicable, where others aren't. But importantly, Jersey has a number of unique characteristics that when properly capitalised could considerably enhance Jersey's position.

<u>Leasing priorities</u>

1. **Non price criteria (NPC) –** Utilise NPC to encourage efficient delivery of projects and wider socio-economic and environmental benefits. Avoid imposing constraints or demands on developers and the supply chain.
2. **Incentives and investment** – Provide sufficient incentives or subsidies to ensure auctions are attractive to participants. Balance cost reductions with risk mitigation and financial incentives to ensure the auction remains attractive.
3. **Implement a transparent and robust framework for evaluating bids –** Ensure consistent measurement and assessment approach to provide fair assessment and encourage participation.

<u>Government priorities</u>

1. **Policy enhancements** – Set clear targets and establish detailed roadmap to drive long-term investment and provide regulatory stability.
2. **Streamlined regulatory processes** – Establish a governing body or authority to oversee the industry.
3. **Investment in enabling infrastructure or capacity-building initiatives** – Provide investment to unlock supply chain support and encourage R&D and innovation.
4. **Financial –** Provide a competitive and transparent tax regime.
5. **Workforce development** – Invest in the development of local skills.

Recommended measures specific to Jersey

ERM see significant opportunity for Jersey to improve its market readiness and market attractiveness through actioning the key recommendations outlined below.

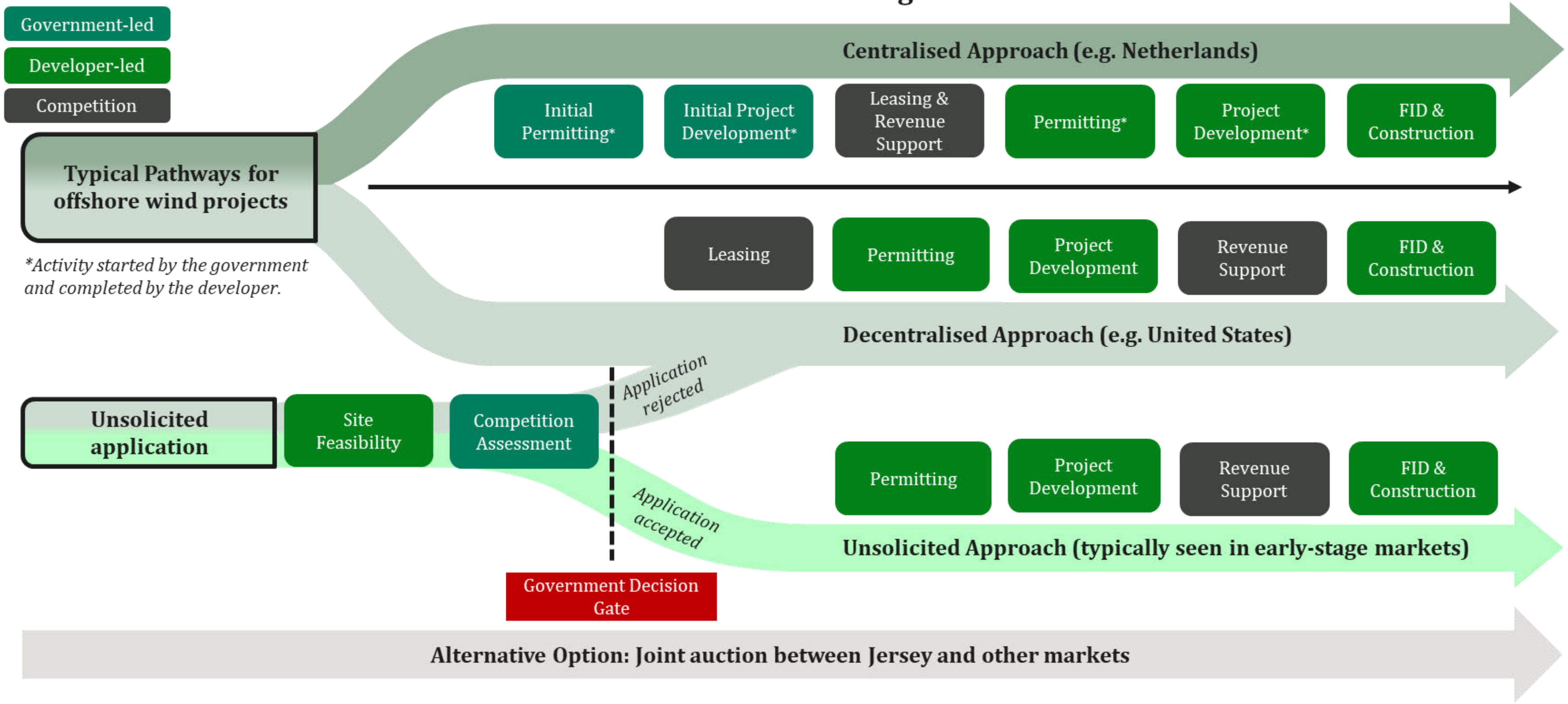
[redacted]

Leasing and tendering options and applicability to Jersey

Route to Site Exclusivity

There is no global standard in designing auction rules as they are heavily-dependent on market conditions and government targets & priorities. One of the main considerations for a government to consider in its auction design is whether their route to site acquisition is centralised (One-Stage Auctions), decentralised (Two-Stage Auctions), or they will allow pure unsolicited applications.

Offshore Wind Auction Design Models



Sources:
- Global Wind Energy Council. 2024. Vietnam Offshore Wind Competitive Investor Selection Study.
- World Bank Group. 2021. Key Factors for Successful Development of Offshore Wind in Emerging Markets. ESMAP, World Bank, Washington, DC

Overview of Offshore Wind Leasing Frameworks

Whilst a market will typically utilise a combination of centralised/decentralised options, activities can be generally categorised as below:

Increased risk to Government

Increased risk to developer

Approach	Pre-feasibility	Site selection	Consent	Grid	Auction Format
Centralised	Government-led	Government-led, typically one lease area will represent one project	Mainly government-led, though developers can be responsible for securing consent post award of site	Commonly transmission system build out is government-led	One-stage auction where lease, subsidy and grid are often provided in one
Hybrid	Governments often undertake some technical studies to inform areas of search but developers will typically then undertake full feasibility for specific site selection	Typically, government led with broad lease areas to allow developer-led specific site selection	Often carried out by developers though governments can support by undertaking detailed pre-feasibility studies or marine spatial planning	Can be the responsibility of either the developer or the government	Two-stage auctions where lease and offtake are typically auctioned separately
Decentralised	Developers often carry out pre-feasibility assessments	Developer-led	Developer-led	Commonly developer-led	Two-stage auctions where lease and offtake are typically auctioned separately
Unsolicited	Developers often carry out pre-feasibility assessments	Developers define their own site boundaries	Developer-led	Developer-led	Leases are often awarded outside of competitive auctions

Pre-Feasibility

Jersey can seek a developer-led approach to delegate the responsibility of conducting surveys and other relevant work without the government shouldering any cost incurred.

Approach	Description	Market history	Applicability / Compatibility to Jersey
Centralised	Government-led	• The Netherlands – Early spatial planning • Denmark (centrally-planned) – The screening is undertaken by the Danish Energy Agency and the Maritime Authority. Sites are considered in the maritime spatial planning process. • France – Preliminary environmental & geotechnical studies are conducted before awarding a project • Germany (centrally planned) – Federal Maritime and Hydrographic Agency (BSH) pre-investigated and pre-surveyed the sites. • India Gujarat tender – Detailed site surveys	The Marine Spatial Plan has gone some way to delivering on this from a high-level perspective by outlining the area to the southwest as having the best potential from an environmental perspective. More detailed studies would need to follow.
Hybrid	Governments often undertake some technical or strategic studies to inform areas of search but developers will typically then undertake full feasibility for specific site selection	• UK Round 2, 3 & 4 & Celtic Sea Round • Ireland	Likely compatible with Jersey as this can allow the government to have some flexibility in conducting its own surveys into the proposed lease area while not fully committing itself in conducting site surveys and delegating those tasks to developers.
Decentralised	Developers often carry out pre-feasibility assessments	• UK Round 1 • Germany (non-centrally planned) – Developers carry out pre-development works/studies of non-centrally pre-investigated sites before the site is offered in auctions	Noting the contents of the current Marine Spatial Plan, but additionally, there is high compatibility to Jersey as this approach will delegate the responsibility of conducting surveys and other pre-feasibility works to developers – without the government shouldering any costs incurred. Government can also require developers to share the data collected in exchange of giving pre-feasibility permits.
Unsolicited	Developers often carry out pre-feasibility assessments	• South Korea – Developers will be granted a 3-year exclusivity period to conduct wind measurement by deploying floating LiDAR in its selected area(s). A year of wind measurements is a requirement for further applying for Electricity Business Licence (EBL) for OSW projects.	Noting the contents of the current Marine Spatial Plan, but additionally, there is high compatibility to Jersey as this approach will delegate the responsibility of conducting surveys and other pre-feasibility works to developers – without the government shouldering any costs incurred. Government can also require developers to share the data collected in exchange of giving pre-feasibility permits.

Site Selection

Considering the demand available in Jersey, the government can assign a broad lease area and provide flexibility for developers to select specific site(s) within the area.

Approach	Description	Market history	Applicability / Compatibility to Jersey
Centralised	Government-led, typically one lease area will represent one project	• France – The government pre-defines the sites for tenders • The Netherlands – Based on early spatial planning, the development of OWFs will be restricted to these areas. • Denmark (centrally-planned) • Germany – The Site Development Plan determines eligible zones for offshore wind development, particular sites within zones, etc. • Taiwan Round 2 – The government announced potential sites for Feed-in Tariff (FiT) and auction	Likely compatible with Jersey – as there is only one lease area available for development that will support existing business case to export excess power. However, costs will be higher and sourced from government finances.
Hybrid	Typically, government led with broad lease areas to allow developer-led specific site selection	• UK (including Scotland) – The Crown Estate (TCE) / Crown Estate Scotland (CES) leases areas of seabed off the coast of the UK (within the UK Continental Shelf). • India Tamil Nadu tender – potential sites for developer-led surveys (without site exclusivity)	Highly compatible with Jersey – this can balance both the fact that there is only a single broad area suitable for offshore wind development and transferring the development risk to developers instead.
Decentralised	Developer-led	• Taiwan Round 3 – developers can define their site boundaries based on the sensitivity area map announced by the government, feasibility study, governmental consultations, etc	The southwest area has already been selected, but opportunity exists for developers to optimise the exact site boundaries. There will still be a lot for a Developer to do to determine best cable routes whether to Jersey, France or UK.
Unsolicited	Developers define their own site boundaries	• Denmark (open-door) * • Philippines – developers will apply for an offshore wind service contract based on their own pre-feasibility studies. Once granted, they are awarded site exclusivity. • South Korea – developers can define their site boundaries (before the Offshore Wind Promotion Act comes into force)	The southwest area has already been selected, but opportunity exists for developers to optimise the exact site boundaries. There will still be a lot for a Developer to do to determine best cable routes whether to Jersey, France or UK.

* Denmark's open-door scheme was discontinued in late 2023.

Consent

Jersey can consider whether the government or the developer to bear the risk of the development progress.

Approach	Description	Market history	Applicability / Compatibility to Jersey
Centralised	Mainly government-led, though developers can be responsible for securing final consent details post award of site	• The Netherlands – Wind Farm Site Decision (WFSD) • Denmark (centrally-planned) • Germany – Construction and operation of OWF in Germany requires a detailed planning assessment procedure by the BSH. Applications for permits can only be submitted by applicants who have won the auction for the site. • UK – For example, Development Consent Order (DCO) in English Waters acts as a permit to develop a Nationally Significant Infrastructure Project (NSIP), • France – government implements 'competitive dialogue' process from AO3 tender, successful bidders obtain authorisations for domain and EIA approval	Some compatibility to Jersey – as there is only one lease area available for development. However, up front costs will be significantly higher at this stage for Government and maybe harder to recoup if auction process delayed until concluded. Decision on grid connection routes may also need to be made, that may not concur with Developer led solutions.
Hybrid	Often carried out by developers though governments can support by undertaking detailed pre-feasibility studies or marine spatial planning	• South Korea – developers should secure necessary consents such as Public Waters Occupancy and Use Permit (PWOP) and EIA. The government conducts marine spatial planning.	Highly compatible with Jersey – balancing that there is a single broad area suitable for offshore wind development and transferring the development risk to developers instead. The existing Marine Spatial Plan assists with key early information and direction on environmental scoping. Ensuring appropriate consenting route will be key.
Decentralised	Developer-led and could either fit in similarly to unsolicited approach below or follow any new legal guidelines on consenting if timely.	• Taiwan – geophysical / geotechnical, EIA, site recordation, admin contract. Developers should engage with different authorities.	Highly compatible with Jersey – balancing that there is a single broad area suitable for offshore wind development and transferring the development risk to developers instead. The existing Marine Spatial Plan assists with key early information and direction on environmental scoping. Ensuring appropriate consenting route will be key.
Unsolicited	Developer-led but based on pre-existing legal framework from other technologies (e.g. onshore wind, FEPA licence for piers, jetties, slipways construction etc. Also, potentially equivalent UK Transport & Works Act)	• UK such as the early Blyth Offshore Wind demonstration project in 2000 – project followed UK planning laws and FEPA (Food and Environment Protection Act 1985) licencing regulations • Philippines – offshore wind projects prior to the updated renewable energy policy framework had to follow the onshore wind legal framework	Potentially compatible with Jersey and may be the fastest route for the project to get to market. However, further investigation is required to determine the viability of this option.

Grid

Most of the selected countries adopt centralised approach for the relevant public utilities to building grid infrastructure.

Approach	Description	Market history	Applicability / Compatibility to Jersey
Centralised	Commonly transmission system build out is government- or TSO-led	• The Netherlands – TenneT is the only company authorised to construct transmission system • France – RTE is the only company allowed to build and operate the necessary transmission infrastructure that offshore wind farms will have to connect to • Germany – TSOs handle offshore transmission infrastructure, ensuring that wind farms can feed electricity into the onshore grid • Taiwan – Taiwan Power Company (TPC) to determine capacity for grid connection / point of interconnection (POI)	Likely compatible with Jersey – delegate the responsibility to Jersey Electricity or engage with EDF to ensure grid security and reliability etc.
Hybrid	Can be the responsibility of either the developer or the government/TSO	• UK (including Scotland) – developers are responsible to construct the transmission facilities necessary to support the offshore wind projects; these assets are transferred to an Offshore Transmission Owner (OFTOs) within 18 months of wind farm commissioning. • Hybrid may also include an element of developer leading the offshore and government leading the onshore grid	Likely compatible with Jersey that developers will construct offshore infrastructures then sell the asset to Jersey Electricity once complete to ensure grid reliability + allow developers to construct another interconnector to export excess electricity
Decentralised	Developer-led	• Developer to lead on locating and securing best grid routes to market. This may involve significant securities, but will mean the developer can maintain control of the process and monitor any associated risks.	Jersey may need to specify if a certain amount of the output must land or be useable in Jersey via a French interconnector. Measures to protect Jersey's interests may be required so as not to lose overall control or ambition.and potential. Existing grid facilities in the island are rated <90 kV; Jersey Electricity being responsible in grid development (might need change legislation)
Unsolicited	Developer-led	• Denmark (centrally-planned and open-door) – for both leasing frameworks, developers have the sole responsibility to build the necessary grid infrastructure for their offshore wind projects.	As for Decentralised above.

Auction Format (Offtake)

Approach	Description	Market history	Applicability / Compatibility to Jersey
Centralised	Typically a one-stage auction where lease, subsidy, and often grid are provided in one award	• France – power offtake strike price is bundled with rights to develop pre-selected projects • The Netherlands – Subsidies are based on the SDE+ model. SDE+ subsidies are based on a sliding feed-in premium. • Denmark (centrally-planned) • Germany (non-centrally planned) – Sites are awarded solely based on the price, which allows negative bidding • Japan (2nd & 3rd round auction) – Feed-in Premium (FiP) • Taiwan Round 2 – Feed-in Tariff (FiT) • Taiwan Round 3 – Auction criteria including a price cap, which is set low to attract Corporate Power Purchase Agreements (CPPAs).	Likely compatible with Jersey, and would give the Government additional control on the design of the project. However, there are a number of complexities that would need consideration, just as the potential connection scenarios and access to other markets subsidies.
Hybrid	Typically a two-stage auction where lease and offtake are usually auctioned separately	• UK (including Scotland) – Developers may submit bids for proprietary project sites within a larger wind energy area. Contracts for Difference (CfD) scheme is adopted to secure route to market.	A two-stage auction is unlikely to be compatible with Jersey due to the lack of competition at auction stage. Offtake auctions such as the CfD in the UK see multiple projects competing for subsidies, in some cases across multiple technology types. If only one project is competing then an auction could not be held.
Decentralised	Typically a two-stage auction where lease and offtake are usually auctioned separately.	• South Korea – Competitive biddings for fixed-price contract for wind power since 2022. The government sets price cap and targets of awarded capacities / number of projects in each round. EIA approval is one of the key prerequisites. • US – states are in-charge of awarding subsidies or Power Purchase Agreements (PPAs)	A two-stage auction is unlikely to be compatible with Jersey due to the lack of competition at auction stage. Offtake auctions such as the CfD in the UK see multiple projects competing for subsidies, in some cases across multiple technology types. If only one project is competing then an auction could not be held.
Unsolicited	Leases are often awarded outside of competitive auctions	• Italy – Under its CfD scheme projects will be selected through a transparent bidding process based on an incentive tariff. • Philippines – wind energy service contracts (effectively a lease) are awarded through unsolicited applications. A separate offtake auction is then held when projects compete.	A two-stage auction is unlikely to be compatible with Jersey due to the lack of competition at auction stage. Offtake auctions such as the CfD in the UK see multiple projects competing for subsidies, in some cases across multiple technology types. If only one project is competing then an auction could not be held.

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Thank you

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