

# Decree on Offshore Wind Power in the Exclusive Economic Zone

23 June 2025



Työ- ja elinkeinoministeriö  
Arbets- och näringsministeriet

# Content of this presentation



- A draft Government Decree on Offshore Wind Power in the Exclusive Economic Zone was submitted for comments on 23 June 2025
  - open for comments on the [lausuntopalvelu.fi](https://lausuntopalvelu.fi) service until 18 August 2025
- The government decree will be issued under the Act on Offshore Wind Power in the Exclusive Economic Zone (937/2024), which came into force on 1 January 2025
- This presentation:
  - 1) Briefly describes the Act on Offshore Wind Power in the Exclusive Economic Zone
  - 2) Outlines the main points of the draft decree submitted for comments
  - 3) Briefly describes other current issues related to offshore wind power in the exclusive economic zone (EEZ)

# Act on Offshore Wind Power in the Exclusive Economic Zone

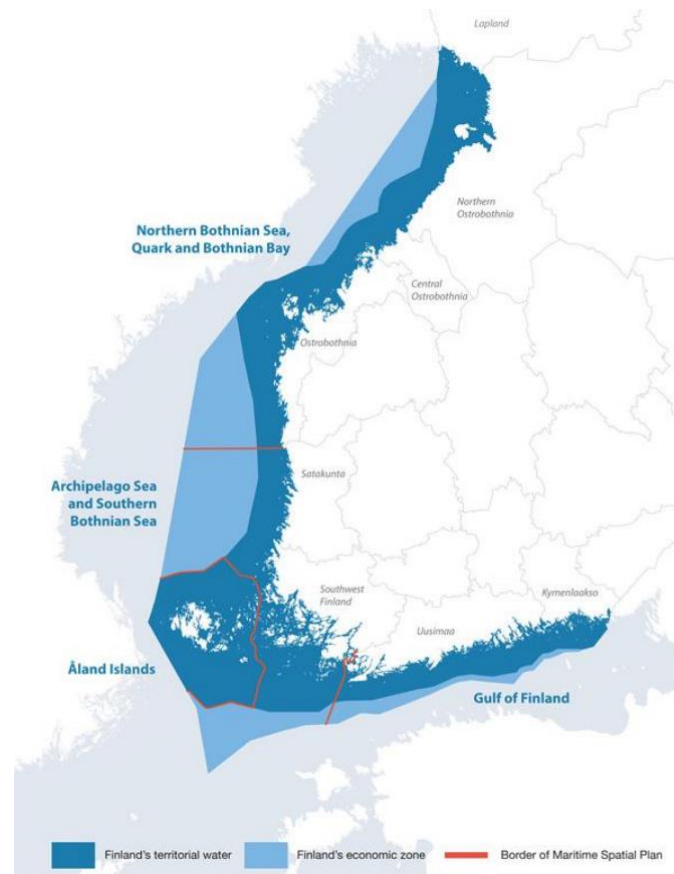
Tendering process for granting rights to exploit offshore wind  
power in the exclusive economic zone



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# Finland's marine areas

- Territorial waters
  - Mostly owned by Finland
  - Metsähallitus leases areas for offshore wind power (under the Ministry of Agriculture and Forestry)
  - Subject to Finnish legislation (land use planning, permits)
- **Finland's exclusive economic zone**
  - International waters: not part of Finnish territory; only partly subject to Finnish legislation
  - Finland has the right to economically exploit it under the UN Convention on the Law of the Sea
  - No offshore wind power yet
- Åland's territorial waters
  - The Government of Åland decides on the allocation of offshore wind sites



# Key content of the new Act on Offshore Wind Power in the Exclusive Economic Zone



1. The Government selects the maritime area to be tendered
  2. The Energy Authority organises the competitive tendering
  3. The winner can apply for an exploitation permit from the Government
- Note: This is a procedure in accordance with the EU Concessions Directive, i.e. essentially a public procurement process
  - The applicability of Finnish legislation in the EEZ has also been clarified to ensure requirements are as consistent as possible between territorial waters and the EEZ. For example, a project permit under the Electricity Market Act and permission for an obstacle to air navigation under the Aviation Act are now required

# Selection and tendering of the area



1. **The Government selects the maritime area to be tendered based on a presentation by the Ministry of Economic Affairs and Employment**
  - The decision considers the overall interests of society – in particular, the environment, fishing and maritime transport
  - A strategic environmental assessment (SEA) of the areas, carried out by a consultant, has begun and will be completed in the autumn of 2025
  
2. **The Energy Authority organises the competitive tendering**
  - All participants must meet certain minimum quality requirements (eligibility criteria)
  - The winner is selected based on a scoring system combining the offered price and quality criteria
    - The decree will define the quality criteria, which may be related to competence or financial capacity, for example
  - A participation guarantee ensures commitment to the process
  - A minimum price may be set

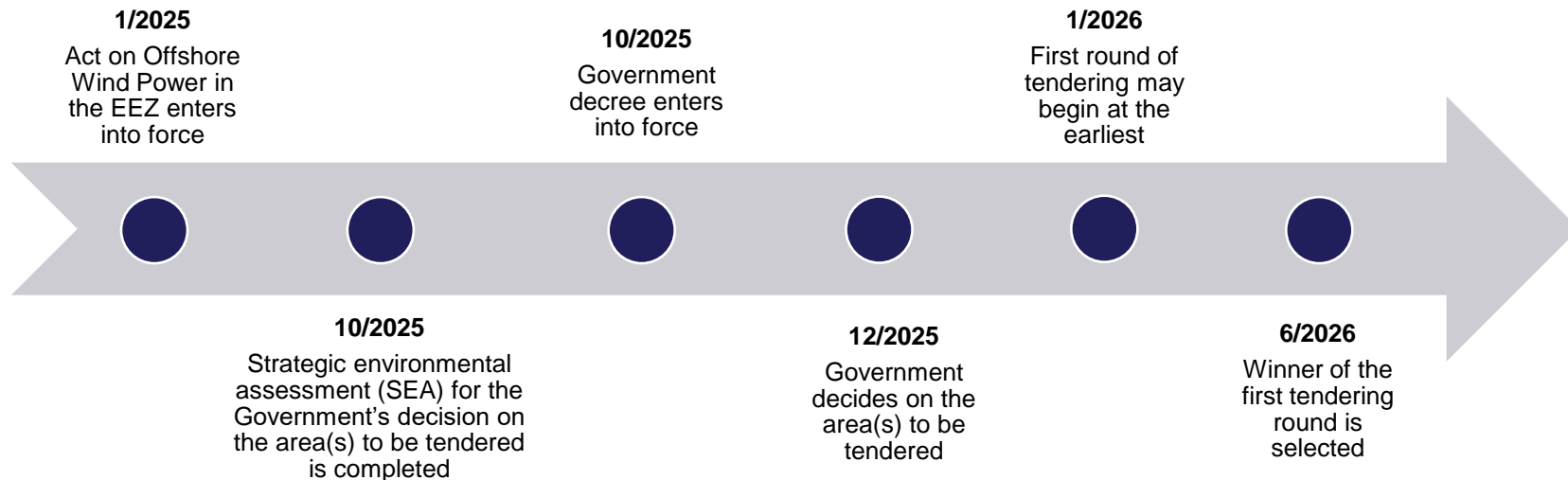
# Exploitation permit – right to the area



## 3. The winner may apply an exploitation permit from the Government

- The permit grants a right to use the area for wind energy production (cf. a lease agreement)
- It allows area exploration and provides certainty for project development, including the application for necessary permits (notably a water permit)
- The Government can only deny the permit in specific cases such as matters of national security
- A performance guarantee ensures project progression
- The permit holder must:
  - Pay the exploitation fee offered in the tender during the wind farm's operational period
  - Comply with the quality commitments made in the tender

# Estimated schedule of the first tendering round



# Draft Government Decree on Offshore Wind Power in the EEZ – submitted for comments



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# Tendering model, pre-qualification criteria and participation guarantee



- **The selected tendering model** is a single-round tendering process
- **Pre-qualification criteria** (minimum level):
  - A balance sheet total of EUR 600 million and equity ratio of at least 15% OR EUR 1 billion in assets under management
  - Wind power experience in both project development and construction phases (at least 100 MW in total)
- **Participation guarantee** (this is for the tendering process and will be returned to the tenderer):
  - EUR 1 million

# Performance guarantee (submitted after winning and receiving the exploitation permit)



- An initial guarantee of EUR 1 million, which must be increased annually so that the cumulative guarantee amount reaches the following levels by each respective year:
  - Year 2: EUR 2 million
  - Year 3: EUR 3 million
  - Year 4: EUR 6 million
  - Year 5: EUR 9 million
  - Year 6: EUR 12 million
  - Year 7: EUR 17 million
  - Year 8: EUR 22 million
  - Year 9: EUR 27 million etc.
- The initial amount is low to reflect early-stage project risks and allow exit at a lower cost. The amount increases as the probability of the project's realisation grows.
- Already stipulated in law: The Energy Authority may call in the guarantee if the project is not implemented. As the exploitation fee is only paid during production, this guarantee ensures compensation for reserving the area even if the project is not completed. No exceptions are made to guarantee realisation if the project fails.

# Award criteria: weighting



- Price: 50 points; quality: 50 points; total: 100 points
- The aim is not to overemphasise price, as the highest bidder may not be the most likely to implement the project – the areas are underexplored, so there is a risk that the project will not be completed
- Overweighting quality could nullify the influence of price entirely – research suggests a minimum price weighting of 50%

# Price = the offered exploitation fee



- No minimum price – current project profitability remains weak
- The offered fee is to be expressed as EUR/installed MW per year
  - Payment obligation begins once electricity production starts and ends when turbines are decommissioned
  - Tied to the cost-of-living index
  - Scoring examples: EUR 0–1,000/MW: 0 points; EUR 1,000–2,000/MW: 6 points etc.; the maximum bid: EUR 8,000+/MW: 50 points
  - This scoring method automatically creates a price cap. An alternative, i.e. relative price scoring (the highest bid receives 50 points, and others receive points in relation to it), increases the risk of unrealistic bids from operators unlikely to implement the project or allows high points with very low offers

# Selection criteria: quality (50 points)



- Expertise, experience and overall capability of developing the project
  - Experience in more than 500 MW of wind power projects
  - Experience in more than 100 MW of offshore wind power projects
- Enhancing the flexibility of the energy system
  - Construction of an energy storage system or electricity consumption site to improve flexibility – more points for larger facilities
  - Commitment to participate in the electricity reserve market with the offshore wind farm to increase flexibility
- Environmental impact of the project:
  - Bird radar monitoring during the project development phase (for better environmental assessments)
  - Zero-emission transport during operation (electric or fuels compliant with sustainability criteria)

# Other matters regulated by the decree



- Criteria for selecting the winner in the event of equal scores
- Content requirements for submitted bids
- More detailed content requirements for the exploitation permit application

# Other proposed award criteria from stakeholders and related challenges



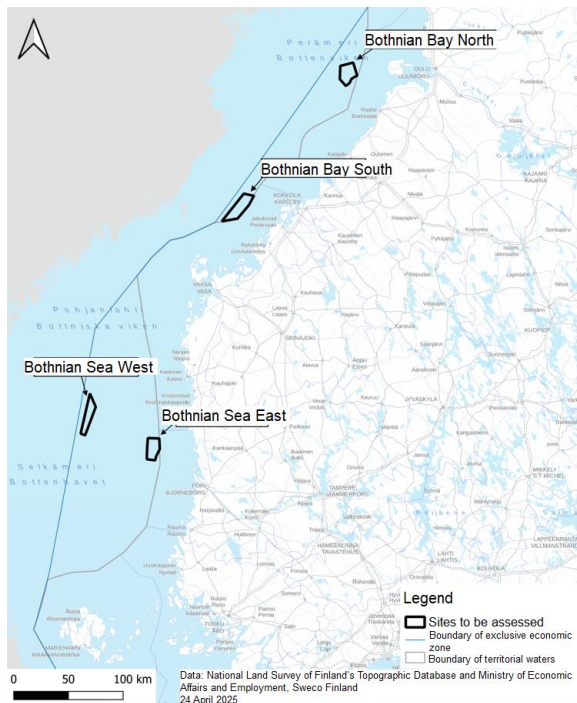
- Bonus points for companies already developing projects in the EEZ
  - Risk: Public procurement rules prohibit selection based on project readiness – criteria must be non-discriminatory and fair
  - These companies already benefit from the fact that tendered areas are ones where development has already begun. Points for previous wind power project experience are also available.
- Finnish operators would be taken into account by awarding points for experience in building in icy conditions or in seabed conditions similar to the Gulf of Bothnia
  - The challenge: This would require bidders to commit to subcontractors with relevant experience even more than 10 years in advance – this would be unreasonable
- Various proposals for criteria supporting project acceptability and environmental performance
  - Challenge: Criteria must be related to the procurement subject i.e. the offshore wind farm. No bonus points for actions required anyway by other permits (e.g. water permit). Criteria must be clear so that compliance can be monitored – several proposals do not meet these standards.

# Other current offshore wind power matters



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# Offshore wind power areas in the EEZ



- The strategic environmental assessment (SEA) of potential offshore wind power areas in the EEZ has begun
- The SEA plan is open for comments on the [lausuntopalvelu.fi](https://lausuntopalvelu.fi) service until 4 July 2025
- An international consultation is also underway
- The environmental report will be published for comments in the autumn

## Surface areas:

Bothnian Bay North: 224 km<sup>2</sup>

Bothnian Bay South: 284 km<sup>2</sup>

Bothnian Sea West: 211 km<sup>2</sup>

Bothnian Sea East: 202 km<sup>2</sup>