

Client Alert

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Directions of Application for Offshore Wind Zonal Development

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The Ministry of Economic Affairs (**MOEA**) announced the Directions of Application for Offshore Wind Zonal Development Site Planning (**Direction**). The Directions outline regulations and rules for applying for the Site Planning Recordation.

Applicants who wish to participate in Round 3 development (i.e. Zonal Development) opportunities will first have to apply for and obtain the Site Planning Recordation for its intended offshore windfarm (**OWF**) site.

Once the applicant has successfully obtained the Site Planning Recordation, the applicant can subsequently participate in the grid capacity allocation process (**Grid Allocation**). To date, the rules for Grid Allocation have not been finalized. We set out a summary of the Directions below.

Eligibility

Under the Direction, applicants should satisfy one of the following qualifications:

- (a) An entity meeting the organizational requirements of renewable energy generation enterprise as announced by the MOEA which has funds, in the form of paid-in capital, in an amount of not less than 5% of the estimated initial installation cost of the proposed offshore wind project (**Investment Amount**) (**5% Self-Owned Fund**).
- (b) if the applicant is a preparatory office for a renewable energy generation enterprise (i.e. an electricity enterprise yet to be incorporated), the 5% Self-Owned Fund requirement may be satisfied by (1) certificate of the preparatory office's bank deposit or (2) one of the promoter's own paid-in capital or (3) certificate of the promoter's bank deposit, in the required amount. Note that there is no restriction on a foreign entity being the promoter of the applicant.

The Investment Amount is based on the initial installation cost announced for the purpose of the feed-in-tariff (**FIT**) rate for the relevant year multiply by the intended installed capacity. However, for applicants that intend to develop projects with aggregate intended capacity over 1.5GW, the Investment Amount would still be the FIT rate multiply by 1.5GW.

Review of the Application

An applicant needs to submit the required documents when applying for Site Planning Recordation.

While the MOEA will only issue the recordation after the application has received positive opinion letters from agencies of aviation affairs, radar



control, military restriction, land prohibited from development, marine navigational safety, aquatic organisms propagation and conservation zones, fishing rights and mining rights, the applicant does not have to obtain the relevant agencies opinion letters for its application submission. Instead, the MOEA will assist the applicant in liaising with relevant government agencies with respect to the review of the applicant's applications.

OWF Project Site / Wind Turbine

For the selection of OWF project site, the applicant should be mindful that the proposed OWF site cannot overlap any other OWF site which has received development consent from the MOEA (i.e. the Round 1 Demonstration Projects and Round 2 Potential Sites projects) and the shortest distance from the boundary of such OWF site should be no less than 1,200 meters.

The Directions also state that each proposed OWF project must have a capacity of at least 100MW and with each square kilometer of its proposed site to be installed with generation equipment with a capacity of not less than 5MW.

Moreover, the intended OWF project site cannot overlap with the highly sensitive areas as indicated in Annex 1 of the Directions.

In respect of the positioning of the wind turbine, the circular area occupied by the wind turbines rotating 360 degrees against the wind and yaw their vertical projection on the ground cannot exceed the intended OWF project site.

Deadline for Submission

The MOEA will separately announce the deadline for submission for the application of the Site Planning Recordation.

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