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New record low price for offshore project in Denmark

November 9th the Danish Minister for Energy, Utilities and Climate Lars Chr. Lilleholt announced a record low price of 5 eurocents/kWh for the 600 MW offshore project Kriegers Flak in the Baltic Sea. Lilleholt sees the bid from Swedish operator Vattenfall Vindkraft A/S as a very important step in the global green transition – and welcomes the timing just a few days before going to COP22 in Morocco to ensure momentum, action and ambition in the global efforts to ensure a low carbon future.

The bid price 5 eurocents/kWh (€49.9/MWh) is one of the lowest levels of subsidies ever for offshore wind turbines – not just in Denmark but in the world. Offshore wind is thus rapidly increasing its competitiveness with alternative production technologies and could become a key part of a future global and clean energy mix, due to the vast potential of offshore wind development globally.

- I am very happy once again to set a new record with a bid price of 5 eurocents/kWh for 600 MW offshore wind. These days we are entering COP22 in Marrakech in Morocco. And more than anything this year's COP is about ensuring action, financing and continuous ambition when it comes to a global transition to clean energy. 189 countries are about to implement their national goals from the Paris Agreement – and some are facing very difficult challenges. The key task is therefore to show that renewable energy is financially and technically viable, says the Minister for Energy, Utilities and Climate Lars Chr. Lilleholt, and continues:

- Denmark can offer to share our experience with regulation, effective policies and market design and at the same time our world leading energy technology companies can offer cost-effective solutions to drive national mitigation efforts, not just with renewable energy, but also with energy efficiency technologies. I am very proud that Denmark once again demonstrates its position as a showcase and a leading country for cost-effective deployment of offshore wind power, says the Minister for Energy, Utilities and Climate Lars Chr. Lilleholt

According to the International Renewable Energy Agency (IRENA) offshore wind has the potential to grow more than 650% by 2030, and the International Energy Agency (IEA) has stated that the world can look forward to 2.5 new wind turbines per hour over the next five years.

Denmark has in many years been a showcase for integrating variable renewable energy efficiently in the power system. In 2015 power supply from wind power on average covered the equivalent of 42.1 percent of the Danish electricity consumption, which is the highest share globally.

The Kriegers Flak project is expected to deliver power to more than 600,000 Danish households and is on track to become one of the most inexpensive offshore wind farms in the world.

There was extremely fierce competition in the bid for Kriegers Flak, and in addition to Vattenfall, five other companies/consortia have been able to submit tenders. The other bids will not be published.