



BILATERAL ENERGY ISLAND COOPERATION IN THE NORTH SEA

With the establishment of energy hubs and islands in the North Sea, Europe is taking its first step towards realising the vision of a connected energy system in the North Sea. The purpose of the cooperation between Denmark, Belgium, Germany and the Netherlands is to establish interconnections between the energy island in the Danish EEZ in the North Sea and the respective countries via bilateral agreements. This enables export of green electricity to neighbouring countries, thus supporting the green transition in Europe while enhancing energy security. Furthermore, the bilateral agreements will contribute to the European Commission's ambition of at least 300 GW offshore wind by 2050 to achieve climate neutrality.

Bilateral cooperation on ministerial level creates the foundation for cooperation between transmission system operators (TSOs) – i.e. the Danish TSO Energinet and a relevant partner-TSO – who investigate the technical and economic aspects of the project and draw up formal agreements on the realisation of an interconnection. Concurrently, the authorities ensure full support for the establishment of interconnections via agreements and political engagement.

Multilateral cooperation

The four countries will sign a joint declaration, the *Esbjerg Declaration*, at the North Sea Summit, which will set out the overall vision of a green European leadership, independence of Russian energy and regional cooperation for the build-out of offshore renewable energy. This will be realised through cooperation between the four countries, among other things by planning to establish another energy hub or island in the North Sea besides the islands already planned. An important part of the multilateral cooperation of the four countries is the bilateral agreements.

Cooperation between Denmark, Belgium, Germany and the Netherlands was initiated on the basis of political declarations of intent signed in December 2020 and January 2021.

Bilateral agreements

Danish cooperation with Belgium, Germany and the Netherlands is currently in different phases. This is reflected in the political agreements that will be signed at the North Sea Summit.



Denmark and Belgium

Denmark and Belgium will sign an agreement at the North Sea Summit on 18 May 2022. The agreement involves selling shares of Danish renewable energy to Belgium [in the period of 2021-2025]. The agreement confirms the principle saying that renewable energy produced by the energy island belongs to Denmark, and correspondingly for the Belgium energy hub. The funds from the sale of renewable energy shares to Belgium will be used to co-finance the costs related to the energy island, production of renewable energy and green gasses. Denmark and Belgium previously signed a Memorandum of Agreement at the “Wind Europe” conference in Copenhagen on 23 November 2021. The Danish Minister of Climate, Energy and Supply and the Belgian Minister of Energy signed the agreement, while the national transmission system operators (TSOs), the Danish Energinet and the Belgian Elia simultaneously signed a “Cooperation Agreement”. These political agreements set in place the principles for working together on a “hybrid interconnector” in the North Sea from the energy island to Belgium with expected commissioning in 2033. Flanders is working on a parallel agreement.

Denmark and the Netherlands

The cooperation between Denmark and the Netherlands is at an early stage and aims for a possible interconnection between the Danish energy island and a Dutch energy hub at a later stage of the energy island in the North Sea, likely around 2035. At the North Sea Summit, the Dutch Minister for Climate and Energy Policy and the Danish Minister

of Climate, Energy and Supply will sign a Ministerial endorsement supporting a Joint Recommendation on scenarios for a possible interconnection. The scenarios will be further analysed by the national TSOs, Energinet and the Dutch TenneT and Gasunie in 2022. On basis of the analysis, Denmark and the Netherlands will start negotiations on the realisation of an interconnection between the countries and on the possibility of signing a more binding agreement.

Denmark and Germany

The cooperation between Denmark and Germany rests on a Letter of Intent signed in December 2020. Until now, the cooperation has mainly focused on the Energy Island Bornholm, while the North Sea cooperation remains at a very early stage. Currently, focus is on the possibility of carrying out TSO-analysis that might enable decisions on releasing an interconnection from the energy island in the North Sea to Germany in the future.

At the North Sea Summit, the German Minister of Economy and Climate and the Danish Minister for Climate, Energy and Utilities will sign a Letter of Intent regarding cooperation on Power-to-X and sector integration, setting a framework for future cooperation that will support the ambition to accelerate the transition from imported fossil fuel to European renewable energy.