

Notification: "Efficiency assessment for the Borssele offshore grid"

Organization: The Authority for Consumers and Markets (ACM)

Reference: 202011042

Purpose of the notification

The purpose of this notification is to determine whether there are parties interested to perform the research as described below. This concerns a multiple private procedure with a cross-border interest below the European tender threshold of € 139,000 excluding VAT.

Objective

The Dutch Minister of Economic Affairs and Climate Policy has defined a development framework for offshore wind energy (hereafter: framework)¹. The Dutch TSO TenneT has built the Borssele offshore grid² (hereafter: Borssele) in conformity with this framework.

Borssele is an offshore grid project consisting of 2 offshore high voltage substations (Borssele Alpha and Beta), an expansion of the Borssele onshore substation and four 220 kV AC export cables connecting both offshore substations to the Borssele onshore substation.

The Dutch national regulatory authority ACM has the task to assess the efficiency of Borssele and uses a policy rule (ACM Policy rule regarding the assessment of efficient costs of non-regular expansion investments³) for this task. The ACM must establish whether the objective of Borssele has been realized, and whether the costs contribute to the set objective in a sufficiently plausible and substantiated manner. The study that you will carry out will contribute significantly to this efficiency assessment.

Research questions

The ACM expects you to answer the following research questions:

1. Has the objective been achieved by realizing the planned capacity, in the sense that it is truly and permanently available for the transport of electricity?
2. What is the ratio between the investment budget drawn up by TenneT (at the time of the final investment decision) and the most recent investment budget used by TenneT? What is the cause of the discrepancy, if any?
3. Is there a difference of over 15% between the total realized investment expenditures (including the projected investment expenditures that are made after Borssele came into operation) and an alternative budget drawn up by you? If so, what causes the difference?
4. Have the official procurement procedures been followed (for example, which can be tested by doing a check of the tender process concerning the major tenders)?
5. Do the cost items (excluding additional work) contribute towards the objective? Were certain costs avoidable, and if so, what part of the costs?
6. How does the additional work contribute towards the objective? Was this additional work avoidable, and if so, what part of the additional work?
7. What is the efficiency?

¹ <https://zoek.officielebekendmakingen.nl/blg-738815.pdf> (first edition)

² <https://www.tennet.eu/our-grid/offshore-grid-netherlands/programme-2023/> and <https://www.tennet.eu/nl/ons-hoogspanningsnet/net-op-zee-projecten-nl/net-op-zee-borssele/>

³ <https://wetten.overheid.nl/BWBR0040135/2017-11-01>

Result⁴

Your study will result in a final report about Borssele in which the research questions will be answered, based on, as much as possible, source documents (or references thereto) included in the final report. The final report must be a report that can be read on its own, and must be suitable for external publication. Any underlying data must, unless proprietary, also be made available to the ACM. The final report must be submitted in English or Dutch and in a digital format (pdf-file). The ACM will submit the final report to TenneT, and use it in the regulatory regime regarding tariffs. The ACM will make the final report publicly available, after giving TenneT the opportunity to indicate confidential information in the report.

Timeline

Your report will be used in a regulatory decision by the ACM which is set for the 1st of April 2021. In order to meet that deadline you must submit the draft report to the ACM no later than the 3rd of March 2021. The ACM will assess the quality of the draft report, and, on that basis, determine to what extent additional draft reports are needed. After processing the ACM's comments which you will receive no later than the 9th of March 2021, you must send an update on the 12th of March 2021 which TenneT will comment on no later than the 19th of March 2021. You have to submit the final report to the ACM no later than the 23rd of March 2021.

Expertise and tools preferred for the team

The advisor(s) to be deployed must demonstrably meet the following criteria with regard to expertise and skills:

- At least a college degree (in the Dutch education system: at least HBO degree);
- Technical and financial expertise in onshore and offshore power grids;
- Expertise in procurement;
- Proven ability to express themselves in writing and verbally.

Schedule

18 th of December 2020	Launch of study, the ACM provides information regarding Borssele
4 th of January 2021	You submit your first batch of questions to the ACM
12 th of January 2021	Kick-off (online meeting) with TenneT, you receive answers on the first batch
18 th of January 2021	You submit your second batch of questions to the ACM
26 th of January 2021	Work session (online meeting) with TenneT, you receive answers on the second batch
1 st of February 2021	You submit your third batch of questions to the ACM
9 th of February 2021	You receive answers on the third batch
15 th of February 2021	Optional: you submit your fourth batch of questions to the ACM
25 th of February 2021	Optional: you receive answers on the fourth batch
3 rd of March 2021	You submit your draft report to the ACM
9 th of March 2021	You receive comments on the draft report from ACM
12 th of March 2021	You submit your second draft report to the ACM
19 th of March 2021	You receive comments on the second draft report from TenneT and the ACM
23 rd of March 2021	You submit your final report

⁴ Any changes to the dates mentioned in this section can only be implemented after the ACM has given its approval.

Application

Interested companies / consultants, fitting the above mentioned requirements, are invited to respond to the Procurement Office of the Ministry of Economic Affairs and Climate Policy, to the attention of Ms. J.C. van Domburg by e-mail IUCEZteam5@rvo.nl.

You do not have to send documents, only an e-mail if you are interested.

Interested parties will receive the request for the tender by e-mail as soon as possible after the deadline for responding to this notification.

The deadline for responding to this notification is set at **November 25th 2020**.