

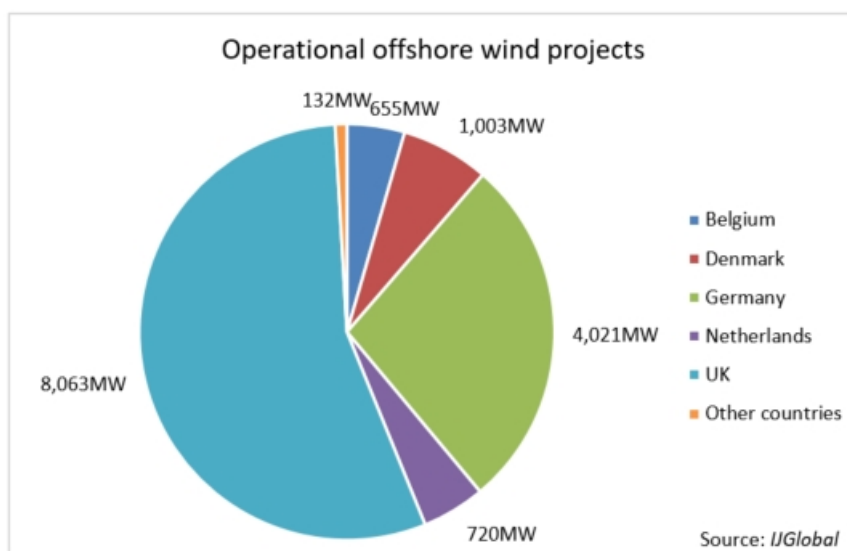
Europe rides the high offshore winds

Lyudmila Zlateva

24/09/2018

The European offshore wind sector continues to grow apace. A couple of major projects have reached financial close over the summer, others are reaching commercial operation, and new capacity auctions are now on the horizon.

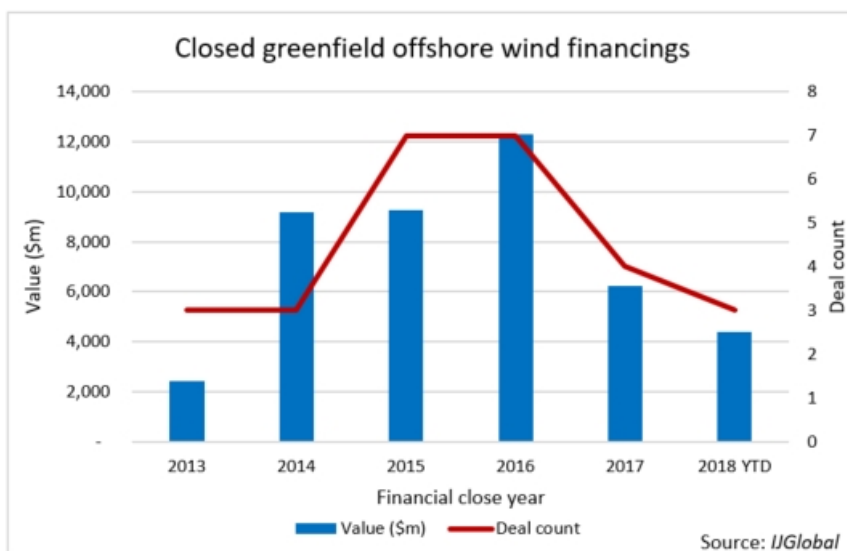
According to *IJGlobal* data, operational offshore wind projects across Europe account for some 15GW of installed capacity, and with the current rate of procurement this total is set to grow exponentially over the next few years.



Data show that the UK has by far the largest installed capacity with 8,063MW. Germany comes in second place with 4,021MW, while Denmark is third with a little over 1,000MW. The Netherlands takes fourth place with 720MW, followed by Belgium's 655MW of operational capacity.

The largest operational offshore wind farm in the world – 659MW Walney Extension in the UK – reached COD last week (September 2018), but even larger projects are being financed in mainland European countries.

A recast Blauwwind II consortium brought the 731.5MW [Borssele III/IV](#) wind farms in the Dutch Borssele Wind Farm Zone (BWFZ) to financial close in June (2018). Then Innogy closed on the 860MW [Triton Knoll](#) in the UK's North Sea in August.

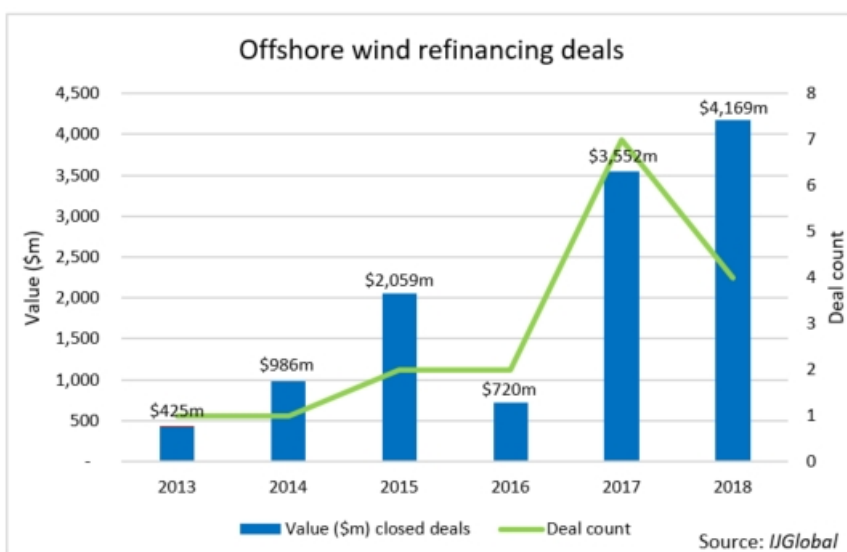


The value of closed deals for greenfield offshore wind project in 2018 to date (1 September) exceeds \$4 billion. Up until 2017, the total value and volume of greenfield financing in the sector had been growing year-on-year, with \$12 billion of deals closed in 2016. Though there was a dip in 2017, the total number of pipeline deals suggests total financing volumes should have bounced back to a positive trend by the end of 2018.

As *IJGlobal* data show, there are 12 ongoing greenfield financings for more than 16GW of prospective capacity. Among these projects are [floating offshore wind](#) farms, such as the 88MW [Hywind Tampen](#) facility which floating offshore wind park [Equinor is considering](#) to power its [Gullfaks](#) and [Snorre](#) oil and gas platforms on the Norwegian Continental Shelf (NCS).

Refinancings

As more offshore wind farms become operational, the number of refinancings in the market has also grown. *IJGlobal* data show \$4.169 billion of closed deals in 2018 to date – already surpassing the overall total of 2017 of \$3.552 billion.



IJGlobal [reported](#) in August that the owners of the £1.5 billion (\$1.9 billion) [Gallopier](#) offshore wind farm off the UK's Suffolk coast are due to launch a refinancing of the asset in the early autumn. A refinancing of the debt for the £1.5 billion, 402MW [Dudgeon](#) offshore wind farm – located 32km off north Norfolk in the UK – is also [due to](#) reach financial close in September.

The rest of Europe is catching up quickly, with Italy's 30MW [Taranto](#) taking shape and Turkey [tendering](#) a 1.2GW offshore wind project. And while France has drastically [cut](#) subsidies and feed-in tariffs for offshore wind power, Belgium mulls a [zero-subsidy](#) offshore wind auction in 2020 and will look to catch up with Germany and the Netherlands on financing new projects expected to be operational in the early 2020's.

The UK, meanwhile, seems determined to stay at the front with as much as 2GW of capacity planned for the next decade.

All evidence points to offshore wind has what it takes to be a large-scale renewable energy source in Europe in the mid-to long-term.

Thank you for printing this article from IJGlobal.

As the leading online publication serving the infrastructure investment market, IJGlobal is read daily by decision-makers within investment banks, international law firms, advisory firms, institutional investors and governments.

If you have been given this article by a subscriber, you can contact us through www.ijglobal.com/sign-in, or call our London office on +44 (0)20 7779 8870 to discuss our subscription options.