
Draft resolution for off-shore wind energy concessions

Legal Flash Colombia

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Following the recommendations and conclusions announced by the Roadmap launched last May 3, 2022, the General Maritime Directorate - DIMAR published for public comment the draft resolution that defines the competitive process for the awarding of concessions for offshore wind energy generation.

The public policy aims to solve the problems that had been identified in the roadmap in relation to the current first-come, first-served regulation, which did not allow the selection of the most suitable developer to execute a project. It is pending that the DIMAR publish the terms of conditions of the process to be carried out by rounds.

The draft will be available for comments until May 19, 2022. Below we highlight the most relevant regulatory changes to section 5 of the Colombian Maritime Regulation (Protection of the Marine Environment and Coastal Areas) and the main features that the new process would have.



Competitive Process

- › There will be a competitive process for the allocation of the maritime areas where the temporary occupation permit will be granted.
- › The permit will be valid for 5 years.
- › The permit will allow for the measurement and collection of data and information necessary to establish the feasibility of the project.
- › It will grant exclusivity over an area of finished.
- › A guarantee shall be required to cover non-compliance with the obligations of the temporary permit.
- › There will be a follow-up audit of compliance with occupancy permit obligations.
- › The temporary permit may be converted into a Maritime Concession that will allow the construction, operation, maintenance and dismantling of the project.
- › The concession will be valid for 30 years and may be extended for 15 years.

Assignment rounds

The allocation rounds for temporary occupancy permits shall follow the following phases:

- › **Qualification Phase:** In the qualification phase, interested parties must meet the following qualification criteria:
 - Technical Requirements
 - Bidders will need to evidence that they have participated in the design and planning of offshore projects of at least 200MW that have come into operation in the last 10 years.
 - Bidders will need to evidence that they have participated in the design and planning of substations connecting an offshore wind farm of at least 50MW that have come into operation within the last 10 years.
 - Financial Requirements
 - Bidders will need to evidence to have a credit limit of an amount equal to or greater than USD 600 million.
 - Credit rating of BBB- or higher from S&P or Baa3 from Moody's.



- **Bid submission phase:** Bids submitted by bidders must comply with at least the following conditions:
 - Developers may request areas up to 270 km².
 - The installed capacity must be a minimum of 200MW.
 - The density per km² of the project should be at least 3MW per km.²
 - The operation date of the project shall be 7 years from the effective date of the occupancy permit.

- **Evaluation and Selection Phase:** The qualification criteria will take into account, among others, the number of projects in which the proponent has participated, the demonstration of experience in the construction and operation of renewable energy projects in OECD member countries (members since 2010) or emerging countries that are not members of the OECD.

For more information about the contents of this Legal Flash, please get in touch with your usual contact person at Cuatrecasas. If you do not have one, you can contact the expert lawyer below.

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