



European Commission approves \$11bn in support for French offshore wind

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The European Commission has approved a €10.82bn (\$11.67bn) scheme to support the deployment of offshore wind energy in France.

The scheme was approved under the State Aid Temporary Crisis and Transition Framework (TCTF) and will run for 20 years. The TCTF was established in 2023 to foster support measures in sectors which are key for the transition to a net-zero economy, in line with the Green Deal Industrial Plan.

This measure will support the construction and operation of two bottom-fixed offshore wind farms, one in the South Atlantic zone and another in the Centre Manche 2 zone in Normandy.

The South Atlantic wind farm is expected to have a capacity of 1 to 2GW and generate at least 3.9 TWh of renewable electricity per year. The Normandy wind farm is expected to have a capacity of 1.4 to 1.6GW and generate at least 6.1 TWh of electricity annually.

The aid will be granted based on a bidding process, which will be organised to select one beneficiary per offshore zone.

Under this scheme, the aid will take the form of a monthly variable premium under a two-way CfD, which will be calculated by comparing a reference price, determined in the tender offer of the beneficiary, to the market price for electricity.

When the market price is below the reference price, the beneficiaries will be entitled to receive payments equal to the difference between the two prices. However, when the market price is above the reference price, the beneficiary will have to pay the difference between the two prices to the French authorities.

“[This scheme] will also help France reduce its dependence on Russian fossil fuels while ensuring that any potential competition distortions are kept to the minimum,” said Margrethe Vestager, EVP in charge of competition policy at the European Commission.