

Auction puts Colombian ambitions on the map

Trio of experienced bidders set to win seabed slices in 2GW sale, writes Daniel Dawson

Columbia's first seabed lease auction winners will likely be announced in 2025 after Bogotá published a second revision of the resolution governing the offshore wind sector and extended the deadline to submit bids until the end of October.

The Colombian government hoped the changes to the resolution, which relaxed the criteria developers had to comply with to submit a bid, would result in an auction with at least 10 qualified candidates. However, it remains unlikely that more than four companies will participate.

"The changes are mostly regarding the economic criteria or the criteria of the solvency of the potential investors applying for seabed areas as well as technical issues," Global Wind Energy Council Latin America president Ramón Fiestas told *reNEWS*.

The new resolution scrapped the prohibition on building developments within 500 metres of undersea cables, which had essentially eliminated one proposed project.

The new rules also broadened the previous experience necessary to bid from companies already operating offshore wind farms to those with experience operating onshore wind farms and offshore oil and gas, allowing state-owned oil and gas firm Ecopetrol to participate in the first tender.

Offshore Wind Consultants Colombia-based expert advisor Miguel Lotero said that the changes

Project	MW	Developer
Bergantín, Magdalena	825	BlueFloat Energy
Goleta, Magdalena	825	BlueFloat Energy
OWF Astrolabio, La Guajira	825	OWF Astrolabio
OWF Barlovento, La Guajira	825	OWF Barlovento
OWF Barlovento I, La Guajira	50	OWF Barlovento
OWF Barlovento II, La Guajira	50	OWF Barlovento
OWF Barlovento III, La Guajira	50	OWF Barlovento
OWF Barlovento IV, La Guajira	50	OWF Barlovento
OWF Bitácora, Bolívar	510	OWF Bitácora
OWF Galeón, Atlántico	825	OWF Galeón
Rio Grande de la Magdalena, La Guajira	100	Gran Tierra Energy
Vientos Alisios, Bolívar	200	BlueFloat Energy
Total 5.1GW		

to the resolution paved the way for BlueFloat, DEME and CIP to place bids for seabed lease areas.

"The Colombian offshore wind market is not the most attractive for developers," Lotero added. "The government had to work to secure competitors interested in submitting an offer."

According to consultancy Aegir Insights senior Americas market analyst Signe Sørensen, Colombia has been more explicit in its language and actions regarding attracting experienced developers. More

94



KNOWN COMPETITORS:
OWC's Colombia-based expert advisor Miguel Lotero
Photo: OWC

renews.biz

Chile drafts action plan as sector interest revs up

Chile is the fourth South American country to announce offshore wind aspirations, releasing plans in March 2024 to draft a roadmap in consultation with the World Bank and the United States Department of Energy.

According to World Bank estimates, Chile has the thirteenth-highest technical potential globally for offshore wind development, with an estimated 131GW of fixed-bottom and 826GW of floating capability.

Meanwhile, Chilean energy company SC Power and United Kingdom-based 17 Energy have unveiled a joint initiative to develop

the country's first offshore wind project, Viento Azul Biobío.

Its backers are investigating the waters off Concepción in the central Biobío region. They anticipate that once a development is connected to the grid, the industrial hub will provide potential off-takers.

"It is very good news that private investors are interested in developing offshore wind in Chile because this is the first step to open the market," said Global Wind Energy Council Latin America president Ramón Fiestas (pictured).

The next step is completing the roadmap to identify the areas with

the most potential and least technical challenges before publishing a regulatory framework and calling for a tender.

While Chile's central and southern coasts boast the best wind resources, installing fixed-bottom turbines will be technically challenging due to near-shore coastal depths exceeding 100 metres.

The fragmented nature of Chile's grid system also presents a challenge for offshore wind development, with the windiest parts of the coast

relatively far from the country's main power centres.

"Large-scale projects will need a specific transmission grid, but this should not be a barrier, but be seen as an opportunity," Fiestas said.

He believes offshore wind in the south of Chile can replace a previous hydroelectric project envisioned by the government 20 years ago that never came to fruition.

Fiestas added that there may be an opportunity for power purchase agreements with large mining companies and traditional routes to market for selling electricity to the grid once projects are completed. ■



93

mature offshore wind markets tend not to need to add such restrictive provisions, although Colombia has done so to avoid non-serious bidders from contending, she added.

"Colombia, being a very new market, might not be on everyone's radar, so ensuring that the participants are



RESTRICTIVE PROVISIONS:
Aegir Insights senior
Americas market analyst
Signe Sørensen Photo: Aegir Insights

experienced and qualified is more important," she said.

The first tender is expected to award at least 2GW of capacity. It includes pre-investigated areas and developer-led projects on the central Caribbean coast around Atlántico and Bolívar (see map), where the most developed infrastructure and largest power consumers are.

In October, Colombia's energy ministry said it had received interest from two local and seven foreign companies. They are Ecopetrol, Celsia, Bluefloat, CIP, Jan De Nul and DEME, PowerChina and Dyna Energy. Formal bids are expected in the first half of 2025.

Lotero said: "The next round will focus more on the north part of the Caribbean coast towards La Guajira (which has the highest wind energy potential).

"The main restriction is the access to the grid. La Guajira is one of the most underdeveloped parts of

Colombia in terms of the electrical network," he added.

However, developers are interested in seeing a route to market before worrying about the second auction.

"The big problems in Colombia are the off-take mechanism and grid access," Lotero said. "These are the two things the government needs to solve urgently."

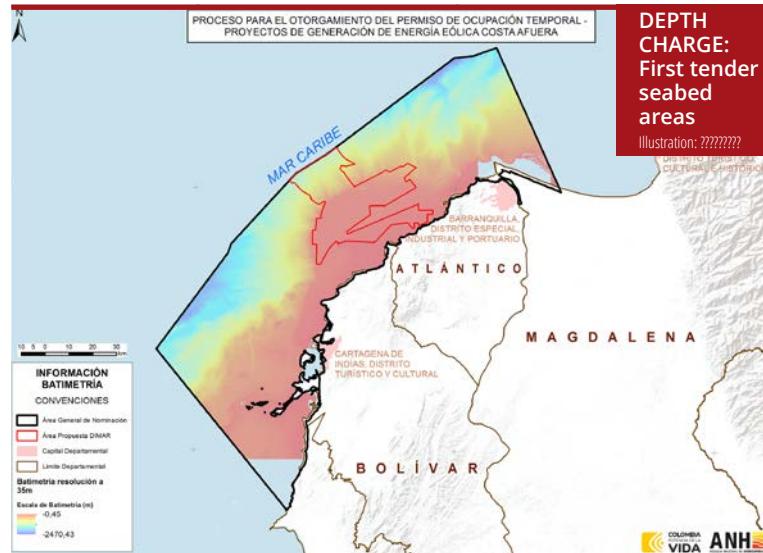
In terms of grid access, the government has plans to expand the network in the next few years, connecting La Guajira to the rest of the country. Meanwhile, a recent study from consultancy AFRY found that a two-way Contract for

Difference would be the preferred off-take mechanism for developers in Colombia.

According to Sørensen, the government has indicated it is amenable to this idea and would release a framework before the tender round is finalised.

Fiestas noted that Bogotá has time to figure out the best off-take mechanism since the first projects would not be connected for at least another nine years.

He commended the transparency of the government throughout the process, which he said has helped investor confidence. ■



Decree signing puts Uruguay closer to maiden seabed sale

Uruguay has moved closer to announcing its first offshore wind auction date after the Ministry of Mines and Energy signed a decree regulating the sector in September.

Industry observers are now waiting to see whether the other three ministries will sign or whether a truncated version that does not require further ministerial approval will be published before President Luis Lacalle Pou leaves office on 1 March 2025.

"Having released the hydrogen roadmap and started the pilot project, the current government would like this achievement, which would be quite innovative," said Catholic University of Uruguay's energy observatory executive director Felipe Bastarrica.

While developing an offshore wind sector for green hydrogen is widely popular politically, the current centre-right government is eager to publish a market-friendly decree.

The main centre-left opposition, which leads in the polls ahead of October's presidential election, may

favour a revised decree to give state-run petroleum company Ancap a more prominent role.

AnCap estimates that four priority sites between 40km and 60km off the south-eastern coast could generate 3GW of power and produce 200,000 tonnes of green hydrogen annually.

Shell, TotalEnergies, Equinor and BP are seen as the auction's most likely contenders.

"These companies are already participating in offshore oil and gas exploration with AnCap" so have done some of the necessary work to submit an offshore wind bid, Bastarrica said. "It would be easier for them to participate in this tender."

The award criteria are heavily weighted regarding the share of profits for AnCap and developing local competency in offshore wind and green hydrogen.

Auction winners will have 10 years to complete the necessary studies and apply for permits. They will then receive a 30-year lease to develop the projects and produce green hydrogen. ■

HEADLINE SPONSOR
 **sse**
Renewables

 **scottish**
renewables

OFFSHORE WIND CONFERENCE 2025

22 & 23 JANUARY | GLASGOW

- ▶ COORDINATION
- ▶ STRATEGIC PLANNING
- ▶ DELIVERY



**BOOK
NOW**



**INNOVATIVE
ACHIEVEMENT:**
Catholic University
of Uruguay's
energy observatory
executive director
Felipe Bastarrica
Photo: Catholic University of Uruguay