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5 November, 2024

Your Excellency,


I am writing in regard to DS625 concerning the Taiwan's Industrial Relevance Program (IRP) of Round 2 of the Offshore Wind Power Zonal Development Phase (Phase 3.2). This is following on from the consultations held on 13 September 2024 in Brussels.

Taiwan has conducted constructive discussions and exchange views with the EU regarding development plan of Phase 3.2 and IRP content.

A press release issued by the EU on July 26, 2024 stated that Taiwan and EU have close and constructive relations and therefore it is hoped that a mutually satisfactory solution can be reached through consultations. I have set out below some clarifications and would like to offer certain adjustments for the IPR of Phase 3.2 as a positive response for the EU's request.

Offshore wind power is a key element in Taiwan's green energy policy. To ensure stable supply of green energy, our government will continue to promote offshore wind power projects. Such projects are not only a part of our policy to ensure economic security and energy security, but also an important approach to achieve the objective of net-zero in 2050.

Taking into account the strong demand for green power from Taiwan's

 industries, our current priority policy objective in promoting offshore wind power projects is to ensure that developers can have the projects connected to the grid and supply power as scheduled. In recent years, the international offshore wind power market has undergone drastic changes, developers have thus faced many challenges in their implementation of the IRP plans. In order to achieve the objective of grid connection as scheduled, our government will do its best to help solve the difficulties of developers.

On Phase 3.2

In order to achieve the objective of grid connection as scheduled and not to affect the published selection results of Phase 3.2, our government is committed to solving any difficulties faced by developers of Phase 3.2 in implementing the IRP plans.

To realize this commitment, we will establish a review mechanism to address developers' difficulties. After signing the Phase 3.2 administrative contract, if the developer encounters reasons not attributable to the developer and needs to change the IRP plan to achieve the objective of grid connection as scheduled, the developer can apply to the Ministry of Economic Affairs for amendment in accordance with the administrative contract. Once approved, the developer will not be penalized.

In addition, an illustrative list of reasons and required proceedings of “not attributable to the developer” as stipulated in the administrative contracts are provided to expand implementation flexibility as follows:

1. If domestic suppliers do not have sufficient capacity: in that case developers do not need to provide a no-capacity certificate for applying for changes.
2. If there is capacity domestically, but factors such as product quality, quantity, delivery time and other delivery conditions (including price) of suppliers selected by the developer will affect the grid connection schedule as demonstrated by developers, the developer can apply for changes.

- 3. If the developer is faced with types of reasons not attributable to developers other than the examples provided, or is unable to provide supporting information when applying for changes, the developer can still apply for changes if a reasonable explanation can be provided.
- 4. If there are still difficulties in implementing the changed IRP plan, the developer can apply for changes again.

On post-Phase 3.2

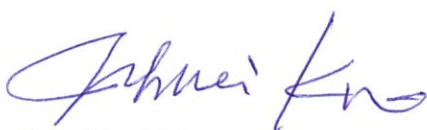
Regarding future zonal development projects, as our policy goal is to ensure green energy supply, our commitment is that future offshore wind power projects after Phase 3.2 will be planned in the direction of liberalization, which shall not require a mandatory IRP. Developers will thus not be required to meet any specific localization level as part of the eligibility conditions, nor will localization be included in the award criteria.

Conclusion

European offshore wind power developers and manufacturers have always been our important partners in promoting offshore wind power projects. Since the beginning of relevant projects, we have received strong support from European developers. We hope that this positive response can lay the foundation for further deepening the Taiwan-EU offshore wind power partnership and create win-win results.

I send you my highest regards.

Sincerely,



Jyh-Huei Kuo
Minister