



Application process and licenses to perform prospecting hydropower activities

February 2022

Case no. 2022 – 11165
and 2021 - 7493

Postboks 1601
3900 Nuuk

Tlf. (+299) 34 50 00

E-mail: pan@nanoq.gl
www.naalakkersuisut.gl

Performance of hydropower activities and activities in relation thereto is generally subject to and governed by Greenland Parliament Act no. 5 of 27 November 2018 exploitation of hydropower resources for production of energy (Hydropower Act)¹.

Under the Hydropower Act, a company may only perform hydropower activities and activities in relation thereto if the company has applied for and the Government of Greenland has granted to the company a license to perform the hydropower activities concerned.

The Hydropower Act distinguishes between:

- A. *Prospection activities* for hydropower resources for production of energy and activities related thereto
- B. *Exploitation* of hydropower resources for production of energy

The license for prospecting activities and exploitation activities respectively, may be granted by the Government of Greenland.

Generally, activities comprised by the Hydropower Act must be performed appropriately and in a sound manner as regards safety, health, the environment, resource utilisation and social sustainability. Activities comprised by the Hydropower Act must also be performed in accordance with acknowledged best international practices in the area under similar conditions.

The licensee shall pay all costs and expenses relating to case processing, supervision and other administrative work and administration of the Government of Greenland in relation to the license and activities under a license for prospecting for and/or exploitation of hydropower resources. The payment may

¹ In Danish: ”Inatsisartutlov nr. 5 af 27. november 2018 om udnyttelse af vandkraftressourcer til produktion af energi”:

<https://lovgivning.gl/lov?rid={83DD2BC5-DB3B-4E08-BB2D-970999A94AB7}>

be collected as a fee or reimbursement of costs and expenses according to the orders and rules laid down at any time by the Government of Greenland.

The licensee shall submit plans for the activities under the license to the Government of Greenland for its approval. For example, before prospecting activities and activities in relation thereto are initiated, the licensee shall make and submit to the Government of Greenland a plan for the prospecting activities and activities in relation thereto (prospecting plan).

The prospecting plan must be approved by the Government of Greenland before the licensee may commence any activity under or in relation to the prospecting license and/or the exploitation license.

Prospecting Licenses

The Government of Greenland may for a specific land area and on specific terms grant a license for prospecting for one or more hydropower resources for production of energy. Generally, a prospecting license is granted to a licensee as a non-exclusive license and for a period of up to 5 years. A prospecting license may be extended by the Government of Greenland for an extended period of 5 years. However, the total license period for a prospecting license may not exceed 10 years.

Information and documentation required when applying for a Prospecting Licence

An application for the granting of a license to perform hydropower prospecting activities and/or hydropower exploitation activities shall be submitted to the

Government of Greenland at the following address:

Government of Greenland

Ministry of Agriculture, Self-Sufficiency, Energy and Environment

Imaneq 1A (Nuuk Center)

Post office box 1614

3900 Nuuk

Greenland

E-mail: pan@nanoq.gl

The application, including enclosures, shall be submitted in English or Danish. The full application shall be submitted as one or more electronic documents and send to the Government of Greenland by email. If it is not possible to send the full application by email, it shall be sent on a CD-ROM or an USB-stick by

courier service. The electronic document or documents shall be in both Microsoft Word format and Adobe PDF format.

An application letter for granting of a license for both prospecting for and exploitation of hydropower resources under the Hydropower Act shall, among other things, include the following information and documentation:

1. The applicant company's name, postal address, registered company address and registered company number.
2. The legal form and place in which the applicant company is incorporated (a transcript from the register of companies and a certified translation into English or Danish must be attached), the location of the applicant company's headquarters, composition of its board of directors and management, its capital base, including its share capital, the name and address of any shareholder holding at least one tenth (10%) of the share capital and the part of the share capital held by the said shareholder.
3. The applicant company's organisation, group structure and relations to associated (affiliated) companies. The applicant company's other hydropower reserves, energy production and hydropower marketing activities (to the extent applicable).
4. Name(s) and contact information of one or more persons authorised to act as representative(s) of the applicant company in relation to the Government of Greenland with respect to the license application and any matters in relation thereto.
5. A statement that the applicant company is the proposed operator for the license applied for (if two or more companies apply jointly for a license).
6. A proposal for the delineation of the license areas. The proposed license area shall be delineated by corner coordinates stated in decimal degrees. The proposed license area shall also be shown on a map of the area.
7. Information and relevant documents on a technical-economical evaluation of the license area applied for.
8. A description of the prospecting activities and/or the exploitation activities and activities in relation thereto and a time schedule for the performance of the said activities.

9. Financial data for the applicant company, its parent company (if any) and the group of which the company or its parent company is a part (if any). For example, annual reports and accounts for the applicant company and for its parent company and/or the group (if any) for the three (3) previous financial years shall be attached (enclosed) to the application. If the following information does not appear from the annual accounts, it should be disclosed separately: Annual turnover, annual investments and annual net income after tax broken down by hydropower activities and other activities.
10. The applicant company's previous experience in prospecting for and/or exploitation of hydropower resources.
11. The applicant company's previous experience in prospecting for and/or exploitation of hydropower resources in similar areas (areas with similar conditions), including hydropower operations under similar physical conditions.