



NVE

NorthConnect

NVEs overall assessment

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What is NorthConnect?

- 665 km interconnector from western Norway (Sima) to Scotland (Peterhead)
- 1400 MW
- Owned by 4 nordic power producers
 - Vattenfall AB
 - E-CO Energi AS
 - Agder Energi AS
 - Lyse Produksjon AS

Bergen

Stavanger

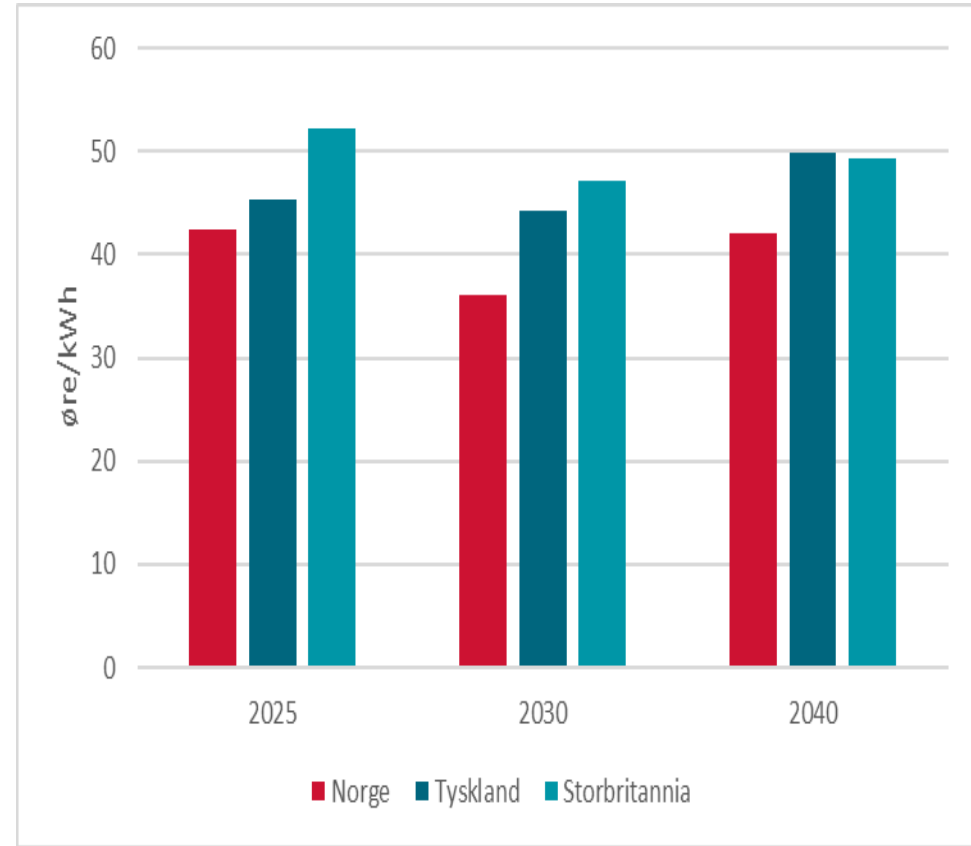
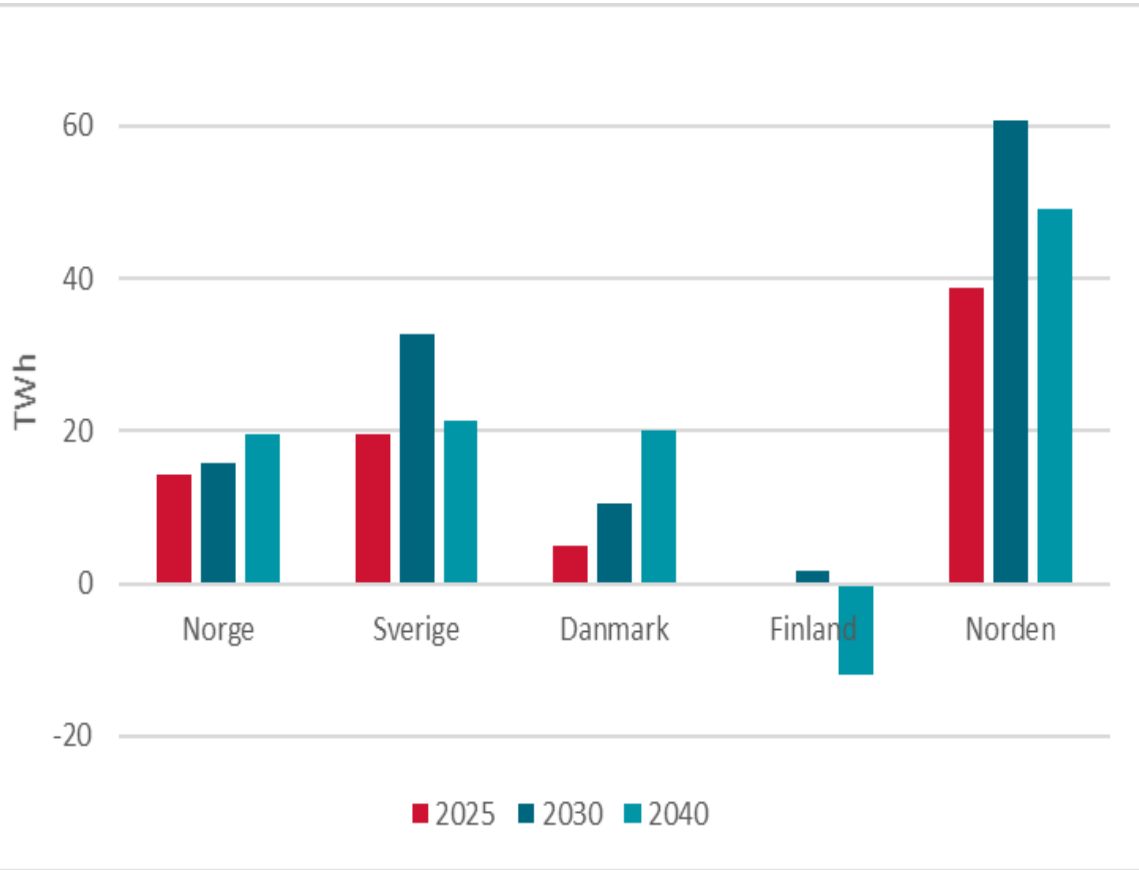
Kristiansand

The assignment

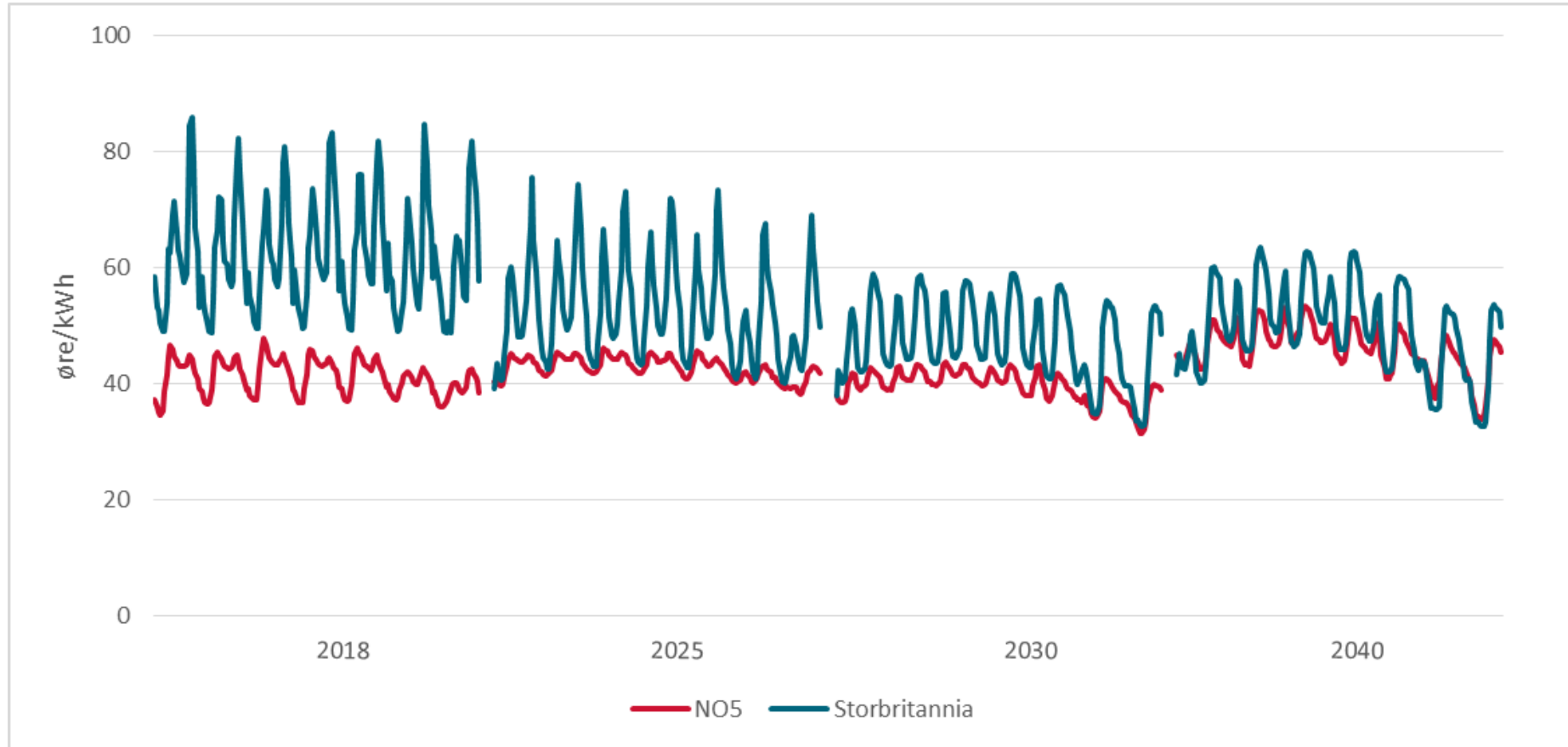
- Overall assessment – but no recommendation
- Long term power market analysis 2019-2040



Two important results from NVEs long term analysis

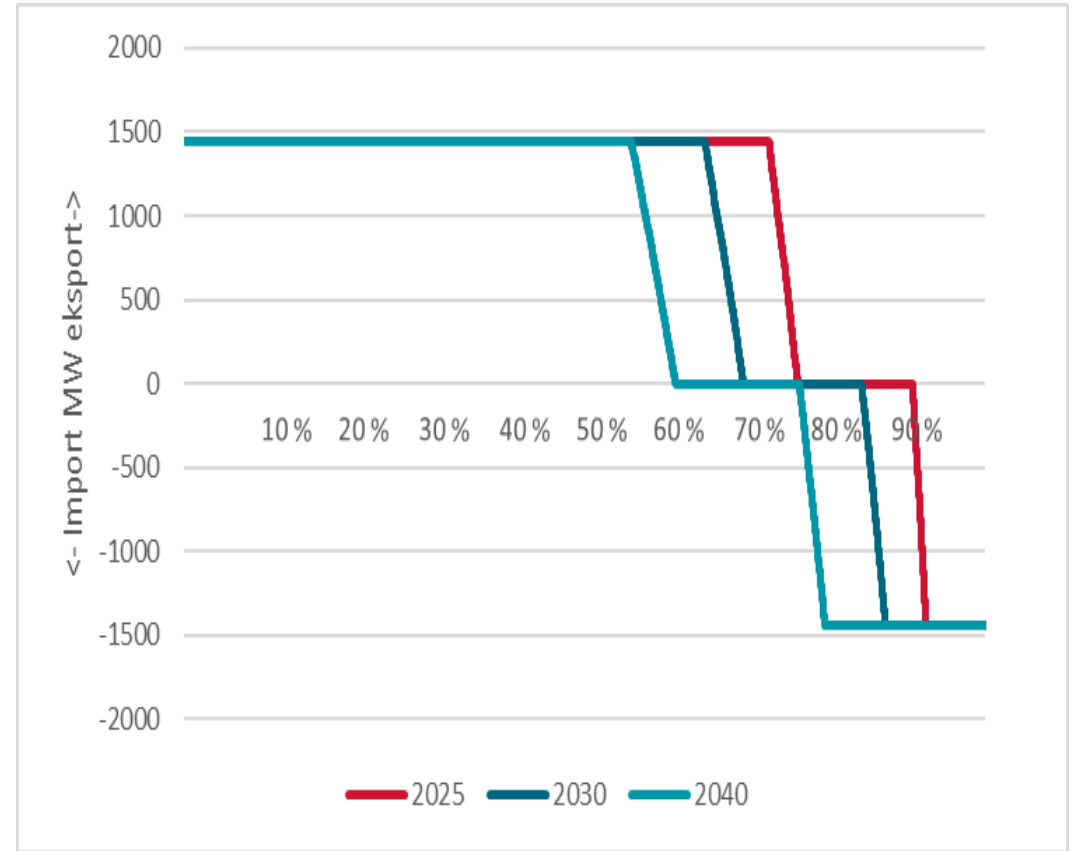
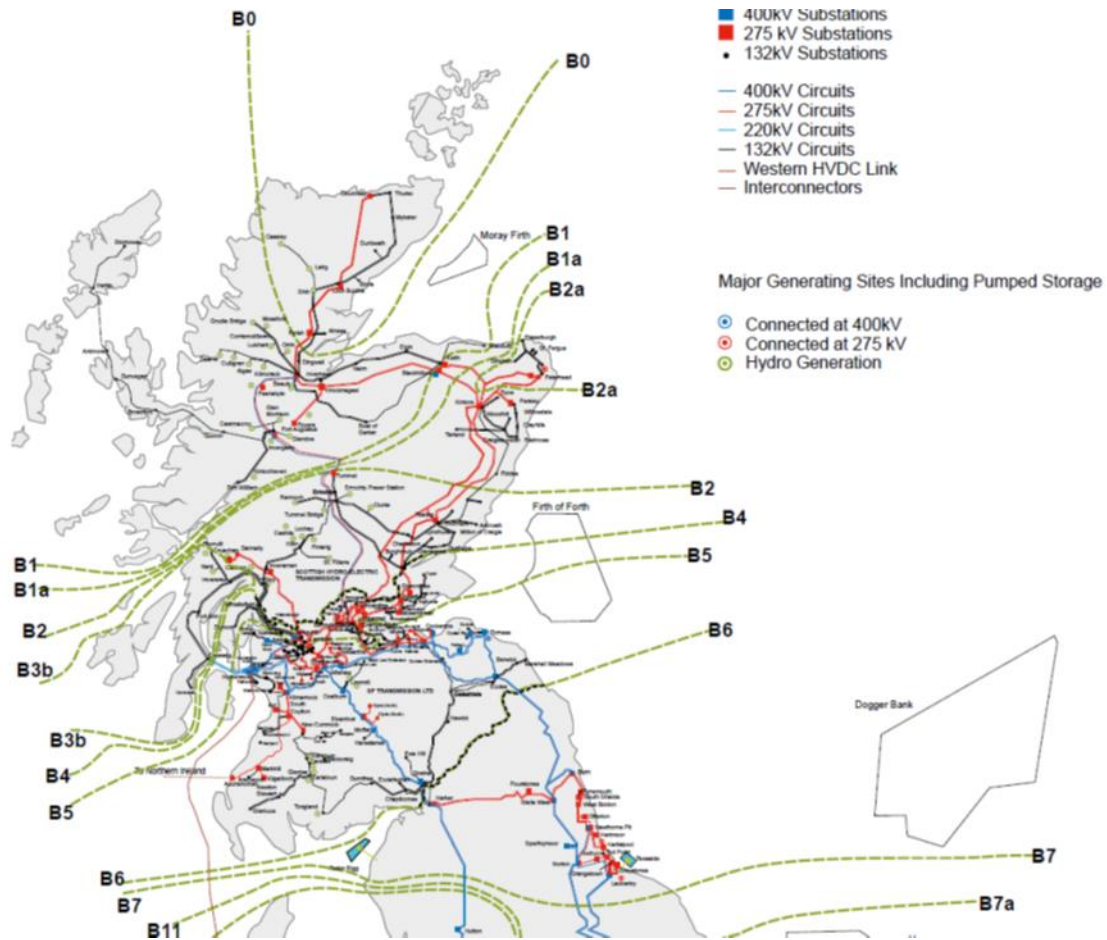


The fundamental reason for trade

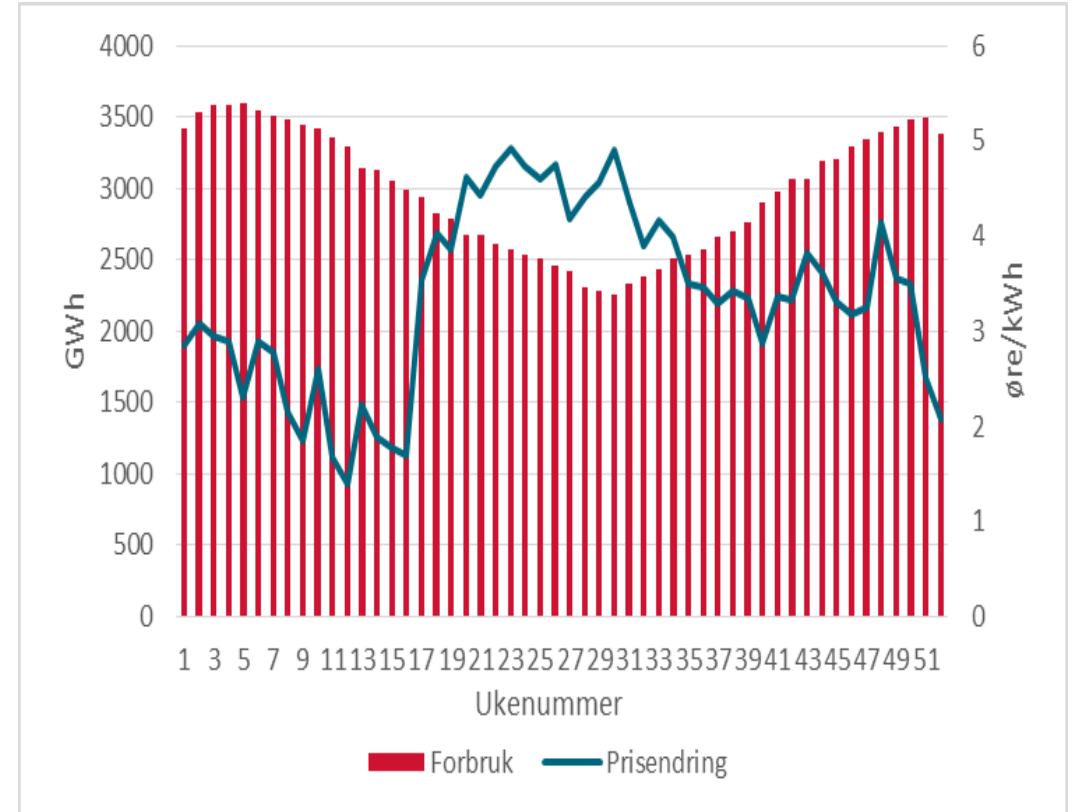
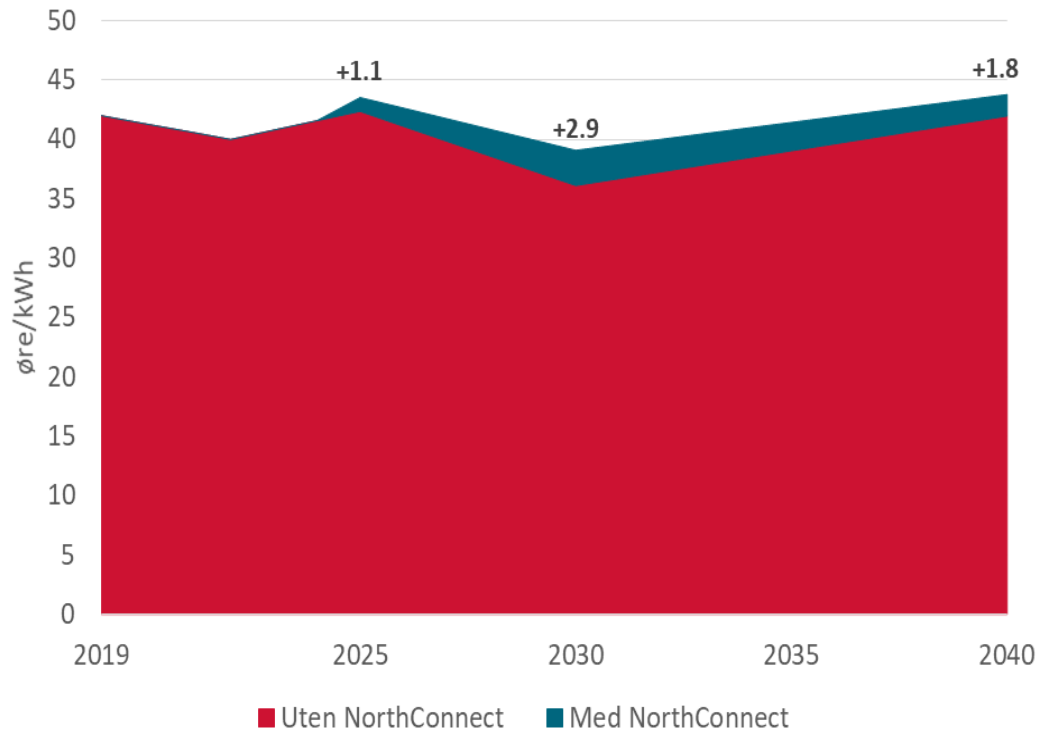


Hourly prices during the week in Norway and Great Britain in different model years

One bidding zone in GB - Patterns of power flow if built



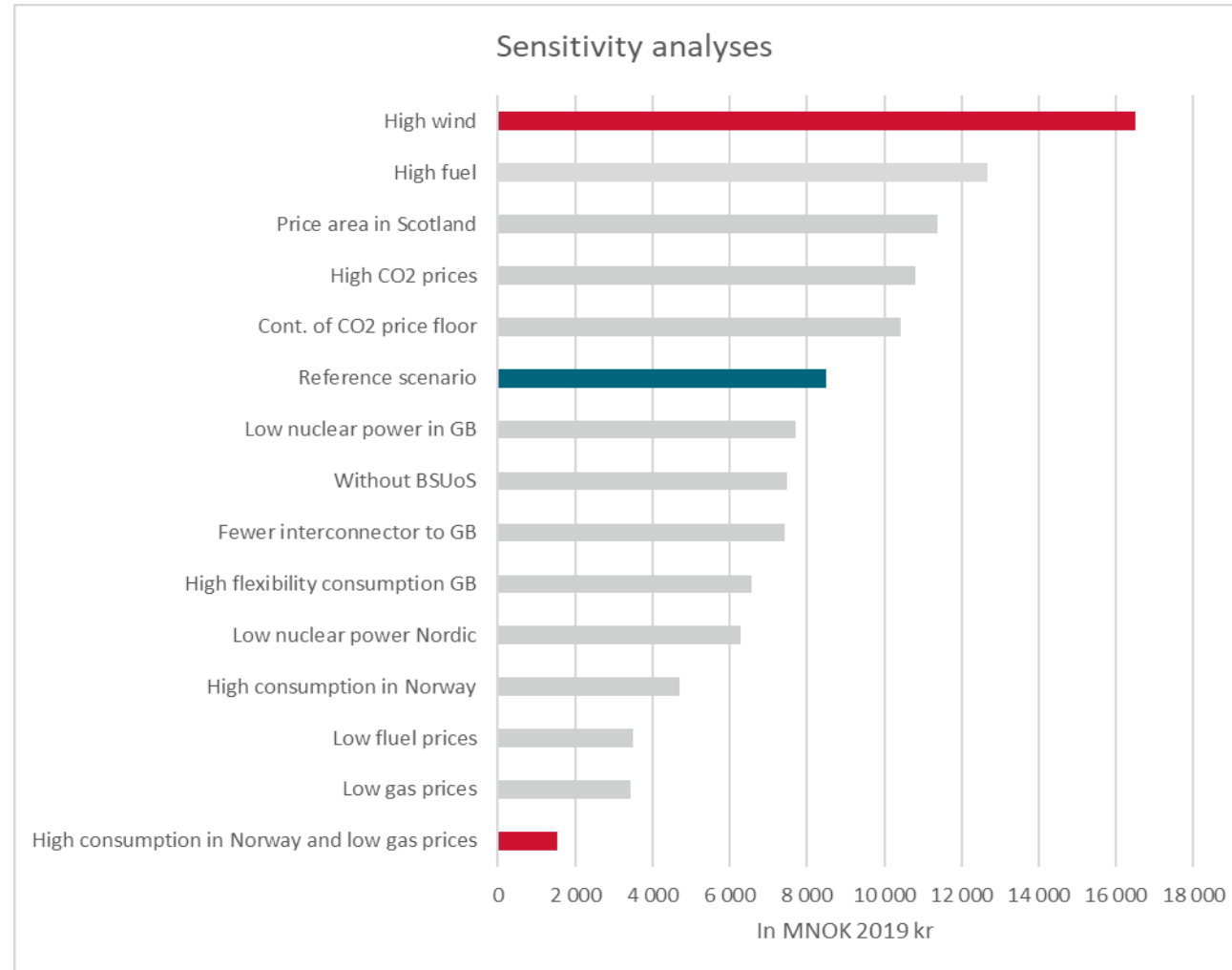
Impact on Norwegian power prices



NorthConnect generates a socio economic surplus

	Mill NOK
Revenue NorthConnect	8 342
Δ Producer surplus	86 374
Δ Consumer surplus	-63 558
Δ Revenue other interconnectors	-11 617
Investment cost	-8 322
Δ Other costs incl. losses	-2 733
Total	8 486

Quantified uncertainties





The regulation authority within NVE has assessed

Multiple issues to ensure an efficient use of the cable if built, and among these are:

- Securing an optimal capacity allocation and trade arrangements
- Regulation of income and exception from regulation in EUs 3rd energy package

Press release from the Ministry 25th of March

Insufficient grounds to decide on the application for the NorthConnect project

“Two new interconnectors, to the UK and Germany respectively, will be commissioned in the near future. First we need to get a better understanding of the effects of the operation of the two interconnectors currently under construction” Minister of Petroleum and Energy, Tina Bru.