

EUROPEAN COMMISSION DIRECTORATE-GENERAL FOR ENERGY

Director-General

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Brussels.

Mrs Elisabeth Berge Mr Kjell Grotmol Royal Norwegian Ministry of Petroleum and Energy PO Box 8148 Dep NO - 0033 Oslo Norway

Subject:Preparation of the list of Projects of Common Interest – Non-TYNDP
project E261 between United Kingdom and Norway (NorthConnect)

Dear Mrs Berge, Dear Mr Grotmol,

I would like to thank you for your letter dated 6th June 2013 in which you informed that you wish to withdraw the project E261 (NorthConnect) between United Kingdom (Peterhead) and Norway (Sima or Samnanger) from the draft list of projects of common interest (PCI).

Before taking any decision on the matter, I would like to raise a few points. Firstly, from the analysis carried out by the national regulatory authorities from both Norway and the United Kingdom, it seems that the NorthConnect project (E261) and the North Sea Network (E200) are serving the same purpose and to my understanding both would require certain reinforcements of the internal grid in Norway. It thus seems to me that both planned UK – Norway interconnectors may be considered as "competing projects". In such a case, and to be coherent with similar situations in the other regional groups, it should be for the market to decide, which of the two projects is implemented.

Secondly, I understand that the upcoming amendments to the Norwegian Energy Act would require that any interconnector on the Norwegian side should be owned or controlled by the transmission system operator and that the project NorthConnect would not fulfil this criterion. However, it is to be noted that all promoters of the project of common interest are bound to respect the existing European and national law when

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implementing their projects. It may happen therefore that NorthConnect changes its shareholder structure to comply with the amendments of the Norwegian Energy Act. Therefore, I do not see sufficient ground to exclude the project at this stage.

Therefore, I would like to ask you to reconsider your decision until the next meeting of Decision Making Body on 24th July 2013.

Yours sincerely,

KP

Philip Lowe