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DIRECTORATE-GENERAL FOR ENERGY

Directorate B - Internal Energy Market
B.1 - Internal Market I: Networks & Regional Initiatives
Head of Unit

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Mrs Elisabeth Berge
Royal Norwegian Ministry of
Petroleum and Energy
Akesgata 59
NO - 0033 Oslo
Norway

Subject: Projects of common interest connecting to Norway

Dear Mrs Berge,

Following your letter to Director General Philip Lowe of 19 September concerning the project between Norway and United Kingdom, I would like to inform you about progress made since.

I would like to inform you, ahead of the adoption of the Union wide list of projects of common interest on 14th October 2014, that the list will include two electricity projects connecting to Norway, namely 'Germany – Norway interconnection between Wilster and Tonstad' and 'Norway – United Kingdom interconnection'.

The reason for describing the latter in such generic terms stems from two reasons:

Firstly, as you know, on 24 July 2013 the Decision Making Body decided regarding the Northconnect project that "*in case the project is not compliant with European acquis and/or relevant national legislation (inter alia the institutional requirements set by the Norwegian Energy Act) by 20 September 2013, the Commission will not maintain the project on the Union-wide PCI list*".

Indeed, the current Norwegian Energy act states that an interconnector connecting to Norway can be only operated by a company where the Norwegian TSO has the major influence. However, the Energy act does not prevent any project promoter to carry out the planning phase of the interconnection project, preceding its operation. Therefore, Northconnect being currently in the planning phase, it may therefore be considered compliant. Furthermore, Northconnect stated in its letter to European Commission from September 2013 that it will take all necessary measures to comply with the relevant law also in the future as regards possible operational phase.

Secondly, Norwegian representatives, whilst supporting the inclusion of an interconnector between Norway and the UK, informed the Regional Group for Northern Seas Offshore Grid that the Norwegian internal electricity grid can handle only one connection to United Kingdom (given the connection to Germany). Hence, in line with

the new TEN-E Regulation, the two alternatives proposed (interconnections between Kvilldal and Blyth and Sima or Samnanger and Peterhead (Northconnect)) must be seen as competing as implementing the same project between Norway and the UK. Article 172 of the Treaty on functioning of the European Union states that projects of common interest which relate to the territory of a Member State shall require the approval of the Member State concerned. The Treaty refers to an approval of the project and not to an approval of the project promoter.

I remain at your disposal for any further clarification you may need.

Yours sincerely,



Catharina Sikow-Magny