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Response to: Methodology for GB Commercial Arrangements relating to Interconnector Capacity Calculation

Statnett appreciates the possibility to give comments to these issues related to interconnector capacity utilisation.

Statnett is the Norwegian TSO, owner and system operator of the Norwegian power grid. Together with National Grid Ventures, Statnett is constructing the 1400 MW *North Sea Link (NSL)* the world's longest HVDC-interconnector, which will be taken into operation later this year.

In our responsibilities as both system operator and interconnector owner, we have strong interests in the best possible utilisation of the new NSL interconnector. The interconnector should offer the highest possible capacity to the market, respecting system security. This will benefit society in both GB and Norway, exchanging surplus of wind power in GB with hydropower from Norway. The benefits to society are far greater than the direct revenues from the interconnector trade itself.

We acknowledge the challenges faced by system operators, and understand that NGESO in certain situations may have to restrict capacity due to security limitations. However, NTC restrictions should be introduced after other available options have been investigated and other suitable means applied, minimizing the negative impact on the market.

Our view is that potential need for capacity restrictions must be fairly shared between different interconnectors. This principle should be applied even in cases where restrictions are financially compensated by NGESO.

Yours faithfully



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EVP Markets and System Operation

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