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## **Interconnector policy review: Working Paper 4 – Multiple-purpose Interconnectors**

We refer to the consultation issued 30<sup>th</sup> June 2021 and welcome the opportunity to respond to the consultation.

Equinor is a global energy company, employing over 650 people in the UK. It is the UK's largest supplier of crude oil and the largest supplier of natural gas, meeting more than 25% of UK demand. It operates the Mariner oil field and three offshore wind farms including Hywind Scotland, the world's first floating wind farm. Equinor and partners are building Dogger Bank, the world's largest offshore wind farm.

Equinor is fully committed to the ongoing Offshore Transmission Network Review (OTNR) and looks forward to its conclusions. Enabling Multiple-purpose Interconnectors (MPIs) within a future coordinated offshore grid will in our view be fundamental to achieve UK's bold and challenging targets for offshore wind.

Increased interconnection capacity with other energy markets through MPIs will in our opinion facilitate larger volumes of renewable generation than otherwise as well as contribute to the security of supply.

For MPIs to become commercial attractive for developers it is essential that robust, transparent, and predictable market arrangements are established. To be successful in this it is important that Ofgem collaborates with market regulators in other jurisdictions including the ongoing assessments under the EU Offshore Renewable Energy Strategy as well as with industry to find good solutions.

We have in the appendix provided detailed response to relevant questions. We would welcome the opportunity to present our response to the consultation in more detail.

Yours sincerely,

Torkel Sjoner  
Equinor ASA

## Appendix: Detailed response to the Consultation

### Question 1: Do you agree with the approach we have taken to workstream 4?

We agree with the proposal. Attractive market arrangements will be fundamental to successful delivery of MPIs. We note that this is one for Ofgem's priorities going forward.

### Question 2: Do you think we have missed any important benefit that MPIs could deliver?

We believe Ofgem has captured the most important benefits of MPIs.

### Question 3: Do you agree with our views on the conclusions of the ITPR?

We support Ofgem's view that the ITPR conclusions do not provide sufficient certainty and clarity to bring forward MPIs and support the proposed further assessments.

### Question 4: Do you agree with our proposal to further explore the applicability of the cap and floor regime for the MPI projects currently under consideration? Please provide supporting information if available.

Yes. Other regulatory models should however not be ruled out, even for MPI projects currently under consideration.

### Question 5: Do you agree with our proposal to also consider alternative regulatory models for MPI projects in the long term? What models should we consider? Please provide supporting information if available.

We support that alternative models are assessed including those considered as part of the EU Offshore Renewable Energy Strategy assessments.

### Question 6: What other wider policy issues or aspects related to MPIs should we be aware of?

It is necessary to assess market and charging arrangements in a broad context, taking into consideration also the competitiveness of GB generators and consequences to GB consumers.

Furthermore, conclusions from the Interconnection policy review must inform the OTNR as well as conclusions from OTNR must inform the final decisions of the Interconnection policy review.

**Question 7: Do you agree with our initial conclusions? If not, please concisely explain why and provide supporting information if available.**

We agree with the initial conclusions.

**Question 8: Do you agree with our initial proposals? If not, please concisely explain why and provide supporting information if available.**

We agree with the initial proposals.

**Question 9: Do you have any further feedback on our analysis, conclusions or proposals presented in this consultation document?**

We support the conclusion of the WS2 paper that there is a need for further analysis of the benefits of interconnectors including MPIs, in particular under different scenarios for future capacity build-out in GB and in connecting countries.

