

Ofgem
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Document officer: CAC
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Case no.: s2014-518
Document no.: d2015-5970-2.0
30. april 2015

Ofgem consultation - Initial Project Assessment of the FAB Link, IFA2, Viking Link and Greenlink interconnectors

The Danish Energy Association is the member association for Danish generators, traders and distributors. We appreciate the opportunity to comment on the Initial Project Assessment of the FAB Link, IFA2, Viking Link and Greenlink.

Interconnector development is of critical importance to the implementation of the internal electricity market and particularly so in the North Sea region, where the transition to wind power and other renewables is significant. The Danish market participants are following the GB interconnector development with great interest.

Question 1: Do you agree with our minded-to positions on the four projects considered in this consultation?

We follow the Viking Link development and we agree with the minded-to position on this particular project.

Question 2: Is there any additional information that you think we should take into account when reaching our decision on the IPA of the projects?

The interconnector participation in capacity markets is an important issue and we note the comments in chapter 4 on interconnectors possibly displacing GB generation leading to a GB welfare reduction. If it indeed would be the case that GB generation was displaced, the displacement would be by foreign generation at a lower cost, and we would like to highlight the positive effects on GB welfare that the GB consumers would accrue due to generation secured at a lower cost.

Question 3: What are your views on the approach Pöyry has taken to modelling the impact of cross-border interconnector flows?

We support the modelling approach by Pöyry and the subsequent results for the Viking Link are in line with our expectations of maximising the value of both Danish and GB renewables. Furthermore we agree to positive effects of connecting areas with diverse supply for enhanc-

ing security of supply. And in this regard, Denmark with its strong connections to both the Nordic and German supply resources seems to be quite a versatile connection point for the GB electricity system

Question 4: Do you have any additional evidence in this area that we should take into account?

We have no additional comments on this section

Question 5: Do you have any views on the information presented in this chapter?

Even though the whole sale price difference is the main driver in the assessment, sharing ancillary services cross-border is an important aspect and seems to be well considered in the assessment

Question 6: Are there any additional factors that you think we should have considered?

We have no additional comments on this section

Question 7: Have we appropriately assessed the hard-to-monetise impacts of the interconnectors?

We agree to the diversity of supply effects and the expectation of a mainly western bound flow from Denmark to GB.

Question 8: Are there any additional impacts of the interconnectors that we should consider qualitatively?

We have no additional comments on this section

Question 9: Do you have any views on the information presented in this chapter?

We have no additional comments on this section

Question 10: Do you have any comments on our assessment of the project plans?

We have no additional comments on this section

Please do not hesitate to contact us if you have any questions regarding this consultation response.

Yours sincerely
Dansk Energi

Carsten Chachah