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Energinet.dk response to “Cap and floor regime: Initial Project Assessment of the FAB Link, IFA2, Viking Link and Greenlink interconnectors” [consultation published 6 March 2015]

29 April 2015
JTS/

Dear Mr. Borland,

Energinet.dk welcomes the opportunity to respond to the above consultation. Energinet.dk is the Transmission System Owner and Operator in Denmark, and National Grid's project partner in the Viking Link project.

Energinet.dk who is wholly owned by the Danish Government is an experienced owner and operator of interconnectors. Currently, we operate interconnectors to Norway, Sweden and Germany. Further interconnectors to the UK, Germany, and the Netherlands are planned. These interconnectors are a mix of AC and DC technology and include both onshore and offshore arrangements; demonstrating Energinet.dk's technical competence.

Energinet.dk is owned by the Danish Ministry of Climate, Energy and Building (KEBMIN) to whom applications for approval of investments will be made. Further, Energinet.dk is regulated by the Danish Energy Regulatory Authority (DERA).

So far we have had positive multi-lateral meetings with regulators and Governments from both sides of the link. These have helped to keep everyone engaged and informed of developments. We are also confident that Ofgem recognises the Danish regulation of the DK side of the interconnector.

Going forward, we offer our strong support to the continuation of the useful multi-lateral dialogue. Specifically, we look forward to engaging with Ofgem, National Grid and the Danish authorities as we discuss the specific implications of “split regulation”. Good cooperation between regulators is very helpful to the project.

The next major step in the project is the undertaking of a seabed survey, which will be facilitated by a successfully completed process under the cap and floor regime on the GB side.

In the project we are considering an increase in the capacity of Viking Link which is very likely to increase the expected net social welfare benefit for both countries and would hopefully thus be welcomed by Ofgem.

Yours sincerely



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