



UK - Arctic Interconnectors: Brexit and the Continued Need for Cooperation

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Interconnection: win-win?

- Growing need to balance intermittent renewables
- EU interconnection target 10% by 2020
- Significant socio-economic benefits
 - Low and less volatile costs
 - Increased security of supply
 - Decarbonising the energy system
- Each new GW of interconnection in the UK to reduce wholesale energy prices by 1-2% (National Grid)



UK - Arctic Interconnectors

- Strong business case both sides of the cable
 - Complementary energy mixes and prices
 - High structural value of interconnectors
 - North Sea expertise can be exploited
- Arctic states typically have more renewable and dispatchable resources
- French nuclear issues emphasising weakness of other interconnectors
- Need for UK to increase interconnection from 5% of generating capacity
- Interconnection already somewhat well integrated within UK energy policy



UK - Arctic Interconnectors

North Sea Link - 1.4 GW - 720km

- Under construction
- Brexit-proof
- Expected online 2021

Viking Link - 1.4 GW - 760km

- Brexit-proof
- Expected online 2022

Ice Link - 1 GW - 1200km

- Feasibility stage
- Brexit causing uncertainty

North Connect - 1.4 GW - 650km

- Contracted
- Brexit causing uncertainty



Brexit means...

What we (don't) know?

- Future relationship with Internal Energy Market is uncertain
 - Barrier-free access is important - ideally retained membership
 - This is impacting investor confidence
- Commercial incentives remain on both sides but political will?
- Uncertainty over funding and regulatory framework
 - European Investment Bank & ENTSO-E
- Closer UK - Nordic relations?



Take Home Messages

Brexit is causing uncertainty, but...

- Strong business case for increased interconnection remains
- Close cooperation is imperative
- Should energy be a special case in the Brexit negotiations?





Thank you



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