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Vattenfall to cooperate in UK-Norway interconnection

Vattenfall today signed a cooperation agreement with four North European energy companies to plan and build an electrical interconnector between the U.K. and Norway.

Vattenfall and its partners, Agder Energi, E-CO, Lyse, Scottish and Southern Energy, agreed to establish NorthConnect, a jointly owned interconnector development company.

"NorthConnect will make an important contribution towards developing the European market for electricity with increased competition in regional markets, a secure supply of electricity and more stable energy prices for consumers," says Harald von Heyden, Head of Vattenfall Asset Optimisation and Trading.

After establishing the development company, the project partners will over the next three to four years examine the technical and economic viability of developing, building and operating the electricity interconnector. The HVDC (High Voltage Direct Current) interconnector will have a capacity between 1,200 and 2,000 MW. The ambition is to have NorthConnect in operation before 2020.

The interconnector will be a direct link between Vattenfall's core market Sweden, which is part of the Nordic market area, and the United Kingdom, where the company is expanding its renewable energy portfolio.

While being a sound business case for the engaged companies, NorthConnect enables the realisation and use of the existing low carbon potential and facilitates the cost-efficient integration of renewable energies into the market. By interlinking flexible hydro power with intermittent energy sources such as wind power, NorthConnect may contribute to reduce the need for fossil fuelled electricity generation.

The UK is an important market with growth potential for Vattenfall. In 2010, Vattenfall inaugurated the world's largest offshore wind farm, Thanet. Currently, the company is building up several onshore and offshore wind projects and has been awarded rights to develop up to 7,200 MW of wind capacity together with Scottish Power Renewables. In order to back up its ambitions, Vattenfall has recently announced to open up a new office in London.

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