Case handler: Vaido Poldoja Tel: +32 2 286 1894 vpo@eftasurv.int Brussels, 20 December 2017 Case No: 78862 Document No: 886216



Naturvernforbundet i Sør-Trøndelag Naturvernforbundet i Nord-Trøndelag Att. Mads Løkeland



Sent by email only to



- Preliminary assessment of complaint

Reference is made to your letter to the EFTA Surveillance Authority ("the Authority") dated <u>26 May 2016</u> (Document No 857816) and the email of <u>11 June 2017</u> (Document No 860654) concerning alleged aid to the Fosen Wind Project in Trøndelag.

The Authority's current letter concerns your allegations regarding the construction of the 420 kV overhead power line (Namsos - Storheia - Snillfiord - Trollheim) by Statnett.

In its letter dated <u>24 April 2017</u> (Document No 852304), the Authority took the preliminary view that Statnett's grid construction did not provide a selective advantage to the Fosen Wind Project, and that therefore the measure did not constitute state aid within the meaning of Article 61(1) of the EEA Agreement.

Having studied your letter dated 26 May 2017 and the email of 11 June 2017, the Authority maintains its earlier preliminary view that that measure does not involve state aid within the meaning of Article 61(l) of the EEA Agreement.

Summarising your letter dated 26 May 2017, you claim that there is no actual need to build the planned 420 kV power lines, *i.e.*, the lines were not planned as transmission lines to increase the north-south capacity. Regardless of the voltage level, the main purpose was to build production-related power lines, connecting the Fosen Wind Project to the national grid. You further argue that Statnett had also asked for an economic guarantee from Statkraft to build the grid.

These arguments are not such to change the Authority's earlier preliminary assessment of the measure.

The Authority explained in its letter dated 24 April 2017 that all of the cumulative conditions under Article 61(1) of the EEA Agreement must be met for a measure to qualify as state aid.



As the Authority reasoned in its letter dated 24 April 2017, it appears that Statnett has followed its normal national level grid planning and construction practices, and that the grid construction is of general character, not serving or tailored to the needs of a particular user. Thus, the Authority was of the preliminary view that the measure was not selective, and that therefore at least one of the cumulative conditions of Article 61(1) of the EEA Agreement would not be met.

Following your letter dated 26 May 2017, the Norwegian authorities have provided further observations and reconfirmed that the power lines in question are part of the national transmission grid for strengthening the north-south transmission capacity. Also, as explained in our letter dated 24 April 2017, the relevant national regulator confirmed in 2013 that the power lines in question were part of the transmission network. This is also the case according to the article attached to your letter dated 26 May 2017 (footnote 1).

As regards the economic guarantee you refer to, it does not appear that the guarantee was actually implemented. Furthermore, an undertaking might want to use all options for supporting its investment. However, trying to pursue such options does not mean by itself that there was no need to strengthen the north-south transmission capacity nor that the power lines in question should not be considered a part of the national transmission system.

As the Norwegian authorities have earlier explained, the 420 kV power lines in question are planned and constructed as one coherent transmission grid. Statnett uses a step-wise approach² and chooses the most economically viable grid development option³; and these power lines could have been dimensioned at a lower cost if the purpose were only to connect the wind power plants.⁴

Based on the above, the arguments raised in your letter dated 26 May 2017 do not warrant changing the Authority's earlier preliminary view. In particular, the arguments invoked in the letter do not indicate that the measure would not be of general character, but would rather serve or be tailored to the needs of a particular user.

Therefore, with reference to paragraph 48(b) of the Authority's Guidelines on Best Practice for the conduct of state control procedures⁵ and based on the information available, the Authority maintains its earlier preliminary view that Statnett's grid construction does not provide a selective advantage to the Fosen Wind Project, and that therefore the measure does not constitute state aid within the meaning of Article 61(1) of the EEA Agreement.

If you have any additional information you would like to submit that might change this preliminary view, please do so by 26 January 2018. Otherwise the case will be closed without further notice.

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¹ Decision by the Ministry of Petroleum and Energy of 26.08.2013 concerning Statnett SF – 420 kV kraftledning Namsos-Roan-Storheia-Snillfjord-Trollheim – klagesak p. 1. Available in Norwegian at: http://statnett.no/PageFiles/1328/Dokumenter/~1-%20Vedtak%20Olje-

^{%20}og%20energidepartementet/Vedtak%20fra%20OED%20for%20420%20kV%20kraftledning%20Namsos-Roan-Storheia-Snillfjord-Trollheim.pdf

² Statnett's Grid Development plan p. 86-87. Available in Norwegian at: http://www.statnett.no/Global/Dokumenter/Prosjekter/NUP2015/Nettutviklingsplan%202015%20leseversjon.pdf

³ Decision by the Ministry of Petroleum and Energy of 26.08.2013 concerning Statnett SF, p. 6 and 38.

⁴ Decision by the Ministry of Petroleum and Energy of 26.08.2013 concerning Statnett SF, p. 42

⁵ OJ L 82, 22.3.2012, p. 7.



Yours sincerely,

Gjermund Mathisen Director Competition and State aid

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