

Statnett in the North

Saint-Petersburg, February 28, 2014

President Arctic Program Audun Hustoft, Statnett

Statnett in brief

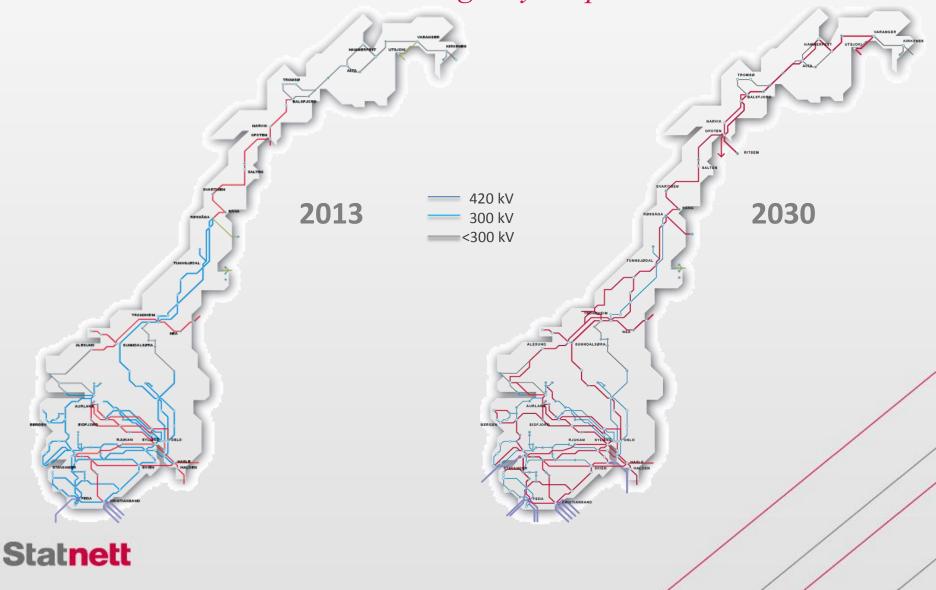
Statnett

- The Norwegian TSO (Transmission System Operator)
- Statnett owns and operates:
 - 11.000 km power lines the national grid
 - 150 transformer stations
 - National and regional control centre
 - interconnections to five countries including 4 HVDC subsea cables
 - Russia, Finland, Sweden, Denmark, The Netherlands
- Number of employees: 1100
- Offer international consultancy service
- Statnett SF is a 100 %state-owned enterprise, administrated by the Ministry of Petroleum and Energy

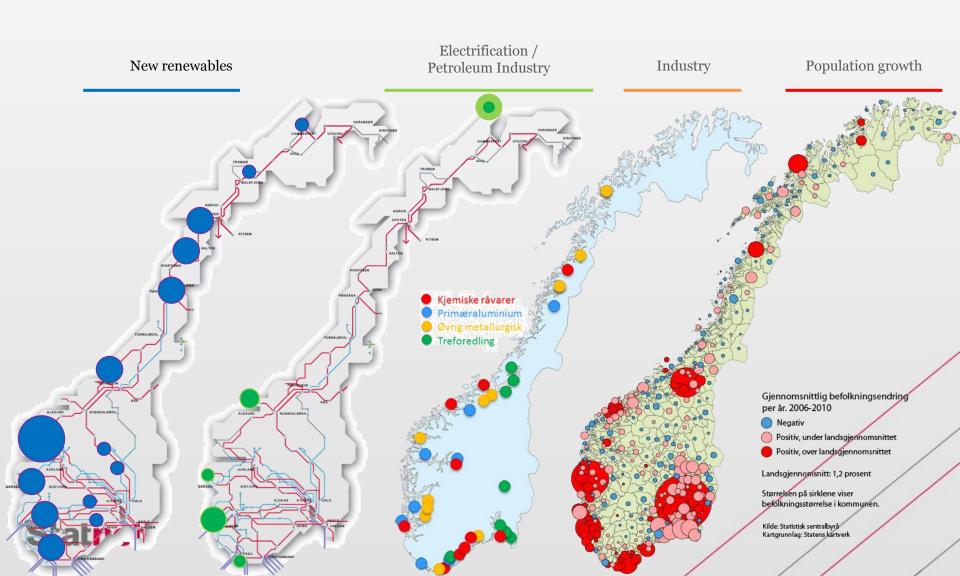


The next generation national grid

CAPEX 50-70 bill NOK in coming 10 year period

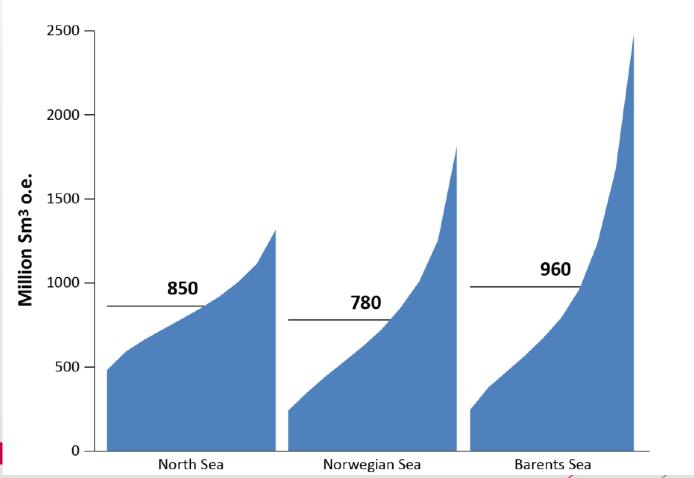


Grid development towards 2030 is driven by:



Where- How much- When? Undiscovered petroleum resources – a driver of the grid development in the North

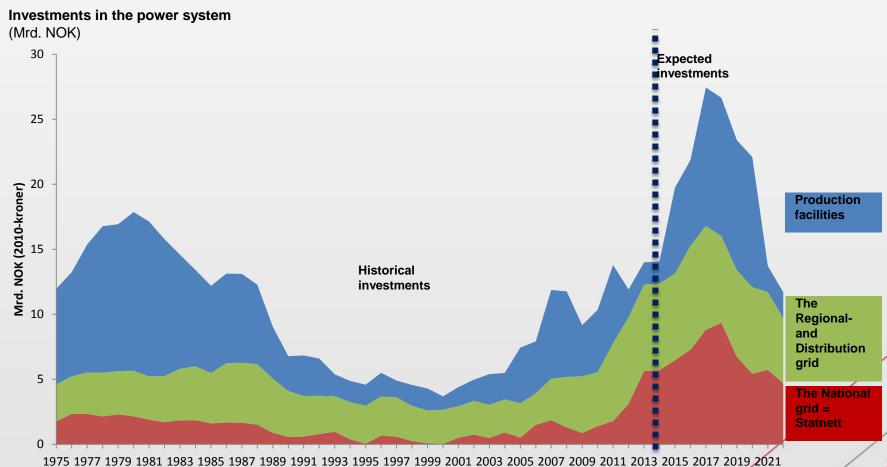




Statnel

Kilde: OD

Norway is facing large growth in power generation and grid investments





Statnett

Northern Norway. The main electricity grid 2014.

- Low grid capacity (132 kV)

-Insufficient security of supply

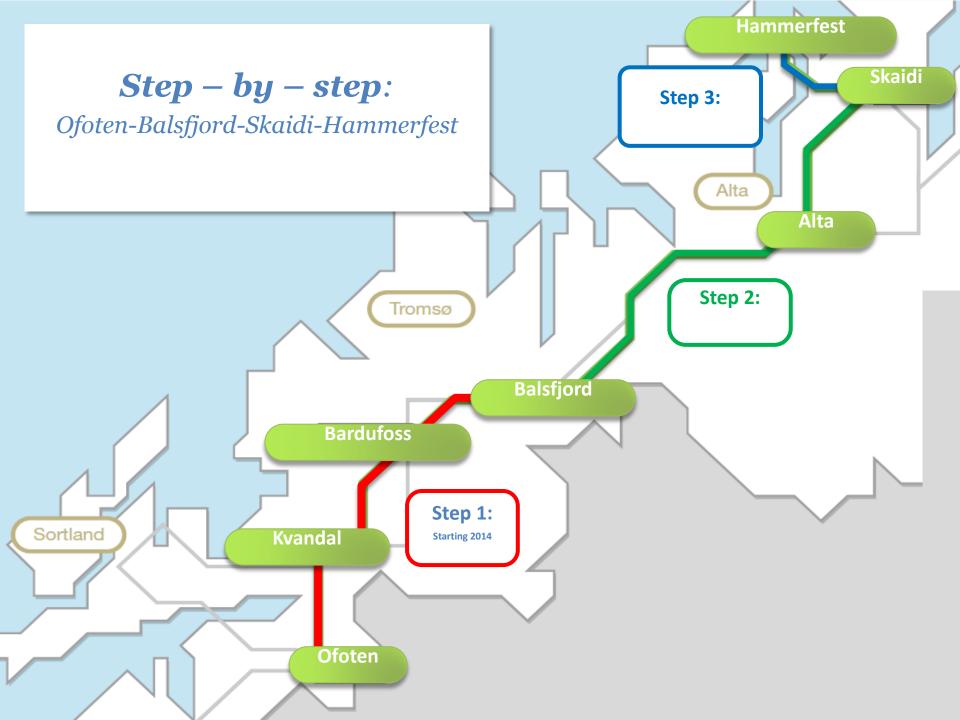
-Restrictions for new load

-Restrictions for new generation-

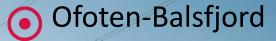
Grid development strategy for Northern Norway







420 kV Ofoten to Skaidi



- 3 years construction period
- Construction starting Q2 2014
- Estimate 3-4 billion NOK
- Balsfjord-Skaidi
 - 6-7 years construction period
 - Awaiting final license
 - Project schedule to be adapted to consumption growth and power production developments

420 kV Skaidi – Varangerbotn; next step for increased east-west interconnection

- Planning has started
- Triggered by oil and gas industry consumption growth
- Important and interesting for stronger Nordic / Russian interconnection





Boris Gleb - Kirkenes

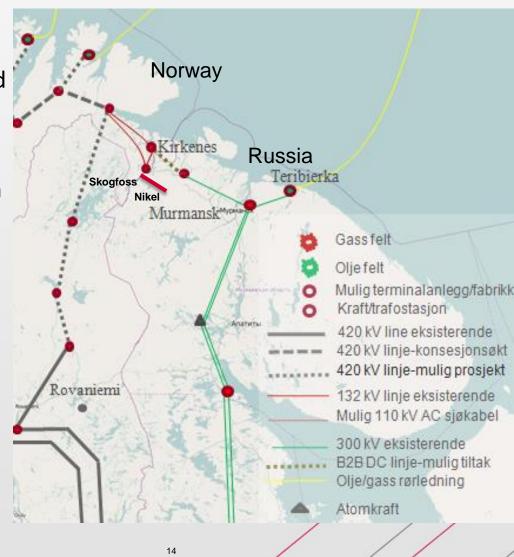
- Power from Boris Gleb hpp to Kirkenes is a well established electricity trade between Norway and Russia
- The grid is owned by Statnett the power is sold by InterRAO Nordic OY to the market at NordPool
- Good and positive international cooperation





A future possible bidirectional power exchange

- Nikel Skogfoss has been evaluated together with Inter RAO
- Purpose: Electricity exchange and increased security of supply in both regions
- Possible capacity:
 - Step 1: 100-150 MW.
 - Step 2: 250 MW
- Planning can continue, but conditions for start of operation are set by the Norwegian Government





Possible development in the Arctic Statnett

Skaidi - Varangerbotn

Increased security of supply

Skogfoss – Nikel

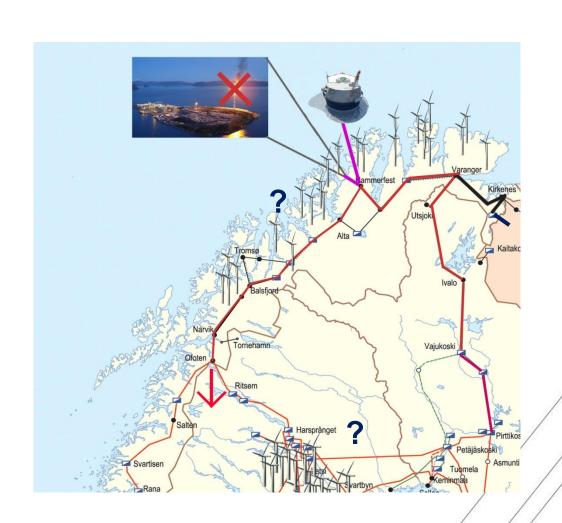
- Power exchange
- Increased security of supply

Varangerbotn – Ivalo

 Two-sided supply of the northern areas is of importance to the security of supply

Reinforcements southward of Ofoten

- Increased security of supply
- Secures balance and capacity



Statnett Key challenges to implementation inn the north

- Reindeer husbandry
- Time consuming processes to build new lines
 - Approx 8 10 years
- Coordination with petroleum industry and new renewable generation required
- Extensive plans to build new lines all over Europe (ref. ENTSO-E Ten Year Network Development Plan)
 - The same suppliers



