

14.5.2024 / Lau

Laura Ihamäki

How to connect large offshore wind farms to the electricity grid in Finland

Wind Finland Offshore 2024

FINGRID

Fingrid is Finland's transmission system operator.

We secure cost effectively reliable electricity for our customers and society and we shape the clean, market-oriented power system of the future.

Future of the power system is electric

- Energy transition opens great opportunities for Finland as we have plenty of potential both in new consumption and clean generation
- Grids are enablers of this transition Finland today has a strong electricity grid and has ambitions also for the hydrogen grid
- The electricity grid has a growing need for transmission connections from north to south and west to south, also stronger interconnections are needed for electricity market to operate efficiently
- Fingrid has a historically large investment program ongoing, over the next ten years, Fingrid is planning to invest approximately EUR 4 billion, averaging EUR 400 million per year – this will almost double the existing 400 kV electricity grid

Development of electricity consumption (TWh)

Fingrid estimate, January 2024



FINGRID



Fingrid's offshore study

- Fingrid has studied connection possibilities for offshore wind, <u>report</u> just published
- The study is based on a scenario in which offshore wind will dominate in 2030s, <u>this is not Fingrid's</u> <u>baseline scenario</u> used currently in our grid planning
- The study is technical, not economic in nature
- There are some uncertainties in the results due to assumptions regarding consumption and generation development
- We are consulting our stakeholders until 23rd June
- New release of report with more detailed results planned for autumn 2024



Preliminary grid connection possibilities for offshore wind in Finland in 2030s

FINGRID



Preliminary connection possibilities* Preliminary connection schedule

2024 2025 2026 2027 2028 2029 2030 2031 2032 2033 2034 2035 2036 2037 2038 2039 2040

*Maximum size of an individual connection is 1,3 GW

Welcome to join our stakeholder event on 22nd May!



What would be required from the grid?

- Roughly 1,000 km new and reinforced 400 kV lines needed in addition to the 3,700 km already identified in the Fingrid's main grid development plan ~ EUR 0,6 billion
- Building of transmission lines and offshore wind farms takes years, schedules should be coordinated
- Fingrid will consider the progress of offshore wind power project development when it updates its main grid development plan, next time in 2025
- There are limitations on how grid reinforcements can be implemented, prioritization needed
- Offshore wind in Finland's southern sea areas would decrease the needed grid reinforcements



Grid connection process will be renewed

Examination of grid connection possibilities

Planning and permitting

Agreement on the connection

Building

Commissioning

 Today grid connection capacity is secured in the connection agreement which can be signed after the project has gained its legal permits

- This has been a fair process as projects have been similar permitting-wise (i.e. mainly onshore wind)
- Fingrid has identified the need to update its connection agreement practices, especially for large customer projects where the permit process takes a long time, and the customer must make a significant financial commitment before securing permits
- Identified possible solution: fixed-term pre-connection agreement with conditional connection reservation
- Remaining challenges from Fingrid's point of view: When to sign the pre-connection agreement as the commitment has possible consequences also for other projects? How to handle competitive projects in the area?



Hybrid connections as future solution?



- Hybrid connection = both consumption and generation behind the same connection point
- Condition: central controller which takes care that output to the grid stays within agreed limits
 dependency between the units
- For customer: larger project sizes, faster connection, more connection possibilities, probably some cost savings
- Security of supply aspects to be carefully considered, also grid connection requirements to be created for these type of connections
- Legal clarifications expected in the reform of the Electricity Market Act in 2025



Finland's prospects for success in the energy transition are extremely promising, offshore wind is part of the potential.

Industrial consumption growth is essential for new generation investments. This is at the core of our national competitiveness.

Fingrid is committed to enable this.

