



Combining interconnectors with other assets, such as offshore wind farms, in Multi-Purpose Interconnectors (“MPIs”) can make infrastructure asset investment more efficient, by enabling transmission cables to alternately export renewables towards demand centres, or operate as “pure” interconnectors, depending on how windy it is. MPIs can also reduce the number of individual connections at the shore, thus reducing the environmental and social impacts of connecting offshore assets.

### Our Approach

We work with interconnector and MPI developers, regulators and investors on all aspects of the interconnector development lifecycle. We assist developers in understanding the economics of interconnector projects through the modelling of power sector fundamentals, allowing an assessment of the costs, benefits and risks of a project both to the developers and wider energy market stakeholders. We also help clients navigate the relevant regulatory regimes, and to shape these regimes where appropriate. These

frameworks are often highly complex as there are two (or more) sets of regimes that need to be brought together to apply to each interconnector, and many different stakeholders.

We have significant experience in engaging with energy regulators and governments on all aspects of regulatory issues, including design, application and refinements of regulatory regimes to help deliver the regulators’ statutory duties. In some cases, we also work with clients to gain an exemption from some aspects of the relevant regulations. We also help investors identify, assess and progress specific investment opportunities in the interconnector space. Our core experience lies in the European and Australian markets where our experts have worked with a number of interconnectors and investors, and increasingly further afield such as in the Far East.

	Clients in <b>17</b> countries, including Australia, GB, Norway, Singapore, Japan and several EU members such as France, Denmark and Germany
	<b>9</b> regulatory submissions
Advised on over <b>30</b> interconnectors across Europe, Australia and Asia, representing over <b>41 GW</b> of capacity.	
Developed arrangements for <b>interconnector</b> participation in the <b>GB Capacity Market</b>	
Helped to develop the <b>GB Cap &amp; Floor</b> regime for MPIs and interconnectors	

### Case Study

#### TASNETWORKS

#### THE CHALLENGE

Marinus Link is a 1.5GW proposed interconnector between Tasmania and Victoria, Australia, and it would be the second undersea cable connecting the two regions. We were engaged by TasNetworks, the project developer, to assess the consumer benefits of Marinus, and the impact of unlocking Tasmanian dispatchable (pumped hydro) and variable (wind) renewable generation into the National Electricity Market (“NEM”), to support a rapid decarbonisation strategy.

#### OUR INPUT

We assisted TasNetworks by deploying our in-house power modelling expertise to assess the likely benefits of Marinus to Australian consumers, focusing particularly on the wholesale price impact of the investment. Our modelling also included a detailed representation of Tasmania’s hydropower system and the potential development of the ‘Battery of the Nation’ pumped hydro scheme.

#### THE RESULT

We identified that the project was likely to deliver substantial savings for consumers across the NEM. These savings were estimated to be even higher in a scenario with accelerated decarbonisation policies. Our work has been used by TasNetworks in discussions with a range of stakeholders, including Hydro Tasmania and Tasmanian and central Governments.



Case Study



**NEUCONNECT**

**THE CHALLENGE**

NeuConnect is a planned 1.4GW interconnector that will for the first time connect two of Europe’s largest power markets, Great Britain and Germany. We were engaged by NeuConnect to provide support to the developer and its investors to assess the economic case for the interconnector ahead of Final Investment Decision, and to support NeuConnect in relation to its regulatory discussions with Ofgem (Final Project Assessment under the Cap and Floor regime).

**OUR INPUT**

We supported NeuConnect through a range of commercial analyses to develop a detailed understanding of the economic rationale of the project, both for the owner and for consumers. This included fundamental European power market modelling to assess the future arbitrage revenues for the project, its socio-economic welfare impact, and an assessment of the carbon reduction benefits of the project in the context of Net Zero targets ([link](#)).

**THE RESULT**

Our work supported NeuConnect in its engagement with investors, lenders and regulators, culminating in regulatory approvals under Ofgem’s Cap and Floor regime (Final Project Assessment) and the project reaching a Final Investment Decision.

Case Study



**NATIONAL GRID – Multi-Purpose Interconnectors**

**THE CHALLENGE**

National Grid, a leading interconnector developer and operator in GB, is leading the development of MPIs which would link interconnectors via offshore wind farms. As a new asset class in GB, MPIs have a more complex arrangement compared to conventional point-to-point interconnectors.

**OUR INPUT**

We evaluated a variety of scenarios across different markets, commercial arrangements and regulatory regimes. This focused on looking to understand how wholesale prices and socio-economic welfare benefits are affected by multiple factors, including the wholesale pricing regime applied to the offshore wind farms (“Offshore Bidding Zones”) under different project configurations.

**THE RESULT**

Our work supported National Grid’s overall interconnector strategy, as well as its regulatory engagement regarding MPIs.

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