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## **Nordenergi emphasizes the importance of solidarity, cooperation and mutual power exchange in the ongoing energy crisis**

Norwegian considerations to limit the export of electricity raises concerns about the integrity of Europe and may endanger the future of electricity market.

Europe is facing a huge energy crisis caused by the Russian war against Ukraine. The Supply-demand balance in the energy market is shaking. Currently there is more demand than supply. This requires actions at all levels of the EU and in societies. Regardless of how, the actions must respect the principle of solidarity and functioning of internal market.

In the crisis, it is essential that electricity can flow freely across borders in Europe. Together, we will be more capable to cope with the crisis than each country individually. Two-way flow of electricity between neighbouring countries creates security of the supply for both sides of border.

We understand the concerns about high wholesale market prices and the resulting political pressure. We are however concerned about the proposals to limit Norwegian power exports. Norway, among other Nordic states has been the main initiator of the whole common electricity market. The market has brought enormous benefits to Norwegians, Nordic countries and other European countries. By limiting the exports, it would have detrimental causes on the internal market and solidarity as well as be very short-sighted. Export restriction would be a precedent which could have very unpredictable consequences.

We take note of the Norwegian regulator's (NVE) assessment of the legality of potential export restrictions. NVE's assessment is in line with our understanding of the EEA agreement. In our view, other solutions than deviating from the rules of the common electricity market must be sought and found.

It is evident that a strong European cooperation is now needed more than ever. The Nordic electricity associations request a unified EU wide response to the crisis as well as solidarity in the current situation. At the same time, we strongly support the competitive internal market for energy. The functioning of the energy market and price signals are essential in facilitating investments in the energy production, energy savings, energy efficiency and demand side flexibility – in short and long term.

*Nordenergi is the collaboration between the Nordic associations for electricity producers, suppliers and distributors. Members are Danish Energy Association, Energy Norway, Finnish Energy, Samorka – Icelandic Energy and Utilities and Swedenergy. Overall, Nordenergi represents more than 800 market actors (member companies), most of them active in the electricity sector, but also in other areas such as district heating, gas and services.*

