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M. 11166 - EQUINOR / SHELL / TOTALENERGIES / JV

SECTION 4

Description of the concentration

1. The transaction concerns the creation of a full-function joint venture jointly controlled by Equinor, Norske Shell and TotalEnergies. The Notifying Parties incorporated and registered NLJV as a jointly controlled unlimited liability partnership with shared liability on 5 February 2021 in Norway, where each have an ownership interest of 33.33%. When NLJV was established in 2021, it did not meet all the criteria of full-functionality. Since 2021, the Northern Lights Project has evolved and NLJV is now transitioning to a full-function JV performing on a lasting basis all the functions of an autonomous economic entity, within the meaning of Article 3(4) EUMR (the “**Proposed Transaction**”).
2. NLJV will carry out activities related to the development, construction, operation, marketing, and sales of CO2 transport and storage services. It is responsible for developing and operating CO2 transport and storage facilities, open to third parties, as part of Longship5, the Norwegian Government’s full-scale carbon capture and storage project. Apart from taking delivery of CO2 from the initial State-supported capture sites of the Heidelberg Materials (previously Norcem) and Hafslund Oslo Celsio (previously Fortum Oslo Varme – FOV), the JV will also offer companies across Europe the opportunity to store their CO2 safely and permanently underground. When NLJV becomes operational in 2024, it will be the first ever cross-border, open-source CO2 transport and storage infrastructure network.
3. NLJV is becoming a full-function joint venture as a result of the following key factors: First, its market-facing nature has evolved since the prior jurisdictional consultation with the Commission in 2020. NLJV has signed its first Transportation and Service Agreement (“**TSA**”) with a third-party customer⁶ in May 2023.⁷ Another TSA with a third-party customer has also been signed on 31 October 2023.⁸ It is the JV’s ambition to also enter TSAs with additional potential third-party customers going forward. Second, NLJV started hiring its own employees and direct hires constitute 33% of the JV’s entire workforce as of October 2023.
4. Against this backdrop, NLJV’s transition to full-functionality constitutes a concentration within the meaning of Article 3 (1) b) and 3 (4) EUMR.