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CRE : The economic stakes of interconnections

The French Energy Regulator (CRE) is publishing its report on French electricity and gas interconnections. The report makes two main conclusions: French electricity and natural gas networks are well interconnected with their counterparts in neighbouring countries and the use of interconnections has been significantly improved over the last 10 years. In terms of electricity, France's average export capacity is 13.5 GW, i.e. more than 10% of its production capacity. France is very well integrated in the European gas market and is a transit country to Spain and Italy. It has boosted its interconnection capacity in gas by 40% in 10 years.

Interconnections are vital to the internal energy market and help trade between Member States. They enable European consumers to benefit from cost-effective energy by diversifying sources of supply. Since it was created, the CRE has played a leading role in this area, by fostering the development of interconnections at the French borders and by making them more efficiently used.

After major efforts, the question of creating new interconnections (which constitute complex and costly projects) is now being raised.

In terms of gas, the Midcat Project (a new gas interconnection between France and Spain) provides a good illustration of this question. The project will cost almost 3 billion Euros, two billion of which is being funded by France, and the decision to launch it should not be taken lightly without robust cost-benefit analyses. These studies must, in particular, identify and quantify the benefits for each country concerned as well as for the European Union, and organise the project funding in relation to these benefits.

As concerns the interconnection project in the Bay of Biscay between France and Spain, overcoming technical uncertainties is an essential prerequisite before commenting on the opportunities it offers in terms of the costs and benefits that it might generate.

In compliance with the law, the CRE acts on behalf of consumers in all its missions. It will seek to avoid them being exposed to considerable costs to build infrastructure facilities whose advantages for developing the European market and security of supply have not been demonstrated.



See CRE's videos to learn more (in French) :

["Les interconnexions : choix, sécurité, fluidité !"](#)

["Couplage des marchés, flow-based : deux outils au service de l'optimisation des interconnexions en Europe"](#)

Founded on 24 March 2000, the French Energy Regulatory Commission (CRE) is an independent administrative body. CRE works to guarantee smooth and efficient operation of the electricity and natural gas markets for the benefit of the end-user. It also works to guarantee the absence of discriminatory practices, cross-subsidies or restrictions on competition.

Press contacts :

Anne MONTEIL : 01.44.50.41.77 – anne.monteil@cre.fr

Cécile CASADEI : 01.44.50.89.16 – cecile.casadei@cre.fr