Press release

CRE investigated southern France's gas market pricing

The CRE has opened an investigation into the conditions of gas market price formulation in the south of France. As part of this investigation, the CRE will be analysing all individual transactions on the wholesale market and the availability and use of gas infrastructures: transportation network, underground storage, LNG terminals, and interconnections with neighbouring countries.

The difference in price between the North Title Transfer Point (TTP) and the South TTP on the French spot market has significantly increased since 1 April 2012 with South TTP prices being the higher. This price differential on Powernext Gas Spot was on average 0.16€ / MWh in 2011. It reached an average of 3€ / MWh on 1 April 2012 and has even exceeded 6€ / MWh on several occasions.

Note:
The CRE has a wholesale electricity and natural gas market monitoring mission. It "monitors electricity and natural gas transactions carried out between suppliers, traders and producers, transactions carried out on the organised markets as well as cross-border trades. It monitors the consistency of the offers […] made by producers, traders and suppliers […] with their economic and technical constraints" (Article L. 131-2 of the Energy Code).

This task is now also in line with the Regulation on Energy Market Integrity and Transparency (REMIT). Entered into force on 28 December 2011, the REMIT prohibits market manipulation and insider trading on wholesale energy markets.

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.

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