

Electricity interconnections: the importance of optimal use stressed in CRE report

The purpose of creating a single electricity market is to take advantage of the complementary nature of generation capacities and electricity consumption in the different Member States. The CRE report, with an introduction signed by Andris Piebalgs, European Commissioner for Energy, stresses the importance of optimizing the use of existing interconnections in a context marked by a shortage of infrastructures.

In this second report, the CRE assesses the current methods used to manage congestion on the French borders. It demonstrates that the interconnections are not currently used to their maximum capacity.

The CRE report emphasises three projects currently being developed by European network operators and by power exchanges to improve use of the interconnections:

- in the Central-West region (Benelux, Germany and France), the creation of a single auction platform used to allocate interconnection capacities over the long term
- in the same region, the implementation of a flow-based market-coupling to make optimal use of the network for day-ahead trades
- in the France – United Kingdom – Ireland region, the implementation of reciprocal balancing exchanges on the France-England interconnection.

The effective completion of these projects will lay the foundations for a new congestion management system for interconnections across Europe and will thus confirm work conducted as part of electricity regional initiatives (ERI) launched in 2006 by the European energy regulators.

***For the record:** the electricity regional initiatives aim to facilitate market integration at a regional level. Seven regions have been defined and France is involved in four of them. This process of regional market integration has led to a consensus emerging at a European level from all the stakeholders concerning the main principles for efficient congestion management mechanisms, making it possible to achieve optimal use of interconnections according to the needs expressed by each market.*

Andris Piebalgs, was Minister for Education and then Finances in the Latvian government. Andris Piebalgs is a specialist in European issues. He was an ambassador for the European Union. Since 2004, Mr Piebalgs is the European Commissioner For Energy.

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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