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Success of the open season to develop gas interconnections between France and Spain from 2013

The first binding phase of the open season to develop gas interconnections between France and Spain from 2013 (Western axis) has been completed on 30 October 2009. This open season is a success, given the strong market demand and thanks to the exemplary cooperation between French and Spanish transmission system operators. The capacities offered at the interconnection point of Larrau (Western Pyrenees) have been validated for 5.5 bcm/y.

As provided by the rules of the open season, the capacities to be developed have been allocated by the French and Spanish transmission system operators to the participating shippers, after validation by the French and Spanish regulators (CRE and CNE)

Very good results

CRE welcomes the result of this open season. Capacities at Larrau have indeed been entirely subscribed in both directions, which guarantees that this infrastructure will not constitute a sunk cost in the future. This project will benefit from support from the recovery plan of the European council.

Once the necessary investments realised, this new major gas entry point into South France, representing more than 10% of the French consumption, will reinforce the security of gas supply in France as well as competition on the market of South France. It will also significantly contribute to the integration of the Iberian, French and North-Western European gas markets and to the European security of supply.

Outlook

CRE and CNE, together with French and Spanish transmission system operators, will now prepare the open season for the Eastern axis of the gas interconnections between France and Spain, for capacities available from 2015 (MidCat project). This open season is to be launched during the first half of 2010.

As the test regarding the interconnection point of Biriatou (Basque country) was not positive and, consequently, capacities offered at this point – around 2 bcm/y – have not been allocated, CRE has proposed to its Spanish counterpart (CNE) that these capacities are again offered in the coming open season.

Founded on 24 March 2000, the French Energy Regulatory Commission (CRE) is an independent administrative body. It 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 contact: Anne Monteil - tel.: +33 (0)1.44.50.41.77- Email: anne.monteil@cre.fr

