



29 July 2013

## **The French Energy Regulatory Authority (CRE) has published its report on use and management of French electricity interconnection in 2012**

**Power supply costs may decrease by €110 Million/year thanks to the several market coupling projects supported by CRE. The CRE report ([www.cre.fr/en](http://www.cre.fr/en)) also underlines an increase by 50% of intraday power exchanges on French interconnection in 2012.**

Interconnection makes it possible to use the less expensive generation units at the scale of Europe. Market coupling, which consists in matching altogether offers and demands of all coupled markets and which makes it possible to allocate automatically the available capacity each time a cross-border trade is possible, optimizes the use made of the concerned interconnections by coordinating it with the selection of generation bids. CRE strongly supports extension of this mechanism, today in place between France, Benelux and Germany since 2010, to England, Spain, Italy and Switzerland. This extension should allow a decrease of supply costs of €110 Million, which benefits to the end-consumer.

Moreover, interconnections ease renewable energy integration to the power system: they make it possible to profit from the pooling effect of these variable generation technologies, and to share flexibility sources available in Europe. It has resulted in the increase by 50% of the intraday exchanges on the French borders between 2011 and 2012, thanks to the implementation of new mechanisms at this timeframe. This trend is ongoing, with an increase by 14% from the beginning of 2013 compared to 2012.

Interconnections also contribute to the security of supply. Import capacities which amount between 8 and 10% of the maximum national power demand, ease the management of consumption peaks such as the one observed during the cold spell of February 8th, 2012 (102 GW at 7pm). On this very same hour, 87% of the 9,500 MW that were available in the direction of import were used. Ongoing projects to improve transfer mechanism on all French borders will allow a full optimization of the use of cross-border infrastructure (that, as an example, would have resulted in a 100% import on February 8th 2012, 7pm).

As a reminder, CRE actively contributes to the convergence of interconnection use mechanisms towards the models defined at European level. CRE 2012 report provides an overview of the use and the management mechanisms, and confirms the effectiveness of the target models to better use the existing infrastructures, and therefore ease the integration of renewables, the security of supply and the decrease of supply costs for the end-consumers. This report evaluates the current situation, what has been done and which projects are to be achieved soon to reach the goal of European market integration in 2014. It is part of CRE's mission to approve capacity use and management mechanisms, as foreseen in European regulation 714/2009. This report is to be considered as an exhaustive analysis tool, and as the basis of upcoming thoughts and initiatives from CRE.

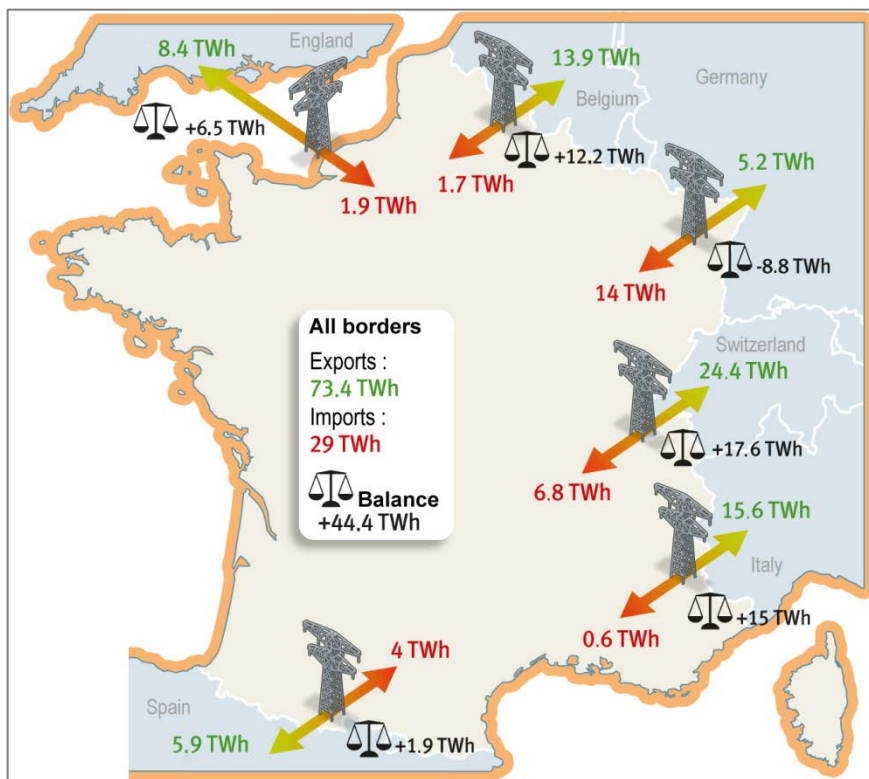
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## 2012 power import and export summary

France is a net exporter in 2012 as the previous years (15% of the national consumption). It is nevertheless a net importer 6% of the hours in 2012



Moreover, CRE initiates today the publication of a monthly report dedicated to the use and the management of interconnection. You will find the first report – for May 2013 - [on CRE's website](#).

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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