

ACER public call for observations on the exemption request for the “AQUIND” electricity interconnector between France and Great-Britain

EDF observations

Paris, 21 February 2018

EDF deems it important that market participants rely on updated information on the evolution of cross-border capacities which is an essential feature influencing market prices in the different European bidding zones. Hence, this call for observations launched by ACER after receiving the referral by CRE and Ofgem of the exemption request for the AQUIND interconnector is a valuable initiative in terms of transparency towards stakeholders in the view of the decision that will be taken by the Agency.

Nevertheless, the limited information provided in the CRE Deliberation n. 2017-53 and the unavailability of the exemption request submitted by AQUIND Limited prevent stakeholders from providing a clear opinion on the opportunity to grant the requested exemption for this new interconnector.

In any case, EDF wishes to recall its support to the development of electricity interconnections when the benefits generated by the projects concerned exceed the associated investment and operational costs. From this perspective, regulators and ACER should carefully assess the cost-benefit analyses elaborated by project promoters to underpin an exemption request or a request for regulatory approval, especially when the costs of an interconnection are significant as it is the case of AQUIND.

As regards the approach for determining the benefits of a project, EDF believes that the economic rationale of new interconnection projects between UK and the European continent should be assessed considering their impact on the whole interconnected European market independently of the EU membership of the United Kingdom. Nevertheless, EDF understands CRE's uncertainty about the regulatory framework applicable to any new interconnection between UK and the European continent after Brexit, which might weaken the legal basis of an exemption pursuant to Article 17 of Regulation 714/2009 EC granted today for a 25 years period.

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