



Union Française de l'Électricité

14 février 2019

Answer from the Union of the French Electricity industry (UFE) to the consultation on the Celtic Interconnector project

The Union of the French Electricity industry thanks CRU and CRE for organising public consultations on the Celtic Interconnector project. UFE deems indeed essential that all stakeholders are consulted before approving significant projects both in terms of cost and impact on the European electricity system. From this perspective, UFE welcomes the fact that this consultation is organised well in advance and coordinated between both concerned regulators.

Regarding the valuation of the project, UFE considers that it depends on several important exogenous parameters, such as the pace of development of wind farms in Ireland or the level of interconnection between Ireland and Great Britain, which are likely to significantly impact the cost-benefit ratio of the project. These uncertainties are mainly linked to energy policy decisions in Ireland (pace of development of wind farms) or to the European general political context, in particular due to the withdrawal of the United Kingdom (development of new interconnections with the UK, maintaining a link between the Irish market and the rest of the EU).

Therefore, given the cost-benefit analysis which is presented, and in particular the share of potential benefits between France and Ireland, UFE supports an approach in which the investment cost borne by RTE is capped in order to keep the economic NPV of the project positive or neutral for the French network users, notably thanks to a significant European funding.