

Integration of the Iberian Peninsula into the internal energy market

1. What is the current state-of-play of the energy interconnection of the Iberian Peninsula with the rest of the EU energy market?

With an interconnection capacity of 6000 MW, Spain and with it the Iberian Peninsula remains largely an energy island that can hardly participate in the European electricity market. This means a level of interconnection capacity of only 6%, far behind the 15% interconnection target contained in the new regulation on the governance of the Energy Union.

The French and Iberian markets are interconnected thanks to two gas pipelines crossing the border at Larrau and Biriadou. The two pipelines offer an exchange capacity of around 7 billion cubic meter/year. For gas, there is no interconnection target established at European level.

2. What was decided in Madrid in March 2015? What is the role of the High Level Group for Interconnections in South-West Europe? Since 2015, what progress has been achieved?

The President of France, the President of Spain and Portugal and the President of the European Commission agreed in March 2015 in Madrid to complete the integration of the Iberian Peninsula into the Energy Union by giving priority to a number of electricity and gas infrastructure projects.

The European Commission put in place in June 2015 the High Level Group for Interconnections in South-West Europe to ensure the timely implementation of the Madrid political agreement. Since then, important progress has been achieved. The electricity interconnection capacity between France and Spain was doubled thanks to the commissioning of the Santa-Llogaia-Baixas power line in 2015. The completion in June 2017 of the transformer in Arkale, Spain enabled its full utilisation. These projects are examples of concrete achievements that bring concrete benefits to European citizens: their existence made it possible for Spain to help France and show solidarity during the winter of 2017.

Progress is not limited to electricity alone. In three months, the Val de Saône gas pipeline, supported once again by European funds, will be operational. It will make an important contribution to the unification of the French market while securing a better access for the Iberian Peninsula to the European gas market. In addition, the South Transit Eastern Pyrenees pipeline regulatory treatment is currently assessed by the national authorities.

3. What are the key elements of the Lisbon declaration signed today?

The Lisbon declaration outlines the important progress achieved in the implementation of key priority projects to plug the Iberian Peninsula to the internal energy market. The Lisbon Declaration also underlines the contribution of these priority projects to energy security, competitiveness and sustainability as well as to the achievement of the EU commitments under the Paris agreement while accelerating investments, spur economic growth and jobs.

In addition, leaders agreed to strengthen the regional cooperation, notably in the field of renewables and energy efficiency cross-border projects which may bring benefits when developed at regional level.

4. What are the ongoing key infrastructure projects to ensure the integration of the Iberian Peninsula into the internal energy market? When will they be completed?

The Biscay Bay power line between France and Spain entered a decisive step in its development with the EU financial participation of 578 million euros. Once completed, by 2025, it will bring Spain closer to the to the 15% interconnection target contained in the new regulation on the governance of the Energy Union, and will integrate the whole Iberian Peninsula into the internal electricity market.

A link between Cantegrit in France and Navarra in Spain and another one between Marsillon in France and Aragón in Spain are currently being analysed by the project promoters. These two links are aimed at further increasing the electricity interconnection capacity between Spain and France.

The interconnection project between Spain and Portugal (Ponte Lima – Vila Nova Famalicão – Recarei and Beariz – Fontefría) will allow Portugal to attain the 10% level of interconnections by increasing the current interconnection capacity level to 3.2 GW. The commissioning date of the project is planned by 2021.

On the gas side, the Val de Saône pipeline in France which will contribute to Spanish and Portuguese access to the European Gas Market will be completed in October 2018.

The South Transit Eastern Pyrenees pipeline regulatory treatment is currently being assessed by the national regulators. The development of the third interconnection point between Spain and Portugal is connected to the increase of interconnection capacity between Spain and France.

5. What other measures are being put in place, besides the construction of physical infrastructures?

The implementation of the Madrid Declaration is ensured thanks to regional cooperation. Today, leaders agreed on ways to strengthen the regional cooperation between Spain, France and Portugal in the framework of the Energy Union, beyond infrastructures to cover renewables and energy efficiency, in the region and beyond, and in particular with our Euro Mediterranean

partners.

6. What is the role and potential of renewable energy in the Iberian Peninsula?

The Iberian Peninsula has a lot to offer for the success of the clean energy transition in the European Union and most notably in terms of renewables. Portugal is one of the EU leading countries in renewables, with a high penetration of hydro and wind. Since 2014 more than half of electricity consumption is supplied by renewable sources and recently Portugal broke a new record with renewable power production surpassing total electricity consumption. Spain and France also have a high potential for developing renewable energy sources in a cost-effective way.

7. Are citizens and stakeholders being consulted in this process?

All priority projects identified in the Madrid Declaration are projects of common interest.

The identification of Projects of Common Interest is governed by Regulation (EU) No 347/2013 on guidelines for trans-European energy infrastructure and conducted in an open and transparent manner, providing the opportunity for individuals and organized civil society to express their views throughout the process. The process is carried out, under the leadership of the Commission, by the regional Working Groups. These are composed of different members representing social, environmental and consumer stakeholders.

Article 9 of Regulation (EU) No 347/2013 imposes the obligation for project promoters to organize at least one public consultation with citizens and other stakeholders in the early stages of the planning process of their project, as well as setting up a webpage with clear and updated information on the technical aspects of the project, the stages of its implementation and the status and results of the environmental assessments that have to be carried out under EU Law.