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To interested parties,

CRE, the French Energy Regulatory Commission, and Ofgem, Great Britain's (GB) independent energy regulator (hereinafter jointly referred to as the National Regulatory Authorities or **'the NRAs'**), have decided to release this joint statement to provide clarity to stakeholders and the industry on the current position regarding the opportunity for further electricity interconnection capacity to be built between France and the United Kingdom (UK).

France and the UK have been involved in an electricity partnership since the creation of the IFA interconnector in 1986, supplemented by IFA2 in 2021 and ElecLink in 2022, amounting to a total existing interconnection capacity of 4GW.

The NRAs regularly assess the opportunity to enable new interconnection capacity, in particular by estimating the costs and benefits that could be expected from such projects.

In the UK, Ofgem has granted regulatory approval to two additional projects between France and the UK. The projects, FAB Link and GridLink, were granted the cap and floor regime in principle in 2015 and 2018, respectively. In 2022, FAB Link underwent an updated needs-case review, concluding that the project was likely still in the interest of current and future GB consumers. In 2024, Ofgem rejected AQUIND's application for a cap and floor regime.

In France, RTE (Réseau de Transport d'Électricité, France's Transmission System Operator) provided CRE with its preliminary analysis of four projects between France and the UK in 2023 (ElecLink 2, FAB Link, GridLink and AQUIND). Subsequently, CRE published a study on the value of new interconnection capacity between the two countries and found that under certain conditions, a capacity of around 1GW of new interconnection could be beneficial for France. CRE's analysis highlighted that the benefits for France were insufficient compared to the costs of a new project if the costs and revenues were shared equally between the UK and France. Only a redistribution of costs between the two countries was likely to be considered acceptable for projects to proceed.

The NRAs have engaged in detailed discussions focused on the above to explore the potential for interconnection development opportunities between the UK and France. Given the recent cost escalation of HVDC cables and converters, and the current need to reinforce the national networks where congestion is anticipated, the NRAs have agreed that further discussions are needed. These discussions will consider (1) the conditions required to enable c.1GW of increased interconnector capacity between the UK and France, and (2) the issue of cost and revenue sharing between the two countries, with a view to publishing an updated joint statement on regulatory positions by the end of October 2025.

The NRAs have also committed to the prospect of conducting a joint study in the longer term, to further explore and establish the need for projects between the UK and France, and the potential cost sharing mechanisms for these projects. These processes will also be coordinated with the help of the relevant Transmission System Operators where required.

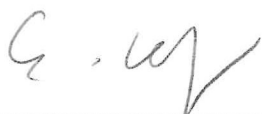
Yours sincerely,



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Beatrice Filkin

Director, Major Projects

Signed on behalf of the Authority and duly authorised for that purpose



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Emmanuelle WARGON

Présidente de la Commission de Régulation de l'Énergie (CRE)