



red eléctrica

Press release

## Inelfe awards the main contracts for the electricity interconnection project across the Biscay Gulf

Inelfe, a joint venture company owned in equal parts by the Spanish transmission system operator Red Eléctrica and its French counterpart RTE, announces it has awarded the Engineering, Procurement and Construction (EPC) contracts for the Biscay Gulf electricity interconnection project.

10<sup>th</sup> March 2023

Inelfe, the joint venture between the Spanish transmission system operator, Red Eléctrica, and its French counterpart, Réseau Transport d'Électricité, in charge of the construction and commissioning of all cross-border connections between both countries, has awarded the Engineering, Procurement and Construction (EPC) contracts for the electricity interconnection project across the Biscay Gulf, an interconnection that will link the electricity grids of France and Spain. This project will benefit both countries and more widely Europe.

The project comprises two high-voltage direct current (HVDC) links, each with a capacity of 1000 MW. The EPC contracts, for the almost 1600 km of HVDC submarine and land cables, have been awarded to NKT HV CABLES and PRYSMIAN POWERLINK, two expert companies with extensive experience in the field of submarine cable installation. Additionally, the EPC contract for the converter stations has been awarded to the consortium HITACHI ENERGY/VINCI, a global technology and market leader in power grids and a leader in energy and construction, respectively. The last EPC contract for the civil works associated with the land cables is still in the tender stage and will be awarded later this year.

Over the next few weeks, Inelfe will engage exclusive negotiations with each of the suppliers, with the aim of signing the contracts before May 2023.

The awarding of the contracts took place following a joint statement by the Spanish and French regulators, CNMC and CRE respectively, confirming their interest in moving the project forward with a new assessment of the project costs, which amount to €2.85 billion

and to which is added a provision for risks of €250 million. As a result of this agreement, the regulators have also amended the distribution of the costs between the two countries, taking into account the current economic, financial and energy context.

This milestone represents a significant step forward for the future interconnection across Biscay Gulf, an essential project that will help improve the security and quality of supply in both electricity systems, advance in the integration of emission-free energy, and contribute to creating a more efficient system that will generate savings that can benefit consumers.

The construction work for the interconnection is scheduled to start after this summer.

As project of common interest (PCI) at the European level, this interconnection project was awarded in 2018 a significant grant by the European Union which amount to €578 million.