



AN INDUSTRIAL INITIATIVE FOR MEDITERRANEAN ELECTRICITY NETWORKS

21 industrial partners set up Medgrid to create new lines for sustainable electricity



Paris, 9th December 2010

Struggling against climate change, and by implication developing sustainable energy sources, requires the implementation of ambitious co-development projects to reduce greenhouse gas emissions, increase energy security and foster sustainable development. A Justice and Climate plan will be crucial to success, and ambitious projects are particularly required in the Mediterranean. On 5th of July, twelve companies signed an agreement protocol in Paris, in the presence of Jean-Louis Borloo and Henri Guaino. This agreement was to set up a partnership to study the feasibility of an electricity transmission grid between the North and South rims of the Mediterranean, and of developing interconnections around the Mediterranean.

This partnership has become a reality on 9th December 2010 with the founding of Medgrid company, bringing together twenty main shareholders: Abengoa, Alstom Grid, Areva, Atos Origin, CDC Infrastructures, EDF, Ineo, Nemo, Nexans, Nur Energie, ONE, Pan Med Trading and Investment, Prysmian, Red Electrica, RTE, Siemens, Soitec Concentrix Solar, Taqa Arabia, Terna and Walid Elias Establishment. The French development agency (AFD) will also at a later date conclude a strategic and financial partnership with Medgrid

Medgrid was formed in the framework of the **Mediterranean Solar Plan**, which anticipates the requirement in southern and eastern Mediterranean countries for around **20 GW of renewable power capacity to be built by 2020** - typically solar power. Around 5 GW of these will be exported to Europe in order to contribute to the profitability of the solar power plants to be installed in the Sahara and also to contribute to European renewable energy targets.

The Medgrid industrial study office, set up in the first instance for 3 years, aims to:

- ▶ Design the Master plan of the trans-mediterranean interconnections for 2020, leading into concrete projects ;
- ▶ Promote a **regulatory framework for electricity exchanges** that is beneficial both to investment in and profitability of projects on the southern rim of the Mediterranean ;
- ▶ Assess **the benefits of infrastructure investment** and electricity trade, on growth, economic activity and employment.

- ▶ Develop **technological and technical cooperation** in the domain of power grid with countries on the southern rim of the Mediterranean ;
- ▶ Promote **European technology and industry**, especially in the domain of advanced high voltage direct current (HVDC) technologies for power transmission .

Medgrid is currently opening to companies in the southern and eastern Mediterranean countries in order to collaborate in defining the trans mediterranean interconnections and the power system that respond to future high demand for electricity exchanges between the two rims of the Mediterranean.

Medgrid will work closely with public authorities in the countries in question, with the EC, the scientific community, development banks and NGOs. Its work will be carried out in conjunction with other projects of the Mediterranean Solar Plan, especially Desertec and the European project "Paving the way for the Mediterranean Solar Plan" and in harmony with the solar plans of southern and eastern Mediterranean countries.

Setting up a new trans-Mediterranean power grid will contribute to **the profitability of renewable power generation projects** in the South by enabling them to export part of their production to Europe and will reduce the cost of high power lines by stimulating developments in electrical transport technology.

Developing these interconnections will strengthen the security of power system in partner countries, enabling them to respond to increasing demand and cope with the intermittent production issues of renewable power plants.

Medgrid will contribute to enabling the Mediterranean basin to develop a regional electricity market which will contribute to integration of electricity markets and globally boost competitiveness.

Medgrid will contribute to promoting the involvement of Europe and **European solutions** in matters of climate change. More specifically, it will be a tangible representation of the **co-development** strategy supported and promoted by the Union for the Mediterranean, which is seen as a vector for stability and the economic and social development of the region.



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OUTLINE PLAN OF TRANS-MEDITERRANEAN POWER LINES

- ◆ Local distribution
- Transmission lines



In southern and eastern Mediterranean countries, demand for electricity is set to double between now and 2020. Meanwhile, electricity produced from renewable sources (wind and solar energy) is projected to reach 10% of the total production of electricity thanks to ambitious solar plans in these countries and to the impetus given by the Mediterranean Solar Plan.

The proportion of electricity produced from renewable sources and nuclear power stations is set to increase from 45% to 58% of European electricity power mix by 2020. Because of this, developing links around the Mediterranean and between northern and southern rim countries is one of the four major EU electricity transmission infrastructure development projects. The other three projects are: strengthening the interconnections between southeastern European countries, linking Baltic States with other EU member States and building underwater grids to link wind farms in the North and Baltic Seas.

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