

« Unpacking the Distributional Effects of the Energy Crisis in Spain »

**viewed from
the other side of the Pyrenees**

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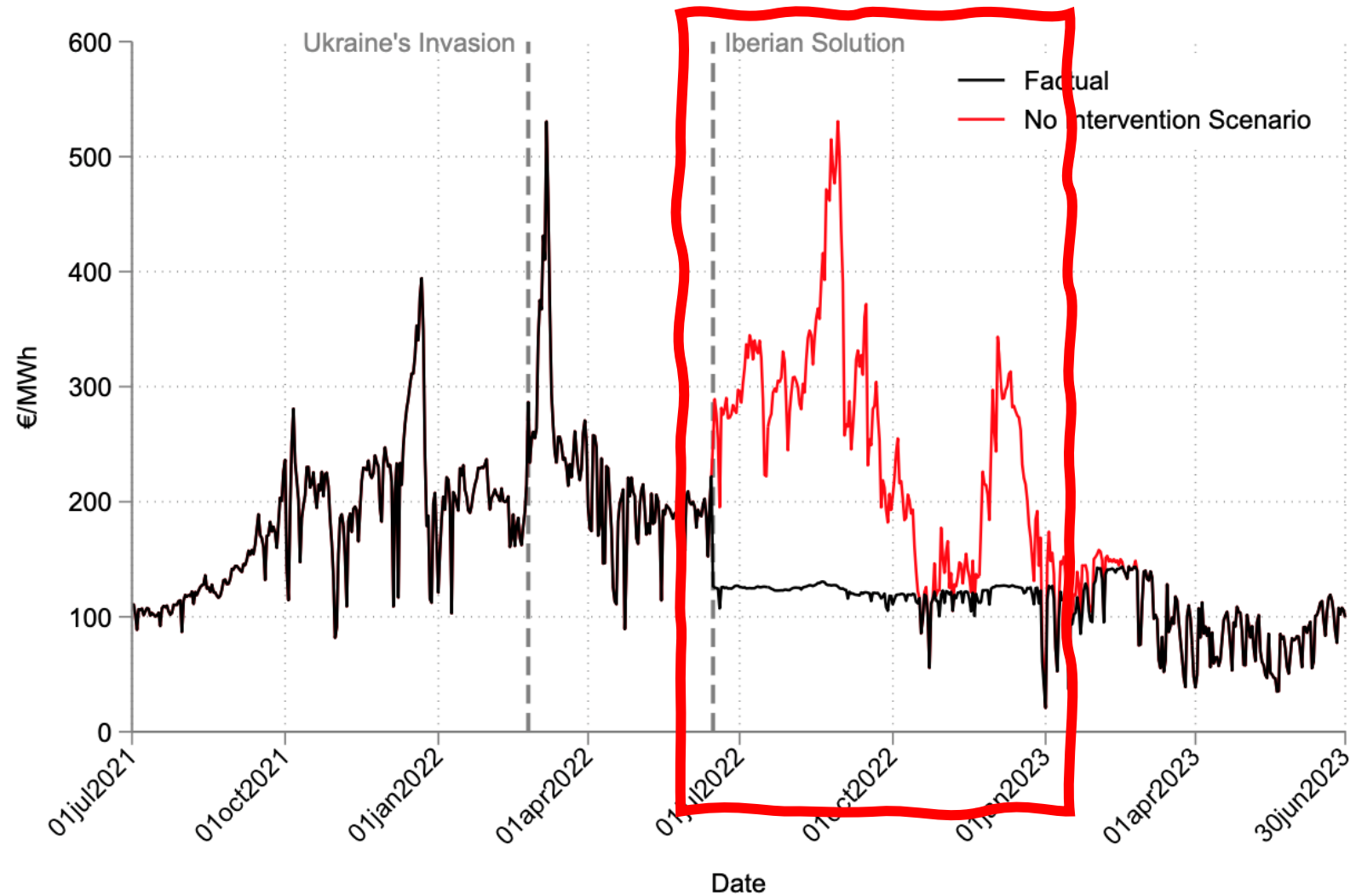
Vérité en-deçà des Pyrénées, erreur au-delà (Blaise Pascal)

- Cost-benefit analysis of the Iberian solution
 - What's about the cost for tax-payers?
 - Are subsidies saved on feed-in tariffs for renewables included?
30 billion euros saved in France in 2022 and 2023

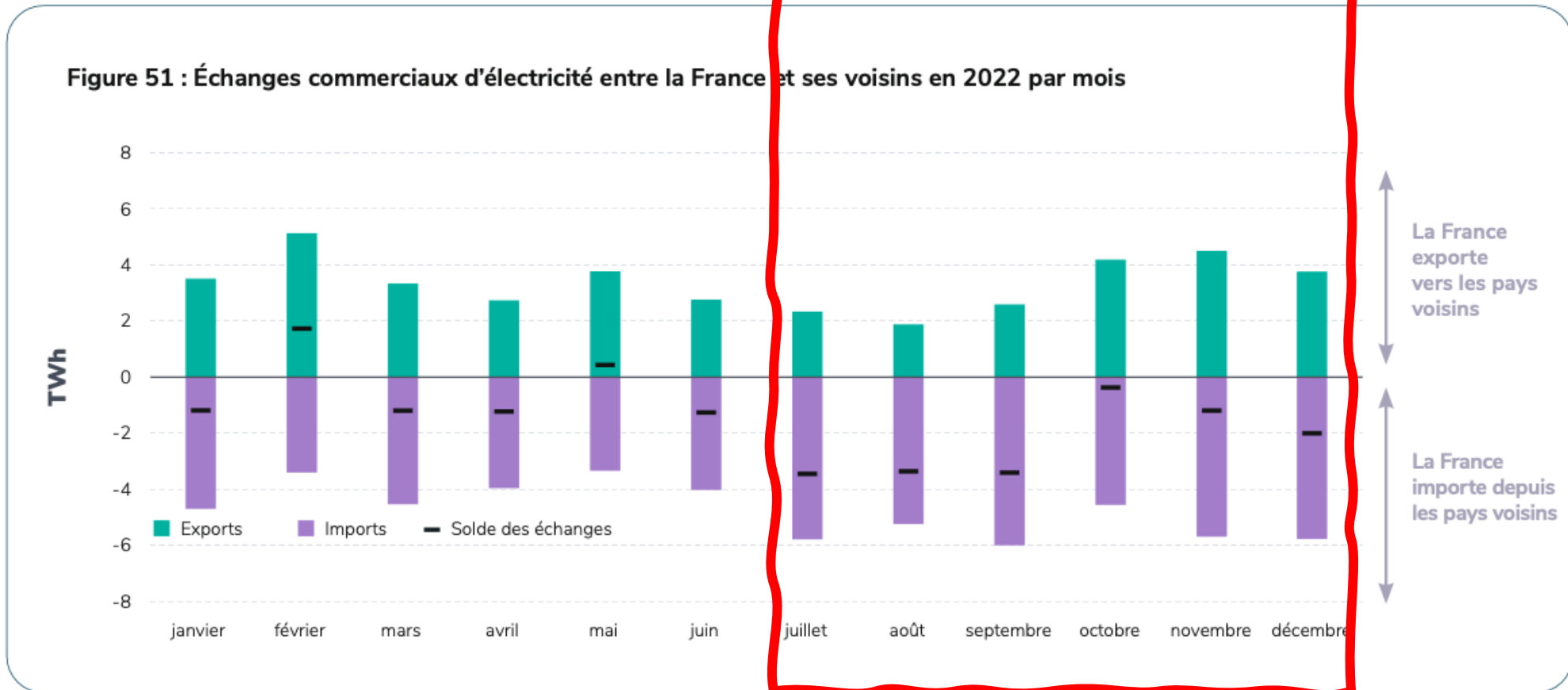
- Is gas always the marginal energy during this period?
 - Not in France
 - Should impact rents to other producers and CO2 emissions

- Other counterfactual policies:
 - Price cap on the wholesale market: *ARENH* at 46.5 euros per MWh for 120 TWh in 2022 in France
 - Price cap on the retailing market: *bouclier tarifaire* in France
 - Lump-sum transfer to poorest households: *chèque vert* in France

When the iberian solution made a difference

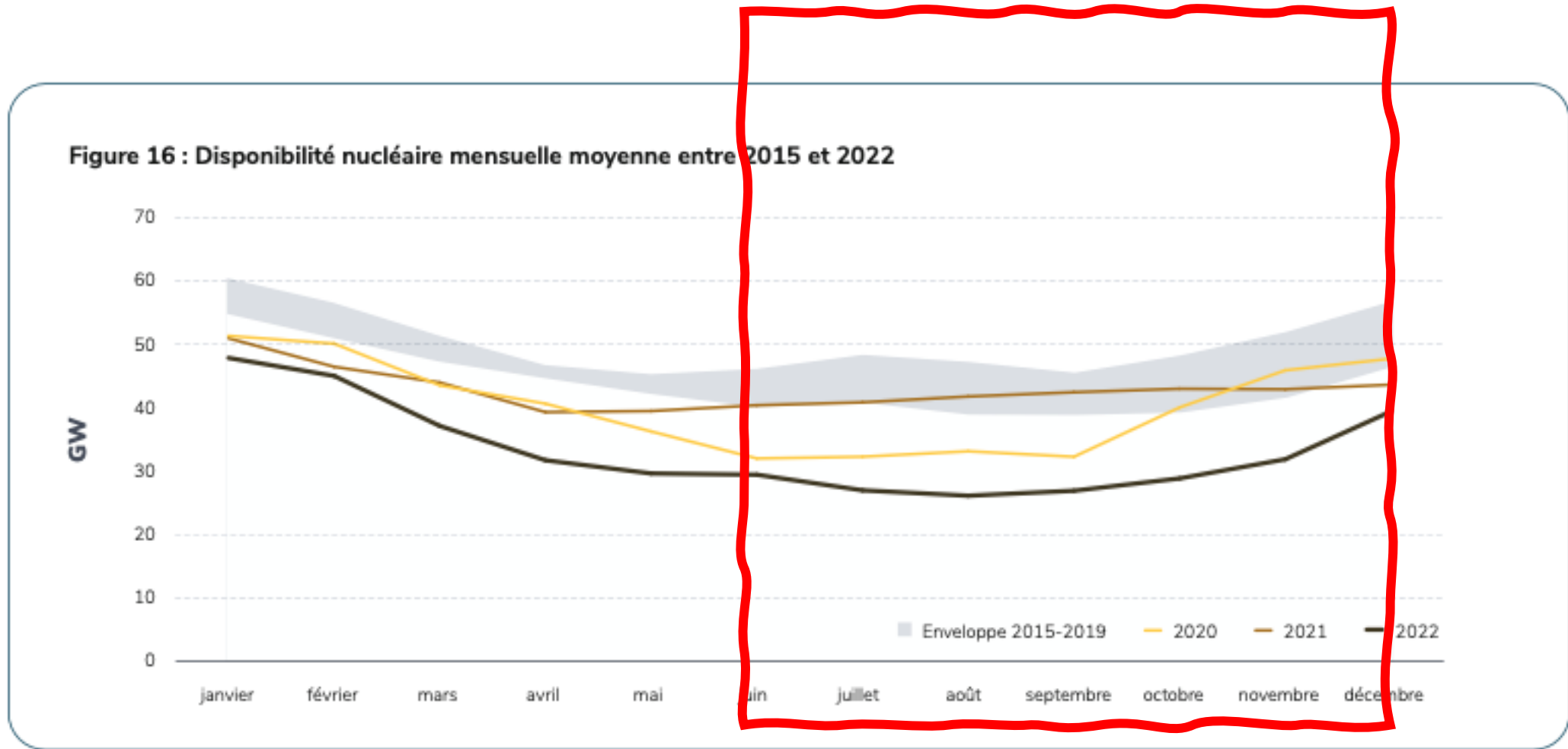


From net exporter France became net importer of power in 2022



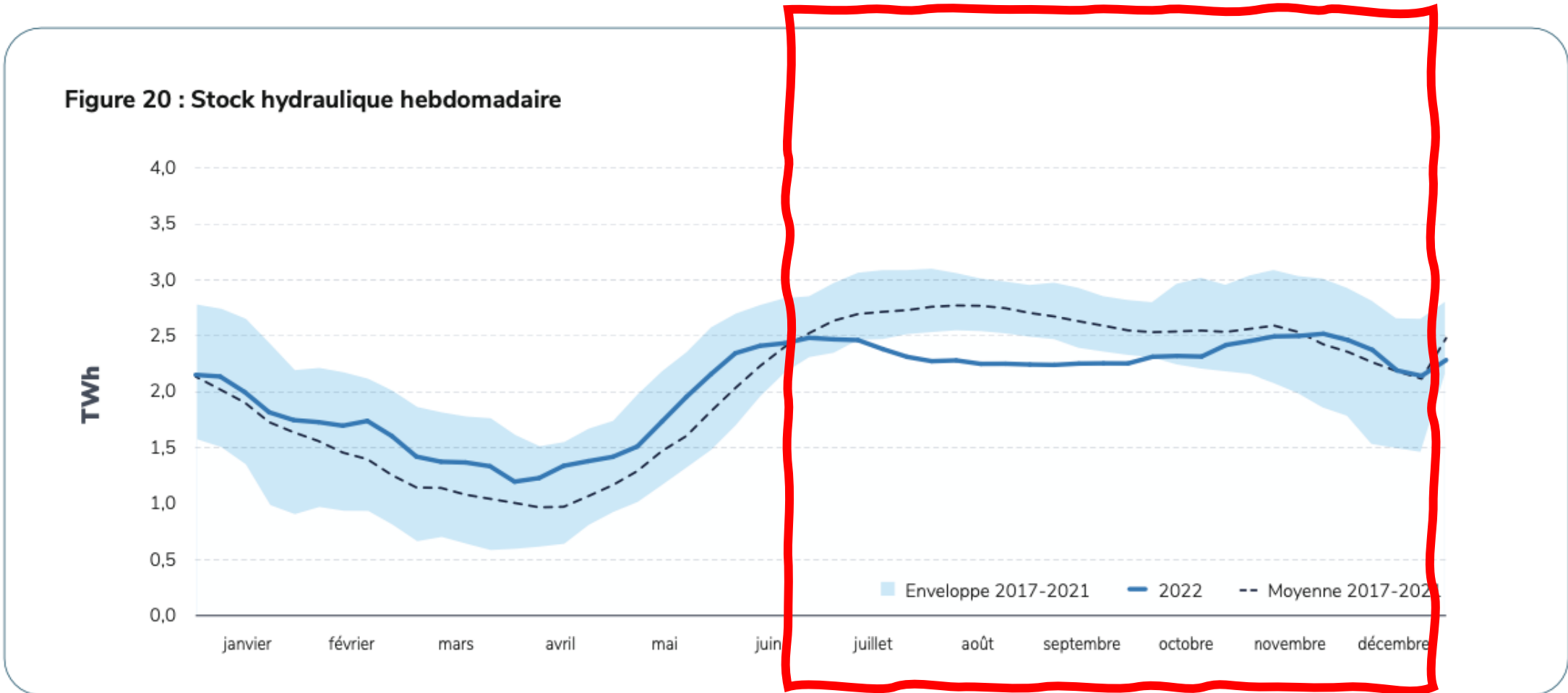
Sources: Bilan électrique 2022 RTE

Nuke: 34 out of 61 GW under maintenance in 2022....



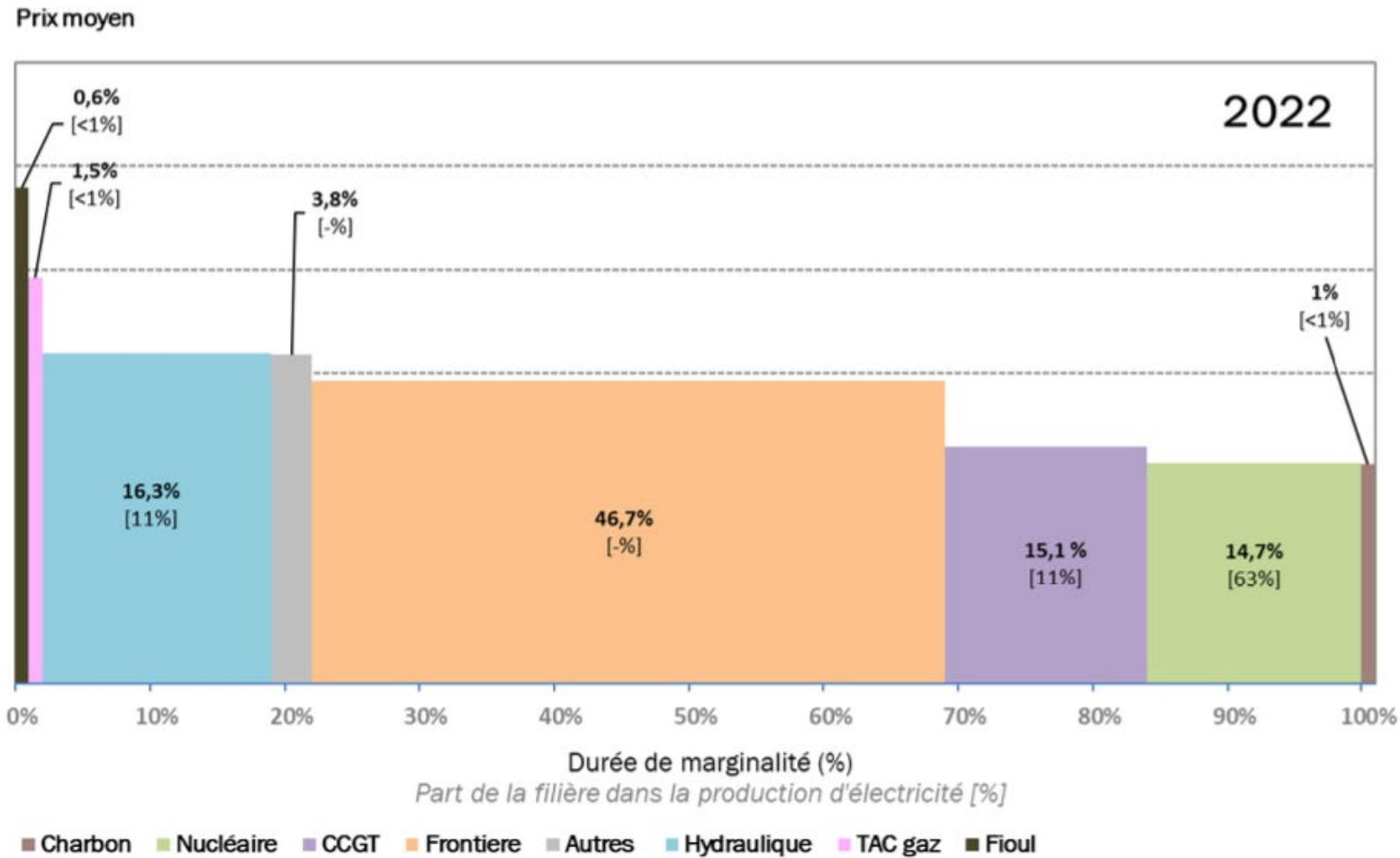
Source: Bilan électrique 2022 RTE

... but hydro is also to blame



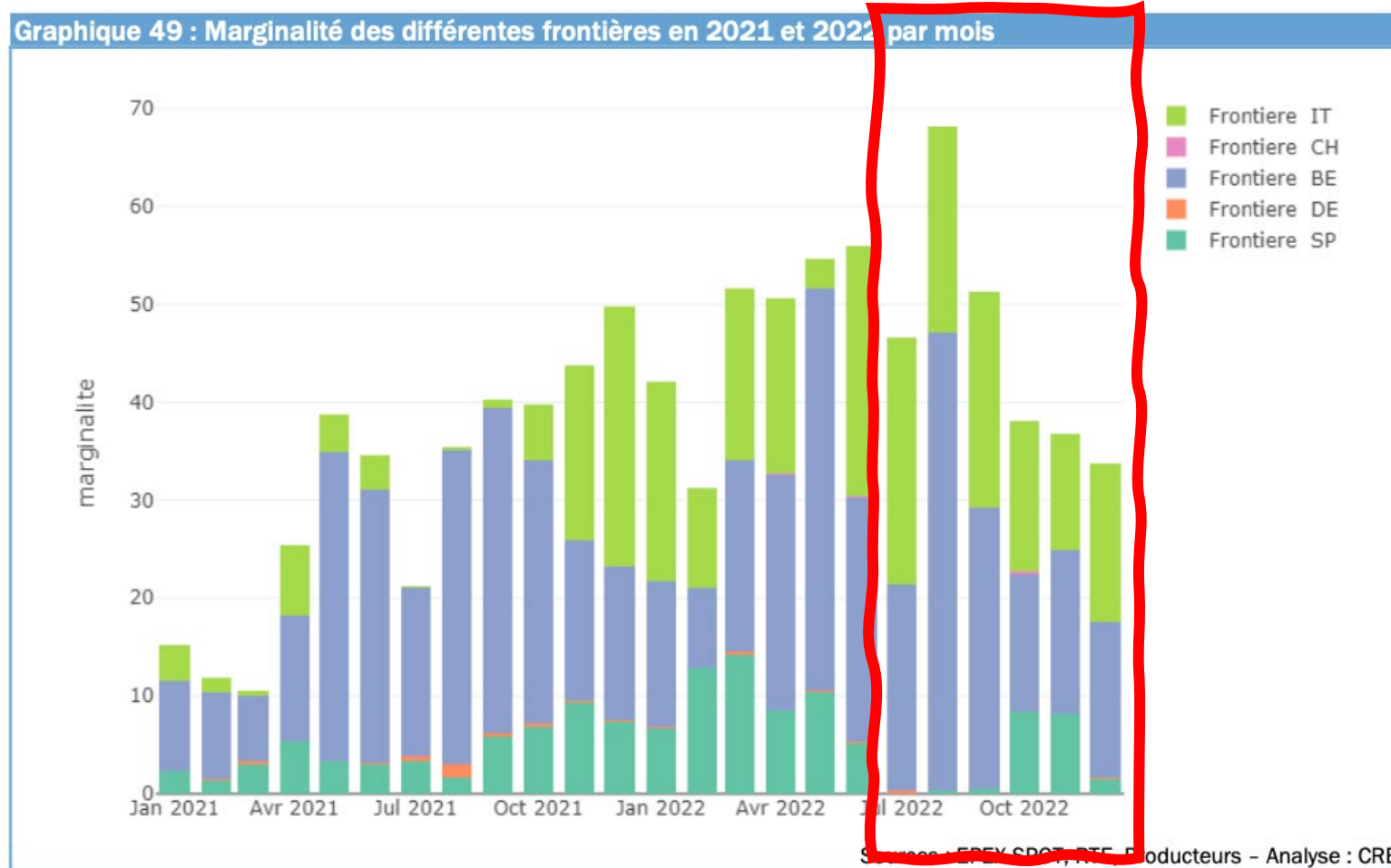
Source: Bilan électrique 2022 RTE

Imported power is the marginal source in France half of the time



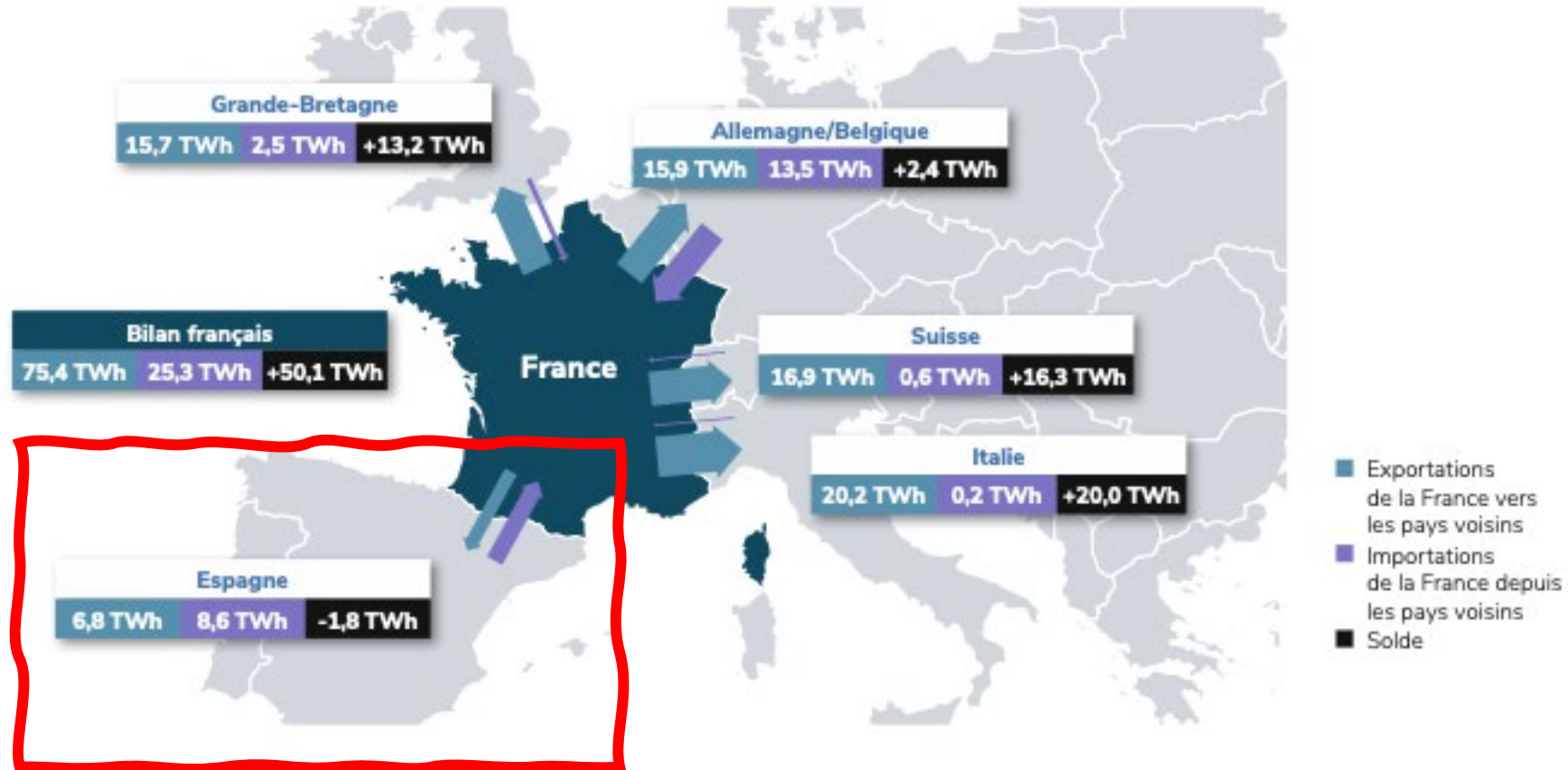
Source: Rapport de la CRE 2022

But with power coming from Belgium/Germany and Italy



Source: Rapport de la CRE 2022

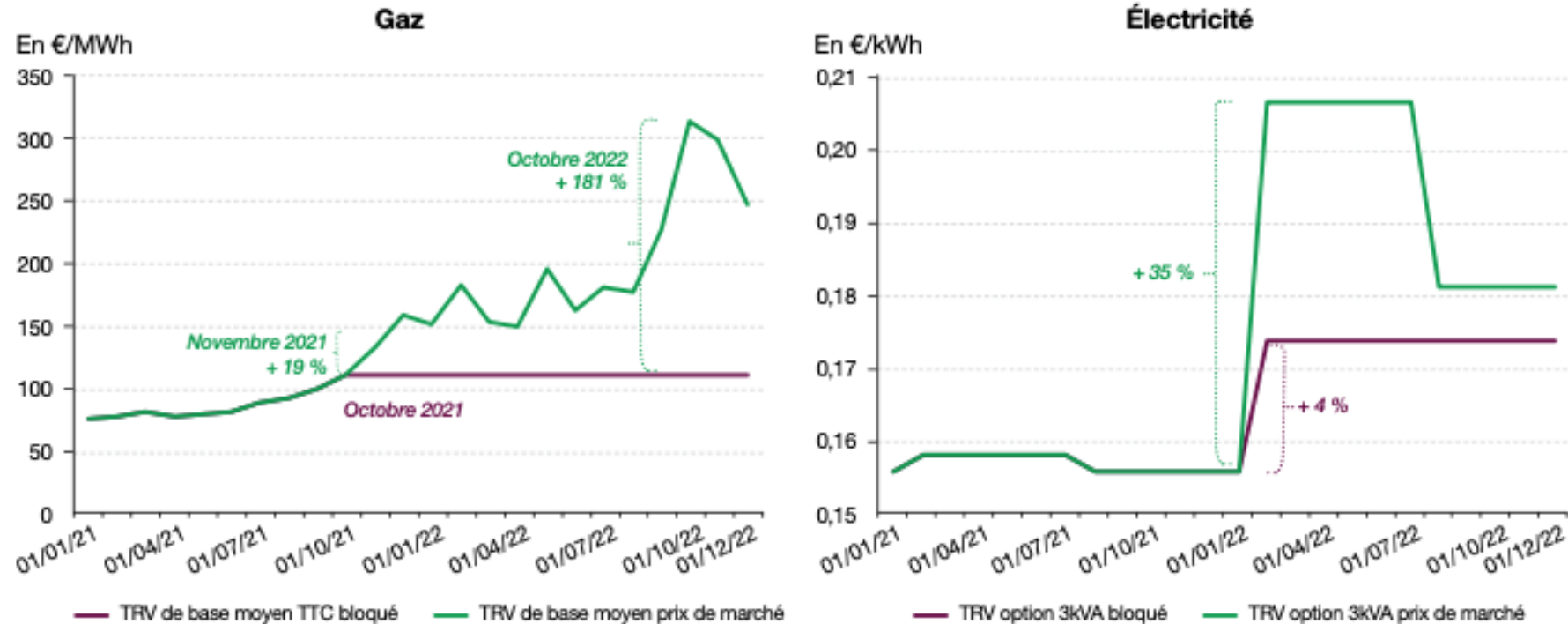
...and France continued to enjoy cheap electricity in Spain in 2023



Source: Bilan électrique RTE 2023

The tariff shield in France

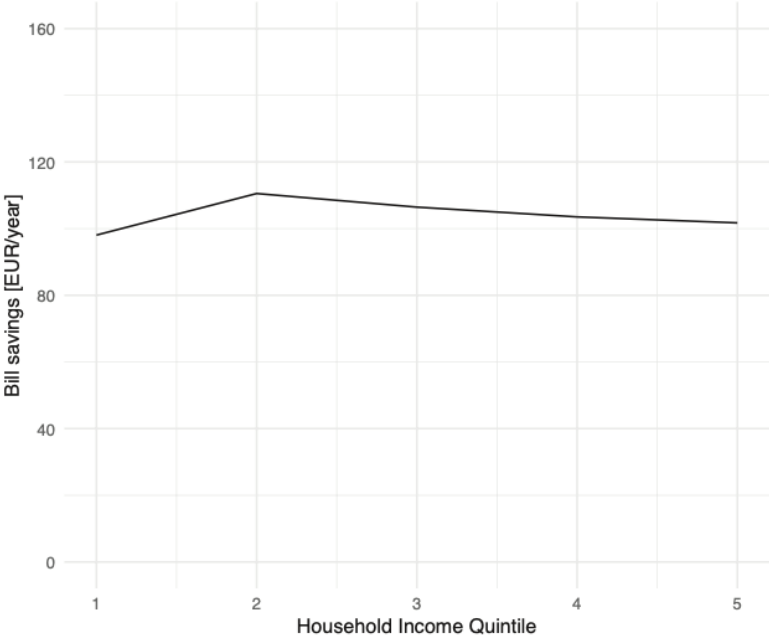
Graphique 1 : effets mensuels des blocages des tarifs réglementés de vente TTC, sur le gaz et l'électricité



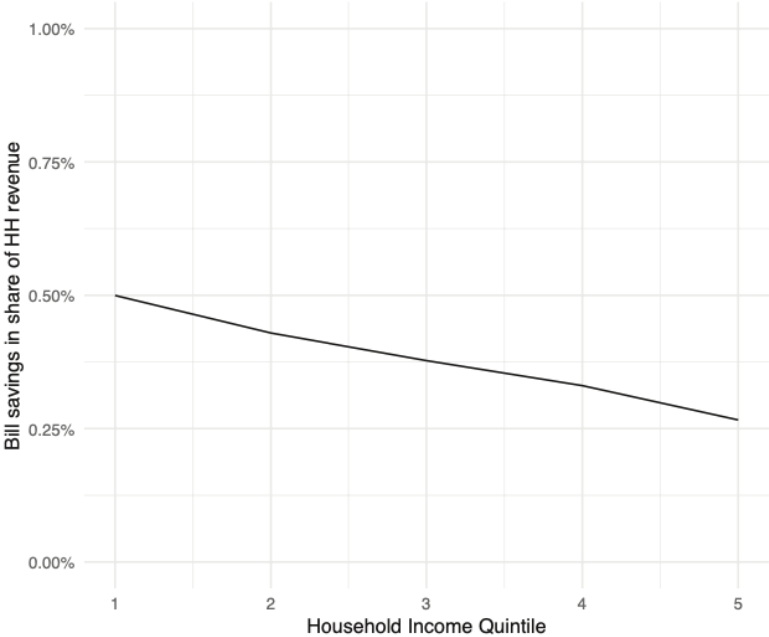
Source : Commission de régulation de l'énergie

What Fabra, Leblanc and Souza find in terms of distributional impact

Figure: Annual electricity bill savings due to the market interventions

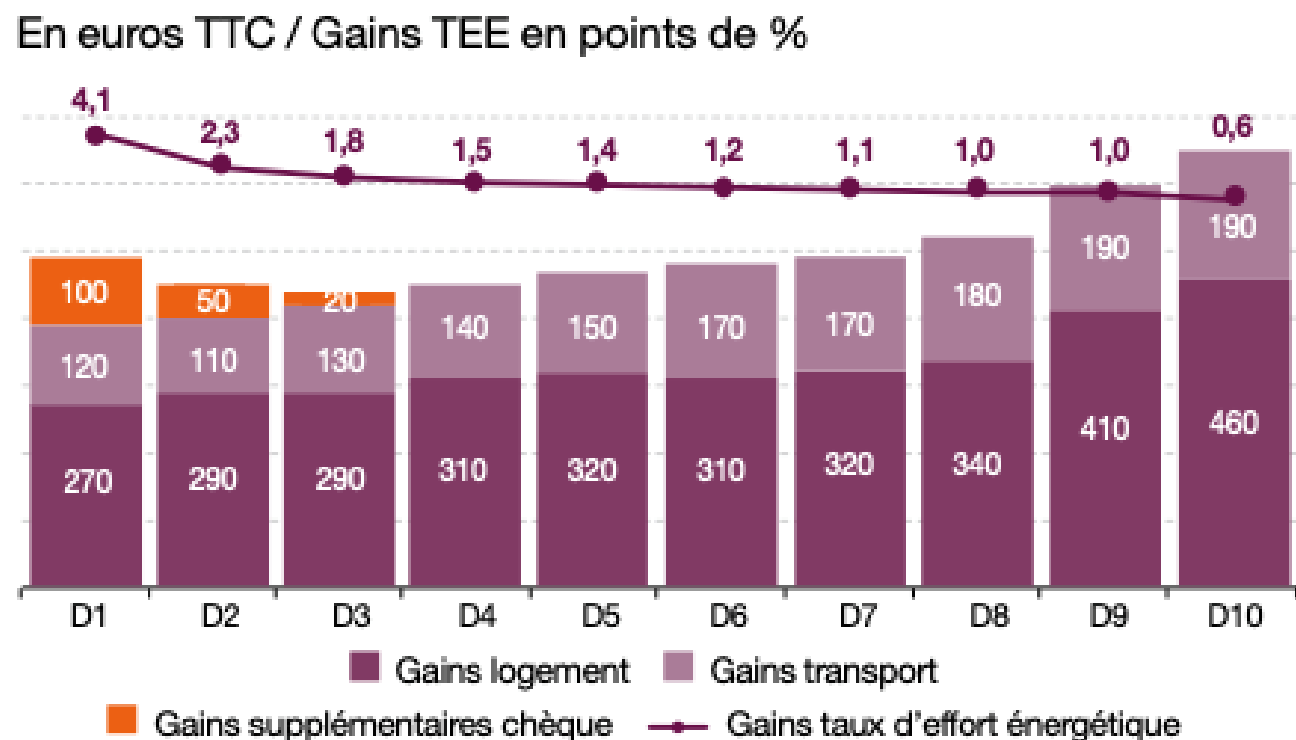


(a) In levels



(b) Relative to income

The combined effect of the tariff shield and the green check for gasoline in France



Source: Ministry of the Energy Transition, September 2023

Thank you!