

POLITICAL DECLARATION
FRANCO-GERMAN SOLIDARITY

Russia's war of aggression in Ukraine has led to a global energy crisis, with an unprecedented rise in prices that is putting a strain on our economies, especially on the most vulnerable populations.

This situation is particularly sensitive in Europe, which is experiencing strong tensions in supplies due to the sudden decrease in flows from Russia, which previously provided around 40% of the gas supply to the European Union.

In this context, France and Germany welcome the solidarity shown by the Member States of the European Union and the responses provided at European level to deal with this crisis.

France and Germany reaffirm their close ties in the field of energy and their full solidarity. The two countries are thus committed to implementing concrete measures of mutual support and solidarity to guarantee the security of energy supply for their citizens and businesses.

1. Regarding gas supplies, France has strengthened and diversified its LNG supplies, increasing the capacity of existing LNG terminals, and setting up a floating LNG terminal in Le Havre which will be operational for winter 2023/2024. Germany is also in the process of setting up floating LNG terminals: two of them will be stationed in Wilhelmshaven and Brunsbüttel by the end of 2022/beginning of 2023; three further ones will be set up in Stade, Lubmin and Wilhelmshaven by the end of 2023. Furthermore, Germany plans to have three land-based LNG terminals. Further capacities are being planned by private-led initiatives.

In order to support Germany and further connected Member States, in particular in Central and Eastern Europe, in reducing their dependence on Russian gas, France:

- has stopped its gas imports from Germany and will continue to do so as long as there is no demand for commercial flows to France;
- implemented on 14 October 2022 new export capacity to Germany of up to 100 GWh/day within the limits of the technical capacity of the French network.

During the first quarter of 2023/ at the next Franco-German Ministers' Council, the two countries will also sign an intergovernmental agreement to set up a solidarity mechanism for natural gas supply, in accordance with the European SoS regulation.

2. Regarding electricity supplies, both countries stress the need for the smooth operation of interconnections.

In order to support France in securing its electricity supply over the coming winter, Germany commits to:

- maximise the interconnection capacity made available to the market as much as possible, and in particular has increased the minimum trading capacity to the regular level for 2023 in an extraordinary step from 16 November 2022, within the limits of the technical capacity of the German network and of a reliable and safe grid and system operation, and to cover the resulting additional redispatch costs within the existing European framework;

- in addition to the deployment of renewables capacities, allow all available reserve power plants to enter back into the market and postpone the phase-out of the remaining nuclear power plants until mid-April 2023 in order to even provide additional electricity trading volumes to France;
- mobilise all market and reserve generation capacities for redispatch in order to guarantee the minimum trading capacities, within the limits of a reliable and safe grid and system operation, to maximise power flows to France;
- strongly encourage the TSOs to guarantee the actual functioning of the mutual emergency assistance mechanism between the TSOs of France and Germany.

Furthermore, both countries commit to participating in the preparation of a regional agreement on risk preparedness in the electricity sector according to Art. 15 Regulation (EU) 2019/941 within the framework of the Pentalateral Energy Forum.

3. Both countries underline the important role of hydrogen to achieve climate neutrality. They will respect each country's technology choices on electricity mix. With this understanding, they will both find a solution on how to reflect this common understanding in current legislative dossiers, including in the gas package. In this spirit, they will exchange information on their national strategies, on their national means of production and future level of consumption, and on necessary national and transnational hydrogen infrastructures.

Moreover, they will closely cooperate within the European and/or regional framework on the development of the future hydrogen infrastructure for Europe, including on the prospect of a European hydrogen backbone.

4. France and Germany recall their commitment to achieving climate neutrality by 2050 and 2045, respectively, and their determination **to reduce their dependence on fossil fuels**. In this context, they underline the need to **organise the transition to a decarbonised energy system**, while respecting the principle of technological neutrality with regard to the national choices of energy mix.

To reach our targets, the electrification of our economies combined with a shift away from fossil-fuel based electricity generation is an imperative evolution. While the integrated wholesale electricity market contributes positively to security of supply and efficient market dispatch, both countries recognise that in the current crisis situation, temporary measures are necessary so that European citizens and companies are relieved from rising electricity prices. Both countries welcome the proposals on electricity price reduction by the European Commission adopted on 30 September and are working towards a swift national implementation. They both consider that additional work is needed with a view to potential measures that should be taken to mitigate energy prices without impairing security of supply, increasing gas demand or leading to rationing, and will work together more intensively in the discussions at European level.

They welcome an informed discussion on a structural reform of the electricity market, which should be based on an impact assessment, and should facilitate an affordable, just and swift energy transition, including efficient integration of a high share of electricity from renewable energy sources.

They will work jointly on this reform of the European energy market. They will discuss ways to increase visibility and protect our industrial consumers.

We will make sure that solidarity and interconnections are functional, including through the BarMar project.

Recalling the crucial importance of the Fit-for-55 package and REPowerEU in order to reach our climate goals by 2030, both countries call for and will work together closely towards a rapid and swift agreement in the trilogue on the revised renewable energy and energy efficiency directives.

Furthermore, France and Germany will support a progressive approach while negotiating the EPBD in the trilogue and especially strengthen the minimum energy performance standards for the renovation of the building stock, taking into account cases of social hardship.

France and Germany agree that a clear and swift boost for renewables, grids and demand response is required at EU level by resolving permitting issues as well as removing State-aid obstacles to ensure the development of projects in the short term as well as in the long term.

5. In order to strengthen their cooperation and to implement the above provisions, **the two countries are committed to intensify their exchange within the high-level working group on energy** between the directorates-general for energy at the BMWK and the MTE.