

Cour des comptes



Chambres régionales
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Electricity supply

Executive summary

2022 Annual Public Report

The health crisis has tested the ability of players in the electricity sector to ensure the production and delivery of electricity in order to meet consumer needs.

Despite the activity and travel restriction measures put in place from the 1st quarter of 2020 to combat the spread of the pandemic, the electricity supply was maintained. This undeniable success of all the players in the electricity sector (State, energy regulatory commission, nuclear safety authority, network operators, producers and electricity suppliers) deserves recognition. However, there are lessons to be learned from this unprecedented crisis, by exploiting feedback from the management of the spring 2020 crisis and from the implementation of business continuity plans.

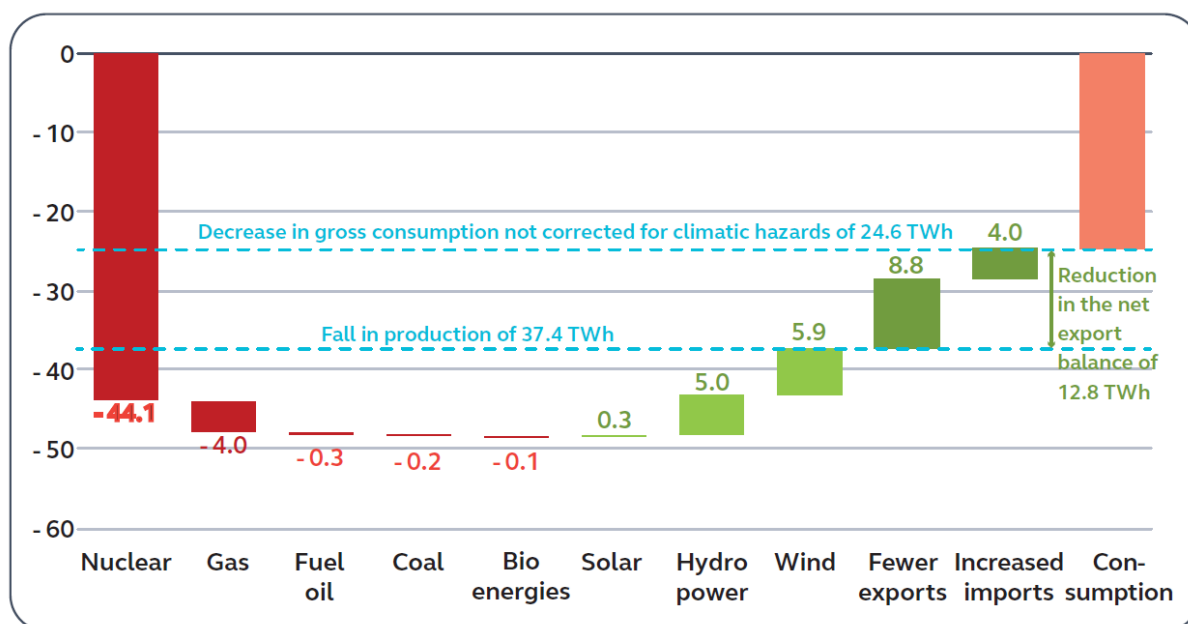
Furthermore, at the height of the crisis, the State sought to protect consumers and businesses likely to encounter difficulties in paying their electricity bills through various measures, such as extension of the winter “truce” (*trêve hivernale*), suspension of disconnections and deferred billing. The financial impacts of these measures for the electricity suppliers that implemented them should also be assessed so that, in the future, the consequences of such decisions can be better anticipated.

The State has also provided financial support to EDF, the main electricity producer in France, whose accounts were affected in 2020 by the crisis. In particular, it subscribed to a bond issue for the company to the tune of €960 million. The very sharp increase in prices on the electricity markets during 2021 is expected to significantly improve EDF’s financial outlook in the short term. Its financial trajectory in the medium and long term, however, remains dependent on the main regulatory mechanisms of the electricity sector, which determine the income that the company derives from its electricity production, particularly nuclear, and can change according to the decisions of the public authorities.

The health crisis has above all highlighted the consequences of the electricity system’s lack of margins to prevent any risk to the security of supply. Every year since 2017, the transmission system operator (RTE) has indicated, in its forecasts for the electricity supply and demand balance, that the period from 2018 to 2022 promises to be “without leeway”, due to the withdrawal of certain means and the delay in the implementation of new electricity generation capacities. This situation also results from the need to implement a major maintenance programme for the nuclear plant fleet. However, the measures intended to limit the spread of the epidemic have seriously affected the corresponding operations, which are already subject to major constraints (industrial, human, regulatory, etc.). These disruptions have fuelled fears as to the actual availability of the fleet of reactors from autumn 2020 onwards and with regard to the electricity supply-demand balance for winter 2020-2021.

Consequently, EDF has extensively reviewed the schedule for its maintenance programme to increase the reactors’ availability during the winter of 2020-2021 as well as for the subsequent winters. The operational and industrial success of this reorganisation is clear. Since winter 2020-2021 was not particularly harsh, it ultimately passed without difficulty, but continued vigilance is required for the coming winters. RTE has even stepped up its vigilance for the heart of winter 2021-2022 following further unplanned unavailabilities of nuclear reactors.

Changes in electricity production between 2019 and 2020 (in TWh) and comparison with the drop in consumption



Source: Court of Accounts, based on SDES and RTE data

There are several ways in which security of supply margins can be restored. In the short term, the aim is to develop the “shedding capacities” resulting from incentive schemes for reducing consumption during peaks in demand. In the medium term, additional generation capacity will have to be commissioned. This capacity is provided for in the multi-annual energy programming (PPE) adopted for the 2019-2023 period, but the delays in achieving the objectives set by this programme, which had accumulated beforehand, then worsened during the crisis. The backlog therefore needs reducing.

Recommendations

The Court makes the following recommendations:

1. Take stock of the financial consequences for suppliers of the emergency measures implemented by the Government in response to the crisis in the electricity sector (*CRE, 2022*);
2. Take into account, during revision of the current national electricity continuity plan, feedback from the Covid-19 crisis and ensure its coordination with the operators’ plans in the sector (*DGEC, 2022*);
3. Reduce the backlog in the development of the new load shedding and production capacities provided for in the multi-annual energy programming in order to improve the security of supply (*DGEC, 2022*).