

**PRESS RELEASE**

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**EUR 175 million loan to REE for Spain-France power interconnection**

The European Investment Bank (EIB) has granted a EUR 175 million loan to Spanish power company Red Eléctrica de España (REE) representing the Spanish part of the finance for the Spain-France power interconnection, the first trans-European direct current link using innovative converter technology. The EIB undertook to finance this project to the tune of EUR 350 million in an agreement signed last October. The contract was signed in Madrid today by EIB Vice-President Magdalena Álvarez Arza and REE's CEO, José Folgado.

The new line will connect the municipalities of Santa Llogaia (near Figueras) and Baixas (near Perpignan) and will be laid entirely underground in 64.5 km of trenches (31 km in Spain and 33.5 km in France). The section crossing the Pyrenees will be laid in an 8.5 km tunnel alongside those of the Perpignan-Figueras high-speed rail line. The interconnection is scheduled to be brought into service in 2014.

The main purpose of this new interconnection is to double electricity exchange capacity between Spain and the rest of Europe (from 1 400 to 2 800 MW).

The project will improve the security of the electricity supply and especially increase the stability of the power system by enhancing integration with the European grid. At the same time, increasing interconnection capacity between France and Spain will strengthen the overall European grid and improve resistance to possible risks and incidents.

The total cost of the interconnection will be EUR 700 million, half of which provided by the EIB. The project is also receiving a EUR 225 million EU grant under the European Energy Programme for Recovery.

**About the EIB:**

The European Investment Bank (EIB) is the long-term lending institution of the European Union owned by its Member States. It makes long-term finance available for sound investment in order to contribute towards EU policy goals.

**Press contact:**

Matilde del Valle Serrano, [m.delvalle@eib.org](mailto:m.delvalle@eib.org), +352 437983154

Website: [www.eib.org/press](http://www.eib.org/press) - Press office: +352 4379 21000 – [press@eib.org](mailto:press@eib.org)