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**Guidelines for Good Practice on Electricity Grid Connection
and Access
- SNCF contribution -**

With a turnover of 12.79 billion euros for its passenger activity and more than one billion passengers transported in 2007, SNCF is amongst the leading transport companies in Europe. Directly and through its subsidiaries it is leading in the field of domestic and international high-speed services and is amongst the largest operators of day to day travel, regional and urban, by rail or by bus, in France and in Europe. SNCF is the first electricity consumer in France outside of the energy sector with 8.59TWh consumed in 2008 and is expected to need 10 to 12TWh in 2018.

The European regulators for Electricity and Gas (hereafter ERGEG), an advisory group to the Commission on internal market issues has launched a consultation on draft guidelines on electricity grid access and connections. While SNCF does not have the ability to comment specifically on the details of the Guidelines, it would like to share the following views:

- Rail transport is characterized by a continuous consumption of electricity. For this reason, electricity of a sufficient quality is indispensable for traction of trains. It is also of utmost importance due to the fact that transport is a vital function for the economies of European countries and any disturbance of rail can have major social and economic consequences at a country or even European level.
- Therefore the harmonisation of grid access and connections procedures is to be welcomed, especially in view of the growing capacity for discontinuous production (renewable energies notably). However, the level of details of the guidelines should not run contrary to its objectives by putting impracticable constraints on grid operators.
- Such guidelines should also contribute to a better efficiency of electricity markets with positive effects on prices. In this regard, SNCF would recommend that a cost benefit analysis or an impact assessment of the draft guidelines be conducted with a focus on the effect on prices for electro-intensive consuming industries such as rail transport. In this regard, it can be recalled that, in France, the price of electricity has more than doubled in 5 years and that **SNCF has spend 686 million euros on electricity in 2007** amounting to 5% of its operational charges. SNCF is the first electricity consumer in France with 8.5TWh consumed in 2008. This trend is likely to worsen due to the auctioning of CO2 quotas foreseen by the climate-energy package for CO2 emitting electricity generators, as electricity producers will pass on those additional costs to final consumers. **Indeed, SNCF is convinced that the liberalization of energy markets should result in lower rather than higher energy prices. Unfortunately, EU Policy has not so far brought substantial results in this regard and recent developments have been detrimental to the competitiveness of railways.**
- **Whereas the European transport policy aims at promoting rail due to its environment and energy-efficiency advantages, the ongoing trends of higher electricity prices threaten to have a counter effect for this policy.** In particular, urban and regional rail transport can substantially help to reduce CO2 emissions and reducing energy consumption as an alternative to individual cars. This holds also true for long distance passenger rail transport or international / national long distance rail freight.
- Rail transport has a very specific consumption pattern with the following characteristics:
 - *Strong peak consumption*: for instance SNCF overconsumes during peak hours (start of the morning and beginning of the evening).
 - *Consumption limited in time*: a train does consume electricity essentially when it is moving.

In this regard, incentives to promote non peak-hours consumption are likely to further disadvantage railways due to their absence of flexibility (commuters travel).

- *Consumption dispersed geographically*: In France there are 540 connection points to the electricity grid of the Railway Infrastructure Manager's substations and catenaries network. As trains are running and passing successively in front of substations, it can never occur that maximum power of all substations is consumed simultaneously; therefore tariffs of transport/distribution of energy are very disadvantageous for the railway mode, although rail substations are interconnected between themselves inside the rail network (for instance in France at a level of 25 KV ~ or 1500 V =).
- o This consumption pattern has a discriminatory effect compared to other electro-intensive industries. In 2006, the whole French steel industry and SNCF reserved the same voltage and payed a similar price but the steel industry benefited from twice as much electricity as SNCF. In fact and due to the structure of electricity transport tarification, SNCF had in 2006 a use rate of about 25% of its contractually reserved electricity voltage. **Therefore, SNCF urges electricity regulators to consider the specific electricity consumption needs of the railways in view of their contribution to European general interest objectives and will elaborate further proposals in this regard.**