

# Should France Quit the EU Energy Market?





# Summary

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## Introduction

I. The Rationale Behind the EU Energy Market

II. France's Strategic Position in the EU Energy Market

III. Arguments in Favor of Leaving the EU Energy Market

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# Introduction

The EU has created a common energy market based on:

Liberalisation : competition between suppliers

Interconnections : networks linking countries

Market coupling : cheapest electricity flows first

France = unique model

Very low-carbon electricity thanks to nuclear power (~65–70%)

Regulated tariffs to protect consumers

Often exports → especially when nuclear power is running at full capacity

Imports in winter → electric heating + reactor maintenance

Current debate

National sovereignty:

retaining control over nuclear power & prices

European integration:

strengthening trade + energy solidarity

Key question

France: remain fully integrated into the European market





# I. The rationale behind the EU energy Market

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## **Economic objectives :**

- Competition lower prices through liberalization and marginal pricing
- Security of supply: interconnections to enhance resilience during crises
- Decarbonization: large-scale integration of renewables, >60% renewable electricity target by 2030
- Price convergence: market coupling and long-term contracts (CfDs, PPAs)

## **Legal framework and institutions :**

- Third Energy Package (2009): unbundling, free choice of supplier
- Clean Energy Package (2018/19): consumer-centred transition measures-
- ACER: regulation, market monitoring, enforcement against manipulation
- ENTSO-E: network coordination, market and network codes, 10-year development planning





# II. France's strategic position in the EU energy market

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## France

65–70% nuclear power

~97% low-carbon electricity

One of the lowest-carbon power systems in Europe

Net electricity exporter (~101 TWh in 2024)

Imports in winter (electric heating + reactor maintenance)

## Germany Comparison

Nuclear phase-out (2023)

Reliance on gas + coal

8–10× higher carbon intensity vs France

## EU Framework / Constraints

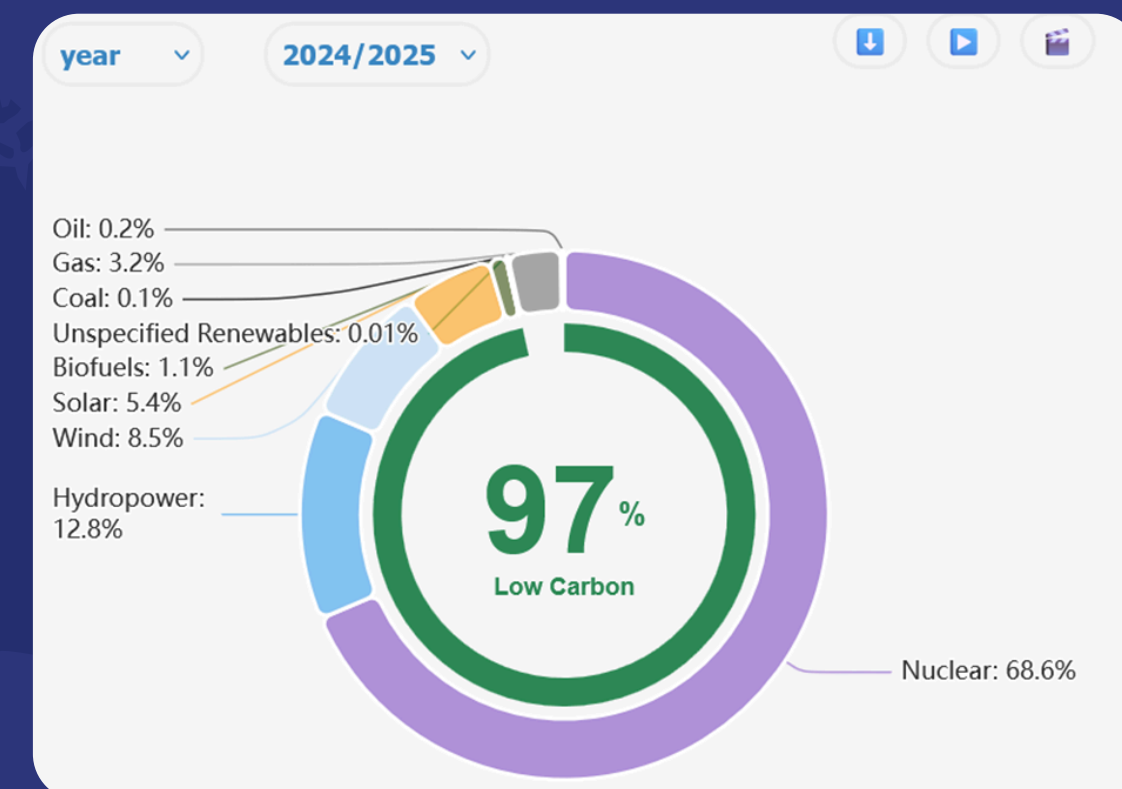
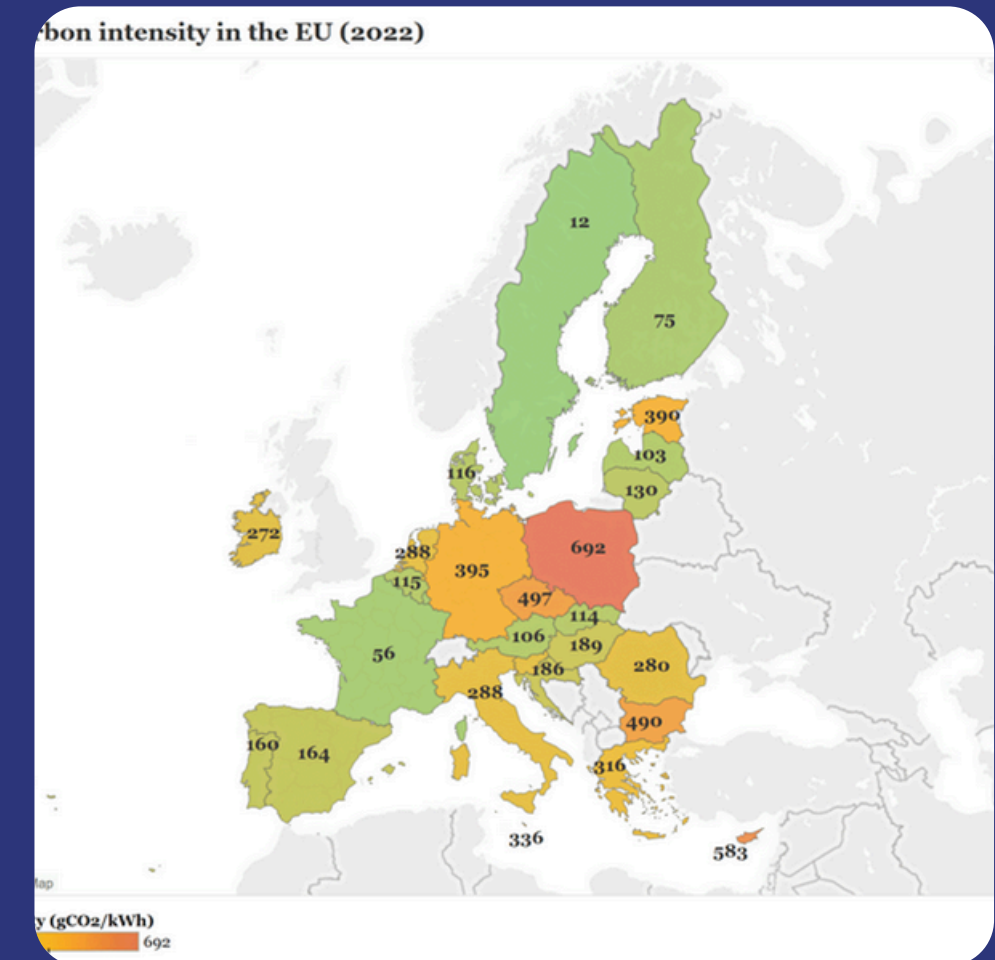
ARENH: EDF must sell 100 TWh/year at €42/MWh

Real nuclear cost €55–70/MWh

Limits EDF revenues & investment capacity

EU state-aid scrutiny on capacity mechanisms

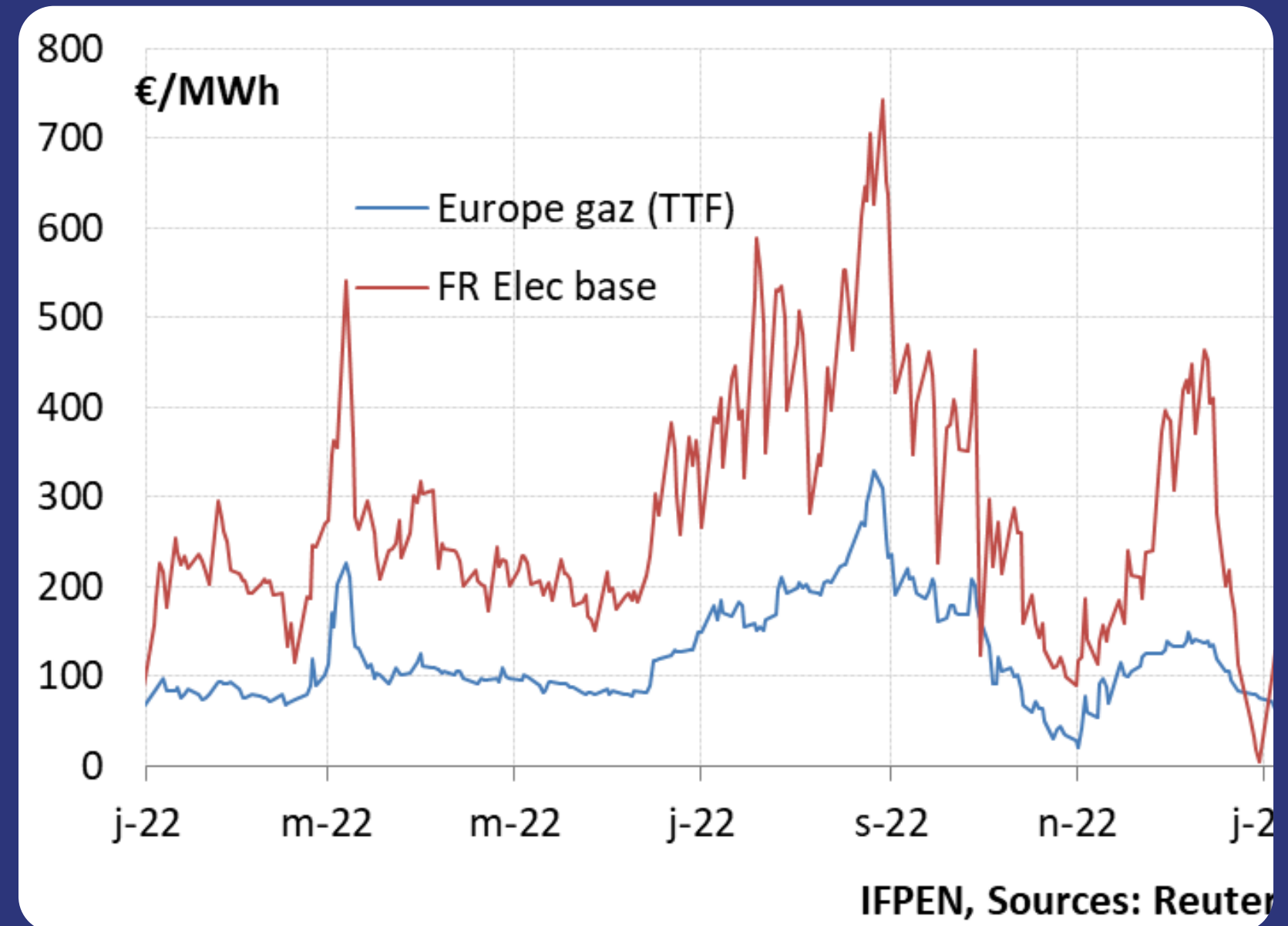
French nuclear sovereignty vs EU liberalized market





# III. Arguments in favor of leaving the EU energy market

1. Sovereignty
2. Price volatility
3. Industrial competitiveness
4. Regulatory friction





# IV. Arguments against leaving the EU energy market

Arguments :

1. Interdependance and Grid stability
2. Economic and legal risks
3. Climate and decarbonisation goal
4. Politic and diplomatic cost

The European energy grid connects all Member States.

These interconnections allow France to import or export electricity when needed, ensuring grid stability and energy security across Europe.

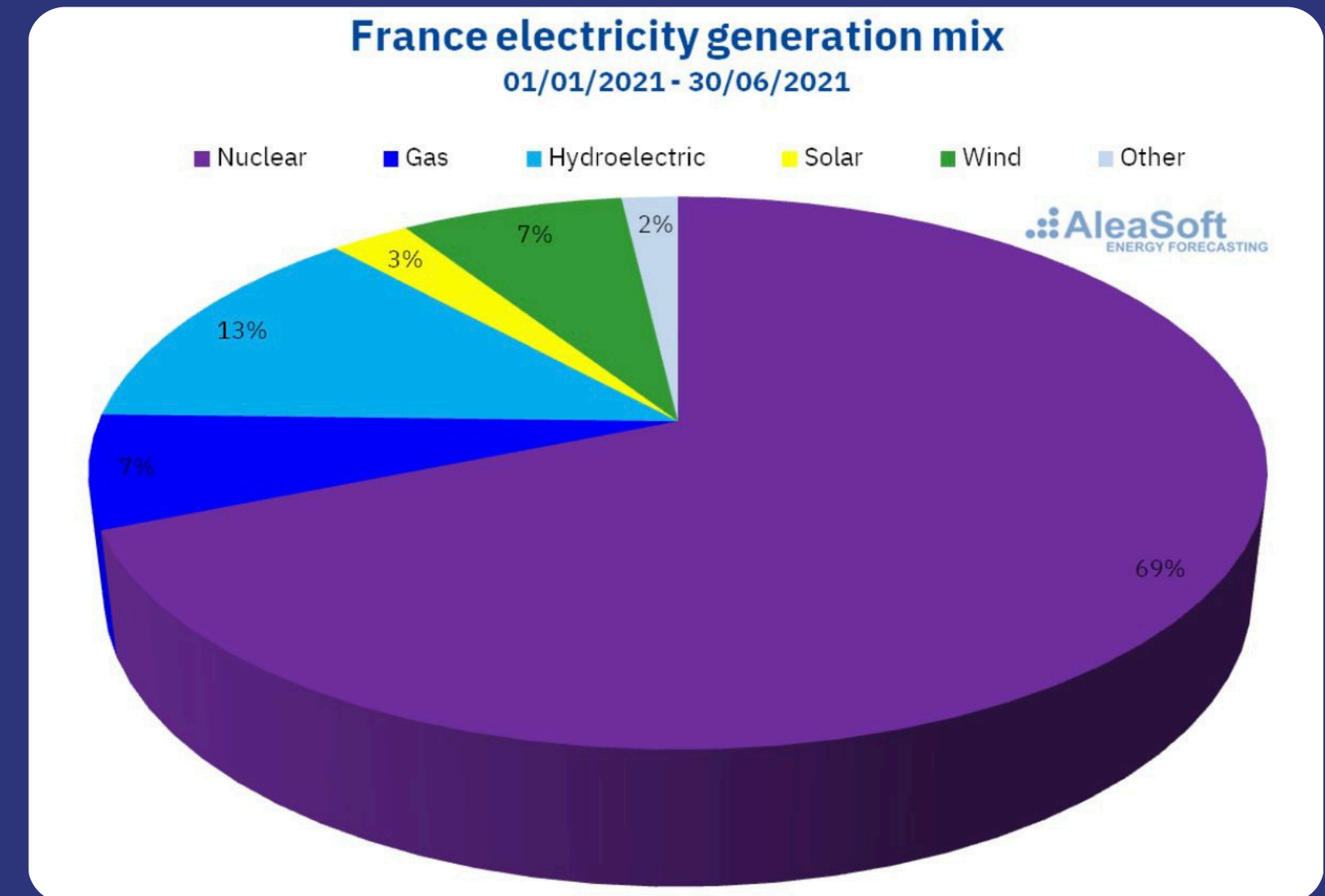
## Interdependance and Grid stability





# V. Alternatives to a full exit

- 1.Reform from within
- 2.Strengthen Nuclear Recognition
3. Seek Flexibility or Exemptions
- 4.Invest in Flexibility and Resilience





# Conclusion

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1. A Double-Edged Sword
2. Sovereignty vs. Solidarity
3. A Full Exit is High-Risk
4. The Optimal Path is Internal Reform Strategic Goal



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Présentation

Thank you



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