



red eléctrica



## PRESS RELEASE

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### EIB supports with €1.6 bn the strategic Bay of Biscay electricity interconnection between Spain and France

- Bay of Biscay is a landmark project for the European power system that will boost the interconnection capacity between the Iberian Peninsula and rest of continental Europe.
- Initiative to increase the exchange capacity from 2,800 to 5,000 megawatts (MW), improving reliability of power supply among France, Spain and Portugal and with the rest of Europe.
- Once operational the interconnection will contribute to ensure cleaner, more secure, and more affordable power for millions of citizens.
- With a total route length of 400 km, 300 km of which underwater, it will become the first submarine electricity interconnection between Spain and France.
- This is a Project of Common Interest for the EU being implemented through a joint venture between the transmission system operators of Spain, Red Eléctrica, and France, RTE, Réseau de transport d'électricité.

The European Investment Bank (EIB) is pledging **€1.6 billion** to finance the construction of the Bay of Biscay electricity interconnection between Spain and France. The EIB financing for the Bay of Biscay project takes the form of loans to Spanish and French transmission-system operators Red Eléctrica and RTE Réseau de transport d'électricité.

The parties signed first loan tranches totalling €1.2 billion today at the EIB headquarters in Luxembourg. The event was attended by Nadia Calviño, president of the EIB Group, Dan Jørgensen, European Commissioner for Energy and Housing, Marc Ferracci, French minister of Industry and Energy, Miguel González Suela, Spanish deputy secretary of State - for Ecological Transition and the Demographic Challenge, Beatriz Corredor, chairwoman of Redeia, parent company of Red Eléctrica and Thomas Veyrenc Member of the Executive Board, director general for Finance, Strategy and Economics of RTE. This financial support adds up to the [€578 million EU grant](#) allocated to this project under the Connecting Europe Facility.

This is a landmark Project of Common Interest in which the EIB, the European Commission, Red Eléctrica and RTE are joining forces to **strengthen cross-border electricity interconnections** and hereby the overall European energy system.

“EIB support for the France-Spain electricity interconnection will be key to ensuring that the Iberian Peninsula is no longer an energy island. This agreement will lead to a major shift in energy integration, an important area for EU competitiveness and strategic autonomy.” said **Nadia Calviño, president of the EIB Group**”.

“Europe needs more integrated and more interconnected energy systems and markets. This is crucial to ensure our citizens have access to clean and stable supplies, wherever they are. This is what a

genuine Energy Union is about,” said **Dan Jørgensen, European Commissioner for Energy and Housing**. “I very much welcome the additional financial support offered by the EIB for a key project that will ultimately improve the lives of many across the Pyrenees and beyond.”

Construction of the Bay of Biscay link is already under way by Inelfe – joint venture by RTE and Red Eléctrica, and it is due to become operational in 2028. Once operational, the project will almost double the electricity exchange capacity between France and Spain to 5,000 MW. That means cleaner, more secure, and more affordable power for millions of citizens, while avoiding 600,000 tonnes of CO<sub>2</sub> each year.

The project will strengthen the interconnection capacity between France and Spain, helping the Iberian peninsula’s progress towards the EU interconnection target for Member States of at least 15% of installed production capacity by 2030. The Bay of Biscay project, together with the underground project between Baixas-Santa Llogaia and the improvement of the existing Argia-Hernani infrastructure will contribute to enhance the interconnection capacity between the Iberian Peninsula and the rest of Europe, while better integrating it within the EU energy market.

‘Today, with the support of the EIB, we take another step forward in this project, a bridge between nations and key for European cohesion that will enable us to tackle the greatest challenge of our time: the energy transition. That is why both countries must continue to work together to strengthen our connections, also through the two new projects planned to cross the Pyrenees’, said **Beatriz Corredor, chairwoman of Redeia**

“Today is a major milestone for the Bay of Biscay project, which will increase the solidarity between France and Spain but will also contribute to the development of exchanges of low-carbon, competitive electricity throughout Europe. Along with EU institutions – such as EIB – and other European TSOs, RTE is committed to ensure that the French power grid is fit to play its role of a European electricity crossroads, including through major reinforcement projects to avoid internal constraints, as laid out in our recent grid development strategy’, said **Thomas Veyrenc, Member of the Executive Board, Director general for finance, strategy and economics of RTE**.

The project reinforces the EIB’s role as the climate bank one of the EIB Group’s [eight strategic priorities](#) set out in its [Strategic Roadmap](#) for the years 2024-2027. The operation is also part of the [EIB’s action plan](#) supporting [REPowerEU](#), the program to increase energy security and accelerate the energy transition by reducing the European Union’s dependence on fossil fuel imports.

**Marc Ferracci, French minister for industry and energy:** “We’re very happy today to have signed the first part of the investment in this interconnection project between France and Spain which will go through the Bay of Biscay. This will allow us to double the capacity of electricity transported between the two countries with 400 km of connection. It’s very important because it illustrates the will of Spain and France to go further in the decarbonisation of our economies. And it shows the solidarity that exists to meet Europe’s energy security challenge.”

“The signing of this agreement marks a major step towards building the Energy Union and strengthening the resilience of the European electricity system as a whole. I am confident that it will not be the last”, said **Miguel González Suela, Spanish deputy secretary of State for Ecological Transition and the Demographic Challenge**.

### Flagship project

The Bay of Biscay interconnection is classified by the EU as a Project of Common Interest or [PCI](#), and is being delivered by Inelfe a joint venture between Red Eléctrica and Réseau transport d’électricité. It is co-funded by a Connecting Europe Facility (CEF) grant of €578 million.

The connection will link two alternating current systems via a submarine direct current line. At each end of the connection, stations in Cubnezais in France and Gatika in Spain will convert the direct current into alternating current for connection to the transmission grids of Spain and France.

The design of the project has been developed through an open and participatory process, with the aim of reaching the greatest possible consensus and ensuring the best solution from a technical, social, and environmental perspective.

The High-Level Group on Interconnections in South-West Europe, established in 2015 between Spain, France, and Portugal with the support of the European Commission, played a critical role in advancing the Biscay Bay project.

More information about the project is available [here](#).

## **The EIB as a major financier of energy security and grids in Europe**

In 2024, the EIB Group signed a record €31 billion to back EU energy security, including for efficiency, renewables, storage and electricity grids, which is expected to support over €100 billion in investment. A total of €8.5 billion financed electricity grids and storage projects, double the amount from previous year. This financing is helping to expand, modernise and digitalise electricity grids making them more resilient and allowing for more and better integration of renewable sources.

In Spain financing of energy security projects was higher than in any other EU country in 2024, totalling more than €5 billion, which is expected to support over €15 billion in investment. A total of €1.54 billion financed grids and storage projects, roughly double the previous year's amount. In France financing of energy security projects in 2024 was in line with previous years at around €3.6 billion, of which €400 million went to finance grids and storage projects, while €3.2 billion went to other energy projects including renewable energy sources and energy efficiency.

In the last 5 years (2019-24), EIB has financed €16.7 billion in energy projects in Spain, and €17.7 billion in energy projects in France.

Find out more about the EIB's support for the energy sector [here](#).

## **Background information**

### **EIB**

The [European Investment Bank \(EIB\)](#) is the long-term lending institution of the European Union, owned by its Member States. Built around [eight core priorities](#), we finance investments that contribute to EU [policy objectives](#) by bolstering climate action and the environment, digitalisation and technological innovation, security and defence, cohesion, agriculture and bioeconomy, social infrastructure, the capital markets union, and a stronger Europe in a more peaceful and prosperous world.

The EIB Group, which also includes the [European Investment Fund](#), signed nearly €89 billion in new financing for over 900 [high-impact projects](#) in 2024, boosting Europe's competitiveness and security.

All projects financed by the EIB Group are in line with the Paris Climate Agreement, as pledged in our [Climate Bank Roadmap](#). Almost 60% of the EIB Group's annual financing supports projects directly contributing to climate change mitigation, adaptation, and a healthier environment.

In Spain, in 2024, the EIB Group signed new financing worth €12.3 billion for over 100 high-impact projects, while in France, the EIB Group signed new financing worth €12.6 billion also for over 100 high-impact projects, contributing to both countries' green and digital transition, economic growth, competitiveness and better services for their people.

High-quality, up-to-date photos of our headquarters for media use are available [here](#).

### **Red Eléctrica**

Red Eléctrica is the transmission system operator (TSO) for the Spanish electricity system and Redeia's flagship. Since 1985, Red Eléctrica guarantee the security of supply in Spain, driving its social and economic development. Now, the company is also the backbone of the energy transition in the country. [www.ree.es](http://www.ree.es)

## Réseau Transport d'Électricité

The French electricity-transmission-system operator, RTE, provides a public service: guaranteeing a constant supply of electricity throughout France, with the same standard of service, thanks to the efforts of its 10,025-strong staff. RTE manages electricity flows, balancing production and consumption in real time. RTE maintains and develops the high and very-high voltage grid (from 63,000 to 400,000 volts) which includes nearly 100,000 kilometres of overhead lines, 7,000 kilometres of underground lines, 2,900 operational substations, some jointly operated, and around fifty cross-border lines. With 37 interconnections with neighbouring countries, the French grid is the largest in Europe. RTE is an independent and neutral industrial operator of the energy transition, optimising and transforming its grid to connect new consumers and low-carbon electricity generation facilities.

## Press contacts

### EIB

Shirin Wheeler [s.wheeler@eib.org](mailto:s.wheeler@eib.org) tel: +44 7827 445611

Mónica Faro [m.faro@eib.org](mailto:m.faro@eib.org) tel: +34 628 312 490

Maite Cordero | [m.corderomunoz@eib.org](mailto:m.corderomunoz@eib.org) | tel.: +34 606 66 82 62

Andrea Morawski, [a.morawski@eib.org](mailto:a.morawski@eib.org), tel: +352 691 284349

Web: [www.eib.org/press](http://www.eib.org/press) | Press office: +352 4379 21000 — [press@eib.org](mailto:press@eib.org)



### Red Eléctrica

Cristina Horcajada | [cristina.horcajada@redeia.com](mailto:cristina.horcajada@redeia.com) | tel.: +34 660589876

Website: [www.ree.es/es/sala-prensa](http://www.ree.es/es/sala-prensa) | Press Office: +34 91 453 32 81 — [gabinetedeprensa@ree.es](mailto:gabinetedeprensa@ree.es)



### RTE

Benajmin Commandre : [benjamin.commandre@rte-france.com](mailto:benjamin.commandre@rte-france.com)