

**Question for written answer E-000194/2021
to the Commission**

Rule 138

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Subject: Goals pursued by the Commission and the French Government with the dismantling of EDF ('Project Hercules')

Project Hercules, which the French Government intends to implement under pressure from the Commission, will lead to the energy company EDF and all that remains of France's public energy service being dismantled. The goal driving this project forward is that of making the electricity system competitive. This is, however, impossible since the technical and economic specifications of both the generation system and the grid make them into a natural monopoly. All the studies conducted, including one by the European Public Service Union, show that liberalisation of the energy sector has been a failure in every respect¹. Electricity costs (generation and grid) are basically fixed and therefore not at all suited to market mechanisms and a return linked to the quantity sold. Moreover, on its own, supplying electricity, i.e. buying and reselling it without producing or transporting it, does not bring any added value to the electricity system and generates sizeable additional costs.

1. That being the case, what goal is the Commission hoping to achieve by maintaining competition in the downstream market, resulting in no advantages for consumers and placing producers in a difficult position?
2. If the Commission expects savings to be made through this competition, under which headings would these be found?

¹ EPSU (2019) 'The failure of energy liberalisation' <https://www.epsu.org/article/going-public-decarbonised-affordable-and-democratic-energy-system-europe-new-epsu-report>