COUNTRY POLICY PROFILE

France

October 2014

LOG FILE OF CHANGES IN SUPPORT POLICIES AS COMPARED TO LATEST MEMBER STATE PROGRESS REPORT

EurObserv'ER

The EurObserv’ER project

The EurObserv'ER Barometers monitor the renewable energy progress in each Member State of the European Union. Every two months a barometer dedicated to one particular renewable energy technology is published. Moreover, once a year an *Overview Barometer* collects the main indicators published during the year and completes these with additional renewable sectors which have not been detailed in the individual Barometers. Finally, the Overview Barometer also reports on socio-economic aspects: employment and turnover in the field of renewables, and the renewable energy investment climate. The country policy reports monitor policy developments by providing an overview of policy changes compared to the Member State Progress Reports.

All Barometers are available for download at http://www.eurobserv-er.org/. An overview of direct links to Barometers is available in Annex A.

New Barometer releases are announced on Twitter (https://twitter.com/eurobserv_er).

Co-funded by the Intelligent Energy Europe
Programme of the European Union

The EurObserv’ER barometer is a project supported by the European Commission within the DG Energy "Intelligent Energy Europe" programme. It is also supported by Ademe, the French Environment and Energy management Agency, and Caisse des Dépôts.

Abstract

The European Union has set the goal of meeting 20% of its final energy consumption from renewable sources by 2020. This ambition is reflected by a target of 23% for France, with a specific target for heat (geothermal, biomass, solar, heat pumps, renewable portion of waste) of 33%, electricity 27% and transport 10.5%.

The state support scheme for the deployment of renewable energy must also meet a goal of development of competitive industrial sectors, accompanying them in a targeted manner.
Public support for renewable sectors is indeed necessary to accompany them to the technological and economic maturity so that they become competitive. Public support should as such help to facilitate the lifting of various technical and economic locks with a view to reducing the costs of these technologies, appropriately according to their stage of development from R&D to industrialization.

France has set up sectorial incentives:

In the field of heat, the main tools are for individual residential sector, Tax Credit for Sustainable Development, Eco loan at a zero percent interest rate (PTZ), Certificates of Energy Savings. For the other sectors (tertiary, residential, industry), the Heat Fund mission is to finance projects for an energy production of 5.5 Mtoe. It has a budget of about € 220 million per year, and its management is delegated to the ADEME. The Government announced on 1 July 2014 that the endowment fund of heat would be doubled by 2017.

In the transport sector, the main tools to support renewable energies are a reduced taxation for biofuels from certified facilities and the General Tax on Polluting Activities (TGAP) which helps to encourage the uptake and distribution of biofuels by penalizing those who introduce for consumption less biofuels than what is necessary to fulfil the quota.

In the field of electricity, the development of renewable energy power is supported by two complementary systems: feed-in tariffs and tenders.

This report monitors the policy changes after the release of the French 2013 Progress Report and is regularly updated.

Abbreviations

BTL	Biomass-to-Liquids
CHP	Combined heat and power plant
EEAG	Environmental and energy aid guidelines
EU-27	European Union, 27 Member States (excludes Croatia)
EU-28	European Union, 28 Member States (includes Croatia)
FiP	Feed-in premium (scheme)
FiT	Feed-in tariff (scheme)
GHG	Greenhouse gas(es)
GHG	Greenhouse gas
ktoe	Kiloton oil equivalent
MSW	Municipal solid waste
NREAP	National Renewable Energy Action Plan
PV	Photovoltaic energy
RE	Renewable energy
RED	Renewable Energy Directive
RES	Renewable energy sources
RMSW	Renewable Municipal solid waste (renewable fraction in MSW)
RQS	Renewable quota scheme
TSO	Transmission system operator

Renewable energy mix and 2020 target

France was the second largest producer of renewable energy in the EU in 2012. The strong points of the country are hydro, biofuels and geothermal energy used in heating networks. France has the potential to become a major player in the renewable energy production. The country has the first agricultural potential and the third forestry potential, also France is the second global maritime power with eleven million square kilometers of sea areas.
The 2012 share of renewable energy in France amounted to 13.7%; the target for 2020 has been defined as 23% (source: 'The State of Renewable Energies in Europe', 2013 edition).

Table *Renewable energy production in the 27 Member States of the European Union (EU-27) and the corresponding figures for France. Data have been expressed in ktoe and refer to the year 2012*

[ktoe, 2012]	European Union (27 countries)	France	Contribution of France to EU-27
Hydro*	29408	5311	18.1%
Wind*	17089	1220	7.1%
Solar PV	5732	345	6.0%
Solar thermal**	2116	76	3.6%
Solid Biomass***	74804	9313	12.4%
Biogas	6212	226	3.6%
MSW****	4426	606	13.7%
Geothermal	7825	1573	20.1%
Biofuels	11711	2709	23.1%
Ocean energy	44	44	100.0%

* Normalised electricity generation

** Including electricity generation from Concentrated Solar Power

*** Including liquid biomass

**** Municipal Solid Waste only regards the renewable fraction in the waste

Source: EurObserv'ER, 2014 (www.eurobserv-er.org)

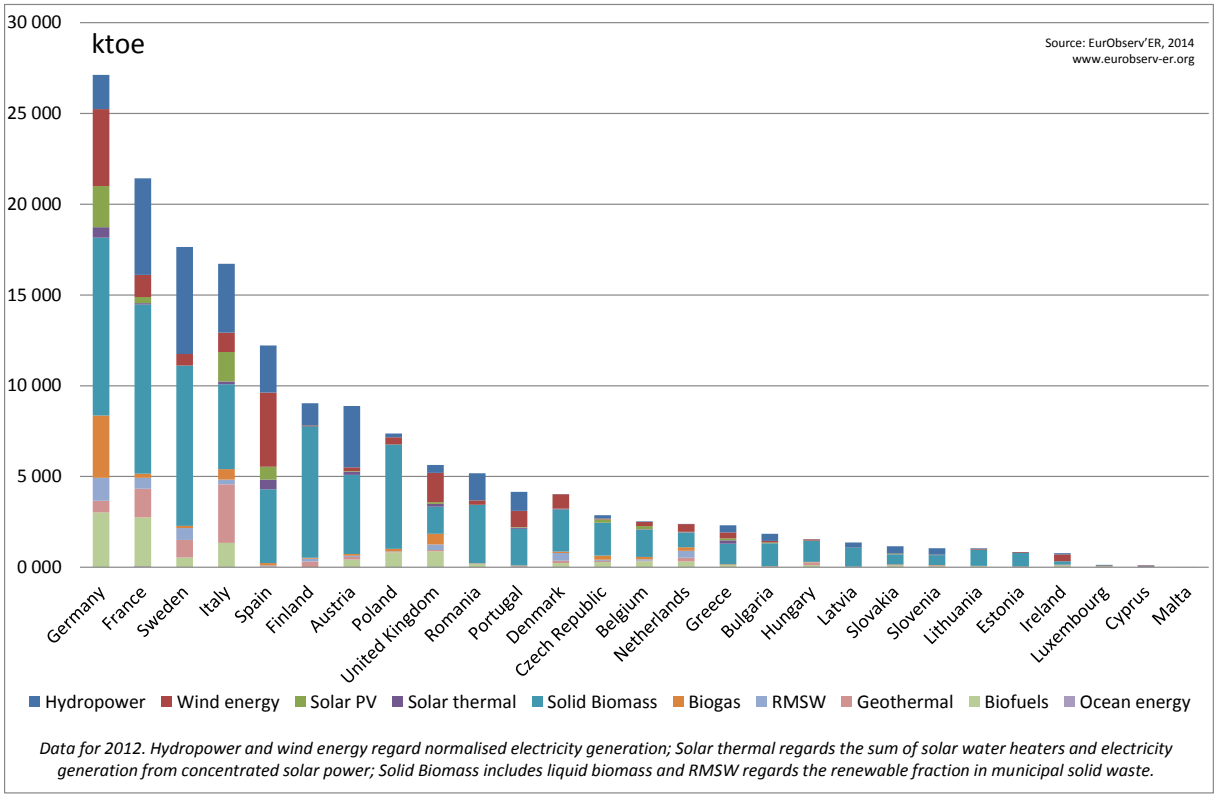

Figure *Renewable energy production in the European Union Member States. Data have been expressed in ktoe and refer to the year 2012. Source: EurObserv'ER, 2014 (www.eurobserv-er.org)*

Recent RES Policy Developments

The current EurObserv'ER policy profile is listing recent policy changes in the EU Member States. Starting point for this monitoring is the situation as it has been described in the country's Progress Report (which were due end of 2013). All Renewable Energy Progress Reports are available in English language from www.eurobserv-er.org (translated versions).

Date	Technology	Policy change
January 2014	All renewables	The European Commission published the French Progress Report. See Section 2 (page 8) to Section 4 (page 26) for a description of policy measures and support schemes.
January 2014	Solar thermal, heat pump, biomass boilers, wind (individual use), hydro (individual use)	The device of the **Tax Credit** is simplified to count only two rates: - A rate of 15% for expenditure incurred in action only - A rate of 25% for expenditure incurred in package of at least 2 different measures (development of RES source and/or insulation)
February 2014	PV, solar thermal, hybrid systems, Wind, cooling renewable	The Government and ADEME launched on 4 February 2014, a new call for Expressions of Interest (AMI) to support the development of projects in the field of renewable energy. It falls under the "demonstrators and technological platforms in renewable and low-carbon energy and green chemistry" program. It is worth € 1125 million and operated since 2010 by ADEME.
May 2014	Wind	Following a verdict issued by the Council of State, the order establishing conditions for the purchase of electricity generated from wind energy was abrogated on 28 May 2014. Consequently, no agreement for the purchase of electricity from wind energy can be signed from 28 May 2014.
July 2014	Wind	Publication on the 1st July of a new decree concerning the Wind FIT with identical rate: Duration of contract 15 years **Onshore wind 8.2 c € / kWh** for 10 years, then between **2.8 and 8.2 c € / kWh** for 5 years depending on the site.
September 2014	Biogas	On 4 September 2014, the Ministry of Ecology, Sustainable Development and Energy has announced the launch of a call for proposals for the development of 1,500

		biogas plants in 3 years spread in rural areas. The device helps to support the project leaders in their efforts. The call for closed on Sept. 4, 2017.
October 2014	All renewable	A draft law on energy transition to green growth has been approved by the National Assembly, Tuesday 14 October 2014, on first reading and it must be now approved by the Senate. Objectives of the law are: - Reduce emissions of greenhouse gas emissions by 40% between 1990 and 2030 and divide by four in 2050 (factor 4); - Reduce the final energy consumption by 50% by 2050 compared to 2012 and increase the annual rate of decline in final energy intensity to 2.5% by 2030; - Reduce consumption of fossil fuels by 30% by 2030 compared to 2012 - Raising the share of renewable energy to 23% of our energy gross final energy consumption in 2020 and 32% in 2030; - Raise the share of nuclear power to 50% in electricity generation by 2025.
October2014	All renewable	The Ministry of Ecology, Sustainable Development and Energy, launches the third period of the certificates for energy savings (EEC) for 2015-2017, with an energy savings target of 700 TWh cumac This decision helps accelerate energy savings in all sectors: housing, transportation, equipment, industry. Installation of Solar thermal, heat pumps a

Note to the reader: the above overview had been compiled with care. However, in case you miss recent developments please be invited to inform EurObserv'ER on policy changes in a Member State. For communication use e-mail (policy@eurobserv-er.org) or Twitter (https://twitter.com/eurobserv_er).

Glossary

Sustainable Development Credit Tax

The Finance Act 2005 created the **Tax credit dedicated to sustainable development and energy savings**. To strengthen its incentive, that measure is now focused on the most energy-efficient equipment as well as equipment that uses renewable energy. This is to enable wide dissemination of sustainable energy equipment to help achieve the ambitious goals of France in terms of energy savings and renewables. The successive finance laws completed some of the measures originally planned: the Finance Act of 2012 extended the scheme until 2015. In order that this measure remains effective and continues to promote the most efficient equipment and materials, its terms were also amended.

Eco-interest loan (eco-PTZ)

Introduced in the Finance Act of 2009, this foresees a maximum of € 30,000 interest loans allocated to households to finance heavy energy renovations in their main residence (acquisition of equipment for renewable energy generation in particular) so that the monthly loan payment be commensurate with the energy savings resulting from the renovation. Subject to means, this device is combined with the sustainable development tax credit.

The heat fund

The Heat fund's mission is to finance projects in sectors of collective housing, tertiary and industry at 5.5 million tonnes of oil equivalent (toe) by 2020. It operates with nearly 1.2 billion euros over the period 2009-2013 and its management is delegated to ADEME (the French energy agency). It ensures that the price of renewable heat produced is about 5% lower than that obtained with conventional energy by providing aid in the form of investment grant or kilowatt-hour renewable product, or by a combination of the two. Aid is not cumulative either with energy efficiency certificates or with household projects.

Energy saving certificate

The system of energy saving certificates (EEC) allows the government to impose energy suppliers (electricity, gas, heat, cold, heating oil and motor fuel) to achieve energy savings in all sectors (residential, commercial, industry, transport, ...). The obligation will be encouraged to actively promote energy efficiency among their customers: households, local and professional communities. The objective is defined and distributed over three years between the operators based on energy prices and sales volumes. At period end, the required power sellers must prove they have fulfilled their obligations by holding an equivalent amount of certificates to those obligations. Certificates are obtained as a result of actions implemented by the operators or by purchase of EECs from other companies. In case of non-compliance with their obligations, the supplier must pay a discharge penalty of two cents per kWh cumac missing.

Fixed feed-in-tariff

In France, electricity from renewable sources is promoted through a feed-in tariff. Electricity

distributors (EDF and private distributors) are obligated to conclude agreements on the purchase of and payment for electricity, at a price fixed by an order, with the operators of plants that generate electricity from renewable energy sources.

Description of the french Feed-in tarif system

Wind energy

Following a verdict issued by the Council of State, the order establishing conditions for the purchase of electricity generated from wind energy was abrogated on 28 May 2014. A new law was published at the Official Journal the first July with the same FIT.

Laws governing the purchase of electricity: July 1, 2014 (Decree of 17 June 2014)

Duration of contract: 15 years

Price: Onshore wind 8.2 c € / kWh for 10 years, then between 2.8 and 8.2 c € / kWh for 5 years depending on the site.

Photovoltaic

Laws governing the purchase of electricity: March 4, 2011

Duration of contract: 20 years

Price: The tariff applies to photovoltaic and thermodynamic installations and plants. Amendments to the Order of 4 March 2011 introduced new terms and conditions from 1 February 2013. From then on, the tariffs depend on the type and the total capacity of the installation, without distinction of the use of the building. Moreover, installations that submitted a complete application for connection before 10 March 2014 are entitled to the increased rate of up to 10% for components manufactured in the European Economic Area. Every quarter, the degression coefficients will be adjusted to the number of grid connection requests adopted in the previous quarter (source RES Legal 2014).

Type d'installation		Tarifs en vigueur pour les installations dont la demande complète de raccordement a été envoyée :			
		entre le 1er février 2013 et le 31 mars 2013	entre le 1er avril 2013 et le 30 juin 2013	entre le 1er juillet 2013 et le 30 septembre 2013	entre le 1er octobre 2013 et le 31 décembre 2013
Intégrée au bâti [1]	[0-9kW]	31,59 c€/kWh	30,77 c€/kWh	29,69 c€/kWh	29,10 c€/kWh
Intégrée simplifiée au bâti[2]	[0-36kW]	18,17 c€/kWh	16,81 c€/kWh	15,21 c€/kWh	14,54 c€/kWh
	[36-100kW]	17,27 c€/kWh	15,97 c€/kWh	14,45 c€/kWh	13,81 c€/kWh
Tout type d'installation	[0-12MW]	8,18 c€/kWh	7,96 c€/kWh	7,76 c€/kWh	7,55 c€/kWh

[1] **Une installation photovoltaïque sur toiture respecte les critères d'intégration au bâti (IAB)** si elle remplit toutes les conditions suivantes :
- Le système photovoltaïque est installé sur la toiture d'un bâtiment clos (sur toutes les faces latérales)et couvert, assurant la protection des personnes, des animaux, des biens ou des activités.
L'installation photovoltaïque est installée dans le plan de la toiture au sens défini à l'annexe 5 de l'arrêté du 4 mars 2011
- Le système photovoltaïque remplace des éléments du bâtiment qui assurent le clos et couvert, et assure la fonction d'étanchéité. Après installation, le démontage du module photovoltaïque ou du film photovoltaïque ne peut se faire sans nuire à la fonction d'étanchéité assurée par le système photovoltaïque ou rendre le bâtiment impropre à l'usage.
- Pour les systèmes photovoltaïques composés de modules rigides, les modules constituent l'élément principal d'étanchéité du système
- Pour les systèmes photovoltaïques composés de films souples, l'assemblage est effectué en usine ou sur site. L'assemblage sur site est effectué dans le cadre d'un contrat de travaux unique

[2] **Une installation photovoltaïque sur toiture respecte les critères d'intégration simplifiée au bâti (ISB)** si elle remplit toutes les conditions suivantes :
- Le système photovoltaïque est installé sur la toiture d'un bâtiment assurant la protection des personnes, des animaux, des biens ou des activités. Il est parallèle au plan de ladite toiture.
- Le système photovoltaïque remplace des éléments du bâtiment qui assurent le clos et couvert, et assure la fonction d'étanchéité.

NB : Les tarifs d'achat peuvent être assortis d'une majoration de 5% ou 10% en fonction de l'origine européenne des composants du système photovoltaïque

Biogas of methanation

Laws governing the purchase of electricity: May 19, 2011

Duration of contract: 15 years

Price: between 11.19 and 13.37 c € / kWh depending on the power plus a premium on energy efficiency between 0 and 4 c € / kWh and a premium for the treatment of livestock manure range between 0 and 2.6 c € / kWh

Other biogas (landfill gas)

Laws governing the purchase of electricity: May 19, 2011
Duration of contract: 15 years
Price :range 8,121et 9.745 c € / kWh depending on the power plus a bonus for energy efficiency between 0 and 4 c € / kWh

Biomass (Combustion of plant and animal fossils not matter)

Laws governing the purchase of electricity: January 27, 2011
Duration of contract: 20 years
Price: 4.34 c € / kWh plus a premium of between 7.71 and 12.53 c € / kWh allocated according to criteria of power, resource use and energy efficiency. The level of the premium is calculated based on the latter

Household waste except biogas

Laws governing the purchase of electricity: October 2, 2001
Duration of contract: 15 years
Price: range 4.5 to 5 c € / kWh + bonus for energy efficiency between 0 and 0.3 c € / kWh

References used

Panorama énergies-climat – Edition 2013 Fiche "Les dispositifs de soutien à la production d'énergie renouvelable" (2013)

http://www.developpement-durable.gouv.fr/Les-tarifs-d-achat-de-l,12195.html

http://www.developpement-durable.gouv.fr/IMG/pdf/32_-_soutien_a_la_production_des_energies_renouvelables.pdf

RES legal 2014: Legal sources on renewable energy http://www.res-legal.eu/search-by-country/france/single/s/res-e/t/promotion/aid/feed-in-tariff-tarif-dachat/lastp/131/

EurObserv'ER, 2014, www.eurobserv-er.org

Annex A

EurObserv'ER Barometers published are all available for download. Direct links to all EurObserv'ER publications:

Biofuels Barometer
(July 2014, PDF, English language, 14 pages)
http://www.eurobserv-er.org/pdf/baro222_en.asp

Solar Thermal Barometer (CSP and solar water heaters)
(May 2014, PDF, 18 pages, English language, 3.6 MB)
http://www.eurobserv-er.org/pdf/baro221_en.asp

Solar Photovoltaic Barometer
(April 2014, PDF, 16 pages, English language, 2.9 MB)
http://www.eurobserv-er.org/pdf/baro-jdp11_en.asp

Wind Power Barometer
(February 2014, PDF, English, 14 pages, 2.8 MB)
http://www.eurobserv-er.org/pdf/baro-jde14_en.asp

'The State of Renewable Energies in Europe', 2013 edition
(January 2014, PDF, English language, 200 pages, 12 MB)
http://www.eurobserv-er.org/pdf/bilan13-gb.asp

Solid Biomass Barometer
(December 2013, PDF, English language, 14 pages, 2.9 MB)
http://www.eurobserv-er.org/pdf/baro219_en.asp

Heat Pump Barometer
(October 2013, PDF, English language, 18 pages, 2.5 MB)
http://www.eurobserv-er.org/pdf/baro218.asp

Biogas Barometer
(December 2012, PDF, English/French language, 14 pages, 2.0 MB)
http://www.eurobserv-er.org/pdf/baro212biogasEu.asp

Renewable Municipal Waste Barometer
(December 2012, PDF, English/French language, 12 pages, 1.9 MB)
http://www.eurobserv-er.org/pdf/baro212mswEu.asp