



FRANCE



KEY TRENDS IN THE RES SECTOR

The main instrument to promote RES-E in France is a technology-specific feed-in tariff. Onshore and offshore wind, PV, geothermal, biogas, hydro, tidal and wave, and solid biomass are eligible for support. An automatic degression formula is in place. In the case of PV, the amount of electricity to be remunerated for every power plant is capped at 1500 full load hours annually. Any electricity production above this limit will be remunerated at a reduced tariff. In addition, tenders are held at irregular intervals, awarding promotional tariffs to wind, PV, geothermal, hydro, biogas and solid biomass installations. France already produces significant amounts of hydro power and according to its NREAP is planning to focus its further RES-E growth on onshore and offshore wind, as well as solid biomass.

RES-H installations are supported by investment grants, which are allocated to large biomass plants through a tendering procedure, and to heat pump, biogas, biomass, geothermal and solar thermal installations via a programme to support homeowners with modest incomes. A zero-interest loan for RES installation in the course of building renovation is available for private homeowners or companies. Tax incentives are also being applied. The French NREAP puts a strong emphasis on solid biomass. Around a third of households in France apply electric heating systems.

In the transport sector, support is mainly provided by a quota regulation on biofuel blending. Fuel suppliers who meet the annual quota are subject to tax reductions. The French NREAP foresees the largest part of biofuel demand to be covered by biodiesel.

POLICY RECOMMENDATIONS



ELECTRICITY SECTOR

Avoid exposing RES producers to legal and regulatory uncertainty caused by frequent reforms in the legal framework, for instance as has recently been the case for environmental permits and even more prominently by the past failure of the French government to notify the feed-in tariff scheme as state aid to the European Commission. The predictability of tender calls would improve if they were held at regular intervals.

Avoid changes in the taxing regime which retrospectively affect RES projects, such as the significant increase of the IFFER tax especially for solar and onshore wind installations.

Improve planning and permitting procedures: Ensure better coordination between involved authorities and their respective time schedules. The ideal solution would be a one-stop-shop which can be approached by developers to handle all procedures and decreases waiting times. Speed up court procedures regarding complaints against planned wind farms. Simplify the adaptation of land use plans for large PV installations.

Grid connection and access: Provide reliable long-term RES policies so grid operators are able to anticipate RES deployment in their area and can plan accordingly. Consider simplifying grid connection procedures and reducing the proportion of connection costs borne by RES producers.



HEATING AND COOLING SECTOR

Consider encouraging investments into small RES-H installations. The most important support instrument

at present, the investment grant programme allocated through tenders, is targeted mainly at larger installations, and administrative processes under the scheme are also too complex for owners of small installations.

Improve energy efficiency of CHP plants: When tendering CHP plants, the tender design often focuses on electricity production. Consider the possibilities for including heat production, in connection with heat demand at the site, as a criterion in the tendering process.

Address the lack of awareness among building owners and installers, for instance regarding the possibility of installing a solar-thermal system when replacing an old boiler. Monitor and review existing awareness campaigns for the public and for professionals in the sector to improve their effectiveness.



TRANSPORT SECTOR

Reliability of biofuels policies: France is a big producer of biodiesel. Investors in first generation biofuels experienced unstable support, and are now reluctant to invest in second generation biofuel facilities.



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