

2019-05

OPINION OF THE ESEC ON ARTICLE 1 OF THE ENERGY BILL

Article 1 of the energy bill proposed by the Government aims at updating, across four areas, the targets set for France by the Energy Transition for Green Growth Act (LTECV) adopted in 2015. First of all, it replaces the so-called "factor 4" target (75% fewer greenhouse gas emissions in 2050 compared with 1990 in France) with a "net-zero" target, i.e. carbon neutrality goal, by this time scale. It then lowers the LTECV's mid-term target to reduce energy consumption by 20% in 2030 compared with 2012 levels to 17% by this date. On the other hand, it raises the target decrease in fossil fuel consumption by this date from 30 to 40%. Finally, it pushes back the time scale for achieving the LTECV target of a 50% decrease for the nuclear energy share in the electricity generation mix from 2025 to 2035.

The Government referred this matter to the ESEC. The ESEC has responded to this referral, but the very short timeframe it was given to carry out its work in a complex and particularly sensitive sphere within French society is a source of regret. The ESEC has been participating in the debate on public energy and climate policies for a number of years. It firmly believes that the energy transition can make a useful contribution to economic growth, social cohesion and preserving

human health. It nevertheless draws the public authorities' attention at regular intervals to the need to secure energy supplies and the conditions for society's acceptance of the policies rolled out in these areas. It also draws continuing attention to the crucial stability and predictability of the energy transition framework, which is essential for galvanising all stakeholders into action to address the climate emergency.

The ESEC understands that the Government wishes to adjust the targets set in the 2015 legislation in certain areas and particularly commends its readiness to drive forward the energy transition and match France's contribution to fighting climate change to the ambitions of the Paris agreement. However, it underscores the public authorities' duty to provide all stakeholders – households, businesses, local authorities and other public stakeholders – with this stable and predictable framework, as regards targets and public political tools alike. This must enable them to make the necessary investments for the country to honour the ambitious pledges it has made - upon signing the Paris agreement in 2015 at the COP 21 in particular.



Guillaume Duval

is a leader writer for Alternatives économiques.

At the ESEC, he is a member of the Section for Economy and Finance and Section for the Environment as a qualified individual.

Contact:

guillaume.duval@lecese.fr
06 81 45 76 05



Jacques Landriot

is General Secretary of the CGSCOP (Confédération générale des sociétés coopératives et participatives).

At the ESEC he is a member of the Section for the Environment where he represents the Cooperation Group.

Contact:

jacques.landriot@lecese.fr
01 44 43 64 16

THE ESEC'S RECOMMENDATIONS

The ESEC issues the following recommendations with regard to the Government's proposed amendments to the targets stipulated in the Energy Transition for Green Growth Act (LTECV):

1 - CARBON NEUTRALITY IN 2050

- The ESEC asks that the target outlined in the National Low-Carbon Strategy (SNBC) to bring down greenhouse gas emissions by 83% between 2015 and 2050 be clearly mentioned in the carbon neutrality article in order to clarify the Government's intentions.
- The mid-term emission reduction targets must also be strengthened to ensure that the corresponding efforts are not simply left to the younger generations and that the additional measures taken to achieve carbon neutrality are compatible with growth of industrial competitiveness and future industries.

2 - REDUCTION IN THE TARGET TO LOWER ENERGY CONSUMPTION BY 2030 TO 17%

- For the ESEC, the primary drivers behind the transition are energy restraint and efficiency. Accordingly, it recommends maintaining the 20% target for lowering total energy consumption by 2030.

3 - INCREASE IN THE TARGET TO LOWER FOSSIL FUEL CONSUMPTION BY 2030 TO 40%

- The ESEC advocates much more regular monitoring of the fossil fuel consumption target in the future and additional measures every year to bring efforts back on target where necessary.
- It calls on the Government to swiftly unveil an updated road map for the climate-energy contribution (carbon tax/CCE) following the Great National Debate, as this has the potential to play a key role in meeting the ambitious target to bring down fossil fuel consumption.
- In addition, a start must already be made on plans for coal-fired power plant closures or their changeover to carbon-free solutions. Support measures must also be financed that are likely to enable staff redeployment, provision must promptly be made for ecological transition contracts (CTE) associated with territorial projects on the basis of an extensive consultation process and similar support must also be lent to oil and petrochemicals business strands affected by this fall in consumption.
- Given the ecological impact of electric vehicles, the public authorities are urged to support the engine switchover through strong incentives to make more radical changes to travel tendencies and to develop public transport, active forms of mobility (cycling, walking), car sharing and pooling, teleworking, local community services and urban designs that require fewer short trips to be made.

4 - POSTPONEMENT OF THE TARGET TO LOWER THE NUCLEAR SHARE TO 50% FROM 2025 TO 2035

- A consensus could not be reached on this subject within the ESEC. Some groups think it is possible to postpone the target until 2030. Others back the provision pushing back the time scale to 2035. Yet others consider that the 50% target should be postponed beyond 2035.
- The ESEC nevertheless contends that this extension does nothing to settle the question of the future of this industry or of its future role in France's energy mix - and yet this continues to be a matter that urgently needs addressing for all stakeholders in the energy sector. This debate, which the ESEC will take up, should be settled during the current parliamentary term.
- It also maintains that the capacities in place should not end up hampering electricity demand control measures or driving down market prices at the risk of creating woes for production sectors across the board.

5 - SETUP OF A HIGH COUNCIL FOR THE CLIMATE

- Although Article 2 of the bill, providing for the creation of a High Council for the Climate attached to the Prime Minister, did not form part of the referral, the ESEC does not believe that setting up another body will alone be enough to resolve the significant hurdles to which it has already drawn attention with regard to governance of the energy transition. For the ESEC, the focus should be on improving coordination of existing bodies.