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CLIMATE-ENERGY: FRANCE MUST BUILD ITS CAPACITY

Opinion on the proposals for the National Low-Carbon Strategy and Multiannual Energy Programme

For several months now, millions of people across France and worldwide have been protesting against climate inaction. At the same time, the "yellow vest" movement is a reminder of just how tricky it still is to strike the right balance between energy transition and social justice. The proposals for the National Low-Carbon Strategy (SNBC) for 2019-2033 and the Multiannual Energy Programme (PPE) for 2019-2028 are being debated against this backdrop. These two road maps are expected to provide all stakeholders with a stable framework for investing extensively in the energy transition. On 20 February 2019, the ESEC already set out its views on the amendments to be made to the 2015 Energy Transition for Green Growth Act (LTECV) to bring it into line with the developments put forward by the Government.

France is still among the lowest greenhouse gas emitting nations, and yet it has not escaped the ESEC's attention that the country is well behind schedule as regards the first programme period from 2015-2018. That said, the new SNBC proposal is now aiming to achieve "carbon neutrality" by 2050 - a scaling-up of its targets that the ESEC wholeheartedly commends. But this will only be meaningful if efforts to build capacity to accelerate the energy transition begin in the next few years. On a number of points, however, not least bearing on the tertiary and housing renovation sectors,

the SNBC and PPE proposals are either too vague or do not go far enough. Support for the significant developments outlined for agriculture and forestry given the carbon neutrality goal has yet to be defined. In terms of power generation, there is still not enough emphasis on renewable heating and cooling - the future of the biogas sector is jeopardised by the scant development being considered, as well as that of offshore wind technology. On the other hand, the choices announced in terms of electricity generation could lead to significant excess capacity with negative consequences for all stakeholders; this is a risk that warrants more precise assessment in the European context.

Finally, the ESEC regrets that the new PPE proposal still does not contain the employment and skills programming plan (PPEC) stipulated by the LTECV. Neither is any solution forthcoming in the SNBC or PPE proposal to address the lack - already noted by the ESEC - of coordination of the various levels (State, regions, intermunicipal authorities for cooperation between local authorities/EPCI) in the governance of the energy transition. Most of all, with no updated road map for the climate-energy contribution (carbon tax/CCE), many aspects of this programme lack credibility on account of the decisive role played by carbon pricing in achieving the targets pledged.



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If France is going to achieve the ambitious national targets it has set itself in terms of climate and energy, the ESEC recommends:

UNLOCKING RESOURCES COMMENSURATE WITH THE ISSUES AT STAKE

- Implement a plan for renovating energy-inefficient buildings, backed up by sufficient means for ensuring there are none left by 2030
- Finally roll out the Public Service for Energy Efficiency of the Living Environment (SPPEH) nationwide
- Include the public nutritional guidelines and National Nutrition & Health Plan (PNNS) in the climate strategy
- Step up pressure to end the international maritime and air transport industry's exemption from carbon taxation at global level and at the very least at European level
- Increase the Heat Fund (support for renewable heating) to €400m a year from 2020
- Allocate sufficient budget support to the biogas sector to achieve at least the 10% target stipulated in the LTECV in 2030 and to the offshore wind sector to pave the way for an annual tender pace of 1 GW
- Negotiate joint local contracts backed up by sufficient means in areas most affected by the energy transition
- Earmark a third of the €15bn amount stipulated in the Big Investment Plan to training programmes geared towards the energy transition

DEFINING A CLEAR AND STABLE FRAMEWORK FOR ADVANCING THE ENERGY TRANSITION

- Promptly chart a new road map for the climate-energy contribution (carbon tax) and re-assess the macroeconomic and distributional effects of the programme outlined
- Channel a greater share of the revenue from the domestic tax on the consumption of energy products (TICPE) towards the most vulnerable and to local areas *via* a sustainable climate-energy appropriation for the regions and intermunicipal authorities for cooperation between local authorities (EPCIs)
- Exclude energy transition expenditure from the State-set rules for local authority expenditure trends
- Define an investment forecast for all of the sectors concerned by the energy transition and remove government spending invested in this transition from the calculation of government deficit
- Apply the tendering system only above the European limit of 500 kW
- Adapt the tendering and support procedures on a constant budget in a bid to better distribute the renewable sectors across the country and provide a springboard for local and grassroots projects
- Clarify the research priorities for the entire energy sector as well as the draft budgets allocated to the different sectors
- From 2020 establish an official Employment and Skills Programming Plan (PPEC) pursuant to the LTECV

REFORMING GOVERNANCE FOR MORE EFFECTIVE UPTAKE

- Explain and initiate public debate on the growth scenarios for gas and electricity generation and use
- Initiate public debate, via the National Public Debate Commission (CNDP), on the PPE and SNBC proposals and their regional versions embodied in the regional planning, sustainable development and equality schemes (SRADDET)s
- Harmonise State, regional and EPCI-led planning via a political process and ensure consistent oversight of its implementation
- Analyse the SNBC and PPE monitoring indicators for year N-1 within a time-limit enabling the adoption of corrective measures for year N+1
- Hold an annual conference in the region of each concession of energy distribution, bringing together the concession holder, the EPCIs, producers' representatives and transport network representatives
- Include the SNBC and PPE in programming legislation in the future.