

IEA DSM Task XX
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ADEME – French Environment and Energy Management Agency

Contribution of ADEME (France) to the IEA Demand Side Management Program, task XX

Bernard GINDROZ, PhD

Head of Sophia Antipolis Center

Director – Direction for Energy, Air and Noise

Chairman of the C&S European Forum for Energy Efficiency and Energy Management (SFEM)

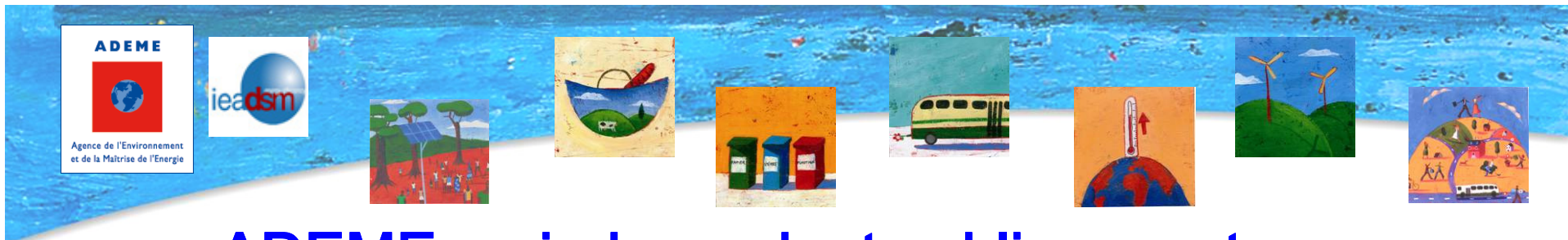
ADEME – Sophia Antipolis (France)

Phone 00.33.(0)4.93.95.79.40 - email : Bernard.gindroz@ademe.fr



Plan

- **ADEME Presentation**
- French Renewable Energies Policy: situation and prospects – Overlook
- Energy Efficiency – Legal framework & examples – Overlook
- The French heat fund an innovative support scheme
- The new French Demonstration Research fund
- From global to local or how to reinforce territories' strategies and actions - ADEME's contribution examples



ADEME an independent public expert ...

➤➤➤ Industrial and commercial public body

Placed under the joint supervision of the Ministries in charge of

- ✓ Ecology, Energy, Sustainable Development and Sea (MEEDDM)
- ✓ Ministry of Higher Education and Research (MESR)

➤➤➤ Mission

Encourage, supervise, stimulate, animate, coordinate, facilitate and perform operations aiming at the protection of environment and energy management

➤➤➤ more than **900 employees (360 engineers)**

➤➤➤ **3 central offices** (Angers, Paris and Valbonne)

➤➤➤ **26 regional branches**

➤➤➤ **3 representations in the French overseas territories**

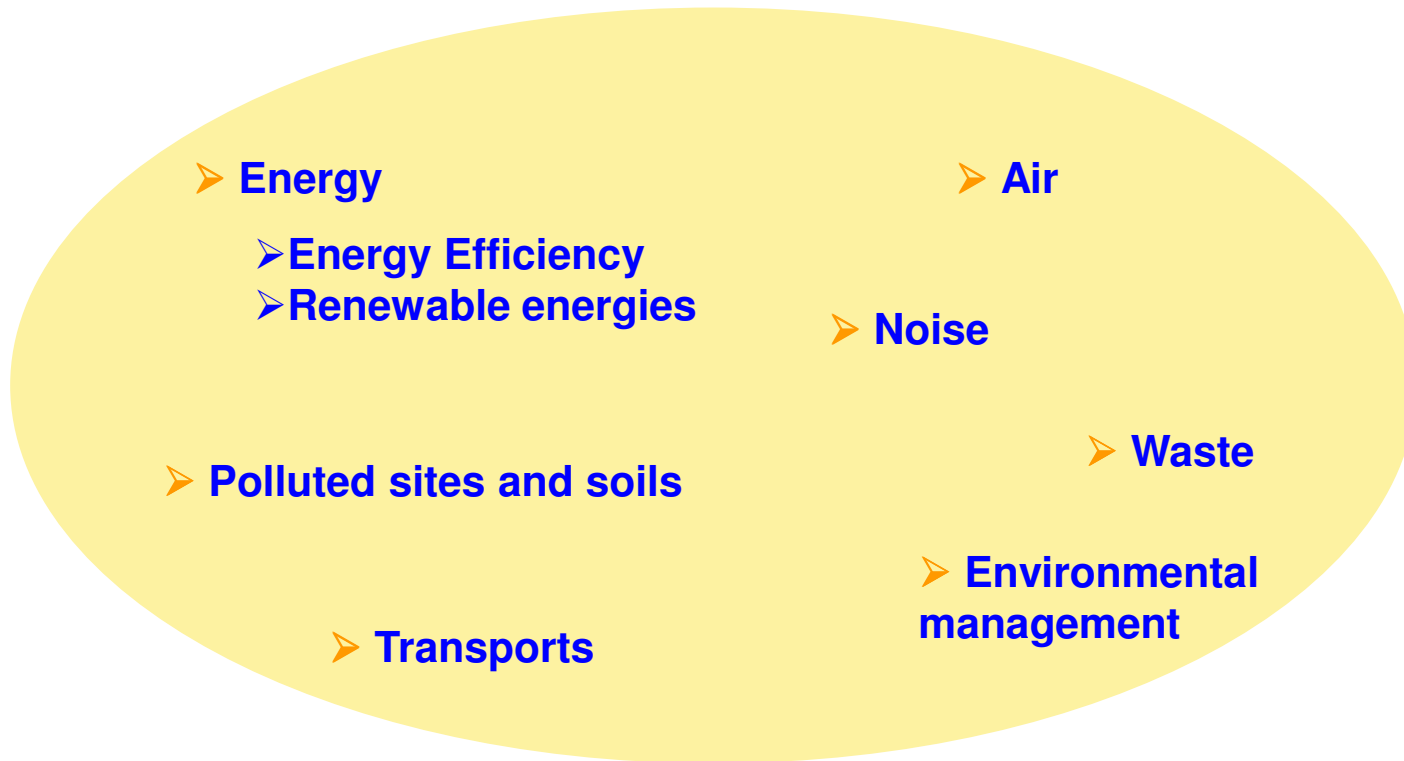
➤➤➤ **1 office in Brussels**

Budget

➤➤➤ **2009 budget 638 M€ (including 81 M€ as operating)**



ADEME areas of intervention



Covering most of the economic sectors: building, energy, industry, transport and agriculture

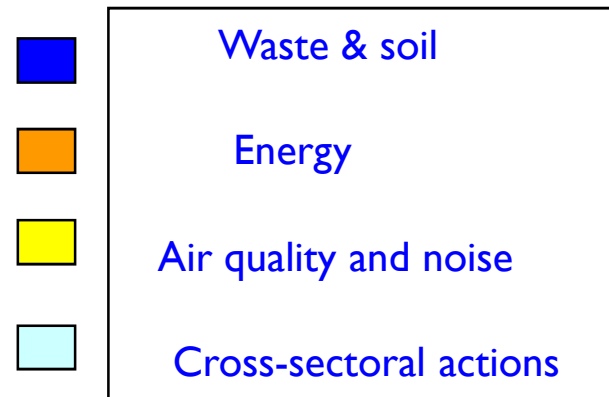
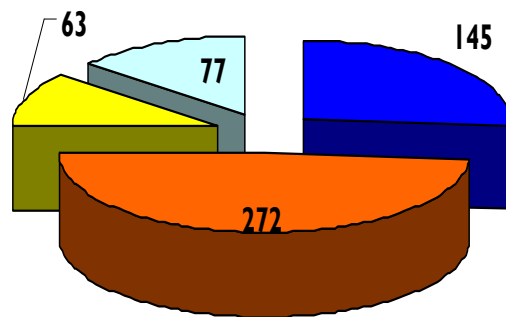


ADEME's 2009 Budget for actions*

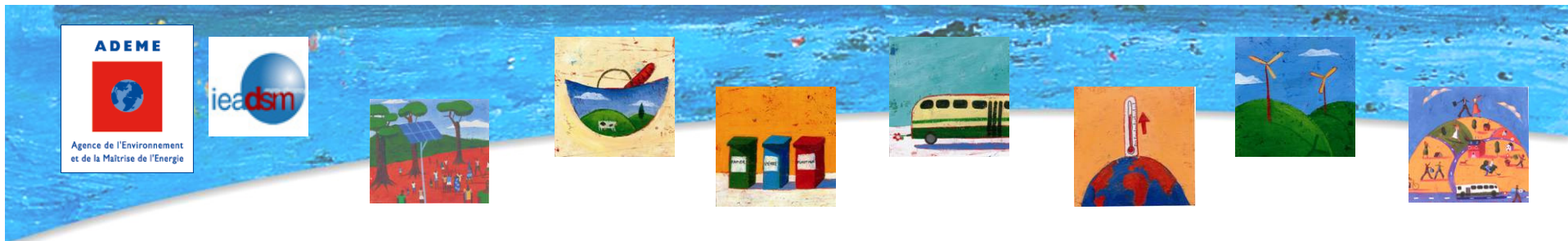
Total : 557 M€ in 2009 versus 249 M€ in 2008

Including :

- Grenelle measures (319 million €)
- Research (43 million €)
- « Heat fund » (154 million €)
- « Waste fund » (50 million €)
- 96 million € are combined with 115 million € from regional co-funding
- Demonstration fund on energy (150 million euros)



* Operating budget not included (87,7M€ en 2009)



A new charter agreement on objectives structuring relations between ADEME and the State

ADEME's expertise constitutes the Agency's prime resource

✓ **Acquire Knowledge**

By expanding the whole knowledge in terms of technology and innovation, and also covering industry branches and costs (studies, statistics, etc.)

✓ **Convince and mobilise**

Through communication, information, education and training

✓ **Advise**

By developing advisory services (for the French Government, local authorities, companies, households, etc.) disseminated directly or via relay structures

✓ **Help in decision-making and to achieve execution**

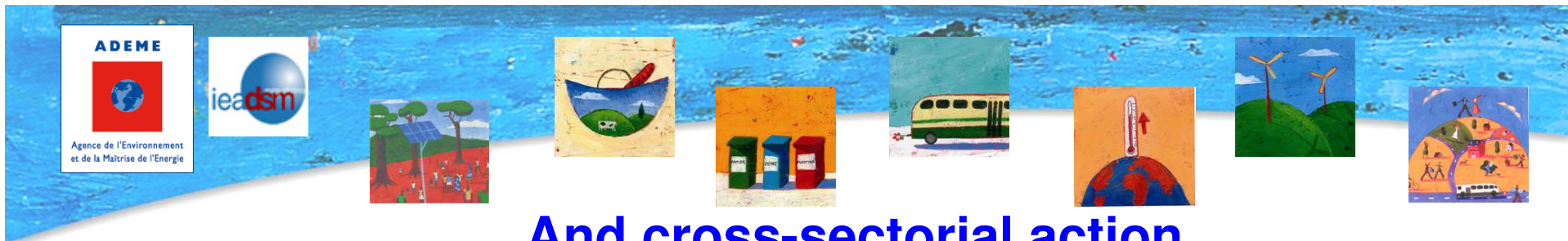
Through accompanying action and funding of exemplary projects (replicable)



For what concerns Energy ... Mobilise about action for energy savings at all levels

- ➤ ➤ **Energy efficiency**
 - ✓ Make existing buildings and new construction energy-efficient, and promote efficient energy use
 - ✓ Reduce energy consumption, greenhouse gases emission and vulnerability in relation to petroleum products in the transport sector
 - ✓ Improve energy efficiency in industrial and agricultural processes

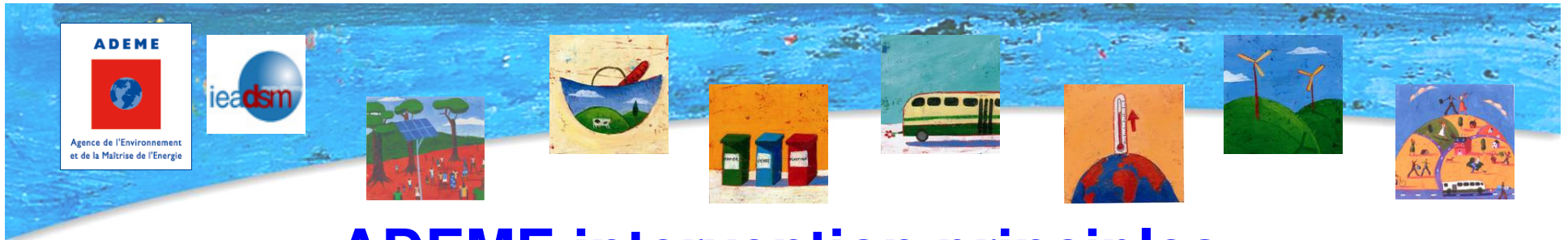
- ➤ ➤ **Renewable energy and raw materials**
 - ✓ Increase the rate of development for renewable heat (thermal renewable energy) and electricity (wind power, hydro power, geothermal energy and biomass)
 - ✓ Stimulate the use and development of bio resources



... And cross-sectorial action

Environmental design, consumption and management

- ➤ ➤ **Improve the green qualities of products through greater focus on environmental impacts since the design stage (eco-design)**
 - ✓ Take steps to get even more businesses to adopt eco-design approaches
 - ✓ Initiate and support the development of more environmentally friendly purchasing policies, targeting consumers and local authorities
- ➤ ➤ **Generalise environmental management approaches**
 - ✓ Achieve more widespread use of environmental management practices in companies, particularly SMEs
 - ✓ Develop environmentally friendly practices and environmental management in government administration and local authorities, by acting as a resource centre
- ➤ ➤ **Place environmental concerns at the core of urban planning, territorial development and infrastructure projects**
 - ✓ Act to achieve higher priority for environmental and energy issues in urban planning



ADEME intervention principles

- ➤ ➤ **Encourage research and technological innovation**
 - ➤ ➤ **Decision-making support to help decision**
 - ➤ ➤ **Support investment**
 - ➤ ➤ **Dissemination of best practices**
 - ➤ ➤ **Information and awareness**
 - ➤ ➤ **Favour a territorial approach**



ADEME's role in the « Grenelle de l'Environnement »

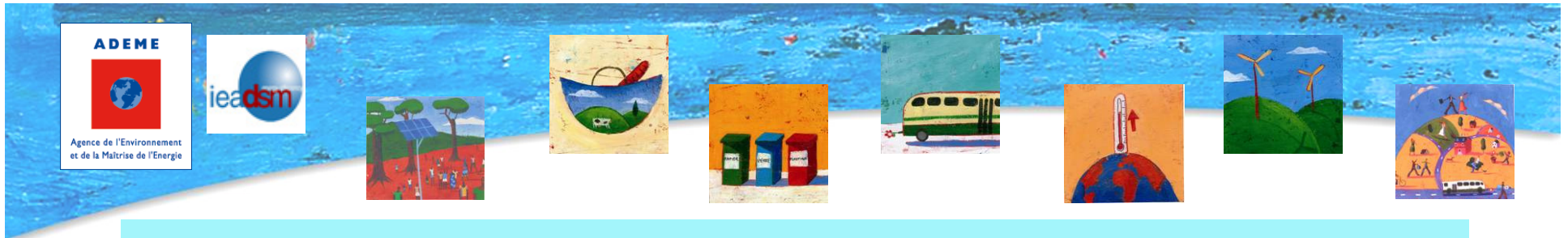
- Involvement in 2 of the 6 initial working groups and especially the one dedicated to climate change fight and energy management
- Participation to 21 of the 34 Operational Committees (COMOP - Comité Opérationnels) and especially the ones dedicated to renewable energies and refurbishment of existing buildings
- ADEME is contributing to 100 actions out of the 268 commitments

Signature of a new strategic objective contract in January 2009 between the French Government and ADEME for the 2009-2012 period



Main ADEME's « new » actions in the energy part of the Grenelle of Environment implementation

- Demonstration Research Fund on New Energy Technologies
- Renewable Heat Fund
- Contribution to the Grenelle Building Master Plan
- Diffusion of the Bilan Carbone® method
- Resources Centre for the Territorial Energy Climate Plans (Plans Energie-Climat territoriaux) – and National rep in the European Energy Award label.



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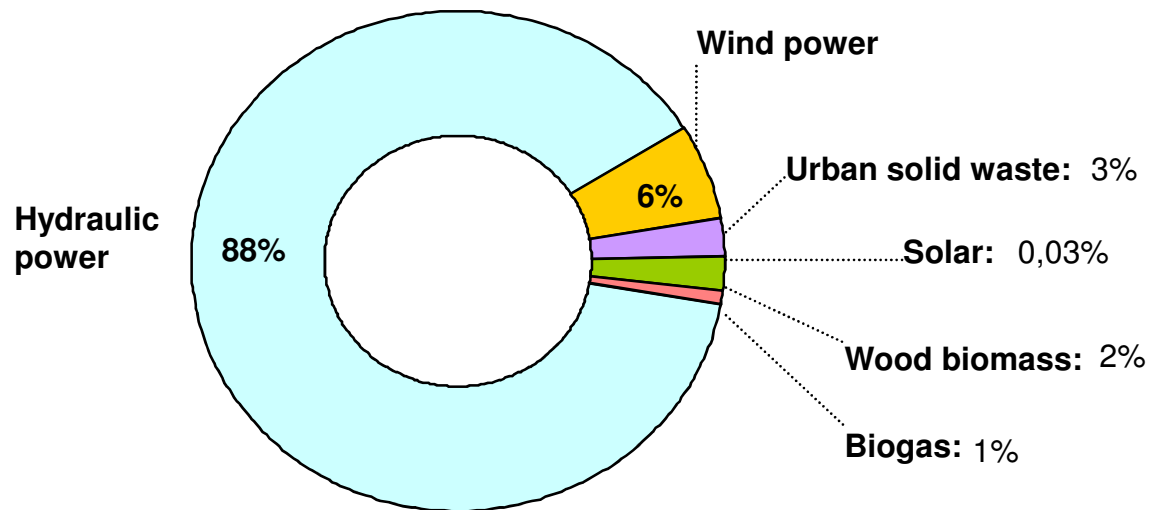


Renewable Energies - Legal framework

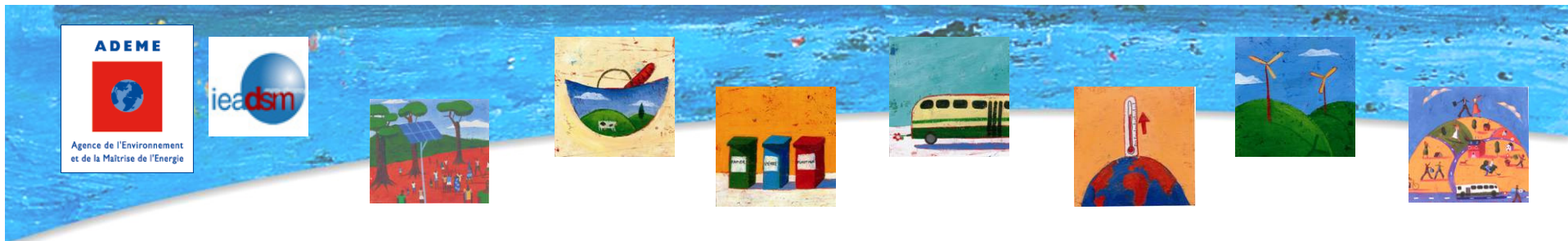
❖ The French “POPE” Law (2005-781 – 13th July 2005) to go forward on the French Factor 4 objective

4 key Objectives for renewables by 2010:

- 10 % of total primary energy consumption from RES → 6,9 % in 2007 (with climatic correction)
- 21 % of electricity consumption from renewable sources → 13 % in 2007
- + 50 % contribution from thermal renewables compared to 2004 → 10,9 Mtoe in 2007
- 7 % of bio fuels in transports → 3,5 % in 2007



Share 2007 of each resource in the electricity production from renewables – Source DGEMP 2008



Renewable Energies - Legal framework

- ❖ **European Summit** – 8th and 9th March 2007
- ❖ **European Commission “energy-climate package”** end of 2008



European Objective by 2020: reaching a 20 % share of renewable energies in the European energy mix (final energy)

French declination: reaching a 23 % share by 2020 → 11 % in 2007

Source: DGEMP 2008 - calculation with new European method

- ❖ **French “Grenelle de l’Environnement”** – started in 2007 and ongoing with expected laws

Objectives: a strong national strategy and action plan to reinforce France commitment toward sustainable development and “Factor 4”

(Energy efficiency’s objectives will be developed later in the presentation)

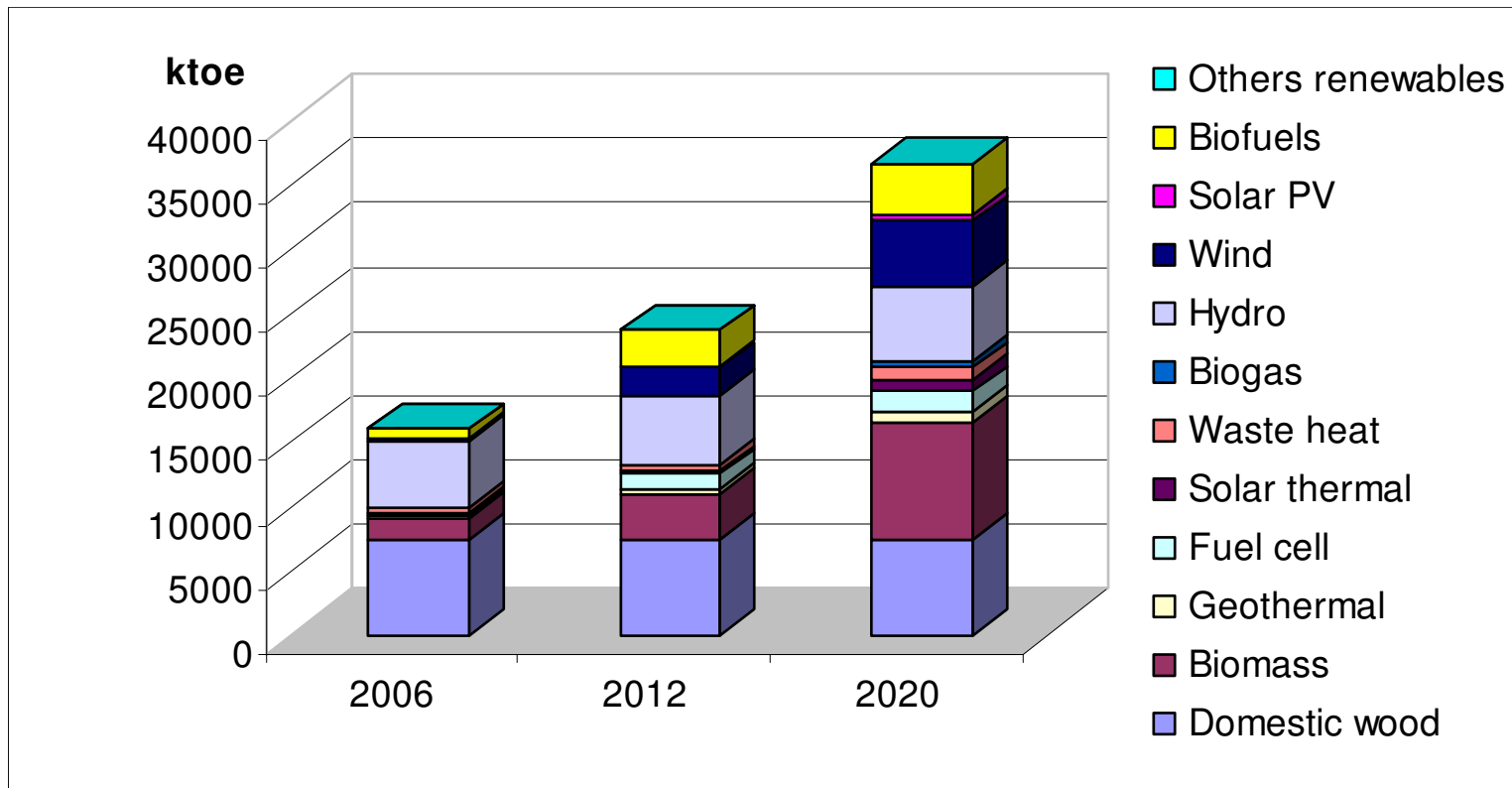
Renewable energies’ objectives:

- To increase renewables contribution: additional 20 Mtoe by 2020 (from 17 to 37 Mtoe)
- To foster R&D: Plus 1 G€ over 4 years → 1 € for nuclear = 1 € for « green technologies »



“Grenelle de l’Environnement” prospects

2020 French mix potential share: priority on Wind, Biomass and Bio fuels



Source: COMOP 10 (2008)



Renewable Energies – French incentives

Incentives to foster renewable energies:

- **Income tax credit:** 50 % (and up to 70 % in some overseas areas) for energy production equipment using RES and certain types of heat pumps
- **Feed in tariffs (nominal power < 12 MW)**
- **Call for tenders (nominal power > 12 MW)**
- **Public Subsidies**
- **Value added tax (VAT) reduction:** 5,5 % (instead of 19,6 %) for certain renewable integration cases



Legislative measures for renewable heat

- **Law Grenelle I:**
 - Launch of a dedicated «heat fund»
- **Law Grenelle II :**
 - Simplified classification of heat networks supplied by at least 50% RE
 - Enhanced connection obligation for new and refurbished buildings to classified networks
 - Concession extension for heat networks in case of RE investments
 - Lowering of RE threshold condition for heat suppliers to be eligible to VAT reduction



Legislative measures for renewable electricity

- **Budget law 2009:**
 - RE tax credit reform: 50% rate for solar photovoltaic installations maintained
 - Creation of a 0% eco-credit for renovation works in existing buildings (including RE investments) up to 30 000 euros
- **Law Grenelle II :**
 - Creation of regional RE development and RE network connection master plans
 - Enhanced regulatory framework for onshore wind
 - Simplification of offshore wind and marine energy regulatory framework
 - Total tax exemption for small solar photovoltaic power producers
 - Adaptation of building code to favour RE integration
 - Extension of feed-in tariff system to local authorities



Other measures of the National Plan

- Pluriannual Investment Planning, including RES :
 - Electricity, gas, heat
- Biomass :
 - Launch of « Biomass III » tender procedure in January 2009 for biomass power plants
- Solar photovoltaic :
 - Launch of tender for large-scale PV free field farms in each French region
 - Adaptation of feed-in tariff system and creation of a new intermediary tariff
 - Drastic simplification of procedures for PV installations on rooftop



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