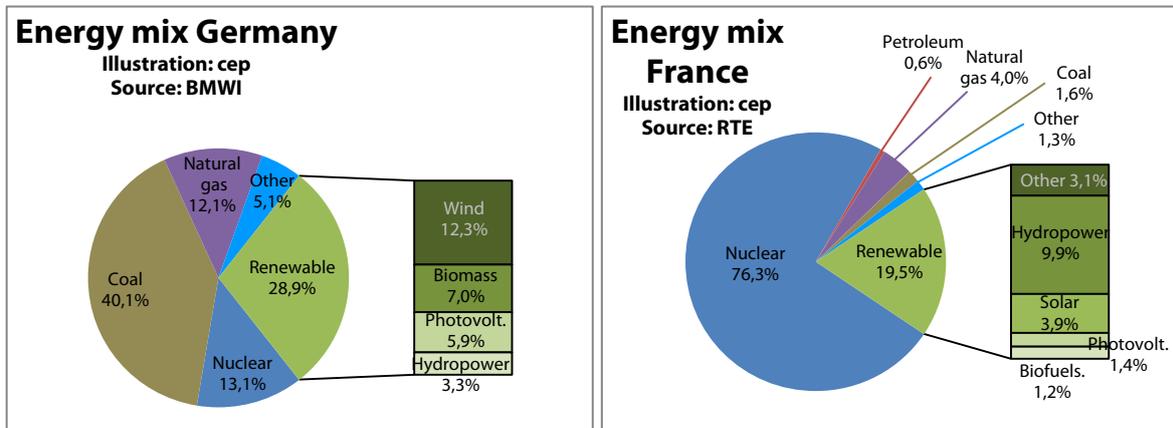


Franco-German Perspective

The EU Commission's Proposal COM(2016) 767 of 30 November 2016 for a recast of the Renewable Energy Directive (2009/28/EC) is the subject of heated debate in both Germany and France against a backdrop of two different energy-policy structures.

Gross electricity production

Energy transition
France:

- Emissions reduction over the whole energy system
- Energy Transition Act of 2015: 32% renewables share in final energy consumption by 2030
- Reduction in nuclear energy to 50% by 2025

Germany:

- Nuclear phase-out by 2022 and decarbonisation
- Renewables share of 55% to 60% by 2035
- 46% of renewables projects to be "citizen-owned"
- Proportion of tenders to be available Europe-wide (5% of annual additional capacity)

Electricity market

There are currently power lines between France and Germany with a capacity of 3 GW.

France:

- EDF (Électricité de France), an 85% state-owned company, dominates the market with an 86% share of electricity production and 80% of installed capacity.
- Electricity price [for private households](#): 16 Cent/kWh
- Electric heating exacerbates the risk of a power shortage in winter
- Ageing nuclear plants in need of costly overhauls

Germany:

- 4 major companies (E.ON, RWE, EnBW, Vattenfall), who dominate the traditional fossil-based electricity market.
- Electricity price [for private households](#): 30 Cent/kWh

Transport
France:

- Currently a pioneer in electric cars, number to be increased to 2.4 million by 2030
- 7 million new charging stations by 2030

Germany:

- Increase in electric vehicles to 1 million by 2020 and 6 million by 2030
- Final energy consumption to fall by 10% by 2020 and 40% by 2050 as compared with 2005 level

Heating and cooling
France:

- After several years of energy programme planning by 2023 the installed capacity of renewables is to increase by more than 50% (19 Mtoe) and the volume of heating and cooling supplied by way of networks is to increase by 1.9-2.3 Mtoe
- Energy consumption of buildings is to be reduced by 38% by 2020
- Obligation to renovate private residential buildings that consume more than 330 kWh per square metre and year

Germany:

- Under the law on renewable energy for heating (EEWärmeG) the renewables share in final energy consumption is to increase to 14 percent by 2020.
- Energy consumption of buildings is to be reduced by 80% by 2050

Positions in Germany and France

		
“Governance System” instead of binding renewables development targets for the Member States	Federal Government: There is a lack of concrete framework guidelines for the national support schemes.	Environmental NGOs (WWF etc.): “Governance System” is unclear and ineffective; there should be binding targets for Member States.
Opening up of national renewables support instruments to other Member States	The Renewable Energy Act (EEG) 2017 provides for cross-border tendering procedures based on the principle of reciprocity, either by way of reciprocal or joint tendering procedures. A sliding market premium is to be paid. Electricity must be “physically” imported to Germany.	Article L311-10 of the Code de l’énergie allows tendering procedures which are expressly intended for plants in other Member States. However, by comparison with the approval procedure, tendering procedures are the exception rather than the rule. They are only permitted when the internal national production targets set down in the PPE are wrong.
Limited priority feed-in for renewables	Environmental NGOs: The restriction jeopardises the successes achieved so far in the energy transition. If renewables produce enough electricity, coal-fired power plants should be shut down rather than the other way round. The priority feed-in is important in order to compensate for the continuing competitive disadvantages for renewables.	Environmental NGOs: Priority feed-in must not be abolished. Power plants are less easy to control and to take off the grid than renewables in the event of overproduction. Trade Union (CFE Énergies): The same access for all energy producers is welcome and promotes the security of the European electricity network
Alternative energy sources in the transport sector and restriction on conventional biofuels	OIDV (German association of the oil-seed processing industry): Negative consequences for agriculture and climate protection because the cultivation of biofuels promotes soil quality and covers 35% of the demand for high-protein feedstuffs. Section 37a Federal Emission Control Act (BImSchG): Greenhouse gas reduction quotas for companies in the oil sector (by 4% 2017-2019 and by 6% as from 2020)	Biofuel sector: Rejection due to the risk to jobs. Environmental NGOs: Conventional biofuels must be completely phased out by 2030. There is a lack of regulations to reduce CO2 emissions from cars.
Deployment of cross-border electricity lines	Existing cross-border power lines currently have a capacity of 3 GW. A pilot project for a Franco-German smart grid distribution network with a capacity of 10-20 kV is being planned by the German Energy Agency. The first draft - not yet confirmed by the Federal Network Agency - of the network development plan 2017-2030 contains two network development projects between Germany and France. With regard to Germany/France, the EU plan for common interest energy projects currently only provides for the possibility of a reverse-flow gas link.	PPE: Increased development of the cross-border network ¹ will save costs when it comes to the development/construction of national power lines. It involves, inter alia, projects with Italy, UK, Spain and Ireland. In addition, neighbouring countries will also be able to actively participate on the French “capacity market” as from 2019 i.e. will be able to acquire capacity allowances. Until now, capacity in neighbouring countries has only been taken into account indirectly when determining the security of supply in France.

¹ The development should be compatible with the European TYNDP (Ten-Year Network Development Plan).