



## Country profile –France

Country: France												
Support schemes	Electricity and heat production			Consumption				Transport		Supply and others		
	RES	Fossil	Nuclear	RES	Fossil	Electricity	Heat	Biofuels	Fossil	RES	Fossil	El./heat
<b>1. Direct subsidies</b>												
Direct on-budget subsidies	7, 4						6				26	
Feed-in tariffs	2											
Feed-in premiums												
Adjustment Aids												
Inherited liabilities												
Induced transfers												
Others							5					
<b>2. Fiscal measures</b>												
Energy Tax Allowance												
Energy Tax Exemptions		28			30, 25, 22, 21, 20, 14, 13, 12, 11, 10	14			29, 27, 24, 19, 18			
Other Tax Deductions	8, 3											
Earmarked refunds of taxes					23				17, 16, 15			
<b>3. Transfer of risk to government</b>												
Adjustment Aids												
Inherited liabilities												
Others												
<b>4. Other financial measures</b>												
Adjustment Aids												
Other Tax Deductions												
Others												
<b>5. Non-fiscal measures</b>												
Quota obligations								9				
Priority Grid Access	1											
Others												

No.	Datasource	Description
1	RES-LEGAL	In France, public distribution of heat is a competence of the local or regional authorities. In order to promote the use of renewable energies, local authorities are entitled to classify heating networks located in their area, provided they are supplied with at least 50% of heat from renewable energy sources. New and renovated buildings located within a classified area are obliged to be connected to the heating network. The procedure of grid connection is at the same time also the procedure for grid development, since the construction of a plant must occur simultaneously with the construction (development) of the district heating grid.
2	RES-LEGAL	Feed-in tariff (Tarif d'achat) - In France, electricity from renewable sources is promoted through a price regulation system based on a feed-in tariff. EDF and distribution grid operators are obligated to conclude agreements on the purchase of and payment for electricity, at a price fixed by an order, with the operators of plants that generate electricity from renewable energy sources ("obligation to conclude agreements", art. L. 314-1 of code de l'énergie). Two options are offered to benefit from this purchase obligation: either through a « single window » accessible to all, or through calls for tenders (especially regarding photovoltaic installations over 100 KWp or offshore wind farms). The upcoming law on energy transition "Loi sur la transition énergétique pour la croissance verte" will provide for the possibility of opening this system to other providers. This act will also introduce a principle of feed-in-premium. It is still being discussed at the Parliament. The conditions and requirements for the purchase of the electricity are defined for each kind of renewable source (cf. annex).

3	RES-LEGAL	<p>Tax regulation mechanisms I (Crédit d'impôt) - In 2001, the tax credit was extended to include renewable energy sources. Accordingly, natural persons may deduce from income tax a certain percentage of investments in renewable energy plants. Art. 18 bis of Annex IV of the Code Général des Impôts lists all eligible plants and specifies technical and performance requirements. Further provisions regarding the implementation of the tax credit are laid down in Instruction fiscale 5 B-26-05 N° 147, Instruction fiscale 5 B-17-07 N° 88, Instruction fiscale 5 B-10-09 N° 38, Instruction fiscale 5 B-20-10 N° 77 and Instruction fiscale 5 B-22-09 N° 65. The crédit d'impôt for renewable energy plants will apply until the end of 2012 (art. 200 quater, Code Général des Impôts, referred to and specified in Instruction fiscale 5 B-22-09 N° 65). However, it is extended until 2015 for installations carried out in buildings completed since more than two years (Art. 200 quater, Code Général des Impôts).</p>
4	RES-LEGAL	<p>Tenders (Appels d'offres) - A feed-in-tariff may be awarded to the winners of tenders for the construction of renewable energy plants. The ministry responsible for energy invites tenders at some intervals to reach the target production of electricity from renewable sources, which is specified in the multi-annual investment programme (Programmation Pluriannuelle des Investissements PPI), (art. L. 311-10 of code de l'énergie ). The calls for tenders are published in the official gazette of the European Union. You can find information on current tenders on the website of the French regulatory authority: <a href="http://www.cre.fr/documents/appels-d-offres">www.cre.fr/documents/appels-d-offres</a>.</p>
5	RES-LEGAL	<p>Loan (Éco-prêt à taux zéro) - The zero percent-interest loan for housing renovation was introduced by the Finance Act of 2009 within the frame of the Environment Grenelle initiative. It allows the financing of work aiming at improving the energy performance of the housing without paying a cash advance and without paying interests. One of the conditions in order to benefit from the loan is to carry out a bunch of works, consisting of at least two actions including the installation of a heating plant or of a sanitary hot water system using renewable energies (Art. 244 quater U, §2, CGI). Only one loan can be granted per housing unit. Moreover, the housing unit shall be a main residence built before 1990 (Art. 244 quater U, §1, CGI).</p>
6	RES-LEGAL	<p>Subsidy (Aide "Habiter mieux") - The French government has introduced a national programme to support modest households in the thermal renovation of their buildings in order to decrease energy losses, called "habiter mieux". The National Agency for Housing (ANAH - Agence Nationale pour l'Habitat) is in charge of the implementation of the support programme. This subsidy is given in form of a lump sum, which can only be granted in addition to a subsidy of the National Agency for Housing, provided the renovation works improve the energetic performance of the housing unit by at least 25% (compared to the conventional energy consumption) (Annex, Décret n° 2012-447). Moreover, the district where the housing unit is located shall be signatory of a local commitment agreement against fuel poverty (Annex, Décret n° 2012-447). The subsidies of the National Agency for Housing can be allocated under certain conditions, including:</p> <ul style="list-style-type: none"> <li>- The housing unit has to be completed since at least 15 years</li> <li>- The construction or renovation works shall amount at least to € 1,500</li> <li>- The work shall be undertaken by professionals</li> </ul>
7	RES-LEGAL	<p>Subsidy (Fonds Chaleur) - The French government introduced in 2008 a heat fund (Fonds Chaleur) in order to support the production of heat</p>

through renewable energy plants. This support system was endowed with a budget of € 1.2 billion for the period between 2009 and 2013 (Art. 19 §4, Loi n° 2009-967). The administration of the heat fund was delegated to the Environment and Energy Management Agency (ADEME- Agence de l'Environnement et de la Maitrise de l'Énergie). The budget of the heat fund is divided into two subvention types: on the one hand, a national call for tenders, which is published yearly for large biomass plants, on the other hand the support of other renewable energy projects is administered on a regional level by the regional agencies of the ADEME.

The call for tender 2012 was closed on 01.02.2012. Please refer to the website of the ADEME for more information concerning the call for the tender 2013 under [www2.ademe.fr](http://www2.ademe.fr).

8	RES-LEGAL	Tax regulation mechanisms III (declining or exceptional depreciation) - The equipment for the production of energy from renewable energy sources, purchased or made before 1 January 2011 can benefit from a declining or an exceptional depreciation (art. 39 AA and 39 AB, CGI). These fiscal measures allow amortising the renewable energy installations within less time than normally. Article 2, Annex IV of the Tax Code describes the list of the eligible installations.
9	RES-LEGAL	Biofuel quota (reduction of the tax on polluting activities (réduction de la taxe générale sur les activités polluantes)) - The national biofuels development plan (plan national de développement des biocarburants) has set a target of 10% of biofuels in the total fossil fuels production by 2015 (Art.4, Loi n° 2005-781). In order to reach this target, the quota of biofuels to be blended within conventional fuels is defined for each fuel type. In case companies releasing fuel for consumption do not respect the biofuels quota, they are submitted to a higher rate of the tax on polluting activities (TGAP) (Art. 266 quindecies, Code des Douanes).
10	OECDTADFFSS	Excise-Tax Exemption for Biomass Producers. This measure is fairly small and exempts some biomass producers (e.g. producers of alfalfa) from paying the regular excise tax on coal products, which are sometimes used for dehydrating biomass. Eligible biomass producers are those for whom energy purchases represent at least 3% of their annual revenues.
11	OECDTADFFSS	Excise-Tax Exemption for Refiners. The petroleum products and natural gas used by refiners as process-energy (i.e. not as feedstock) are exempted from the excise tax that is normally levied on most sales of such products in France.
12	OECDTADFFSS	Reduced Rate of Excise for LPG
13	OECDTADFFSS	Reduced Rate of Excise for biomass.
14	OECDTADFFSS	Reduced VAT rate for fixed components of contracts.
15	OECDTADFFSS	Reduced Rate of Excise for Taxi Drivers. The concession takes the form of an annual, capped refund based on the amounts of fuel effectively consumed.
16	OECDTADFFSS	Refund for Diesel Used in Road Transport. The excise tax levied on diesel fuel used in road freight vehicles weighing at least 7.5 tonnes is, under this tax provision, partly refunded to targeted users. This concession was introduced in 1999 and is meant to support France's road freight sector.
17	OECDTADFFSS	Refund for Diesel Used in Public Transportation. This measure gives certain providers of public road transportation a partial refund of the excise tax that is normally levied on most sales of diesel fuel in France.
18	OECDTADFFSS	Reduced Rate for Gasoline in Corsica.
19	OECDTADFFSS	VAT Reduction for Petroleum Products in Corsica. A reduced rate of

		VAT (13%) applies to petroleum products consumed in Corsica, whereas most other goods and services remain subject to the standard continental rate of 19.6%.
20	OECDTADFFSS	Excise-Tax Exemption for Cogeneration. This measure exempts both mineral oils and natural gas burnt for the purpose of co-generation from the excise tax that is normally levied on fuel consumption in France.
21	OECDTADFFSS	Overseas VAT Exemption for Petroleum Products. Petroleum products consumed in certain French overseas departments (Guadeloupe, French Guyana, Martinique, and La Réunion) have been exempted since 1951 from the VAT that is normally levied on most sales of such products.
22	OECDTADFFSS	Reduced Rate for Fuel Oil Used as Diesel Fuel. There is now a specific off-road diesel fuel that must be used in lieu of heating oil. This off-road diesel fuel attracts a reduced rate of fuel tax. It is used in the farming and construction sectors.
23	OECDTADFFSS	Refund for Fuel Oil Used in Agriculture. Farmers have been attracting since 2004 partial refunds of the excise tax that is normally levied on most sales of fuel oil in France. This adds to the fact that fuel oil is often used as diesel fuel in agriculture, and that, as such, farmers already benefit from a lower rate of excise tax than would otherwise be the case (see “Reduced Rate for Fuel Oil Used as Diesel Fuel” above).
24	OECDTADFFSS	Excise-Tax Exemption for Fluvial Navigation. This measure was introduced in 2011 to exempt the transportation of freight on internal waterways from the excise tax that is normally levied on most purchases of petroleum products in France.
25	OECDTADFFSS	Reduced Rate for Stationary Engines. Users of certain machines that are equipped with diesel-fired stationary engines are not subject to the regular excise tax on diesel fuel. The sectors most concerned by this measure are agriculture and construction.
26	OECDTADFFSS	Aid to Gas Stations. This programme provides certain gas stations in remote areas with annual subsidies aimed at upgrading infrastructure and helping small, declining businesses.
27	OECDTADFFSS	Excise-Tax Exemption for Certain Boats. The boats concerned by the exemption are those that are engaged in maritime navigation (including fishing) while not being used for private, leisure purposes.
28	OECDTADFFSS	Excise-Tax Exemption for Natural-Gas Producers. Natural-gas extraction and production activities in France are exempted from paying any excise tax on the energy products they use as process energy (i.e. not as feedstock).
29	OECDTADFFSS	Reduced Rate for Natural Gas Used as Fuel. A 100% reduction in the rate of excise tax applies to natural gas when used as a transport fuel. Budget documents indicate that the concession was introduced in 2007.
30	OECDTADFFSS	Excise-Tax Exemption for Households. This measure exempts households from the excise tax that is normally levied on purchases of natural gas in France.

## Annex : examples of feed-in tariffs in France associated with measure no. 2

Sector	Date of the act	Duration of the contracts	Example of feed-in-tariffs for installations put into service at the date of the act
Hydraulic	<a href="#">1<sup>st</sup> March 2007</a>	20 years	- <b>6.07 c€/kWh</b> + premium between <b>0.5 and 2.5 c€/kWh</b> for small installations + premium between <b>0 and 1.68 c€/kWh</b> in winter depending on the regularity of the production - <b>15 c€/kWh</b> for marine hydraulic energy (wave energy, tidal dams or marine turbines)
Hydraulic (renovation)	<a href="#">14<sup>th</sup> March 2011</a>	20 years	A renovated installation is considered put into service for the first time and therefore can benefit from the tariffs above, provided that the accumulated investments satisfy the following conditions : <b>1,000 €/installed kW</b> for installations over 300 kW, <b>800 €/installed kW</b> for installations under 100 kW. Intermediate values are obtained by linear interpolation.
Geothermal	<a href="#">23<sup>rd</sup> July 2010</a>	15 years	- Metropolitan France: <b>20 c€/kWh</b> + energy efficiency premium between <b>0 and 8 c€/kWh</b> - Ultramarine: <b>13 c€/kWh</b> + energy efficiency premium between <b>0 and 3 c€/kWh</b> .
Wind energy	<a href="#">17<sup>th</sup> June 2014</a>	15 years (terrestrial)	- Terrestrial: <b>8.2 c€/kWh</b> during 10 years, then between <b>2.8 and 8.2 c€/kWh</b> during 5 years depending on the considered sites.
Terrestrial wind energy where a cyclonic risk exists	<a href="#">8<sup>th</sup> March 2013</a>	15 years	- <b>23 c€/kWh</b> during 10 years then between <b>5 and 23 c€/kWh</b> during 5 years depending on the considered sites. This measure targets some ultramarine departments and territories only.
Photovoltaic	<a href="#">4<sup>th</sup> March 2011 (modified)</a>	20 years	Tariffs in force T1 2013: - installations <b>integrated to buildings: 31.59c€/kWh</b> - simplified installations <b>integrated to buildings: 18.17 or 17.27 c€/kWh</b> depending on the power class - other installations: <b>8.18 c€/kWh</b> .
Cogeneration	<a href="#">31<sup>st</sup> July 2001</a>	12 years	- <b>6.1 to 9.15 c€/kWh</b> depending on the gas prices, the running time and the power class.
Household waste (excl. biogas)	<a href="#">2<sup>nd</sup> October 2001</a>	15 years	- <b>4.5 to 5 c€/kWh</b> + energy efficiency premium between entre 0 and 0.3 c€/kWh.
Cogeneration and household waste (excl. biogas) (renovation)	<a href="#">14<sup>th</sup> December 2006</a>	12 or 15 years	A renovated installation is considered put into service for the first time and therefore can benefit from the tariffs above, provided that the accumulated investments reach at least 350 €/kW installed at the beginning of the renovation period for cogeneration installations and 720€/kW installed at the beginning of the renovation period for installations using household waste.
Combustion of plant or animal biomass	<a href="#">27<sup>th</sup> January 2011</a>	20 years	- <b>4.34 c€/kWh</b> + optional premium between <b>7.71 and 12.53 c€/kWh</b> depending on power class, type of resources used, and energy efficiency. The level of the premium depends on the latter.

<b>Combustion of sugar cane biomass in ultramarine territories</b>	<a href="#">20<sup>th</sup> November 2009</a>	25 years	- New installations: <b>17 c€/kWh for an installed power up to 10 MW</b> , tariff calculated by linear interpolation between 10 and 30 MW installed, <b>15.5 c€/kWh</b> for an installed power over 30 MW.
<b>Biogas (from landfill sites)</b>	<a href="#">19<sup>th</sup> May 2011 (modified)</a>	15 years	- Between <b>8.121 and 9.745 c€/kWh</b> depending on the power, + optional energy efficiency premium between <b>0 and 4 c€/kWh</b> .
<b>Methanisation</b>	<a href="#">19<sup>th</sup> May 2011 (modified)</a>	15 years	- <b>Between 11.19 and 13.37 c€/kWh depending on the power</b> , + optional energy efficiency premium between <b>0 and 4 c€/kWh</b> + premium for using livestock manure between <b>0 and 2.6 c€/kWh</b> .
<b>Other installations with a power below 36kVA</b>	<a href="#">13<sup>th</sup> March 2002</a>	15 years	- <b>7.87 to 9.60 c€/kWh</b> , corresponding to the EDF tariff « <b>tarif bleu</b> » for residential customers