

Insights into the French Energy Saving Certificate scheme



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Why an EEO scheme?

- ❑ Need to trigger / massify energy savings among *small energy consumers* (households, small tertiary buildings, light industry, ...)
- ❑ Public authorities *not able to reach these consumers*, individually
- ❑ *All consumers*, no matter their size or location, *are energy customers*
 - ⇒ *Regular contacts between customers and their energy suppliers*
 - ⇒ *Long term, special relationship (before market liberalization)*
- ❑ Energy suppliers:
 - ⇒ *legitimate to talk about energy consumption*
 - ⇒ *directly concerned by the ESCO market development*

How did we start?

- ❑ Looked at what was going on in other countries (UK, IT, ...)
- ❑ Gathered the main stakeholders and involved them in the creation process
- ❑ Took a 2 year consultation process to agree on the scheme rules

Main objective: Achieve *final* energy savings in sectors of dispersed activity

Target group: All small energy consumers
from all end-use sectors

Households, local authorities,
enterprises

Principle:

Energy saving obligation set on energy suppliers (electricity, gas, heating fuel, district heating and cooling) and distributors of automotive fuels

- in proportion of their sales
- for a 3 year period

An obligation accounted for in “kWh cumac”:

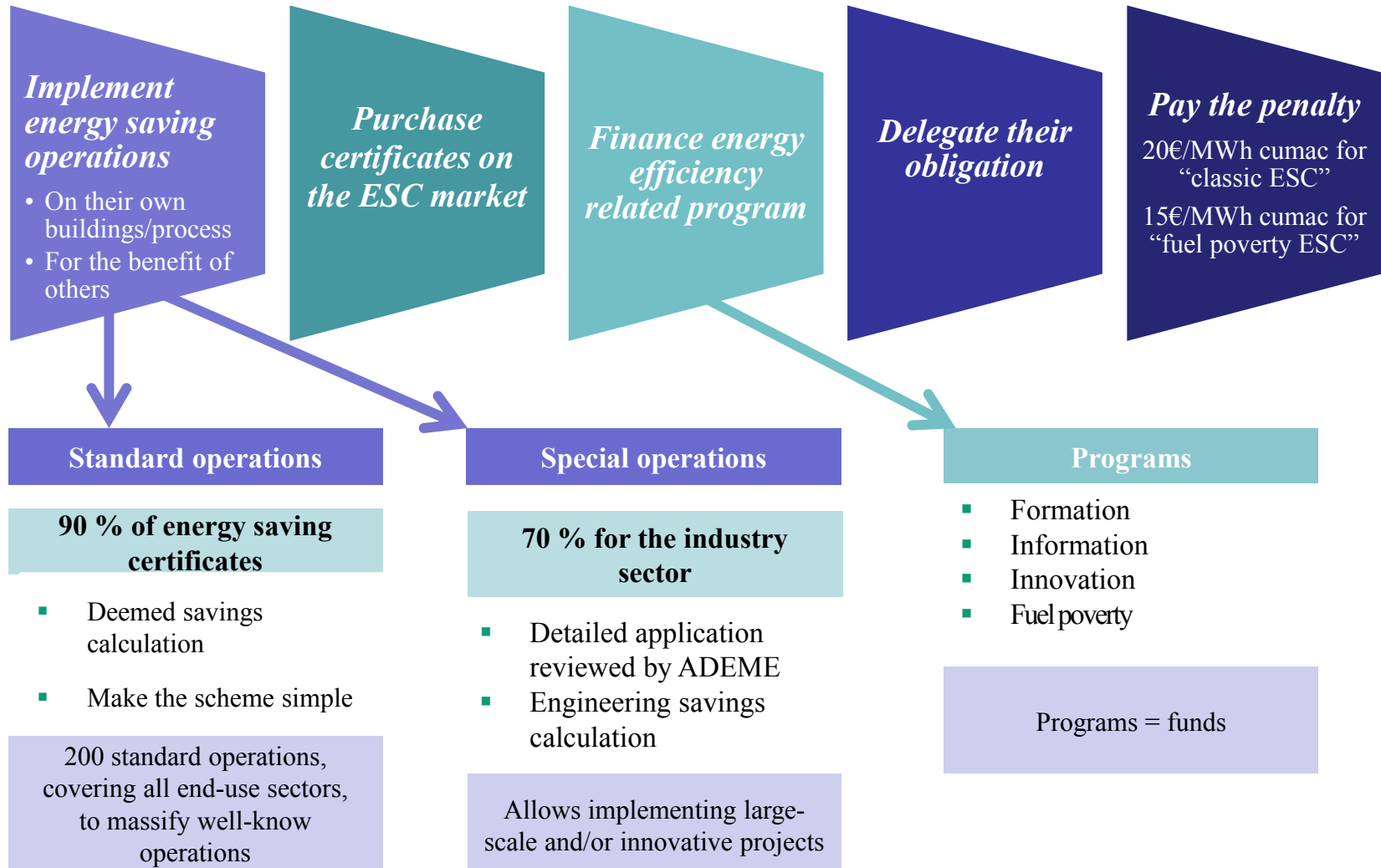
1 Certificate = 1 kWh cumac

- Energy obligations & savings calculated in final energy
- Cumulated over the (real) lifetime of the operation and discounted at a 4% rate

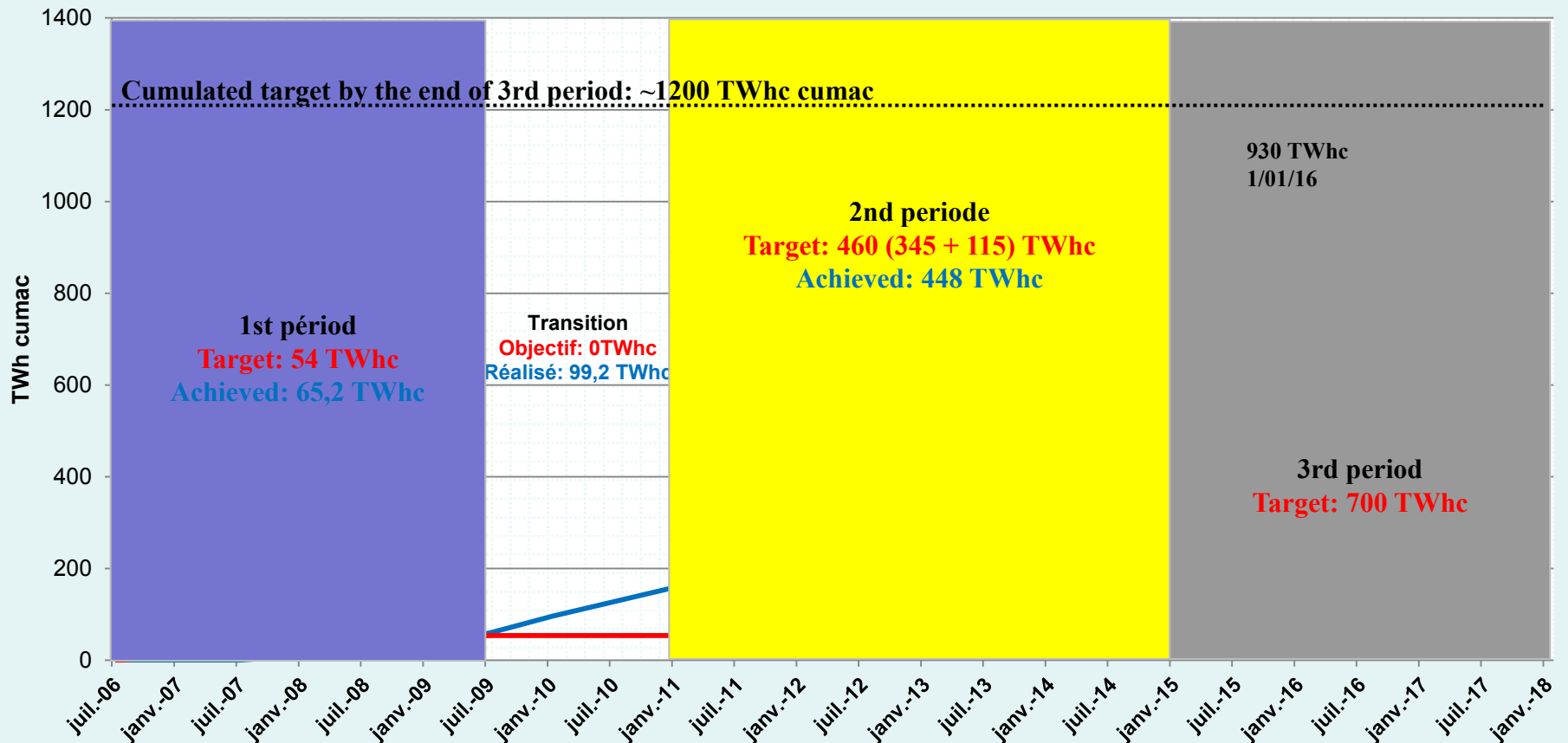
Eligibles parties: Entities without obligation that can receive certificates for energy saving operations.

⇒ Creating the conditions for a certificate market

➤ Several choices for energy suppliers to comply with their obligation:



Targets and achievements of the French EEO



III. Strengths of the scheme

- ❑ Large *catalog of official standardized energy saving measures*
 - ⇒ *has proven easy to implement and cost-efficient, while emphasizing the best practices*

- ❑ **Flexibilities:** obligation transfer, eligible parties and tradable certificates, bankable certificates, freedom left to obligated parties to reach their objectives in any end-use sector, for any consumers, on any energy vector (fungibility)...
 - ⇒ *allow for different strategies to minimize cost while maximizing benefits*

- ❑ **Open governance**, involving all stakeholders
 - *2 committee meetings per year*
 - *Large consultation before every new period*
 - *Standard operation catalog elaborated/revised with all relevant stakeholders*

- ❑ A **regulatory framework** both:
 - Robust: to ensure material savings and to prevent frauds
 - Flexible:
 - ⇒ *To adapt to changing European and national context, priorities, policies...*
 - ⇒ *To adapt to new technologies, increasing baselines*

Possibility to make rules change... when needed, and at least periodically!

❑ **Managing an ambitious scheme**

- ⇒ Ensure proper human resources to manage the scheme
- ⇒ Limit the number of obligated/eligible parties, introduce minimum size for applications for certificates
- ⇒ Create a scheme easy to manage: standardized procedures, dematerialized applications, ex-post control and high sanctions

❑ **Ensure a transparent, efficient certificate market, with limited volatility**

❑ **Ensure quality works to actually deliver savings**

❑ **Properly assess the impact of the scheme... to make it more efficient**

- ⇒ Set ambitious monitoring, evaluation and verification protocols from the beginning

❑ **Limit impacts on vulnerable customers**

- ⇒ Make sure vulnerable customers do benefit from the scheme

Thank you for your attention!

For more information:

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