

How can France implement and lead an ambitious energy transition within the European framework?

Since the start of the European project, France has played an important role providing a vision on economic, financial, social and economic integration. What role can France play as the new energy transition is emerging ?

Eva Hoos, Energy Efficiency & Intelligent Energy Unit, DG ENER, European Commission

Laurence Tubiana, Director of the Institute for Sustainable Development and International Relations (IDDRI) and of the Sustainable Development Center at Sciences Po Paris

Sami Andoura, Senior researcher, in charge of energy issues and external policies at Notre Europe, Co-author of *Towards a European Energy Community*, Notre Europe

Bruno Rebelle, CEO Transitions

Head of the round table: **Jean-Christophe Boulanger**, Director of EurActiv.fr

The energy efficiency directive aims at creating a unique market of products with low energy consumption. Eva Hoos

At the beginning of the session, **Eva Hoos**, representative of the Energy Department of the European Commission reminds the audience of the elaboration background for the Energy efficiency directive, the latest European legislative evolution regarding energy transition. This text, essential for the implementation of the **Climate and Energy Package**, aims at reducing by 20% the consumption of primary energy by 2020. Widely debated over, and voted in September by the European Parliament (NB: adopted by the European Council on October 4, 2012), the energy efficiency directive is of today the most amended law -1800 amendments- in the history of Europe. The directive offers new measures in terms of energy efficiency, covering all economic sectors, with objectives only partly restrictive. The main measures concern:

- **Public authorities**, through the renovation of public buildings. Member countries will have to renovate 3% of their buildings each year (the obligation of thermic rehabilitation only covers the stock owned by the central State)
- **Energy sale and distribution companies**, which will have to reduce each year their energy consumption by a number equal to 1.5% of their annual energy sales to consumers.
- **National authorities of energy regulation** will have to take into account the energy efficiency in their settlement of modalities and cost of energy distribution to final consumers.
- **Companies** (except small companies) will have to be subjected to an energy audit every 3 years.

- **Consumers** will be able to better manage their consumption due to more accurate information on smart meters.

Eva Hoos mentions the implied ambition and innovation of the directive: create a unique market for efficient products in terms of energy consumption, develop it and support it by generating a demand.

Proposition of Notre Europe for a "European Community of Energy"

Jacques Delors' challenge is to make energy a lever to boost the recovery for the European project. Sami Andoura

Sami Andoura, in charge of energy issues and foreign policy at Notre Europe, presents the proposition from Notre Europe for a "European Community of Energy", a strong cooperation project of the State members in terms of energy policy, recently taken over by the President François Hollande. This proposition aims at giving more substance to the cooperation between State members and has 3 main goals:

- Help with the transition to a decarbonated economy
- Secure the supplying of energy
- Enable the consumers to benefit from a stable and affordable price (fuel poverty rate is increasing across Europe, also in more wealthy countries)

The proposition to create an Energy European Community, boosted by Jacques Delors, aims at **making energy a lever to boost the recovery of the European project**. The objective is to make it a separate project of what Jacques Delors calls the "Nation States", now proposed by the President of the European Commission José Manuel Barroso.

However, **the increased cooperation within the European Union faces a few obstacles** because of the diversity of interests, of the multitude of national governances, private and public actors invested in the sector. Furthermore, because of the economic crisis, positions against the cooperation have been broadcast, with the return of the “nationalisms” and speeches towards independence or national energy preferences.

The assessment of what has been done so far in terms of energy measures at the European level is positive, but does not suffice to lead to an increased cooperation and the settlement of an Energy Community. **Sami Andoura** sums up the results:

- The European energy policy has never been integrated enough and remains fragmented
- The lack of financial means for the implementation of the decisions taken by the European Union (EU) is recurrent (especially regarding the financial capacities of the European Budget for Energy)
- The EU is absent as a strategic actor: the external dimension of the European energy policy has been ignored for 50 years
- On the tax level, the coordination is insufficient, especially for the support to the development of renewable industries
- An integrated industrial policy, which could help the cooperation of the State members in terms of energy policy, is absent.

The contents of the proposition are similar to the ones in the previous panel “Towards a decarbonated Europe by 2050: what energy policy to help with the ecologic boost of the European Economy?” (p68):

- The implementation of a stable and competitive market for the energy
- The building of an integrated and intelligent European network
- The support to a decarbonated energy mix capable of ensuring the safety of the energy supply
- The necessity to integrate corrective measures on prices: the costs of the various energy sources must reflect their real cost as well as their ecological footprint
- The introduction of research subsidies on the topic of renewable alternative energies
- The development of an external action capacity through the structuring of collective procurement.

As of today, the proposition for a European Community of Energy did not benefit from the institutional support from the 27 state members, nor from a base from precursory countries. Although no countries support the totality of the proposed measures, various groups of countries support some measures. Because of this, it is possible

to imagine the possibility to set up a “differentiation” in communitarian energy policy and move toward a cooperation backed up by groups of countries ready to work together.

To conclude his intervention, Sami Andoura proposes 3 fields of action:

- The implementation of financial and economical instruments
- The integration of electric networks, for instance by border countries such as France or Germany at first, or by purchasing groups of natural gas in Eastern Europe, in order to counteract the Russian supremacy
- Duplicate the experience of Regional Initiatives, cooperation initiatives, based on volunteering, already settled in Northern Europe.

The French background and the territorial dimension of the energy policy

The national debate over the energy transition is an opportunity for citizens and local governments to reconsider energy issues. **Bruno Rebelle**

At the beginning of his intervention, **Bruno Rebelle**, Director of Transitions, is happy that the energy matter is now more and more discussed as a complex and global issue. He reminds the audience that there are multiple and inevitable stakes in the energy questions, which regards economic, organizational and structural aspects. In his opinion, the Climate and Energy Package has been an important step forward to starting to study this issue, which was lacking at a national level so far. He specifies that there are as many different energy systems as the number of states (27), which use different sources of energy.

To answer the question about the role of France in the European background of the energy Transition, he would like to mention the **French specificity**. The French system is historically very centralized, and there is a bigger use of electricity than in other countries. Besides, in the energy mix, the share of electricity from a nuclear origin is higher than what can be observed anywhere else in the world. This has an influence on the modes of management and functioning, which are economic, technical and political, of the French energy system. Furthermore, the stakes in legitimacy and democratic management linked with the energy transition are highly important, not only from a political point of view, but also in terms of efficiency. He reminds that citizens are responsible for 40 to 50% of the global energy consumption, with their way of living and their daily choices. Even though it is not easy to have people better manage their demand in energy, **the mobilization of the citizens is an important and necessary lever to make the transition a success**

at a local, national and European level. And so, the citizens must take part in the decisions and be included in the processes of transition.

Bruno Rebelle reminds that, during the environmental conference of September 2012, France's commitment to the energy transition has been announced in the opening speech of The President and confirmed in the closing speech of the Prime Minister who has already provided a 1st copy of a work plan. According to Bruno Rebelle, despite its specificities, **France can start an ambitious energy transition at a national scale on one hand and, on the other hand, stimulate reflection at the European level on the effective implementation of this transition.**

Bruno Rebelle identifies 3 currently existing temporal horizons in order to structure the approach of French transitions:

- The “3 times 20%” by 2020 factor of the Climate and Energy Package, established by the European Union (see previous round table)
- The objective to change the French energy mix, established during the presidential campaign by François Hollande in order to reduce the nuclear provision in the electricity network by 75% to 50% before 2025
- The “4 factor” in 2050 which consists in dividing by 4 gas emissions compared to the level in 1990, determined by the international climatic negotiations, and validated by the Grenelle of the environment in 2007.

The debate over the energy transition announced by the government could be the opportunity to identify the points on which the citizens, the companies and the other actors of the territories will be able to get an informed opinion. It will also enable to inform the public authorities about the necessary choices to draw the transitions trajectory.

The role of countries and the territorial dimension of the energy policy deserve a more profound reflection in this national debate. The implication of countries is important because the communities are at the origin of the local energy plans and are also the actors of the implementation of European policies. Bruno Rebelle notices a strong will from the cities and regions to be part of the transition process. The implication from local actors would enable them to take back the energy questions at a local scale and think about the energy needs as well as the energy resources available on their territories, especially renewable ones, that they would be able to share at a national and European scale.

Defender of an energy policy in “3D”: Diversification, Decentralization, Decongestion, compatible with the proposition of a “European Community of Energy”, led by Notre Europe, Bruno Rebelle reminds that this approach could be applied in the French and European energy transition background.

The ecological boost of the European economy by investing in the energy transition is one of the major solutions to get Europe out of the economic crisis.

Laurence Tubiana

Laurence Tubiana, Director of the IDDRI and facilitator of the round table “energy transition” during the environmental conference in September 2012, reminds that despite François Hollande's speech at the beginning of the conference, which was a positive step in this direction, the European dimension is unfortunately often absent from the debate over the energy transition. This absence causes difficulties, especially facing the issue of France's role in the European background of the energy transition. The debate during the environmental conference was franco-French. However, the proposition made by NGOs and regional representatives to include European personalities in experts committees and start a European study on energy transition experiences abroad was accepted. This openness to the world would enable the choice and settlement of the energy transition to be more readable and credible.

The energy transition as a solution to get out of the economic crisis

Notre Europe's proposition regarding the creation of a European Community of Energy is shared by **Laurence Tubiana**, who reminds the audience of the importance not to forget any state on the road to the energy transition. For some states, the transition will be more expensive and the process will be more difficult to set up, but excluding them may block the general dynamics. Mechanisms must be thought of for state members in difficulty, in order to avoid situations such as the current one with Poland, mentioned during the previous round table.

According to **Laurence Tubiana**, the main point of Notre Europe's proposition is its ability to get two issues together, which have trouble finding an interest to public decision-makers, especially European ministers of the Economy: getting out of the economic crisis and financing the energy transition. If, on one hand, propositions are made regarding the Growth and Stability Pact and the reducing of deficits, and on the other hand and at a longer prospect, solutions are offered in order to finance a transitions which remains, in people's minds, independent from getting out of the economic crisis. Lately, IDDRI put a lot of efforts into convincing the community of macro-economists that the ecologic boost of the European Economy by investing in the energy transition was part of the solution to get out of the crisis. However, debates led on both issues are still ongoing in a very closed way.

According to **Laurence Tubiana**, the proposition of a European Community of Energy makes sense, if it goes with an economic policy, and of technological innovation. A differentiated cooperation between France and Germany on these issues could be an interesting first step to develop.

The political space designed by this cooperation meets, in her opinion, Germany's expectations. Since the energy transition has already started by giving up the nuclear energy, Germany's priorities are currently pursuing accomplished efforts regarding the energy efficiency of buildings, and the settlement of an industrial and territorial policy. These prospects meet the ones already traced by Bruno Rebelle, regarding territories.

Cooperating with Germany for the setup of a policy of Investments development and a common industrial vision on some sectors, would enable Europe to build a more ambitious prospect for the Growth and Stability Pact. Thanks to this cooperation, it would be possible to answer the recurrent question "What objectives should growth in Europe have?" by the challenge of the energy transition.

The political situation, with the opening of French-Germany talks is, for Laurence Tubiana, an opportunity to experiment a strengthened European cooperation on the energy issue.

However, she has two concerns:

- The necessity to redefine the French economic policy, by structuring the industrial policy, as mentioned during the round table "A low carbon Europe by 2050: what energy policies for a green economic recovery?" (p68) on September 28. The building of a real axis of industrial cooperation with the German neighbor could enable both countries' expectations and visions to go in the same direction.
- The liberalization of the market and management of competition are tricky issues, and also need a strengthened coordination. Right now, in Europe, the unique market and liberalization didn't help building compatible examples, efficient in the long term. In order to avoid heterogeneous and contradictory policies at the European scale, it is necessary for the market policy to combine with policies of industrial support, encouraging the deployment of innovations and to the setting of renewable energies.

As regards the diversity of European energy systems, this must not be considered a problem, but an opportunity to structure the interstate cooperation, as the value of the produced good (energy) is obvious.

Laurence Tubiana insists on the importance to be able to convince public decision-makers that this will be the way to get of the crisis.

The energy transition, supported by a strengthened cooperation between state members, will enable a real investment policy for the entire Europe, capable to stimulate also private investors and reduce the transition costs at some countries.

To conclude her intervention, **Laurence Tubiana** adds that the project of a European Community for

Energy could help revealing the costs (budgetary and financial) of the absence of coordination at a European scale, especially regarding the supports to the energy sector. In her opinion, this projected calculation should go with a macro-economic study, capable of revealing the prospects of economic growth linked to this strengthened cooperation. This global frame could convince decision-makers to act and so avoid a crisis management, which would have postponed for a long time the investments necessary to start a real transition at a European scale.

Discussion with the audience :

Sami Andoura explains that, even though they haven't been calculated, costs of non-cooperation have been mentioned, with no real consequences. Since the various state members won't be able to rally at their scale, he thinks that only a report from the European Commission itself could show the costs of non-coordination and non-cooperation as far as the energy issue is concerned, and strengthen the arguments in favor of taking action.

Sami Andoura also shares the importance of the territorial dimension, previously mentioned by Bruno Rebelle. **The project of European energy transition and strengthened cooperation must, in his opinion, integrate the regional and local scale.** Notre Europe works on this topic with the European Economic and Social Committee (CESE), in the prospect of organizing a big pan-European debate on the energy stakes. He reminds that the European Grouping for Territorial Cooperation (EGTC), allowed by the treaty of Lisbon, enables the cross-border regions to set up projects of territorial cooperation co-financed by the European Community or achieve actions of territorial cooperation initiated by state members.

Eva Hoos would like to get back to France's role in the European energy transition. She mentions that France was a source of inspiration for the European commission, as it has played an avant-garde role especially on the issue of the energy efficiency, in relation to the obligations made to energy companies decided by the Grenelle program. Europe will need France's support to draw the path of the European energy transition, for the implementation of the energy efficiency directive, and for the determination of the Financial Framework. Within this framework, the European commission proposes to allocate a big part of the budget to innovation projects in the energy domain (smart cities and smart grids).

Eva Hoos reminds the audience that the European commission aims at achieving the domestic market of Energy in 2014. Moreover, a communication from the commission issued in November 2012 will mention the interstate cooperation and the integration by instruments meant to help with State members' cooperation, in order to achieve a domestic market less fragmented than what it currently is.

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