



The French Energy Policy Within the European Framework

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Agenda

**How can France define its national energy policy
within the emerging European context ?**

1- The French energy situation

2- The French energy policy

2- The French energy challenges:

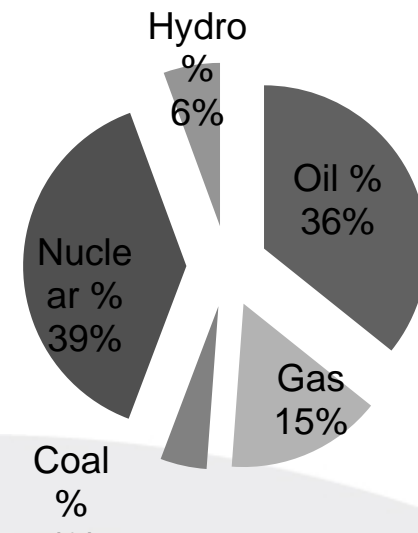
**Two current and major issues to explain the ambiguous position of
France in the EU... nuclear**

1- Regulated tariffs

2- Climate change

1. French energy situation end energy policy

- **Main characteristics : strong state intervention and strong public firms**
- **Nuclear program accelerated after 1973 to reinforce the security of supply and energy independency**
 - *75% of electricity generated in 2008 from nuclear*
 - *But energy dependence still high : ½ of energy consumed is still imported*
- **No natural resources**
- **France is the 7th largest consumer of energy in 2008 with 3.9 toe consumed per inhab per year.**
- **Energy consumption increased especially in the transport sector**
- **A balance still needs to be found between relying on nuclear power with low electricity generation costs and renewable energies which needs to be subsidized to help the development.**
- **Per inahb, France is the 11th in the EU 15 with 6tons of Co2 per year**



Source: BP Statistical Review of World Energy (2009)



2- French energy policy : Energy Bill 2005

- **4 goals**
 1. Energy independence and security of supply
 2. Climate change
 3. Competitive energy prices
 4. Social and technical cohesion by ensuring access to energy for all
 - **4 means**
 1. Control of energy demand
 2. Diversification of the energy mix
 3. Development of energy grids and storage capacities
 4. Research and development
 - **French specificity : instruments like Multiannual objective contracts and multiannual programming of investments in production**
- => State did not give up on its prerogatives**



3- Energy challenges

1- France and the deregulation process in the EU

- This process has raised strong opposition in France. European requirements are a shock for the French culture « colberto- jacobine ».
- Procedures launched by the EC : one for state aid.
 - *Regulated tariffs are considered as subsidies and therefore it is state aid because EDF is still a state firm.*
 - *Question : Is it time to free up these prices ?*
- **Situation: there are no real entrants at least in the base load production due to the cost advantage of the historical actor => no competition**
- **Solutions explained by Champsaur Commission (2009) :**
 - 1/ tax the nuclear*
 - 2/ allow competitor to have access to nuclear asset*

2- France and the European climate constraints

- **From a black sheep to a model ?**



Conclusion

- **In spite of the energy diversity of the EU, a common vision has always been shared by all MS over energy development for the future.**
- **Within the context of rising energy prices and growing energy demand, there is not just one energy source solution.**
- **To move from a shared vision to a European energy policy large steps are necessary**
- **France needs to figure out how to be part of the EU process while still protecting its national ideas.**
 - *Deregulation in France has been and is always a difficult process because it shakes dramatically the traditional and organizational models that had been historically established.*
 - *France needs to figure out how to deal with its long history of state intervention*
 - *Will the EC have the patience to wait ?*



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Partie II – Comparaison

Countries	Total (Mtep)	Oil %	Gas %	Coal %	Nuclear %	Hydro %
Bulgaria	20,1	26,9	14,6	37	17,7	3,7
Czech Republic	43,3	22,9	18	44	13,8	1,2
Finland	26,8	39,4	13,3	12,6	20,3	14,4
France	257,9	35,7	15,4	4,6	38,6	5,6
Germany	311,1	38	23,7	26	10,8	1,4
Greece	34,6	61,9	10,9	24,8	-	2,3
Hungary	24,7	31,3	43,7	11,3	13,6	-
Netherlands	91,4	50,9	38	10,1	1	-
Poland	97,4	25,5	12,8	61	-	0,7
Portugal	22,6	60,7	18,3	13,9	-	7,1
Spain	143,9	53,6	24,4	10,1	9,3	2,6
Sweden	46,7	31,1	1,8	4,2	31,1	31,7
UK	211,6	37,2	39,9	16,7	5,6	0,5
EU 27	1728,2	40,7	25,5	17,4	12,3	4,1
US	2299	38,5	26,1	24,6	8,4	2,5
Brazil	228,1	46,2	9,9	6,4	1,4	36,1
Argentina	74,7	32,4	53,6	0,5	2,2	11,3
Venezuela	81,4	40,0	35,8			24,1
S.&Cent. America	579,6	46,6	22,2	4,0	0,8	26,3

Consommation énergies primaires en % Source: BP Statistical Review of World Energy (2009)