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White Certificates Scheme in France : a working process.

J.P. Tabet Climate Change Advisor Agency for Environment and Energy Management Paris, France



White Certificates Scheme in France

- Principles
- Implementation
- First results

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French WC scheme main principles

- Energy suppliers, « obligated bodies », have to meet a target of energy savings, or pay a penalty
- They can implement programs or buy certificates
- « Eligible bodies », as local communities, building owners, or companies can implement savings and get certificates.
- WC is a « projects and baselines » scheme, with obligation of result (on implemented projects)



The main objectives

- Implementing energy savings at consumer's level : « diffuse targets »
- Financing part of energy savings investments by energy suppliers (1st period level : circa 150 M€/y)
- Promoting energy saving actions at least marginal cost
- Implementing and testing an « Obligation market driven » new instrument for energy (and later climate) policies



A new Unit for energy savings : «cumac-kWh»

- It refers to cumulated and discounted (4% annual discount rate) saved final energy during time life equipment or action benefit.
- Saved energy is calculated with reference to average existing devices (additionality principle)
- Example :
 - A 18W LCB save 49 kWh per year (800h/y)
 - 70% of sold LCB replace incandescent bulbs
 - Time of life is 7.5 years (discount factor .88)
 - Energy saving is 49*.7*7.5*.88 = 230 cumac-kWh



Obligations for suppliers

- Global obligation : 54 TWh cumac for 1st period (2006-2009)
 - Corresponds to evaluated saving actions potential at costs < 1ct€ / cumac-kWh
- Obliged suppliers are :
 - Electricity, natural gas and heat & cool, supplied energy > 400 GWh/year
 - LPG : supplied energy > 100 GWh/year
 - Domestic fuel : no supplied energy threshold
- No obligations on other petroleum products suppliers (industry, cars), nor coal suppliers
- Global obligation is shared among suppliers using 2005 market share
- A penalty of 2cts€ per cumac-kWh is applied if target not achieved end of 1st period



Eligibles actions

- Aditionnality rule based on actual market baseline
- Targets of energy saving actions : anywhere, but not EETS concerned industries
- Renewable energies actions : only for heat generation
- 93 « standard » methodologies already published
 - 25 more will be published this summer
- Non standard methodologies :
 - Proposed by obligated or eligible bodies
 - Validated by Ministry of Industry (<6 months)



Eligible bodies

- Threshold : at least 1 cumac GWh saving volume
- Every obligated body is eligible
- Other companies, only if :
 - Energy saving action not related to main activity
 - Energy saving action induce no direct income
- Every local community is eligible (if over threshold)
- Link between obligated and eligible : market or direct sale contracts
- Market organization : register facility on implementation



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WC French scheme : legal framework

- Energy Orientation Law (2005/07/13) : WC principles (obligation, additionnality, RES acceptance, penalty)
- Three WC decrees (2006/05/23) : main rules
 - « obligation decree » ,« certificates decree » and « register decree »
- Five sub-decrees : implementation
 - Cumac kWh definition, eligible bodies conditions : 2006/05/30
 - 93 standarized actions methodologies : 2006/06/19 and 2006/12/19
 - Administrative certificates obtention rules : 2006/06/19
 - List of obliged bodies (2,350) and individual obligation : 2006/09/26



Implemented obligations, by energy

Electricity	31.0 cumac-TWh	57%
Natural Gas	13.9 cumac-TWh	26%
Domestic fuel	6.8 cumac-TWh	13%
LPG	1.5 cumac-TWh	3%
Heat & Cool	0.7 cumac-TWh	1%
TOTAL	54 cumac-TWh	100%

<u>Scale of size</u> : Assuming a mean life time of 10 years for actions, these 54 cumac-TWh correspond to an <u>annual</u> saving of circa 2 TWh/y. Current final energy consumption trend in France (all energies, all sectors) is circa 10-12 TWh/y.





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Implemented obligations, by supplier

2,350 obligated companies, from wich 2,300 domestic fuel suppliers

EDF	electricity	30,018 cumac GWh
Gaz De France	natural gas	13,457 cumac GWh
EcoFioul	domestic fuel	2,050 cumac GWh
Butagaz Sas	LPG	427 cumac GWh
Electricité De Strasbourg	electricity	377 cumac GWh
Antargaz	LPG	372 cumac GWh
Totalgaz	LPG	349 cumac GWh
Bollore Energie	Dom. Fuel / H&C	339 cumac GWh
Срси	Heat&Cool	297 cumac GWh
Primagaz	LPG	282 cumac GWh
TOTAL 10 biggest suppliers	(89%)	47,968 cumac GWh



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The 93 standard methodologies records approved (01/01/2007)

Housing (39)	Insulation : 6 Thermics (heaters, c	oolers,) : 29
	Services (formation) : 1	Appliances : 3
Commercial	Insulation : 7 Thermics (heaters, c	oolers,) : 16
Buildings (33)	Services (formation) : 1 Elec. e	quipments : 8
Grids (8)	Heat and cool grids : 4	
	Public lighting : 4	
Industry (9)	Industrial buildings : 5	
	Process and utilities : 5	
Transport (4)	Equipments (inter-modal units, bus tire	es) : 2
	Services (formation) : 2	12



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Example : the 16 commercial buildings thermic methodologies

BAT-TH-1	Chaudière de type Basse température
BAT-TH-2	Chaudière de type Condensation
BAT-TH-3	Plancher chauffant à eau basse température
BAT-TH-4	Robinet thermostatique
BAT-TH-5	Radiateur à chaleur douce pour un chauffage central à combustible
BAT-TH-6	Isolation d'un réseau hydraulique de chauffage
BAT-TH-7	Chaufferie biomasse
BAT-TH-8	Programmateur d'intermittence pour un chauffage central à combustible
BAT-TH-9	Optimisateur de relance en chauffage central à combustible
BAT-TH-10	Récupérateur de chaleur à condensation
BAT-TH-11	Chauffe-eau solaire collectif
BAT-TH-12	Système de variation électronique de vitesse sur un moteur
BAT-TH-13	Pompe à chaleur de type eau/eau
BAT-TH-14	Pompe à chaleur de type air/eau
BAT-TH-15	Climatiseur de classe A (DOM)
BAT-TH-16	Système de gestion technique du bâtiment pour chauffage électrique ¹⁴



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Last evolutions (on March, 2007)

- Registered actions on 01/01/2007 : 0.5 cumac-TWh
 - Actions programs need 9-15 months to be shaped : end 2007 results will be significative.
- Certificates register operationnal on July 1st, 2007.
 - Granted by Ministry of Industry to Local System International (implementation and management)
- Obligated bodies' own programs and bi-lateral contracts will predomine. Market should be marginal.
- Local communities are most active of eligible bodies.



WC Scheme and Climate Change

- WC scheme : energy savings, not emissions mitigation
 - A saved kWh of gas has the same « value » than a kWh of coal

But

- CO2 emission reductions should be between .5 and 1.5 MtCO2/y, at end of 1st period
 - Depending of final savings energy mix (electricity, gas, fuel)
- Overseas departments cumac kWh get a factor 2 bonus
 - due to predominant part of fossil fuels in electricity generation.
- On 2nd period 2009-2012, cumac kWh's could be weighted with CO2 emission factors.