



**MINISTÈRE  
DE LA TRANSITION  
ÉCOLOGIQUE**

*Liberté  
Égalité  
Fraternité*

## **OFATE CONFERENCE**

# **DISTRICT HEATING IN FRANCE : POLITICAL OBJECTIVES, SUPPORT MECHANISMS AND REGULATORY FRAMEWORK**

7th April 2022

Laurent CADIOU

DGEC - Energy efficiency and renewable heat office

# Contents

1. District heating in France
2. Political objectives
3. Support mechanisms and Regulatory framework

# District heating in France

The district heating play a key role for the development of renewable energies and the use of recovery energies, because they enable the mass mobilisation of biomass, geothermal energy, solar power, or the recovery of waste heat from industry, waste recover y units etc.

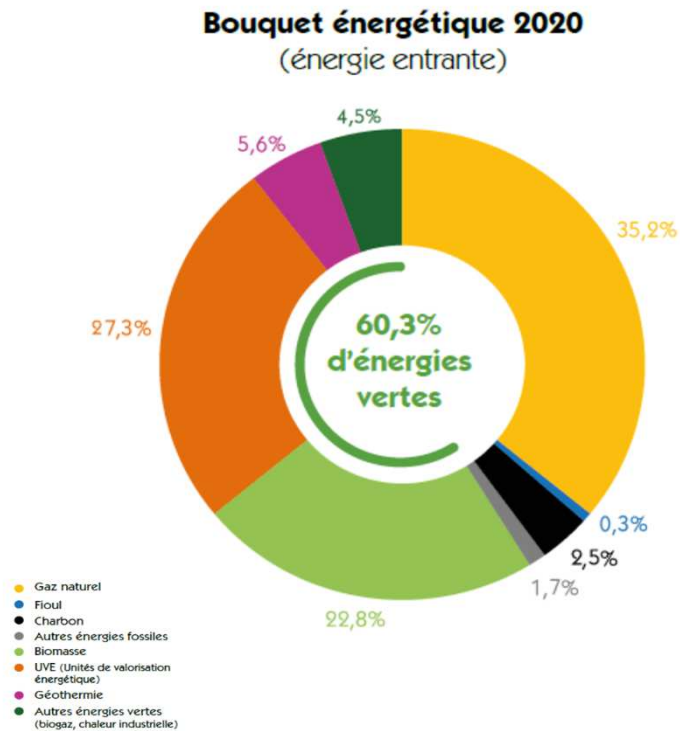
Local or regional authorities are responsible for the public distribution of heat and cold. They can either manage the service on their own or delegate it to a public or private operator.

## **2020 ► 833 district heating in France**

- supply > 2,46 million household equivalents
- ~5 % of consumption in heating and domestic hot water in France
- 25.4 TWh of heat delivered to users

# District heating in France

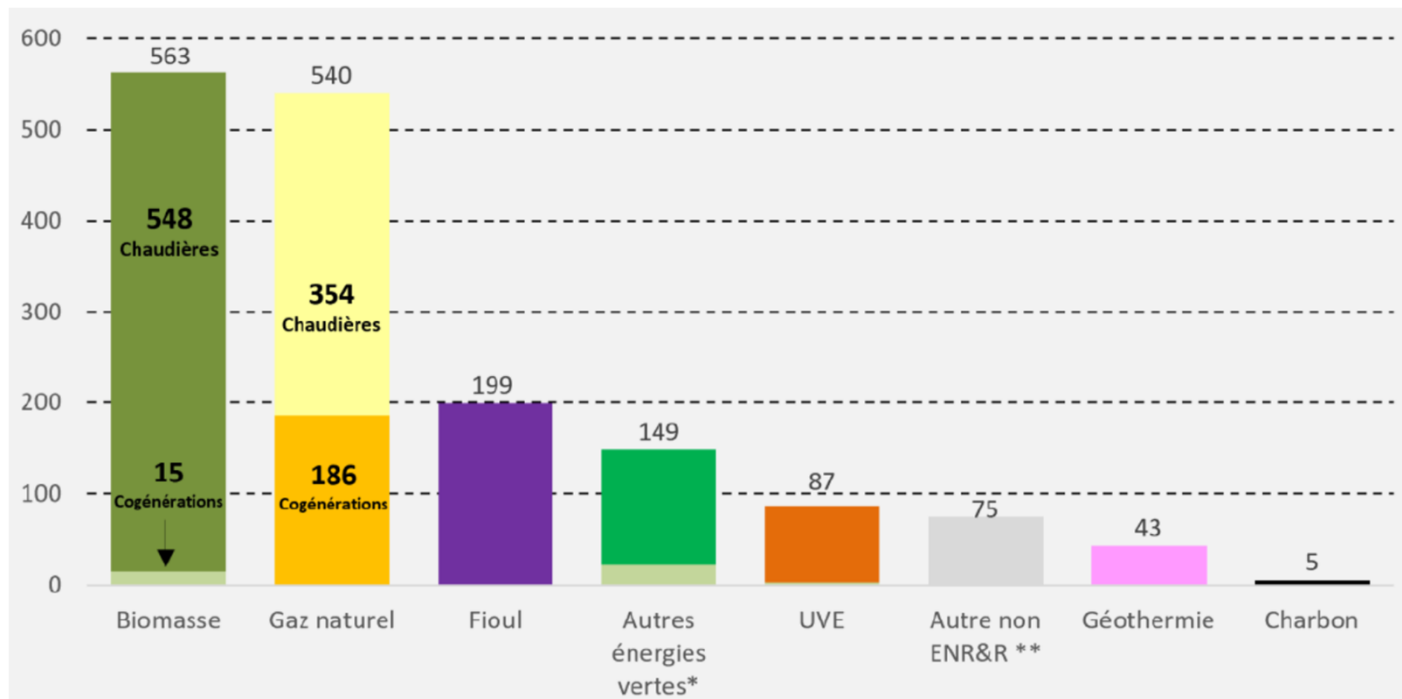
## Energy mix of district heating in 2020



- The share of renewable and recovered energies (R&R energy) is continuing to increase reaching 60,3% in 2020 compared to 53% in 2016 and 40% in 2013.
- Fossil fuels continue to play an important role in supply : 39,7% (32,5 of which is gas)

# District heating in France

District heating are multi-energy  
Heat production plants in 2020 :



(\* : solaire, interconnexion, PAC, chaleur industrielle ; \*\* : GPL, électricité, autre combustible ou chaleur non ENR)

# POLITICAL OBJECTIVES

Ambitious objectives are provided for by the law on the energy transition for green growth (2015) which set a target of a fivefold increase in the quantity of renewable and recovered heat and cold delivered by district heating and cooling between 2012 and 2030.

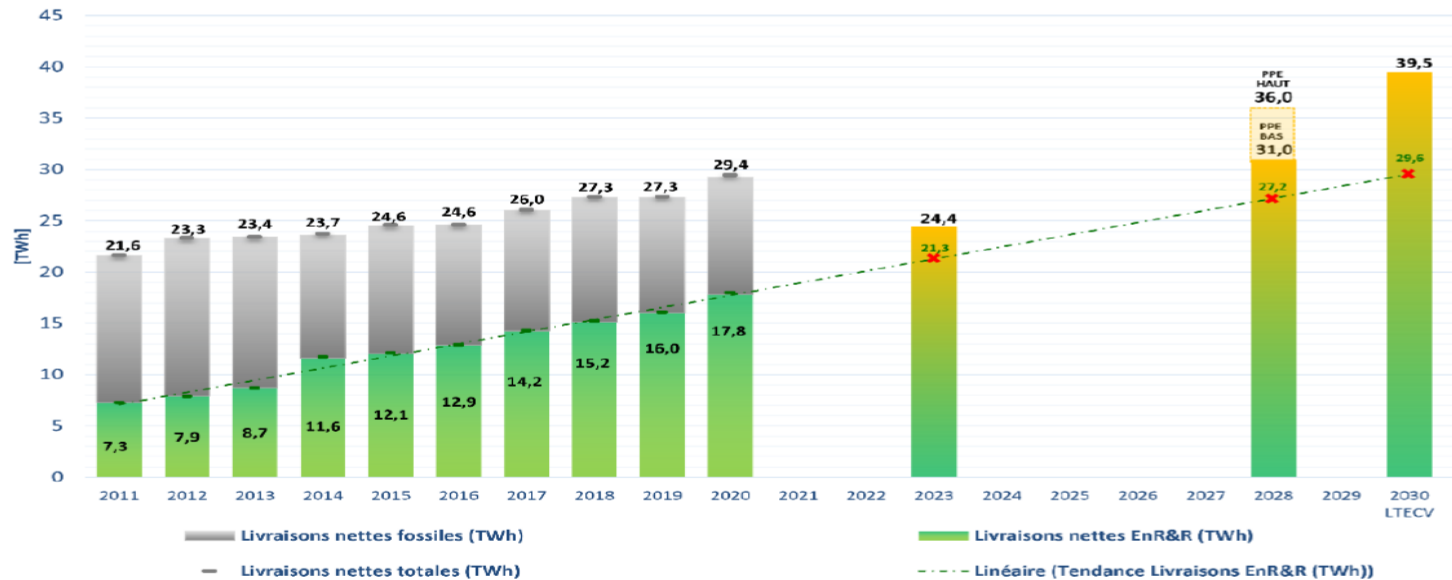
Multi-Annual Energy Plan (MAEP) covers two successive five-year periods : 2019-2023 and 2024-2028. The multi-year energy plan identifies the trajectories for incorporating renewable and recovered heat sources and the means to achieve this objective, which also involves connecting new subscribers.

Renewable and recovered heat delivery targets (TWh) in the MAEP :

2016	2023	2028 Scénario A	2028 Scénario B
13	24,4	31	36

# POLITICAL OBJECTIVES

Trend of the progression of renewable and recovered heat in the heat distributed by district heating :



The Multiannual Energy Program is currently being revised as part of the French strategy for energy and climate (to integrate the European objective of reducing net greenhouse gas emissions by at least 55% by 2030), this revision of the MAEP will incorporate a new period from 2028 to 2033.

# Key measures aimed at promoting efficiency district heating

## Heat Fund (ADEME) and District Heating

- It aims to develop the production of heat from renewable energies (biomass, geothermal, solar thermal ...) and heat recovery. It is intended to buildings and all enterprises (agriculture, industry, tertiary). The management of this fund is provided by the French Environment and Energy Management Agency

► Heat Fund provides specific support for the investment on the "distribution system" if at least 55% (new district heating) to 65% (extensions of existing ones) of the heat is generated from renewable or recovery energy.

Annual budget of the heat fund in 2020 and 2021: 350 million euros, it has been increased by 20 million euros in 2022 (370 million euros).

As part of the French resilience plan to strengthen the security of our energy supply (16/03/2022), an increase of €150 million was announced.

ADEME also provides decision-making aids by financing, for example feasibility studies for new district heating.



# Key measures aimed at promoting efficiency district heating

## Application of a reduced rate of VAT :

- For contracts covering the delivery of heat energy via these networks
  - For the supply of heat if at least 50% of it is generated from biomass, geothermal, thermal solar energy, waste or energy recovery
  - Project to increase the level of 50 % to 60%
- Draft revision of the European directive on VAT : Annex III of Directive 2006/112/EC [LIST OF DELIVERIES OF GOODS AND PROVISIONS OF SERVICES MAY BE SUBJECT TO REDUCED TARIFFS] is amended as follows: [... ] 3. The following items are added: (22) Supply of electricity, district heating **and district cooling**, etc.

# REGULATORY FRAMEWORK

## **Classification of district heating and cooling :**

- Classification leads to defining a priority network area within which the authority in charge has the option of requiring all new industrial installations or building heating plants to be hooked up to the network
- Classification is reserved for networks that consume at least 50% renewable or recovery energy
- Automatic classification in progress

## **District heating and cooling roadmaps**

- Local authorities in charge of district heating and cooling draw up a master plan for their heat or cold network. This master plan contributes to the achievement of the objective of supplying heating and cooling networks from renewable and recovered energies. It is drawn up no later than five years after the commissioning of the network, and revised every ten years.

# Thank you for your attention

**Laurent CADIOU**

Bureau Economies d'énergie et chaleur renouvelable (Sd5)

Service du Climat et de l'efficacité énergétique

Direction Générale de l'Energie et du Climat

Tour Séquoia 1 place Carpeaux 92055 LA DÉFENSE CEDEX

Tel : +33 1 40 81 99 56

**[www.ecologie.gouv.fr](http://www.ecologie.gouv.fr)**