



**MINISTÈRE  
DE LA TRANSITION  
ÉCOLOGIQUE**

*Liberté  
Égalité  
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**RENEWABLE HEAT IN FRANCE : REGULATORY FRAMEWORK AND SUPPORT  
MECHANISMS**

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# Presentation plan

## 1- Regulatory framework for renewable heat in France



## 2- Financial support mechanisms for renewable heat



# 1- Regulatory framework for renewable heat in France



## Stratégie nationale bas-carbone



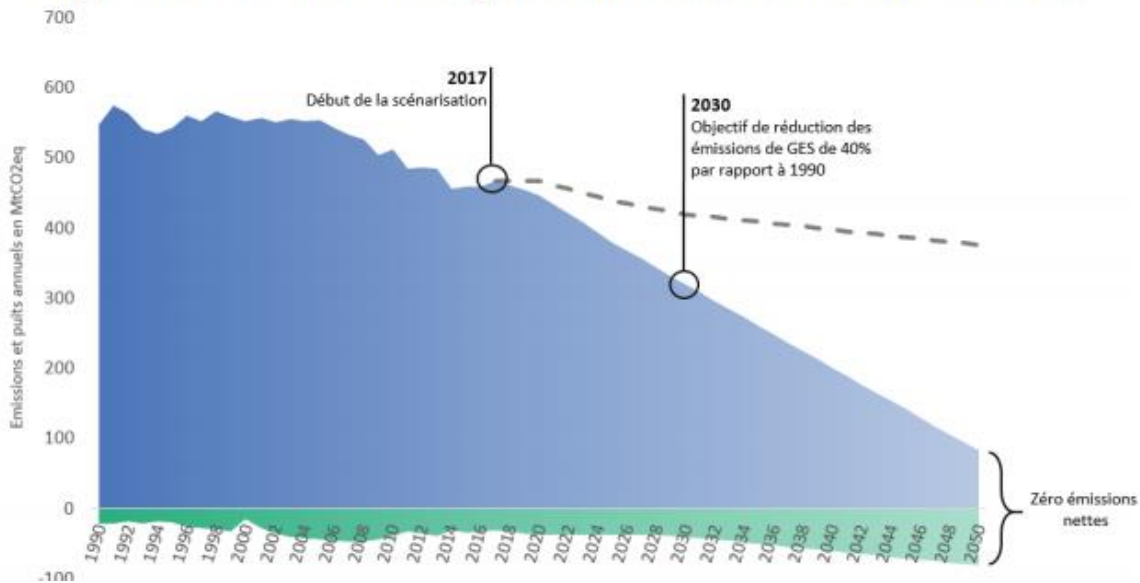


## Stratégie nationale bas-carbone



# French strategy to reach carbon neutrality in 2050

Figure 1 - Evolution des émissions et des puits de GES sur le territoire national entre 2005 et 2050



# Objectives in France



The law on energy transition sets out ambitious objectives for the development of renewable energies :

Increasing the contribution of renewable energies to total final energy consumption to 33% by 2030.

By 2030, renewable energy sources will account for 38% of final heat consumption (18% in 2014).

Increasing the amount of renewable (and waste) heat / cold distributed by district heating and cooling (DHC) networks five-fold by 2030.

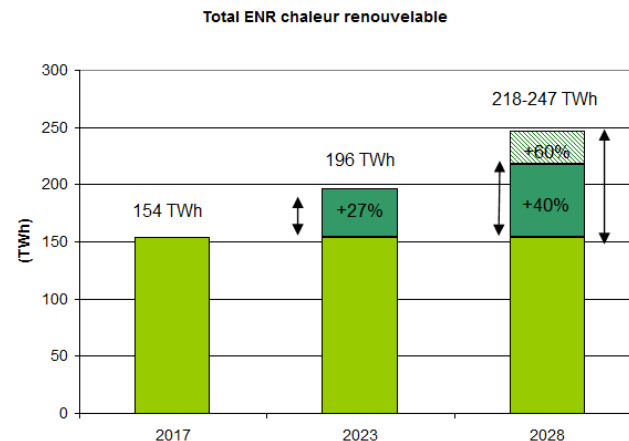
The Multiannual Energy Plan (MEP)\* sets out the government's strategic priorities in terms of energy policies, and interim targets in 2023 and 2028.

\* *Programmation pluriannuelle de l'énergie (PPE)*

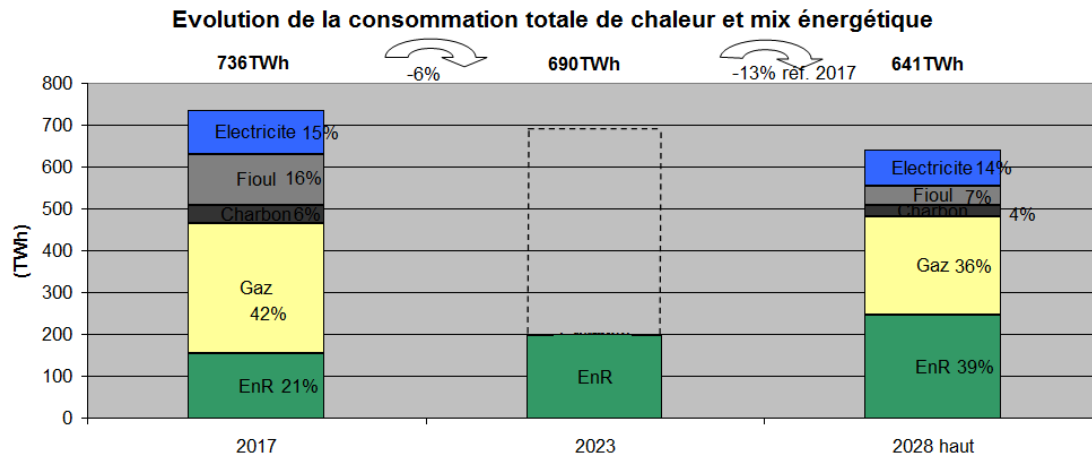
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# Heat consumption reduction and renewable heat growth targets

Total renewable heat



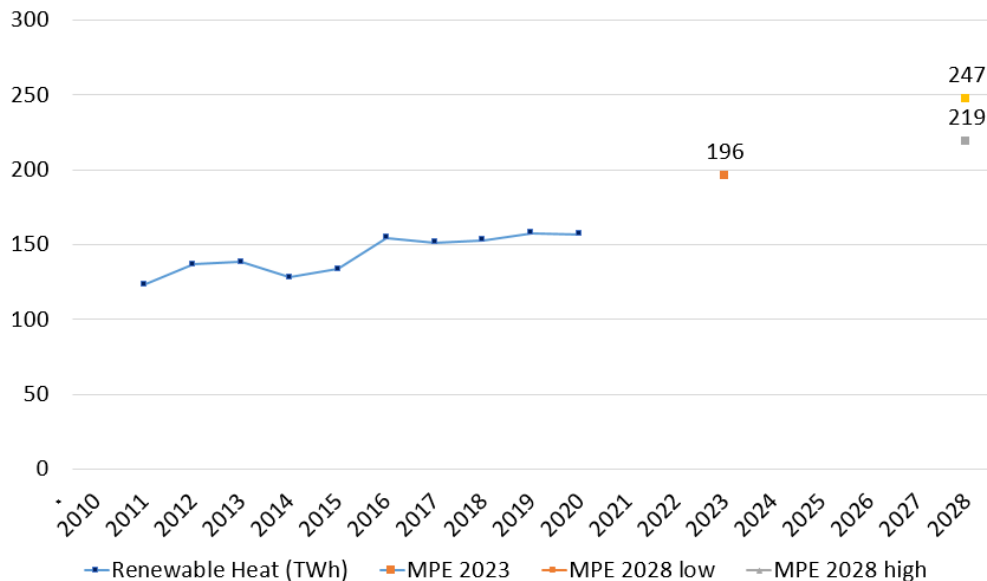
Progression of total heat consumption and energy mix



# Renewable heat targets

## Final renewable heat consumption (TWh)

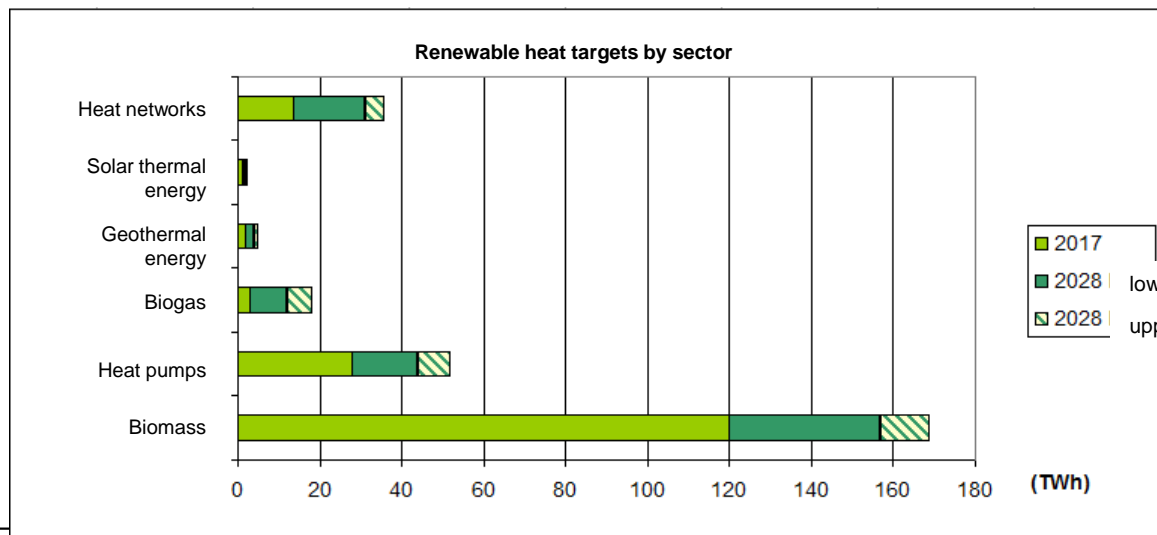
Renewable heat production and Multiannual Energy Plan targets (TWh)



- The 2028 MPE target results in **between 36.3% and 41.7% renewable heat in 2030** (LTECV 2030 target 38%) depending on consumption reduction/upper or lower MPE range scenario combinations

# Renewable heat targets by sector

- The biomass sector is behind on its targets due to the fall in the price of gas, but remains the main sector for renewable heat
- The air-source heat pump sector is ahead of the targets set and recording strong growth
- The heating networks are progressing but will have to accelerate their development to reach the ambitious targets
- The geothermal, ground-source heat pump and solar sectors are lagging behind but offer significant potential





# Environmental regulation for new buildings

## **RE2020 : new building regulation that will come into effect in 2022**

It requires the use of renewable heat in new buildings.

Two binding indicators guarantee the use of renewable heat:

- An energy carbon footprint indicator that prevent the use of fossil fuel boilers.
  - A non-renewable primary energy consumption indicator that prevent the use of electric heaters
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## 2- Financial support mechanism for renewable heat





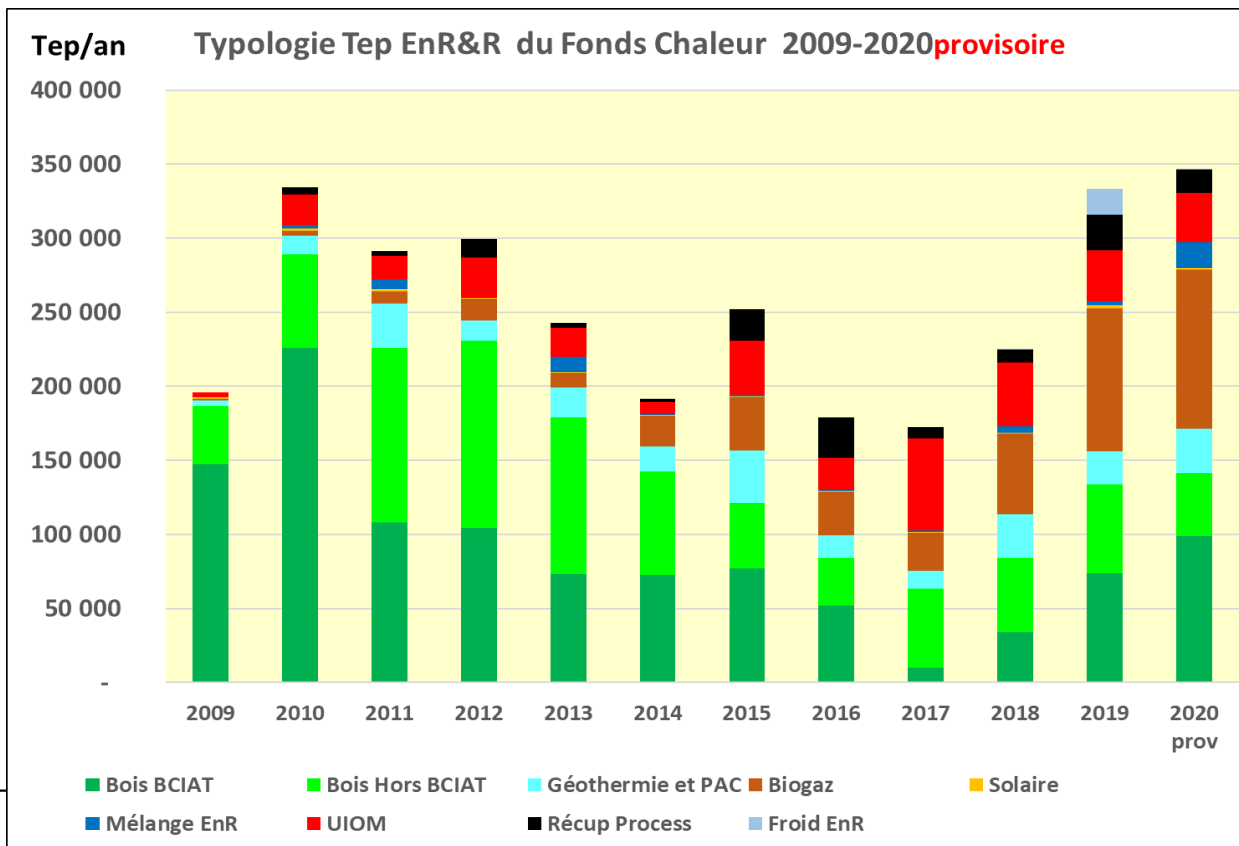
# Strengthening the Heat Fund

- The Heat Fund supports renewable heat projects and is open to collective housing, local authorities and businesses. It has been strengthened since 2018 from EUR 259 million per year to EUR 350 million in 2020.

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Heat Fund commitment authority (M€)	259	307	350	350	350	350	350	350	350	350	350

- The Heat Fund is a particularly efficient mechanism : the average Heat Fund support for projects is around 5€/MWh of renewable heat
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# Results of Heat Fund





## Decarbonation of industry 2020-2022

Mobilizing 1.2 billion euros to support and accompany the reduction of greenhouse gases emissions in the industrial sector :

1. Call for projects for the production of heat from biomass for industrial use, providing, in addition to investment aid, operating aid
  2. Call for projects aimed at supporting the investment of large-scale projects in energy efficiency for the transition of French industry
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## Decarbonation of industry 2020-2022

Decarbonizing industry is essential to achieve France's climate objectives, with nearly 20% of greenhouse gases emissions coming from industrial activities.

In march 2021, France Relance was already supporting 49 projects representing 596 million euros of investment in the decarbonisation of French industry through public support amounting to 224 million euros.

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# Renewable heat support mechanisms for individual housing



## The Energy Transition Tax Credit reform (2020-2021)

Launched in 2020, the energy renovation grant “**MaPrimeRénov’**” supports the purchase of equipment using renewable energy sources for existing dwellings. Distributed by the National Housing Agency, this grant replaces the Energy Transition Tax Credit (CITE, a 30% tax credit on income).

Since January 2021, grants on renewable heating systems are available for all homeowners under a certain revenue threshold (income deciles 1 to 8).

Renewable heating systems account for 53% of the total number of grant applications (since January 2021).

From July 2021, landlords will also qualify for MaPrimeRénov’

The scheme benefits from a €2 billion financial boost in 2021-2022 as part of *France Relance*

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# Renewable heat support mechanisms for building renovation

## The Energy Saving Certificates mechanism

Launched in 2019, the “**Coup de pouce chauffage**” is a grant scheme based on the Energy Saving Certificates (CEE) mechanism. Subsidies for replacing fossil fuel heating (oil and gas) with renewable energy and subsidies for energy-efficient renovation of housing are extended until 2025.



Additionally, a **VAT reduction scheme** (5.5%, for both new and existing dwellings) and an **interest-free eco-loan** help to finance energy-saving works and renewable heating systems.

## Tax credit for SMEs

A 30% tax credit for SMEs was created in October 2020. It can support the purchase of biomass, solar equipments, heat pumps and the connection to district heating





# Thank you for your attention