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Which support scheme for onshore wind power in France?

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TODAY'S SITUATION

Onshore wind power generation is supported through a feed-in tariff

- Tariff designed in 2006
- Reference value set at 82 €/MWh for the 10 first year, lower for the five last if wind conditions are good

CRE's observations on the tariff itself (2008, 2014)

- 15-year contract is not adapted given the life time of a wind farm
- Tariff structure leads to excessive level of return for farm with good wind conditions
- The reference value has not evolved since 2006, not taking into account changes in costs of the projects and in financing conditions

DESIGN OF A WELL-SUITED SUPPORT SCHEME

- Apart from the flaws of this feed-in tariff, the principle of such a mechanism is not adapted for wind power
- The European guidelines have set two principles for the preferred design for renewable support schemes:
 - Feed-in premium
 - Tender process
- CRE is in favour of a full application of these two principles for onshore wind power

WHY HAVING FEED-IN PREMIUM IN PARTICULAR FOR WIND POWER?

- A significant number of contracts will reach an end soon -> get the producers used to full market integration
- RES market integration cannot be thought without wind power: in CRE's prospective scenario* it shall represent half of supported power generation means by 2025

** This scenario is based on observed trends and not on goals set by the Government*

WHY SUPPORTING WIND POWER THROUGH A TENDER PROCESS?

- The competition level shall be sufficient given the onshore development path
- The diversity of cost and wind situations makes it difficult to set a tariff which does not lead to excessive return in a significant number of situations

 more budget-efficient development of onshore wind power

- A tender process can be well designed not to raise administrative complexity
 - A single selection criteria: price
 - Only a few documents to provide / financial guarantee system
- A tender process shall give visibility to the industry
 - Multiyear tender process with several submission periods
 - Feedback towards applicants to allow progress on their offers