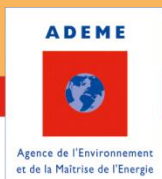
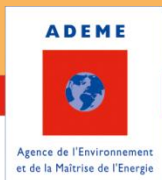


Community-based (wind) projects in France

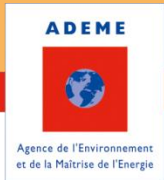
OFATE conference on wind energy support mechanisms



General considerations about community-based projects



Community-based projects have different forms



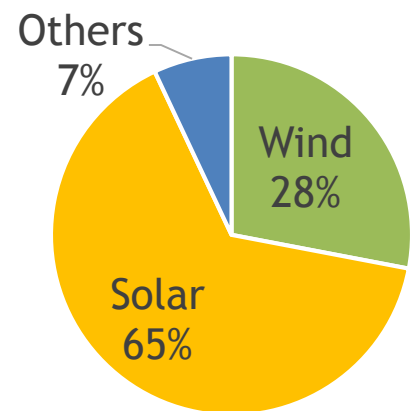
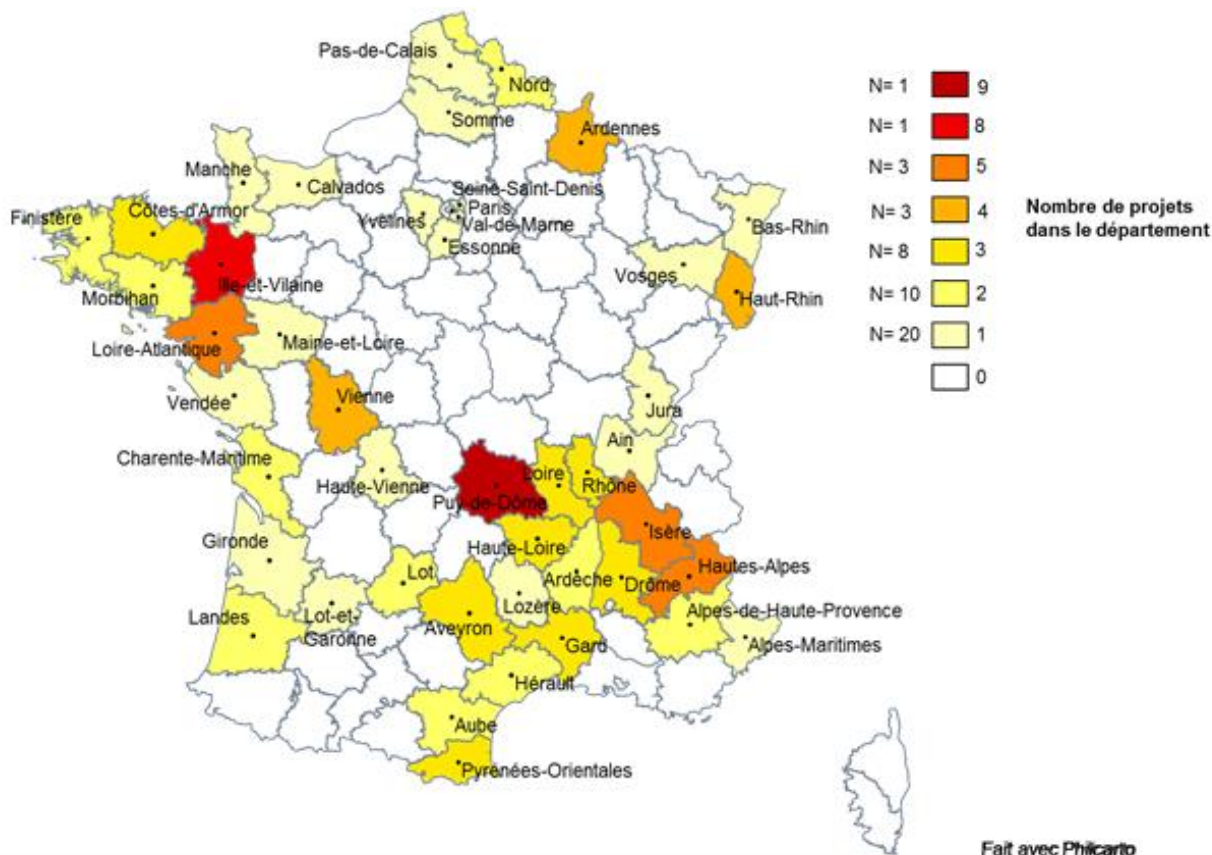
- Projects in which individuals have been involved in a broad sense
- That involvement will then differ in terms of
 - ➔ Local authorities' degree of involvement
 - ➔ The stage of the project at which individuals get involved
 - ➔ The nature and level of financial contribution
 - *Debt or equity*
 - *Provided directly or indirectly (thru financial intermediary or local authority)*
 - ➔ And whether it means control over project decisions
 - ➔ Project's initiators
 - *Group of local individuals*
 - *Private developers or*
 - *Local authorities)*

In 2015, community-based projects were mainly distributed in four regions



157 projects

Geographical repartition of community-funded projects, in 2015



■ Wind ■ Solar ■ Others

- Bretagne-Pays de la Loire,
- Rhône-Alpes-Auvergne,
- Languedoc-Roussillon-Provence-Côte d'Azur.

The legal and regulatory framework has become more favorable to such projects



Community-based projects in renewable energy (RE) are not yet common in France, but the Energy transition for green growth Act creates the framework for strong growth

- ➔ Introduction of the concept of community-based RE investments into French law
- ➔ Investments into wind projects by local authorities and individuals is facilitated
 - Equity and quasi-equity of commercial and cooperative companies for RE production
- ➔ Further regulatory developments
 - Introduction of a bonus in call for offers
 - Label « Participative financing for green growth »

Call for offers with community-based bonus

August 2016 utility-size solar call :

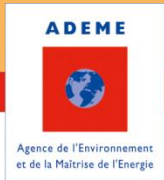
- 3 GW over 3 years
- Bonus of +3€ /MWh

- ➔ 1st period : 79 projects, 60% community-based
- ➔ 2nd period : 77 projects, 82% community-based

May 2017 Onshore wind call :

- 3 GW over 3 years
- First wind call for tenders with this bonus
 - Bonus of +2 to 3 €/MWh

Local authorities have a fundamental role to play



- **Local authorities participation is fundamental for RE projects development**
 - ➔ It increases local population's confidence and facilitates its involvement
 - ➔ It turns a project into a tool to support and communicate about its energy transition policy and programs
- **Local authorities may bring equity into**
 - ➔ RE project companies themselves
 - ➔ Or companies whose activities are to develop and operate projects on the authority's territory and/or supplying energy to its territory
- **Local authorities can bring funds in several ways**
 - ➔ Shares' subscription
 - ➔ Quasi-equity subscription
 - ➔ Bonds' and convertible bonds' subscription

Community-based projects may have multiple benefits depending on their form



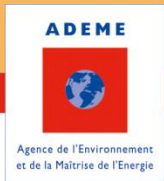
- These projects are seen as a lever to accelerate the energy transition
 - ➔ Such projects help redirect savings towards the energy transition
 - ➔ They help individuals understand the benefits of the energy transition
 - Collection of interest payments or equity earnings...
 - ...skill development and participation in a socially-meaningful experience



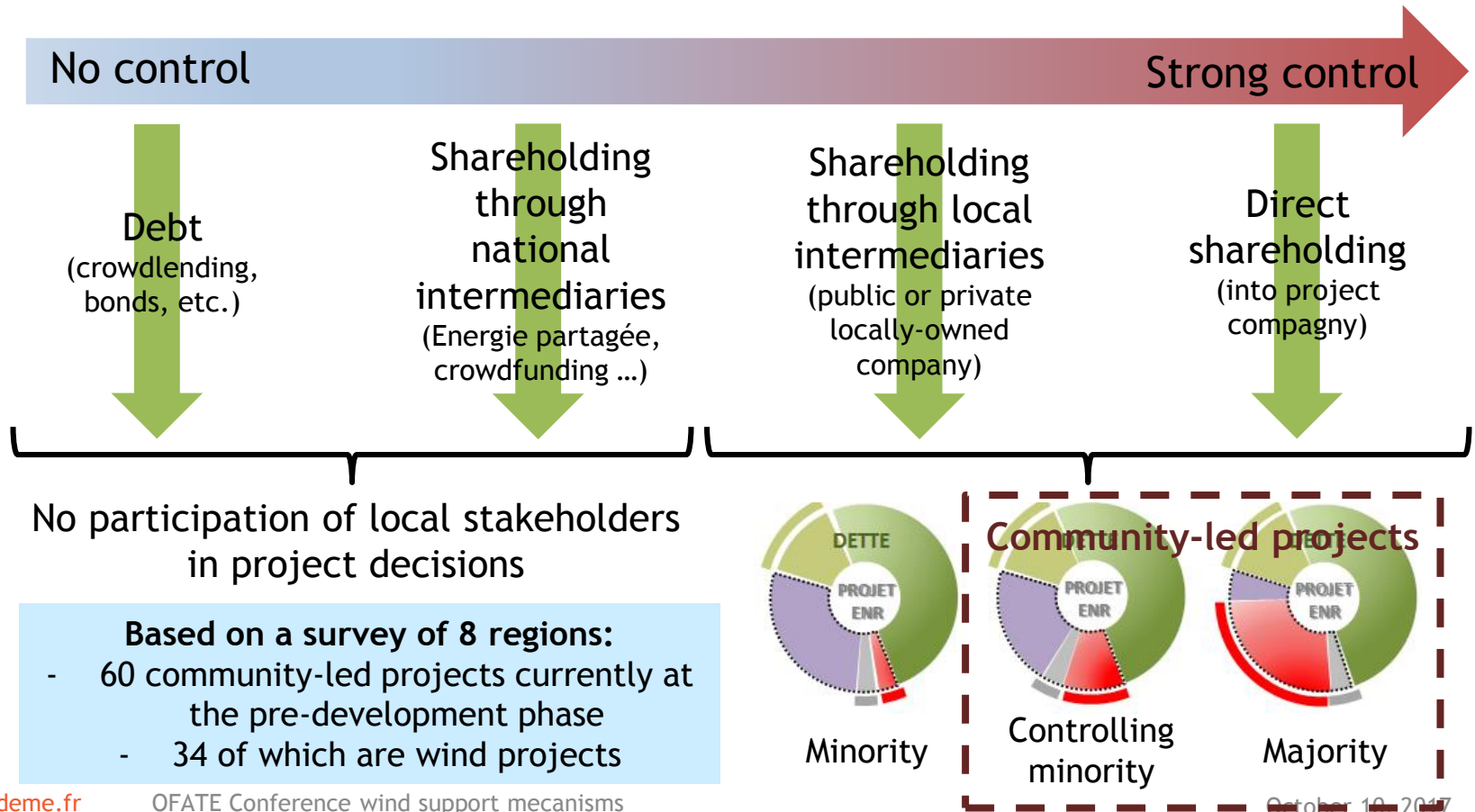
Support mechanism for community-led projects



The distinction between community-based and community-led projects



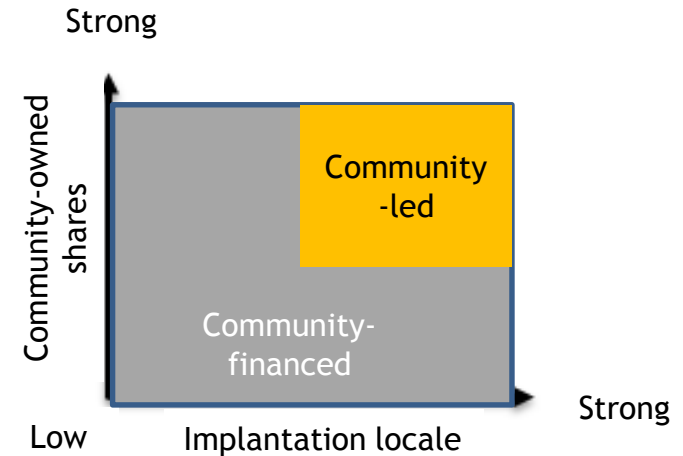
- Community-led projects are a sub-category of community-based projects
 - Local people or authorities are shareholders with control over project decisions
 - Implying local control over projects decisions and benefits + skills development



A study of the needs of community-led projects demonstrates the need for public support



- In the face of sustained oppositions to certain types of RE projects, community-led may be a lever to facilitate projects' local integration
 - ➔ It is crucial especially for wind projects
- But they face particular challenges
 - ➔ Lack of human, technical and organizational resources
 - ➔ No ability to hedge risks through portfolios



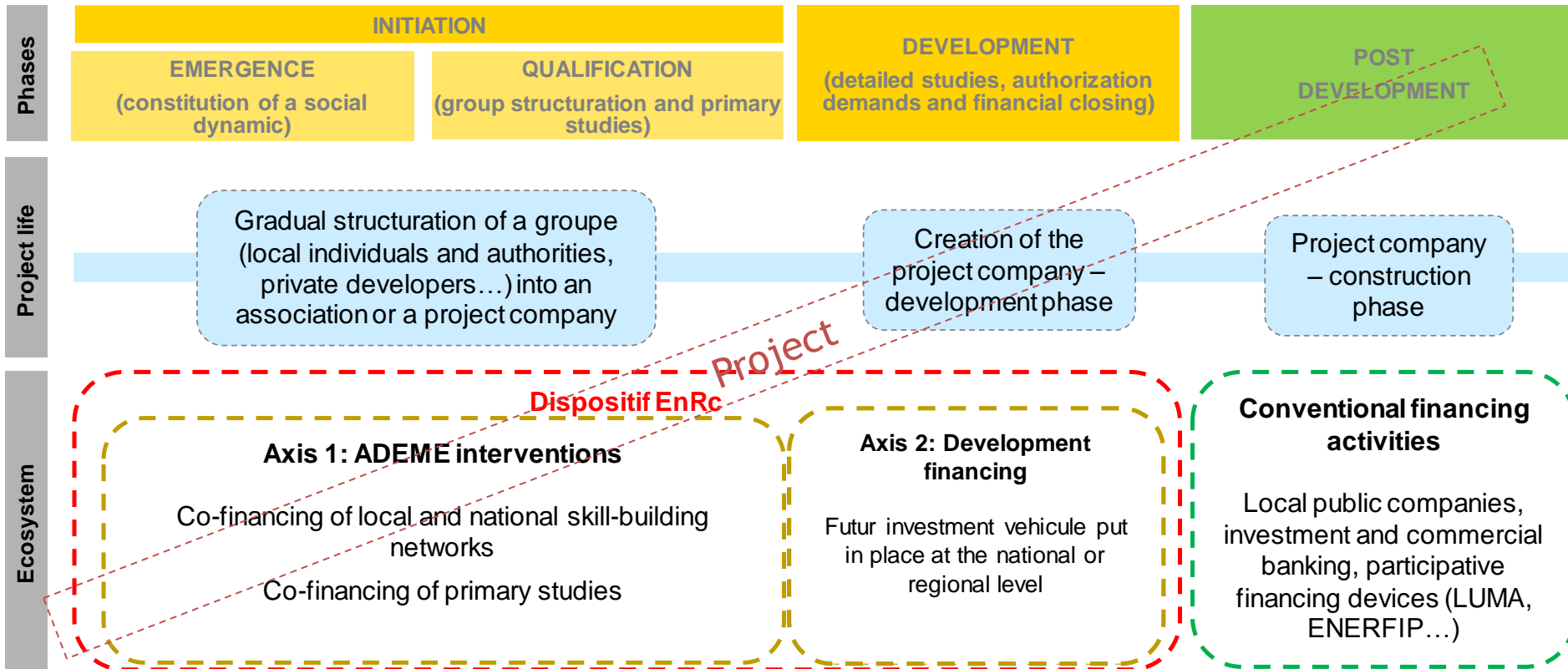
Phases	INITIATION		DEVELOPMENT (detailed studies, authorization demands and financial closing)
	EMERGENCE (Constitution of a social dynamic)	QUALIFICATION (group structuration and primary studies)	
Needs	Sensibilization, information and skills development	Covering the cost of primary studies, risk-hedging and skills development	Covering the cost of detailed studies, risk-hedging until authorization and skills development

ADEME and Caisse des dépôts worked closely to elaborate a support mechanism

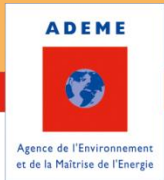


Two axes for public intervention

- ➔ Axis 1 : supporting skill development and financing primary studies
- ➔ Axis 2 : financing projects during the development phase (detailed studies)

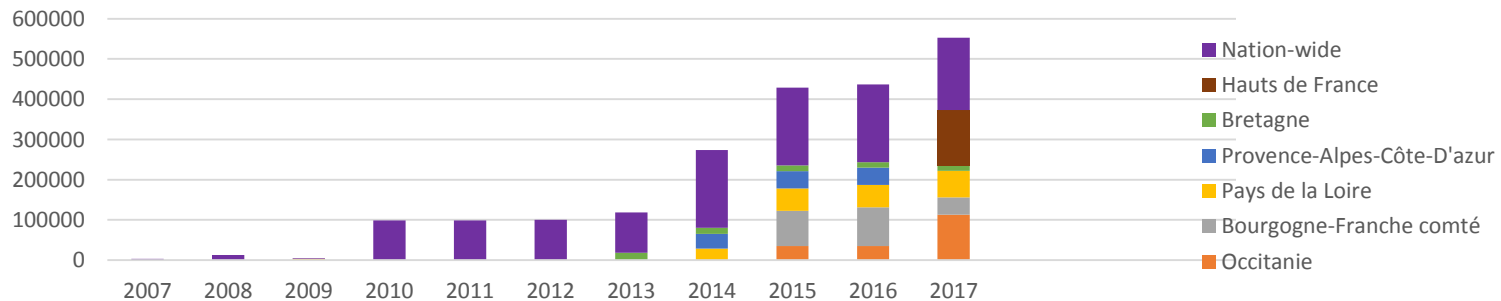


Axis 1 support by ADEME has been gradually increasing since 2008



- Axis 1-type support is necessary to support the emergence of projects
- 3 components to this support, with co-financing by regions a key element
 - ➔ National level: ADEME finances, at the national level, a structure in charge of coordinating and tooling regional networks and projects
 - ➔ Regional level: ADEME finances, at the regional level, (regions are co-financers) networks in charge of accompanying projects during the initiation phase
 - ➔ Co-financing of primary studies for community-led projects
 - Call for projects are operated at the regional level
 - Call winners are local authorities, associations or local projects companies

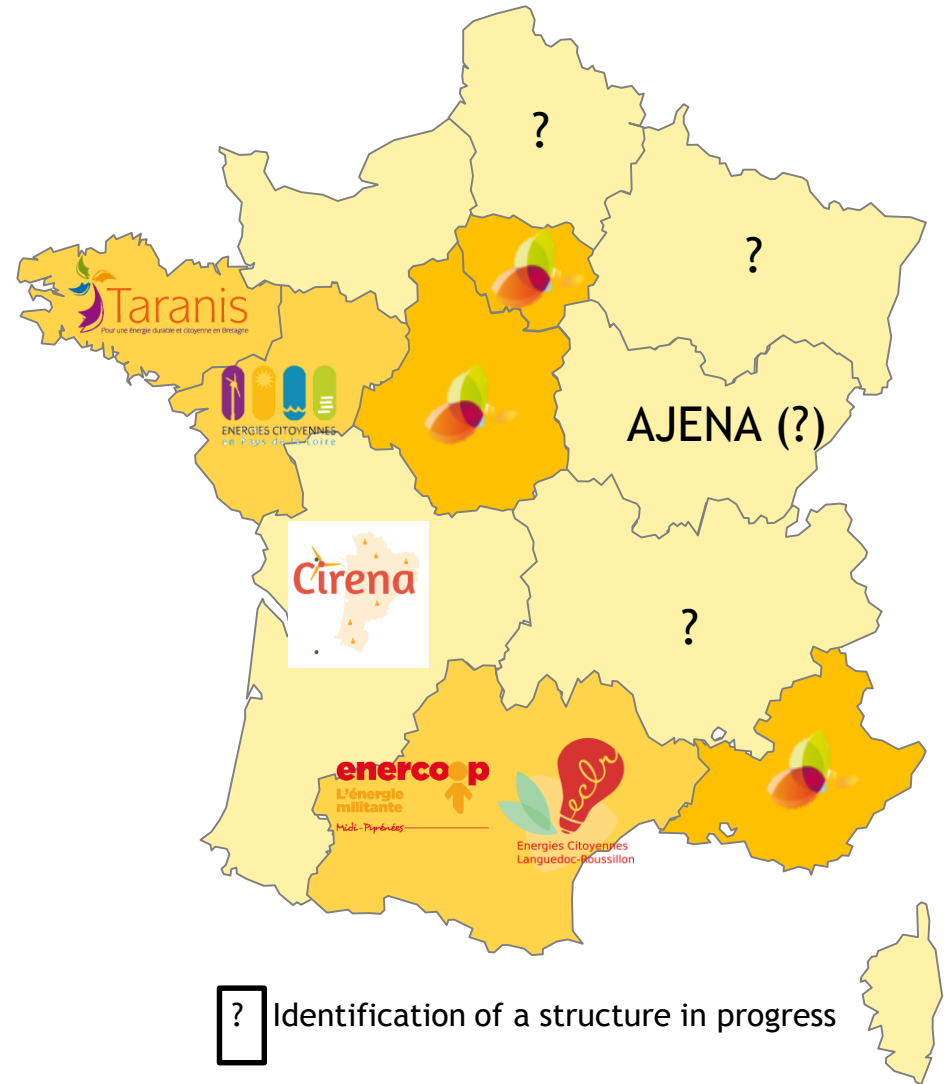
First financing of Axis 1-type support started as early as 2008



Support at the regional level is expanding fast

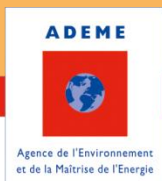


- ADEME has contracted, at the regional level, with several structures
- More regions are looking into this
- Their interventions encompass
 - Facilitating exchange at the regional level, between experienced actors and others
 - Accompagnying new projects
 - Sensibilization and information
 - Communication
- These networks work closely with the national structure (Energie Partagée Association in charge of coordinating and tooling them)
- In total, these structures represent 7 fulltime jobs (5 more are being discussed)

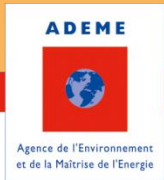




Thank you!
guilain.cals@ademe.fr



Useful links



- Label « Participative financing for green growth » - frame of assessment
➔ <http://financeparticipative.org/label-croissance-verte/>
- State of the art study « Quelle intégration territoriale des EnRp? »
➔ <http://www.ademe.fr/integration-territoriale-energies-renouvelables-participatives>
- Guide for local authorities participation
➔ <http://energie-partagee.org/wp-content/uploads/2017/09/GUIDE-EP-web.pdf>