Regulatory framework for wind energy in France: tendering procedure

Renewable Energy Office
French General Directorate for Energy and Climate Change

French Ministry for the Ecological and Inclusive Transition

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Introduction

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  - Two-parts framework
  - Technical specifications

- First results
  - First round
  - Second round

Intermediate term evolution
## Objectives

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>European Union</td>
<td>20% renewables in energy consumption</td>
<td>27% renewables</td>
</tr>
<tr>
<td>France</td>
<td>23 % renewables in energy consumption (27 % electric renewables)</td>
<td>32 % renewables (40% electric renewables)</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th></th>
<th>30/06/2018</th>
<th>2018 objective</th>
<th>2023 objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wind Power</td>
<td>14GW</td>
<td>15 GW</td>
<td>Between 21,8 and 26 GW</td>
</tr>
<tr>
<td>Photovoltaic</td>
<td>8,5 GW</td>
<td>10,2 GW</td>
<td>Between 18,2 and 20 GW</td>
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</table>
Feed-in premiums

The producer sells the electricity produced to a compelled buyer at a fixed price, independently of supply and demand in the market and independently of the market price.

The producer is responsible for selling its electricity in the market and receives a premium in addition to its market revenues.
# Two-parts framework

<table>
<thead>
<tr>
<th>Direct contracting</th>
<th>Tendering process</th>
</tr>
</thead>
<tbody>
<tr>
<td>(cumulative conditions)</td>
<td>(projects that can’t meet the direct contracting conditions)</td>
</tr>
<tr>
<td>Max, 6 wind turbines</td>
<td>7 wind turbines and more</td>
</tr>
<tr>
<td>Pturbine &lt; 3MW</td>
<td>Any windfarm with a Pturbine &gt;3MW</td>
</tr>
<tr>
<td>A distance rule between farms must be respected</td>
<td>Any windfarm that doesn’t meet the distance rule</td>
</tr>
<tr>
<td>Environmental permit required</td>
<td>Environmental permit required</td>
</tr>
</tbody>
</table>
Technical specifications

- Generalities:
  - 6 application period over 3 years for 3GWs
  - Winners of the tender get feed-in premium contracts, tariff for each winner is fixed by his individual tender offer.
  - Single criterion for selection: price (€/MWh)
  - Tenders submission and processing managed by the French Energy Regulatory Commission (CRE)
  - Winners should build the project within 3 years, otherwise the duration of the contract is reduced
  - An environmental permit is required to participate in the tender (exception made for the first round)
Technical specifications

- **Crowdfunding:**
  - Candidates meeting certain financing requirement shall be awarded a bonus
  - 1€/MWh for projects with at least 20% of the whole financing held by 20 people* or by one or several local authorities (financement participatif)
  - 3€/MWh for projects with at least 20% of its capital held by 20 people* or by one or several local authorities (investissement participatif)

- **Bank Guarantee:**
  - Financial guarantee amount: 30,000€/MW
  - Guarantee is given back after completion of the wind farm, provided the project not subject to delays;
First round results

- Capacity:
  - Tenders: 904 MW (38 plants)
  - Winners: 508 MW (22 plants)

- Average price: 65.4 €/MWh

- 7 winners over 22 using crowdfunding

- 12 winners over 22 using first round exception regarding environmental permit
First round results

- Number of turbines:

- Rotor diameter:
Second round results

- Environmental permit condition

- Environmental authority issues → no permits delivered for months

- Capacity:
  - Tenders: 231 MW (10 plants)
  - Winners: 118.3 MW (5 plants)

- Average price: 68.7 €/MWh

no winner using crowdfunding
second round results

- Number of turbines:

- Rotor diameter:
Evolutions?

- For the third round, considering recent events, environmental permit condition expands
- Next two rounds are delayed
- Ceiling price decrease
- Priority given to tendering procedure in the future
Actualities

- Next french objectives for renewables published soon
- 10 concrete measures to accelerate
- First results of « wind-solar » tender to come