Country Profile: France

RE-DISS
Reliable disclosure systems for Europe

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1 Implementation of Tracking Systems

1.1 Electricity Disclosure

The disclosure obligation from Directive 2003/54/EC was transposed in the article 5 of Decree n°2004-388 from the Ministry of Economy, Finances and Industry on 30 April 2004. This decree was consolidated in a new version on the 9th November 2011. The contents is summarised below.

Disclosure applies to the calendar year and is an obligation on all suppliers to end consumers. Since 1st July 2004, these suppliers have to indicate on their bill, or an attached document, the share of different primary energy sources that have been used to produce the electricity sold during the preceding year. There is no list of mandatory categories to disclosure. Disclosure applies to the supplier's portfolio. Suppliers also have to indicate in which documents consumers can find information on the quantity of carbon dioxide emissions and/or radioactive waste per kWh produced from these primary energy sources.

Market players that are trading electricity on exchanges have to supply the market operator with the same information for each offer. The market operator then aggregates data for one year and establishes the breakdown for the different primary energy sources on this market. This information should then be communicated to buyers.

When electricity offers are certified by a system that has a legal basis such as a guarantee of origin established under national law, the market operators should not count this information in the general data and exclude the electricity from these yearly market statistics. The buyer of this electricity can use the certification in his disclosure obligation.

The deadline for submitting the disclosure information related to year X to the Ministry in charge of Energy is 31st of December of year X+1.

Agents from the Ministry have the power to enquire in order to verify disclosed data.

1.1.1 Disclosure Figures

There is no national residual mix calculated.

Suppliers' fuel mix disclosure takes very different forms, as no format is imposed. Also no minimal size is imposed and some disclosure statements are not very visible on the invoices.

1.1.2 Environmental Information

Suppliers do not have the obligation to disclose environmental information in the electricity bills, but they have to indicate in these bills where the end consumer can find information on carbon dioxide emissions and/or radioactive waste per kWh produced from these primary energy sources for the given supplier.

1.1.3 Suppliers Fuel-Mix Calculations

As there is no clear methodology for supplier mix calculations in the decree, the practical implementation of disclosure is done by each supplier according to documentation at hand. Usually, they integrate their production mix and what is mentioned in bilateral contracts or the sellers' mix if it is known. The rest can be covered by UCTE mix. There is no national residual mix calculated by the regulator or the TSO. In practice, EPEX SPOT, the electricity exchange, does not have a specific mix because they do not receive this information from sellers. So they direct their net buyers to the UCTE mix.

Suppliers can also integrate GOs in their mix. Some of them also integrated RECS certificates in the mix. Regarding the product mix, RECS certificates have been used for disclosure until year 2011 and not GOs. A change in legislation (Ordinance 2011-1105) provides that from 1st January 2012

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onwards GOs will be the only certification accepted to prove renewable origin of the electricity in the commercial offers from suppliers. If a supplier sells a GO to a third party, then the corresponding volume of energy is not taken into account in the supplier mix calculation, so the remaining mix is expanded in order to cover the volume without attributes.

1.1.4 RE-GO and CHP-GO System

Guarantees of origin for RES and CHP were established within the framework law on energy from 13th July 2005 in article 33. This was later codified in the Code de l'énergie (article L314-14 to L314-17) in May 2011 and modified in September 2011 by Ordinance n°2011-1105.

The issuing body is designated by the administrative authorities. In decree n°2006-1118 from 5th September 2006, it is explained that the TSO or the DSO are responsible for issuing GOs, depending on the grid to which producers are connected. GOs can be issued also for non-grid connected producers and in this case, the TSO is the issuing body. GOs are issued on a voluntary basis upon demand of the entitled stakeholders. RTE (the TSO) is in charge of the register, which is accessible to the public via RTE's website (http://clients.rte-france.com/lang/fr/clients_producteurs/services_clients/garantir_origine_electricite.jsp). DSOs have to transfer a copy of the GOs that they have been issuing to RTE within 8 days after the issuing date.

In decree n°2006-1118 from 5th September 2006, details on the request for GOs are given. The request for GOs has to contain information so as to fulfil the registry and references to administrative documents related to the production device : references of the authorisation to produce, references of the grid connection contract and when applicable the references of the FIT contract. GOs are not based on EECS.

An extract from the registry is available to the public. It lists all GOs that have been issued. The following details are given:

- number of the attestation of GO
- date of issue
- body who issued it
- name and quality of demander
- localisation of the production device
- sources of energy which produced the electricity
- production period (start and end date)
- quantity of energy that was certified
- when applicable, the use.

GOs are issued for various volumes of electricity. No support is recorded.

There is no tracking of the use that is done. Redemption is not mandatory but a possibility if the owner of the GO asks it, the date of use of the GO can be noted. The decree says that a GO can be used only once.

GOs will be issued against payment. The cost has two components : one fixed part and one variable part. Fixed part is 800€ per issued GO by RTE. Variable part is 0,005€/MWh. For DSOs, the decree stipulates that the fixed part can be between 200€ and 1 000€ and the variable part from 0,01€ to 0,05€ per MWh guarantied. The actual tariffs that are used by DSOs are not known.

Up until the 31st December 2011, most GOs are being cancelled for foreign consumers cf the last column of the registry and RECS certificates are used to back offers which contain a defined share of renewable electricity. From the 1st January onwards, GOs will be the only certification accepted to prove renewable origin of the electricity in the commercial offers from suppliers. It is not very clear whether this applies to the supplier mix or to the product mix or to both. But this will trigger a much larger use of the GO on the national market.

Decree n° 2012-62 from 20th January 2012 ensures complete legislative transposition of Directive 2009/28. It provides for the additional information that should be carried by GOs to be in line with the requirements of the directive (such as location, support, type of energy…). Also it foresees that a new competent authority for GOs issued according to directive 2009/28 will be designated through a call for tender. In the meantime, RTE should continue to issued GOs as per current conditions and these GOs should be considered as GOs issued under the 2009/28 directive. The call for tender was launched and closed on the 30th March 2012. As of mid October 2012, the winner still has not been designated and RTE is therefore still in charge of ensuring transition before the new GO registry will be ready. The new competent authority for GO will be appoirnted for a period of 5 years.

Expiration of GOs is foreseen twelve months after the starting date of the production period.

CHP-GOs can be issued, but at the time this report is written none was. Renewables and CHP are covered by the same type of GOs and share one registry. From the texts it is not very clear if there will be one ot two GOs for biomass CHP.

1.1.5 GO Statistics

RTE issued the first GOs in January 2007.

On the basis of the GO registry available on RTE's website on the 14/10/12, statistics for GOs in France for the last four years are the following:

Table 1 : Statistics of GOs in France

Transaction based	Issue	Used
2009	27 251 635	13 985 165
2010	23 440 841	17 256 491
2011	17 613 794	17 372 586
2012	17 877 770	14 318 883

Source : RTE registry, www.rte-france.com

1.2 Other RES-E Relevant Support Schemes

Feed-in tariffs in combination with large calls for tender are the main tool for supporting RES-E. It is specified that when RES-E is being supported by feed-in tariffs, then the buyer of electricity also gets with the electricity the right to issue GO for the quantity bought (Art L314-14 of the Energy Code). If then the buyer of the electricity chooses to sell GOs thus acquired, he has to reimburse the product of the sale to the State as he gets compensation for costs incurred because of the obligation to pay the FIT to RES producers. No other interaction with existing support schemes is described for the moment.

1.3 Other RES Scheme

An EECS domain exists. Observ'ER is the issuing body for EECS RECS certificates and has been operating since 2000. The first certificates were issued in 2002.

There is no connection between GOs and RECS registries. In practice there is no GO issued for FIT production because then the profit derived from the sale of the GO should be reimbursed to the State. RECS certificates can be issued for supported electricity. On large hydro producers cannot ask for GOs and RECS at the same time (engagement from EECS registration procedure).

Table 2 : Statistics of EECS-RECS certificates in France

France	2002 to 31.03.2012	Issue (MWh)	Transfer (MWh)	Export (MWh)	Import (MWh)	Cancel (MWh)
Wind	Onshore	6 287 404	2 729 693	686 345	1 891 662	4 918 305
Wind	Offshore	0	0	0	0	0
Solar	Photovoltaic	74 491	0	39 142	30 842	42 617
Solar	Thermal	0	0	0	0	0
Hydropower		18 109 317	4 545 461	1 292 011	16 032 337	30 756 533
Geothermal		0	0	0	0	0
Biomass	Energy crops	0	0	0	0	0
Biomass	Agricultural products	0	0	0	0	0
Biomass	Forestry & agricultural by-products & waste	56 511	0	0	0	9 553
Biomass	Forestry Products	0	0	0	0	0
Biomass	Forestry by-products & waste	0	0	0	0	0
Biomass	Landfill gas	1 622 734	726 302	20 000	0	1 018 752
Biomass	Sewage gas	0	0	0	0	0
Biomass	Other biogas	0	0	0	0	0
Biomass	(Solid) Municipal waste - biogenic	482 197	280 681	0	60 000	394 081
Biomass	Municipal (liquid) biodegradable waste	0	0	0	0	0
Biomass	Industrial by-products & commercial waste	0	0	0	0	0
Biomass	Industrial & commercial waste	0	0	0	0	0
TOTAL		**26 632 654**	**8 282 137**	**2 037 498**	**18 014 841**	**37 139 841**

The RECS system has almost ceased to be used in France since Ordinance n°2011-1105 stipulates that only GOs can be used for commercial offers as of 1st January 2012. Issuings and international transfers have ceased, some scarce cancellations related to disclosure for year 2011 are still being carried out.

2 Proposals for Improvement of the Tracking System

2.1 Proposals regarding general regulation on tracking systems

Disclosure regulations date back from 2004 and need a lot of refining. They also need a clear commitment from the ministry to check the disclosure statements from suppliers.

2.2 Proposals regarding Disclosure

1. A residual mix should be introduced in order to account for untracked consumption and it should be calculated according to the RE-DISS methodology, following the RE-DISS schedule for RM calculations. (BPR [25-28]).
2. Cancellations of GO relating to production periods in a given year X which take place until 31 March of year X+1 should count for disclosure in year X. Later cancellations should count for disclosure in year X+1. This would also require revision of the timeline which currently applies within the country (BPR [31-33]). The same allocation rule should apply to expired GOs (BPR [6]).
3. In the medium to longer term, GO should be the only "tracking certificate" used. Any other tracking systems of a similar purpose and function as GO should be closely coordinated with GO and eventually converted to GO (BPR [15]).
4. (Other) Reliable Tracking Systems (RTS) should be defined where appropriate based on criteria of added value, reliability and transparency (BPR [23,24]). In France it is important to regulate contract based tracking clearly as it is very much used. (BPR [29, 30, 32]).
5. France should clarify the relation between their support schemes for RES & cogeneration on the one side and GO and disclosure schemes on the other side. Where necessary, the support schemes should be defined as RTS (BPR [36]).
6. Suppliers offering two or more products which are differentiated regarding the origin of the energy should be required to give product-related disclosure information to all their customers, including those which are buying the "default" product of the supplier. (BPR [39]).
7. There should be clear rules for the claims which suppliers of e.g. green power can make towards their consumers. There should be rules how the "additionality" of such products can be measured (the effect which the product has on actually reducing the environmental impact of power generation), and suppliers should be required to provide to consumers the rating of each product based on these rules. (BPR [40]).
8. Claims made by suppliers and consumers of green or other low-carbon energy relating to carbon emissions or carbon reductions should also be regulated clearly. These regulations should avoid double counting of low-carbon energy in such claims. A decision needs to be taken whether such claims should adequately reflect whether the energy purchased was "additional" or not (BPR 41]).

2.3 Proposals regarding GO

9. The metered production periods for purposes of issuing GO should not be longer than a calendar month. Longer intervals up to one year are acceptable only for very small plants. If possible, issuing should be done without delay after the end of each production period (BPR [1, 2]).
10. Expiration date should be changed to 12 months after the end of the production period (BPR [3]).
11. An extension to this lifetime can be granted if a GO could not be issued for more than [six] months after the end of the production period for reasons which were not fully under the control of the plant operator. In this case, the lifetime of the GO might be extended to [six] months after issuing of the GO. (BPR [4]).
12. The implementation of GO in all countries in Europe should be based on the European Energy Certificate System (EECS) operated by the Association of Issuing Bodies (AIB). In case that national GO systems are established outside of EECS, then EECS should at least be used for transfers between registries. (BPR [7]). Reliable linkages should be established with countries which are not EECS members. (BPR [8]).

13. So-called ex-domain cancellations of GO, where a GO is cancelled in one registry and a proof of cancellation is then transferred to another country in order to be used there for disclosure purposes, should only be used if there is no possibility for a secure electronic transfer and if there is an agreement on such ex-domain cancellations between the competent bodies involved. Statistical information on all ex-domain cancellations should be made available in order to support Residual Mix calculations. (BPR [9]). This is very important for France where a lot of ex domain cancellations has happened in previous years.
14. The GO system should be extended beyond RES & cogeneration to all types of electricity generation, which should all be handled in one registry. (BPR [11]).
15. Besides GO, only Reliable Tracking Systems (which may include contract based tracking) and the Residual Mix should be available for usage for disclosure. No other tracking mechanisms should be accepted. (BPR [17]).
16. Within the rules set by the respective Directives, Member States should consider to reject the recognition of GO from other countries for disclosure in case that these countries have not implemented adequate measures which avoid double counting, e.g. a proper determination of a Residual Mix for disclosure(BPR [21]).

2.4 Matrix of disclosure related problems and country-specific proposals

Problem	Country-specific proposal
Possible double counting in different explicit tracking instruments	2, 3, 4, 5, 6, 12, 13, 14, 15
Double counting of attributes in explicit and implicit tracking mechanisms	1, 2, 4, 13 ,16
Double counting within individual supplier's portfolio	6
Loss of disclosure information / Intransparency for consumers	4, 6, 7, 8, 14
Leakage of attributes and/or arbitrage	11, 2, 9, 10, 11, 12, 13, 16
Unintended market barriers	12, 13