

« CLEAN ENERGY PACKAGE »: THE WAY FORWARD FOR EU CONSUMERS ?

Perspectives of the French electricity sector

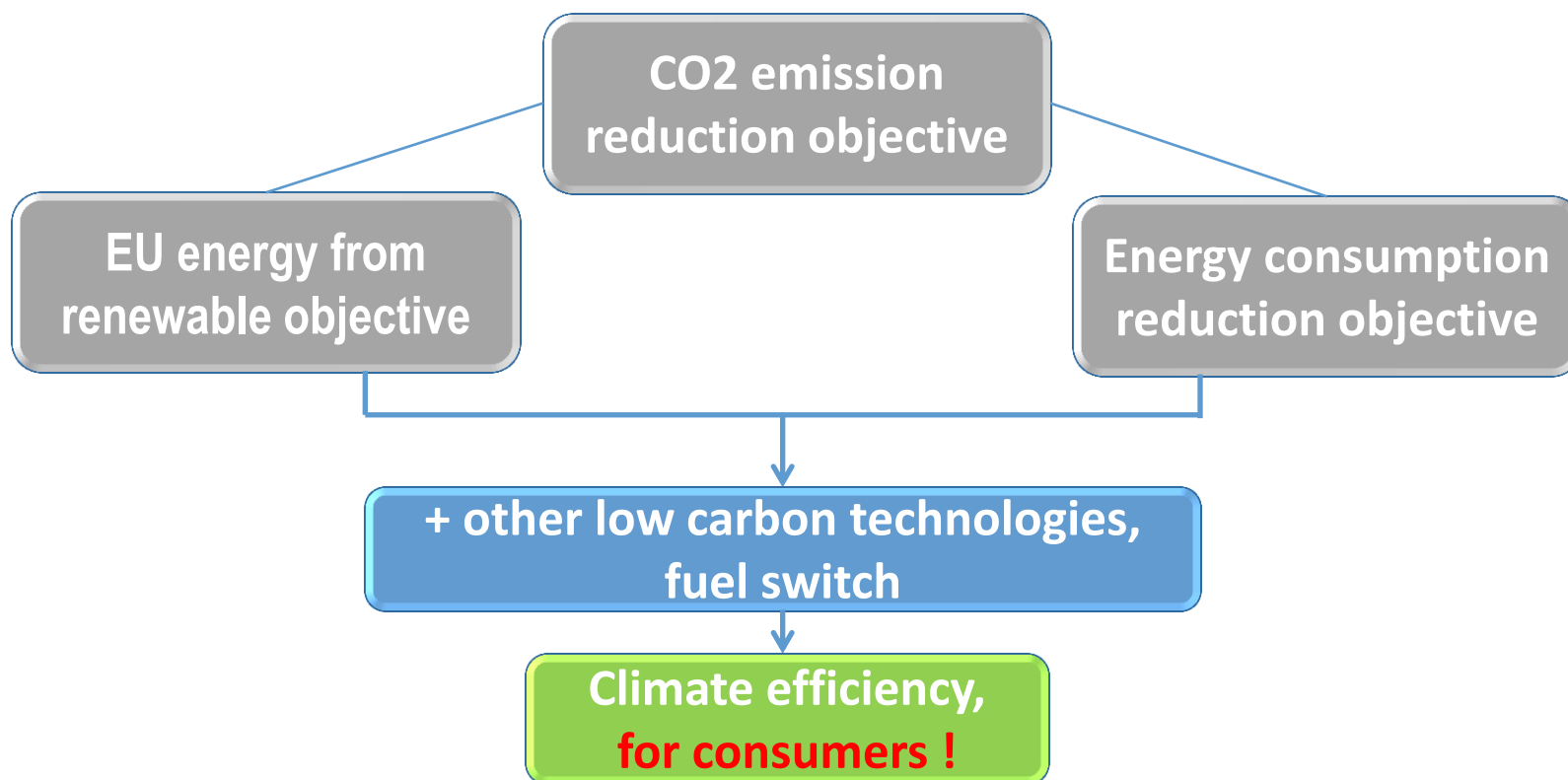
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REACH EU 2030 ENERGY & CLIMATE TARGETS AT THE LEAST COST FOR EU CONSUMERS

CLIMATE EFFICIENCY- REPLACE ENERGY EFFICIENCY AND RENEWABLE ENERGY IN A GLOBAL CONTEXT



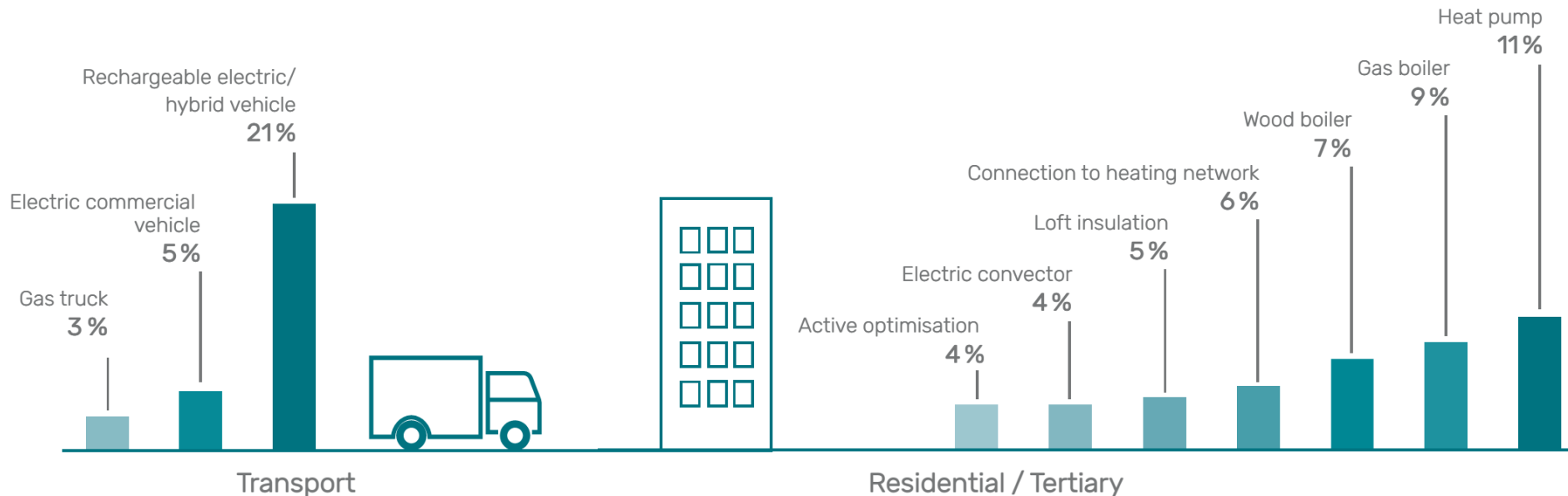


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ENERGY EFFICIENCY – TARGET AND PRIORITIZE (e.g. transportation, heating and cooling sector)

UFE 2016 energy transition study:

10 key energy efficiency actions to reach **75%** of FR CO2 reduction objective !

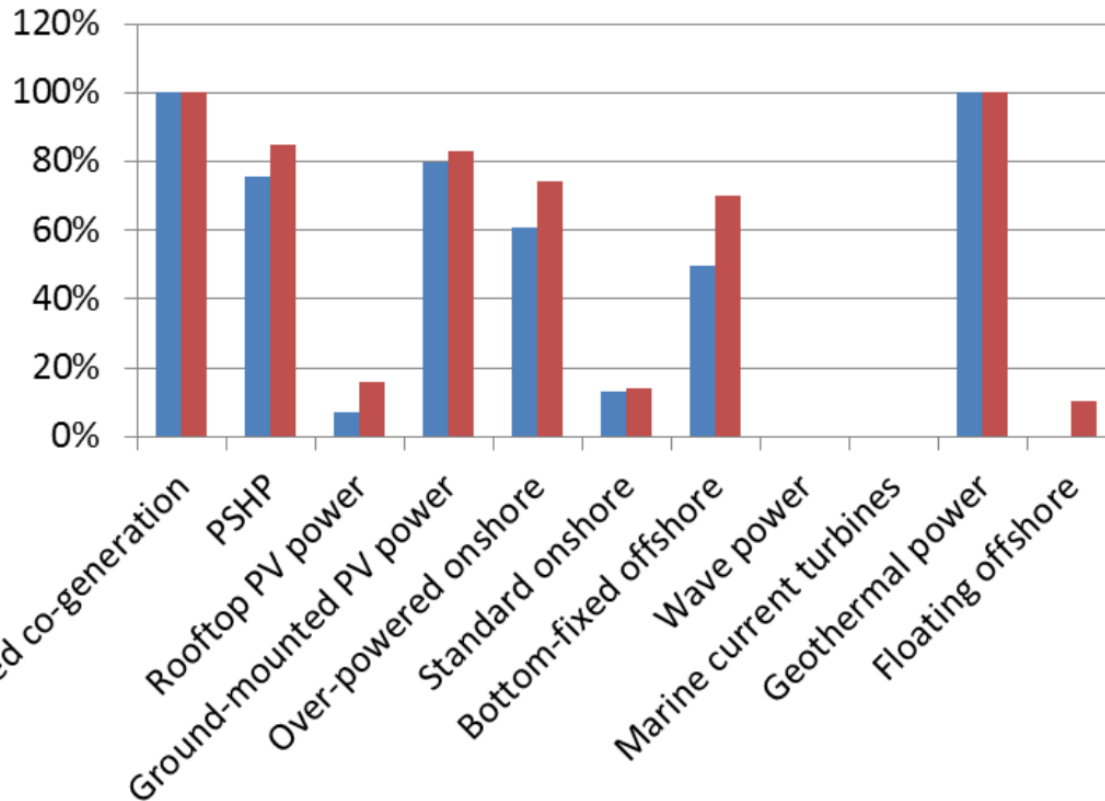




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RENEWABLES DEPLOYMENT – BUILD ON COMPLEMENTARITY FOR A COST-EFFICIENT AND RELIABLE ENERGY MIX : **technology specific support is still advisable** (technology neutral should only be an option)

Share of resource used



ADEME 100% renewable electricity study:

The cheapest power mix does not rely exclusively on the (apparently) cheapest energy source (in LCOE)



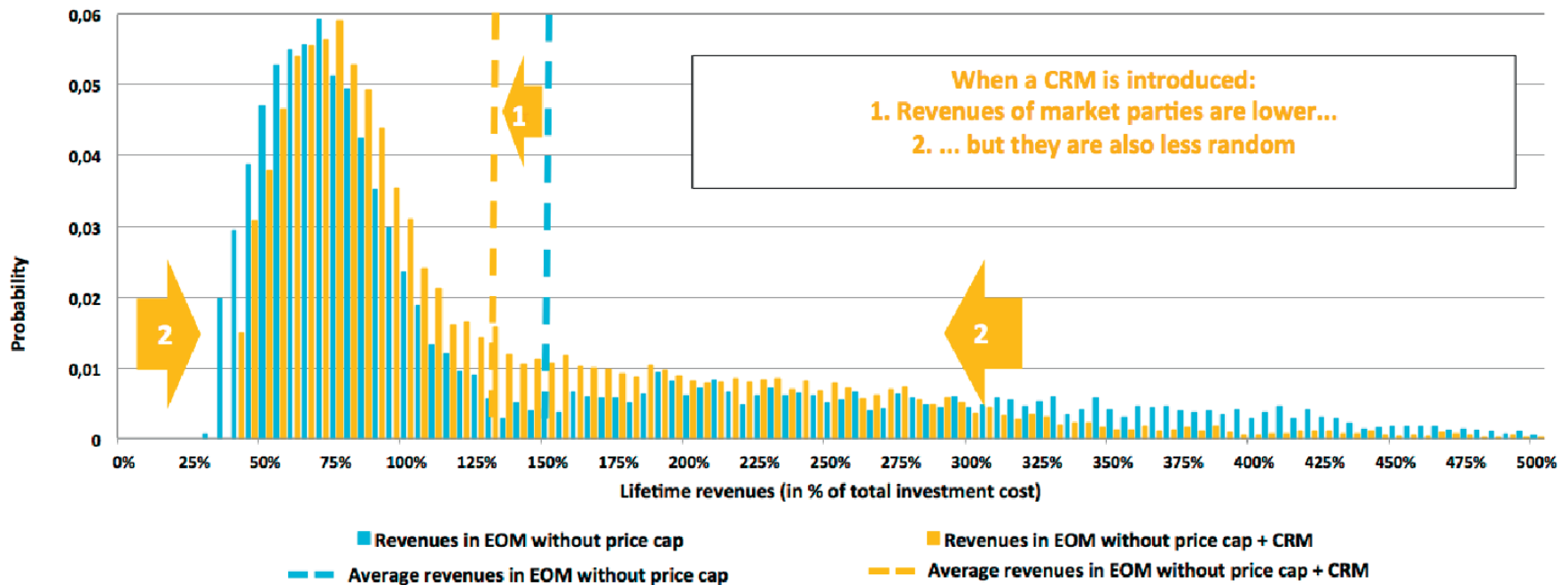


SECURE ELECTRICITY SUPPLY AND ACHIEVE THE NECESSARY INVESTMENTS UNDER SUSTAINABLE ECONOMIC CONDITIONS

CRMs are needed and should not be conditioned to the outcome of the annual adequacy assessment carried out by ENTSO-E

- A CRM won't be more costly for consumers but will generate efficiency gains !
UFE/BDEW study: 87M€/year for French consumers, 82M€/year for German consumers !
- It doesn't result in higher revenues for utilities, but increases revenues certainty, which also facilitates the uptake of new capacities (like DSR).

Impacts of the introduction of a CRM on revenues of CCGT plants





SECURE ELECTRICITY SUPPLY AND ACHIEVE THE NECESSARY INVESTMENTS UNDER SUSTAINABLE ECONOMIC CONDITIONS

THREE COMPONENTS TO A SUCCESSFUL EUROPEAN STRATEGY

- Enable the development of innovative offers and services to reveal the **value of flexibility** on energy markets
- Implement capacity remuneration mechanisms to restore **long term signals** on the market and achieve necessary investments under sustainable economic conditions
- Strengthen **regional cooperation**, while preserving system stability and TSOs accountability for SoS





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TOP PRIORITY: Consolidate the ETS mechanism as the central tool for the transition to a low- carbon economy and strengthen it on the long term. Goal: 30€/tCO₂, as soon as possible.

Several options (*Eurelectric ICIS study*, *“wake up call” FTI-CL study*, *Sandbag...*):

- Increase the ETS annual Linear Reduction Factor (LRF) to 2,4%
- Double the Market Stability Reserve “annual intake rate” to 24%
- Rebasing

