

## Assessment of country performance and opportunities in the Energy Union

**France shows a strong performance** along the following dimensions of the Energy Union. Concerning *Energy Security*, France benefits from a good level of security of supply, in particular for gas, with a well-diversified portfolio of gas suppliers. Concerning *Decarbonisation*, the carbon intensity of the economy in France is among the lowest in Europe and emissions per capita are lower than the EU average (in particular because of a high nuclear share in the energy mix). In addition, France has set out ambitious objectives in its recently adopted law on energy transition ("loi de transition énergétique pour la croissance verte"), with 32% share of renewables for 2030. France is also on track to meet its 2020 greenhouse gas emission target for the non-ETS sector. In the area of *Research and Innovation*, France makes substantial efforts to promote innovation in the energy and climate sectors.

As regards the remaining dimensions of the Energy Union, however, France faces several challenges. In terms of *the Internal Energy Market*, electricity and gas markets remain highly concentrated. Competition has increased but the market share of alternative suppliers remains relatively low, in particular due to remaining barriers in the retail market. The phasing out of regulated tariffs for non-residential consumers should help, even if making new investments in generation is still a challenge in the current investment climate of low wholesale electricity prices and energy demand. The tenders for hydro-concessions are still to be launched.

Concerning *Energy Efficiency*, France has a well-established Energy Savings Certificates Scheme to achieve energy savings in sectors of dispersed activity, mainly buildings, but also light industry, agriculture and transport. France will need the additional efforts foreseen in its energy transition law and an accelerated implementation of its related energy efficiency policy, to meet its indicative energy efficiency target by 2020.

Against this background, the **Energy Union Strategy can provide future benefits** for France:

- *Internal energy market*: France would benefit from additional interconnection capacities with neighbouring countries, including with the Iberian Peninsula. This as well as enhanced regional cooperation would allow France to fully reap the benefits of regional synergies.
- *Decarbonisation*: The Energy Union will help increasing the political impetus of France's ambitious national objectives for further development of renewables and low-carbon technologies. By promoting a market-based approach to renewables support and by enhancing regional cooperation to encourage a progressive convergence across national support schemes, the Energy Union can facilitate efficient market integration of renewables and enlarge the growth and jobs prospect of the renewable energy sector.
- *Energy Efficiency*: The Energy Union will strengthen the targeted use of financial instruments for increased investments in energy efficiency, including for the renovation of buildings, notably through the European Structural and Investment Fund.