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French Energy Policy Ahead of COP 21 in Paris: Challenges for Poland

Nathan Dufour

Both Poland and France have committed to reach a globally binding deal on the transition to more sustainable sources of energy. Yet, they still disagree about the methodology. France, in broad agreement with the European Commission, intends to secure for itself an exemplary reputation ahead of next year's COP21 in Paris. Already at the March European Council it will take the opportunity to push for targets for the EU by 2030. To solve the Franco–Polish deadlock and strengthen the EU's negotiating position, Warsaw could usefully push for the EU to carry out an assessment of transition on a broad range of economic sectors. This would result in a shared and equitable commitment, taking into account both the necessity of ambitious EU objectives and the continued existence of deep imbalances between national energy mixes.

On 20–21 March, the European Council will hold the first round of discussions regarding the new climate and energy framework for 2030 as proposed by the European Commission in late January. The Commission put forward two main targets: a 40% reduction in greenhouse gas (GHG) emissions and a 27% share of renewables in the EU energy mix.¹ As reaffirmed by EU ministers of Environment, Energy and Climate Change on 3 March, the main aims of the 2030 framework are twofold: to provide investors, businesses and citizens with clarity and predictability regarding energy and climate policies, and to duly prepare the EU position ahead of an expected global agreement on climate change at COP 21, taking place next year in Paris. In this regard, the final deal should reflect a "balance between three key components: environmental sustainability, competitiveness and security of energy supply." Although all Member States agree with the pragmatic and flexible approach advanced by the Commission regarding their respective contribution to these targets, the Council acknowledged that major divergences remain, particularly on the "level of ambition, the number and nature of targets, and timing of decisions on future targets." On this dossier, France's position, which is in line with the Commission's, appears to conflict with the Polish one.

Balancing Energy Transition and Competitiveness. Shortly after he was sworn into office, President François Hollande launched a nine-month public and cross-party series of consultations regarding France's future energy plans, which led to the September 2013 Environmental Conference. Based on the results of this process, a draft law on energy transition will be presented in the spring and likely will be adopted towards the end of this year. During the September Conference, President Hollande and PM Jean-Marc Ayrault voiced ambitious domestic targets for a 50% reduction in energy consumption by 2050 and a 30% reduction in hydrocarbon consumption by 2030. Nevertheless, no decision came out of this process regarding the strategic cornerstone of French energy policy, namely the nuclear sector, which, in the eyes of many, still represents France's best option for achieving low carbon emissions and high competitiveness.

¹ For more details on this new framework, see A. Gawlikowska-Fyk, "New Climate and Energy Package for 2030," *PISM Bulletin*, no. 8 (603), 24 January 2014, www.pism.pl.

France relies for electricity production on a powerful fleet of 58 nuclear power plants that produce 75% of its domestic needs² (about 500 billion kWh/year) making it the world's largest exporter of electricity (about 55 billion kWh in 2011), notably through a now well integrated market with its neighbours. Nevertheless when it comes to consumption, France's current energy mix is characterised by a high reliance on hydrocarbons (41.8% for oil, 20.8% in gas, 3.4% for coal) and is thus a significant factor in its trade deficit. Despite these challenges, the country is expected to reach its 2020 targets, having already reduced its GHG emissions by 13% in the last 20 years (474 MTeqCO₂ in 2011 compared to 559 MTeqCO₂ in 1990) and after having reached the 2010 first interim renewable share target of its final energy consumption (13.5% instead of the 12.8% as defined by the Commission). The government has, however, been criticised by the French Audit Office (*Cour des comptes*) for a lack of transparency as well as poor inter-ministerial coordination.

Competitiveness is also a crucial factor in the current public and political debates. Official reports all underline the importance of nuclear power for maintaining low energy prices for companies and households as well for bringing flexibility to the energy transition. As stated in a 2012 report ("Rapport energies 2050"), the French nuclear sector has allowed the country to save about ≤ 20 billion per year in gas imports over the last decade as well as to export electricity for an average of ≤ 2.3 billion per year. Against the backdrop of the Fukushima nuclear catastrophe and Germany's decision to phase-out its own nuclear power plants, the French Senate reiterated (in a February 2014 resolution on energy transition) the major strategic advantages of nuclear in the current mix: it is an adaptable and low-cost supply of electricity that contributes to French competitiveness, fosters energy independence, results in one of the lowest GHG emissions per capita in the EU, and contributes to economic development.

Recommendations for Poland. The rigours of a national debate on energy transition coupled with the perspective of hosting COP 21 have made France a fervent supporter of setting ambitious EU targets for 2030 that would be in line with its own chosen path towards energy transition. Seeking to "lead by example" at the EU level, French authorities believe that a strong European position could secure a global agreement. This approach, which would see it line up behind the orientations and objectives defined by the European Commission, was explicitly set out during the Franco-German Council of Ministers that took place on 19 February.

Despite a shared commitment to achieve a legally binding global agreement in 2015, France and Poland have very different approaches to the problem of energy transition. This is due not only to their respective energy mix and national strategy but also to more basic disagreements about the policy methodology that should be used by the EU. On a bilateral basis, these divergent views are regularly touched upon by both experts and politicians, whether it is within the framework of the UNFCC troika consultations and/or the new bilateral cooperation programme from November 2013.

Drawing on the lessons of the 2009 Copenhagen conference, Poland is highly sceptical of the "leading by example" approach and expects the definition of EU targets to be more conditional to other international partners' own commitments. This conditional approach should prevent the EU from ending up, once more, isolated from the final deal partly because of its inflexible negotiating position, and would consolidate the bottom-up approach that was agreed in Warsaw. To solve this deadlock and avoid the potential for disastrous impact on the EU's negotiating position, Poland will need to persuade France and its other EU partners of the imperative for a multi-sector impact assessment process at the EU level that could lead to several policy options. This could result in a shared commitment towards equitable burden-sharing, taking both into consideration the necessity for ambitious EU objectives and deep imbalances between national energy mixes.

² For more details on France's nuclear policy, see B. Wiśniewski, "Future of Nuclear Power in France," *PISM Bulletin*, no. 64 (517), 12 June 2013, www.pism.pl.