

EL-EFF REGION

WP 3: Stakeholder survey

prepared by: ARENE Ile-de-France

Background

In the frame of the setting of a regional action plan on electricity efficiency, and complementary to the regional summary report realised earlier, the ARENE conducted a survey of regional stakeholders. These stakeholders encompass a wide range of companies, syndicates and associations to get an overview as complete as possible. They were asked about their view on the actual situation, their actions and/or expectations concerning efficient use of electricity and their analysis or view on the future of the issue.

Methodology

To realise the stakeholder survey, the ARENE used the list of stakeholders realised for the regional summary report as part of the Work Package 2. Stakeholders of the Ile-de-France are summarised in the table below.

Electricity traders	POWEO Direct Energie EDF Electrabel Suez Enercoop (French co-operative of green electricity)
Main administrative and institutional bodies	RTE Founded in 2000, RTE is the French electricity transmission system operator (STO) responsible for maintenance and development
French Energy Regulation Commission	CRE Commission de Régulation de l'Énergie
Distributors: extract the electricity for delivery to customers connected to their grids	ERD EDF Réseau Distribution = EDF distribution network SICAE Agricultural enterprises of electricity created at the beginning of 20 th century – There are 3 SICAE in the region IDF.

	<p>-SICAE des Cantons de la Ferté-Alais et limitrophes -SICAE de la Vallée du Sausseron -SICAE Ely</p> <p>There are 2 other local distribution companies in the region that are "régies" (buy and sell electricity) -Coopérative d'électricité de Villiers-sur-Marne -Régie Communale de Distribution d'Electricité et d'Eau de Mitry-Mory - R.C.E.M</p>
Syndicates of electrification (groups of local authorities that have subcontracted the distribution of electricity)	<p>SIPPEREC Syndicat intercommunal de la périphérie de Paris pour l'électricité et les réseaux de communication SIGEIF (syndicat intercommunal pour le gaz et l'électricité en IDF) 176 cities FDSE (federation départementale des syndicats d'électrification de Seine et Marne) ...</p>
Professional associations	<p>GIMELEC French industry association for electrical equipment, instrumentation and control systems SERCE French professional association of electrical engineering companies FFIE (represented by CSEEE in the region) French electrical contractors association</p>
R&D	<p>EDF R&D CEA (Commissariat à l'énergie atomique)</p>
Consumer organisations	<p>CLCV (consommation, logement et cadre de vie) CNL (confederation nationale du logement)</p>
Green certificates	<p>OSBERV'ER (French institute for green certificates) GREEN ACCESS (French producers of green electricity sending green certificates)</p>
Promotion, communication, information	<p>ADEME, ARENE, EIE (energy efficiency information points)</p>

Interviews were realised depending on the type of stakeholder and their specific field of action to get the widest overview possible and complementary approaches. In the end were included electricity suppliers, the grid company, distributors, associations of professionals, research and development branches and consumer organisations.

The interviews were sent by e-mail and post mail accompanied by an explanatory letter on the EI-Eff project, the frame for the interviews, its goals and what the partners expected to reach. Another letter written by the director

of the agency accompanied the interview. A regular recall was done in order to get answers from all actors within respectable delays.

Questions addressed different topics such as:

- The Ile-de-France electricity market: level of consumption, trends and growth rates in consumption and prices level, possible weaknesses on the grid. This set of questions aims at providing a “picture” of the regional electricity sector to help framing actions.
- The opening of the market: the repartition between people that changed to a new electricity provider and those who stayed under regulated tariff, the forecasted evolution of liberalised tariffs compared to regulated ones. This set of questions aims at assessing the recent implementation of the European directive for market liberalisation in the household sector.
- The electricity demand side management: potential RUE programmes developed by the interviewee organisations, the view on relevancy of different actions to increase electricity savings, potential barriers to RUE in the frame of their activity, their view on the actual national and local policy in that field. With regards to the regional action plan to be established, this set of questions aims at evaluating the commitment of potential partners but also the already set up actions that could be complementary to the regional action plan ones.

Analysis of the interviews

▪ The Ile-de-France electricity consumption level and trend.

The level of electricity consumption in the region is not well known by all actors except for the regional delegations of the former national electricity provider EDF and the grid company. Nevertheless all actors expect a rise in consumption. They base their analysis on the continuation of the last years’ trend that experienced a continuous rise of 1.5% to 3% depending on the sub-territory and the company. This trend can be explained by a relative rise of life level and therefore a rise of the equipments rate despite the decrease of their unitary consumption. The impacting variables for the rise are therefore the demography and the wealth level. Climate conditions are also put forward as many dwellings are heated thanks to electrical systems in the region.

- **The opening of the market.**

The repartition of households and companies between regulated and non-regulated market.

Individuals seem to prefer to stay under regulated tariff, as they fear a rise in prices. 80% are still faithful to the historical national monopoly. For companies the figure goes up to 86%. This can be explained by the historical backfire experienced by energy intensive consumers i.e. industries few years ago when the market was first opened to them. At the time more than 14% of companies left EDF. After a few months alongside a decrease in tariffs; electricity prices suddenly started to rise, fast and far over their initial levels. In May 2006, liberalised prices were above the regulated one of 80%. Companies asked the government to act arguing energy bills became a burden threatening their competitiveness. Whereas the law forbade companies that had left the regulated tariff to go backward, the government created the "TarTAM" tariff in January 2007. TarTAM is an acronym for transitional regulated tariff for market adjustment (Tarif réglementé Transitoire d'Ajustement au Marché ndlr). It allows companies to come back to a regulated tariff with an additional charge of 10% to 20% therefore remaining below the market prices. 72% of companies that had left regulated tariff signed for a TarTAM. This experience can partly explain why some households are now reluctant to enter the free market.

The prices level and the trend.

All actors expect a rise in prices in the new competitive legal frame with a mean of 2% per year and a stabilisation after 2010 i.e. the end of regulated tariff. They expect a leasing of tariffs in the European Union opened market, and therefore an increase in France as the country benefits for the moment of one of the lowest electricity prices in Europe. The rise is also expected to come from the rising prices of raw materials and hydrocarbons, as they constitute the fuel for most of the electricity power plants in Europe. Another reason for rising electricity prices is the necessary investment in production capacity i.e. new power plants due to the rise of consumption and the reclassification of old power plants especially nuclear ones in France.

- **Actions carried out by stakeholders**

Stakeholders are not equally involved in electricity efficiency programmes and their actions are diverse. Some aim at raising awareness and informing through the production of leaflets, the organisation forum or the setting of education to energy sessions for children. Others offer financial support like the purchase of low consumption light bulbs to be given for free to public in difficulty. Subsidies have also been created for the introduction of efficient public lighting with electronic ballast and tension modulators. The offer for consumption audits or diagnosis has grew a lot and addressed every sector from individuals to energy-

intensive industries. Other measures comprised the creation of a poll of electricity buyers or the creation of a commission on highly efficient buildings. Here is a list of all their actions:

- electricity consumption management software for cities (SIPPEREC)
- grouping commands (SIPPEREC)
- subsidies for efficient public lighting (SIPPEREC)
- financing the purchase of low consumption light bulbs for public in difficulty (SIPPEREC)
- communication with a leaflet on energy savings (SIPPEREC with ARENE)
- forum with presentation of RES (RCCEM)
- Education to the environment, sustainable development and energy savings to schoolchildren (RCEM with Environment House)
- Commission HPE/HQE (CSEEE)
- Monitoring (RTE with ADEME)
- Diagnosis for individuals and cities (EDF)
- Energy audits of industrial process of the "electricity intensive" consumers of the industry (EDF).
- Training for social workers (SIPPEREC with ADEME)

▪ **Electricity efficiency demand**

According to the stakeholders interviewed, they are experiencing a slight rise of awareness concerning energy efficiency and particularly electricity. However, this rise of interest is not experienced by all stakeholders and does not rise from all customers. Professionals from the industry or the tertiary sectors seem to feel more concerned, mainly because of the important financial aspect and potential savings. Still, there are some households interested but fewer.

Cities' interest is rising a lot; they ask for technical and/or legal assistance on electricity demand side management.

▪ **Most relevant actions**

Stakeholders were asked about what they held as the most relevant tool for increasing electricity efficiency in the region. The most praised action is the dissemination of best practices, then come information campaigns and training. Financial incentives only arrive in fourth position. Mandatory goals are not put forward.

▪ **Main barriers to overcome**

Stakeholders were then asked about what they thought to be the main barriers to the development of electricity efficiency. Three categories of variables

impacting demand and supply were put forward to explain the limitation of electricity efficiency in the region: financial aspect, qualification and training, and political commitment. These complementary aspects are all under critics.

To begin with, the lack of commitment explains the reason for a relatively low demand from actors to be provided with electricity efficiency services. Behind the lack of commitment is the lack of information, which has for consequence a poor understanding of the issue. They do not assess properly the potential financial savings and its environmental benefits. The lack of qualified human resources and new savoir-faire is underlined to explain the scarcity of supply of specialised services in that field. Finally the financial side is put forward. The investment costs as well as the return on equity represent a barrier. The high investment cost represents a barrier especially for households, which for it is often complicated to get a consequent amount of money at once. On the other hand many of these stakeholders have cities as members or clients. Because their action is very much linked to the political mandate of the mayor, short-term analysis is often privileged putting aside financially viable actions. Still on the financial aspect, some electricity suppliers complain that they are asked to cut their sale (under the "White Certificates" law) whereas selling electricity is the heart of their activity. These actors feel like the burden of energy efficiency is not shared equally and that they overpay.

Results & conclusions

To sum up the survey shows that stakeholders have a convergent view on the electricity market. Even though they hardly know the consumption levels, they are aware that it is on a rising trend and they expect this trend to continue on the long run. They also expect prices to keep on rising because of the liberalisation of the market and the rise of oil prices.

The survey also shows that even though the electricity consumption is on a rising trend, the demand for electricity demand side services remain quite low especially in the household sector. Communication and information are still needed.

Stakeholders do carry out some actions on efficient use of electricity but there is hardly any coordination between them or between their actions and the regional goals set up by the administration.

From the necessity to coordinate and provide coherence between the stakeholders needs and actions as well as the realisation of the regional goals; the ARENE gave birth to a regional network named ROSE (Réseau d'Observation Statistiques de l'Énergie n.d.r.). It groups the main stakeholders of the region and has for goals the observation of energy consumption and its trend, the exchange

of data and the discussion on energy efficiency issues. The ROSE will ultimately sets action plan for RUE to support the regional administration goals in that field. Its official birth will be on the 16th of May during the regional energy conference organised by the ARENE.

Annexe 1: List of persons interviewed

First name	Family name	Company/Institution	Position
Catherine	Dumas	SIPPEREC	Director of development and communication
Jean-Charles	Guiet	RCEEM	Director
Edouard	Lemaire	SIGEIF	Technician
Yves	Desportes	CSEEE	General delegate
Renaud	Dhont	ARC	Responsible for energy management in co-propriety
Daniel	Warnier	EDF	Responsible for environment and risk management
Philippe	Dumarquez	RTE	Director for Ile-de-France and Normandy
Antoine	Deffontaines	Coopérative d'électricité de Villiers sur Marne	Director
Pascal	Tavernier	SICAE Ely	Director
Antoine	Zanello	SICAE de la Vallée du Sausseron	Director
Jacques	Bozec	ANROC	General delegate
Francis	Bouquillon	SERCE	Director
Dominique	Boucheron	FDSER	President
Patrick	Bayle	EDF	Marketing director
Mr	Mury	SICAE de la Ferté-Alais et limitrophes	Director
Stéphane	Mialot	CRE	Head of retail market surveillance
Bernard	Aulagne	Gaz de France	Director of communication

Annexe 2: list of all the questions by topic

Ile-de-France market of electricity.

1. Do you know the electricity consumption figures in the region for the years 2000 to 2006?
2. How do you expect the electricity demand in the region to evolve?
If you expect a rise, in which sector(s) and why?
If you expect a decrease, in which sector(s) and why?
3. How does the power load of the region evolved in last years?
Does it experience a smoothing or an accentuation of the pick load?
4. Are there actual or forecasted weaknesses on the regional grid?
5. Who are your members? Which sector(s) mainly? Which repartition?
6. What are the main causes for discontent against the electricity suppliers?
7. Who are your customers? Which sector(s) mainly? Which repartition?
8. Do customers in "night and day hours" tariff consume less or only "better" (rather on the base than on the pick load) compared to customers under the general tariff?
If consuming less, can you provide a mean figure for the difference?

The opening of the market.

9. How do you expect the price of electricity to evolve on the short, mid and long run?
10. What is the repartition of households' customers between regulated and non-regulated tariffs?
Same question for companies?
11. Do you feel like households are "lost" or well informed regarding the new legislation and the opening of the market?
12. How many companies have used their eligibility (whether they switched or not)? Did it give birth to contracts renegotiations?
13. How many companies or households did contact you to leave EDF? How many did switch? Do you know if their choice to stay at EDF is the consequence of a renegotiation of their contract?

Electricity demand side management.

14. Between the following type of actions, which one do you held for being the most relevant (i.e. target, implementation, results, cost/benefit analysis...):
- a. Information campaign
 - b. Benchmarking programmes
 - c. Presentations of case studies and best practices
 - d. Legal restricting measures
 - e. Training
 - f. Financial incentives
 - g. Modifications of tariff structures
 - h. Regional goals in terms of energy efficiency
 - i. Special tariffs
15. Do you think that the actual legal frame is adapted to the development of electricity demand side management actions?
16. Do demands rise from your customers regarding electricity efficiency?
If yes, what type of demand and what are the profiles of these customers?
How do you answer?
17. Which barriers and advantages do you see in electricity demand side management in the field of your activity?