

Support Measures for DHC

Country

France

#	Name and reference of measure	Type of measure	Responsible organ	Existing or planned?
	"Grenelle I" Law (#2009-967 dated Aug. 03 rd 2009) + support scheme	Law + support scheme	ADEME	Existing

Quotations from the measure

"VAT is collected with a rate reduced to 5,5% regarding: (...) The subscriptions concerning (...) thermal energy (...) delivered through district heating systems, as well as heat deliveries when the heat is produced from at least 50% of biomass, geothermal energy, waste and recovery energies."

The Purpose of the measure

The purpose of the measure is to grant the same VAT rate as the other heating sources (gas and electricity for instance), in order to put a stop to the pre-existing competition distortions, and to give an incentive to DHC systems to increase the share of R&R energy sources in their fuel mix.

Eligibility Criteria

DHCS must reach, at least, a 50% share of R&R energies in their fuels mix. A ministerial circular gives a precise list of those energies and some information on how to calculate the R&E ratio.

Impact of Measure

The measure is designed to have a positive impact on giving DHC a competitive position in comparison with the other heating solutions (especially electricity, gas, coal and oil individual solutions) and on giving incentive for developing R&R energies on DHCS.

Effectiveness of the measure

French statistics show that the R&R energy rate in DH has greatly increased between 2007 and 2008 (3 points). Credit can certainly be partly given to the VAT measure.

Renewable heat fund

#	Name and reference of measure	Type of measure	Responsible organ	Existing or planned?
	"Grenelle I" Law (#2009-967 dated Aug. 03 rd 2009) + support scheme	Law + support scheme	ADEME	Existing

Quotations from the measure

"The Grenelle [works] emphasize the important role DHC have in the R&R Energy development. DHC allow, on one hand, an optimum way to recover the energetic value of biomass, geothermal energy, as well as recovered energy; on the other hand, to the expression of a city's will to catch hold of the issues energy related from production to consumption. The heat fund makes provision for specific subsidies for DH systems. These specific subsidies, described below, apply to the distribution function of the DHS. It adds up on top of the subsidies herein set for the R&R energy production function of the DHS (biomass, geothermal energy ...)"

The Purpose of the measure

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The purpose of the measure (which could also apply to DCS) is to help DHC to incorporate R&R energy sources in their fuel mix, in order to help reach the very ambitious goals that are assigned to DHC (50% average of R&RE in the fuel mix and 4 to 6 million households equivalents by 2020).

Eligibility Criteria

The principle criteria are:

- DHCS must have already reached a 50% share of R&R energies in their mix, or establish a formal scheme to reach this ratio.
- The project (creation or extension) must comply with city-planning and bring forward efficiency qualities.
- The operation must be of a minimum size (200 meters and 25 tep/year of R&R heat production)
- The DHCS must bring forward a thermal density

Impact of Measure

The measure is designed to have a positive impact on giving DHC a competitive position in comparison with the other heating solutions (especially electricity, gas, coal and oil individual solutions) and on giving incentive for developing R&R energies on DHCS.

Effectiveness of the measure

The effectiveness of the measure is yet to be assessed, since it has been implemented less than a year. Nonetheless, it is said that some 200 km of DH network have yet benefited from the heat fund.

Feasibility studies

#	Name and reference of measure	Type of measure	Responsible organ	Existing or planned?
	Decree dated Dec. 18 th 2007	Decree	Government	Existing
	Grenelle I st Law (#2009-967 dated Aug. 03 rd 2009)	Law	Parliament	Existing

Quotations from the measure

- Decree: “prior to the request for a building permit (...), the project owner :
 - o Chooses a system among those defined (...)
 - o Conducts a technical and economical feasibility study comparing the chosen system to the following variants, combined if needed: solar thermal; solar photovoltaic; wood or biomass heating systems; wind systems; connection to a DHC system; geothermal heat pumps
- Grenelle: “Every city-panning action or operation (...) under impact study must be subject to a feasibility study about the R&R energy development potential in the area, in particular about the opportunity of a creation or extension to a DHCS using R&R energy sources”

The Purpose of the measure

The purpose of the measure is to have local authorities/project owners make the effort of analysing various heating possibilities before choosing the relevant one.

Eligibility Criteria

Not applying

Impact of Measure

The measure is designed to have a positive impact on actions and decisions prior to choosing a type of heat production that will bound the stakeholders for years.

Effectiveness of the measure

The effectiveness of the measure is yet to be assessed.