

June 30th, 2008

French National Photovoltaic Conference in Aix-les-Bains

Meeting of French PV industry in the French spa town Aix-les-Bains by invitation of the European PV organization EPIA / Obstacles of French market discussed

Despite growth rates of more than 100 percent per year, France is far behind compared to its neighbors Germany and Spain / Low basic tariffs and delays with grid connection identified as main reasons for slow growth

Aix-les-Bains. The sky of Aix-les-Bains presented ideal weather for photovoltaics, when around 300 representatives of the international photovoltaic industry gathered on June 27th in the picturesque spa town located in the French Alps in order to discuss current developments in the French PV market. The attending French industry associations spread optimism in view of the current growth of the market: 100 to 150 MWp of newly-installed capacity was to be added in 2008, announced Richard Loyen, general deputy of the solar association Enerplan. This would mean a market growth of 250 to 400 percent compared to the previous year. However, it became evident in the presentations – given by renowned representatives of the European photovoltaic industry, such as the leading team of the EPIA, Ernesto Macias, Isofoton, and Winfried Hoffmann, Applied Materials – that quite a few things are still necessary to finally achieve the true take-off for photovoltaics in the latecomer France. Two aspects were at the center of the discussion: Improved promotion for rooftop plants in central France as well as accelerated procedure times for the grid connection.

Bureaucratic hindrances

The latter was identified as the biggest constraint currently for the development of the French PV market by most of the panel members. This is in line with the results of the study “The French Photovoltaic Market 2007/08 – Another Path for Photovoltaics”, which was published by EuPD Research at the beginning of the year. According to 62.7 percent of the survey participants, bureaucratic hindrances including the grid-connection are the most important reason for slowed-down market growth in France at the moment. This finding was confirmed by recent analyses carried out by EuPD Research on the bureaucratic process involved with implementing large-scale photovoltaic plants in France. “According to our results, the grid connection can be assumed to be the main reason why so few of the announced large-scale photovoltaic plants in France have been turned into reality so far”, explains the project manager of the study, Sarah Endres.

Constraints at ERDF

Consequently, among the frequently heard truisms on the advantages of a flourishing photovoltaic industry, it was in particular a representative of ERDF, the subsidiary of the electricity giant EDF that is in charge of the grid connection, that drew the audience’s attention. Despite the fact that they were going to great lengths, his company had just been overrun by the flood of applications, was the message of Directeur Raccordement François Henimann. 7,000 applications have arrived at his office in 2007, meaning a rise of 300 percent since 2006. In MW figures, a total capacity of 70 had been applied for up until March 31st, 2008. Of these, however, only two MW had been connected to the grid by the end of March and ten MW by the end of May. In total, an applicant can expect to wait between eight and 26 months for notification, Henimann admitted. In response to the questions why it took months, he acknowledged that the actual handling by his staff only took about five to six hours per application. But these are piling up in the central office so that his staff could not keep their head above the water. Furthermore, it became clear in the discussion that the procedures at ERDF have not quite caught up with modern standards. In fact, the applications still need to be handed in

paper form at ERDF so that a lot of time was lost by sending it through the post. According to Henimann, however, several steps have been undertaken to improve the situation. On the one hand, ERDF has created eight regional offices in order to decentralize the process and allocate responsibilities. Moreover, the authorization procedure is planned to be simplified by abolishing the first step of a rough preliminary examination. This way, the entire process shall be shortened by one to four months. EPIA's vice president Winfried Hofmann, however, criticized that this was not sufficient. The process is still way too complicated leaving much room for further simplifications. The situation reminded him of his own discussions with the German electricity provider RWE about ten years ago. "I can only invite you to come to Germany", Hofmann stated provokingly towards Henimann, "then RWE can explain you which solution we have found in Germany". Here, even several thousand applications per month are no longer a problem.

Constant promotion conditions

Regarding the feed-in tariff, several speakers demanded improved promotion for rooftop plants. Up to now, these receive the basic tariff of 0.31 Euros/kWh in central France and 0.42 Euros/kWh in the overseas areas. Only integrated solutions get an extra premium and currently obtain 0.57 Euros/kWh in the entire national territory. This was too strong a constraint for market growth, was the opinion which was generally expressed on the podium. Eric Laborde, president of the French producer Photowatt demanded a uniform tariff for all systems smaller than three kWp, no matter which type. The renewable energy association Syndicat des Energies Renouvelables (SER) also considers the introduction of a special new tariff for rooftop plants to be reasonable. However, this will not be on the association's agenda until the end of the year, stated Arnaud Mine, vice president of the SER, to EuPD Research. At present, it is at the center of the association's efforts to raise the overall growth target for photovoltaics. In this regard, some success could be proclaimed: It has already been achieved that the objective of 5.4 GW by 2020 was written in the final declaration of the French environmental law Grenelle. From there, it was only a small step to the SER's demand to aspire to a market size of seven GW by 2020. The promotion conditions, however, including the feed-in tariff and the tax credit of 50 percent on the purchase price of a PV plant, would remain unchanged at least until spring 2009, promised Mine.

If you would like to receive an article on bureaucratic hurdles in France, please send an email to s.endres@eupd-research.com.

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