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Local authorities and the regulation of electricity distribution networks in France. Concession contracts or local (semi) public operators?

International Workshop on “Public Ownership of Energy Companies:
models, rationales, and implications for energy policy”

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Introduction

French local authorities and energy: back to (emerging) power

The *liberalization process*: the release of the State and national monopolies opens new spaces

The *agenda setting of new issues* (climate change, renewable energy, fuel poverty, etc.): a legitimacy to lead local public policies

=> energy becomes more and more a « local » issue

A major stake for local authorities: the control of distribution networks (electricity, gas, heating)

ORGANISATION OF THE ELECTRICITY MARKET	ACTIVITY UNDER COMPETITION	REGULATED ACTIVITY (STATE)	REGULATED ACTIVITY (STATE AND LOCAL AUTHORITIES)	ACTIVITY UNDER COMPETITION
	PRODUCTION	TRANSPORTATION	DISTRIBUTION	SUPPLY
	<i>Many producers, public (EDF, etc.) or private (Engie, etc.)</i>	<i>A single public monopoly (RTE)</i>	<i>A few public monopolies (ENEDIS, ELD)</i>	<i>Many public and private suppliers (EDF, Engie, Direct énergie, ENEL...)</i>
ROLE OF LOCAL AUTHORITIES	EMERGING	WEAK	INTERMEDIATE	WEAK
	<i>Players (local (semi) operators)</i>	<i>Consultation (construction of new lines)</i>	<i>Concessions contracts or Local (semi) public operators</i>	<i>Market power (as consumers)</i>

The control of electricity distribution networks: two main stakes for local authorities

Financial stakes

Local authorities own the infrastructures : an asset of 31 billions euros

Local authorities get royalties : licence fees of 300 millions euros each year

Public policies stakes

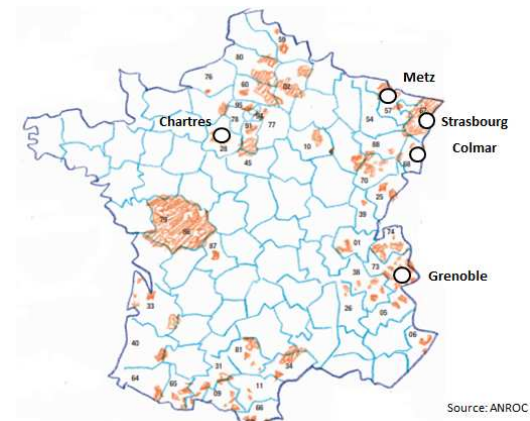
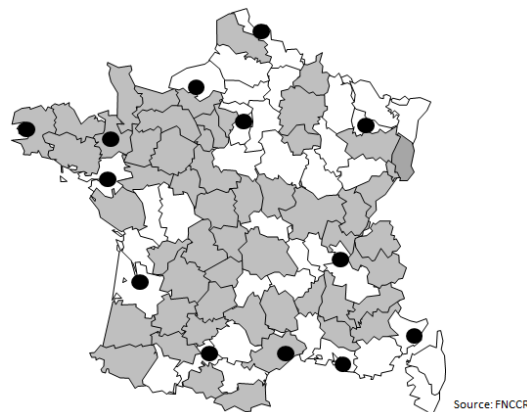
Development of renewable energy (wind power, solar and PV panels, etc.)

Smart grids

Electromobility

Two main tools for local authorities : concession contracts and local (semi) public operators

	Concession contracts (Enedis-EDF)	Local (semi) public operators
<i>Number</i>	555 (95% of the French territory)	145 (5% of the French territory)
<i>Size</i>	A partition between <i>metropoles</i> and large <i>syndicates of communes</i> (rural-urban)	Communes or groups of communes



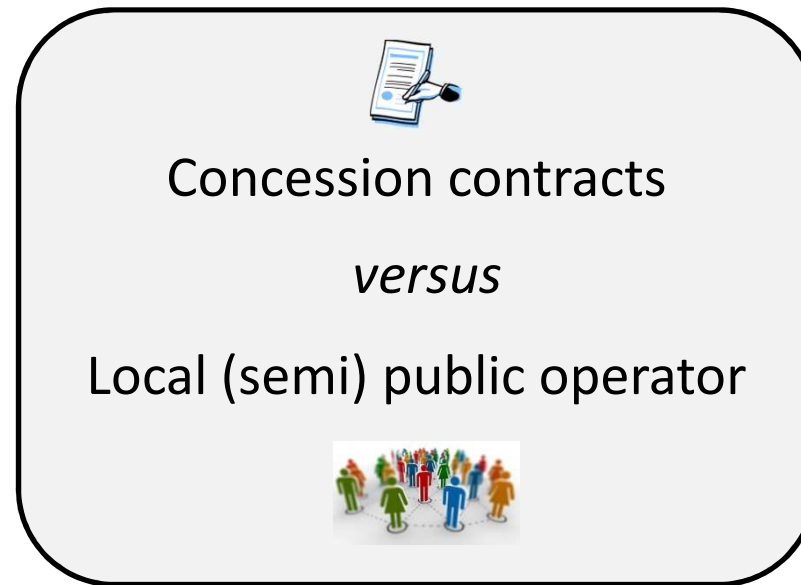
Comparing concession contracts and local (semi) public operators: the local point of view

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<i>Pros / cons</i>	<ul style="list-style-type: none"> * Capacity to bear industrial risks and high financing needs * Economy of scale (purchase, maintenance, management costs, etc.) * Competitive tendering (almost virtual for the moment in France) 	<ul style="list-style-type: none"> * Profits stay locally * Better transparency * Better coordination with other energy networks * Better integration of local public policies * Better appropriation by the citizens

A very sensitive political debate

To strengthen the
« national champion »

To bring financial
resources to the State



To ensure national solidarity

To go further...

In English...

Poupeau, François-Mathieu, “Central-Local Relations in French Energy Policy-Making: Towards a New Pattern of Territorial Governance”, *Environmental Policy and Governance*, 24, 3, May-June 2014, 155-168, DOI : 10.1002/eet.1637.

Poupeau, François-Mathieu, “Metropolitan and rural areas fighting for the control of electricity networks in France. A local geopolitics approach to energy transition”, article under review.

... or in French

Poupeau, François-Mathieu, *L'électricité et les pouvoirs locaux en France (1880-1980). Une autre histoire du service public*, Bruxelles, Éditions Peter Lang, 2017 (collection « Histoire de l'énergie »).



Poupeau, François-Mathieu, *Le service public à la française face aux pouvoirs locaux. Les métamorphoses de l'État jacobin*, Paris, CNRS Éditions, 2004.

