

Franco-German Energy Declaration Paris, 12 July 2018

A. Chapeau

France and Germany see the European energy transition as a huge opportunity to deliver modernization, innovation, digitalization and job opportunities for the future prosperity of Europe. Considering that the objective to limit global warming to well below 2°C set by the Paris Climate Agreement is far from being met, France and Germany are jointly moving ahead in implementing the European energy transition. Both countries are aware of the great importance of the European energy transition for the implementation of the Paris Climate Agreement and of their special responsibility to prove to the world that decarbonization can be a successful model. France and Germany therefore welcome this opportunity to further deepen their close cooperation at national, European and international level (particularly in the G7 and G20 frameworks).

B. Cooperation in the regional and EU context

➤ *At EU level*

In the light of this, France and Germany welcome the agreements reached in June on the first subpackage of the “**Clean Energy for all Europeans package**“ which will set the course for energy policies in Europe in the next decade. The agreement combines ambitious but achievable targets for renewable energies and energy efficiency with the necessary measures and instruments to implement them. France and Germany will coordinate closely when implementing the first subpackage of the Clean Energy Package in the coming years.

In the second half of the year, both countries will continue to work closely together on the second subpackage of the Clean Energy Package. Furthermore, France and Germany will work on the Clean Mobility Package, including establishing ambitious CO₂ emission reduction targets for cars, vans and heavy duty vehicles for 2025 and 2030 coherent with climate objectives.

France and Germany will also deepen their cooperation on the **EU Multiannual Financial Framework** with a view to ensuring it will take into account the importance of investing in the development of renewable energies and energy efficiency, as well as sustainable mobility.

➤ *At regional level*

At regional level, France and Germany will intensify their cooperation as regards **security of supply**, if possible together with the Benelux countries in the framework of the Pentalateral Energy Forum, with the aim to achieve joint concepts for cross-border security of supply and risk preparedness.

In the light of declining availability of L-gas for the European market, France and Germany see the necessity for a swift **conversion from L-gas to H-gas**. This conversion of the gas markets is a European project. It will benefit from joint efforts by all countries involved.

C. Coordinated national strategy

France and Germany will work towards **coordinated elements of their energy strategy** as a part of their national energy and climate plans (NECP) to be submitted under the new Energy Union governance. Both countries will explore the option for a **joint Franco-German chapter** on energy issues in the NECP. They will share their assumptions on the evolution of their electricity mix, especially in order to define robust and coherent plans to promote the development of renewable energies at European level. For that purpose, Ministries' experts will cooperate closely while drafting the NECPs.

France and Germany will present their draft NECPs by the end of the year. **France's NECP** will foresee the lowering of the share of nuclear in the electricity mix to 50% along with the increase in the share of renewable energies and the closing of its last coal-fired power plants by the end of 2022.

Germany will phase out its last nuclear power plant by the end of 2022 and continuously increase the share of renewable energies while at the same time reducing the overall amount of energy use. The aim is to achieve an energy saving target of 50% by 2050 compared to 2008. In terms of phasing out its coal-fired power plants in order to further decarbonize its electricity mix the German Federal Government has recently established a "Commission on Growth, Structural Change and Employment", whose members represent the concerned regions and economic sectors as well as civil society and scientific community, with the aim to define a coal-phase-out date and to elaborate appropriate solutions to achieve this while avoiding structural disruption.

France and Germany will increase their exchange and coordination on the impacts of those decisions on both energy systems also in the context of their NECPs.

In the framework of the joint interministerial high level working group on climate change, announced at the Meseberg Summit, France and Germany commit to intensify cooperation in this cross-cutting field and to build up common views on the energy transition and tools for **triggering sustainable finance and economic incentives, including carbon pricing issues**, with a view of drawing a first set of conclusions by COP 24.

D. Concrete projects and measures:

France and Germany believe that their coordination in the field of EU energy policy should be complemented by **concrete projects and measures**:

➤ *in the field of electricity, renewables and energy efficiency*

France and Germany welcome the fact that the **Fessenheim nuclear power plant will be closed as soon as possible and that** French and German local stakeholders will cooperate in a committee with the aim of promoting the economic transformation of the relevant territory.

As a part of their coordinated climate and energy strategy, both countries will also launch initiatives to realize a part of their respective national renewable energy deployment up to 2030 through **joint pilot projects**, such as the development of offshore wind in the North Seas, in the framework of the existing **North Seas energy cooperation**. **France and Germany agree to work on the requirements for the**

implementation of a test project for cross-border auctions in the field of renewables.

Moreover, France and Germany will coordinate their **offshore roll-out** in the North Seas to improve investment security and predictability and will work to set out a common environmental assessment methodology.

Both countries will intensify their work on the "**Smart Border Initiative**" with a view to its swift implementation, making this a testing ground for the smart integration of renewable energy at the distribution network level in a cross-border model region.

France and Germany are committed to **increasing their electric interconnection capacity**, as well as to strengthening their internal networks that currently constrain this capacity and synchronise both, in order to increase cross-border trade capacities as soon and as much as feasible.

➤ ***In the field of industrial cooperation***

France and Germany will work together on a **cross-border test track for an electric e-highway**, thereby sending out a signal for innovative solutions for sector coupling and for the decarbonization of the transport sector.

France and Germany are convinced of the benefits of providing **low-carbon district heating** to major cities. Both countries will study the possibility of transnational projects to supply cities with waste heat coming from neighbouring factories.

France and Germany are convinced of the importance of building strong European leadership in the field of **energy storage**. In this regard they welcome recently announced and possible future alliances between European companies.

More generally, while the state of research into technologies for the **production of battery cells and other energy storage devices** at universities in Europe may be regarded as internationally competitive, there are deficits in the industrial implementation of battery cell production.

France and Germany will explore the bundling of existing expertise in these areas in their countries, and invite enterprises to examine possible cooperation in order to fulfill the requirements of an important project of common European interest.

The Franco-German Office for the Energy Transition (OFATE / DFBEW) will facilitate the exchange between public and private bodies concerning energy transition-related questions in this regard.

France and Germany will also strengthen their cooperation on **hydrogen** within the European Commission's framework (SET plan and FCH JU), in particular between their respective research organizations. Regarding hydrogen deployment, France and Germany will look for synergies on their respective roadmaps in order to facilitate possible industrial cooperation.

➤ ***In the field of sustainable investments***

France and Germany commit to joint action between their national development banks in order to **promote long-term investments in the field of energy efficiency and renewable energies**, and will encourage the close cooperation between CDC and KfW in that field, especially through the **Marguerite Fund II**, and initiatives to refurbish buildings.

E. Building deep and sustainable cooperation

France and Germany will continue to strengthen the Franco-German cooperation on the energy transition through the existing High-Level Group. Dena, ADEME and the Franco-German Office for the Energy Transition (OFATE / DFBEW) supervised by the High-Level Group shall increasingly focus on implementing concrete projects.