

PRESS RELEASE

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THEMATIC PUBLIC REPORT

DISTRICT HEATING: AN EFFECTIVE YET UNDEREXPLOITED RESOURCE FOR THE ENERGY TRANSITION

This report, the result of a joint survey between the Court of Accounts and 9 Regional and Territorial Chambers of Accounts, observes that district heating networks make an effective contribution to the energy transition but that this resource remains underexploited. It analyses the way in which the public authorities, the State and the local authorities implement the national objective of developing district heating networks in the context of energy saving policies. This objective aims to achieve renewable heat production representing 3.4 million tonnes of oil equivalent in 2030¹. The Court makes eight recommendations to increase the energy and environmental performance of heating networks, to take better account of the users of this public service and finally to make the organisation and management of the heating networks more efficient.

Insufficient development of network heat produced from renewables

The Court notes first of all an insufficient development of network heat produced from renewable energies compared to the objective that France has set: to multiply by five the quantity of renewable heat and cold between 2012 and 2030. Where the stock of residential or tertiary buildings is sufficiently dense, district heating indeed offers many advantages in terms of energy. In France, the penetration rate of these systems is below the European average. The consumption of renewable heat by the networks increased from 0.68 to 1.21 Mtoe² between 2012 and 2019, growing 10% per annum, but this trajectory is not enough to achieve the objective. To reach it, France must increase its rate of development, on the one hand by increasing the proportion of renewable energies supplying existing networks and, on the other hand, by developing new networks.

A public service of which the planning and management by local authorities must be improved

The Court then notes that the planning and management of this public service can be greatly improved. It recommends greater involvement of local government, which is the main player in the development of this industrial and commercial public service. Due to the size of the

¹ The tonne of oil equivalent (toe) represents the amount of energy contained in a ton of crude oil, or 41.868 gigajoules.

² Mtoe: million tonnes of oil equivalent



investments necessary to create a heating network, the majority of public heating networks (80%) are operated in the form of a public service delegation by local authorities. The Court notes in its report several examples where the controls of the delegating authorities were lacking, often due to a shortage of suitable human and technical resources. These gaps must be filled by an adequate transfer of skills to all public intermunicipal cooperation agencies for municipalities with more than 20,000 inhabitants.

A need for better information on the economics of district heating

To fine-tune the management of this public service by local government and respond to the shortcomings observed, the collection of economic data on district heating must be improved. Access to this data, which is useful for the State and the local authorities, should be facilitated, faced with the various constraints linked to the preservation of the industrial and commercial secrets of network operators which make it difficult to access (in particular the selling prices of the heat). Better information for consumers on the prices and quality of the public district heating service would also encourage the development of these networks: it would be desirable for local authorities to make this essential information more accessible to inform consumers about their choice of supply source.

Support measures for the development of district heating that can be streamlined and strengthened

The actions are today mainly carried by three public institutions: the Ministry for the Energy Transition, the Environment and Energy Management Agency (ADEME) and the Centre for Studies and Expertise on Risks, the Environment, Mobility and Planning (CEREMA). The total resources devoted by these institutions to heating networks remain modest: 20 full-time staff at an estimated cost of €1.5M per year, to which is added €1.3M for research or partner support, for a total of €2.8M. The reduced rate of VAT (5.5%) on networks supplied by renewable energies represents a tax expenditure of €67 million per year. While there may be a risk of incompatibility with European regulations, this measure is nevertheless an effective incentive for the development of renewable energies.

[Read the report](#)

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