ILE-DE-FRANCE ENERGIES
ENERGY EFFICIENCY WITH PERFORMANCE GUARANTEES IN PRIVATE AND PUBLIC SECTOR

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AREC, energy agency of Paris Île-de-France region

Established by the Île-de-France Region within the IAU, the AREC îdF aims to facilitate and accelerate energy transition and adaptation to climate change by assisting communities and other players in the Paris region.

Main areas of intervention:
• Energy sufficiency,
• Energy efficiency
• Buildings renovation
• Renewable and recuperative energies
• Territorial air and energy climate plans
• Adaptation to climate change
• Circular economy
• Planning and construction
Paris region’s key figures

- 12 millions inhabitants
- 1280 cities and 8 « departments » and a new scale of territory: Grand Paris Metropole
- Energy consumption: 225 TWh
  - 41% housing + 21% tertiary
  - 30% gas + 30% electricity + 30% fuel
Ile-de-France Energies (Energies Positi’if)

One stop shop for renovation of condominiums in Île-de-France region

Semi public company

Share capital: 9,9 millions euros (85% public)

Shareholders: Region (61%), City of Paris (10%), Caisse des Dépôts et consignations (9,7%), other public and private (19,3%)
Context

5,6 M housing units of which 73% are collective buildings

→ Priority target of 1M rated in energy classes E, F, G (230 to 450 kWh/m².year)

Constraints impacting renovation programmes

• Non-professional management of buildings (co-owners)
• Diversity of situations
• Long decision-making processes
• Lack of trust of companies
• Financing schemes not adapted to long-term payback investments (over 15 years)
Energy renovation in condominium, typical path

1. Architectural, energy and financial audit
   - Identify the energy saving opportunities
     - Survey of data and investigation
     - Condition of the built site
     - Data analysis and processing
     - Recommendations on improvements and work scenarios
     - Provisional finance plan
     - Final audit report

2. Project management
   - Project development
     - Additional diagnosis
     - Preliminary project design and details
     - Project
     - Consultation with companies
     - Analysis of quotes received
     - Finance plan
   - Construction site management
     - Construction site supervision
     - Work delivered

3. Renovation works
   - Take charge of the renovated building
     - Monitor energy consumption
     - Familiarise the homeowners with the facilities

4. New facilities’ uses
Île-de-France energies ‘ offer

Benificiaries: multifamily appartment co-owners

Île-de-France Energies = Single interlocutor
• Technical engineering: architectural, thermal and fluids,
• Financial engineering

audit  Project management  Renovation works  New facilities uses
Focus on financial engineering

**Collective grants**
- Public subsidies
- White certificates

**Individual grants**
- Tax credits
- Public subsidies (from local authorities,

**Remainder**
- Own ressources
- Collective and individual loans
- Zero-rate loans
- Third party financing
Objectives

Increase condominium confidence and expertise
Stimulate investment in renovation projects
Support high standards in thermal retrofitting: min. 40% energy saving

Business based on 3 innovations
One-stop shop for energy renovation
Tailored financing solutions
Third-party financing

<table>
<thead>
<tr>
<th>Year</th>
<th>Dwellings Renovated</th>
<th>Investment</th>
</tr>
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<tbody>
<tr>
<td>2017</td>
<td>10,000</td>
<td>€250M</td>
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<tr>
<td>2020</td>
<td></td>
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Since 2013 Île-de-France Energies has carried out studies for 55 condominiums = 7 200 appartments,

3 100 have approved a renovation programme

25% of the households we are working for are low income

Our renovation lead to an average 48% → 64 M€
investment and creating / maintaining 1019 FTE jobs

Île-de-France Energies is a reference for several French regions → 6 out of 13 regions have created / are creating a public / private third-party financing company
Public policy recommandation

• Energy / carbon are too cheap
• Green value must be better known, possibly reinforced by taxes
• Deep renovations are much more efficient technically and financially
• The cheapest solution for energy renovation is to « embed » it in global renovation / façade restoration
• Owners must understand that not insulating would be a mistake: make it mandatory, or mandatory in 10 years…
• Public authorities must make sure that financing solutions (loans) exist for everybody
• Subsidies must be more efficient, they should only support global renovations, not isolated actions (e.g. window change) + low income people
Lessons learnt: success factors

• Very positive to be a public private company on the condominium sector: it brings trust
• Build partnerships with existing companies with expertise: it will make your offer faster and better accepted (subcontracting of studies)
• Very important to offer the condominiums a single contact point during the whole project (5 years!)
• Strong political support from the left wing regional government that initiated the project…and the right wing government that won regional election in Dec 2015.
• The company is small: we need to network, share experiences
• Be flexible, the market gaps to fill in have changed year after year
Lessons learnt: what could we improve?

• Third party financing has been long to implement because the legal national framework, check it
• TPF is still hard to implement because of surety obligation
• Decision making process is very long in condominiums: we still need to find way to shorten the whole business cycle (3 years of studies, 2 years of works)
• We have solutions for TPF financing on the medium term (4 years)... but we need to find long term financing solutions
• Doing what has never been done always takes longer than you think
• If private sector does not address certain sectors, this is often because it is not a mature market yet...
More information

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