



MINISTÈRE
DE LA TRANSITION
ÉCOLOGIQUE
ET SOLIDAIRE

MINISTÈRE
DE LA COHÉSION
DES TERRITOIRES

PUCA

plan
urbanisme
construction
architecture



RÉGION
NORMANDIE



îledeFrance



îledeFrance
Energies



AGENCE RÉGIONALE POUR LES TRAVAUX
D'ÉCONOMIES D'ÉNERGIE



RÉGION
Nouvelle-
Aquitaine



Brest
MÉTROPOLE



Grand Est
ALSACE CHAMPAGNE-ARDENNE LORRAINE



Oktave
La rénovation à votre portée



BORDEAUX
MÉTROPOLE
ÉNERGIES



BORDEAUX
MÉTROPOLE



Région
Centre-
Val de Loire



La Région
Occitanie
Pyrénées - Méditerranée



AREC
OCCITANIE

Covenant of Mayors' Investment Forum – Energy Efficiency Finance Market Place

*How to overcome the obstacle of
financing for the energy
renovation of private housing?*

February, 18th

Brussels

Agenda

- ✓ What is the PUCA ?
- ✓ What are the results of the experimentation program in France?
- ✓ The example of the Hauts-de-France Pass renovation
- ✓ Q&A

Marie Gaffet

Project manager of the experimentation program

Françoise Réfabert

Senior consultant in innovative financing for energy-efficiency renovation of housing

Alice Morcrette

General manager of Hauts-de-France Pass renovation



MINISTÈRE
DE LA TRANSITION
ÉCOLOGIQUE
ET SOLIDAIRE

MINISTÈRE
DE LA COHÉSION
DES TERRITOIRES



What is the PUCA?

Françoise Réfabert

What is the PUCA?



Encourages communities to experiment global approaches to energy efficiency renovations in private housing
-> a kind of A to Z « one-stop-shops »

Plan for Urban Construction Architecture (PUCA)

- Allows to experiment new schemes and derogate to the rule
- Experiments the implementation of third-party financing companies

The legal definition of third-party financing companies

The concept was defined by law in 2013 and specified in 2015.

- ✓ Third-party financing companies (« sociétés de tiers-financement ») have to include:
 - ✓ a technical assistance for energy renovation works
 - ✓ a financing offer that may be delivered by banks or by « Third-party financing companies » which are controlled by local governments

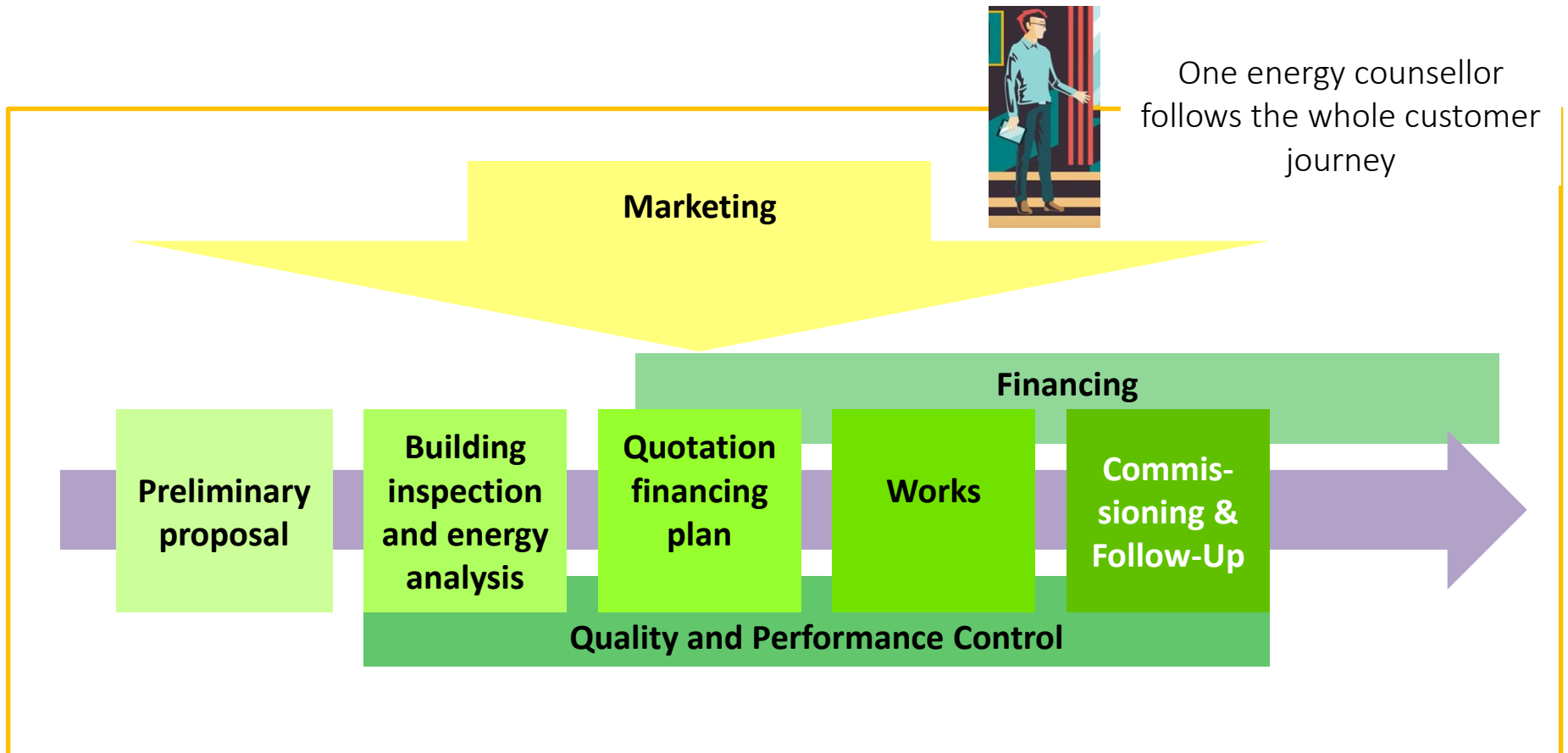
What are the objectives of the PUCA's program?

The experimentation program gathers workgroups focusing on various aspects of the full process of house energy-efficiency renovations

- ✓ Implementation of legal requirements (agreement by banking authority...)
- ✓ Transferring knowledge, sharing feedbacks, mutualizing tools, competence-building through reports and workshops
- ✓ Concertation and elaboration of recommendations on public policies
- ✓ Elaboration of joint projects

The facets of the third-party financing offer for deep refurbishments

Financing allows to make the OSS process affordable to low-income homeowners.



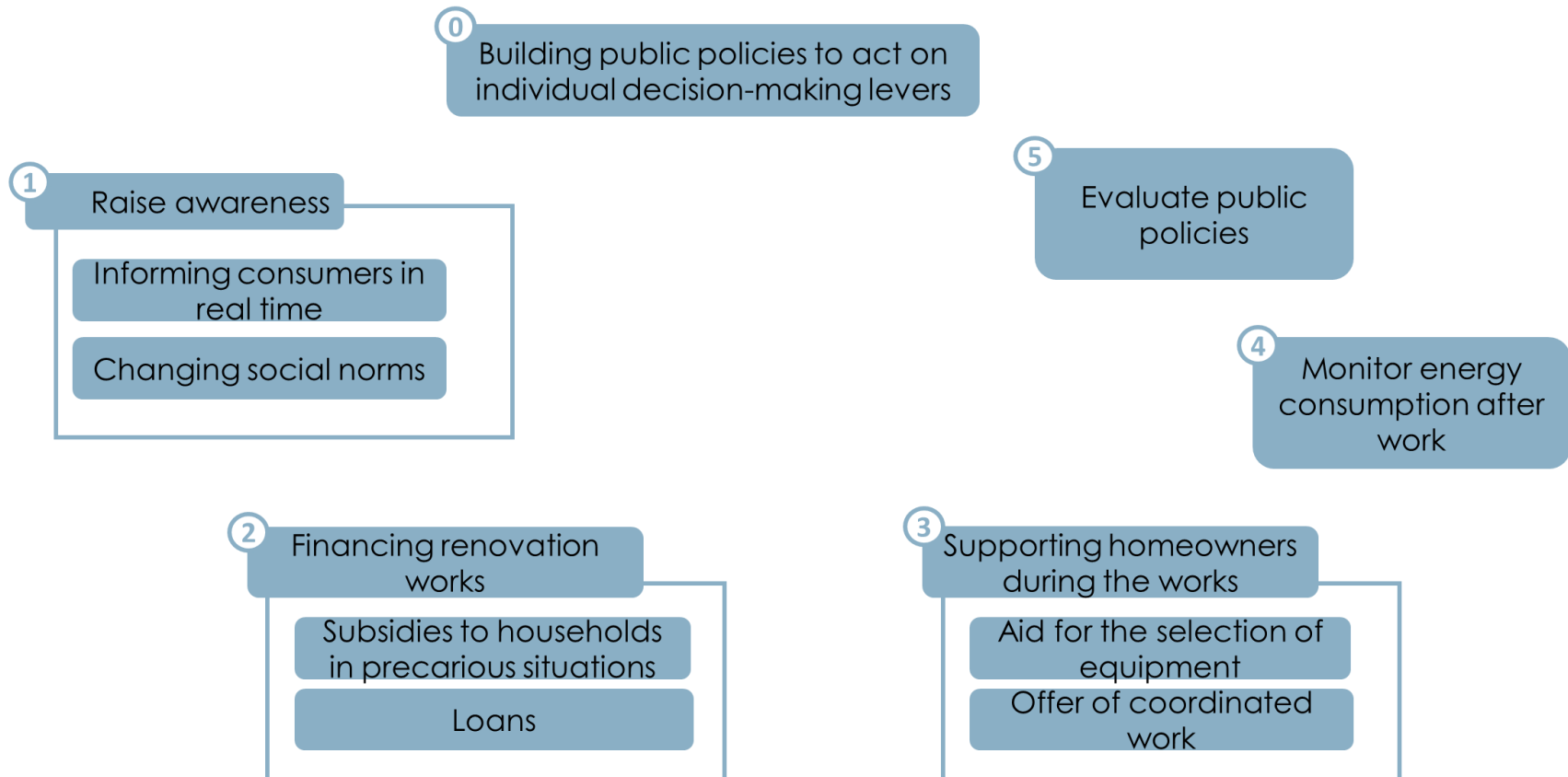
Members of the experimentation program

7 regional councils, 2 metropolitan areas and 7 third-party financing companies are partnering in the experimentation program.



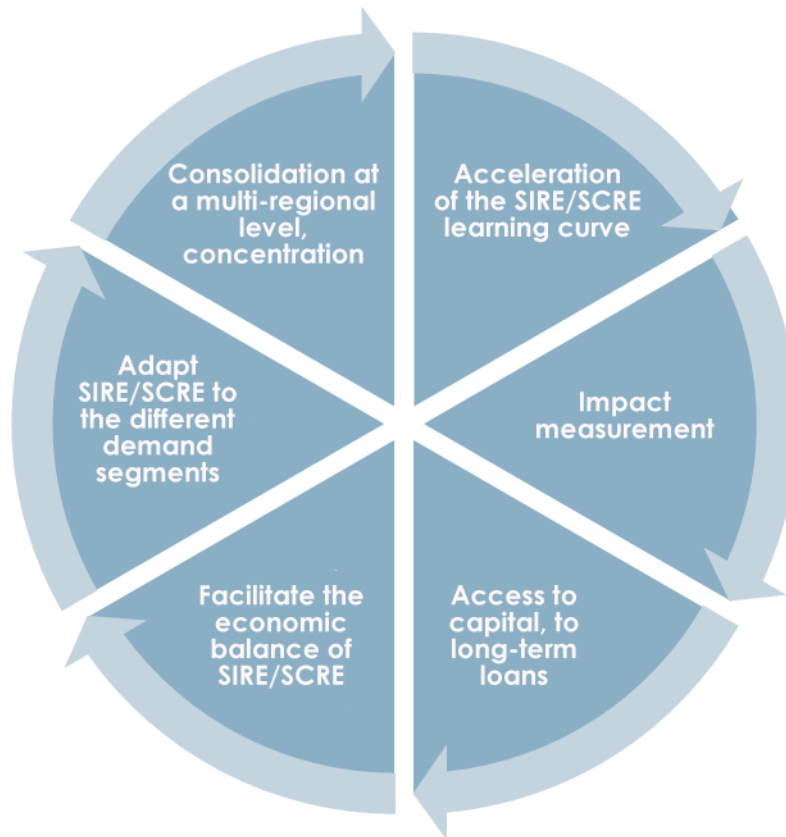
Integrating all levers for steering the renovation market towards energy performance

PUCA program partners and many other local authorities have a catalytic role in developing professionals towards a service designed to guide households through the renovation process, towards better energy efficiency.



Themes of the PUCA program's action plan

An overall plan for the experiments was gradually formalised into a list of actions grouped into interdependent themes



What are the results of this
experimentation program in France?

Françoise Réfabert

The quantitative results of third-party financing companies

2000

construction sites in
2019 (individual
houses and co-
ownership
apartments)

50 M€

work costs

42 GWh/year

reduction in primary
energy consumption

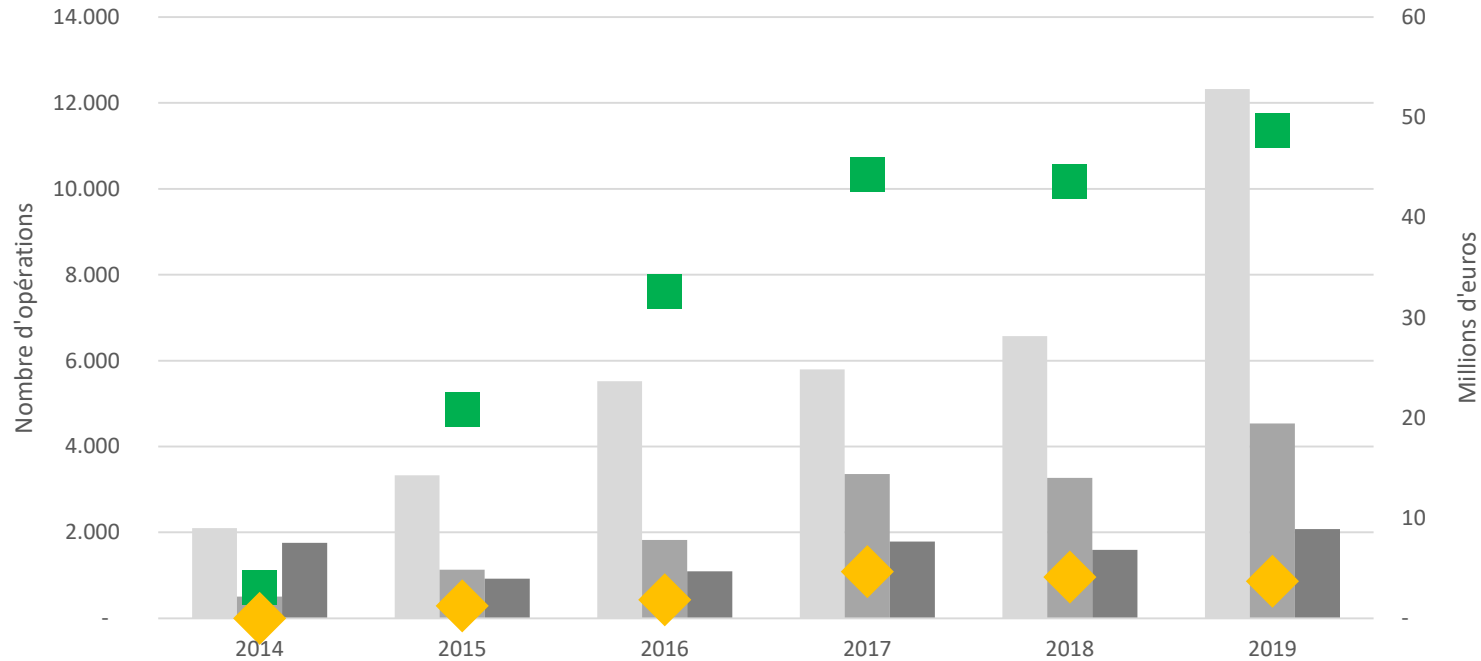
25 000 € à 50 000 €

Average work costs for
individual houses

50 %

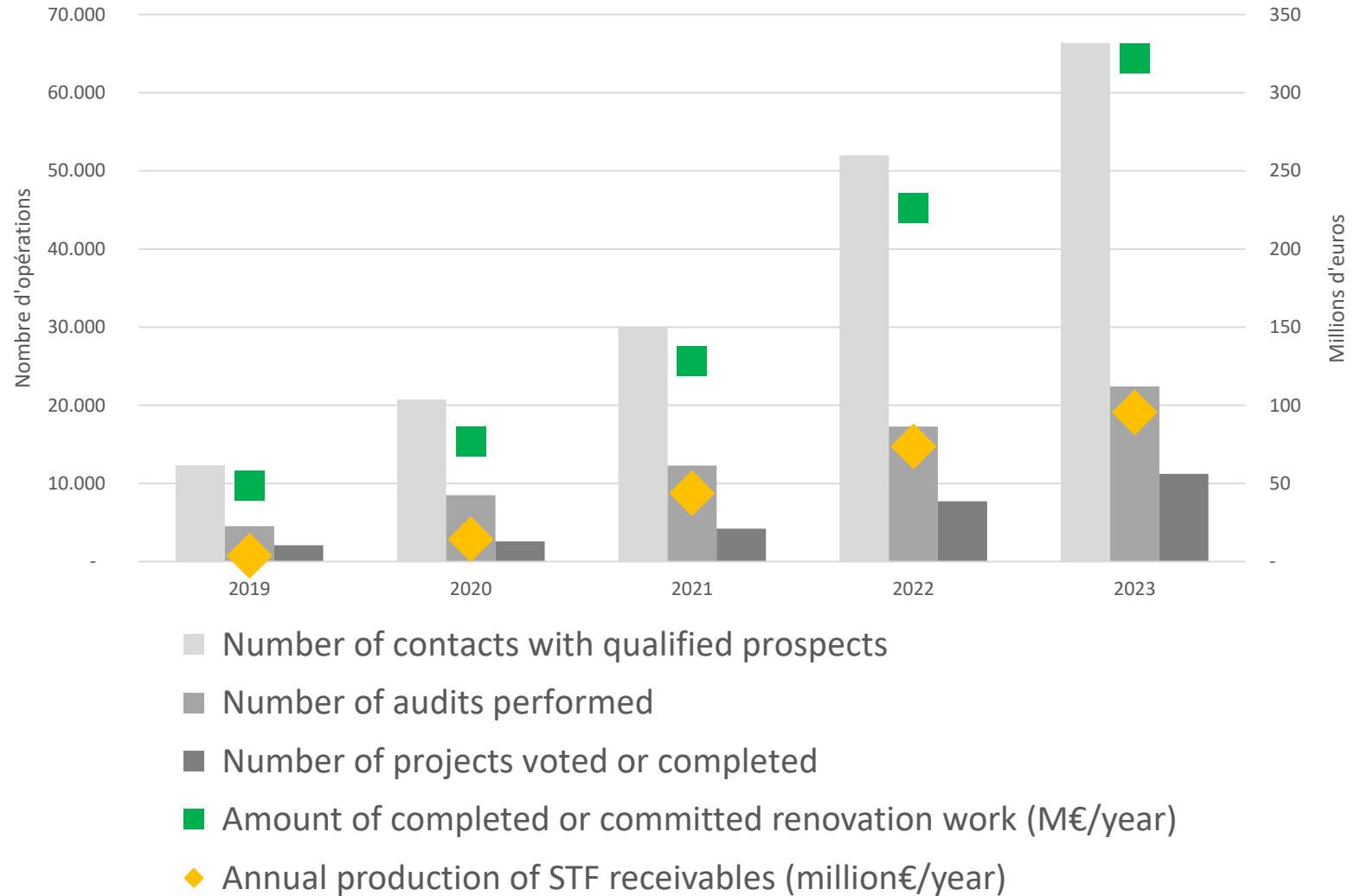
Is the minimum level
of energy savings
commonly achieved

Cumulative activity of PUCA program partners (2014-2019)



- Number of contacts with qualified prospects
- Number of audits performed
- Number of projects voted or completed
- Amount of completed or committed renovation work (M€/year)
- ◆ Annual production of STF receivables (million€/year)

Projections of PUCA program partners (2019-2023)



Qualitative results of the program

Beyond quantitative results, the program has brought success thanks to joint actions.

- ✓ Priority actions focusing on the implementation of direct third-financing to facilitate agreements by the banking authority
 - ✓ Development of a common financial risk management framework
 - ✓ Creation of a financing scoring tool, taking into account the ability to repay, energy savings and net worth of dwellings
 - ✓ Processes standardization
- ✓ Successful lobbying: right to experiment 0 % green loans distribution by third-party financing companies
- ✓ Communication at EU level: conferences, seminars, etc.
- ✓ Ambitious joint projects (ORFEE: Originating Retrofits Financing For Energy Efficiency, database on energy renovations loans)



The example of the Hauts-de-France Pass renovation

Alice Morcrette

HAUTS-DE-FRANCE
PASS RÉNOVATION



Des travaux pour économiser

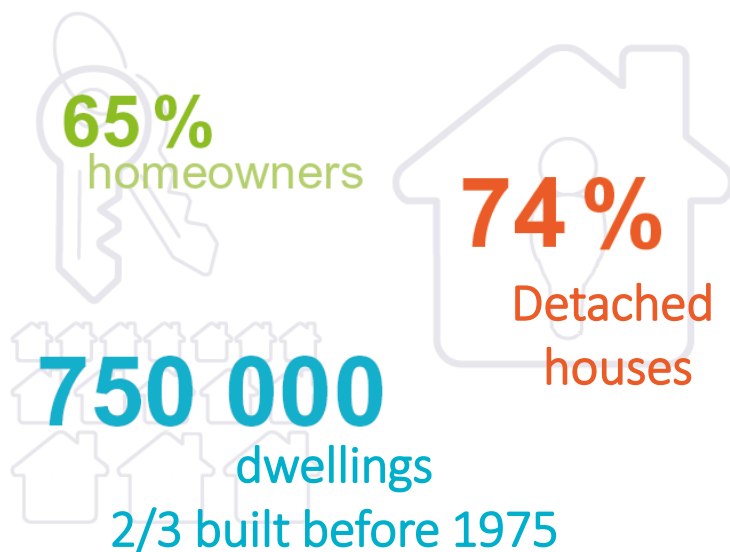
HAUTS-DE-FRANCE
PASS COPROPRIÉTÉ



Accompagner pour rénover

Initial Context

Housing stock in Picardy



Per capita income below average and
higher unemployment rate
Energy bills higher by 23% than average

Political impulse in 2012 - 2013

Need to aggregate individual
projects in order to

- Create a virtuous circle for
local economy: funding of
renovation works performed
locally through savings on
energy bills (i.e. losses for the
local economy)
- Be able to impact both supply
and demand through a new
trade

2 different settings for 2 different targets



→ For detached houses

- Accompanying the owners for an ambitious job
- Secure energy savings
- Accompaniment with an adapted financing



→ For condominiums

- Management of multi-stakeholder projects
- Regulatory obligations
- Cost control





Des travaux pour économiser

A project follow-up during all the phases

1

Before the works – work program definition

Energy savings $\geq 35\%$



2

During works Consultation / Selection / Works supervision

Architects & work companies
Quality / Schedules



3

After the works, follow up during 3 years / Eco coaching

Limit rebound effect
Limit financial risk





Emphasis on financial support

→ SPEE takes charge of the full amount of the works

Direct payment to construction companies

Benefit: quality management

→ SPEE collects the subsidies for the homeowners and the condominiums

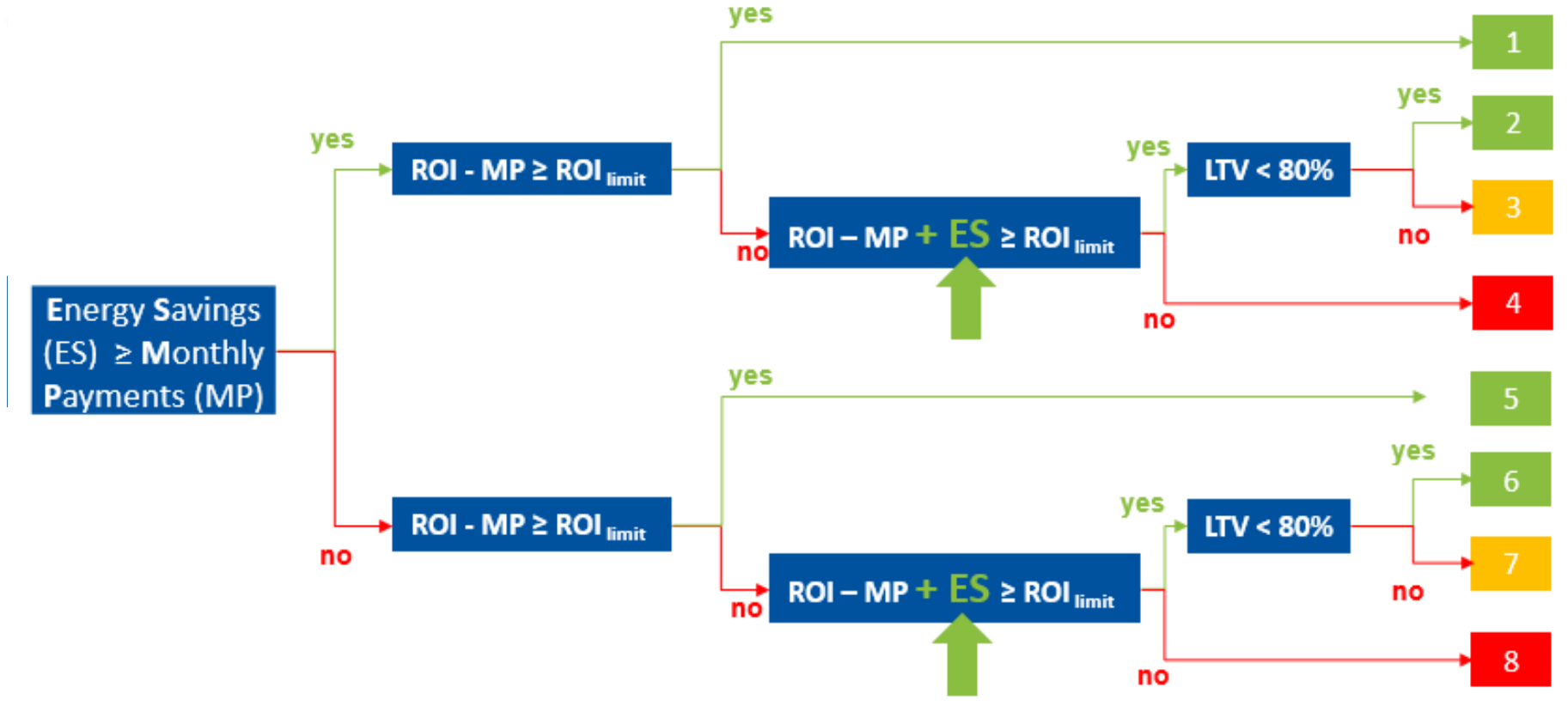
Benefit: not necessary to wait for the subsidies to start the work → deadlines reduction

→ Homeowners start to repay at the end of the works

- over 15 to 25 years
- a reasonable interest rate (2,5%), no penalty in case of early repayment
- loan duration : 25 years

→ also accessible to owners of apartment in condominiums

- in addition to existing group loans (ECO PRET COPRO, Domofinance, Crédit Foncier)



ROI : Rest of income (all resources – all recurrent financial burdens)

ROI_{limit} : limit of ROI to live properly (depends on family composition)

LTV : Loan to Value

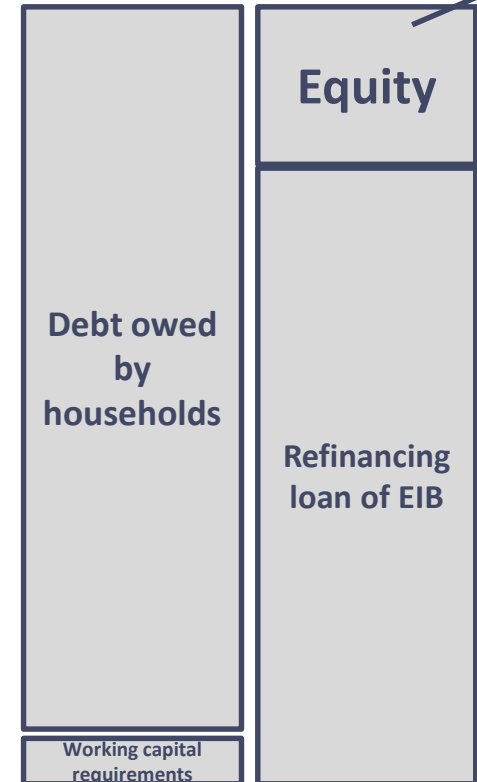


Cost & Resource structure



Charges	Hypothesis (for 2000 SFH projects – 3y)	Done 2014-2019 (~1700 projects SFH + MFH)
Works	56,9 M€	40 M€ (33 M€ already engaged)
Service activity (internal staff, renovation technicians, operating costs,...)	9,0 M€	10 M€

15% of loans to homeowners + working capital requirements



Resources	Hypothesis (for 2000 SFH projects – 3y)	Done 2014-2018 (~1700 projects SFH + MFH)
Regional council Initial provision	8,0 M€	8,0 M€
Refinancing loan	47 M€ (EIB and CDC)	35,5 M€ (18 M€)
PSEE service	3,4 M€ (1550€ / SFH project)	1,65 M€ (1550€ / SFH project & 750€ / app.)
Subsidies (ELENA, ERDF / CPER, other projects)	3,3 M€	4,7 M€
Energy savings certificates	4,2 M€	2,3 M€



Projects typology	Fee (€)	Real external costs (€)
Single Family Houses	1 550	3 450
Condominiums	750	1 805

→ Energy savings certificates to balance the costs but :

- volumes are difficult to evaluate
- valuation of energy certificates depends on the market

→ Subsidies to cover part of our internal costs





Monitoring activities



**HAUTS-DE-FRANCE
PASS RÉNOVATION**



Des travaux pour économiser

**HAUTS-DE-FRANCE
PASS COPROPRIÉTÉ**



Accompagner pour rénover

Results



623

renovated
houses



45%
Received
subsidies

~43 k€/house



12 condominiums
(1008 flats)

~16 k€/flat



600

Companies



645

loans
70 to 80%
of global cost

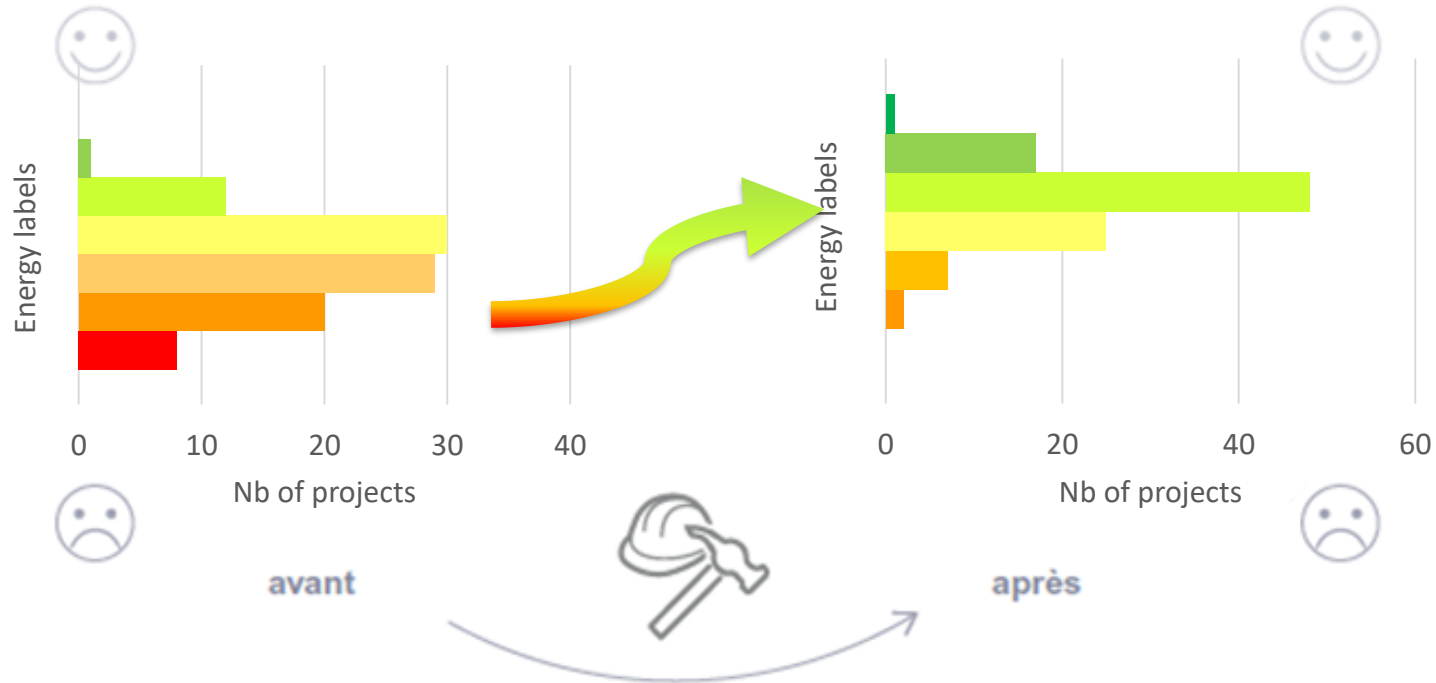
~40 M€

12/2019





Energy savings



Mean measured energy savings 45%
62% of the monthly payments covered by energy savings

Analysis of the first 120 projects





- **Average financial package :**
 - subsidies 13%
 - self-financing 17%
 - 1/3 party direct financing 70%
- **645 active loans** ( : 494 /  : 151) - 19,3 M€
- **doubtful loans: 1,7%**

What's next?

Next steps of the PUCA group are either specific to one partner or common to several ones.

- ✓ Lobbying towards ministries and Parliament:
 - ✓ Adapt subsidies and premiums schemes according to the energy impact of home improvement measures
 - ✓ Sustain the financing of the upstream counselling phase which is a public service, while making it more efficient
- ✓ Extend the experimentation concerning the distribution of the 0 % green loan to all third-party financing companies
- ✓ Create a resources centre for one-stop-shops (H2020 project ORFEE) to
 - ✓ Issue green loans and achieve attractive volumes for investors
 - ✓ Co-build standardized and optimized procedures
 - ✓ Implement a quality and compliance framework



MINISTÈRE
DE LA TRANSITION
ÉCOLOGIQUE
ET SOLIDAIRE

MINISTÈRE
DE LA COHÉSION
DES TERRITOIRES



plan
urbanisme
construction
architecture

Q&A