



Picardie Pass Rénovation business model: lessons learnt after 4 years of implementation

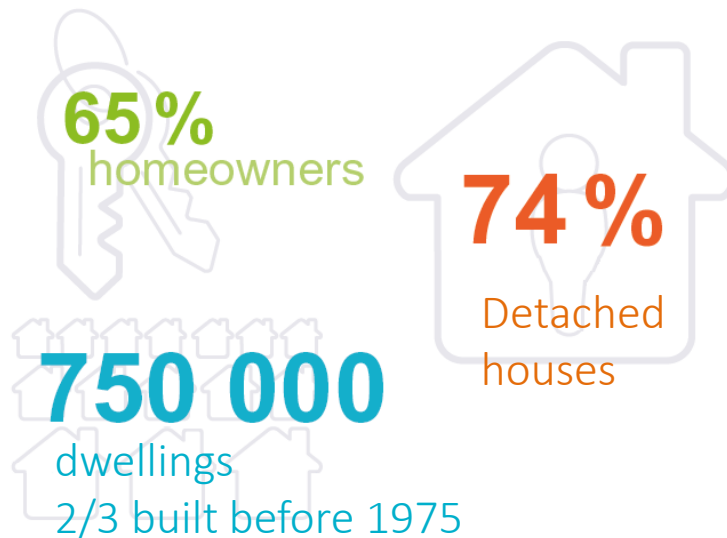
Elodie DENIZART, EU policy officer
20/06/2019





Initial context

Housing stock in Picardie



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 market



Set up a new actor of public interest

Driving the residential market through financial and technical aid



Trust and confidence



- Definition of the works
« Be ambitious »
- Financial solutions
- Quality control
- Proper use after retrofitting



- Qualifications / Upskilling
- Organisation / Clusters



Evolution: 2 different settings for 2 different targets



→ First target : detached houses

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



→ Diversification to reach volumes : condominiums

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



→ A project follow-up during all the phases

1

Upstream via technical support

Information, personal advice, energy audit, definition of the work program

Quality of the renovation works

- Min. energy savings = 40%
- Compatible with future improvements

2

Project management during the works

Consultation and selection of companies through tenders, supervision of the works

Quality of the works done
Adapted financial proposal

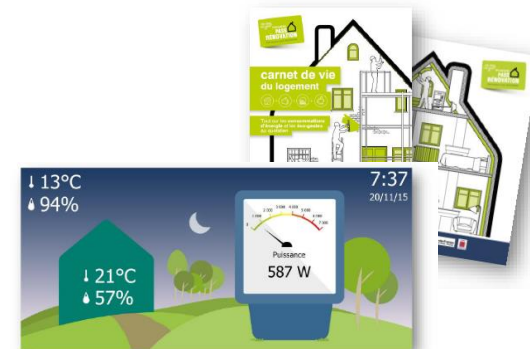


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After the works, follow-up during 5 years

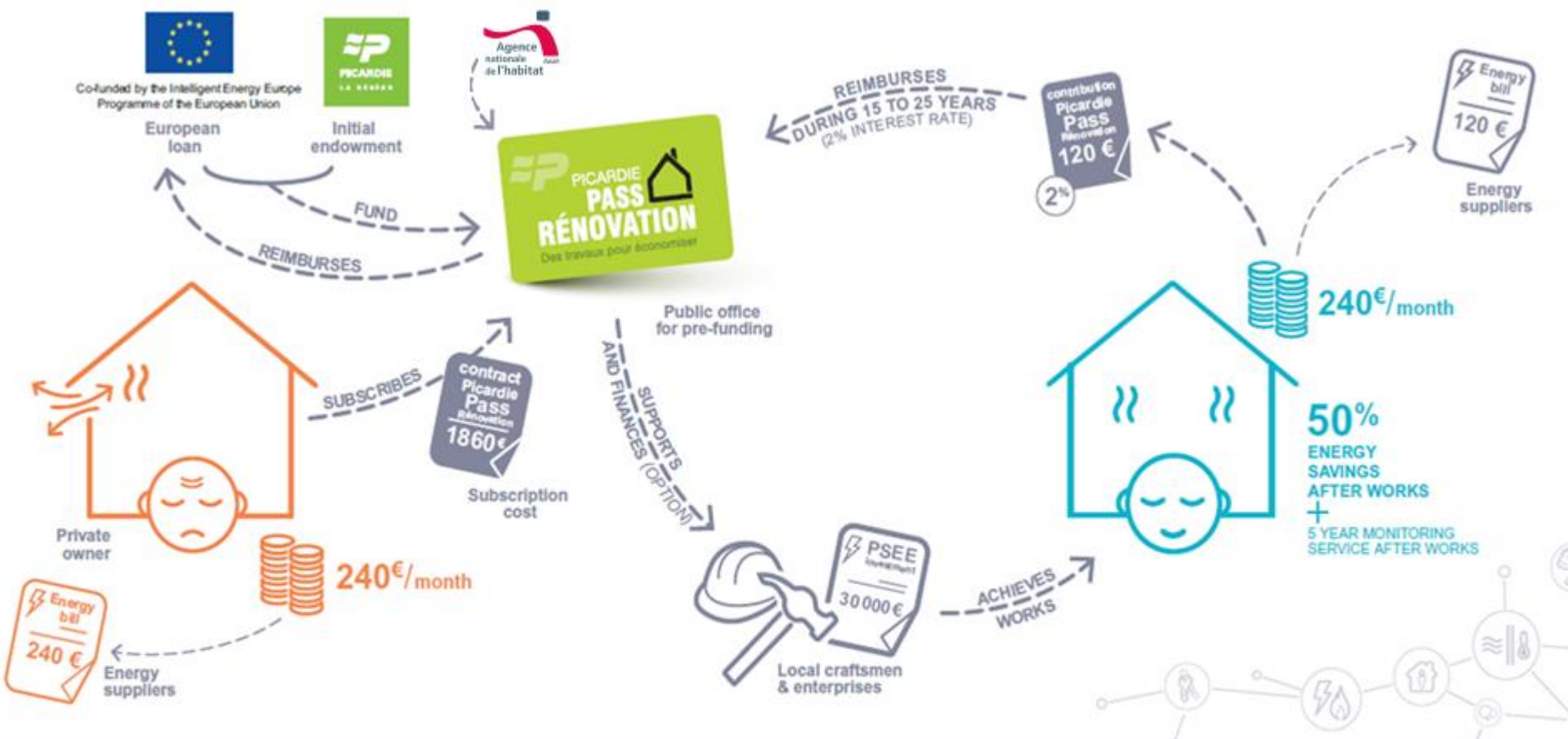
Support for equipment use/maintenance, tracking of energy consumption, eco-coaching

Limit rebound effect
Limit financial risk



→ Financial support

THIRD-PARTY FINANCING, HOW IT WORKS IN PICARDIE?





→ *Emphasis on financial support*

→ SPEE takes charge of the full amount of the works

Direct payment to construction companies

Advantage : quality management

→ SPEE collects the subsidies for the homeowners and the condominiums

Advantage : 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)



Charges	Hypothesis (for 2000 SFH projects – 3y)	Done 2014-2018 (~1700 projects SFH + MFH)
Works	56,9 M€	38 M€ (27 M€ already engaged)
Service activity (internal staff, renovation technicians, operating costs,...)	9,0 M€	8,5 M€

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)	35,5 M€ (18 M€)
PSEE service	3,4 M€ (1550€ / SFH project)	1,5 M€ (1550€ / SFH project & 750€ / app.)
Subsidies (ELENA, ERDF / CPER, other projects)	3,3 M€	4,2 M€
Energy savings certificates	4,2 M€	2,1 M€



Projects typology	Fee (€)	Real external costs (€)
Single Family Houses	1550	3450
Condominiums	750	1805

- 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



Key Partners



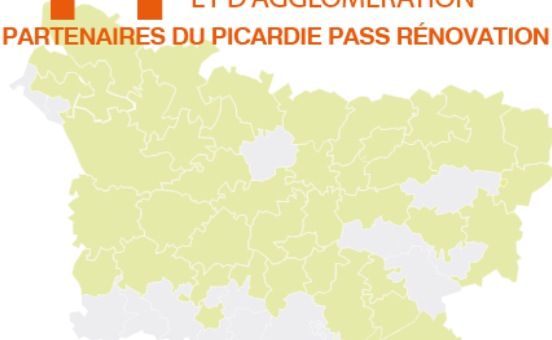


Support local authorities policies to lower energy consumption

Marketing the service via local authorities:

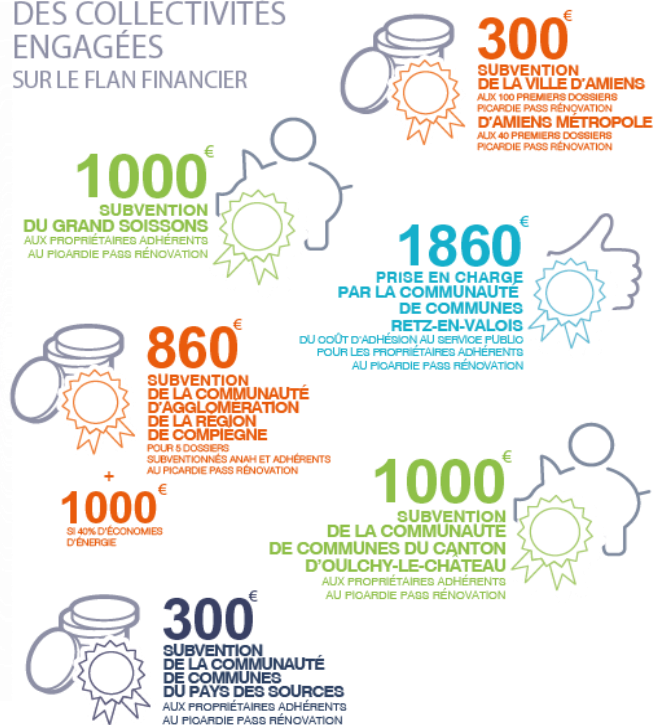
- A powerful access to individual owners
- But level of engagement of municipalities is uneven

41 COMMUNAUTÉS DE COMMUNES ET D'AGGLOMÉRATION
PARTENAIRES DU PICARDIE PASS RÉNOVATION



dont **14** ont formalisé une CONVENTION DE PARTENARIAT AVEC LE SPEE

DES COLLECTIVITÉS ENGAGÉES SUR LE FLAN FINANCIER





SOME TOOLS DEDICATED TO LOCAL AUTHORITIES...

Picardie Pass Renovation proposes to its partners some tools to communicate about the Public Service for Energy Efficiency:

- Information material:
 - 4 description leaflets (households, co-owners, local authorities, craftsmen)
 - Other communication tools (flyer, poster...)
- Press relations tools
- Digital tools:
 - A dedicated website www.pass-renovation.picardie.fr
 - A "news" section
 - A bi-monthly newsletter
 - Active Twitter and Facebook accounts
- A visual identity and language elements



leaflets



website

twitter



press tools

facebook



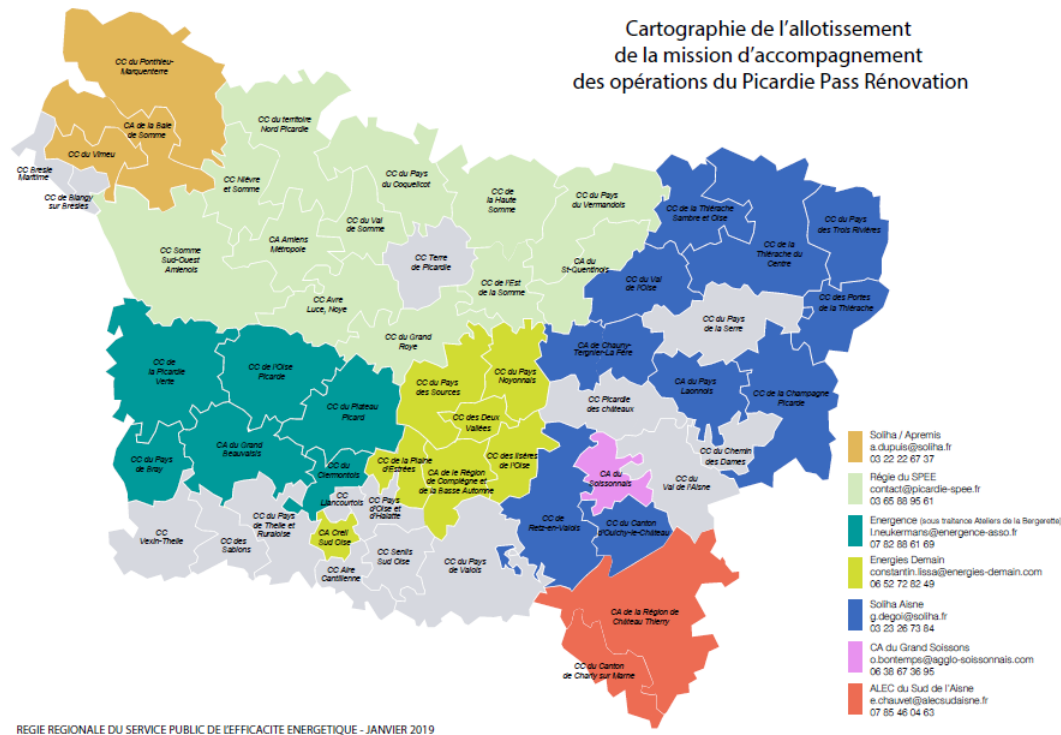
posters



Involve professionals to reach volumes and quality requirements

Operators :

- Local animation : a lot of contacts to develop
- Customer journey : training on new processes, rise in skills





Involve professionals to reach volumes and quality requirements

Construction companies :

Construction professional organisations were key partners

- public meetings
- messages regarding quality, certification
- relay tenders ...

→ Quality is a key element to reach energy consumption reduction and reduce financial risks



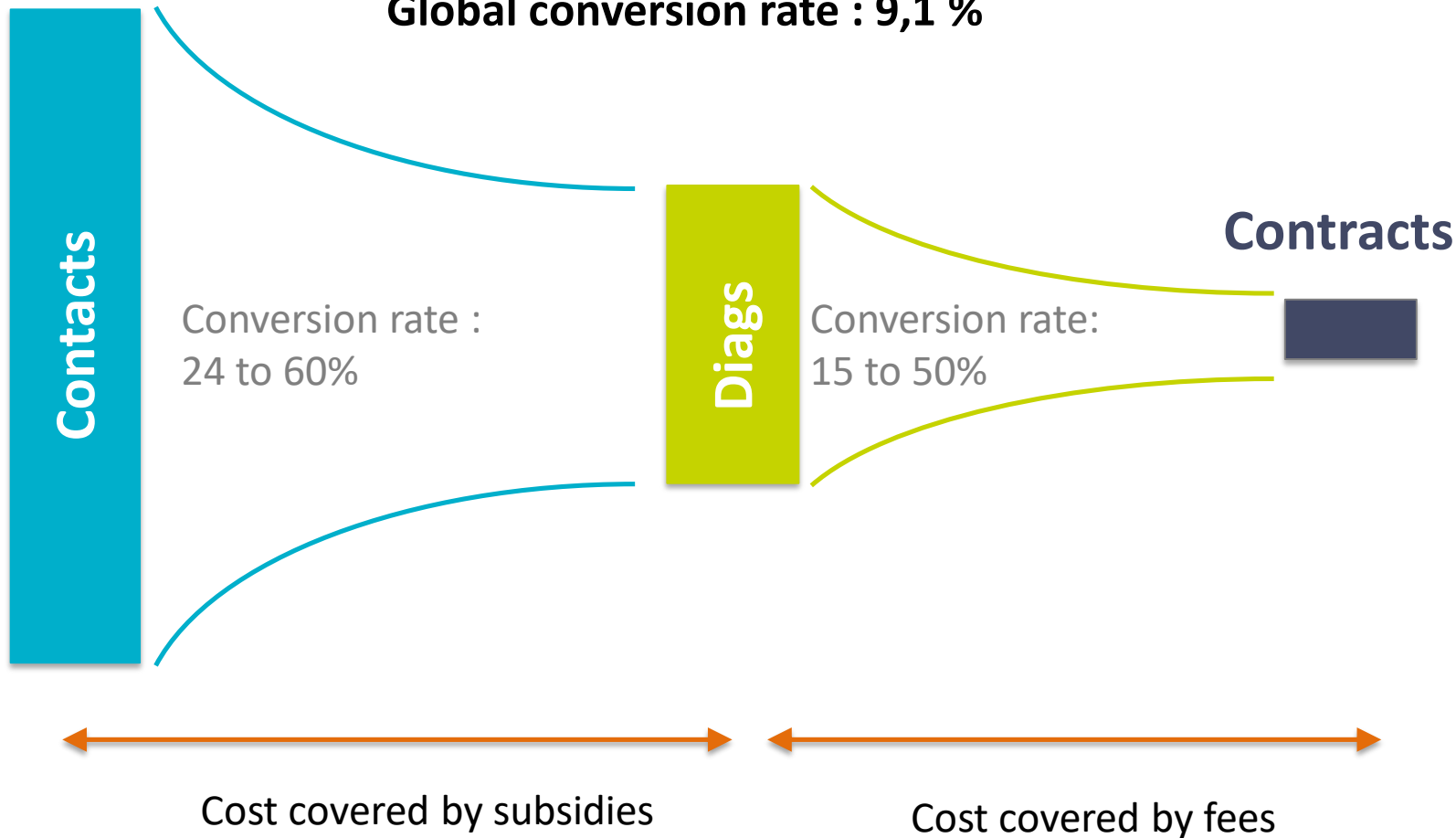


Monitoring activities






Global conversion rate : 9,1 %





Results – 31/12/2018

NUMBER OF CONTACTS TREATED 

 7288

NUMBER OF THERMAL AUDITS 

 2758

NUMBER OF PLANNED RENOVATIONS

 551

- Average cost : 42 780€

NUMBER OF FINISHED PROJECTS

 317

 24 (2606)


 14 (1207)

 5 (595)

 2 (268)

- Average cost : 11 800€ / appt

 Single family houses projects

 Condominiums (*apartments*)

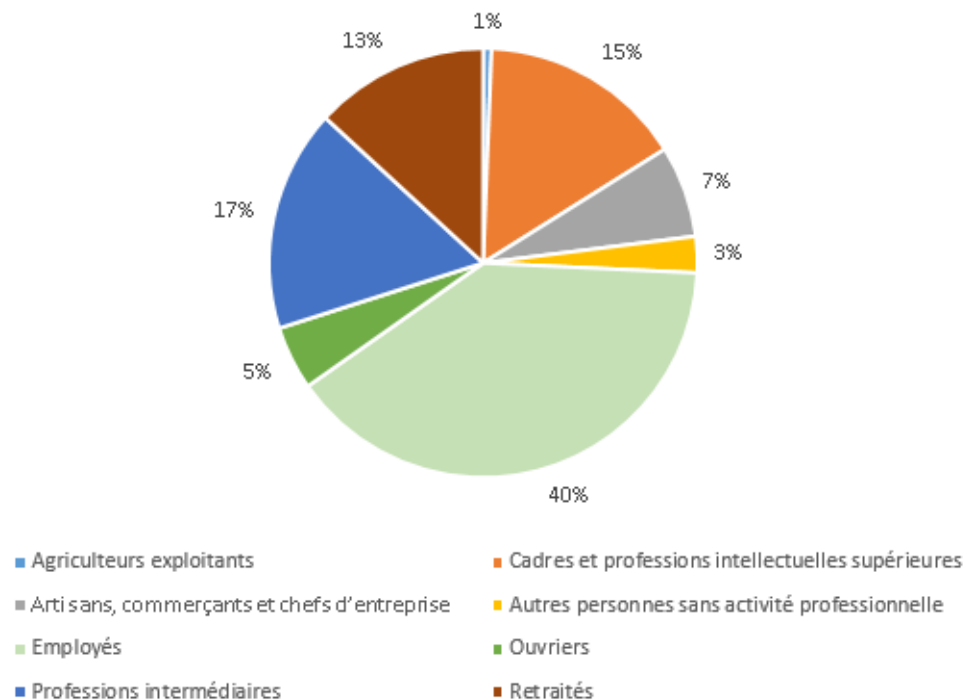
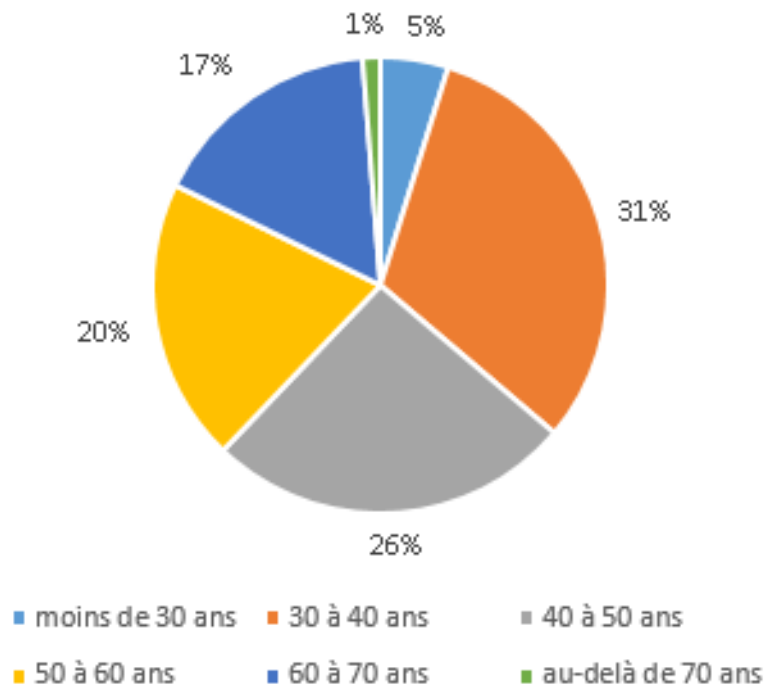


38 M€





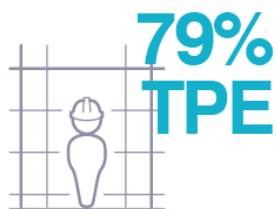
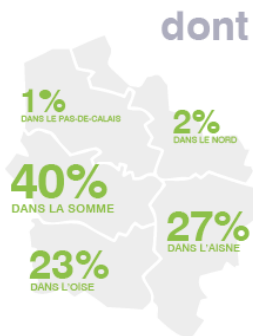
Diversity of the debt portfolio



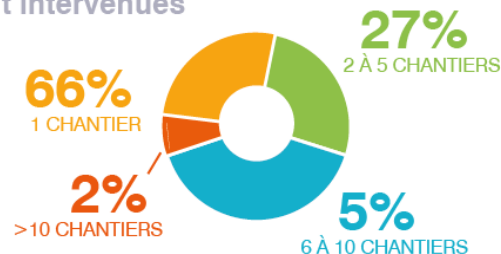


Quality & Cost management

More than 500 companies



ces entreprises sont intervenues sur



pour UN MONTANT MOYEN DE TRAVAUX DE **15 000€**

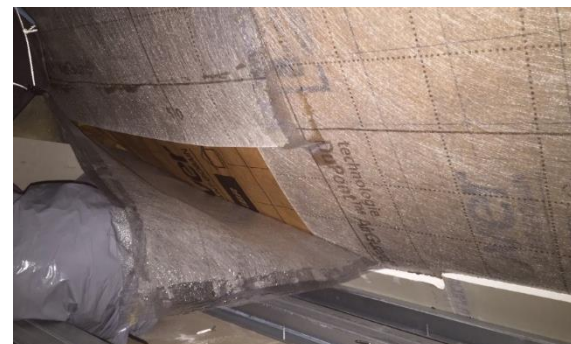
DE NOMBREUSES ENTREPRISES PARTENAIRES COMMUNIQUENT AUPRÈS DE LEURS CLIENTS ET APPORTENT DES CHANTIERS AU SPEE





Quality

- ✓ Work follow-up = a primordial phase
- ✓ Pedagogical tools for technicians and companies
- ✓ But mistakes (less and less)
- ✓ Claim management service needed

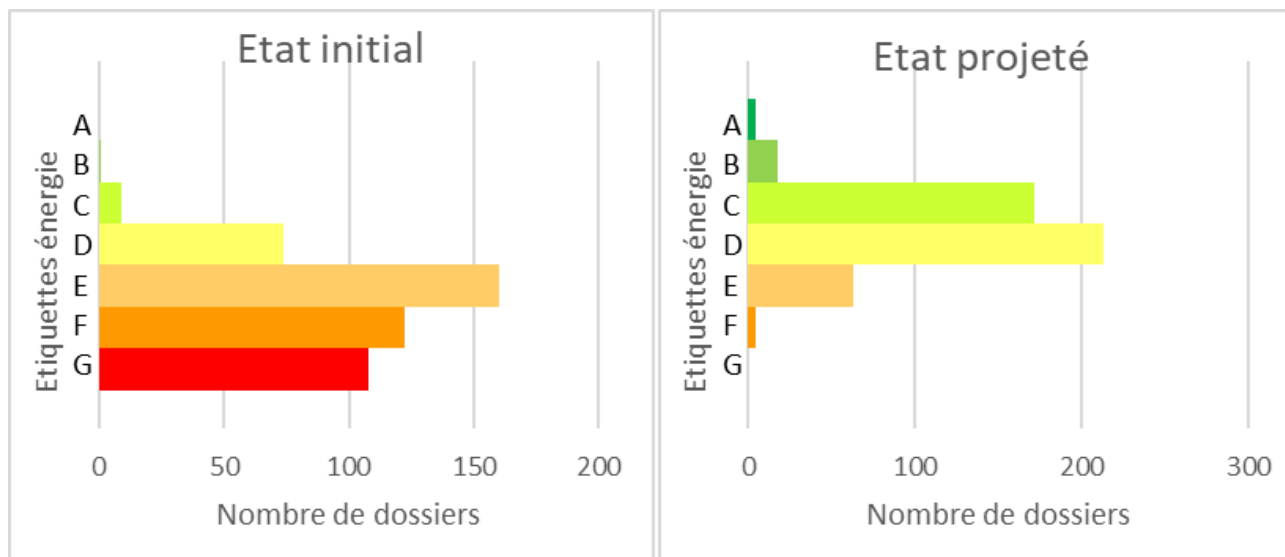




Impact on energy consumption

Theoretical objectives in terms of consumption reduction :

	Gains théoriques
Nb de dossiers analysés	480
Moyenne Gains Energie Finale (en % de $kWh.m^{-2}.an^{-1}$)	48%
Moyenne Gains Energie Primaire (en % de $kWh.m^{-2}.an^{-1}$)	49%
Moyenne du taux de couverture des mensualités par les économies (%)	72%



Répartition des dossiers par étiquette énergie ($kWhEP/m^2.an$)



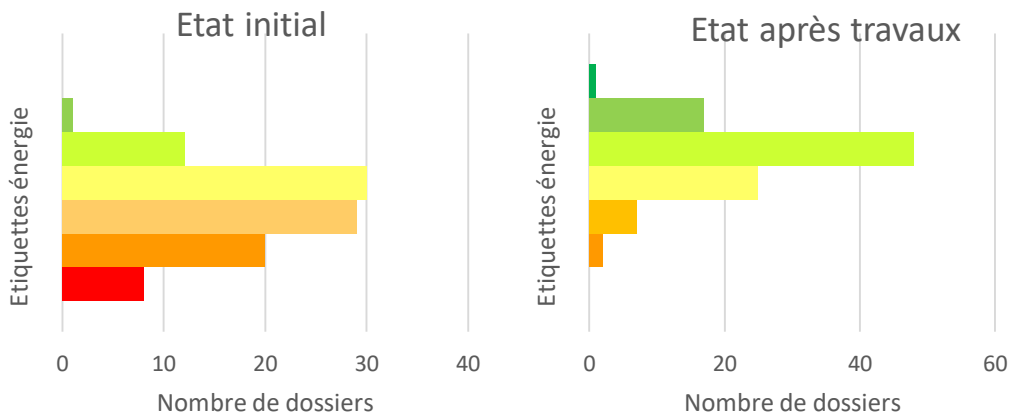
Impact on energy consumption

Results on the first 100 projects :

	Valeur théorique	Année 1
Nb de dossiers analysés	100	100
Moyenne Gains 4 usages* en Energie Finale (en % de kWh.m ⁻² .an ⁻¹)	50 %	47 %
Moyenne Gains 4 usages* en Energie Primaire (en % de kWh.m ⁻² .an ⁻¹)	51 %	47 %
Nb de dossiers pour lequel le gain est inférieur de plus de 20% au gain prévu		32
Moyenne des économies financières mensuelles en € (en %)	55 %	42 %
Moyenne du taux de couverture des mensualités par les économies (en % d'euros)	77 %	62 %

* Gains 4 usages :
chauffage, ECS,
ventilation et
refroidissement

Changement d' « étiquette énergie »



	Sur la base des estimations	Sur la base des évaluations post-travaux
Dossiers n'ayant pas changé d'étiquette énergétique	1	19
Dossiers ayant gagné une classe énergétique	41	34
Dossiers ayant gagné 2 classes énergétiques	34	27
Dossiers ayant gagné 3 classes énergétiques	17	15
Dossiers ayant gagné 4 classes énergétiques	7	5





After the experimentation period

4 axes of the SPEE's action plan to achieve economic equilibrium:

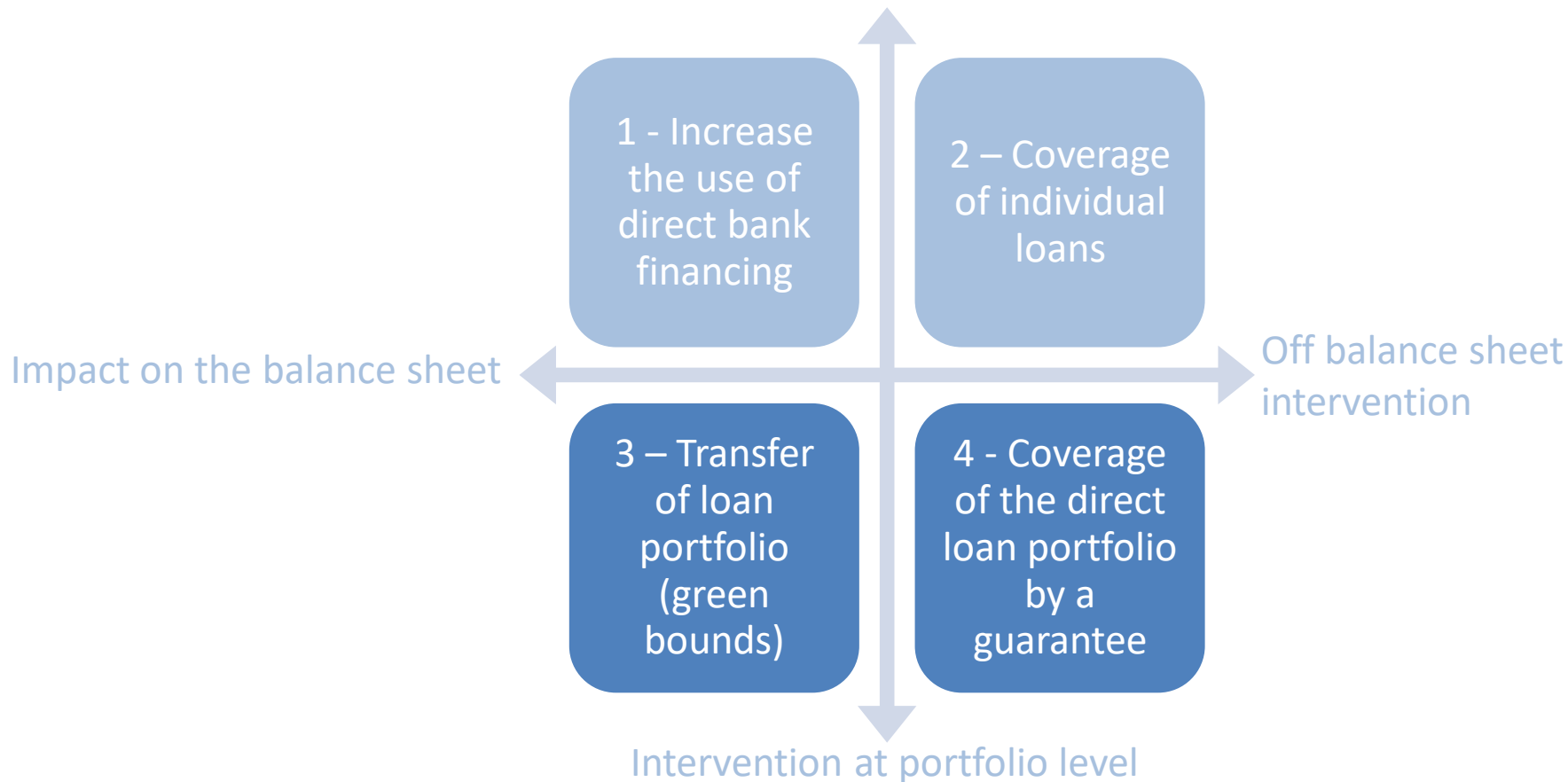
- Limit the impact of the SPEE's activity on the financial rating of the Region (debt)
- Increase the activity to enable it to exceed the breakeven point linked to the fixed costs
- Adjust remuneration of animation and project detection activities
- Improve the efficiency of renovation process





Financial solutions

Intervention on level of individual loans





Thank you for your attention !

Elodie DENIZART

Hauts-de-France Region Brussels Office

elodie.denizart@hautsdefrance.fr

For more information:

Alice MORCRETTE – PSEE director

alice.morcrette@picardie-spee.fr

