

The French framework on energy efficiency measures for energy poverty alleviation

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Introduction

- In a context of crises since 2020, French households are increasingly vulnerable to energy poverty
- Considerable governmental efforts to (1) mitigate the impacts of price increases on households and to (2) foster energy savings
- These evolutions place the debate on energy efficiency policies under a new light:
 - Have past measures been adequately designed / targeted / implemented to address energy poverty?
 - What would be needed in the future?

Outline

- Energy efficiency of the housing stock is far from being satisfactory, but there is insufficient awareness of the importance of thermal renovation among households
- Energy poverty difficulties get more severe, but are hard to quantify precisely
- Energy price increases have been significant since 2021, but contained for households thanks to massive public funding
- This raises (again and more than in the past) the role of energy efficiency for providing sustainable remedies to a worsening energy poverty situation

Energy efficiency problems are massive in France

Data on the French housing stock

- HOUSING STOCK :

- France has **36.59 million dwellings**
- out of which 29.964 are main residences (Source: <https://www.insee.fr/fr/statistiques/6653801>, 1st January 2022)
 - 55.9 percent individual housing and 44.1 percent flats
 - 57.6 percent owner-occupants, 40 percent tenants

- ENERGY USED FOR HEATING (2018 data):

- Natural gas: 41%
- Electricity: 37%
- Heating oil: 13%
- Other: 5%
- District heating: 4%

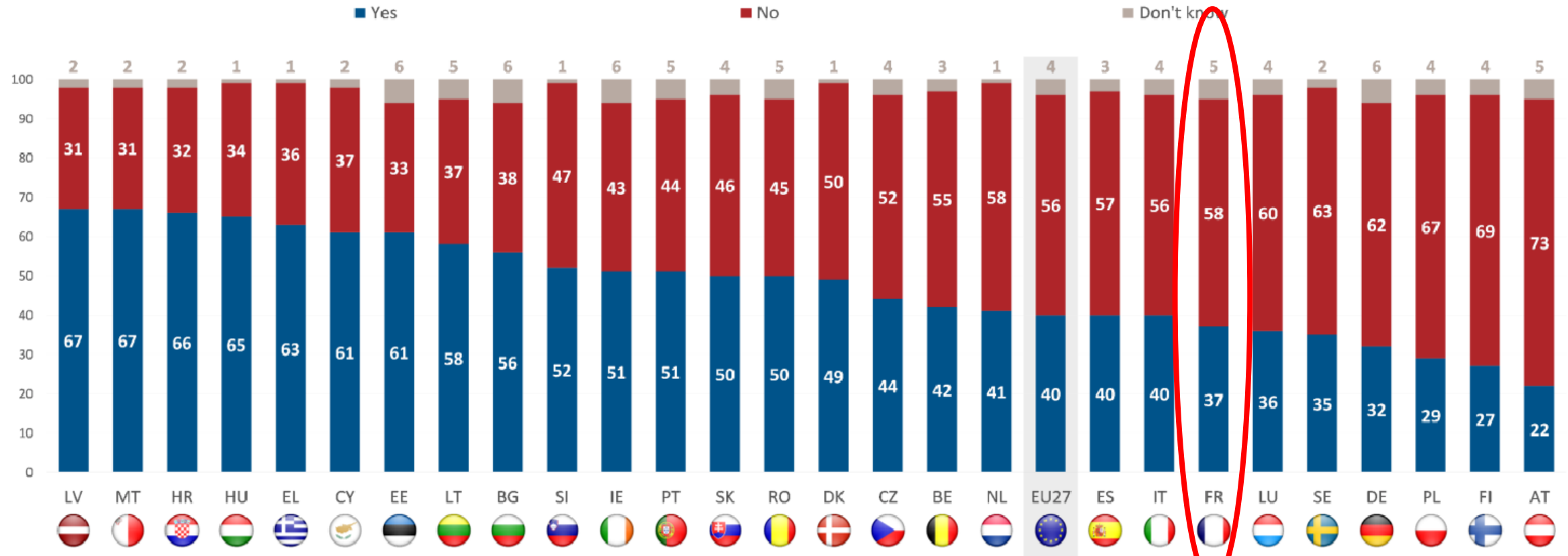
- ENERGY EFFICIENCY :

- **17 % of main residences are considered as « energy seeves »** (energy class F-G),
- This represents **5.2 million main residences** (and 7.2 million if considering all dwellings, i.e. including secondary residences and unoccupied dwellings)
- Distribution of energy classes in France (2018 data)
 - energy classes A-B : 6.6%
 - energy classes C-D : 52.2%
 - **energy classes E-F-G: 41.1 % (45% for individual housing)**

Still, in a recent Eurobarometer survey 58% of interviewees in France don't think their home needs and energy efficiency renovation

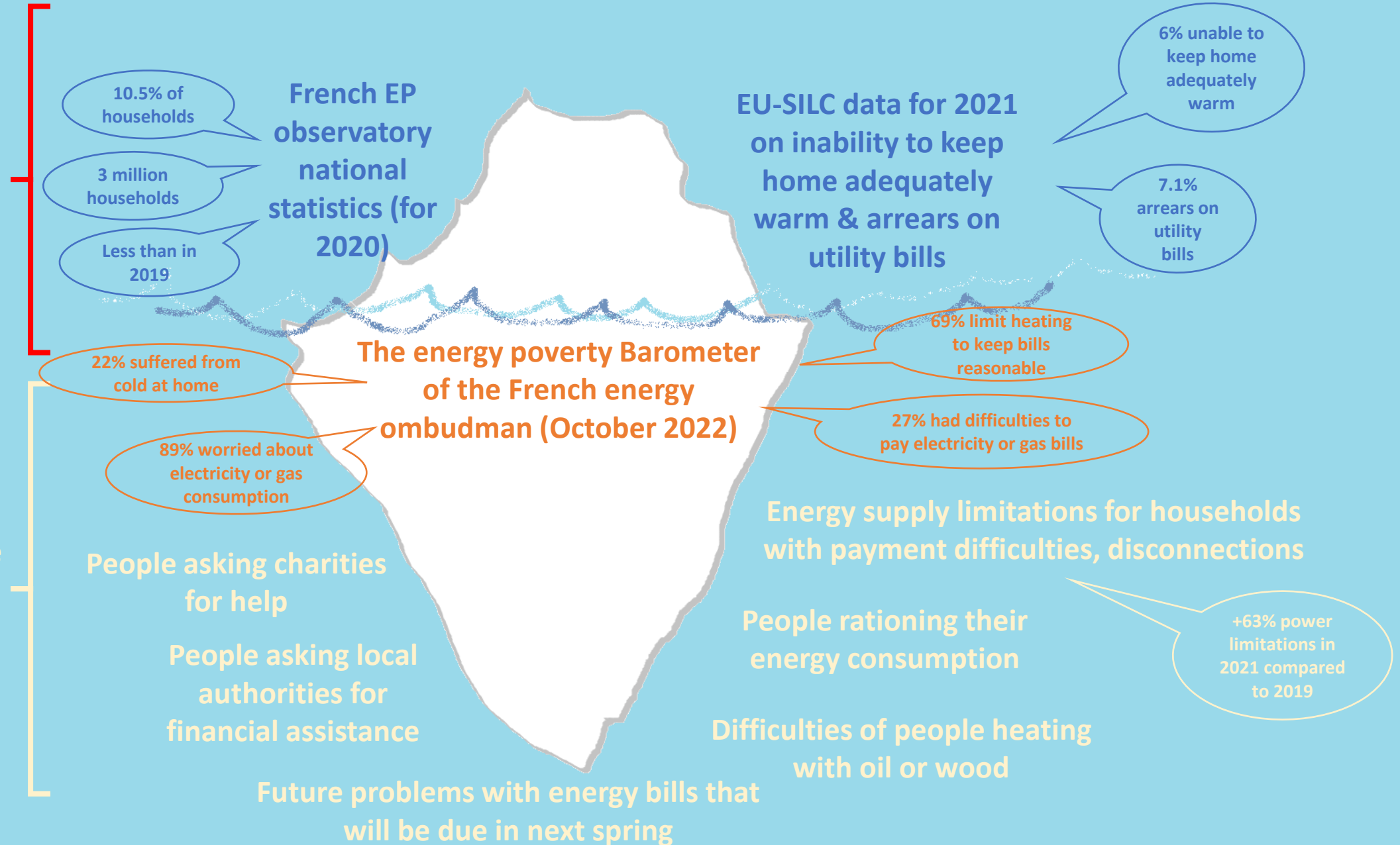
(Source: special Eurobarometer survey 527, 2022)

QA8.3 For each of the following statements, please tell if it applies to you.
(% - You believe your home needs an energy efficiency renovation)



What about energy poverty?

The official measurements of energy poverty difficulties



In 2022: price increases for customers have been significant but contained for households

- Energy price increases in the French Consumption Price Index (source: INSEE) → **energy costs are the main driver of inflation**
 - +14.9% of annual evolution in September 2021
 - +22.7% in August 2022
 - +17.8% in September 2022

- ... despite **efforts made to protect households from electricity & gas price increases through price regulation**

- **Regulated tariff :**

Electricity: increases limited to 4% in January 2022 and 15% in February 2023 (63% of households in June 2022)

Gas: prices blocked from October 2021 to 30th June 2022 and then 31st December 2022, +15% increase in January 2023 (25% of households in June 2022), but end of price regulation in June 2023

- Regarding consumers with market prices (source: survey data from Energy ombudsman)
 - One third declare their prices are indexed on the regulated tariff
 - 30 percent have a fixed price contract
 - Over 20 percent declare their electricity prices are indexed on the wholesale market

Considerable resources have been dedicated to preventing the immediate impacts of the energy price crisis on households' bills

- Rapid mobilisation of budgets to help households pay their energy bills
 - **Exceptional energy allowances** (« Chèque énergie ») have been distributed to 5.8 million low-income households in December 2021 (additional 100€ per household)
 - Plus an **inflation compensation payment** (« indemnité inflation ») of 100€ at the end of 2021 for 38 million people with incomes lower than 26 000 € per year.

Estimated
increase in
energy
burden:
700€ for a
house

... but what about energy efficiency measures?

- After a decade of operation of the main thermal refurbishment scheme for low-income households, experts consider that
 - Too little has been done,
 - Measures are poorly targeted, and
 - The pace of thermal renovations is insufficient

The main energy efficiency programmes relevant for energy poor households

- Energy poverty is not an autonomous policy field
- Programmes belong to different policy fields, such as
 - **Housing policy** (measures coordinated by the National Habitat Agency ANAH) funded by Ministry of Ecological Transition
 - **Energy efficiency policy** (White certificates), coordinated by Agency for the ecological transition ADEME, and Ministry of Ecological Transition

Programme
« Living Better »
(Habiter mieux)
coordinated by
ANAH (729,5
million € in 2021)

« Ma Prime
Renov' » funding
(2 058 million € in
2021, source
Anah)

White certificates
dedicated to
energy poverty
69,73 million €
(source ONPE)

The programme **Habiter Mieux**

- Created in 2011
- **Target**: low-income households
- Main funding sources:
 - Anah Budget (partly financed by the sale of carbon quotas)
 - Energy suppliers (EDF, ENGIE and Total) through the white certificates
 - Tax on vacant dwellings
 - Plan de relance
- Different types of programmes & targeting approaches have been followed over time
- **Since 2021: Habiter Mieux Sérénité (dedicated to full renovations)**
- **Implementation**
 - Eligibility: based on incomes
 - Households are helped by specialised operators such as SOLIHA
 - Households get funds and advice (technical & financial) from these operators, but they choose the firms that will do the work
 - Households contribute financially to the renovation
- **57 117 households have renovated their home thanks to the ANAH fundings in 2021 (source: ANAH)**
 - 41 188 through **Habiter Mieux Sérénité**
 - 4 007 landlords
 - 11 891 co-owners of collective housing

Habiter Mieux Sérénité conditions and funding in 2021

- Conditions to be funded:
 - **35% energy efficiency gain** (estimated ex-ante)
 - Up to 50% of the eligible works → means that complementary funding is needed → important role of structures who assist households in their project
 - Special bonuses for « energy sieves »
- Funding per household
 - Homeowners: 13 601 €
 - Landlords: 21 494 €
 - « Ma prime rénov copropriété » (co-owned collective buildings): 6 983 €

Ma Prime Rénov' (1)

- « **MaPrimeRénov'** » was initially for low-income households only, but is now accessible for all income groups
 - **2020 crisis → extension to all owner occupants**
 - **2021: extended to landlords**
 - Amount of subsidy depends on the energy efficiency gain
 - Bonus of 1500 for
 - « energy sieves »
 - Works that allow to reach energy efficiency class A or B

Average funding per beneficiary (2021)

Category	Funding per dwelling (€)
Landlords – higher income	1 040
Landlords – intermediary	1 801
Landlords – modest	2 354
Landlords – very modest	3 414
Owner occupant – higher income	1 068
Owner occupant – intermediary	1 760
Owner occupant – modest	2 827
Owner occupant – very modest	4 471

Ma Prime Rénov' (2) – data for 2021

- **68% of projects for households in the « modest » and « very modest » categories**

- **Often funding of only one measure** (only 19% for two or more measures)

- **Less than 25% of the cost of measures is funded** (around 30% for the three first income deciles)

- **Change of heating system: 86% of measures**

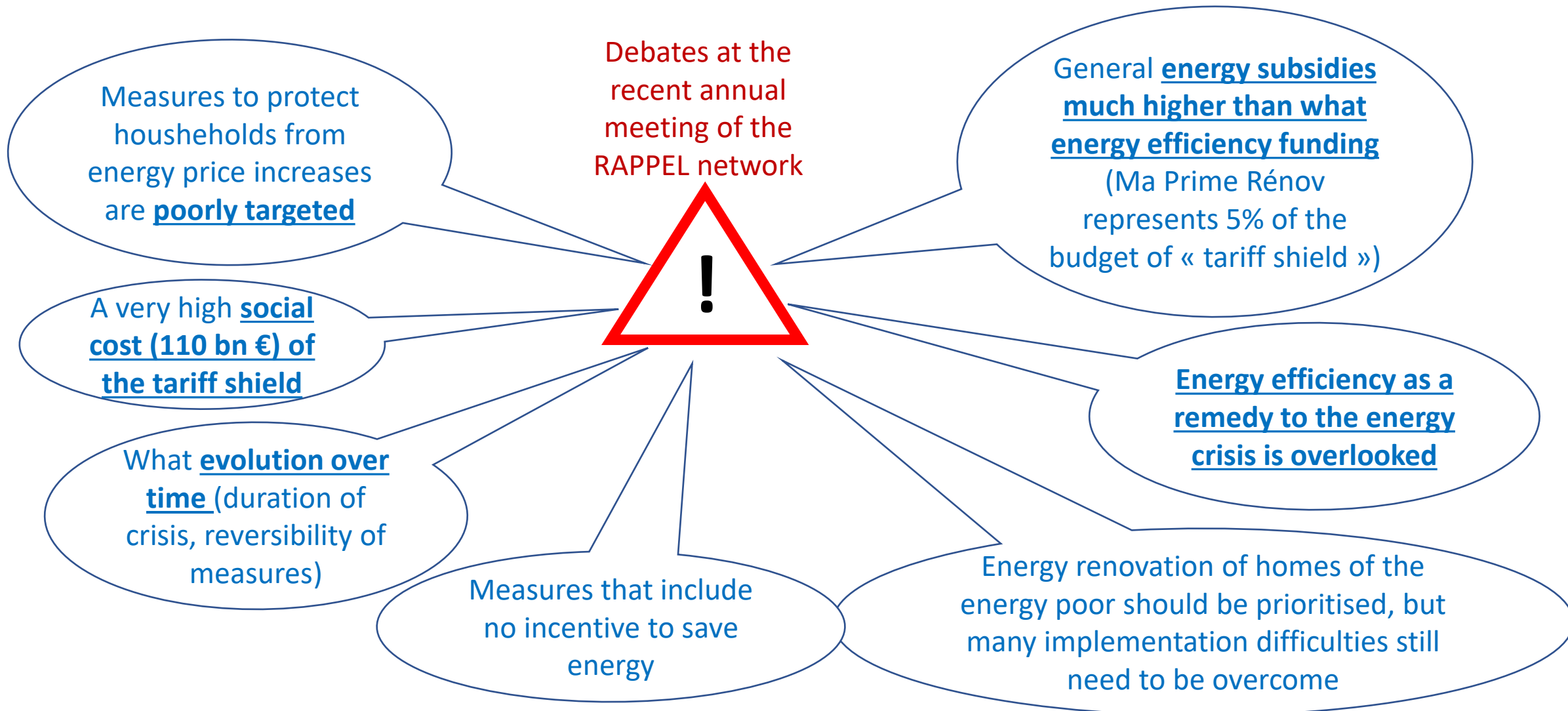
- **1 044 projects of global renovation**

Type of work	Number of measures (thousands)	Measures %	Gain (TWh/yr)	Gain %	Average gain per measure (MWh/yr)	MPR Funding (million €)	Share of measures in MPR budget total (%)
Heat pumps	84,3	21,0	1,151	57,7	13,7	266,9	25,9
Other heating systems, hot domestic water	219,1	54,6	0,543	27,2	2,5	458,0	44,5
Insulation of the roof, of walls, or of floors	92,3	23,0	0,284	14,2	3,1	285,8	27,8
Other (Ventilation, connection to district heating, global renovation)	5,8	1,4	0,019	0,9	3,2	18,1	1,8
Total	401,5	100,0	1,997	100,0	5,0	1 028,9	100,0
							70,4

White certificates targeted towards energy poverty measures

- Since 2015, a share of white certificates is dedicated to energy poverty
- Estimation of cumulated savings through white certificates dedicated to energy poverty: 1 186 TWh_{cumac}
- Three main programmes dedicated to energy poverty in the housing sector:
 - **SLIME** : a general framework for local authorities to advise energy poor households (and from 2023 on, to do the follow-up of implementation of measures)
 - **ECCO DOM** : social housing in the overseas Départements
 - **Toits d'abord** : charity Fondation Abbé Pierre – production of affordable housing for very low-income households who cannot access the standard housing market

Discussions on the evolutions of public policies over the past two years



Conclusion: some reasons to be optimistic?

- Energy poverty not an autonomous « policy field » but it **has now entered the public debate**
 - Evaluations of the **health benefits** of thermal refurbishment have shown that energy efficiency results in considerable health benefits
 - Renovation is being **advocated by a strong network of actors**
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Still, some evolutions are needed:

- **Prioritising long-term benefits** over short-term objectives still seems difficult
- **Practical implementation of thermal renovations** for the energy poor is (by nature) a difficult task

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