

ENERGY EFFICIENCY, A FRENCH PICARDY INNOVATION

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At the end of 2013, northern France's Picardy region launched **its Public Service for Energy Efficiency (PSEE) initiative, the first national public operator dedicated to improving the energy efficiency of single-family and multi-family homes.** The PSEE aims to establish a sustainable virtuous circle to encourage regional development. The scheme will reduce energy consumption in residential buildings, increase energy security and revive the local economy through the building industry. The PSEE project, christened Picardie Pass Rénovation, targets all owners of single-family homes, whether occupants or lessors, regardless of their income or the age and type of home. It also concerns co-owners of private properties and municipalities interested in making their rented housing more energy efficient.

Northern Picardie Pass Rénovation has been granted a Picardy allowance of €8 million, which will cover the first series of renovation work, and has received subsidies under the ELENA project and from ADEME and ERDF funds. It has also obtained loans from the Caisse des Dépôts et Consignations and from the European Investment Bank totalling €47 million.

Mass demand for housing energy retrofits is currently such that government intervention limited to simply aid and subsidies is unlikely to be sufficient. **By adopting the third-party-financing economic model, the PSEE has made a brave choice. Not only is it rising to the innovation challenge, by relying on an alternative funding mechanism, but it is also breaking with traditional public sector intervention models (based on use of subsidies), to have less of an impact on public finances.**

Ultimately, the third-party-financed loan of service solution set up by the PSEE will finance itself through the energy savings made over the long term. This really is a cultural revolution in terms of taking more efficient public action, anchored in a virtuous economic model.

To guarantee the energy performance of work undertaken, Picardie Pass Rénovation will be forging partnerships with qualified RGE-certified (French label recognising guarantors of the environment) building professionals. Since 1 September 2014, state aid distributed to households wanting to carry out energy-efficient renovation work has been conditioned by use of RGE-qualified professionals.

The PSEE is working hard to mobilise and broaden the skills of professionals in the construction industry in partnership with local professional networks (CAPEB, FFB, Chamber of Trade, etc.). The challenge lies in shaping the local range of services to bring it up to the quality standards required to ensure the energy performance sought. In practice, the PSEE aims to mobilise and organise energy retrofit professionals by encouraging companies to form groups and launching invitations to tender, as well as structuring and improving training opportunities.

Technical support before, during and after the work, including an in-depth energy audit of the building, customised work programmes, the selection of companies and support monitoring the work through to handover and beyond, because the service continues after the retrofit in order to track energy consumption.

A financing solution that will not upset the family budget, since the PSEE instrument pays for the renovation work undertaken. Individuals then repay the amount advanced in monthly instalments equivalent to the energy savings made (for up to 25 years).

The first results at end-July 2016 are quite encouraging, with 1,225 contracts signed for a total of €23 million of work (including 8 co-owned properties representing 980 homes), average energy savings of 56%, 3,700 active contacts, 1,900 completed energy audits, 458 projects finished or underway and 650 local companies working alongside the PSEE.