

Energies POSIT'IF

France – Île-de-France

OWNERSHIP	PUBLIC
Program authority	Région Île-de-France
Program Delivery unit	Energies POSIT'IF
Implementation Model	Separate Contractor based (SCB) Energy Performance Contracting (EPC)
Operating Services	Marketing Aggregation Facilitation Integration Financial advice Financing Assessment
Type of projects	Energy Efficiency (building retrofits) Renewable energy
Ambition/targets	Ambitious renovation of minimum 60%, up to 75%, including isolation
Beneficiaries	Residential multifamily apartment buildings
Funding Vehicle	Financial institutions Property owners Investment funds
Financial Instruments	Equity/Own funds Loans Grants Utility incentives (white certificates)

Summary

Energies POSIT'IF was created in 2012 as public-private partnership (société d'économie mixte or SEM) by the Île-de-France region.

By January 2013 it had raised a capital of 5.323.500 € from the region, the cities of Paris and Créteil municipalities, private and public banks and several local communities of municipalities.

The initiative was created to promote, organise, support and implement the energy transition of the Île-de-France region. It acts as an integrated service provider offering technical design, implementation and operations, financing and insurance services to owners of multifamily residential apartment buildings.

The target audience of Energies POSIT'IF are 1 million multifamily apartment buildings (condominiums) with an EPC certificate of E, F or G (230 to 450 kWh/m²/year), which represents 47% of the total residential houses in those classes.

Energies POSIT'IF aims to be a pioneer of third party financing of the energy renovation of residential apartment buildings, to compensate for the lack of initiative from the private sector on this segment. The aim is to use a significant amount of energy savings to pay for the investments.

Energies POSIT'IF acts as a public ESCO to integrate the different steps of the process, with an aim to reduce transaction costs (information, strengthening of the capacity of the home owners, feasibility studies, quality control, follow-up, etc.).

The project is supported by the European Commission through its MLEI-PDA (Mobilising Local Energy Investments – Project Development Assistance) program, now called Horizon2020 program.

In 2015, Energies POSIT'IF reported a structural agreement with the European Investment Bank as part of a global 400 million € financing program for residential homes in France.

How does it work?

The principles on which Energies POSIT'IF works are as follows:

- Offer a turnkey service offering to multifamily apartment co-owners on all technical, financial and insurance aspects
- Mobilize and secure a supplementary financial resource: the future energy savings
- Assist the co-owners in organizing the financial plan of the operation
- Discharge the co-owners from having to pre-finance whole or part of the energy saving investment

The Project Development Unit offers the following services

- Energy audit to identify the energy savings potential and financial implications
- Establishment of a mandate from the co-owners to the property management association (syndicus)
- Establishment of a contractual agreement that covers the energy renovation project
- Outsourcing to architects, engineering companies, energy service companies (in case performance guarantees are required) and contractors
- Offering of a number of options:
 - Follow-up of the energy performance
 - Maintenance
 - Repair
 - Performance guarantee
 - Third party financing option
- Assistance with the financial structuring, including loans at low or zero interest rates, subsidies (from the Agence National de l'Habitat (Anah), from the French national energy agency ADEME and from local authorities), white certificates, bank loans.

In terms of financings, there are two cooperation models between the condominiums and Energies POSIT'IF:

1. Energies POSIT'IF provides its financial engineering services to the condominiums. It develops a global financing plan for the building energy renovation which consists of individual financing plans adapted to each home owner. Individual financing plans can include self-financing of the apartment owners, grants and subsidies (national, regional or local) for which they are eligible and a bank loan. Condominiums can also take a collective loan involving all interested home owners. The condominiums are in direct relation with the banks via a globally structured contract. They pay Energies POSIT'IF for the renovation works as well as a fee to for its services. Energies POSIT'IF acts as an intermediary between the condominiums and technical partners that carry out the renovation works (e.g. the Energies POSIT'IF pays the suppliers for the works). However, it does not provide any additional financial sources.
2. Energies POSIT'IF provides its financial engineering services and additional financing sources to the condominiums. In this case, Energies POSIT'IF develops a global financing plan for the condominiums; it seeks the third-party financing sources (in form of a bank loan) on behalf of the condominiums and provides them with additional financial sources from its own budget. It acts as an intermediary between the condominiums, technical partners and banks. The condominiums are in direct contact only with the Energies POSIT'IF, they pay monthly (or semestrial) instalments and a service fee to Energies POSIT'IF. Energies POSIT'IF then pays back to the banks.

The beneficiaries reimburse the renovation costs through regular payments (instalments) which take into account the financial savings generated thanks to reduced energy consumption. However, the payments are not always equal or lower than the financial savings achieved. The condominiums may decide to pay higher instalments and so shorten the pay-back period or, in some cases, the instalments are high due to too high renovation costs that include measures that do not generate (or generate too little) energy savings.

A typical financing structure is the following:

- Owners' self financing (including individual loans): 50%
- Grants (including white certificates) pre-financed by Energies POSIT'IF: 15%
- Thirdy Party Financing from Energies POSIT'IF: 35%

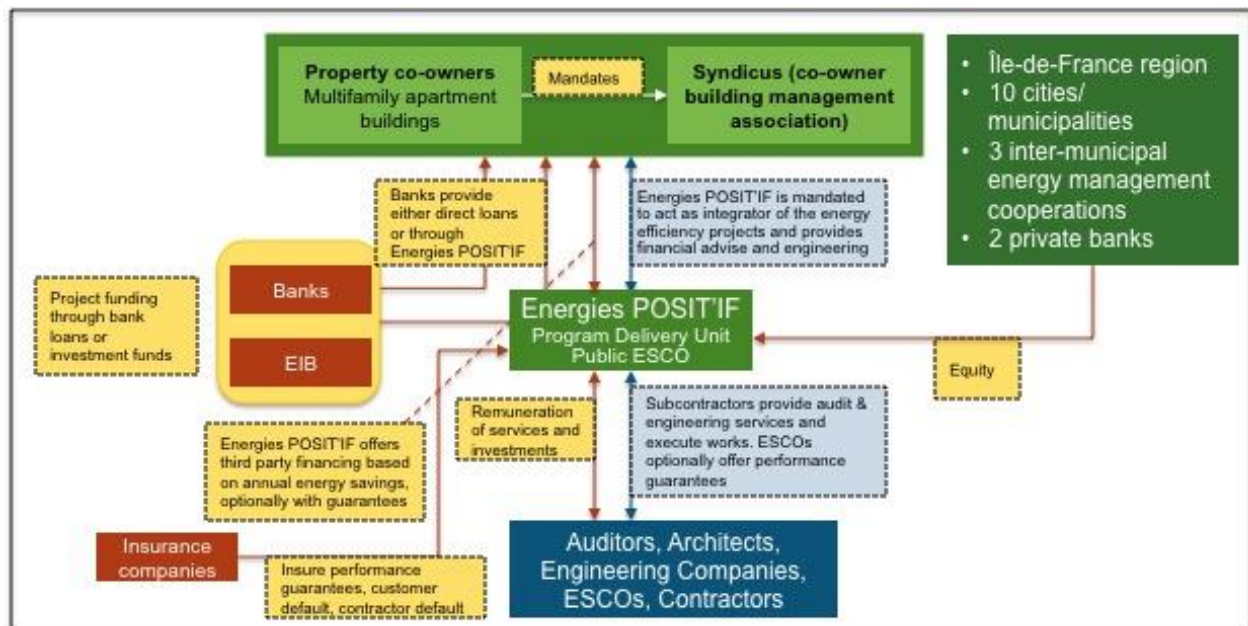
Two reimbursement schemes are used:

1. Reimbursement through an annual third party financing fee
2. Anticipated reimbursement in case of change of home ownership

Energies POSIT'IF also assists the co-owners to obtain fiscal advantages, in particular national tax exemptions. These include both tax rebates and tax subsidies.

The objective is to be ambitious in terms of energy savings and reach levels of 60% and more.

Fig 1. Operational and financial model



The program delivery unit

Energies POSIT'IF is the program delivery unit and acts as programme marketer, project integrator, facilitator, project financial advisor and assessor.

Its core activities include:

- Identification of multifamily home owners and buildings
- Identification of energy savings potential
- Outsourcing to and integration of architects, auditors, engineering companies, energy service companies and contractors
- Financial advice and financial engineering
- Communication, capacity building and networking

Projects vary from 1 to 20 M€. For one single home of 60 m² a thermal renovation (heating and isolation) has an average cost of 25.000 €.

Energies POSIT'IF has a strong leverage effect: every euro invested by the company allows to create 8 to 14 euros investment in total.

Energies POSIT'IF fixed following objectives:

- 1000 individual homes renovated per year, with an objective of 10.000 over a 10 year period

In addition to the energy renovation of apartment buildings, Energies POSIT'IF also invests in renewable energy projects.

For the period 2013-2015, 2 M€ was allocated, split in following budgets:

- 1,4 to 1,6 M€ allocated to minority participations in 3 projects ranging from 400 k€ to 600 k€. These include PV solar, biomass based heat production, biomass based cogeneration, bio-methanisation and wind energy.
- 300 k€ to 400 k€ allocated to the development of 11 projects ranging from 25 k€ to 40 k€.

Some key numbers on employment creation:

- 1 M€ invested in isolation works creates 26 FTEs of employment
- 1 M€ invested in renewable energy creates 6 FTEs of employment

Energies POSIT'IF employs a staff of 10 people.

Legal structure	Public-Private company (Société d'Economie Mixte or SEM)
Shareholder description	Public-Private company
Equity	5,323 million €
Shareholders	Région Île-de-France Caisse d'Epargne Île-de-France Caisse des Dépôts et Consignations Conseil Général 94 Ville de Paris Conseil Général 77 SIPPEREC CA Est Ensemble CA Cergy-Pontoise CA Val-de-Bièvre CA Plaine-Commune CA Sud-de-Seine SIESM 77 Ville de Créteil CA Plateau-de-Saclay SIGEIF
Program dedicated staff	10 FTE
Program operational costs	Unknown

Organization and partnerships

None

Beneficiaries

Beneficiaries	Multifamily apartment co-owners
Type of projects	Energy Efficiency (building retrofits) Renewable energy
Operational support	Projects integration through the project delivery unit
Financial support	Turn key financial engineering involving banks, investment funds, grants and fiscal advantages

Funding mechanism

Program delivery unit funding	Energies POSIT'IF
Projects Funding	Projects are funded through home owners own funds, bank loans, European investment funds (EIB), grants and fiscal advantages
Funding Vehicle	Financial institutions Investment funds Property owners
Fund size	Not applicable
Fund type	Not applicable
Fund sources	Not applicable
Financial Instruments	Equity/Own funds Loans Grants Utility incentives (white certificates)

Results

In 2015, Energies POSIT'IF reported accompanying 21 co-owner associations at different stages of development (audit, project assistance, design and implementation) covering about 3200 individual homes for a total investment of over 50 millions euros VAT incl.

The project pipeline has increased to 60 condominiums, with a total of 18 contracts signed.

In 2015 more than 30 million € of works are to be signed, covering the renovation of 2553 apartments.

Contact details

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Factsheet

General Info

Country	France
Model Name	Energies POSIT'IF
Date of creation	2012 (Legal structure and capital in 2013)

Model Description

Ownership	Public-Private
Program authority	Île de France region
Program delivery unit	Energies POSIT'IF
Operating services	Marketing Integration Financial advice Financing Assessment
Implementation model	Separate Contractor based Optionally with performance guarantees: Energy Performance Contracting (EPC)
Type of projects	Energy Efficiency (building retrofits) Renewable energy
Beneficiaries	Multifamily apartment co-owners
Geographical coverage	Regional

Financial Mode Description

Project funding	Public Private
Project funding vehicle	Financial institutions Investment funds Property owners
Financial instruments	Equity/Own funds Loans Grants Utility incentives (white certificates)
Repayment model	N/A

Project risk Profile

Performance risk	Property owners Optional: PDU
Recourse	Not applicable
Financial risk	Property owners

Model Requirements

Staff Requirements	High More than 10 FTE
Equity or funding requirements	Moderate Less than 10 million €

Model Key indicators

Investment volume since creation	50 millions € (ongoing)
Size of project (or project portfolio)	1 M€ – 20 M€, average 3 M€
Level of average energy savings	> 60% (up to factor 4 = 75%)

Development maturity

Development/implementation	Growth
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stage	
Operational development maturity	Growth
Financial development maturity	Growth

Model Qualification

Level of establishment	Few examples
Growth of potential	Large
Scalability of the model	Moderate
Replicability of the model	Moderate
Impact on public balance sheet	Moderate

Sources

<http://www.energiespositif.fr>

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Annexe 4.4 : Fiche régionale – Région Ile de France – SEM Energies Posit'IF

La SEM Energies POSIT'IF : le Tiers-financement appliqué à la rénovation énergétique du logement collectif francilien

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