

# SPEE Picardie

## France – Picardie Region

OWNERSHIP	PUBLIC-PRIVATE
<b>Program authority</b>	Regional Council of Picardie (Conseil Régional de Picardie)
<b>Program Delivery unit</b>	SPEE Picardie
<b>Implementation Model</b>	Separate Contractor Based
<b>Operating Services</b>	Marketing Integration Financial advice Financing Assessment
<b>Type of projects</b>	Energy Efficiency (building retrofits)
<b>Ambition/targets</b>	Renovate 2000 residential homes over a 3 year period with 50 to 75% energy savings through a 50 Million € investment and the creation of 33 direct jobs and 650 indirect jobs in the construction sector. Over the next 5 years, 10,000 renovations per year, for 300 Million € investment and the creation of 3.500 jobs in the construction sector.
<b>Beneficiaries</b>	Residential buildings
<b>Funding Vehicle</b>	Property owner (own funds) Financial institutions
<b>Financial Instruments</b>	Loans Grants Utility incentives (white certificates)

## Summary

The Regional Council of Picardie has decided the creation of a Public Energy Efficiency Service (Service Public de l'Efficacité Énergétique or SPEE), which is an integrated service for the energy renovation of residential buildings, which offers advice, accompaniment, and financing of thermal retrofit projects of private homeowners.

This creation must be seen in the light of objectives of the Picardie Region within the boundaries of the Regional Climate Air Energy Scheme 2020 and 2050:

- Massive thermal retrofit of residential homes
- Experiment financing schemes that lift the barrier of advanced payment (i.e. third party financing) and current commercial bank financing logic (i.e. banks are not used to do EE investment, high interest received due to perceived risk, collateral requests...).

- Substantial level of job creation
- Organise the chain of professional contractors to ensure a minimum level of energy performance
- Develop an integrated approach based on the qualification of local contractors
- Lift the barriers of the development of energy renovation projects
  - Mobilise the local offerings of advice and works
  - Propose a thermal audit and advice to households
  - Propose a financing solution
  - Accompany homeowners during and after the works

Several initiatives were taken to stimulate both the demand and the offer for thermal retrofit:

- Creation of an Energy Information Space network with 15 advisors
- Management of contractors by local actors (e.g. Globe 21, MEF of Vermandois,...)
- Regional experiment with zero interest rate loans for energy efficiency and renewable energy investments for residential homeowners (10.000 cases in 4 years)

Other initiatives were taken to stimulate the thermal retrofit market:

- Deployment of the Energy Information Space network towards a more upstream accompaniment of residential homeowners during and after the works: **retrofit technicians**
- Organisation of thermal retrofit contractors by stimulating **grouping of companies**
- Assurance of the financing of retrofit works based on **long term** financial savings

All of this has led to the creation of the SPEE Picardie, that aims to put in place pilot projects over a 3-year period, following 3 major steps:

1. Regional deliberation on the creation of the SPEE
2. Creation of the regional agency (SPEE)
3. Installation of the agency in the different territories

The objective of the SPEE is to achieve thermal retrofit projects with a goal to save 50% to 75% of final energy consumptions, depending on the configurations.

The investments of the thermal retrofits have to generate financial energy savings equal to the reimbursement of the loan over the duration of the investments, without additional subsidies.

## How does it work?

The operator of the SPEE assures different services, creating important economies of scale:

Centralized operations:

- Service development and marketing
- Development of the information system
- Administrative management, management control and audits
- Creation and management of IT and internet tools
- Financial engineering
- Regional partnerships and training

- Refinancing management, i.e. creating a revolving structure

#### Local operations

- Management of customer facing personnel
- Management of local partners (construction contractors, experts)
- Customer contacts and project follow-up

The SPEE incorporates a third party financing offering. The financing capacity of the retrofit works through third party financing is:

- Ratio of gains through savings on the heating bill:
  - 85% to finance the thermal retrofit works
  - 15% for the end customer (without taking in to account any subsidies)

From the residential homeowner's point of view:

- Classical loan today for the retrofit of a home: costs 330 €/month with a reimbursement over an 8 years period
- Monthly contribution in the framework of the SPEE: 120 €/month over a 25 years period
- Systematic access to pre-financing even without availability of additional debt capacity

The SPEE has identified 3 main typologies of works:

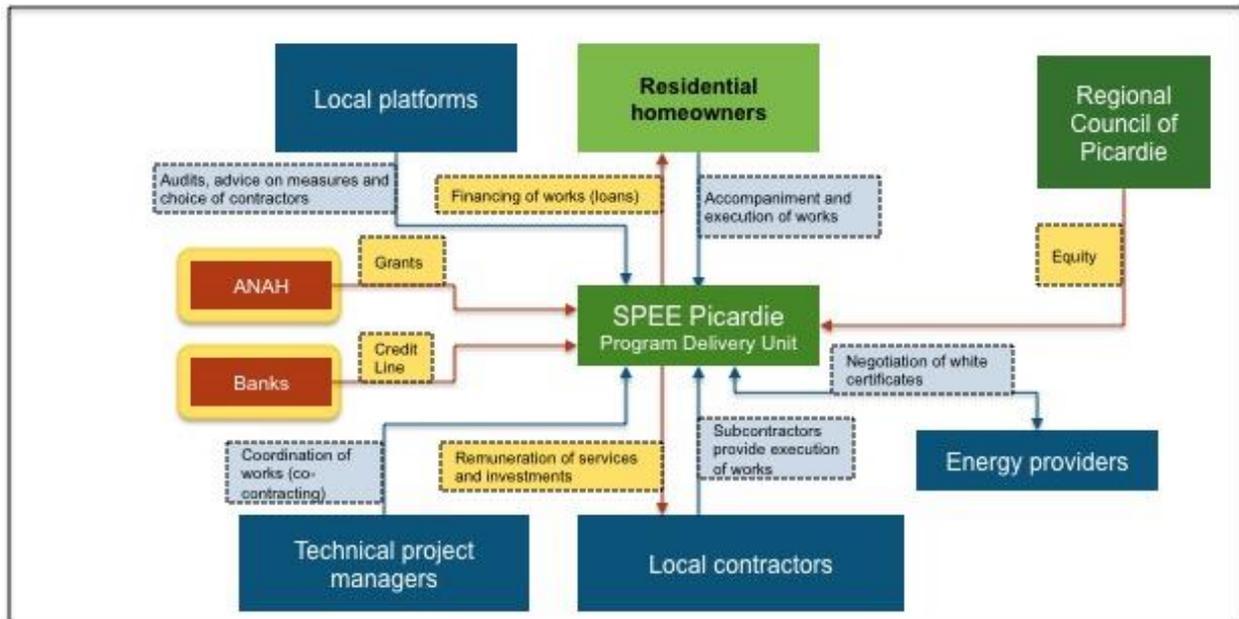
- Scenario 1: Insulation of walls, roofs, floors, double glazing, ventilation
- Scenario 2: Scenario 1 + thicker insulation
- Scenario 3: Scenario 2 + triple glazing on North side + dual flow mechanical ventilation + heat pump

The average cost of the measures is 30.000 € VAT excl. for a home and 15.000 € VAT excl. for an apartment.

In addition to the availability of white certificates, homeowners can benefit from grants from the ANAH (Agence National de l'Habitat).

Associated with the program of the SPEE is a training program for local contractors, called PRAXIBAT, implicating 17 partner schools and technical training centres.

Fig 1. Operational and financial model



## The program delivery unit

The management of the SPEE is ensured by the creation of a personalised agency that plays the role of project management assistant towards residential homeowners. The SPEE ensures following services:

- Advice to residential homeowners (realisation of a thermal audit and proposal of measures)
- Assistance to the execution of the works (support in choosing contractors, follow-up of the measures, post-works follow-up)
- Third party financing ensured by the SPEE or by partner financial institutions (long term loan) in accordance with the debt capacity of the homeowner
- Long term accompaniment and maintenance of the equipment

The SPEE has streamlined a process along the following steps:

- Receipt of demands by phone, sorting between simple requests for information and real projects
- On site visit
- Complete thermal diagnosis and determination of scenarios of works
- Contractual agreement with the SPEE
- Request for proposals from and choice of contractors
- Implementation of the financial proposal
- Execution of works (with initial and intermediate meetings)
- Reception (i.e. approval) of works
- Post-works visits (1/year during 5 years)
- Management of financial "events" (defaults, mutations...)

The cost for one technician to accompany 90 households is 50.000 €/year, with 45 projects implemented. 6 technicians were put in place in 2015, with an aim of 12 in 2015, 18 in 2016 and 24 in 2017.

The financing need for the operator of the SPEE is 58 M€ for 2000 projects:

- 50 M€ for the works
- 8 M€ for the operations (agency, renovation technicians, pilot sites, first loss guarantee fund)

The hypotheses on the operator's financing needs are:

- 8 M€ initial public regional financing grant
- 42 M€ of debt (European Investment Bank and Caisse des Dépôts et Consignations)
- 3 M€ contribution to Public Service
- 2 M€ technical assistance (EIB ELENA), still running until 2017
- 2 M€ valorisation of white certificates (CEE), up to 9% of the amount of works
- 1 M€ CPER (Contrat de Plan Etat-Région) Picardie/FEDER grant

From an initial model of partial integrator/facilitator in which the SPEE coordinated the work of the contractors (for applying the measures) and local partners (for audits and choice of contractors), because of the difficulty to work with the monopoly of banks on financing, a new model was put in place in which the SPEE plays the role of a full integrator, subcontracting the works to the contractors and local partners.

<b>Legal structure</b>	Public local industrial and commercial entity (Etablissement public local à caractère industriel et commercial (EPIC))
<b>Shareholder description</b>	Public
<b>Equity</b>	8 M€
<b>Shareholders</b>	Regional Council of Picardie
<b>Program dedicated staff</b>	Unknown
<b>Program operational costs</b>	8 M€

## Organization and partnerships

### Beneficiaries

<b>Beneficiaries</b>	Residential buildings
<b>Type of projects</b>	Energy Efficiency (building retrofits)
<b>Operational support</b>	Full facilitation of renovation works
<b>Financial support</b>	Third party financing and facilitation of financing through banks

### Funding mechanism

<b>Program delivery unit funding</b>	8 M€ through public regional grant 2 M€ of technical assistance grant
<b>Projects Funding</b>	42 M€ of debt 2 M€ of white certificates

<b>Funding Vehicle</b>	Property owner (own funds) Financial institutions
<b>Fund size</b>	Not applicable
<b>Fund type</b>	Not applicable
<b>Fund sources</b>	Not applicable
<b>Financial Instruments</b>	Loans Grants Utility incentives (white certificates)

## Results

1000 homes renovated through 25 M€ of investments for 50% to 75% savings.

## Contact details

### SPEE Picardie

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## Factsheet

### General Info

Country	France
Model Name	SPEE Picardie
Date of creation	2013

### Model Description

Ownership	Public
Program authority	Regional Council of Picardie (Conseil Régional de Picardie)
Program delivery unit	SPEE Picardie
Operating services	Marketing Integration Financial advice Financing Assessment
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Type of projects	Energy Efficiency (building retrofits)
Beneficiaries	Residential buildings
Geographical coverage	Regional

### Financial Mode Description

Project funding	Private
Project funding vehicle	Property owner (own funds) Financial institutions
Financial instruments	Loans Grants Utility incentives (white certificates)
Repayment model	Not applicable

### Project risk Profile

Performance risk	Property Owner
Recourse	Not applicable
Financial risk	Property Owner

### Model Requirements

Staff Requirements	Unknown
Equity or funding requirements	8 M€

### Model Key indicators

Investment volume since creation	25 M€
Size of project (or project portfolio)	15 k€ - 30 k€
Level of average energy savings	50% - 75%

### Development maturity

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

### Model Qualification

Level of establishment	Well established
Growth of potential	High
Scalability of the model	High
Replicability of the model	High
Impact on public balance sheet	High

## Sources

<http://www.pass-renovation.picardie.fr>

<http://www.picardie.fr/La-Region-cree-le-Service-Public>

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Press communication, Le Conseil régional de Picardie crée le Service Public de l'Efficacité Energétique et une régie dédiée : une initiative unique en France Amiens, 15 November 2013

Pierre Sachsé, Installation de la régie du service public de l'efficacité énergétique en Picardie, Atelier ManagEnergy, Halle PAJOL, 27 March 2014

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