



# GROUPE BPCE

Coopératifs, banquiers et assureurs autrement.



## BPCE-KfW-ELENA programme



# Energy efficiency market

## Market potential

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### A market with strategic growth potential at country level...

- Market driven by national political goals: Government aims for **500,000 housing renovations each year** from 2013 to achieve a housing energy use reduction of at least 38% by 2020.
- Market driven by local commitments: the regional climate and energy plan (**PCET**) and regional climate, air and energy plan (**SRCAE**)
- **Increasing household demand** due to rising energy bills: becomes the primary reason for renovation works (ADEME study)
- BPCE/GO Conseil estimate: a market valued at **€14 billion/year, i.e. €5.6 billion/year of funding.**
  - > In 2013: €680 million of Eco-PTZ (zero-rate eco-loan)

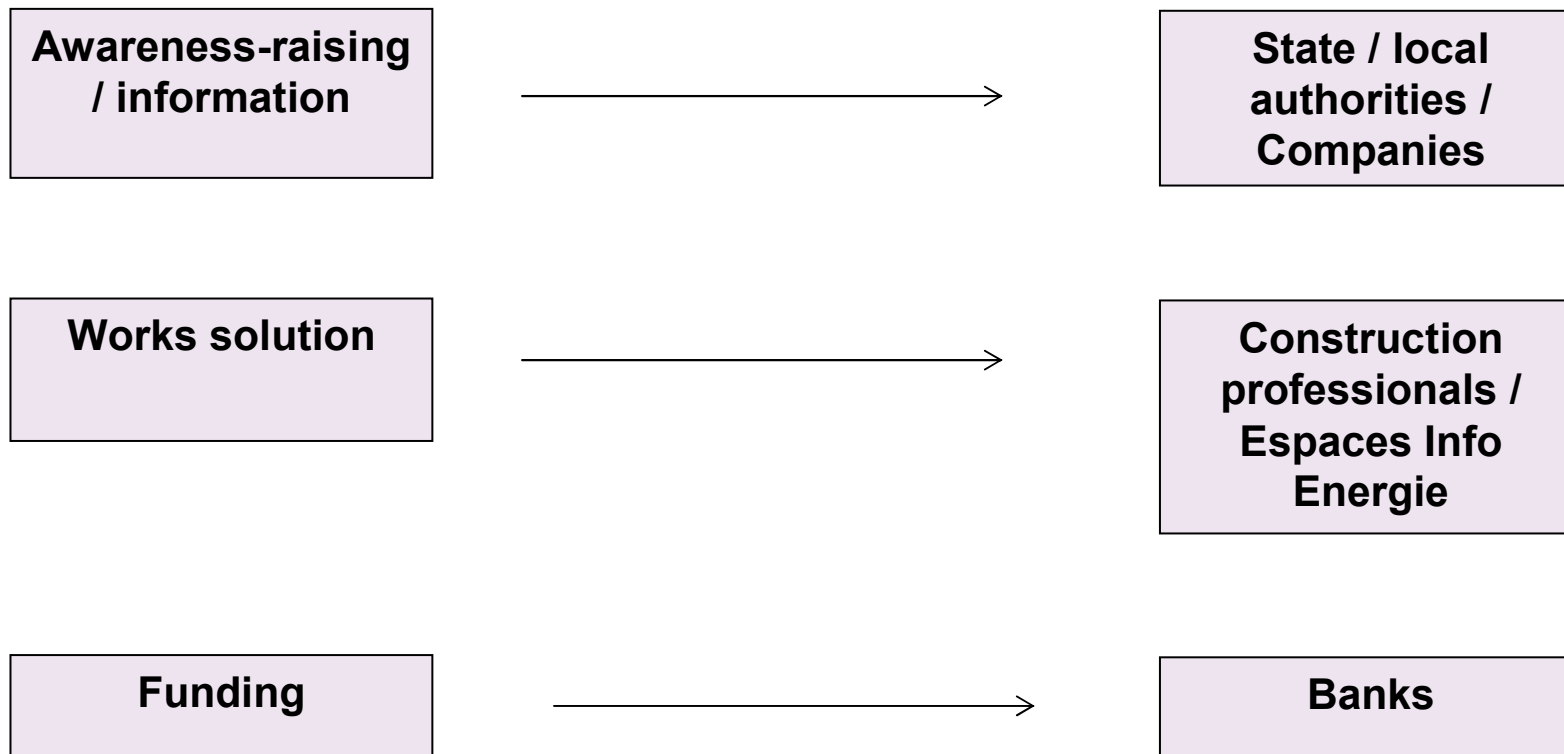
### ... but a market considered too complicated

# Energy efficiency market

## Current organisation

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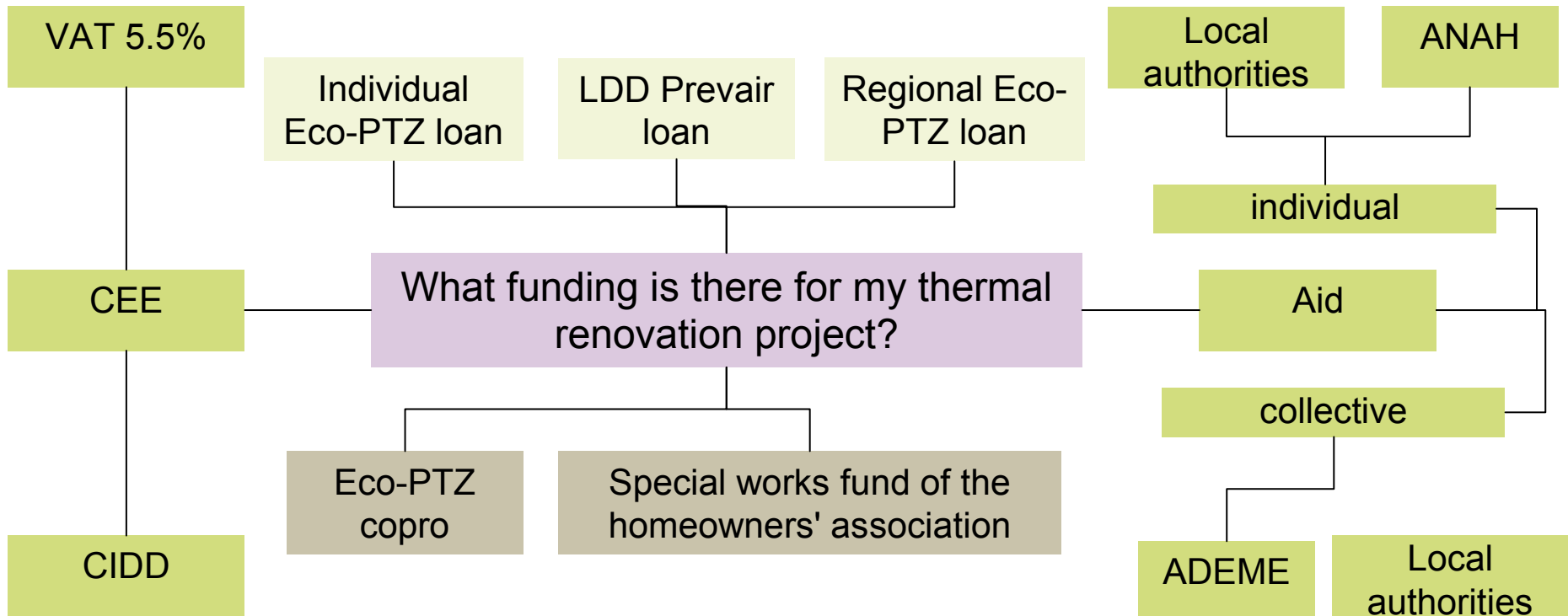
Complexity through non-coordination of technical and financial approaches



# Funding of energy efficiency

## Current state of affairs

### Financial complexity between taxation and funding



# Funding of energy efficiency

## Current state of affairs

**A market impeded by a few stumbling blocks... which are essential!**



### DIFFICULTIES

- Lack of dedicated and inexpensive cash
- Piling up of green loan offers
- Heightened risk on certain targets (precarious, condominiums)
- Variable climate/energy objectives
- Failure to take advantage of energy savings
- Untrained craftsmen
- Fewer courses of action for authorities



### SOLUTIONS

- Refinancing from KfW
- Single point of contact and loan application form
- Guarantee fund
- Social and technical aims of the local authorities
- Recovery of the energy efficiency certificates (CEE) by the authority
- Coordination and management of local players by the authority

**Challenge: simplifying market access through innovative coordination**

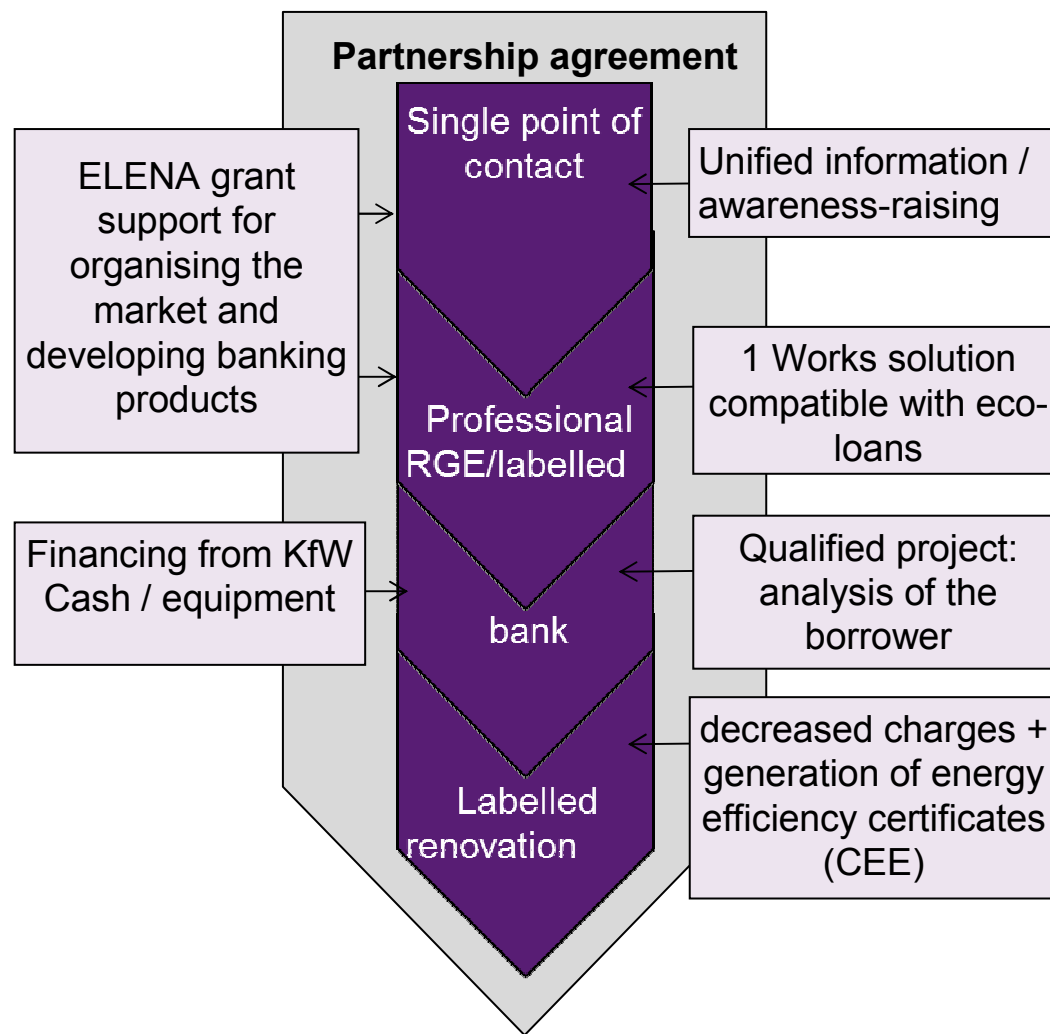
# ELENA-KfW-Program

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- **The aim of the programme is to arrange funding for the thermal renovation of buildings on a local level.**
  - > 3 target audiences: private individuals, SMEs, properties in private co-ownership
  - > 3 tools: dedicated savings account, guarantee funds, CEE [energy saving certificates]
  
- **It is based on:**
  - > European Commission recognition of the financing tools used (29/03/12), giving access to ELENA grants
  - > The signing of a funding agreement between KfW and BPCE on 26/10/12 providing access to dedicated liquidity at a favourable rate
  - > The signing of partnership agreements between local communities wishing to fund projects under their PCET (territorial climate energy plan) and trial branches of the Banque Populaire and the Caisse d'Épargne. Local communities agree to structure this market within their area, and local banks agree to facilitate funding and apply 'reasonable' margins

## 2. Functioning of KFW-ELENA Organisation

### Simplification and coordination of technical and financial approaches



## Trial banks and communities, progress report

Bank	Community/ Communities	Partnership agreement	Request for ELENA grant	Provisional amount of investment	Funding commenced?
BPAIpes	Pays Voironnais	Tripartite with ADEME	Approved, €117,277	€3M	Yes for co- owned properties
BPLC	Lorraine region	Signed on 22/02/13	Approved €767,340	€30M	No
CEBPL	Brittany region, Pays de St Briec	Signed on 12/07/13	Approved, €200 ,000	€2.2M (partial)	Yes
CEBFC	Franche Comté region	Signed on 04/04/14	Approved, €804 ,240	€60M	No

BPCE made the first payment of €8m to KfW in December 2013



# Outlook

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- The French debate on financing the thermal renovation of buildings in general is focusing on the model trialled in the KfW-ELENA-BPCE programme. This programme, and the BP Alpes project and its CEE-backed guarantee fund in particular, have been cited in a number of reports.
- Communities of all sizes and types are very interested in adopting this programme.
- These 4 trial projects offer 4 relatively different ways of applying the programme. The n+2 report will identify the strengths and weaknesses of each project and will allow the other Caisses d'Epargne, Banques Populaires and communities to roll it out more quickly and efficiently.