Energy poverty and inequality in France: drivers and solutions

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Seminar "The challenge of energy poverty: causes and proposals

Madrid, 23rd November 2018

Introduction

- Energy poverty in France → publicly debated (2005), defined (2010) & addressed through various policy measures

- Measures include

  - Social tariffs for electricity (2004) and gas (2008) → replaced by an "energy cheque" (2018)

  - Thermal renovation programme Habiter Mieux (2011) and various instruments to promote energy efficiency

Outline of the presentation

1. Energy poverty in France: what have we learnt?
2. The challenge of developing solutions
3. Some questions for the future

1. Energy poverty in France: what have we learnt?

Lesson 1: no simple definition, no single measurement method

Indicator	% of House-holds	House-holds	People	Persons per House-hold	Evolution (House-holds) 2006-2013	Evolution (people) 2006-2013
Energy expenses indicator (10%)	10.4%	2.8 M	5.5 M	1.94	**+27%**	**+38%**
Low Income High Expenses per sq. meter	13.9%	3.8 M	8.5M	2.25	**+19%**	**+15%**
Low Income High Expenses per cons. Unit	10.3%	2.8 M	5.1 M	1.81	**+8%**	**+2%**
Cold home (at least 24 hrs)	6%	1.6 M	4.1 M	2.51	**+14%**	**+17%**

Total estimation:

5.6 million households (20.4 %)

= 12 million people

All data for the three first income deciles

Source: ONPE (2016), on the basis of the national housing survey of 2013-14

Lesson 2: several energy poverty drivers, different groups of energy poor people

- **Example of a clustering of energy poor households based on the PHEBUS survey of 2013**

- **Estimation of energy poverty**
  - Method: **LIHC per m²** for the income deciles D1-D3
  - **12.1 % of French households** are energy poor (3.18 million households)
  - "fuel poverty gap" = 672 € on average

Source: Belaid (2018) "Exposure and risk to fuel poverty in France: examining the extent of the fuel precariousness and its salient determinants", *Energy Policy*

- **Profiles of energy poor households (clusters)**
  1. *foreign family, employed, living in collective housing, collective heating (24% of sample)*
  2. *single person, retired, tenant, living in collective housing, small flat (23% of sample)*
  3. *family in individual housing, individual central heating, gas (32% of sample)*
  4. *homeowner in individual housing, large size of home, rural area, oil heating (21% of sample)*

Lesson 3: renovation of homes is key, but delivery is a complex task

7.5 million homes
considered as highly energy inefficient (class F or G)
➔ 1.5 million owned by low-income households

250,000 renovations realised through the main French renovation programme Habiter Mieux between 2011 and 2017

Renovation objectives of the **Energy Transition Law** of 2015:

- 500,000 homes per year from 2017 on
- Out of which **(each year) 250,000 homes of low-income households** to reduce energy poverty by 15% until 2020

➔The problem: implementing renovations at a large scale appears more difficult than initially expected

2. The challenge of developing solutions

1st challenge: dealing with emergency situations

The energy cheque

- Launched in **March 2018**
- Replaces social tariffs for electricity & gas
- Allows payment of energy bills
  - **All types of energy bills**
  - And / or **works of improvement** of environmental quality of homes or energy saving measures
- **48 € - 227 € per year (average = 150 €)**, depending on
  - Household composition
  - Income per consumption unit (income threshold = 7,700 € per consumption unit)
- Financed by:
  - A **contribution** paid by electricity and gas consumers **through their bills**
  - **The state budget**

2nd challenge: alleviating the causes of energy poverty

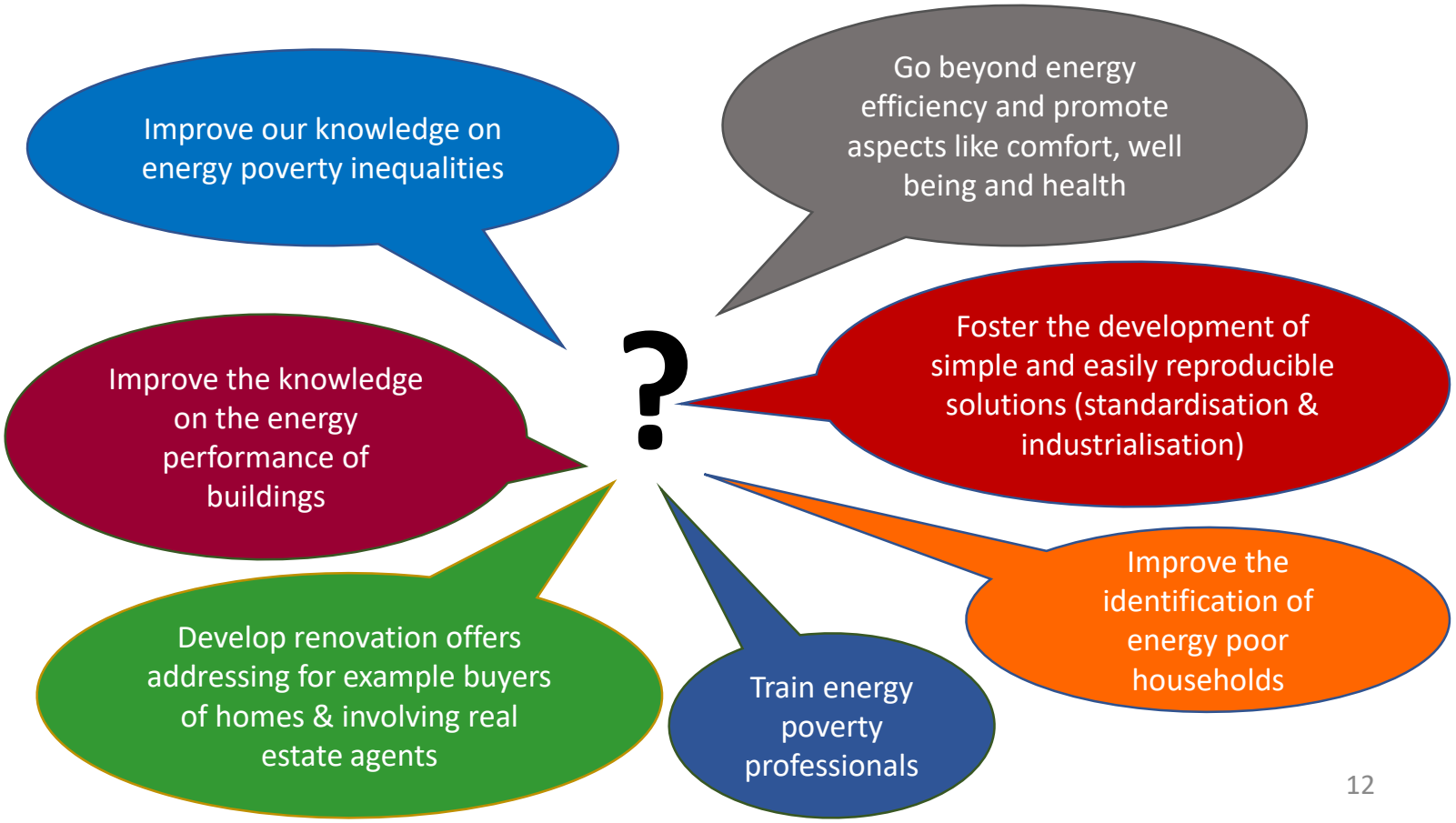
The thermal renovation programme Habiter Mieux ("Living Better")

- Initially: Comprehensive renovations of homes of **low incomes households**
- Renovation measures financed through
  - A dedicated thermal renovation fund
  - Plus classical funds from National Habitat Agency ANAH
  - Plus energy suppliers' contributions (white certificates)
- **Specialised operators** assist households on technical and financial engineering aspects over the whole duration of the project
- Initial goal **300,000 homes for 7 years** (2011 – 2017), 250,000 realised
- From 2018 on: **goal of 75,000 / year.**

"Do not let the cold install inside your home"

(ANAH communication campaign)

3. Some questions for the future


Improve our knowledge on energy poverty inequalities
Go beyond energy efficiency and promote aspects like comfort, well being and health
?
Improve the knowledge on the energy performance of buildings
Foster the development of simple and easily reproducible solutions (standardisation & industrialisation)
Develop renovation offers addressing for example buyers of homes & involving real estate agents
Train energy poverty professionals
Improve the identification of energy poor households

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