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What are the priorities for ecological planning in the energy renovation sector in France?

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A key sector of the low-carbon transition, policies on energy renovation in buildings still fall short of their objectives, in spite of progress made in recent years. What can be done to build momentum, in particular by targeting deep renovations that provide the highest efficiency in terms of energy consumption and greenhouse gas emissions? The French President has stated his intention to focus his new five-year term on the climate emergency and “ecological planning”. But how can the governance of energy renovation policies be strengthened in a context of crisis—whether geopolitical, social, economic or ecological—that is particularly difficult to navigate?

Building on research by a platform of experts on energy renovations in private housing coordinated by IDDRI and ADEME for almost two years, this blog post summarises the issues around five key focal areas.

Moving towards deep renovations

Important efforts towards the massification of energy renovations have been launched in France, with the creation then consolidation of the *MaPrimeRénov1* aid scheme over the last two years, with almost 650,000 projects financed in 2021 alone, two thirds of which were for low-income and very low-income households. However, according to an [analysis published by the evaluation committee of the French recovery plan](#), 86% of the funded renovations concerned “single measures”, mainly for the replacement of boilers, whereas deep and comprehensive building renovations are still marginal.

The [comparative analysis of the main prospective scenarios](#) aimed at achieving carbon neutrality by 2050 nevertheless highlights one crucial point: following the pathway defined implies rapidly generating huge momentum in deep renovations, to ensure every building reaches the maximum energy performance level (according to technical and economic feasibility), with a view to bringing the entire housing stock up to the French BBC (low-energy building) performance level on average.

As illustrated in a *Policy brief* recently published by IDDRI, aligning all public policy mechanisms (public support, financing mechanisms, regulations, supply structure) with this objective of massifying deep renovations would be a major paradigm shift. This cannot be accomplished overnight, which confirms the importance of coherent planning, in order to implement this transition progressively and consistently.

Planning a “just transition” in a context of crisis: striking a balance and ensuring coherence

Accelerating the ecological transition in a period of crisis—geopolitical, energy, economic, social, and ecological—is as vital as it is difficult, with an almost irresistible political temptation to first tackle the short-term social and economic emergency, sometimes going against transition rationales. This is what the French government has done in response to the [energy price hikes](#) since September 2021, by pledging 25 billion euros of public spending towards the—non-targeted—regulation of prices to protect household and company budgets.

However, the limitations of such a policy are already visible, in a context in which energy prices are likely to remain high for at least three years, according to the European Union’s [RePowerEU Strategy](#) published on May 18.

Against this background, ecological planning consists in addressing the short-term social emergency while not losing sight of the mid- and long-term objectives and pathway, according to the “1 € = 1 €” principle: for every euro of support allocated to price regulation or lump-sum payments, one euro should be earmarked for accelerating the transition, which is the only way to reduce vulnerability to future crises. [Applied to energy renovations](#), this would imply introducing support for the payment of bills clearly targeted at the most vulnerable actors, while launching a vast wave of renovations, beginning with a massive programme of deep renovations for poorly insulated homes of low-income households.

Structuring the supply for deep renovations: overcoming controversy and creating a large-scale market

The fragile structure of the market for deep renovations is the Achilles heel of current energy renovation policies in France, which currently focus mainly on demand. But the limited attention given to this structure also reflects a

controversy that is rarely made explicit, between those who believe that the poor structuring of supply is an important obstacle, and those who argue that supply will adapt “naturally” as long as it meets massive and structured demand. This dilemma will only be resolved if all stakeholders (beginning with professionals) are engaged in a process aimed at developing a shared diagnosis and a strategic roadmap (see below) to define the priorities together.

Planning the massification of the deep renovation market will also require better understanding of the challenges of the technological and especially organisational innovations connected to energy renovations. It is therefore regrettable that there is a glaring lack of reference to energy renovation issues in the priorities of the [France 2030 plan, targeted at developing the industries of the future](#).

Creating the conditions for crosscutting governance of housing policies

Housing is the subject of numerous policies, with different approaches and objectives: policies on social issues, urban planning and development, and access to housing. For historical and governance reasons, these policies largely continue to operate in silos, resulting in a lack of synergies and missed opportunities.

At the interface between different issues, whether social (energy poverty and price hikes), health (substandard housing and the [impact of heating poverty on public health](#)), economic (the building market and its turnover of 150 billion euros), or ecological (including adaptation to climate change), energy and climate issues need to be integrated into these policies in a crosscutting manner, by identifying potential synergies as well as possible sticking points.

Developing a strategic roadmap for energy renovation policies over the next 10 to 15 years

Planning means first and foremost setting an objective along with a pathway to reach it, broken down into operational tools. While the objective is clear for the building sector (achieving carbon neutrality and a highly efficient housing stock by 2050), the pathway to achieve it remains uncertain. This is especially true given that the majority of policy instruments are still managed on an “as and when required” basis, with no visibility on budget planning or the regulatory changes expected in the next few years.

The need for such a roadmap is even clearer when faced with the challenge of aligning policies with the massification of deep energy renovations: indeed, in the absence of clear and credible signals given over time, it would be more than optimistic to hope that market actors (on both the supply and the demand side) will spontaneously structure this market on their own.

The same applies to regulatory provisions such as the “elimination” of poorly insulated housing (article 22 of the French Energy and climate law of 2019), or the progressive ban on renting out such homes: without a credible implementation plan (including the issue of enforcement and penalties), these obligations will have little effect.

The development of such a roadmap should also include the issue of multi-year planning of public funding for energy renovations, according to the proposal made by the [Citizens' Climate Convention](#) (p. 283) and also taken up in the [Information report by the National Assembly](#) on energy renovations in buildings (p. 120).

Some good news is that to successfully implement the planning of energy renovation policies, the government has two opportunities in the short term, whose articulation remains to be determined:

- the **new roadmap on energy renovation in buildings** (introduced by article 1 of the Energy and climate law of 2019) that should be annexed to the next multi-year energy plan (PPE) and should therefore logically integrate

the process of developing the French energy and climate strategy (SFEC);

- The **roadmap on decarbonising the life-cycle of buildings**, launched in the context of the roadmaps for the decarbonisation of industrial sectors provided for in article 301 of the Climate and resilience law of 2021.

For more information:

- [Report by IDDRI-ADEME's renovation platform](#)
- [IDDRI's Policy Brief on renovation policy in the next presidential term](#)
- [Blog post on renovations and energy price crisis](#)
- [Annales des Mines' special issue on the economics of energy renovation](#)

¹ <https://www.maprimerenov.gouv.fr/>

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