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WG1.2 : The Walloon Building Renovation Strategy & the EE Residential Grants schemes

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October, 20th 2017

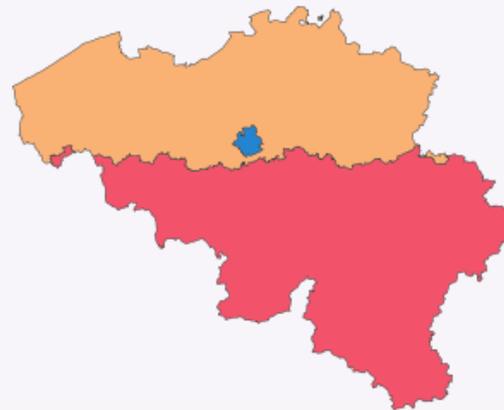
Introduction to the Belgium context (1/2)



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Belgium is a federal state where the decisional **power** is **shared between a federal authority and 3 regions**: Wallonia, Flanders and the Brussels-Capital region. Energy efficiency is a regional competence, with supporting measures from the Federal State.

Federal and regional authorities implement their own energy policies and measures acc. to their respective objectives and strategies



 Flanders  Brussels-Capital  Wallonia

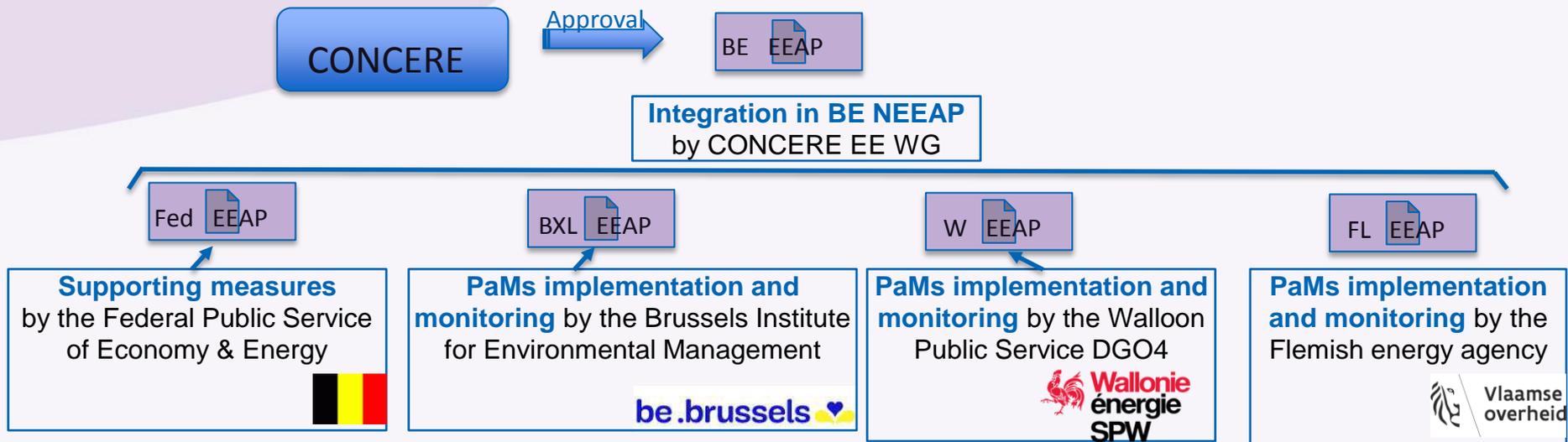
map source: wikipedia

Introduction to the Belgium context (2/2)



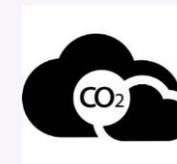
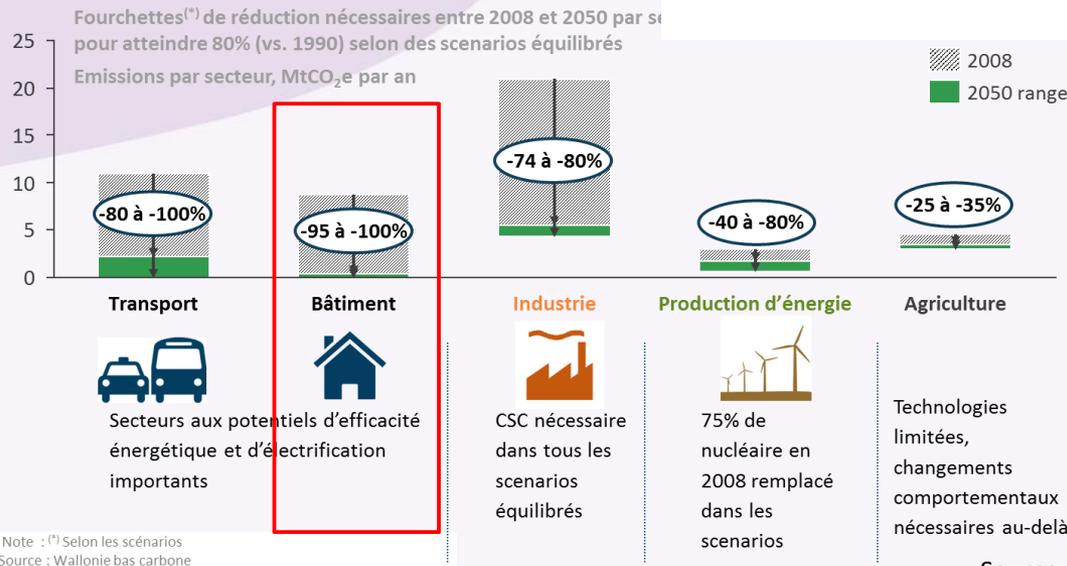
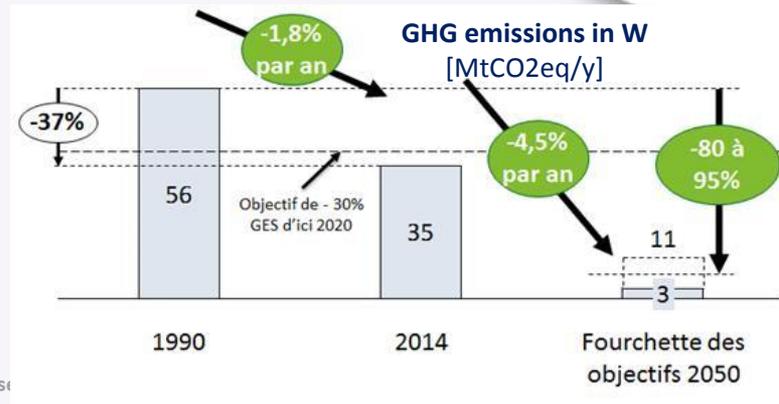
CONCERE/ENOVER = consultation platform coordinating BE common position in energy topics

Regional & Federal Governments implement their own energy (efficiency) policies and have their **own M&V bodies to control & report the overall energy savings.**



The 2017 Building Renovation Strategy in Wallonia (1/9)

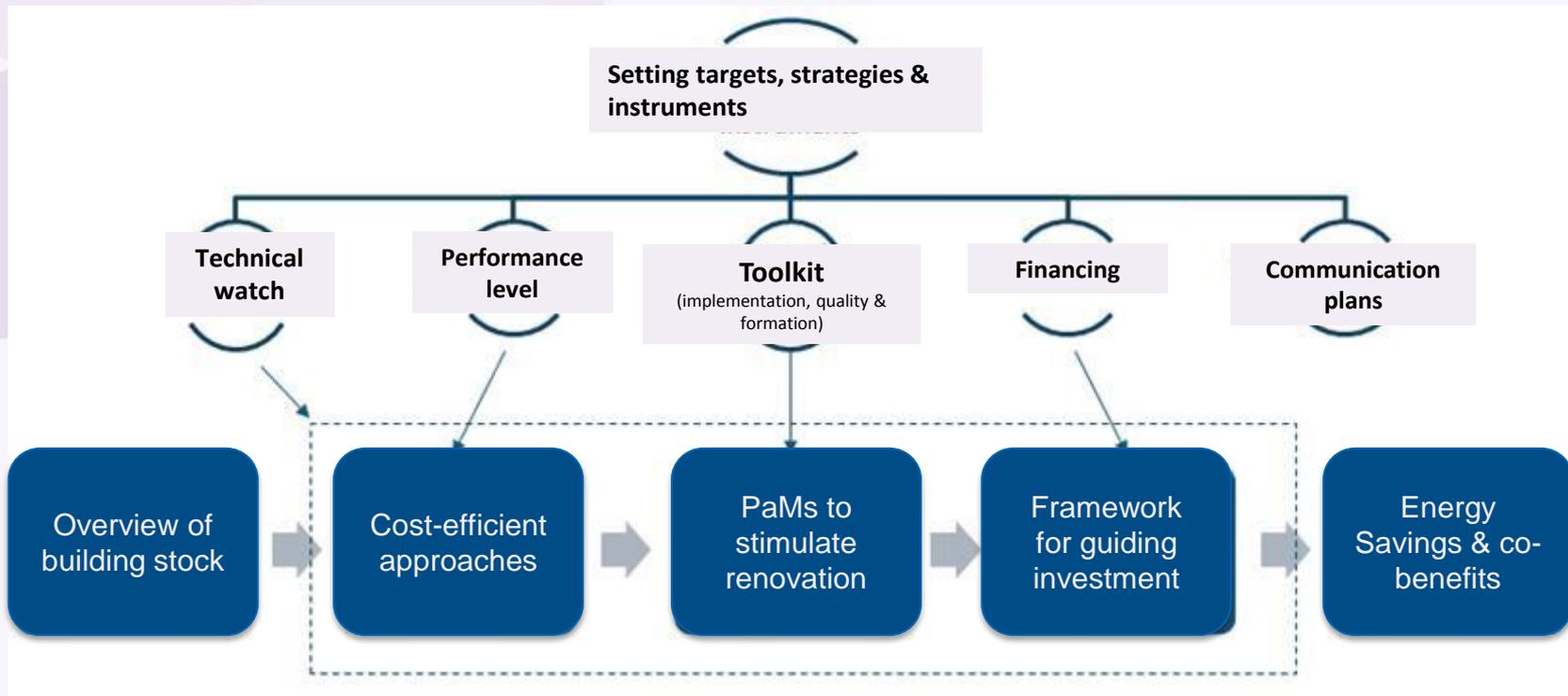
28/09/2017 :
Walloon Parliament Commitment :
-95% GHG in 2050 (vs 1990)



Source: 2012 Study «Towards a Low Carbon Wallonia by 2050»

The 2017 Building Renovation Strategy in Wallonia (2/9)

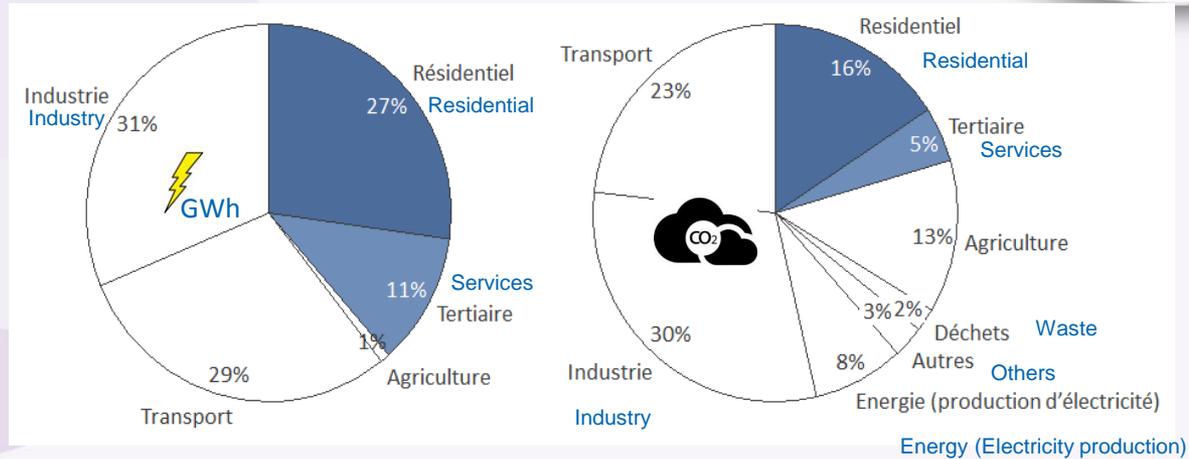
Cooperative elaboration Methodology :
6 WG including external experts (building and associated sectors +
academic, economic and public society)



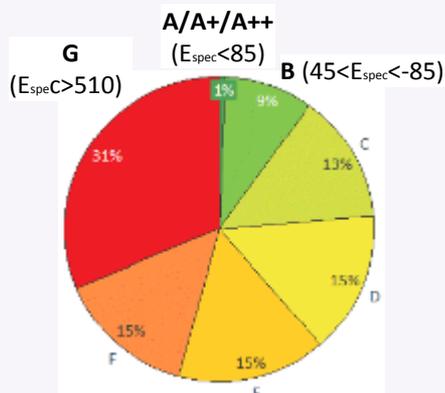
The 2017 Building Renovation Strategy in Wallonia (3/9)



Building Stock Impact (2013)



Starting point



Source: 2017 LTBR from Wallonia

The 2017 Building Renovation Strategy in Wallonia (4/9)

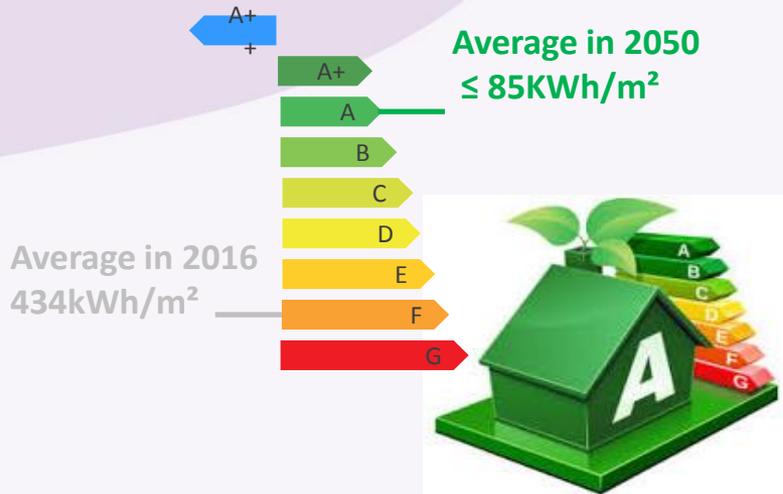


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Sectoral goals setting for 2050

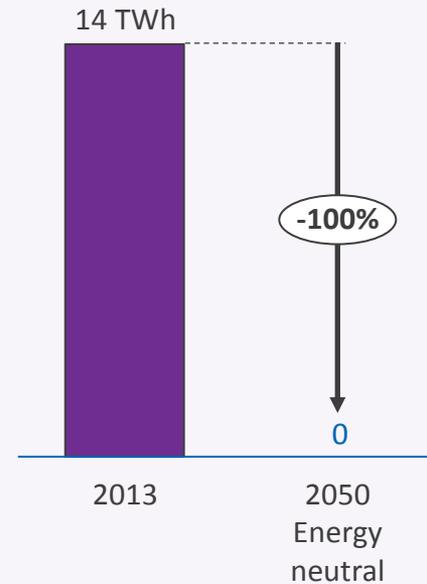
RESIDENTIAL

Aiming at average EPBD label **A** for residential buildings 



TERTIARY

Aiming at **Energy neutral** for tertiary buildings 



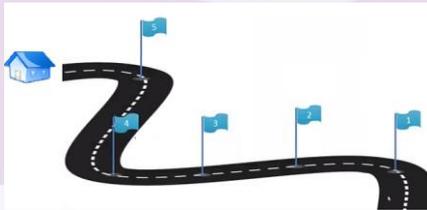
The 2017 Building Renovation Strategy in Wallonia (5/9)



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3 tools to reach our target

- **Building passport** → digital notebook gathering all the data requested to describe building conditions (administrative doc, energy aspects, technical features ...) to be transmitted to each new owner



- **Renovation roadmap** → potential identification (through EPC & energy audit) enabling to define trajectory and requested steps to reach LT target

- **Unique one-stop-shop** → global service supporting citizens in their renovation project & ensuring compatibility with the renovation roadmap



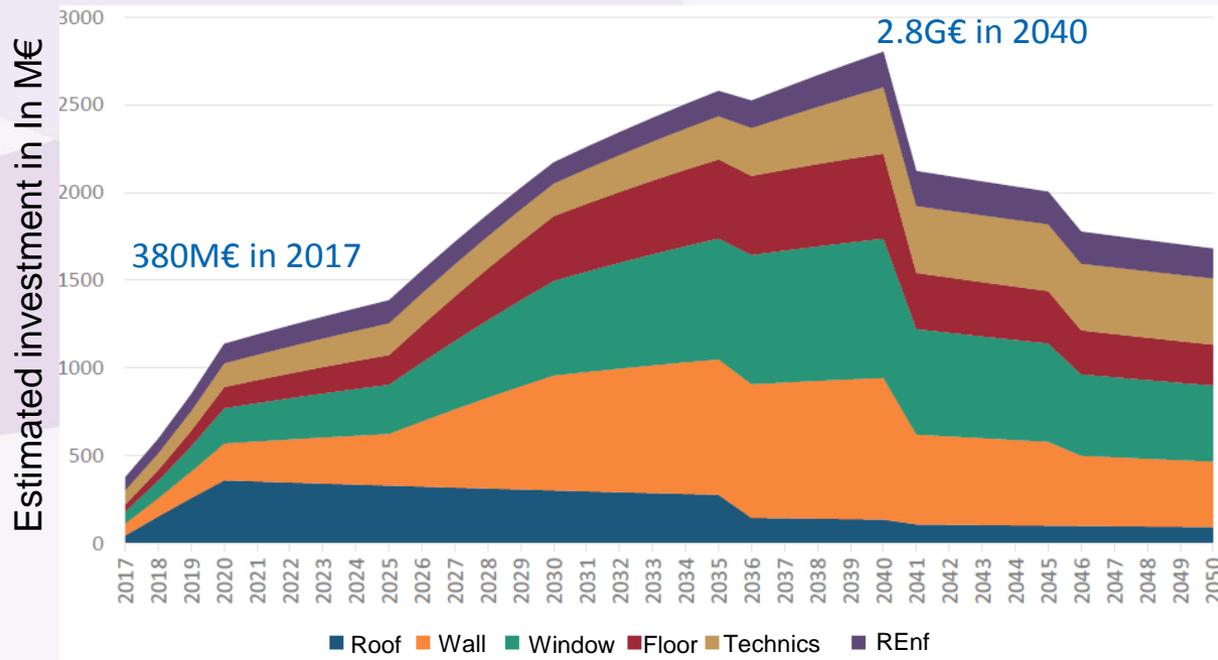
The 2017 Building Renovation Strategy in Wallonia (6/9)



Assessment of investment needs

G€ 63* over 2017-2050 for the residential sector (same amount expected for tertiary)

* Discounted value / administrative & implementation costs not included



Source: 2017 LTBRs from Wallonia

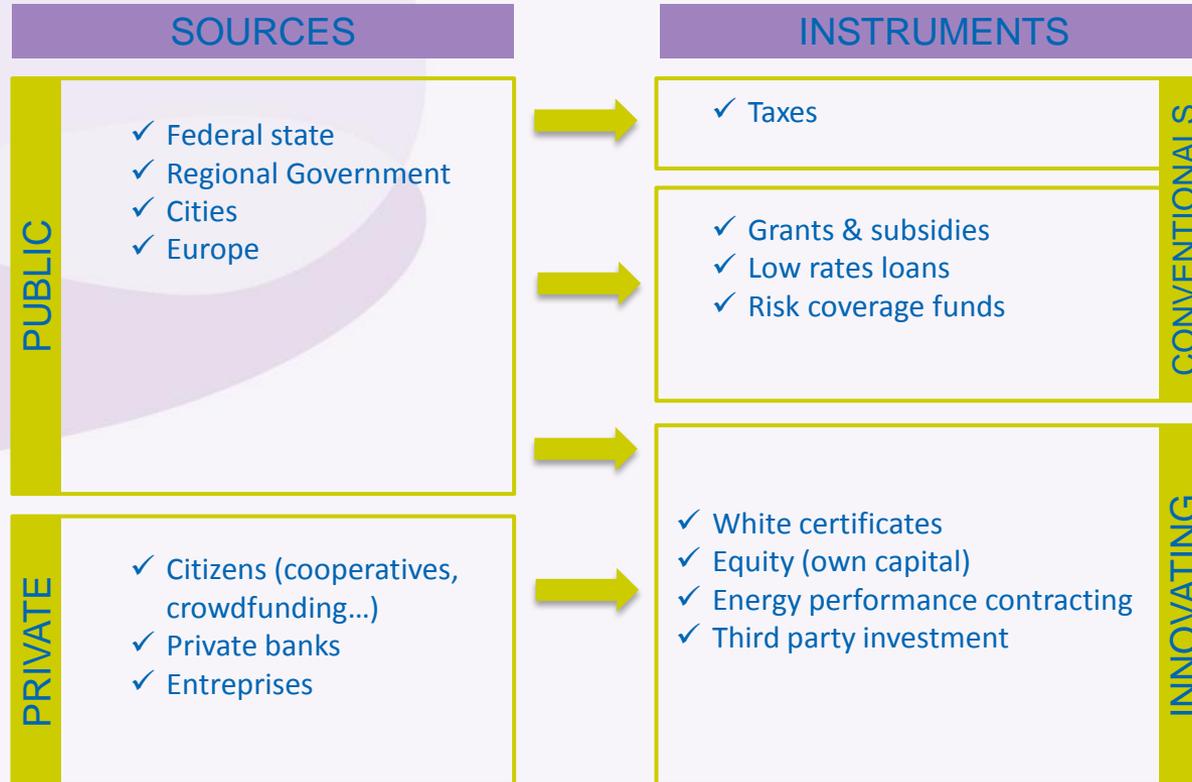
➔ need to increase leverage effect to limit the public effort

The 2017 Building Renovation Strategy in Wallonia (7/9)



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Financing LT Renovation Strategy



The 2017 Building Renovation Strategy in Wallonia (8/9)

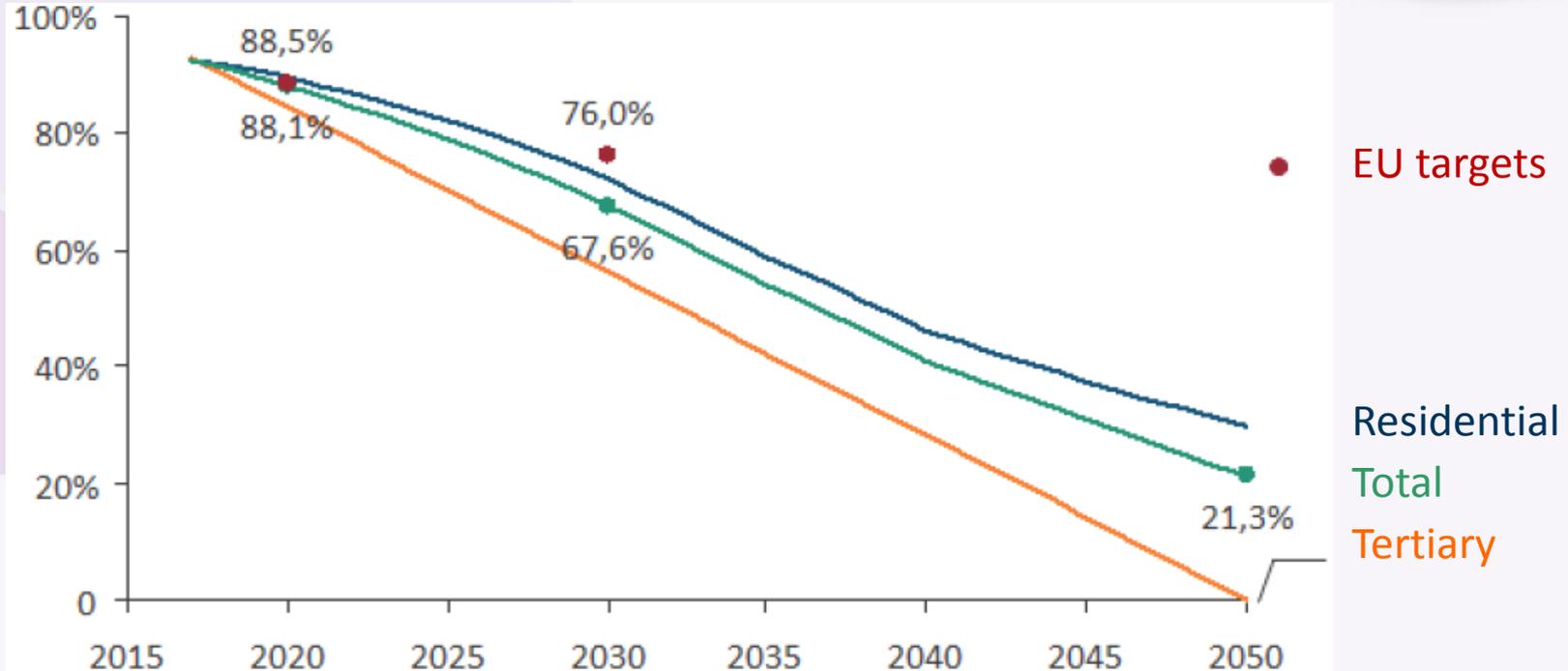


Guidelines for investments : 13 measures

Instruments	Measures
A. Conventional incentives	1 Grants & Subsidies for energy use moderation and building renovation
	2 Soft loans & credit guarantees/mortgages
B. Fiscal instruments	3 Lower VAT for renovation
	4 Green taxation
	5 Reduced registration & succession rates in case of building renovation
	6 Property & rental income taxes linked with energy performance
C. Fund Raising	7 Walloon Fund dedicated to energy renovation of buildings
	8 Facilitating access to European Funds
	9 Crowdfunding & participative funding
	10 Promotion of third-party financing (PPP)
D. Innovative instruments	11 Incentives for landlord investment in energy renovation
	12 Framework for Energy Performance Contracts
	13 Ease the emergence of any innovative financing mechanism

The 2017 Building Renovation Strategy in Wallonia (9/9)

Building stock consumption evolution (vs 2005)



→ the 2020 target will not be reached for the residential sector but may be balanced by the tertiary sector

Focus on the EE residential grant schemes : description (1/7)



2 grant schemes : « Primes Energie », « REHA+ » (energy part of housing grants)

Start: 2004

Objective: **renovation works** improving the energy efficiency of dwellings

Target: Residential – since 2015 owners only (tbchanged)

Mean: **grants** managed by the Energy Department of Wallonia

Grant conditions:

- **age of the dwelling** (> 20 years) + **net income** (< €93 000)
- **fix amounts** per action type + **bonus factors depending on income classes** (since 2010) & **for simultaneous actions**
- Limit: 70% of the invoices (all taxes included)
- **Min. energy performance criteria**

Scope: energy audits, insulation of walls, roofs, floors and equipment for space heating & domestic hot water by a registered contractor (except for roof insulation)

EED contribution: **43%** of the article 7 target for 2014-2020

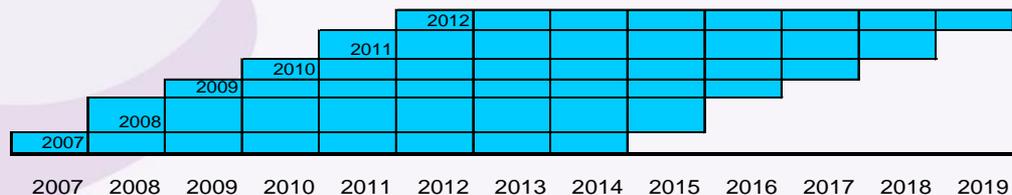
Focus on the EE residential grant schemes : Impact monitoring (2/7)



Impact monitoring Methodology :

Bottom-up evaluation based on the EC recommendations from ESD2006/32/EC (action lifetime included when assessing global impact, sum of still active new annual impact)

$$ECON \text{ (GWh)} = \sum ECONAN$$



Baselines (building state before action) defined from **regional statistics** updated regularly (Energy Performance Certificate and energy audit DB, heating needs corrected acc. to energy balances)

scaled savings for “PRIMES ENERGIE” assessed from engineering calculation based on case by case registered actual technical data (Area, λ , thickness,...)

deemed savings for REHA+ scheme (no technical data in the DB), based on average technical values from “PRIMES ENERGIE” DB

Focus the EE residential grant schemes : key figures (3/7)



Number of grants, committed budget and impact on new savings

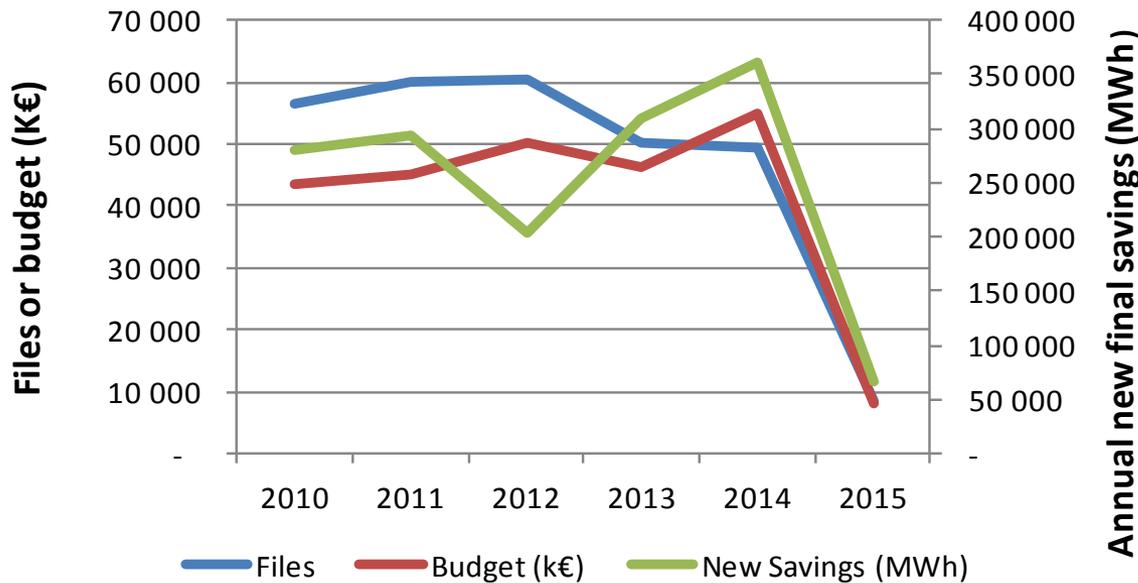
Over 6 years :
 ~ 285 000 granted actions
 ~ 248M€ public budget
 ~ 1 500GWh new annual savings
 ~ 1 700M€ work investment

A leverage of 1 to 6 from public to private funding

A public support cost of 17c€/kWh (at 1st year full cost) reduced to ~0.6c€/kWh (when accounted along the whole lifetime)

Walloon Residential Grant programmes

Primes energie, REHA+ & Primes process



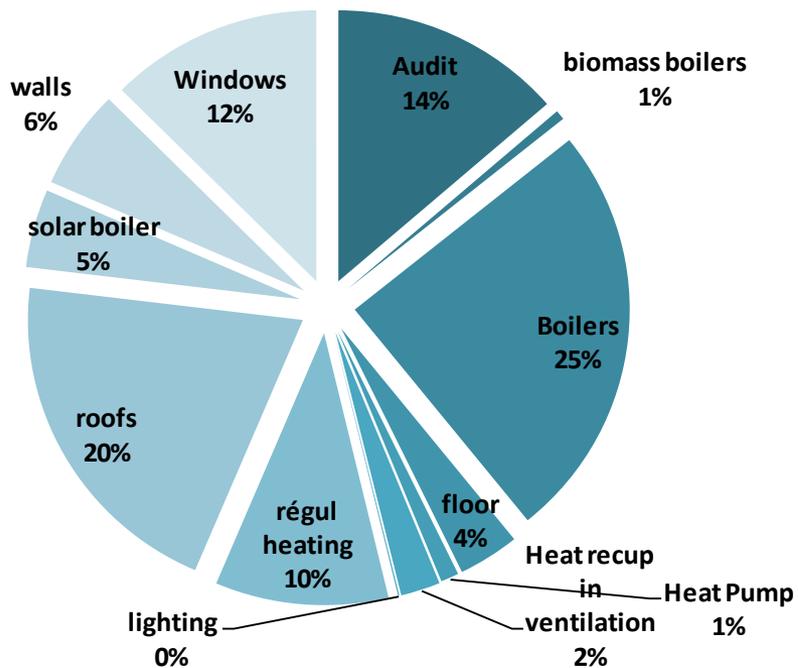
 Nb of files, Budget and impact based on actually paid amounts.
 Year allocation based on investment date from bill (not grant)

Focus the EE residential grant schemes : key figures (4/7)

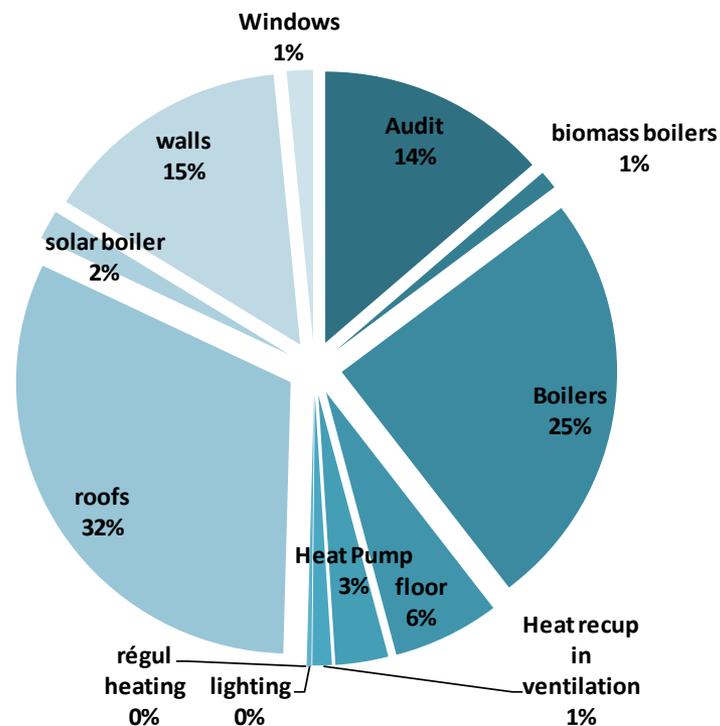


Actions distribution (based on nbr of files)

2010 files repartition



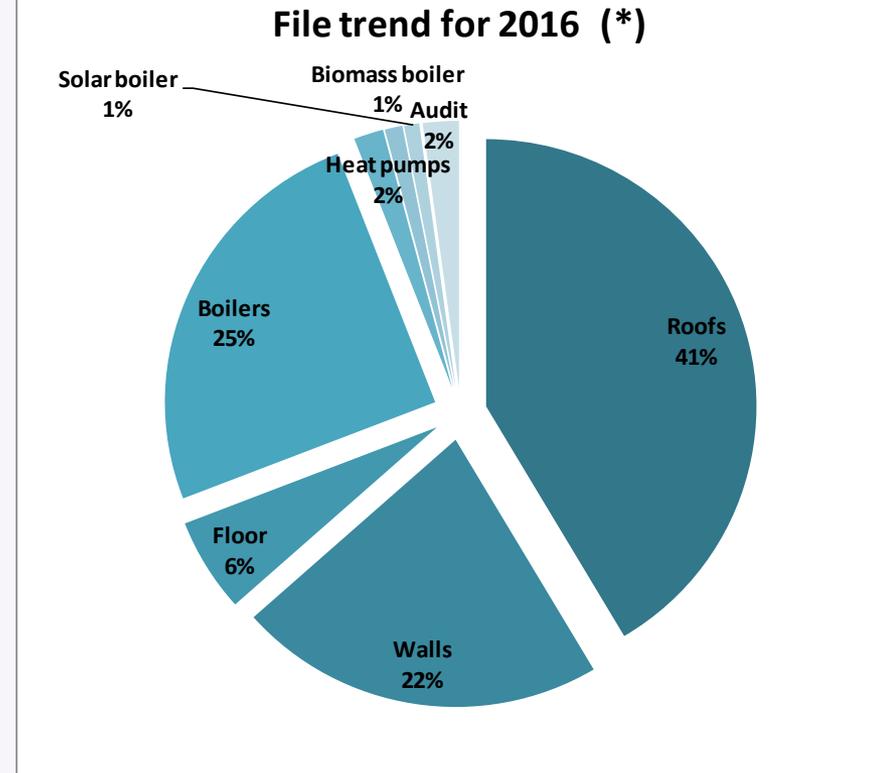
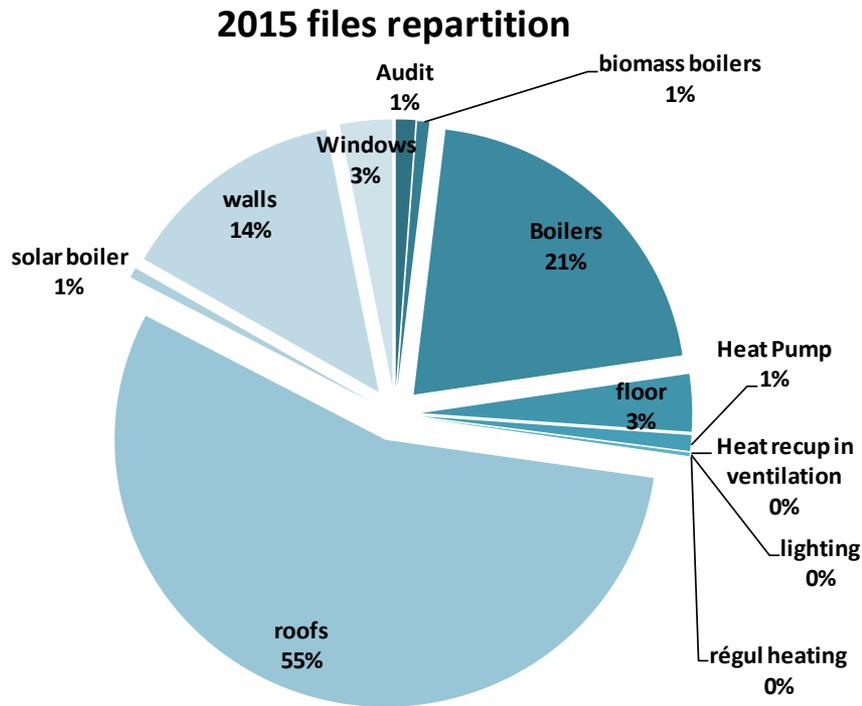
2014 files repartition



Focus the EE residential grant schemes : key figures (5/7)



Actions distribution (based on nbr of files)



(*) biases : Based on "Primes Energie" scheme only, year = file registration (not investment), missing info from REHA+ (no windows)

Focus on the Residential Grant schemes :

Conclusion (6/7)



Residential grant schemes proved their efficiency in activating the building stock renovation and bringing LT savings

But the scheme modification in 2015....

- Budget restriction and focus on renovation priorities (restriction of the grant panel)
- Only for owners (no tenants, no more processes)
- Compliance with art7 EED (materiality criterion)
- Energy poverty protection

... had a drastic impact on citizen reaction to the schemes :

- Far less applicants
- Far less savings
- But focus on building envelope (roofs, walls, floors)

Focus on the EE Grant schemes :

Conclusion (7/7)



Lessons learned :

- Data collection is the key of reliable impact monitoring
- Grant & regulation databases allows better knowledge of the building stock
- Grant schemes are not the right tool for energy poverty
- Changes in the scheme can destabilise it. Ensure stability
- Communication support is a key factor

Thank you for your attention



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