



Agence de l'Environnement
et de la Maîtrise de l'Energie



Eco-PTZ + Income tax bonus *(zero rate eco-loan / sıfır fayzlı eko-borç ?)* A new financing tool for the rehabilitation of buildings in France. National & Picardy' region supports

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After « Grenelle » environmental talks, new decrees & order issued on 30 March 2009

- Decree N° 2009-344, related to reimbursable no-interest advances, for financing renovation works due to improve the energy performance of existing (old) dwellings.
- Decree N° 2009-346, related to reimbursable no-interest advances, for financing renovation works due to improve the energy performance of existing (old) dwellings.
- Order, related to the ways & conditions of implementation of the rules concerning reimbursable no-interest advances for financing renovation works due to improve the energy performance of existing (old) dwellings.



Decree N° 2009-344 (30/03/2009)

- Within Part I of Volume III of the Building & Housing Code (regulations part), is added a Chapter IX saying:
- *“Reimbursable no-interest advances, for financing renovation works due to improve the energy performance of existing (old) dwellings”.*
- *Section 1 : Ways of allocating the advance*
- *Section 2 : Financial features of the advance*
- *Section 3 : STATE Compensation of the absence of interest*
- *Section 4 : Agreements with the financing institutions*
- *Section 5 : Control*



Decree N° 2009-346 (30/03/2009)

- Art. 1er. – It is added at Chapter IX of Part I of Volume III of the Building & Housing Code (regulations part), sections 6 and 7:
- *Section 6 : Ways & conditions for attributing an advance*
- *Section 7 : Financial ceilings related to the no-interest reimbursable advances*



Administrative Order (30/03/2009)

Art. 1. – The present order is issued to define the nature and the technical features of the works made for **energy savings**, as mentioned at Article R. 319-16 of the Building & Housing Code , as well as the **ways of justification** upon the financing institution, ways mentioned at Articles R. 319-19 & R. 319-20.

- PART I : Combination of actions improving the energy performance: **two actions at least.**
- PART II : Energy saving works allowing to reach a **minimal pre-set level of overall performance,**
- PART III : Rehabilitation works concerning the non collective sanitation systems, using low or no-energy consuming systems
- PART IV : **Justifications** produced by the borrower to the financing institution.



Eligible Package : at least 2 actions

Categories of works eligible as « package »	Minimal technical features	
-Insulation of the ceiling	Insulation of floors of un-used attic Insulation of side walls of used attic Insulation of flat terrace ceiling	R \geq 5(m ² .K)/W R \geq 4(m ² .K)/W R \geq 3(m ² .K)/W
-Insulation of the outside walls	Insulation inside or outside	R \geq 2,8(m ² .K)/W
-Replacement of windows and window-doors opening to outside, and -Eventual replacement of the doors opening to outside	Window or Window-door Window or Window-door with shutters. Second Window in front of existing window If done in addition to windows: - Door to outside - Air lock to outside	U _w \leq 1,8 W/(m ² .K) U _{jn} \leq 1,8 W/(m ² .K) U _w or U _{jn} \leq 2 W/(m ² .K) U _w \leq 1,8 W/(m ² .K) U _w \leq 1,8 W/(m ² .K)
-Installation or replacement of a heating system (may be combined with an high efficiency ventilation system, or with sanitary hot water production)	Boiler + heating programmer Heat pump for heating & programmer Heat pump for heating, hot water & programmer	Condensation boiler or low temperature COP \geq 3,3 COP \geq 3,3
-Installation of heating system relying on renewable energy	Wood boiler Wood stove, closed hearth, insert of chimney inside home	Class 3 or better Efficiency \geq 70%
- Installation of hot water production relying on renewable energy	Solar thermal collectors	Certification CSTBat, Solar Keymark or equivalent



Overall Performance targets

(primary energy use per m² per year)

Before Works	After Works
$C_{pe\ ex} > (180 * 1,3) =$ 234 kWh pe / m² * year <i>Poor performance</i>	$C_{pe\ ex} < (150 * 1,3) =$ 195 kWh pe / m²* year
$C_{pe\ ex} < (180 * 1,3) =$ 234 kWh pe / m² *year	$C_{pe\ ex} < (80 * 1,3) =$ 104 kWh pe / m² *year



A N N E X 1 : Heat Pump (Air/Air)

Specific conditions for installation of heat pumps (air/air):

- The heat pump, made of one or several external units, must ensure heating of those rooms of the dwelling, as mentioned at article R. 111-10 of the Building & Housing Code, as soon as their area is at least 8m². The service rooms, such as rooms exclusively used as kitchen, toilets or bath room, are not taken in account.
 - Every equipped room must have its own automatic regulation unit, whatever is the mode of heat diffusion;
 - The normal operation of the appliance is to be guaranteed by the manufacturer at an external temperature of -15°C;
 - The thermodynamic heat power delivered by the external unit is \geq than 5kW at an external temperature of +7°C. In case of an installation with several external units, this condition must be met by at least one of the units.



Downloadable annexes:

Formats of proforma invoice

Works for improving the energy performance, eligible for 0% eco-loan.

- Implementation of Package of Works
 - → Invoice Format.
- Aiming at overall energy performance level
 - → Invoice Format
- Rehabilitation works of non collective sanitation systems
 - → Invoice Format



Downloadable Formats of Bill

Works for improving the energy performance, eligible for 0% eco-loan.

- Implementation of Package of Works
 - Format of Bill.
- Aiming at overall energy performance level
 - Format of Bill.
- Rehabilitation works of non collective sanitation systems
 - Format of Bill



Income tax bonus (1/2)

- In France, income is declared & controlled
- Income tax has rates strongly increasing with income.
- Income tax bonus “*crédit d’impôt*” may reduce the calculated income tax (art. 200 quarter of CGI)
- If the bonus is more than the income tax, the State pays the remaining part of the bonus.
- The amount of income tax bonus is related to specific works, made & invoiced by professionals
- It amounts to 25% or 40% of the cost of works.



Income tax bonus, valid for:

- Heating systems (condensation boilers)
- Materials for insulation
- Heating control systems
- Equipment using renewable energies
- Heat pump (other than Air-Air) used mainly for heat generation
- Equipment for connecting to some types of district heating networks using renewable energies or cogenerated heat.



Picardy started 0 % rate loans

- Reducing heating bill & energy use of the households, by favouring thermal insulation
- Speeding up *creaming off* the energy saving potentials, with adequate financial tools
- Providing households access to financing schemes adapted to their investment & reimbursement capacity
- Involving the local banking & finance sector
- 20 M € savings in Region' s households energy bill.
- Generating 100 M € of works , # 300 jobs.



Zero % loans: General features

Beneficiaries : Picardy Insulation Loan (PAI) & Picardy Energy Loan (PAE) concern private households as owners, living in or renting, of residential buildings within Picardy.

Conditions : Works must be done by professionals

- No conditions of income, but technical criteria.

Features:

- Bonification of the interest by the Region (**0% rate**)
- The loans cover equipment **and** installation costs
- 2 complementary loans (insulation **and** heating system)
- Regional Partnership with **3 banks** proposing this loan offer
- The ways of reimbursement may differ among banks



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Where to get info for a 0% loan?

- In Picardy, 3 financing institutions have been selected to develop this offer.
- It is not necessary to be a customer
- Credit Agricole (Brie Picardy & N-East subsidiaries)
- SOLFEA Bank in partnership with GDF Suez
- DOMOFINANCE (a subsidiary of CETELEM & EDF) – in this case, the works must be done by a professional belonging to the network of EDF partners)
- You can get info from a network of....





Steps in Application for a 0% Loan

1. Application file to be obtained in one of 3 “Banks”
2. Owner selects a professional (from 2009, certification or quality label required) one) to get an invoice
3. Application filled & sent to “Bank” with required attachments
4. After review, the Bank notify its decision and send a contract to be signed
5. After completion of the works, the owner send to Bank: certificate of the end of works, signed by both professional and beneficiary, + copy of bill
6. Bank will send a table of reimbursements
(SOLFEA & DOMOFINANCE directly pay the professional)



Results & Evaluation in Picardy

- 2000 applications accepted for Insulation from July 2006 till Sep.2008 (75 /month)
- 16 M€ of works; average 8000€/dwelling
- Very flexible: the terms of partnership can easily be modified by addendum
- Efficient tool which allowed to increase the number of operations



Conclusions: a road map for a adequate financing tool Turkey

- **State & association of banks** should cooperate
- **Decentralisation at provincial level** is useful and adequate as climate conditions vary a lot.
- The **formats for invoice and bills** should be easily available (web)
- A legislative framework, within the **joint ownership Law**, is needed for substitute financing of the «poors & refuzniks». See 1st National Energy Efficiency Forum, Istanbul, January 09, or 2nd National Energy Efficiency Conference, Kocaeli, April 09.
- If **technical quality** is imposed, **risks are minimal**. The saving in energy bill partly compensate the instalments.
- Rehabilitation means **local jobs** against hard currency drain out of the municipal area (for gas). National & local politicians should support the initiative.
- Loans bonification cost to the State would be a negligible share of the huge ÖTV+ KDV levied on energy products!



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Teşekkürler to the teams in Sivas, Istanbul, Paris, Ankara: a vision for local sustainable development, replicable



New ECO-Financing system in France



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