

Combating energy poverty in France: a decade of experience

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Description

Twelve years after the adoption of a policy to combat energy poverty, energy insecurity remains stable and high. This can be put down to two main factors: the juxtaposition of diverse measures that lack visibility and societal support; and a constant swing between policies targeting energy poverty, on the one hand, and the ecological transition, social or environmental issues, on the other hand. The recent establishment of an “energy cheque” and the regulation of property markets point in a more promising direction.

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The policy to combat energy poverty was initiated in France by a law dating from 2010, known as “Grenelle 2”. This law indicated that “individuals are in a situation of energy poverty when they encounter particular difficulties ensuring the necessary energy supply in their home and satisfying their primary needs due to inadequate resources or living conditions”. This law created the *Observatoire de la pauvreté énergétique* [Energy Poverty Observatory]. Three other pieces of legislation have extended this policy: a) in 2014, the ALUR law, which included energy poverty in housing policies; b) the energy transition law of 2015; and c) more recently the climate and resilience law of 22 August 2021. These basic texts have been broken down into plans and programmes. From 2010 to 2022, about fifty measures have been implemented that can be grouped into three categories.

- Financial support: some measures are indirect, such as the “price shield”, which aimed at freezing gas prices from October 2021 and capping regulated electricity price increases at +4% during the year 2022. Others are targeted directly at households, such as the “energy cheque” granted to almost 5.5 million households. The amount of this cheque, established in 2018, is on average €150 and can be as high as €270 a year, depending on household income and composition. It is calculated based on the income tax declaration and sent out automatically once a year to beneficiaries’ homes. An exceptional increase of €100 was awarded in 2022 to all beneficiaries.

- Support for housing renovation. The main measure, called “Ma Prime Rénov” [my renovation bonus], takes the form of a lump-sum payment to improve energy efficiency in the home. Initially granted to low-income households, it is now accessible to all home-owners. The amount can be as much as €10,000, used to finance insulation, a new heating system, or ventilation. The measure is accompanied by a lower VAT rate of 5.5% and access to subsidised loans, such as “Eco-PTZ”, a non-means-tested, interest-free loan of a maximum of €50,000 over 20 years.

- Regulation of the housing market. *Diagnostics de Performance Energétique* (energy performance certificates) date from the 2000s and provide an overview of the energy performance of the dwelling. These certificates, which rate buildings on a band from A to E, were revised in 2021 by the Climate and Resilience Act and rendered enforceable. The letting of housing rated G and F will be progressively prohibited from 2025 to 2034. One of the first impacts of this policy is an acceleration in sales of this type of housing, which is likely to trigger an extensive restructuring of the property market.

Many other measures exist at local level, including initiatives targeting household energy consumption behaviour, such as “eco-friendly” gestures, visits to the homes of households suffering energy poverty, and the presentation of “eco-apartments” (i.e. showcase apartments designed to save energy).



Outlook and commentary

Despite a succession of laws, decrees and measures, since 2010 energy poverty has remained high in France. The main indicator published by the Ministry for the Energy Transition (2021) is the energy effort rate, i.e. the share of households in the first three equivalised income deciles whose energy bill amounts to 8% or more of their income. On average, this rate, adjusted for temperature variations, amounted to 12.9% of households, or 3.6 million, over the 2010-2019 period. Using all available indicators, the Energy Poverty Observatory reports that 5.6 million households remain particularly vulnerable to climate hazards and variations in the price of energy despite the rise in energy support policies. A slight drop was observed in 2021, probably related to the impact of the energy cheque.

Several reasons explain why previous policies against energy poverty did not tend to have a significant impact (Fondation Abbé-Pierre, 2022). First, support for renovation measures greatly increases the volume of renovation works, but these mostly involve individual improvements, such as roof insulation in one case, a new heating system in another, with the result that the overall energy savings are not always clear. Although high, the amount of the bonus is insufficient to cover major, more costly improvements and, in particular, is increasingly used by wealthier households and landlords.

People on the lowest incomes, who tend to live in energy-intense private housing and often in geographically and socially remote locations, can have difficulties dealing with the complex procedures, and are sometimes at the mercy of unscrupulous contractors. People living in recently built property, and tenants of state housing, cannot benefit from these measures.

Despite progress made by the national Energy Poverty Observatory, work remains to be done to remedy the lack of indicators and the absence of detailed, precise mapping at local level of areas subject to high levels of energy poverty. Analyses of statistics on the beneficiaries of these policies and a comprehensive assessment of the effects of multiple policies are also lacking.

Over the period as a whole, the policies themselves have not been homogeneous. Energy poverty featured in public policies up to 2015, but from 2015 to 2017 the focus shifted from combatting energy poverty towards the energy transition; then, from 2018, to how to ensure the equity of environmental policies. The forthcoming law planned by the government following the 2022 elections is likely to extend previous measures, but with a greater emphasis on the overall control of energy expenditure.

A possible increase in the energy cheque, intensifying the renovation of social housing, and stepping up action to combat substandard housing with strict application of decrees relating to “leaky housing”

would be clear steps forward during the new presidential term.

Lastly, energy poverty is a sector in which the EU framework has a real impact, either through Directive 2010/31/EU on the energy performance of buildings, or through Directive 2012/27/EU on energy efficiency. Associations nevertheless regret the absence of both an EU definition of energy poverty and commonly agreed indicators.

Further reading

Fondation Abbé-Pierre (2022), [L'état du mal-logement en France, 27ème rapport](#) [*The state of substandard housing in France, 27th report*], 366 p.

French Ministry for the Ecological Transition (2021), [Le chèque énergie: un dispositif qui contribue à réduire la précarité énergétique](#) [*Energy cheques: a measure that helps reduce energy poverty*], Thema, Essentiel, October 2021

French Ministry for the Ecological Transition (2021), [Précarité énergétique : une relative stabilité entre 2010 et 2019](#) [*Energy poverty: relatively stable from 2010 to 2019*], Thema, Essentiel, November 2021.

National Energy Poverty Observatory (2021), [Etude – 2010/2020: Efficacité et efficacité des instruments de lutte contre la précarité énergétique](#) [*Study – 2010/2020: effectiveness and efficiency of instruments to combat energy poverty*], November 2021.

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