

## **FRANCE PROVES THAT LESS IS MORE**

### *Paving the way for energy efficiency in the workplace and at home*

As part of its “Green New Deal”, France is refining a recipe to promote energy efficiency, maintain optimum comfort levels, and encourage business.

Currently, buildings are the largest energy consumers in France, accounting for 40% of final energy consumption and 20% of CO<sub>2</sub> emissions. In an effort to lower those numbers, the recent “Grenelle I” bill emerged from France’s Grenelle Environmental Roundtable Talks. The bill will require designs for all government and corporate buildings built from 2010 to meet “low consumption building” standards. These standards, which require primary energy consumption to be less than 50 kWh/m<sup>2</sup>/year, will also apply to all new housing from 2012. Starting in 2020, all new buildings will be required to comply with the “positive energy” standards of producing more energy than they consume. Old buildings will need to be renovated, to meet a target for average consumption of between 90 and 150 kWh/m<sup>2</sup> each year.

Already skilled in building energy-efficient futures, French companies such as St Gobain and Lafarge are leading the way in the world’s building materials industry, offering products and insulating materials that are more efficient than standard materials. Several foreign companies are also taking advantage of the country’s expertise in this area. Companies such as Rockwool (Denmark), DOW (U.S.) and Knauff (Germany) have set up operations in France and are developing environmentally-friendly housing concepts.

Two particularly innovative companies in the field of solar energy are The Imerys Group, the leading French producer of solar panels, and the German group Viessman, the number one producer of solar cells in France. The latter established its innovative center for manufacturing domestic hot water tanks and solar cells in Faulquemont (Lorraine), and exports 80% of its output.

To encourage homeowners to make energy efficiency improvements on their homes, France introduced a 10-year, zero-rate eco-loan in 2009, making it possible to finance up to €30,000 of energy renovation work for private housing. In addition, a sustainable development tax credit allows people to deduct from their tax bill between 15% and 50% of their spending on equipment and materials to improve energy efficiency in their main home.

The sustainable development savings account (LDD), which is not subject to tax, will make it possible to collect more than €10 billion for financing investment loans, granted by the banks in partnership with the French Environment and Energy Management Agency (ADEME). To be eligible for these loans, buildings must now be compliant with the “low consumption building” or “very high energy performance” standards. This work will benefit from the discount VAT rate of 5.5% and will be eligible for funding from regional authorities and the National Home Improvement Agency (ANAH).



For David Appia, chairman and CEO of Invest in France, “Foreign businesses must capitalize on the bold, targeted measures introduced by the French government to improve household energy efficiency in France. These advantages make France a buoyant leading market in Europe.”