

Dear sirs,

We are pleased to send you herewith a short presentation of the approach Vesta Conseil&Finance is developing in order to propose to local governments in France, and namely Regions (Ile de France, Picardie, Nord-pas de Calais) a means to support energy efficiency in the private housing sector.

Our recommendation is for local governments to create a public utility (Service public) dedicated to households. The service delivered by the Public Utility consists in delivering an extensive energy audit, advising households on a low-energy refurbishment work programme adapted to their constraints, finance a large part of it through the payment in the long run of a service fee and follow-up consumptions after the works have been completed.

We believe this approach of housing low-energy refurbishment market is an adapted answer to tackle the failures noted in the consultation paper published by the Directorate-General for Energy of the European Commission, namely:

- information failure, i.e. the need to make highly technical information understandable to households, and to deliver this information in a trustworthy way, by an agent which may not be suspected of a conflict of interest.

- overcome the 'high inconvenience' barrier, by lowering the efforts of households (including in condominiums) to prepare the project and make sure the works will be undertaken in compliance with highest quality standards.

The Public Utility approach of housing low-energy refurbishment market has features comparable to EPC contracts, but also differs from this contractual approach so as to be more fitted to a "Business to customer" situation, and to be more adaptable to local specificities. It allows namely to incorporate actions already performed by local public actors to increase general public awareness about low-energy refurbishments and to prescribe local SMEs who comply with quality labels.

Finally, we believe that the setting-up of Public utility (in the sense of Service Public in the French context) is a way to adapt financing to market needs. The public Utility set-up by local governments could access to long-term financing and thus refinance the investment in works performed on housing. In order to secure this financing, service fees charged by the public utility to households and attached to the housing would be pledged in favor of debt-providers.

We hope this initiative, as shortly described in the attached presentation will be of interest to you; we would be ready of course to provide you with all further information you may require.

Best regards,

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