



PRESS RELEASE

17 September 2024

Communication to the Finance Committee of the National Assembly

ENERGY SAVING CERTIFICATES

Controlling energy consumption is essential to support the goal of achieving carbon neutrality by 2050 and to ensure a balance between energy supply and demand, particularly for electricity. As part of the “Fit for 55” package presented by the European Commission, in 2023 France proposed to step up its efforts to reduce its final energy consumption by 30 % by 2030 compared with 2012, thereby meeting the objectives of the EU Energy Efficiency Directive (EED), revised in 2023. Created by the programme law of 13 July 2005 setting out energy policy guidelines, energy saving certificates (ESCs) are the main tools of this energy efficiency policy aimed at reducing energy consumption. Through a market mechanism, they oblige energy suppliers and motor fuel vendors to support energy-saving initiatives. At the request of the French National Assembly's Finance Committee, the Court analysed the governance of the scheme, its cost and its effectiveness, while also ensuring that it was consistent with other energy policy tools.

An increasingly complex system

The ESC mechanism supports energy-saving measures such as home insulation and industrial heat recovery, by allocating financial aid to households and businesses. More than one million operations have been financed each year since 2021, demonstrating the scheme's ability to support a massive scale-up of energy-saving actions, often on a modest scale, by covering the "last kilometre" to the beneficiaries. The actions supported between 2014 and 2020 are estimated to have reduced France's energy consumption by 106 TWh in 2020, or 6.5 % of the total.

The level of obligation imposed on companies subject to the ESC scheme, which depends on their volume of energy sales, has been multiplied by 3.5 since 2015. At the same time, the scheme, which initially focused on the most profitable energy savings, has undergone a number of changes to include additional objectives such as support for vulnerable households (*ESC précarité*), training or innovation programmes, or temporary bonuses for certain operations such as changing boilers or loft insulation. These changes have complicated the system, which is now based on multiple, unstable rules and mechanisms that vary according to the energy source, the suppliers subject to the obligation, the level of obligation, the valuation of energy savings and the procedures for checking applications.

Increasingly high costs, significant financial transfers

At first glance, the ESC mechanism seems to oblige energy suppliers to finance energy savings by paying financial aid to households and businesses. However, energy suppliers pass on the costs involved in obtaining the certificates in their selling prices. The cost of the ESCs is therefore borne by households and businesses in the tertiary sector, and in economic terms is akin to an

energy tax. The increased energy savings targets set for the scheme by the French government mean that it will be becoming more expensive, costing an average of around €6 billion a year for the years 2022 and 2023. According to the Court, in 2023, each household paid an average of €164 for the scheme, or just over 4 % of its energy bills. The management fees of the various intermediaries and the VAT levied by the State represent 30 % of the cost of the scheme. The financial aid paid out to support energy-saving operations results in vast and little-known financial transfers between the contributors and beneficiaries of the scheme, i.e. the industry and residential building renovation sectors, as well as low-income households.

Energy savings significantly overestimated

The main weakness of the scheme lies in the uncertainty surrounding its actual results. The volume of certificates issued does not correspond to actual energy savings. Based on theoretical calculations, not verified by measuring actual energy consumption after operations. According to the Court's estimates, the published results overstate the energy savings achieved in 2022 and 2023 by at least 30 %. In addition, the ESC scheme frequently supports operations that are also financed by other public policy schemes, in particular *Ma Prime Rénov'* and the *Fonds Chaleur*, making it difficult to determine the real impact of this mechanism alone. Finally, the Court notes that the ESC scheme is still faced with significant fraud, particularly in the building sector, which discredits it and raises the question of how much savings have actually been achieved.

A system that cannot be sustained without far-reaching reform

In view of the shortcomings and anomalies identified by the Court, consideration could be given to abolishing the ESC scheme, following the example of Denmark. Other ways of organising the scheme have been outlined by the Court at the request of the Finance Committee, based on European examples, such as transforming ESCs into budget funds or targeting the scheme to a single audience. If the legislator opts to maintain it, far-reaching structural reforms will be needed to achieve the objectives of reducing energy consumption. The Court proposes seven recommendations in this respect. The system therefore needs to be simplified and better managed. To this end, it is essential that Parliament play a greater part in defining its parameters and that its evaluation be strengthened. The effectiveness of the scheme also needs to be guaranteed, by dedicating it to achieving direct energy savings. To achieve this, we need to measure real savings after operations and put an end to the practice of subsidising and financing programmes. Finally, the fight against fraud must be the subject of an overall plan, in particular to encourage the automation of controls.

[Read the report](#)

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