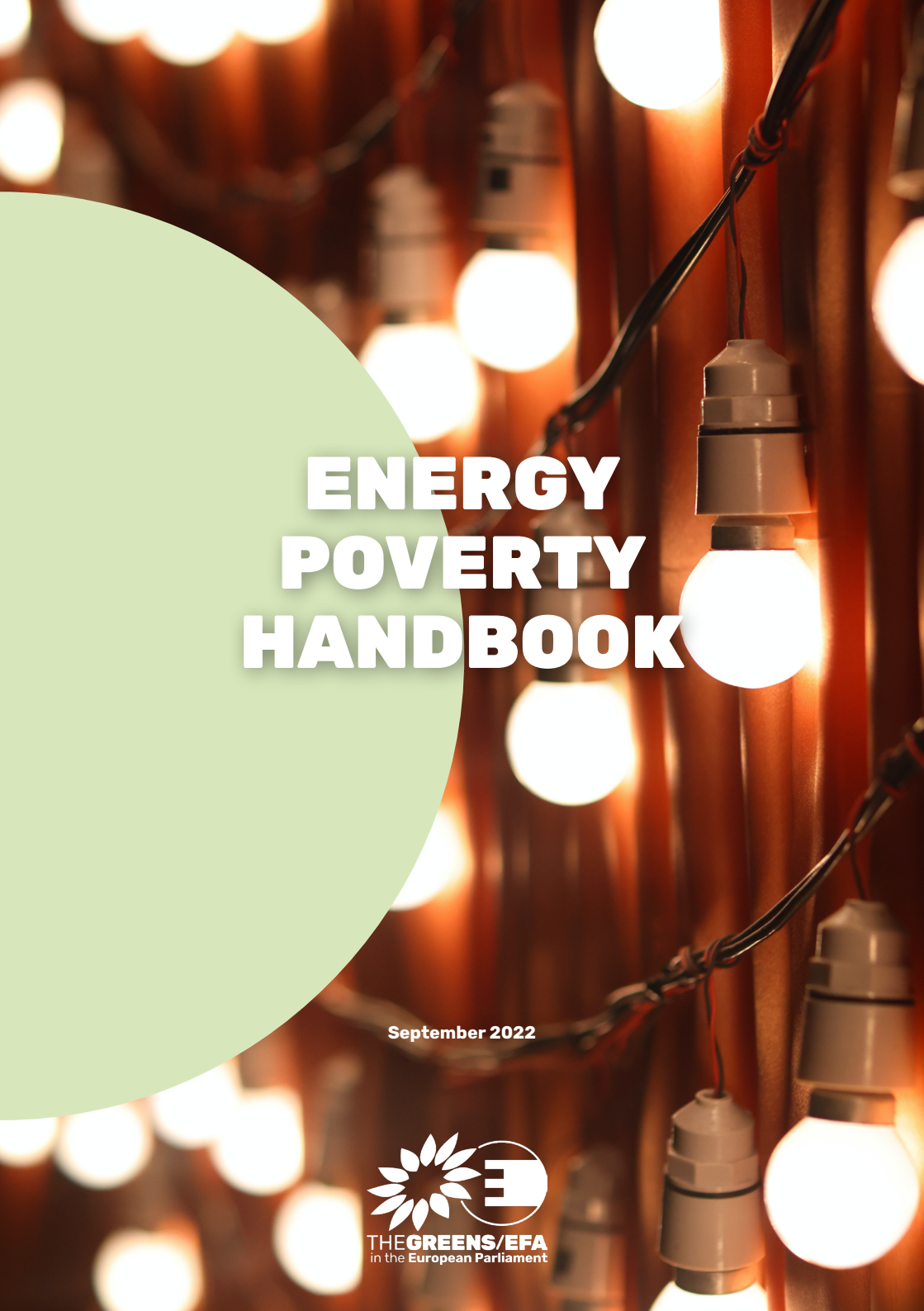

ENERGY POVERTY HANDBOOK

September 2022

THE GREENS/EFA in the European Parliament

SPECIAL THANKS TO THE RIGHT TO ENERGY COALITION AND THE CONTRIBUTIONS OF:

Right to Energy Coalition

This is the second edition of the Energy Poverty Handbook, which was originally published by the Greens/EFA and the Buildings Performance Institute Europe in 2016 with a view to examining the causes and effects of energy poverty. This updated version expands upon the findings of the original Energy Poverty Handbook to consider the best practices that can be employed to tackle the issue, in parallel with the causes and effects of energy poverty. Special thanks and praise goes to the team of editors and the Right to Energy Coalition for their dedication in realising this project.

This handbook can be found via the following link:
https://extranet.greens-efa.eu/public/media/file/1/7858
The original handbook can be found via the following link:
https://extranet.greens-efa.eu/public/media/file/1/7885

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Contents

FOREWORD 6

INTRODUCTION 7

OVERVIEW 8

PART 1: TOWARDS DECENT, SAFE AND AFFORDABLE HOUSING FOR ALL 9

Designing building decarbonisation policies for a socially just energy transition – a necessary paradigm shift (BPIE) 10

Energy poverty in multi-family apartment buildings in post-socialist Europe (MRI)a 17

How building decarbonisation policies affect low-income groups (IEECP) 21

Targeting unfit housing to ensure a true social energy transition (FEANTSA) 26

OPENGELA – Home Renovation One-Stop-Shop for Vulnerable Districts (FEDERANE and Euroiker) 29

A critical assessment of the Italian Superbonus (ECCO) 32

The greatness of the petite scale: Lessons learned from a Spanish municipal champion (ECODES) 36

Empowering women to take action against energy poverty in the Mediterranean (Focus Association for Sustainable Development) 40

PART 2: TOWARDS CLEAN, AFFORDABLE ENERGY AS A HUMAN RIGHT 43

The right to energy (Next Energy Consumer) 44

Feast and famine: How Europe's energy crisis benefits fossil gas majors as people struggle to survive (Global Witness) 47

Renewable heating for all (EEB) 53

Ending fossil fuel lock-ins for a just energy transition (FoEE) 56

What energy poverty measures for the future? Empowering, gender responsive, intersectional and health approaches (APE) 60

A minimum electricity service for all, guaranteed whatever the time of year (Fondation Abbé Pierre) 63

Energy communities' potential for energy poverty alleviation (REScoop.eu) 65

Our energy system in a crisis – Unions for public, democratic energy futures (EPSU) 68

PART 3: TOWARDS SOCIAL JUSTICE AND AN END TO THE COST OF LIVING CRISIS 71

Converging green and social agendas: Insights from the European Green Deal and Society workshop series (E3G) 72

Lessons from the Yellow Vests for a socially-just transition (Jacques Delors Institute) 76

The impact of a socially unjust decarbonisation on Greece (EAPN Greece) 80

A fair decarbonisation: A structural change is needed at EU level (EAPN) 83

What is transport poverty and how can cities address it? (Energy Cities) 86

The Handy Houses project – Antwerp, Belgium (Housing Europe) 89

Foreword

Leilani Farha, Former UN Special Rapporteur on the right to housing and Global Director, The Shift & Julieta Perucca, Deputy Director, The Shift

The human right to housing, as articulated in the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights and Article 31 of the European Social Charter, means simply to be able to live in security, peace, and dignity. A household's energy security, including its affordability is, therefore, a key part of the enjoyment of this right. The energy poverty crisis plaguing tens of millions of households across Europe is the embodiment of government failure to realize the human right to housing. As a result, families and individuals are left vulnerable to withstand an historic period of extreme heatwaves and cold snaps, pandemics, and unprecedented increases in the cost of living. With the onset of Russia's invasion of Ukraine, the energy poverty crisis will only deteriorate; energy costs are expected to rise by 30% on the continent in 2022, having particularly deleterious effects on low-income households. As energy costs continue to rise, so too will housing costs, which are already a severe burden on the finances of many households.

The crisis of housing unaffordability and energy poverty has been exacerbated by recent global events, yet its roots are far deeper. Housing prices have risen by 16% in the rental market and 42% in the property market, from 2010 to 2021. As of 2020, there were 7.8% of households and 31.8% of poor households who found themselves overburdened by housing costs, while 17.8% of poor households in the EU were unable to maintain an adequate household temperature without facing financial difficulties.[1] This leaves many to choose between heating one's home, turning on lights, or paying for rent or food. It is well documented that scaling back on energy use to afford housing and living costs, has a huge effect on mental and physical health. Studies have shown that it in can contribute to early deaths, higher levels of morbidity, psychological distress including children and adolescents, as well as having a huge impact on one's ability to live a life of security and dignity, both of which are central human rights concerns.

The housing and energy poverty crisis experienced in Europe today should be understood as a crisis of human rights, deserving human rights responses.

European, national, and local governments can no longer afford to tinker at the margins. They must work to embed coherency in their responses to these crises and ensure effective measures that address the housing unaffordability crisis, end energy poverty, and limit global warming to 1.5°C. Coherency can stem from adopting a human rights framework to realize the right to housing and ensure everyone in Europe can live a life in dignity, security, and peace. We welcome the timely and important second edition of the Energy Poverty Handbook as a key tool for policy makers and other stakeholders to understand the interconnected nature of the energy poverty crisis and its implications on the enjoyment of the right to housing. This handbook takes a holistic view on energy poverty, so that policy makers can urgently implement coherent responses, based in human rights, that alleviate poverty, address the climate crisis, and lead to happier, more just communities across the European Union.

1 https://www.feantsa.org/public/user/Resources/reports/2022/Rapport_Europe_GB_2022_V3_Planches_Corrected.pdf

Introduction

Ciarán Cuffe, MEP and Kim van Sparrentak, MEP

A secure, stable, and affordable supply of energy is needed in our homes for heating, cooling, and powering appliances. People experience energy poverty when they cannot afford to access an adequate energy supply in their homes. As a result, they struggle to heat, cool, or light their homes. Energy poverty can occur due to low incomes, high energy bills, and energy inefficient buildings. The negative consequences on a person's physical and mental health and wellbeing can be severe.

At least 50 million Europeans are living in energy poverty, with society's most vulnerable being worst affected. Millions more are experiencing hardship as we live through an energy crisis that is causing prices to soar. The effects of this crisis on vulnerable households are compounded by extreme temperatures caused by climate change. These same households are confronted with a housing crisis all over Europe, with fast increasing rent and house prices.

Meanwhile, over seven out of 10 buildings in the EU are energy inefficient. A huge amount of energy is therefore being paid for, at elevated prices, and wasted. An energy inefficient home may be poorly insulated. It can be draughty or damp. By taking measures to improve the energy efficiency of our homes, we reduce our energy consumption needs. And after all, the cheapest form of energy is the energy we don't use.

This demands more action at the EU, national, and local levels to alleviate energy poverty and ensure no one is left behind in the energy transition. We need to bring energy prices down by reducing our dependence on expensive and volatile fossil energy sources. We must support vulnerable households with high energy bills, and assist them with energy efficiency measures and the switch to renewables.

As European Parliament rapporteurs on decent housing and energy efficiency in buildings, we are inspired to read the reports in this handbook of successful policies against energy poverty across Europe. One example of this is an initiative to empower Mediterranean women to fight energy poverty, including through the creation of DIY projects and citizen energy communities. This project demonstrates the benefits of a social justice approach to tackling this issue.

By tackling energy poverty and improving the energy efficiency of our homes, we can protect the most vulnerable in our society. We can offer everyone a decent standard of living, with better quality and more affordable housing, and improved health. The benefits of the green energy transition can and must be shared.

The goal of this handbook is to provide an updated overview of the causes of energy poverty as well as to compile best practices to combat this issue from concerned stakeholders across Europe. We would like to sincerely thank the Right to Energy Coalition, the editors, and all the authors who have done sterling work to create this handbook. Their dedication to tackling the issue of energy poverty is inspiring, and instils hope that we can overcome the problem of energy poverty. By combining their knowledge and expertise, this handbook may lead the way towards a more equitable and sustainable future.

Overview

Laia Segura and Louise Sunderland

Energy poverty sits at the intersection of a range of social and economic issues, so addressing it calls for a holistic approach that tackles the different causes and consequences in a tangible way. In the face of our social, economic, humanitarian and climate crises, we must ask ourselves what an energy system that serves people and the planet could look like.

This handbook offers numerous articles to help answer that question. It has been written from the perspective of a range of organisations leading the fight against energy poverty. The 22 contributions come from organisations in both climate and social spheres. They include those working in housing, poverty, workers' and consumer rights, the clean energy transition, and those working with municipalities, energy agencies, citizens cooperatives and projects dedicated to energy poverty alleviation. The handbook goes some way to illustrate the breadth of the organisations that make up today's European energy poverty movement.

The articles offer a range of analysis, policy assessment, recommendations, initiatives, and case studies to tackle the energy poverty crisis in Europe. We present two distinct sets of articles, the first offering an academic perspective and the second drawing on case-studies and promising initiatives. Each article aims to make Europe a better place by ensuring:

Part 1: Decent, safe and affordable housing for all
Part 2: Clean, affordable energy as a human right
Part 3: Social justice and an end to the cost of living crisis

Reflecting on the first Energy Poverty Handbook[2] published in 2016, energy poverty has since moved higher up the political agenda in Europe. The right to energy as a basic need is also slowly becoming more recognised, although less often practically realised. The breadth of organisations - from grassroots movements to international groups - researching, advocating and alleviating energy poverty has increased. More countries now recognise and define energy poverty. However, we launch this Handbook at the end of a summer that saw heatwaves sear much of Europe, exposing vulnerable households to life-threatening temperatures. We are approaching a winter that is expected to be extraordinarily difficult due to record gas prices, a cost of living crisis, and the need to swiftly reduce imports of gas from Russia. In recent years, we have simply not done enough to improve our housing stocks, secure access to affordable and clean energy services, or to ensure that low-income households can safely move away from reliance on fossil fuels, whilst reducing their bills. It is therefore crucial that we urgently tackle the deep rooted causes of energy poverty. We hope that the diverse ideas in this handbook contribute to a laser focus on an energy transition that benefits low-income households first, not last.

Finally, we would like to thank all of the contributors for their thoughtful articles and their dedication to energy justice. It has been a pleasure to work with all of the authors in the the process of assembling this handbook. We would also like to thank Martha Myers for her formative work to bring together the structure of the handbook and for inspiring all of us to be involved.

2 Csiba, K. (Ed) (2016) Energy poverty handbook. Published by the office of Tamás Meszerics (Member of the European Parliament) via The Greens/EFA group of the European Parliament. https://www.bpie.eu/wp-content/uploads/2016/11/energypovertyhandbook-online.pdf

Part 1: Towards decent, safe and affordable housing for all

The chapters in Part 1 of the Handbook address inefficient and substandard housing, which is one of the three structural causes of Energy Poverty. The opening chapters provide an overview of the EU housing stock and energy poverty (p10) and insights into regional specificities, in particular in post-socialist Europe (p17). A number of chapters evaluate the buildings and heat policies in the current EU climate package for their impact on low-income households. They provide recommendations to ensure that unintended negative consequences for the most vulnerable are avoided (p27) and that policy design supports decarbonisation that benefits low-income households (p10 and p22).

Later chapters showcase promising initiatives needed to ensure home renovations reach energy poor households like one-stop shops (p30), location-oriented municipal approaches (p36), finance designed to overcome barriers (p32) and initiatives designed with and by participants, particularly female-led families (p40).

CONTENTS

Designing building decarbonisation policies for a socially just energy transition – a necessary paradigm shift (BPIE) 10

Energy poverty in multi-family apartment buildings in post-socialist Europe (MRI) 17

How building decarbonisation policies affect low-income groups (IEECP) 21

Targeting unfit housing to ensure a true social energy transition (FEANTSA) 26

OPENGELA – Home Renovation One-Stop-Shop for Vulnerable Districts (FEDERANE and Euroiker) 29

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DESIGNING BUILDING DECARBONISATION POLICIES FOR A SOCIALLY JUST ENERGY TRANSITION – A NECESSARY PARADIGM SHIFT

Rutger Broer and Hélène Sibileau, BPIE

The Buildings Performance Institute Europe (BPIE) is Europe's leading independent think tank providing in-depth research, policy analysis and advice on energy performance of buildings. Created in 2010 and based in Brussels and Berlin, BPIE has a vision of a climate-neutral built environment, in support of a fair and sustainable society.

The state of the building stock and energy poverty in the EU

Reliable data is needed to tailor suitable measures to tackle energy poverty. The challenge is that energy poverty is complex to measure because it is linked to three main root causes (European Commission., n.d.):

- low energy performance of the building overall, of heating or cooling systems or of appliances
- low income
- high energy costs compared to a household's disposable income

A multidimensional and culturally specific concept like energy poverty must be defined through several indicators. The EU Energy Poverty Observatory[3] selected four primary indicators, two self-reported and two expenditure based (EPOV., 2020).[4] The first two reveal that in 2020, even before the energy price crisis, 7.4% of European households could not keep their homes warm (Eurostat, 2020a) and 6.5% of households had arrears on their bills (Eurostat, 2020b). For European households *at risk* of poverty,[5] the proportion that cannot adequately heat their homes rises to 17.8% (Eurostat, 2022a). Following the recent COVID-19 crisis and the energy price surge due to the Russian invasion of Ukraine, energy poverty is likely to touch a bigger share of the population in the EU now compared to 2020.

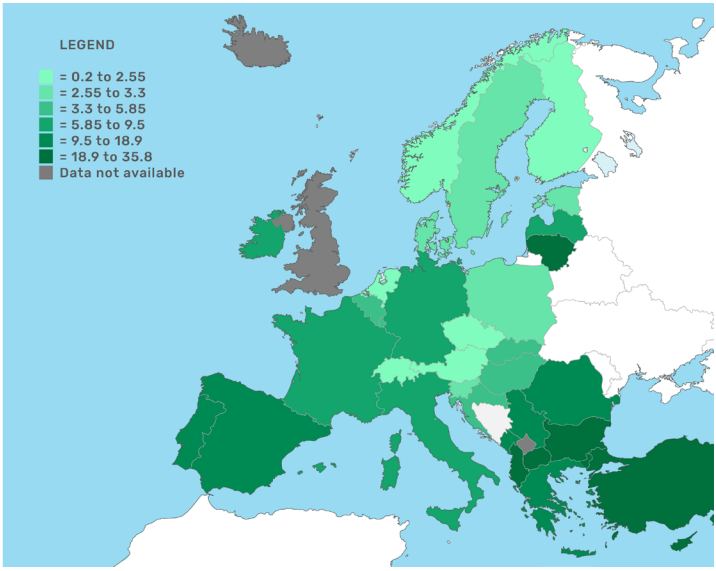
In 2020, 4.3% of all Europeans suffered from severe housing deprivation: they did not have sufficient rooms for all inhabitants while also facing issues such as leaking roofs, absence of lavatories or lighting (Eurostat, 2022c). 14.8% of households (22.8% in case of households *at risk* of poverty) reported a defect in their home - leak, damp or rot (Eurostat, 2020d). The geographical distribution of energy poverty is spread unevenly amongst Member States, with Southern and Eastern European households tending to suffer more (Figure 1 and Figure 2).

3 The EU Energy Poverty Observatory (EPOV) was a European Commission initiative aiming at fostering transformational change in knowledge about the extent of energy poverty in Europe, and innovative policies and practices to combat it.

4 In addition to the two self-reported indicators (inability to keep home adequately warm and arrears on utility bills), the two other indicators look at the absolute energy expenditure (below half the national median expenditure) and the share of equivalised disposable income spent on energy (above twice the national median expenditure) according to the energy poverty methodology guideline (Thema, J & Vondung F, 2020).

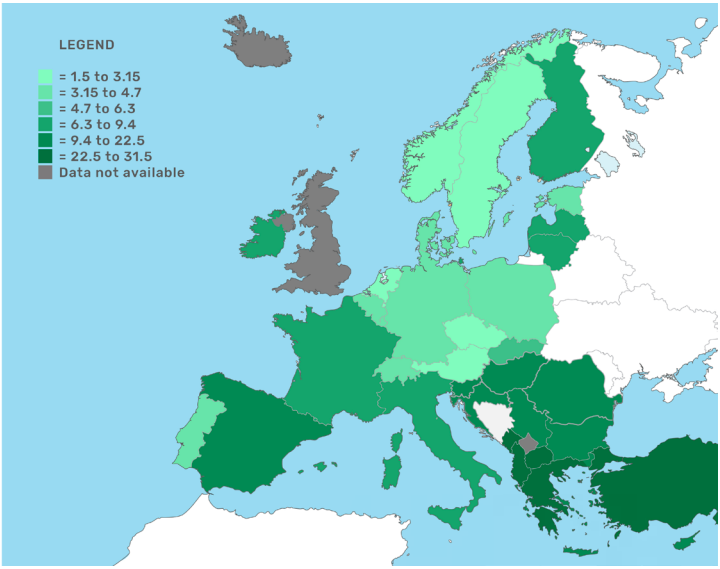
5 Defined by Eurostat as households earning below 60% of the national median equivalised income (Eurostat, 2021) (for more information see CSO., n.d.)

Figure 1: Inability to keep home adequately warm (% of population), 2020



Source: Eurostat., 2022a

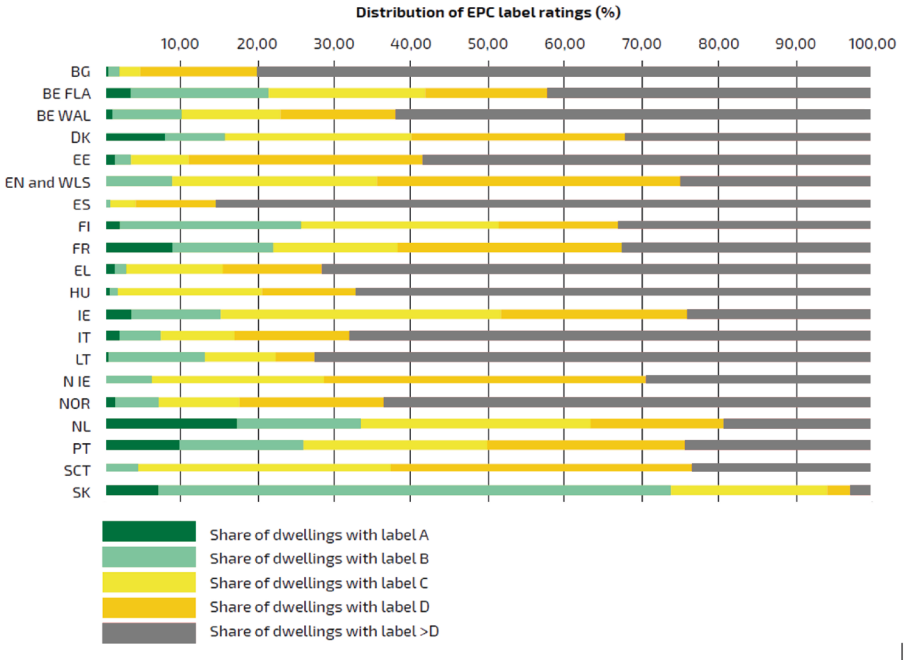
Figure 2: Arrears on utility bills (% of population), 2020



Source: Eurostat, 2022b

Regarding the overall energy performance of buildings in the EU, 97% of the stock needs to be renovated to reach climate neutrality by 2050 (BPIE, 2017). In many Member States, most buildings have an Energy Performance Certificate in class C or below (Figure 3), meaning that they have a low performance.

Figure 3: Distribution of Energy Performance Certificate label ratings



Source: X-tendo project (Volt et al., 2020)

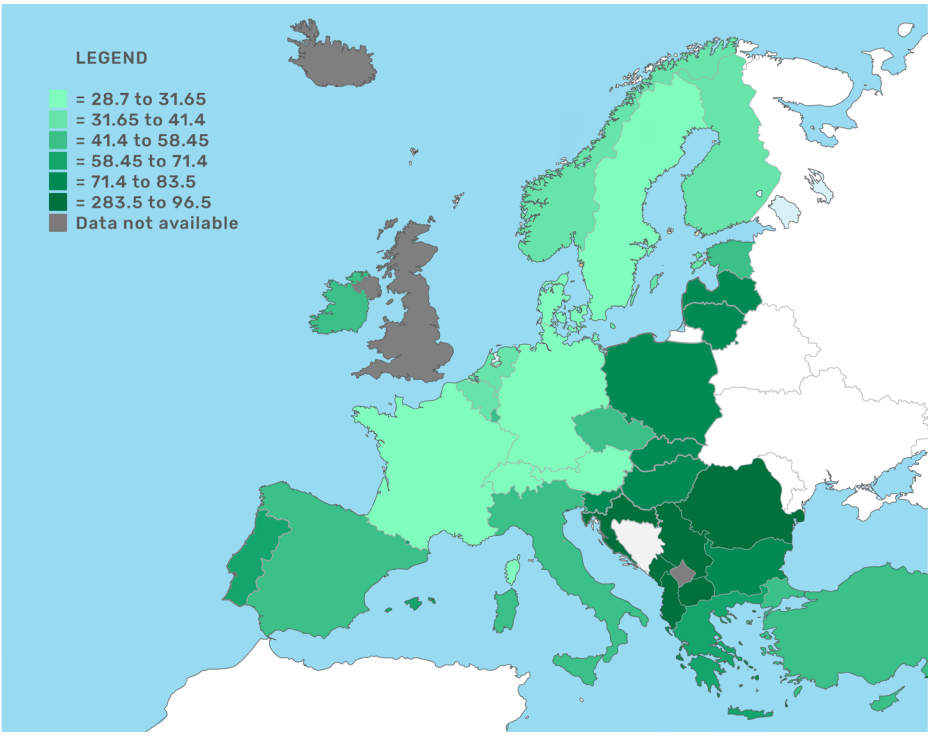
The BPIE-developed EU Buildings Climate Tracker[6] shows the sector is not on track to reach climate neutrality (BPIE., 2022a). Between 2015 and 2019, no progress has been made. A strong acceleration of action is required to catch up: the annual rate of progress needs to be multiplied by 42 until 2030, compared to 2015-2019 (BPIE., 2022a).

Energy poverty can affect all tenures. A common belief in Western Europe is that tenants, especially in social housing, are more likely to be energy poor than owners.[7] However, there are different faces of energy poverty in the EU. Different types of households can suffer from energy poverty depending on the national context. They can also be building owners, especially in Central-Eastern and South-Eastern European countries (Figure 4), due to the massive housing privatisation after the fall of the Soviet Union.

6 https://www.bpie.eu/wp-content/uploads/2022/06/BPIE_EU-Buildings-Climate-Tracker_Final.pdf

7 In the Netherlands for example, 75% of energy poor live in social housing (Mulder, Dalla Longa & Straver., 2021).

Figure 4: Percentage of building owners below 60% median equivalised income 2020



Source: Eurostat, 2022e

Building decarbonisation policies for a socially just transition

All these numbers illustrate the interlinkages between low income, inefficient buildings, and energy poverty and highlight that these interrelated issues must be tackled in an integrated manner. They stress the challenge but also the opportunity for EU building decarbonisation policies, if designed well, to be used as a lever to reduce emissions while improving lives. From the broad range of EU policies targeting the decarbonisation of the EU building stock and within the Fit for 55 package[8], the Energy Performance of Buildings Directive (EPBD), the Energy Efficiency Directive (EED), and the Social Climate Fund (SCF) are the most relevant to alleviate energy poverty. To assess whether they contribute to a just transition and, if not, how they should be designed to do so, the accessibility of measures, funding, and information are analysed.[9]

8 Fit for 55 is a package of climate legislation designed to deliver of Europe's 55% emissions reduction target by 2030. https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal/delivering-european-green-deal_en

9 Based on the in-depth analysis on designing socially just building decarbonisation policies (BPIE, 2022b)

Accessibility of measures

Building decarbonisation measures should be available and equally beneficial to all. However, many are not designed with energy poor households fully in mind. For example, Minimum Energy Performance Standards (MEPS), should be designed in a way that is socially just, and should be supported by safeguards for vulnerable households. MEPS require building owners to improve the energy performance of the worst performing building to a minimum threshold level (most commonly expressed in an Energy Performance Certificate class). MEPS should be designed in a way that prevents increasing rent prices or vulnerable households being expelled from their homes after renovation. This requires renovation and energy poverty alleviation strategies to have a long-term vision as well as clear intermediary milestones, with ambitious energy performance levels to be achieved, a wide scope encompassing all buildings, and finally to be accompanied with the right financing and technical support.

Accessibility of financing

Renovation and decarbonisation measures should be affordable, and dedicated funding for vulnerable groups should be reserved. The current financing programmes fostering renovations are largely inaccessible to energy poor households as they very often require them to make an upfront contribution to the cost or offer loans or financial mechanisms that are not suitable. Also, the programmes often do not prioritise renovations of sufficient depth. Consequently, a significant segment of the population risks not being able to fully decarbonise their buildings. Financial support to energy poor households should be long-term, mostly in the form of grants covering the largest share of the renovation costs,[10] ringfenced, and dedicated to the deep renovation of the worst-performing buildings.[11] To be accessible to vulnerable households, loans or energy service contracting programs should include grant elements, as vulnerable households usually have higher risk aversion to make long-term financial commitments.[12]

Accessibility of information, advice and practical support

Accessibility of information, advice, and practical support is key to triggering relevant building renovation actions in the right order. Providing information on how to renovate and decarbonise buildings often still centres around providing energy consumption data, based on energy bills, and generic information about the renovation actions to undertake. However, to be accessible to vulnerable households, all information tools, including technical assistance, building renovation passports, energy performance certificates, and one-stop shops should be made available more easily, including locally, and personalised to consider the specific needs of vulnerable households. Practical assistance, not just information, is essential.

10 Even grants covering half of the renovation costs are not supportive enough of energy poor households.

11 Because only deep renovations provide a structural solution to energy poverty.

12 For more information about financing programmes and their accessibility to energy poor households, see for example (Turai, E., Schmatzberger, S., & Broer, R., 2021)

A new paradigm on social and energy policies in the building sector

> *"Successfully decarbonising buildings in the EU requires the integration of the social justice dimension fully and positively into the energy and climate policymaking process." – Rutger Broer and Hélène Sibileau, BPIE.*

To realise the goal of a just transition, the social and technical dimensions of building decarbonisation policies should be considered together as early as in the design phase. Energy and social policies are clearly interrelated and should not be treated separately. Also, policies should be designed for triggering a positive impact from the start, rather than correcting negative impacts retrospectively.

EU institutions, national governments, and local authorities alike should take a leading role to ensure the integration of social and energy policies, besides adopting a paradigm of positive policy impact for bringing to life socially just building decarbonisation policies. Multi-level governance and collaboration are essential, as leaving the responsibility to single actors runs serious risks that people suffering from energy poverty will not receive sufficient attention. In this context, the potential for community-led action against energy poverty should also be facilitated.

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ENERGY POVERTY IN MULTI-FAMILY APARTMENT BUILDINGS IN POST-SOCIALIST EUROPE

Eszter Korinna Turai, Metropolitan Research Institute (MRI)

Metropolitan Research Institute (MRI) is an internationally and nationally recognized scientific think-tank, founded in 1989 and based in Budapest. Its work is dedicated to housing, social problems and urban development.

Introduction

While energy poverty is becoming recognised as a crucial problem in Europe, regional specificities are often overlooked. This article highlights the perspective of post-socialist countries, where energy poverty is more severe than it is in Western and Northern Europe. The most important causes are lower household incomes and savings rates, weaker welfare states, and highly inefficient building stock. The high home ownership rate and high dependence on oil and gas in the post-socialist regions create further barriers to tackling energy poverty.

A particular segment is the urban multi-family building stock, which was largely constructed in the socialist era, often without proper insulation as energy efficiency standards were low at that time. Condominiums often house many low-income homeowners, which is a challenge specific to post-socialist countries. The Horizon 2020 ComAct project – Community Tailored Action for Energy Poverty Mitigation[13] – aims to make impactful energy-efficient improvements in multi-family buildings in post-socialist countries accessible for energy-poor communities as well as to assist them to get out of energy poverty. Our research in the ComAct project analysed energy poverty in the multi-family buildings in three post-socialist regions in the Eastern part of Europe: Central and Eastern Europe, the former Soviet republics, and the Balkan region. A household survey was conducted in 2021 with 1,025 respondents in the five ComAct pilot countries[14]: Bulgaria, Hungary, North Macedonia, Ukraine[15], and Lithuania. The surveyed households live in buildings with worse-than-average social status.

The aim of the research was to *1) reveal the nature of energy poverty in post-socialist multi-family buildings*, and *2) map homeowners' attitudes towards a building-level renovation fund*.

Faces of energy poverty in multi-family buildings

The research showed that the most decisive risk factors behind energy poverty are the low income levels of households, older age and bigger dwellings per person. Based on these three factors, the most vulnerable group from an energy poverty point of view are single pensioners (seefigure 5). Women are strikingly overrepresented in this group, as shown on Figure 6.

13 The ComAct project is coordinated by Nadacia HFHI. Consortium partners are LVOA-ALCO (Lithuania), BPIE (Belgium), ENOVA (Bosnia and Herzegovina), HFHM (North Macedonia), IWO (Germany), ENEFFECT and Burgas municipality (Bulgaria), MRI (Hungary), and OHU (Ukraine). It is funded under the European H2020 programme under grant agreement number 892054 More about ComAct: https://comact-project.eu/the-project/

14 200 respondents were surveyed at each site, except for Lithuania, where 225 were involved.

15 The survey was conducted in the autumn of 2021, before Russia's invasion in Ukraine, thus our findings present the circumstances before the war.

Figure 5: Most important reasons for vulnerability to energy poverty among elderly people

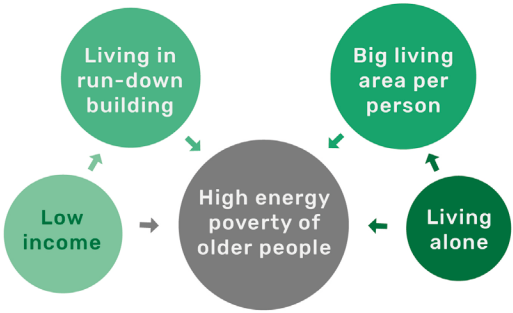
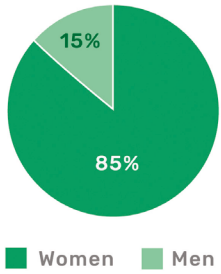


Figure 6: Share of women among single elderly energy poor respondents (across the whole sample)



Our data suggest that in the urban environment, in multi-family apartment buildings, having one or two children is not a risk factor for energy poverty.[16]

Our results support the notion that energy poverty is a multidimensional and highly context-dependent phenomenon. It has a comfort dimension, which affects whether a household can ensure adequate thermal comfort, and an affordability dimension, which is about the financial burden of energy costs. The two dimensions are often interconnected and affect the same groups; however, some people are vulnerable in one aspect or the other. As an example, in Lithuania, residents of brick buildings are distinctly more energy poor from a comfort point of view, while there are no significant differences with regards to affordability. In Hungary, residents of buildings built in the 1950s and 1960s suffer from thermal discomfort much more than those in other building types, although the financial burden of energy costs is lowest in this building type.

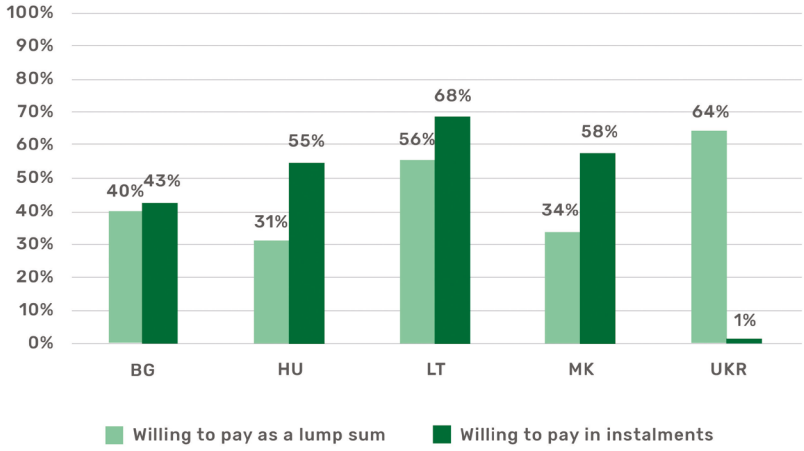
Contributing to a building renovation – approach of apartment owners

Even though the survey was conducted in multi-family buildings where a significant share of the households can be considered energy poor, the majority of respondents were still willing to contribute financially to the costs if a building refurbishment took place. More people would be willing to pay for the renovation in instalments, than as a lump sum – except in Ukraine.[17]

16 Limitations of the ComAct research did not allow us to analyse the vulnerability of families with 3 or more children, similarly to single parents, although both groups are considered to be at risk of energy poverty (WHO, 2022).

17 According to our local sources, the reason behind this may be the economic instability of Ukraine – even before the Russian invasion in 2022. This makes households highly uncertain about their future budgets, thus, a long-term loan seems very risky for them. At the same time, energy efficient refurbishment may seem to be a preferable investment option for Ukrainian people who tend to keep their savings in cash.

Figure 7: Share of respondents expressing willingness to pay for a renovation in one amount and in instalments



The financial situation of the households has the strongest effect on their willingness to contribute to the renovation, although other factors play a role. The connection between per capita income and the amount to contribute to the renovation was stronger for households preferring to make lump sum payments than paying in instalments. The social composition of most condominiums in the post-socialist regions is quite mixed, low-income owners can be expected in almost any building. Consequently, payment in instalments may be preferable for most owners in condominiums.

Respondents who assume that their community has an arrears problem concerning the payment of maintenance costs are willing to contribute a lower amount.[18] Cohesion within the condominium community is also crucial in the engagement of homeowners. Those inhabitants who observe conflicts between the residents and whose personal ties to other owners are loose, tend to contribute less to the renovation costs, than those who are satisfied with the community.

Households' willingness to pay appears to depend less on education level. In Lithuania and Bulgaria, the education of the respondent didn't make any difference to the amount they would contribute to the renovation. In North Macedonia and Hungary, education level played only a minor role.

18 In all survey sites, except Lithuania.

Recommendations

Building on the findings of the survey, the following aspects should be taken into consideration when designing policy to tackle energy poverty in multi-family buildings in the post-socialist regions:

- Energy poverty definitions should be based on the local context, rather than Europe-wide standards. They should cover both the comfort and the affordability aspects of energy poverty.
- As low income is the most prevalent cause of energy poverty, financial schemes for energy-efficient refurbishment have to include a generous grant element that allows lower-status buildings and low-income owners to modernise their homes.
- Paying in instalments creates more financial space for households, so establishing a financial scheme based on instalments might fit more to the needs of condominiums with a significant proportion of low-income homeowners.
- While elderly people (especially single pensioners) may be at the greatest risk of energy poverty in multi-family buildings, they are also least likely to contribute to renovation. Tailor-made policies have to be developed for this target group, for example social subsidies or housing support schemes.
- Stable communities and good building management are the foundations of renovation projects, so policy makers must strengthen the operation of multi-family buildings. Such efforts can include legislation for multi-family buildings, establishing joint loan financial schemes, improving the efficiency of building management, and supporting condominiums in handling arrears.

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The article is based on the *Guidebook on the concept of energy poverty and its relevance in the five ComAct pilot countries*. The research coordination and the data analysis was undertaken by Éva Gerőházi, József Hegedüs, Hanna Szemző and Eszter Turai (Metropolitan Research Insitute) and supported by all pilot partners. The *Guidebook* was written by MRI and BPIE. The Guidebook can be found here: https://comact-project.eu/pilot_content/guidebook-on-the-concept-of-energy-poverty-and-its-relevance-in-the-comact-five-pilot-countries/

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HOW BUILDING DECARBONISATION POLICIES AFFECT LOW-INCOME GROUPS

Ivana Rogulj, Vlasios Oikonomou, Mara Oprea & Axelle Gallerand, IEECP

The Institute for European Energy and Climate Policy (IEECP) is a not-for-profit, independent research institute working on science-based climate change mitigation as well as energy efficiency and renewable energy policy since 2015.

IEECP investigated the impact of three central decarbonisation policies in the Fit for 55 package[19] on low-income households in ten EU countries experiencing high levels of energy poverty (IEECP, 2022). The study, carried out for the European Climate Foundation, focuses on minimum energy performance standards, the EU Emissions Trading Scheme and the phasing out of fossil fuel boilers. It concludes that the greatest increase in disposable income for low-income households by 2050 will be achieved by a combination of these regulations. However, significant financial support is needed to cover the upfront investment costs of energy renovations, with policies ensuring energy costs do not increase for this target group.

Policies examined

Minimum energy performance standards (MEPS) require existing buildings to meet a certain energy efficiency level by a given date or at a chosen trigger point in a building's lifecycle. In December 2021, the European Commission published its proposal for the Energy Performance of Buildings recast, recognising MEPS as an essential regulatory tool to trigger the renovation of existing buildings on a large scale.

In June 2022, the European Council agreed to create an emission trading system (ETS2) applying to distributors supplying fuels for consumption within the buildings and transport sectors, putting a price on their emissions as of 2027. With the passing of the ETS2, suppliers of heating fuels will pass these costs on to consumers, making heating with fossil fuels more expensive. To mitigate the potential regressive impacts of this system, which may plunge middle-income families into energy vulnerability while causing low-income households' greater financial distress, the Social Climate Fund, financed by a portion of the ETS, will be used for income support and green financing.

The European Commission has proposed a requirement for Member States to phase out fossil heating by 2040 and has tasked countries to develop roadmaps to achieve this objective. Furthermore, the Energy Performance of Buildings Directive (EPBD) and Energy Efficiency Directive (EED) recasts propose a ban on public funding for fossil fuel boiler installations from 2027 and to exclude the contribution of fossil fuel combustion-related energy savings from national annual energy savings obligations. In addition, several countries have advocated for an EU-wide phase-out of the sale of inefficient fossil heating systems to further facilitate a withdrawal of the technology's use, in line with the European Commission's REPower EU plan.[20]

19 Fit for 55 is a package of climate legislation designed to deliver of Europe's 55% emissions reduction target by 2030. https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal/delivering-european-green-deal_en

20 The REPower EU plan aims to make Europe independent from Russian fossil fuels before 2030. https://ec.europa.eu/commission/presscorner/detail/en/IP_22_3131

Results of modelling and analysis

The introduction of the proposed policies is modelled against five scenarios comprised of different combinations of policies to address resulting costs, investments, and replacement rates (Table 1).

Table 1: Policy scenarios

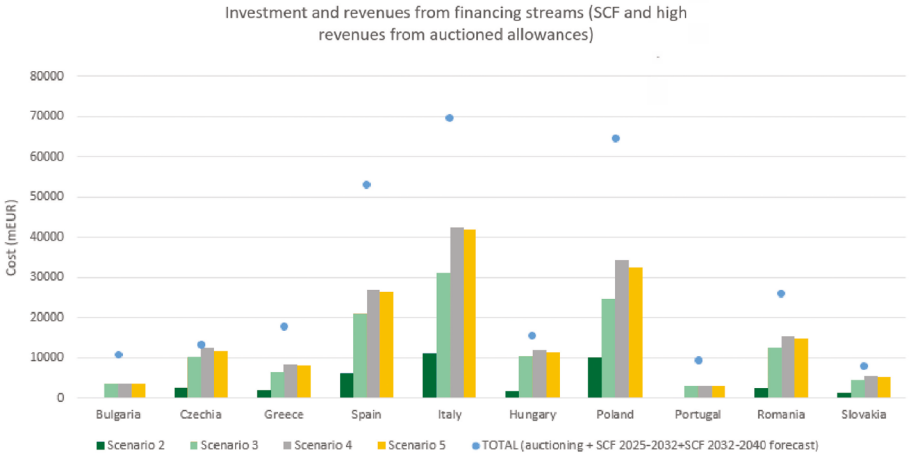
Baseline scenario Assumptions: No implementation of additional policies.
Scenario 1 Assumptions: An ETS2 price projection of €150 per tonne of CO2 equivalent by 2050 was considered to calculate the impacts of the ETS2 introduction.
Scenario 2 Assumptions: Mandatory phase-out of fossil fuel boilers.
Scenario 3 Assumptions: Establishment of Minimum Energy Performance Standards (MEPS) for achieving energy class E in 2035, triggering about 30% more energy savings.
Scenario 4 Assumptions: Combination of Scenarios 2 and 3.
Scenario 5 Assumptions: Combination of Scenarios 1, 2 and 3.

Source: IEECP, 2022

The introduction of MEPS in scenarios produces the greatest benefits for low-income households. These three scenarios (3, 4 and 5) create a steep fall of energy consumption and a positive influence on the condition of dwellings, provided that investments are fully covered by available funding. In addition, disposable income in 2050 would be highest in the scenarios introducing both MEPS and phase-out of fossil-fuel boilers with upfront financing.

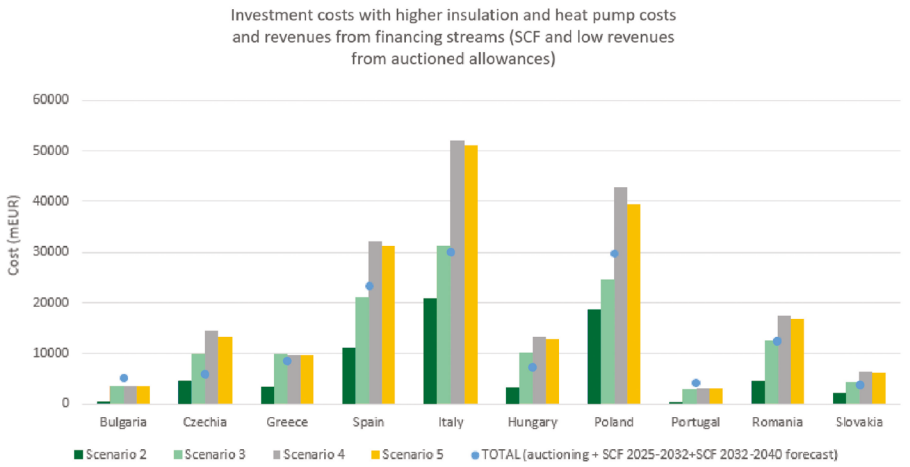
The introduction of ETS2 would result in the lowest loss of income for energy poor households. This occurs as no investments must be made into new or efficient technologies in comparison to scenarios where funds for refurbishments are needed (and financial support is not available). However, the higher the energy costs, the less this group can afford to spend on energy. Therefore, low-income households reduce their energy consumption to reduce spending, which simultaneously results in the loss of thermal comfort. Although part of the energy savings induced by ETS2 *could* result from fuel switches or increased energy efficiency, most would be caused by simple reductions of energy consumption in low-income households, causing economic and social stress.

Figure 8: Funding required for investments if costs of insulation and heat pumps become reduced due to economies of scale



Source: IEECP, 2022

Figure 9: Funding required for investments where funding is low and the costs of materials is high

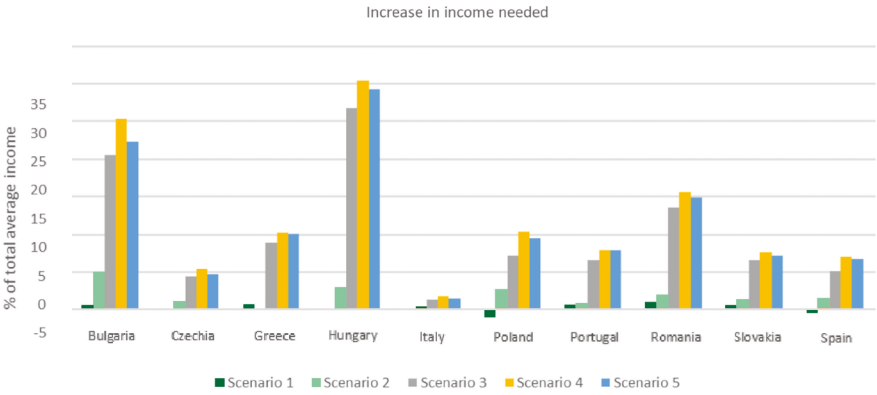


Source: IEECP, 2022

The funding required for investments in the various scenarios is pictured in Figure 8 and Figure 9, where the total available funds per Member State are represented by the blue dots. Based on current planning, Member States can cover recently increased energy costs and the investments for renovation required by low-income groups from these funds under the assumption that the costs of insulation and heat pumps will return to lower levels due to economies of scale (Figure 8). In the cases where funding is low and the costs of materials remain high (Figure 9), available funds must increase, while other funding instruments should provide additional targeted support to alleviate energy poverty.

To be compliant with new regulations, substantial increases in income would be needed to undergo renovations if upfront financing is not provided, as can be seen by the income increases depicted in Figure 10.

Figure 10: Welfare loss (income increase needed) in case no upfront costs is covered- value relative to average income



Source: IEECP, 2022

The effects of these policies on low-income households include decreases in energy expenditure in the medium to long run, improvement in comfort levels, and an increase in disposable income. This holds true if conditions are similar to those in Figure 9, or if new policy instruments are introduced to alleviate the eventual cost increases visualised in Figure 10. As such, policies should aim to finance the upfront costs of installing heating equipment or renovating buildings *as well as* the increased energy costs in the form of social and fiscal policies.

Recommendations

The combination of the three measures assessed can provide a correct signal and generate structural effects to low-income groups when combined with energy efficiency subsidy schemes with maximum funding rates for low-income households. In addition, a shift of funding from fossil fuel boiler upgrades to clean heating systems, including the end of subsidised fossil

fuel heating, would be needed in alignment with policy introductions and adequate timing of funding streams. Finally, the Social Climate Fund should be evaluated after the first period of its implementation, with guidance on how to carry out its financial planning.

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TARGETING UNFIT HOUSING TO ENSURE A TRUE SOCIAL ENERGY TRANSITION

Clotilde Clark-Foulquier, Project Manager, FEANTSA

FEANTSA is the European Federation of National Organizations Working with the Homeless. FEANTSA's work on energy poverty concentrates on the risks and opportunities of the ecological transition for the most vulnerable and more particularly on people experiencing homelessness.

Political leadership must ensure that the energy transition will be a socially fair one. To do so, ambitious public funding that targets the renovation of buildings inhabited by vulnerable households is a must.

A core element of the energy transition is to achieve a massive improvement in the energy efficiency of buildings, reflected in current EU policy through the overall "Renovation Wave"[21] strategy and the specific revision of the Energy Performance of Buildings Directive (EPBD). The energy transition, implemented amongst other things through these initiatives, has the potential to bring not only environmental gains but also significant social, health, and economic benefits to lower income and vulnerable households, through improved housing conditions. These multiple benefits and 'win-win-win' outcomes, cannot, however, always be assumed.

The risk of unintended negative consequences has been raised by some early experiences of renovation programmes, such as increased overall housing costs, renovictions, and "green gentrification" (Maby, 2020).[22] The current European framework is far from sufficient to address housing deprivation and energy poverty. Moreover, some of the policy proposals justified by the energy transition could contribute to the rise in living costs, de facto leading to lowest-income groups' population displacement and further difficulty in accessing affordable housing. The European climate ambition itself (if not shaped to take everyone, including lowest income groups, on board), could lead to a deepening and broadening of housing exclusion, be counterproductive, and fail to bring the social acceptability for the policy changes needed to reach the EU's climate target.

Despite this, FEANTSA argues that the renovation wave can be a considerable opportunity for adequate housing and social justice. But how?

Prioritising renovation for households that face energy poverty and poor housing conditions is the cornerstone of a just transition. In 2020, 14.8% of the total population and 22.8% of poor households were living in damp housing, i.e. in housing with leaking walls or roof, damp flooring, or foundations, or with mould on the window frames or on the floor (Eurostat, 2020). While dampness in housing had decreased over the previous decade, clear increases were recorded

21 The Renovation Wave is a European Commission initiative (a strategy and an action plan), part of the Green Deal, aiming to at least double the annual renovation rate by 2030. https://energy.ec.europa.eu/topics/energy-efficiency/energy-efficient-buildings/renovation-wave_en

22 "Green gentrification refers to processes started by the implementation of an environmental planning agenda related to green spaces that lead to the exclusion and displacement of politically disenfranchised residents. Environmental improvements tend to increase quality of life and property values, pricing out vulnerable residents and drawing in new and wealthier residents." The Barcelona Lab for Urban Environmental Justice and Sustainability

between 2019 and 2020, with an average of +17% for the total population in the 27 EU countries. Poor children were particularly vulnerable to unsanitary housing: 24.6% of poor children were living in unsuitable conditions, with significant increases between 2019 and 2020 in 11 countries including Finland (+128%), Italy (+66%), Ireland (+42%), France (+40%), Spain (+39%), Hungary (+22%), and Romania (+17%), (Serme-Morin, FEANTSA, 2022).

The Renovation Wave must be used to target first and foremost inadequate housing, housing of lowest income groups who need it most, particularly in a context of increasing energy prices and inflation. How? Through two axis of action. First, European Union funding (such as the Recovery and Resilience Facility, the Social Climate Fund and the cohesion policy funds) should ring-fence appropriate amounts in the implementation of Union programmes and in national financing schemes for the renovation of buildings inhabited by vulnerable households and people living in social housing. This will mean lowest income groups in the private rental sector but also poor or vulnerable people in social housing and owner-occupied dwellings.

Second, beyond this obvious focus, FEANTSA proposes to also leverage the impact of the Renovation Wave by investing massively into the retrofitting of inadequate temporary accommodation (e.g., hostels, shelters, refuge accommodation, etc.). The aim is to transform them to improve both energy performance and social impact. A targeted investment in the "Housing First" model, which prioritises independent, adequate, and stable housing over collective emergency accommodation, will bring both an environmental and a social win.

This is exactly what has been done as a basis of the housing first development in Finland (Y-Foundation, 2017). It all started with the Alppikatu overnight shelter (built in 1937), which was transformed from a very energy inefficient collective emergency shelter into an 81-apartment high energy performance housing unit. This took time and involved some intermediary steps. But the idea is there:

> *"not just a renovation, however, but a transformation of the entire way of doing work on homelessness. The programme set by the government aimed to discontinue shelters in all ten cities participating in the programme. The City of Helsinki was also preparing for a radical transformation. The life of Alppikatu as a shelter would come to an end and it would be replaced by something better: a home instead of a place to sleep." – Y-Foundation, 2017, page 31*

Today, Finland has succeeded in reducing drastically the number of its homeless people, thanks to its ambitious housing first approach, and has become a model on how to address homelessness worldwide. Why not replicate this transformative social ambition to the Renovation Wave?

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OPENGELA – HOME RENOVATION ONE-STOP-SHOP FOR VULNERABLE DISTRICTS

Clémence Pricken (FEDARENE), Andoni Hidalgo (Euroiker)

FEDARENE is the premier European network of regional and local organisations which implement, co-ordinate and facilitate energy and environment policies. Regional and local agencies, regional governments and departments working in these fields, are represented in FEDARENE.

Urban regeneration is one of the key sectors to achieve an energy-efficient Europe. Only 1% of buildings are renovated to be energy efficient every year (European Commission, 2020), and ambitious building renovation is crucial in making Europe climate-neutral (net-zero emissions) by 2050. But in order to achieve long-term sustainability in our cities, a wider, integrated approach (encompassing also social and economic elements) is needed, and integrated urban regeneration projects can play a significant role in that respect.

The EU-funded HIROSS4all project[23] develops and implements the OPENGELA home integrated one-stop-shop renovation service in the Basque Country, Spain. The project produces an economically viable business model that brings together active citizen engagement and an innovative financial instrument, making it suitable for vulnerable populations. The project focuses on energy-efficient building renovations with improved accessibilit, and building security. To this end, the district offices, named "*opengela*" (meaning "open spaces") concentrate knowledge on the technical, financial, social, administrative, and operational aspects of home renovation. They collaborate with social workers and building renovation professionals. They centralise and minimise the management and administrative procedures, support the use of available funding, channel public aid, and act as information centres (Opengela, 2019).

The Basque Country faces several challenges when it comes to urban renovation. The building stock is old, with about 65% of the buildings older than 40 years and 77% of buildings are multi-family ones. The territory is densely populated: 2.1 million people in 7,234km², with an ageing population. 31% of Basque Country citizens are living in a vulnerable district[24] and 10% are at risk of energy poverty (Hidalgo 2021, p.30; Hidalgo 2022, p.3). As a result, a large part of the population is neither eligible for traditional bank loans nor, in extreme cases, even for loans with preferential conditions. OPENGELA proposes to support these groups by providing up to 100% of the renovation budget with a quick and easy request process, no linkage to life insurance or otherwise, no cancellation fees, a payment deadline of up to 15 years, and a nominal interest rate of 5.95% or 6.45% depending on energy efficiency improvement ambition (Hidalgo 2022, pp.10-11).

Within the project framework, two pilot district offices are running in Otxarkoaga (Bilbao) and Txonta (Eibar). In Otxarkoaga, the initial projects focus on multi-family buildings (about 240 homes) selected based on (1) their vulnerability status ("the indicators were – among others

23 HIROSS4All (Home integrated renovation one-stop-shop for vulnerable districts) is an EU-funded project under grant agreement number 846707

24 Based on parameters such as socio-economic and socio-demographic issues, average income, living conditions (age of buildings, accessibility of buildings and to the facilities, state of the building infrastructure, health conditions in homes), etc.

– parameters such as unemployment, level of income, age, dependency rate, building stock: age and lack accessibility" (Hidalgo 2021, p.30)), (2) the ratio of households in social rental housing, and (3) homeowners' needs. The office staff play an active role in building trust with the homeowners. They have organised several meetings, face-to-face or over the phone with each owner to explain the process, the reasons and the benefit of each renovation aspect. In Txonta, the target buildings, include multi-family (221 homes) and ex-industrial buildings. The latter were chosen to bring back some economic dynamism to the city. "*[*An*] important element of the [*One-Stop-Shop*] is that the staff [*of the offices*] knows the neighbours (they carry out a wide diagnosis covering social, economic, and cultural aspects) and can offer them a 'non-institutional space' for getting in touch within their neighbourhood. In addition, the offices are also used as a social and knowledge hub: training courses, seminars and conferences are organised on topics related to urban regeneration*" (Hidalgo 2021, p.31).

The cost of the individual renovation projects range from €5,000 to €70,000 based on the work needed. On average, the initial investment is about €40,000. And the payment capacity ranges from €40 to €500 per month. (Hidalgo 2021). The Opengela offices assess each case (including the risk of default payment) for each neighbour, and individualised solutions are proposed to each household, based on their specific situation.

However, energy efficiency is not the main reason why households agree to undergo renovation. Accessibility and safety are key in the decision-making process. Adding an elevator, and updating the entry door systems are renovation features that immediately improve people's lives (Hidalgo 2022). In a study carried out in Otxarkoaga, Sonia De Gregorio found that to the question 'who is left behind?' in urban regeneration, the answer is often 'women'. This guide proposes to implement a methodology for urban regeneration with a gender perspective. For instance, policies on urban planning and mobility planning should take into account the difficulties faced by women taking care of small children – caretakers' mobility faces different, bigger challenges. Another example is the link between mobility and security (on-demand stops of public bus services during the night, in order to minimise walking tours that women have to do at night, quality street lighting, etc.) (De Gregorio Hurtado, 2020).

Figure 11: Renovations in the Txonta neighbourhood in Eibar

Credit: Opengela Eibar

These two pilot offices are the first in a larger series. The Basque municipalities of Durango and Lasarte-Oria, for instance, have already opened their *opengelas* in the Aramotz and Basaundi Bailara neighbourhoods, respectively. Like previous home integrated renovation services before, the OPENGELA model aims to be replicated elsewhere, not only in the Basque Country but also throughout Spain and Europe. And like other home integrated renovation services, OPENGELA is well placed to leave a long-lasting impact in its territory. Indeed, initiatives like Île-de-France énergies[25] or Electric Ireland Superhomes[26] are famous around Europe and continue to inspire other regions and municipalities to act and renovate their building stocks. As described by Christophe Milin and Adrien Bullier in their 2021 publication, each service fits the needs of its territory, but common trends remain: advice, support, implementation, and sometimes financing (Milin & Bullier, 2021). "(…) public authorities, especially local and regional authorities and their energy agencies, can provide valuable information and first level advice to homeowners thanks to their proximity" (p.820). OPENGELA is nurturing this proximity every day in exchanges with neighbours, ensuring that everyone has all the answers they look for and all the support they need. This ensures that no one is left behind.

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A CRITICAL ASSESSMENT OF THE ITALIAN SUPERBONUS

Francesca Andreolli, Energy Policy Advisor, ECCO Think Tank

ECCO is the first independent Italian, non-profit climate change think tank. Founded in 2021 with a mission to accelerate climate action in Italy and around the world, ECCO uses its independence and expertise to identify and promote transformative science-led climate solutions and implementation strategies.

Italy is among the European countries with the highest dependence on energy imports, with 74.4% of total energy needs covered by imports compared to a European average of 57.5%. For Italy's natural gas needs, dependence on imports is even higher with 92.8% covered by imports, which is 9.2% higher than the European average (Eurostat 2020). Furthermore, the Italian building stock consumes approximately 45% of the national final consumption and it is responsible for 17.5% of the total national greenhouse gas emissions (Ministero dello Sviluppo Economico, 2020). Italian buildings are very old: about 70% of them are almost 50 years old and were built before energy and earthquake regulations, with technologies and materials that had quite different features and performance. These buildings consume four to five times more energy than new ones, hence the need for large-scale energy renovations. The poor energy performance of the Italian building heritage is one of the causes of energy poverty, which affected 8% of Italian households in 2020 (13-22% in southern regions). A significant increase in energy poverty can be expected in 2021 and 2022 due to the recent energy crisis (OIPE, 2021).

To promote building renovations, Italy has introduced several tax incentives since 2007. The most important energy efficiency mechanism is called Ecobonus and provides a tax deduction of 65% for projects aimed at reducing building's energy consumption. In 2020, within the Relaunch Decree (Law Decree 34/2020), the Ecobonus was extended and upgraded: a new tax deduction of 110% of the cost was introduced for specific retrofit works, called Superbonus. The main objective of this new measure was to revitalise the construction industry, as well as to promote energy efficiency.

Although the energy savings achieved by all the supporting incentives are in line with the trajectory set by the Italian National Energy and Climate Plan for the sector to 2030, they are still insufficient to achieve the more ambitious objectives provided by the Fit For 55 and REPowerEU packages (European Commission, 2021, 2022).

The overall structure of current incentives is far from effective or efficient. There are many – perhaps too many – instruments (i.e., "Bonus Casa", "Bonus Facciata", "Bonus Mobili", "Ecobonus", "Superbonus"), which are characterised by different features and conditions that do not require equivalent monitoring and verification tools. Most importantly, they are not all directly aimed at improving energy efficiency or are in line with decarbonisation targets (e.g., efficient gas boilers are still eligible for the 110% tax deduction).

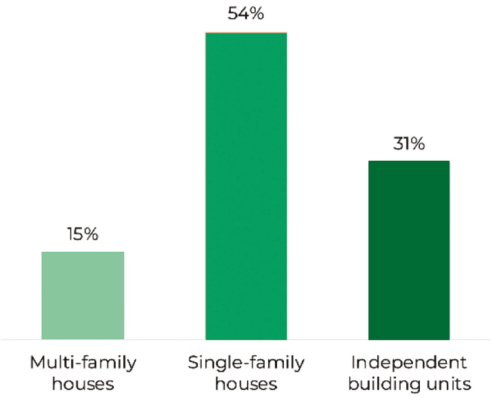
Specifically, the Superbonus, which has already exceeded its initial budget of €33 billion, offers a deduction of 110% of the cost related to energy efficiency measures. Eligible measures are divided into primary (thermal insulation and replacement of the existing heating equipment) and secondary improvements (the installation of photovoltaic panels, double glazing, electric car chargers etc.). To obtain the incentive, homeowners must perform at least one primary

work and the resulting improvements must increase the building's energy efficiency label by at least two categories. Either the deduction is used as a tax relief, or households can choose to obtain a discount of the same amount on the invoice applied directly by the supplier (invoice discounting). The supplier, on the other hand, can decide in turn to use the deduction obtained in the form of a tax credit or transfer it to the bank (credit assignment). Thus, by eliminating the upfront costs while covering all citizens including those who do not pay tax, the mechanism could benefit low income/energy poor households and solve the landlord/tenant dilemma.

In principle, the Superbonus could be a valid mechanism as it promotes system-wide energy efficiency, but it has nevertheless some serious drawbacks. Firstly, the short timeframe (the current deadline is 2023) inevitably causes problems in terms of the price of materials and availability due to the concentration of a large number of applications within a short period of time. Secondly, the access criteria are too weak: an improvement of only two energy labels is required, and the scheme does not exclude second homes or the installation of gas boilers. These weak criteria clash with the size of the incentive and the decarbonisation targets, particularly the need to reduce reliance on gas. Thirdly, the Superbonus (Figure 11), like the other incentives (Figure 12), is a socially regressive instrument that tends to be accessed more by wealthier households living in single-family houses than to those living in multi-family ones.

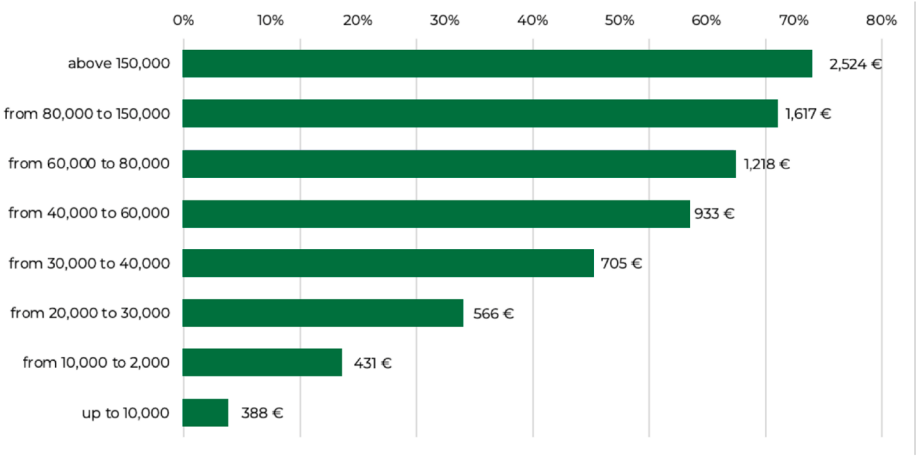
The Superbonus hasn't worked well for low-income households because of the uncertainty created by its short timeframe as well as the complexity of the paperwork, which discourages low-income households in particular from taking the risk and starting the renovation process. This is compounded by the fact that building contractors ask households to pay upfront for the building energy efficiency assessment and evaluation of the potential improvement in the energy label.

Figure 12: Percentage of Superbonus projects, by building type



Source: ENEA, 2022

Figure 13: Use of "Bonus Casa" (%) and amount of annual deduction (euros) by income classes of taxpayers in 2019



Source: CRESME, 2021: 11

Crucially, restructuring this mechanism to better target those most in need would make it less burdensome for the state and thus more sustainable as a permanent instrument, as well as being fairer.

> *"To reduce energy poverty and achieve climate goals, Italy needs to reform the structure of current incentives and develop a long-term strategy for energy efficiency that must become a permanent key pillar of the national energy policy, taking into account not only environmental, economic and political needs, but also and above all social vulnerabilities" – Francesca Andreolli, ECCO*

Therefore, a revision and reorganisation of the entire Italian incentive system for the building sector over a 2030, but ideally 2050, timescaleis necessary. The new scheme should give a higher premium to requalification that improves energy efficiency and provides contribution levels (50-65-75-85-90-110%) that is tied to both the energy savings achieved and the households' income level. This would boost deep energy renovations and give more support to the most vulnerable social classes. Moreover, it should include specific budget or programmes for social housing and public buildings. A revolving fund partially financed by energy cost savings could represent a possible virtuous solution, in which energy expenditures of renovated buildings are used to finance new energy-efficient interventions rather than pay for fossil fuels. Special attention should be devoted to the consumers most in need of lower utility bills and to standardised, large-scale interventions in the social housing domain.

A restructuring of incentive schemes should run parallel to the design of a progressive and permanent renovation plan for the whole Italian building stock, adequately designed to reach the 2050 climate targets. It should take into account energy performance requirements, by scheduling, for instance, the renovation of a share of buildings in energy class lower than D by 2027. This could give a clear signal to both citizens and operators in the construction sector. In general, it is necessary to develop a pathway for the implementation of minimum energy standards across different housing tenures.

Through long-term planning, the new incentive scheme will turn into a sustainable and, consequently, key element of energy and economic security, as well as a constitutive step of the decarbonisation process that helps to reduce the dependency on gas imports and lowers consumer bills.

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THE GREATNESS OF THE PETITE SCALE: LESSONS LEARNED FROM A SPANISH MUNICIPAL CHAMPION

Javier Tobías, building renovation policy officer, energy and people department and Cecilia Foronda, Director of energy and people department, ECODES.

Ecología y Desarrollo (ECODES) is an independent not-for-profit organisation, founded in 1992 to develop, manage, and promote sustainable development projects. The organisation develops projects, reports, briefs, articles, studies and best practice manuals on environmental and social issues.

Building renovation and urban regeneration processes are within the purview of all government and policy levels. This includes European directives like the Energy Performance of Buildings Directive[27] and their transposition into national law of the different Member States, as well as national and regional regulatory frameworks affecting the building, housing and planning fields. Despite this, the administrations at the local level are the ones closest to and most aware of the specific problems in their building and housing stocks, within their districts and experienced by their people (Spanish Ministry of Development, 2019). This proximity allows local governments to implement more innovative and specifically designed management solutions.

It is therefore important to keep an eye on what is being done in municipalities that are actively fighting for decent, safe, and affordable housing for all through the renovation of their worst performing building stock.

Many residential neighbourhoods were built during Francoist Spain to house those migrating from rural to urban areas as part of the rural exodus of the mid-20th century. The lack of a regulation that would secure the quality of the houses built and the pursuit of maximum economic benefit by the building sector produced monotonous and poor solutions with public spaces of little use (Paricio Ansuátegui, 1973). These unfit solutions formed wholly unfit districts which deteriorated with a lack of renovation or regeneration initiatives (Betrán Abadía, 2017).

The renovation of these districts received little attention until the beginning of the 21st century, when several pieces of policy and integrated maintenance and renovation programs were set in motion at the national, regional and municipal level (Rubio del Val & Molina Costa, 2010).

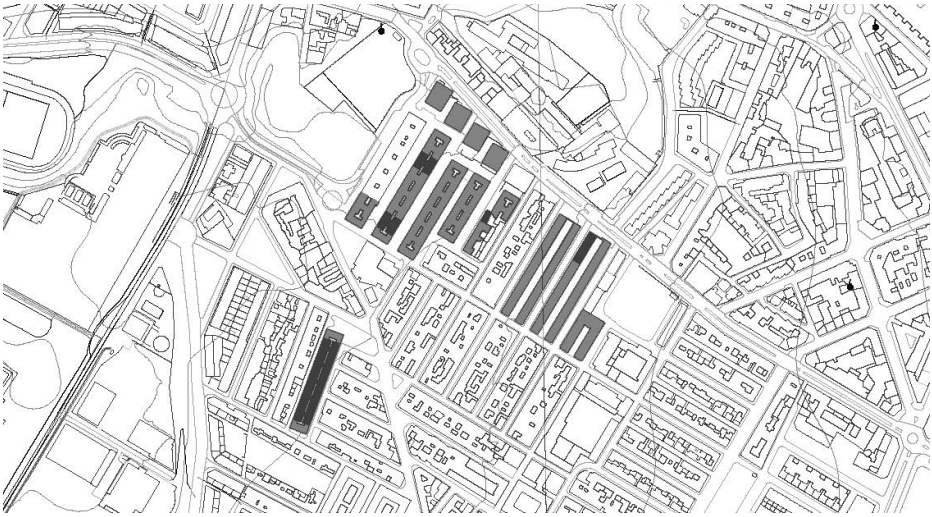
One of these programs was Lourdes Renove, carried out between 2010 and 2011 in the district of Lourdes, in Tudela (Navarre). The program was led by the Municipality of Tudela and the public housing company Regional Government of Navarre (NASUVINSA), with the collaboration of relevant stakeholders like the National Reference Centre for Renewable Energies and Energy Efficiency, the National Centre for Renewable Energies and social support and innovation enterprises, in the framework of the CONCERTO initiative (Municipality of Tudela, 2012). It was a multilevel initiative, which allowed for the coordination of urban planning, contracting and financing. It was useful to gather in national law some of the innovations carried out during this process (Hernández, et al., 2018). One example of these innovations was allowing the modification of the volumetric building area to enable the installation of elevators and heating

27 https://energy.ec.europa.eu/topics/energy-efficiency/energy-efficient-buildings/energy-performance-buildings-directive_en

systems or partially increasing the size of the dwellings, which was introduced in the Spanish Land Law of 2015.

The holistic and innovative approach in terms of public leadership and coordination was replicated in all the parts of the process. The Municipality of Tudela supported the existing renovation one-stop shop located near the district, increasing its capacity and enabling it to cover all the topics related to the process: from economic, technical and legal issues to social and informative ones (NASUVINSA, 2012). This one-stop shop had a pivotal role in mobilising neighbours, resolving conflicts and carrying out an initial analysis of the population, building typologies and condition within the district.

Figure 13: Map of the renovated area in Tudela (1:7.500) with the set of buildings proposed for renovation (grey) and the pilot tests carried out (black)



Source: Made by the authors, cartographic base of the Navarra Territorial Information System.

The renovation process started with a participatory process that involved many of the relevant stakeholders in the district: neighbourhood associations, property managers, communities of owners, women's associations, day-care centres and general neighbours. This process followed a social revitalisation plan drafted by a social cooperative, and served both as a source of information for the aforementioned analysis and as a way to inform, engage, and coordinate all of the stakeholders and neighbours. The engagement and coordination in particular is especially necessary in the Spanish context, where multi-family buildings are prevalent and renovation works to these buildings require broad consensus of stakeholders.

Lourdes Renove was designed as a building renovation and urban regeneration pilot project to be applied in some buildings and areas (Figure 13), through which technical solutions for the different building typologies could be tested, local population could be informed, and the

degradation that the district was suffering could be stopped. The range of actions carried out in some buildings of each building typology of the district was therefore wide: the energy efficiency of the thermal envelope and the accessibility were improved (Figure 14), the existing district heating was renewed with a biomass fuelled system, photovoltaic panels were installed, some streets were redeveloped, and all the energy saving were monitored in the renovated buildings.

Figure 14: Some of the buildings renovated through the Lourdes Renove project.

Source: Municipality of Tudela.

Through the combination of different funding sources, such as the CONCERTO initiative, regional incentives linked to housing and innovation, and incentives provided by the Municipality of Tudela, 59% of all the works carried out were covered by public subsidies (Hernández, et al., 2018). The latter should be highlighted, since it provided additional incentives for vulnerable households that were applied progressively depending on the household's income and size, and covered up to an additional 20% of the costs. It also covered 50% of the costs of the project fees (Municipality of Tudela, 2010), overcoming one of the most common barriers that households face when renovating their home.

Monitoring has shown that the works carried out improved the energy efficiency of the buildings between 60% - 70%, depending on the type of building (Córdoba-Hernández, Sánchez-Guevara, Torres-Solar, & Román-López, 2021). Some existing problems in many of the buildings, such as dampness and condensation within the building fabric, were also solved, greatly improving the living conditions of those inhabiting these dwellings.

Projects developed at this scale show the complexity of extensive building renovation processes; however some key lessons can be extracted from them and, hopefully, replicated in other territories:

- These processes require strong public leadership, as modifications in urban planning may be needed and public leadership is central to ensuring the right to decent housing.
- Considering the consensus necessary to carry out these processes, local stakeholders and neighbours should be included and considered in the process from the very beginning.
- Deep analysis of the existing context must be carried out before starting any of these processes, as social and constructive factors can greatly influence how they are developed.
- Vulnerable households need more economic, social and technical support to be able to carry out these processes, and the designs and processes should be specifically tailored to fit the needs of these households if no one is to be left behind.

This process, which started as a pilot test, had little continuity once public financing was removed, showing how important public leadership and economic, social and technical support is to these processes (Jimenez Romera, Molina Costa, & Nicolás, 2017). Luckily, in 2019 a second one-stop shop was opened inside the Lourdes district (Government of Navarre, 2019), aiming to finish what began in 2010.

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EMPOWERING WOMEN TO TAKE ACTION AGAINST ENERGY POVERTY IN THE MEDITERRANEAN

Lidija Živčič, Senior Expert, Focus Association for Sustainable Development, Coordinator of the H2020 project EmpowerMed

The EmpowerMed project connects nine partners from seven countries: Focus (Slovenia), DOOR (Croatia), Sogesca (Italy), UAM, IREC and ESF (Spain), WECF (Germany) and Milieukontakt (Albania). More information about EmpowerMed is available at https://www.empowermed.eu/.[28]

In the coastal areas of Mediterranean countries, the challenge of energy poverty comes with several specific features (EmpowerMed 2020a). The most notable is that during the summer season, energy poverty mostly appears because of lack of access to adequately cooled dwellings. Lack of pre-installed central heating systems and electricity-based heating, which is expensive, are another specificity of this region. Dwellings have no or low levels of insulation and there is a high level of housing in a poor state of repair, which makes the situation more challenging. Additional key aspects of the region are arrears on bills, indebtedness and the risk of disconnection. In addition, energy poverty and housing insecurity are linked, with evictions as the worst consequence of housing unaffordability, which is due to tensions between locals and tourist demand for housing. Lastly, coastal urban areas are also affected by precarious, low-quality jobs (eg. in tourism, harbours…).

Women and women-led households are disproportionately affected by energy poverty (Birgi et al. 2021: 2). Due to labour division, women tend to spend more time working at home and thus are more exposed to energy poverty and its consequences (EmpowerMed 2020a). Generally, there is a higher share of women who are at risk of poverty and social exclusion than men. Women are also more heat and cold sensitive than men due to physiology (chronic temperature-related discomfort, heat and associated diseases) (EmpowerMed 2020a). Yet, women are crucial actors in tackling energy poverty, hence their engagement in acting against energy poverty is of utmost importance.

In order to address these challenges, the project EmpowerMed - Empowering women to take action against energy poverty in the Mediterranean – aims to contribute to energy poverty alleviation and health improvement of people affected by energy poverty in the coastal areas of Mediterranean countries, with a particular focus on women (EmpowerMed 2020a). The project mainly implements practical solutions to empower people affected by energy poverty to manage their energy consumption and improve their access to appropriate energy resources. However, the project also assesses the impacts of various practical energy poverty alleviation measures to formulate policy solutions for tackling energy poverty at the local, national, and EU level.

One of the key practical activities of EmpowerMed are the so-called 'collective assemblies', which gather about 20-30 people affected by energy poverty in common spaces to discuss and exchange knowledge and skills about energy use, reading energy bills, implementing simple

28 EmpowerMed is an EU-funded H2020 project under grant agreement No 847052.

measures for energy saving, changing energy providers and any other action that can reduce the effects of energy poverty. Of particularly important was learning how to work out debts with energy companies. In this way people support and empower one another and work together to seek solutions to their problem of high energy bills. Sometimes partners also accompany the families to talk to energy companies for changing contracts or working out debts. The main specific characteristic of the community approach is that it uses collective intelligence of the network to engage members to support each other. The collective support group is an indispensable tool for transformation, facing a set of problems which would otherwise overwhelm those affected.

Another key activity of EmpowerMed are household visits to people affected by energy poverty, whereby the advisors check the energy and water bills of the households, conduct a set of measurements (use of appliances, water use, etc) and discuss household's habits. By doing this, they identify the potential for saving energy and water in the households or needs to increase energy consumption. Based on the findings, the advisors can implement low-cost measures by regularly installing free devices, which will help the household reduce energy and water use. One of the installed devices is a ceiling fan, which helps tackle the problem of summer energy poverty. Advisors also give households guidance on changing energy use habits, keeping dwellings comfortably cool and further possible steps. This advice is collected in a handbook for households (EmpowerMed, 2020b).

> *"Marc, who is in charge of the household visits in Geres [French partner of EmpowerMed], came to my house and we went through the apartment: we measured the temperature of the fridge, the temperature and the ambient humidity, checked the water heater, the windows. When I told him that I never heated in winter, for fear of seeing my electricity bills soar, he suggested that I try a simple tool: reflective panels that he slipped behind each of the electric radiators, to better diffuse the heat: I'll try it next winter! And for the summer he installed a ceiling fan that I've been using since early June, as the heat started to be felt early this year: it's super efficient and quiet, it's incredible!" – Manon, 24, Marseille*

EmpowerMed also provides 'do-it-yourself' DIY solutions for households affected by energy poverty –workshops, where people find out about simple low-cost or no-cost measures to tackle energy poverty, such as creating shade with plants or natural ventilation of dwellings. However, the project also implements two other types of DIY actions: workshops for installing of photovoltaic panels and DIY reading of smart meters to enhance people's understanding of their electricity use.

Finally, EmpowerMed also implements two types of health workshops. One type is to train health experts and practitioners to detect health impacts of energy poverty and equip them with simple measures to reduce the impacts or direct people to further assistance programs. Another type is to work directly with affected people, where the workshops address the issue of mental health and a therapist supports the affected people.

As previously mentioned,, gender is a central theme of the EmpowerMed project. The project is built on the assumption that structural gender-related inequalities result in women and households led by women being disproportionately affected by domestic energy deprivation. In order to mainly focus on and engage women, EmpowerMed aims at involving at least 60% women on average throughout the project activities. To achieve this, the partners are conscious of women's schedules and organise activities in a manner that allows women to participate carefree. The project systematically identifies and incorporates gender-specific factors of energy vulnerability in the design of project activities and in the deployment of technical and non-technical approaches implemented by the project. It also uses gender-disaggregated indicators and data for monitoring and reporting and reviews gender-targets regularly. Finally, EmpowerMed prioritises female voices and inclusive speech in the dissemination and communication of project achievements both to specialized and general audiences.

Experience from the project shows that women are important actors in addressing energy poverty as very often they are the ones taking care of the energy aspects in the household. Women tend to appreciate small steps for improving comfort and wellbeing, while men prefer large changes, which are sometimes hard to achieve (e.g. change of the heating system). This is why women are good initiators of action against energy poverty and must be included in addressing the problem.

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Part 2: Towards clean, affordable energy as a human right

The chapters in Part 2 of the handbook address the need to ensure households can access affordable and clean energy services to meet their needs. The first chapter sets out the EU and international rights frameworks that establishes that energy services are vital for dignified human life (p44). Two chapters focus on the urgent need to shift away from reliance on fossil fuels, particularly gas, and to ensure that low-income households are not locked into fossil fuels whilst higher income neighbours can elect to decarbonise (p47 and p56). A summary of the support for zero emissions heating available across all EU states illustrates that in most countries this is insufficient (p54).

Four chapters propose initiatives and ideas for improving the access to clear and affordable energy. A grassroots movement in Catalonia in Spain is working to realise the right to energy through banning disconnections (p60), whilst a minimum energy service provision in France is proposed as an alternative to disconnection (p63). At the macro scale, unions question whether the liberalised energy model is able to deliver affordable, democratic access to energy (p69) and at the local level, opportunities for citizen-led energy cooperatives to become involved in address energy poverty in their local areas are showcased (p66).

CONTENTS

The right to energy (Next Energy Consumer) 44

Feast and famine: How Europe's energy crisis benefits fossil gas majors as people struggle to survive (Global Witness) 47

Renewable heating for all (EEB) 53

Ending fossil fuel lock-ins for a just energy transition (FoEE) 56

What energy poverty measures for the future? Empowering, gender responsive, intersectional and health approaches (APE) 60

A minimum electricity service for all, guaranteed whatever the time of year (Fondation Abbé Pierre) 63

Energy communities' potential for energy poverty alleviation (REScoop.eu) 65

Our energy system in a crisis – Unions for public, democratic energy futures (EPSU) 68

THE RIGHT TO ENERGY

Marine Cornelis, executive director and founder of Next Energy Consumer.

Next Energy Consumer is a policy consultancy focusing on the social aspects of energy and climate transitions, at European and international levels. Marine is also an Ambassador of the European Climate Pact.

20. Access to essential services

Everyone has the right to access essential services of good quality, including water, sanitation, energy, transport, financial services and digital communications. Support for access to such services shall be available for those in need.

European Pillar of Social Rights (2017)

With almost 733 million people lacking access to electricity altogether, twice that number having access only sporadically (IEA, IRENA, UNSD, World Bank, WHO 2022) and more than 80 million Europeans suffering from energy poverty (Right to Energy Coalition, n.d), how can a "right to energy" trigger action?

The right to energy is a concept that places access to and use of energy services as a fundamental human right beyond the commodity relationship. Access to electricity in sufficient quantity and quality is vital for a dignified human life. Energy services help to meet health, well-being, education, social inclusion, and empowerment needs. For instance, electricity is needed to store food and medicines, and power the appliances that enable to make digital payments. The right to energy, or the right to energy services, means that all human beings have certain rights and entitlements to fully benefit from those rights. It is a starting point for policy actions to overcome the lack of access to energy and energy services and address energy poverty. The right to energy is closely linked to the right to housing, as "an adequate house must contain certain facilities essential for health, security, comfort and nutrition", such as "energy for cooking, heating and lighting, sanitation and washing facilities", as well as protection against "cold, damp, heat, rain, wind or other threats to health" (UN CESCR General Comment No. 4 on the Right to Adequate Housing in Article 11 of the International of the Covenant on Economic Social and Cultural Rights 1991).

The right to energy framework implies that practical steps must be undertaken to make rights effective for everyone, equally and without discrimination. The State fulfils this duty along with other public actors (e.g. regulators, ombudspeople, public social housing), private parties (e.g. energy companies), or the civil society (represented by unions or consumer associations, for example). In short, the State and other stakeholders "strengthen, safeguard, fulfil, and protect individual rights to energy" (Shyu 2021). For instance, public authorities must design coherent policy frameworks to support citizens affected by energy poverty without discrimination. Once existing, these rights must be monitored, controlled, and enforced and access to justice and redress provided. For example, the State must give the ombudspeople the resources to handle and fix the disputes related to supplier shortcomings in applying for certain energy-related rights, such as benefits for the people in energy poverty.

The right to energy is a concept behind many United Nations (UN) declarations and strategies, such as the UN Sustainable Development Goals (SDGs), adopted in 2015. In particular, Goal 7 focuses on "Clean and affordable energy". It seeks to ensure access to affordable, reliable, sustainable, and modern energy for all and considers energy at the heart of all current and future challenges and opportunities. To date, energy is also recognised as a fundamental right in the European Pillar of Social Rights (2017), a non-binding charter, just like water or health (article 20). Recital (59) of EU Electricity Directive 2019/944 also acknowledges that "Energy services are fundamental to safeguarding the well-being of the Union citizens".

However, in the European Union, the right to energy is not (yet) explicitly recognised in the law (in the broad sense) or directives. Yet, several international, regional, and national legal instruments now incorporate corresponding rights into law. For example, Spain, France, and Greece recognise rights to energy, whether at the national level, through constitutions, courts and lower-level laws (Hesselman et al. 2019). In France, for example, the Energy Code specifies that the national energy policy "guarantees social and territorial cohesion by ensuring the right of access of all households to energy without excessive cost in relation to their resources" (Energy Code, Article L100-1, 5°). In the rest of the world, Colombia, South Africa, India, Pakistan, and the Philippines include provisions on rights to energy (Hesselman et al. 2021).

A right to energy implies investing in the possibility of realising it (what thinkers like Amartya Sen and Martha Nussbaum have defined as "capabilities"). Rights and policies must give people the freedom to do and be how they like, and create the conditions to achieve and maintain human dignity. To fully realise the right to energy, it is therefore essential to recognise the different dimensions of vulnerability and put measures in place to overcome them (Hesselman et al. 2021). For example, Creutzfeldt et al. (2021) have noted that people in vulnerable circumstances often cannot navigate the energy market and find their way to the ombudspeople for help. A right to energy approach would enable inclusive strategies with relevant local stakeholders, such as charities, and increase the capacity of ombudspeople to overcome these prejudices and make sure that everyone gets their rights enforced.

In practice, guaranteeing the right to energy implies actions in complementary directions, such as: providing access (such as infrastructure to ensure continuity of supply, guarantees against disconnections); affordability (and thus ensure the right to *use* energy, for instance, with measures to help pay bills); good governance, transparency, accountability and energy democracy (participation in political decision-making, in energy communities, access to information and justice); protection, advocacy and redress to address any right infringements.

It may also be helpful to think about free minimum levels of service, which are specific to the context and needs. For example, levels of energy provision must be sufficient to cover the needs for cooking, lighting, space heating/cooling, water heating, appliances and electronics, cleaning, personal hygiene, home health care... levels vary according to the energy efficiency of the dwelling and are not the same for industrialised and developing countries. For example, an average Spanish household would need between 2,112 kWh (for a one-person household) and 4,232 kWh (for a family of four or more) per year to meet its needs for cooking, indoor lighting, and powering appliances (Arenas Pinilla et al. 2020). In contrast, in a developing country in the Global South, a minimum electricity supply of 1,250 kWh per year could provide an average household with the essential services it needs (Hesselman et al. 2021).

The recognition of a universal right to energy is, therefore, a basis for building and implementing ever more efficient and equitable rights to energy services for all. It is an essential right for

the creation of energy democracy, where people are no longer considered only as energy consumers but as citizens with rights.

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FEAST AND FAMINE: HOW EUROPE'S ENERGY CRISIS BENEFITS FOSSIL GAS MAJORS AS PEOPLE STRUGGLE TO SURVIVE

Juliana Gaertner and Tara Connolly, Global Witness

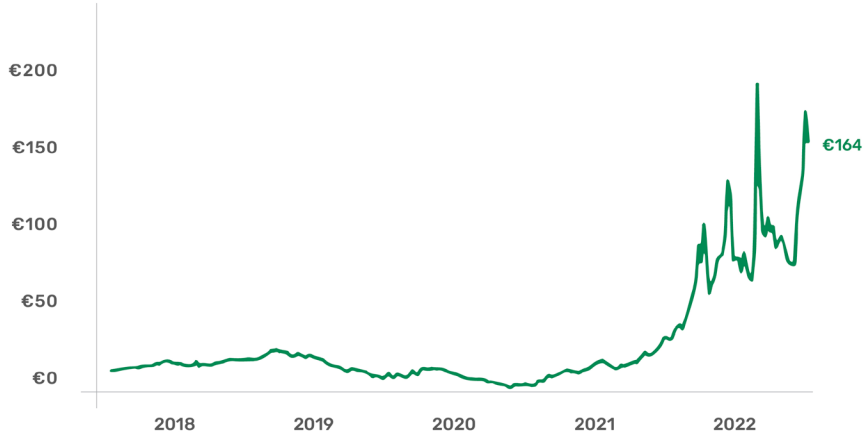
Global Witness is an environmental and human rights organisation that uses investigations and advocacy to campaign for climate justice and civic freedoms.

Energy poverty has long been an underappreciated problem in Europe. Even before the global COVID-19 pandemic and the war in Ukraine, at least 50 million people were unable to adequately heat or cool their homes (Gangale and Mengolini, 2019). This dire situation worsened, as lockdowns increased domestic energy consumption, real income levels declined, and global energy prices spiked (Bouzarovski et al. 2020). While winter 2022-23 looks even grimmer for Europe's energy poor, and the crisis has severe consequences for energy and food security across the globe, fossil fuel companies saw historic profits in 2021 and are forecast to increase returns in 2022: an absurd situation that sees fossil fuel companies feast as people famish.

Turmoil on Europe's gas market

In 2021, Europe's fossil gas markets entered uncharted territory as gas prices hit unprecedented levels. Global markets reopened with "the fastest post-recession growth in 80 years" (IEA, 2021) and Russia began to artificially curtail supply to the European market (Financial Times, 2022). The result: October 2021 saw the highest European benchmark gas prices in history, almost ten times 2020 levels (IEA, 2021), jumping to €216/MWh in March 2022, after Russia launched its unprovoked attack on Ukraine. At the time of writing, Russia has cut gas supplies to six EU Member States, and at €144/MWh average gas prices in June 2022 are more than four times higher than in 2021.

Figure 15: European gas prices skyrocket



Source: Global Witness, data source Eikon Refinitiv, front-month, TTF traded Nasdaq

The consequences for Europe's energy poor and for governments' fiscal health have been devastating. Gas prices are driving record high inflation and a cost-of-living crisis. Even before Russia's invasion, almost a third of Bulgarian's could not afford to heat their homes (Bogdanov and Zahariev, 2022), and France saw demand for food banks triple within three months of the war (Lloyd, 2022). Aiming to protect their citizens, governments are spending billions of taxpayer funds on short-term measures to support low-income households and small businesses (Sgaravatti et al. 2022).

Record profit for gas companies

Yet, one group seems to have closed their accounts for 2021 with a feast: fossil gas producers. Global Witness analysed the financial performance of some of the world's largest gas companies: Chevron, ExxonMobil, Shell, BP, Equinor, TotalEnergies, Eni and Gazprom reported a total of $127 billion in profits (Global Witness, 2022).

BP's Chief Executive Officer referred to his company as a 'cash machine', as BP marked $12.8 billion in 2021 profit, its highest in eight years. TotalEnergies reported $16 billion in net income, its highest in more than a decade, and Shell $20 billion in annual gains. Gazprom, until July 2022 Europe's largest gas supplier, saw the biggest gains: it reported a net profit of $29 billion, more than 15 times the value in 2020. Most companies saw their highest profits in at least half a decade.

Figure 15: The gas market crisis is driving up producer profits

Source: Refinitiv Eikon

Oil and gas companies greenwash

Despite well-publicised plans to decarbonise their businesses, there is little evidence that the windfall has been used to accelerate transitioning. The fossil fuel majors predominantly returned the gains to shareholders (Wilson, 2022). Globally, oil and gas companies spend only 5% of capital expenditure on clean energy projects (IEA, 2022) and the climate pledges and plans of all fossil fuel majors are "grossly insufficient" (OCI, 2022). An assessment of BP, Chevron, ExxonMobil and Shell concluded unambiguously that "the transition to clean energy business models is not occurring, since the magnitude of investments and actions does not match discourse" (Li et al., 2022).

Market fundamentals remain unchanged

Some countries introduced one-off windfall taxes on energy companies to finance support measures, including Bulgaria, Hungary and Italy (Sgaravatti et al. 2022). Yet, little has changed the market fundamentals by which European households and taxpayers bear the brunt of an energy crisis that fills the financial bellies of an industry whose years of growth should be numbered.

The International Energy Agency estimates that 2022 profits for the oil and gas industry will stand at $4 trillion (IEA, 2022). That is 58 times the annual GDP of Bulgaria.

The risks of a delayed gas phase-out

Since February 2022, EU Member States have proposed more than a dozen new gas infrastructure projects, mostly to substitute Russian imports with liquefied natural gas (LNG) from countries like the U.S. and Qatar (Global Energy Monitor, 2022). Some of the projects are short-term, floating LNG terminals that can flexibly substitute Russia's supply in the coming months, but many are permanent import infrastructure, including onshore LNG terminals and pipelines connecting import facilities to demand centres.

Building permanent infrastructure, which takes years, would do little to stabilises Europe's energy security this winter. It also comes with outsized risks: it would lock-in additional carbon emissions, risk becoming obsolete as stranded assets and would burden consumers with high-cost imports when renewable alternatives are available and cheaper (Brown et al., 2022b).

Substituting Russian imports with alternative gas supplies also exacerbates already dire knock-on effects of Europe's crisis beyond the continent. Inflated energy prices and power outages across South and Southeast Asia are the result of global LNG suppliers diverting cargoes to the more lucrative European market (Stapczynski and Mangi, 2022). Pakistan, for instance, has had to restrict supplies to power plants, limiting fertilizer production that uses gas as feedstock. Reduced harvests and higher food prices are the result (ibid.). In June 2022, Sri Lanka declared bankruptcy, being unable to import fuel (Bloomberg, 2022).

The World Food Programme estimates that the effects of the war in Ukraine on energy and food markets could add a further 47 million people to the already dire count of 276 million people in acute food insecurity this year (WFP 2022). UN official Achim Steiner has warned that "this cost-of-living crisis is tipping millions of people into poverty and even starvation at breath-taking speed" (UNDP, 2022).

A gas phase-out to ensure affordable, clean energy for all

An end to energy poverty requires an end to fossil gas. Phasing out fossil gas in Europe rather than switching to alternative suppliers would help move global and European economies away from inflated energy and food prices, and transition Europe away from a polluting industry whose profits are as outsized as its greenhouse gas emissions. The EU can increase the ambition of REPowerEU[29] – its energy response to the crisis – end Russian gas imports and cut gas demand by accelerating the transition to clean energy (Brown et al., 2022b). There is no need for new gas infrastructure, long-term LNG contracts or extending coal power (ibid). Quite the contrary, there is an urgent need to prioritise energy efficiency, renewable energy, electrification, and meaningful long-term protections for Europe's growing class of energy poor. It is time to end the fossil fuel industry's feast.

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RENEWABLE HEATING FOR ALL

Davide Sabbadin, Senior Climate & Circular Economy Policy Officer at the European Environmental Bureau

The EEB is Europe's largest network of environmental citizens' organisations. We bring together 180 member organisations from 38 countries. We stand for sustainable development, environmental justice & participatory democracy.

> *"10 member states are still financing gas heating in 2022, while renewable heating subsidies are insufficient in too many countries"*

Despite the harsh times consumers are going through in Europe because of the spike in energy prices that followed the COVID-19 pandemic and the Russian invasion of Ukraine, European member states continue to adopt an ambiguous attitude to the phase out of polluting and expensive fossil heating technologies such as gas boilers.

These technologies contribute strongly to both our climate crisis and to energy poverty, as they lock consumers into costly fuel carriers such as gas (or worse, the even more expensive hydrogen).

Research carried out by Oeko-Institut for the Coolproducts.eu campaign shows that in June 2022 a significant number of EU countries still finance gas boilers, in full contradiction with EU's climate targets, the Paris agreement climate pledge and the REPowerEU30 call to exit gas dependency as soon as possible (Oeko-Institut, 2022).

Indeed, despite remarkable improvements from previous years, it looks like not even pandemics and wars can end what seems to be a very stubborn, pro-gas attitude that most countries have had along the years. In November 2021 20 out of 27 member states financed fossil boilers (Coolproducts & EEB, 2021) while the figure in June 2022 went down to 10 out of 27; these are: France, Italy, Belgium, Bulgaria, Croatia, Estonia, Greece, Germany, Latvia and Slovenia.

30 The REPower EU plan aims to make Europe independent from Russian fossil fuels before 2030. https://ec.europa.eu/commission/presscorner/detail/en/IP_22_3131

Figure 16: Overview of heating subsidy schemes

Source: Oeko-Institut (2022)

Incentives for fossil boilers vary a lot from country to country. The Italian *Super Bonus* scheme incredibly provides the consumer with more money than that invested (110%, but in the framework of a more comprehensive renovation of the building) as a tax deduction over five years. In Belgium, a more modest but still relevant grant up to €1,200 is available thanks to the *renolution* subsidy, that can be combined with a VAT reduction taking the tax from 21% to 9%. Not bad for a technology that ranges from €2,000 to €3,000. In France too *My prime Renov* contributes with up to €1,200 to the purchase of a gas boiler, when framed in a more general building renovation. Lastly it is worth stressing that support for gas boilers in Germany it is now possible only if the boiler is installed alongside renewable energy.

On a positive note, most member states today have some form of support for renewable heating. Only Romania and Sweden haven't got any form of support in place as of June 2022.

This support varies a lot between countries and sometimes it looks like a box ticking exercise, far from being effective to drive change, especially for low-income households, because it either does not provide enough support or does not provide it to a large number of citizens.

While again, it is Italy that can boast the highest support (with the same *Super Bonus* scheme, which is meant to end in 2023) other countries also provide very interesting support schemes. The *Coupe de Pouce économies énergie* in France offers up to €4,000 for a heat pump and the recently renovated Irish Home Energy Grant, which grants up to €6,500 for hydronic heat pumps and (in one of the few cases in Europe) up to €3,500 for air-to-air heat pumps. These are relevant contributions for the purchase of a hydronic heat pump, which can cost around €10,000 for air-to-water technology. Still, they do not fully cover the upfront cost of the investment and they leave applicants with the task of providing the remaining equity, which might prove difficult for low-income households.

But in other countries the situation is much worse, and subsidies are often distributed in an obsolete way, typically on a first-come, first-served basis with limited resources available. In Lithuania, for instance, the total budget of the renewable heating scheme of the central government amounts to €2 million, which makes for less than 500 heat pumps if we consider an average subsidy of €4,500. This number is absolutely insignificant in a country of 2.7 million people. Latvia also has a similar program. These are what we could call "fig leave schemes" - measures that are in place to formally comply with the requirements of EU directives but whose numbers are far from being consistent with the narrative of fighting energy poverty through improving access to renewables for all.

Another relevant problem that the research highlights is that, on average, subsidies in central and eastern Europe countries tend to be capped and do not cover the same share of costs than in other parts of the EU. This results in less appealing measures for customers, particularly for those who do not possess the means to cover the remaining part of the investment. This is the case in Slovakia where a maximum of €2,720 is available per heat pump installation or Hungary where support is given via facilitated loans with rebates of up to 7% of the investment cost.

This picture of the patchy, inefficient subsidies schemes across the EU clearly shows that European citizens are not at all on the same level when it comes to accessing renewable heating. Depending on the country one is living in, they might not have any support at all, or have access to limited time-bound tenders with no certainty of success. Or they might have access to only very low level of support that does not allow them to invest. Finally, they might be offered only a green loan that may not be any different from another loan, one that they may not be in the position to take because of excessive debt.

The time has come for an EU-wide policy of support for all citizens, with a special focus for those in need (such as single mothers, divorced, unemployed, and more broadly energy poor), to allow everyone to be moving from the problem side of heating to the solution side; everyone should be in the position to do his/her/their part.

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ENDING FOSSIL FUEL LOCK-INS FOR A JUST ENERGY TRANSITION

Kieran Pradeep and Laia Segura, Climate and Energy Justice Campaigners at Friends of the Earth Europe

Friends of the Earth Europe (FoEE) is the largest environmental network in Europe, uniting 32 member organisations, activist groups and millions of supporters for social and environmental justice. FoEE works towards equal access to resources and opportunities and promotes environmentally sustainable societies on the local, national, regional and global levels. Campaign work includes climate justice, energy, corporate capture and accountability, and food and agriculture.

According to a 2018 publication an estimated 50 million Europeans were already living in energy poverty before the current gas crisis started (European Commission, 2019). However, more recent estimates indicate a staggering 80 million European households were unable to sufficiently light, heat or cool their homes (CNN Business, 2021). Data from 2022 is yet to be published but, in light of the current energy price crisis, it is safe to assume these numbers are badly underestimated.

While we move towards an energy transition in Europe, there is no guarantee that it will be a just one. Our energy system is serving neither the people nor the planet and the numbers above show that poor and vulnerable households are being left at the mercy of a dangerous and volatile gas market. It is critical that during our energy transition we place those households that are in need of access to clean and affordable energy the most at the forefront: we need decent, safe, energy efficient homes that do not literally cost the Earth.

Gas is volatile, expensive, and fuels inequality

The gas industry has used every trick in the book to sell itself as a solution to both energy poverty and Europe's climate transition. Even as the pressure mounts to phase out fossil fuels, the gas industry is instrumentalising energy poor households as part of its Public Relations strategy to cover its interests and block policy proposals to deliver fossil free homes. But the facts are clear: gas is not only dangerous for the climate and our health, it is actively keeping households locked into energy poverty.

The system the fossil industry lobbyists have built is one where households are exposed to volatile heating and electricity bills (POLITICO, 2021). With an increase of 500% in a single year (Bloomberg, 2021a), soaring gas prices are increasingly tipping millions of people over the brink, forcing more and more into living in unsafe cold, damp, and dark conditions – damaging both their health and dignity. Gas has proven lucrative for industry profits at the expense of increasing misery for increasing numbers of Europeans, with most companies reporting their highest profits in at least half a decade (Global Witness, 2022).

Moreover, the gas industry is heavily subsidised by taxpayers; a 2021 study revealed that the EU (alone) granted more than 5 billion euros in taxpayers' money to gas projects (Global Witness, 2021). Crucially, it is not only the infrastructure but gas appliances themselves that

are also highly subsidised by member states making them artificially cheap. At least 10 EU countries continue to subsidise new gas boilers (Oeko-Institut e.V., 2022). At a time when the cost of producing cleaner, renewable energy is already cheaper (Bloomberg 2021b), and the narrative in Europe is to advance towards climate neutrality, it is a scandal that energy poor households are still prescribed fossil gas boilers to reduce fuel costs, instead of supporting the transition towards safer, cleaner, and more efficient solutions, like subsidising renovations and heat pumps.

Following the current scheme, the risk of fossil fuel lock-ins for energy poor households is high; jeopardising the just energy transition. As higher income households can afford the upfront costs of a switch to cleaner electric heating and cheaper renewable energy, poorer households, being 'prescribed' short sighted and unjust fossil gas boilers, without the financial support to end their dependency on fossil fuels, will literally be left to pay the price for Europe's energy transition. To achieve a truly just transition it is necessary to leave no one behind, and this calls for a complete phase out of gas infrastructure from buildings while prioritising those who are currently suffering the most.

Heat our homes, not the climate

It's time for fossil free homes. Clean, affordable alternatives to decarbonise homes already exist: heat pumps, and district heating are already keeping people warm and comfortable without the need for gas or other fossil fuels. It is completely irresponsible to continue building and subsidising fossil fuel infrastructure, with a life span of decades, when we need to end our fossil fuel addiction by 2030. Adequate regulatory and funding measures are needed in order to avoid fossil fuel lock-ins for poor households and ensure that the cleaner alternatives actually reach low-income households.

In the context of a relentless gas crisis, a proposed regressive emissions trading scheme for buildings and the increasing cost of living crisis on the poorest in society, it has never been more urgent to get energy poor households off fossil fuels and first in line for our clean, affordable energy. Substantial investment, technical support as well as regulation is needed to ensure energy poor and low-income households have access to heat pumps, renewable district heating and solar panels first.

Protecting the energy poor while keeping our planet below 1.5 degrees warming calls for a bold, efficient and just approach: the introduction of a regulatory framework to ban fossil fuel infrastructure in new buildings by 2023 and phase out fossil fuels in existing buildings by 2030.

Decarbonisation must go hand in hand with renovation programmes. Massive deep renovation programmes are crucial to slash our energy consumption and energy poverty at once, providing everyone with a warm home without burning needless energy (Right to Energy Coalition, 2021). A key measure to achieve this is the introduction of minimum energy performance standards (MEPS) for buildings, which require existing buildings to meet a minimum performance standard by a given date or at a chosen trigger point in the building lifecycle boosting deep renovations, which have the potential to reduce low-income households' energy bills while improving their thermal comfort and health as lower income households tend to live in inefficient homes (IEECP, 2022).

To boost the benefits of these renovation standards for lower-income households these need to be supported by social safeguards. Social safeguards need to be designed to maintain or ensure access to decent housing for all and be accompanied by technical as well as financial support to help low-income households (or owners of the buildings where they live) to meet the standards (IEECP, 2022).

Final Remarks

Europe's dependence on gas is actively locking people into fuel poverty and climate collapse. We are likely to see energy poor households locked into fossil gas boilers for decades to come, with increased energy poverty resulting from the need to pay these bills, which in turn are exacerbated by rising energy prices. Again, higher income homes will have the resources to take part in the energy transition, leaving the poorest paying the carbon price for the energy transition with increased energy rationing and energy poverty. This has the potential to create a politically volatile situation.

To ensure people in energy poverty don't have to pay for eye-watering fossil gas bills, the decarbonisation of heating and cooling needs to be front and centre in our efforts to tackle energy poverty, taking its rightful place alongside energy efficiency and democratising access to renewable sources of energy.

Climate justice and social justice must be considered as two halves of the same coin: now is the time to enable low-income households to decarbonise, not just reduce fuel costs in the short term. This means aligning decarbonisation and energy poverty strategies, and funding energy poverty programmes that provide clean heat solutions, or at least enable future electrification, and delivering access to clean affordable energy for all.

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WHAT ENERGY POVERTY MEASURES FOR THE FUTURE? EMPOWERING, GENDER RESPONSIVE, INTERSECTIONAL AND HEALTH APPROACHES

Aliança contra la Pobresa Energètica

The Alliance against Energy Poverty (APE) is a social movement born in 2014 to fight to ensure universal access to basic water and energy services by exerting pressure on the authorities to guarantee these rights and on large supply companies so that they assume their responsibility in this matter.

In Catalonia, the Alliance against Energy Poverty (APE) has been fighting since 2014 to mobilise and defend the right to energy for all. In summer 2015, the Parliament of Catalonia banned disconnections of energy and water supply for vulnerable households thanks to a Citizen Legislative Initiative[31] led by APE, the Platform of Affected by Mortgages and DESC Observatory, a centre for the Defense of Human and Civil Rights.

Despite this success, many aspects of energy policy are under Spanish state legislation and EU directives that are driven by a perspective that considers energy an economic good of general interest, or that allows for protection measures as far as they do not collide with market functioning.

Today, although some political progress has been made on energy poverty measures protecting those vulnerable households, the economic, social and climate crisis combined with a huge spike in energy prices is putting hundreds of thousands of families at risk. APE continues to work with affected communities to empower people to take action, defend their rights, and transform the system. Apart from the advocacy work, APE has a central tool called "Collective advisory assemblies"[32] on energy poverty, that bring affected households and activists together, to meet, share stories, learn how to reduce their energy bills, and strategise together to defend the right to basic supplies.

These cases, families, people, represent the true voice of the needs that must guide future energy and social policies, that are often not heard enough or taken for granted. From APE's experience, we corroborate two important aspects of energy poverty: Women are particularly affected by energy poverty (González 2016, Delgado 2016), and health impacts are also a huge consequence of energy precariousness (Recalde 2018, Delgado 2018). Both aspects should be tackled urgently, with intersectional and empowering approaches and methods. Besides the technical perspectives on energy poverty measures, it is urgent that we locate those centrally affected by this issue, and end the marginalisation of people in these situations: so that we leave no one behind.

31 Law 24/2015 of July 29th, 2022, of the Catalan Parliament: https://cido.diba.cat/legislacio/6144029/llei-242015-del-29-de-juliol-de-mesures-urgents-per-a-afrontar-lemergencia-en-lambit-delhabitatge-i-la-pobresa-energetica-departament-de-la-presidencia

32 This tool has been replicated in other EU pilot sites thanks to Horizon2020 EmpowerMed project. Engineering Without Borders Catalonia has syistematised the methodology of this tool, available here: https://www.empowermed.eu/resource/2-collective-assemblies-module-powerpoint/

Vicky, fighting for the right to dignified housing

Vicky is from Sant Adrià del Besós, in the metropolitan area of Barcelona. Vicky heads a single-parent family: her son (20 years old) and herself. He has 42% sensory (hearing) and physical disability (he can barely move one arm) and she has 65% sensory (hearing and visual) and physical disability (fibromyalgia and osteoarthritis), which prevents her from being able to work. She is a victim of gender violence and her situation is further aggravated by finding themselves on notice of eviction.

After becoming an active member of APE's collective assemblies, she was able to lower the total bills a bit, but she has a debt with Naturgy (another big utility company in Catalonia and Spain) and Endesa of approximately €1,000 each, which she cannot pay in any way:

> *"Both electricity and gas companies have my vulnerability report accredited by Social Services, but they keep harassing me by phone and letter, demanding payment of my debt. The day starts at 8 in the morning they are already calling me. I get up to 5 calls a day, and now I don't even answer because I know I'm going to get ill, that I'm going to start having anxiety. After several months like this, I asked them for debt cancellation, and it took me a year and a half to answer me. They make you go up and down to get help (public money, everyone's money), sending vulnerable people to ask for help while they earn hundreds of billions a year? We are many people who can no longer pay, those who believe that they should not play with people's lives and that we should avoid that the most basic services and needs are treated as a business"*

Cristina's electricity bills were unbearable

Cristina joined the Alliance against Energy Poverty to radically change an unfair energy system. Her only source of income is the basic income she receives from the Catalan government. She had already experienced energy poverty first hand after the 2008 crisis: when she lost her job, her debt to energy companies reached more €1,000. In March 2021, thanks to an agreement between Endesa (private utility company with the most clients in Catalonia) and the Catalan government, promoted by law 24/2015, allowed for debts of vulnerable families to be cancelled:

> *"I am hypertensive and I need medication, it is what I have left of the suffering of past times. I learned that health is also affected: your body and mind depend on attitude, and you can change your attitude and your way of seeing life, but the body has memory and takes its toll. So, like crystal clear, transparent water, my "debts" to multimillion-dollar companies like Naturgy and Endesa must be forgiven, because I start from scratch, because my bad times are over, and I will be able to look forward."*

Marc, tackling energy precariousness' impacts on health

Marc, from Vic, in the province of Barcelona is 33 years old and has fibromyalgia. He arrives at the end of the month not only with the accounts drained, but with his health also drained, mentally and physically.

> *"It is difficult to anticipate and overcome the changes in the energy market and we are in absolute disarray. In Catalonia we have a law that prevents cuts to people with a vulnerability report, but this does not happen in Spain or in many EU countries, which have only had a moratorium on cuts during the pandemic. No one can live without water and energy, which is why it is so important that this protection be extended to EU level, in every member state, and globally. And it needs to be done by also resolving the debt that is accumulating by stopping these cuts. Debt is a tap that never stops, and in my case the debt with Naturgy of more than 4,000 €. Sometimes when I have gone to ask for help from the administration and other instances, I have come across comments, stereotypes and assumptions about people who are in a situation of energy poverty that are not true, and that go against dignity and elementary rights. In winter I don't have heating, and in summer I only use a fan that comes with its own battery that I charge at night, when it's cheaper, so I can put it on during the day. This has led to insecurities that I do not want to return to, no matter how much debt I accumulate. But I need alternatives, to be able to choose how, when and with what I warm up or have dinner, without my health and life ongoing. Vulnerable people cannot be required to pull out of our network to have a plate on the table or pay a bill, while big utility companies look to the other side."*

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A MINIMUM ELECTRICITY SERVICE FOR ALL, GUARANTEED WHATEVER THE TIME OF YEAR

Hélène Denise, Advocacy Officer, Fondation Abbé Pierre

Created in 1987, the Fondation Abbé Pierre works to ensure that all people in difficulty have access to decent housing and a dignified life. True to the spirit of its founder, it fights against all forms of injustice and discrimination in housing, both in France and abroad.

Lighting, food, heating, washing, recharging communication devices, doing homework, inviting friends over, teleworking... At a time of exploding energy prices, electricity is more than ever a basic necessity.

However, hundreds of thousands of people living in precarious situations with unpaid bills are deprived of electricity supply every year, in what looks like a cruel social punishment. In 2019, according to the Energy Mediator, the number of unpaid energy bills in France had increased by 17% in one year, generating nearly 280,000 electricity disconnections in households that could no longer pay their bills (National Energy Mediator 2022). And the situation tends to get worse, since in 2021 25% of French people (compared to 18% in 2020) said they had encountered difficulties in paying some gas or electricity bills (Energy-information barometer of the National Energy Mediator, 2021). Since then, the economic consequences of the health crisis and the war in Ukraine have only accentuated this phenomenon.

The deprivation of electricity has very concrete effects on the health, safety, and life of households: risks of fire through the use of candles, lamps or kerosene heating, as well as the risk of social exclusion with dramatic effects on mental health, self-esteem, family and professional life and education.

This is why the Fondation Abbé Pierre publicly called on the French government in October 2021 to abolish electricity disconnections in main residences, whatever the period of the year, including outside the winter truce of energy cuts (Fondation Abbé Pierre, 2021). This measure would apply to every household, and not only those beneficiaries of the Energy voucher.[33] Suppliers would no longer have the right to interrupt the supply of electricity but could, in the event of long-lasting unpaid bills, introduce a reduction in power of, for example, 1 Kilovolt-Ampere (1,000 watts).[34] This "minimum electricity service" would provide a power to meet the most elementary needs - to make a light bulb work, to recharge one's phone, to keep one's food and medicine in the refrigerator, to take the necessary steps to regularise one's situation - without being considered as a desirable comfort in the long run. Since 1 kVa does not allow the use of cooking appliances, household appliances or even radiators at the same time, the measure remains a sanction, a necessary "alert", and would not contribute to the disempowerment of the consumer and therefore to the increase of the number of unpaid bills.

Technically facilitated by the deployment of the Linky meter (French smart meter), the abolition

33 The Energy voucher (Chèque énergie) has replaced the social tariffs for gas and electricity for three years. 150 euros on average are sent once a year to the mailboxes of 5.8 millions french households with a reference tax income per unit below 10,800 euros. The voucher can be used to pay energy bills (electricity, gas, fuel oil, wood, etc.) to an energy supplier, or to finance certain work aimed at limiting energy consumption.

34 The most common meter power for daily domestic use in France is 6,000 watts (6 kVA).

of electricity disconnections throughout the year was already being tested by some suppliers, such as Plüm Energie, which has been applying it without difficulty since June 2021.

Shortly after Fondation Abbé Pierre's call to act quickly to put an end to these electricity disconnections, EDF, France's major energy provider, announced publicly in November 2021 that they will no longer request electricity disconnection for its private customers. With this measure, EDF is going further than its regulatory obligations outside the winter truce period, by replacing the disconnection with a power limit of 1 kVA. This measure, which took effect on April 1st applies in all cases, unless it is physically or technically impossible, and to all its customers, which represent nearly 70% of the market share in France.

On the strength of this first victory, the Fondation Abbé Pierre is now asking the government to enshrine in law the "right of access to energy for all households" in order to force other energy suppliers to apply this measure. This minimal step forward, comparable to the 2013 ban on water disconnections[35] is essential in addition to a more ambitious home energy renovation policy and an increase in the energy voucher. Halfway through, the government is currently working on a decree introducing a power reduction to 1Kva during the two months preceding the disconnection, in order to give the consumer time to regularize their situation.

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35 Since the Brottes Law (2013, April 15) water flow disconnections and reductions by distributors have been prohibited in principal residences in all cases, regardless of the time of the year. In case of unpaid bills, if after several reminders, the household still cannot pay its supplier, the latter can initiate collection proceedings, as the prohibition of water disconnections does not cancel the debt.

ENERGY COMMUNITIES' POTENTIAL FOR ENERGY POVERTY ALLEVIATION

By Heleen Schockaert, project manager energy poverty at REScoop.eu

REScoop.eu is the European federation of citizen energy cooperatives, representing a growing network of 1,900 European energy cooperatives and their 1,250,000 citizens who are active in the energy transition.

> *"Energy communities provide effective local support networks, creating shared solutions and solidarity in the face of the escalating issue of energy poverty. We should harness that strength to create an energy system that works for each of us" – Lynda Mitchell, ALIenergy.*

When talking about energy poverty, the conversation most often revolves around its three main drivers: low incomes, poor thermal efficiency, and high costs of housing and energy. Another important factor, however, is the absence of citizen engagement and ownership in today's energy system. This leaves everyday struggles unnoticed, causes wasteful energy behaviour, and leads to a lack of acknowledgement of the interconnection between social justice issues and our energy system. The current climate and fossil fuel crisis with soaring energy prices and bare distributional injustices have added to already prevalent feelings of frustration and powerlessness among citizens. For years already, this has led citizens and communities across Europe to rise up and take a stand to (re)claim power, creating a vibrant movement of citizen-led energy initiatives.

In 2018, EU legislation acknowledged energy communities, and citizens in general, for the first time as active participants in the energy system. We can now find definitions for Citizen Energy Communities (CECs) in the Electricity Market Directive (EU) 2019/944 and Renewable Energy Communities (RECs) in the Renewable Energy Directive 'RED II' (EU) 2018/2001. This acknowledgement comes with a legal obligation for Member States to create an enabling framework to support community energy in their country. Significantly, RED II stresses the importance of participation of vulnerable and low-income households in RECs as they can help "fight energy poverty through reduced consumption and lower supply tariffs" (Directive (EU) 2018/2001, Recital 67). Therefore, Member States must ensure their accessibility to low-income and vulnerable households.

To date, the implementation process has been slow and lacking. This, however, hasn't stopped energy communities from pushing forward and investigating different ways to organise the energy system. And communities are exploring mechanisms for energy poverty alleviation as a way to spread the benefits from community energy schemes directly to their community.

Energy communities can get active in alleviating energy poverty through a broad range of activities:

1. Awareness and capacity building

In the United Kingdom, 'Brixton Solar's community power project allows tenants in social housing to make smaller investments in the projects, and gives them a limited amount of the electricity produced with solar panels on their own roofs for free. Part of the revenues from the project go into a dedicated energy efficiency fund to organise workshops to help people cut energy waste and save further on their energy bills. The cooperative also provides training opportunities for youth living in the local community through an internship programme.

ALIenergy, another example from the United Kingdom, applies an innovative referrals system that helps identify people at risk of energy poverty. They specifically target organisations that work with vulnerable people and life changes that might lead to higher energy bills or a decrease in income, such as job loss, retirement, a new baby, diagnosis of health conditions and so on.

2. Solidarity-based energy financing

In Portugal, the renewable energy cooperative Coopérnico, has set up a scheme that harnesses solar power to create social value for its local community. The cooperative rents rooftops of socially-oriented institutions for its photovoltaic installations, providing them with additional income, allowing them to benefit from lower energy costs and giving them a free solar PV installation at the end of the leasing period. To date, Coopérnico's model has supported 32 projects.

Another example can be found in France, where Enercoop, a cooperative clean energy supplier with over 100.000 clients, launched Énergie Solidaire as a not for profit entity. Énergie Solidaire collects microdonations on Enercoop client's monthly energy bills as well as energy surplus donations from renewables installations owned by public authorities. The money raised is used to support local organisations and programmes tackling energy poverty across France.

3. Collaboration between citizens and local authorities

Eeklo, a city at the forefront of the Belgian energy transition, has lowered the barriers for citizen participation in renewable energy schemes by closely working together with Ecopower, an energy cooperative with nearly 60,000 members that powers more than 50,000 homes with 100% renewable energy. More specifically, with the ambition to fight energy poverty, the city provided 750 citizens with one pre-financed share of Ecopower. This allowed those citizens to get all the advantages that come with a full membership of Ecopower, such as lower electricity bills. The cooperative itself also allows for members to save up the cost of buying the pre-financed share with savings made on their energy bills, thus providing solutions for the high-upfront cost of buying a share to become a member (Friends of the Earth Europe, REScoop.eu & Energy Cities 2020).

A final example takes us to Croatia, where the Green Energy Cooperative (ZEZ) has set up several projects aimed at energy poverty alleviation. One such project trained young and unemployed people to become energy advisors to help low-income households take energy efficiency measures in their homes. Through collaboration with the City of Križevci, a group of these energy advisors was able to find employment under a Public Works programme for Energy Advisors. Together they visited more than 500 households in six months.

Although these examples show promising ways of connecting energy related services with creating social benefits at the local level, the potential to fully unlock the strength of the movement remains enormous. A recent study found that 61% of Europeans would like to join an energy cooperative if one were set up in their local area (European Climate Foundation 2021). While the Horizon 2020 project CEES ('Community Energy for Energy Solidarity') revealed through an open call that for one-third of community energy respondents energy poverty alleviation is a high priority, eight out of ten initiatives would like to do more on energy poverty, but struggle with issues ranging from a lack of funding, staff, knowledge and expertise to regulatory barriers.

It is paramount that energy poverty alleviation and citizen empowerment get further recognition as mutually reinforcing elements within the energy transition. Community Energy creates social cohesion and spaces to educate people on issues of energy, climate and democracy, triggering behavioural change and energy savings through a deeper and more conscious involvement within the entire system (Friends of the Earth Europe, REScoop.eu & Energy Cities 2020). Importantly, it opens possibilities for tackling distributional challenges from the ground-up, tailored to the needs of those in vulnerable situations. These benefits should be made accessible to people from all walks of life and be a priority for those experiencing energy poverty.

For these projects to succeed and scale up, good supportive laws and rules are needed. The energy system needs citizen and community involvement to eliminate dependency and vulnerability and turn it into ownership and resilience.

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OUR ENERGY SYSTEM IN A CRISIS – UNIONS FOR PUBLIC, DEMOCRATIC ENERGY FUTURES

Jakob Embacher, Policy Advisor for Utilities at EPSU

The European Federation of Public Service Unions (EPSU) brings together trade unions from across Europe. We represent 8 million public service workers across Europe in diverse sectors like energy, health, waste, water etc. Our vision is rooted in the struggles of our members for quality public services for all and good jobs for the workers delivering them.

Developing a critique of the liberalised energy system

EPSU has long been critical of the common narrative that the liberalisation of energy provision benefits users. In 2019, we published a report to outline demands for 'A Decarbonised, Affordable and Democratic Energy System for Europe', showing also how the liberalisation of the energy system has provided few answers to the advancing climate crises (Weghmann, 2019). It shows that prices for consumers have doubled in the past 10 years, a quarter of jobs have been lost in the energy sector, and public monopolies have been replaced by powerful private cartels.

The current model of energy supply allows companies to reap record profits while prices for users are skyrocketing and inflation pushes workers into precarity. This is a symptom of a system that privatises the gains among few shareholders but mutualises the costs for everyone.

Enforcing competition also leaves the energy market more volatile and vulnerable to external shocks. Last year in Europe, small retailers went bankrupt as they could not weather higher wholesale prices. In the UK for instance, their failure added £120 (€140) to individual household energy bills (Ambrose, 2021).

Sketching a way forward towards public, democratic energy system and a right to energy

A liberalised and privatised energy system does not serve the people. In many countries, unions have actively and often successfully defended and promoted the public ownership of energy production, transmission, and distribution.

A concrete example of the ability of unions and workers representatives to mobilise is the campaign PourUneÉnergiePublique by the Central Social and Economic Committee (CSEC) of EDF. Philippe PageLeMerour, chair of the CSEC, explains the campaign:

> *"In January 2020, the CSEC, with the unanimous agreement of its elected representatives, FNME-CGT, CFE Energies, FCE CFDT, FNME FO, (the French energy union federations) decided to launch a vast plan to organise the battle against the dismantling of EDF, beyond the indispensable internal mobilisation of workers. Pages in the regional daily press (more than 80 titles) and national media, posters in 80 cities across France, radio*

spots and videos were financed. The local Social and Economic Committees also participated actively in the regions. These materials fed into a general public petition with 205,000 signatories.

At the same time, we have forged links with numerous opposition parliamentarians, associations of local elected representatives, consumers and network concessionaires, which has enabled us over the months to build up a real network of opposition to the dismantling of the public service.

Thus, by bringing together all these actors, we were able to organise a first National Energy Council on 17 May in Paris, to put forward our proposals for the Public Energy Service of the future." [36]

Public energy companies in the service of users, workers and planet

Unions also mobilise internationally. Trade Unions for Energy Democracy (TUED)[37] plays an important role in global reimagining of energy systems. It is important to develop these visions in a participatory, global process. In this spirit, TUED brings together unions from 26 countries - from Mexico to South Africa, the USA and France - defending or pushing for a public, democratic energy system.

Irene Shen, organizer and researcher at TUED says:

"TUED's alternative narrative, grounded in an independent working class, trade union analysis, puts forward the need for the public ownership of energy and democratic control of the sector in order to put ecological and human needs as the top priority, above profit. Public ownership of energy allows for the planning that is essential if we are to move the global economy away from fossil fuels; it can create the conditions to put workers rights, labor provisions, community needs and caring for the environment at the center of the energy transition."

Public control and ownership is not an end in itself, but gives us the tool to orient our energy system towards the need of users, workers and planet. It is crucial to make sure that publicly owned companies act in the public interest, with a clear pro-public mandate. This means that profitability cannot be the only objective. Fundamentally, this also means democratic planning of the transition, with involvement of workers, communities and users.

36 See the website: https://energie-publique.fr/

37 Trade Unions for Energy Democracy (TUED), a network of 92 unions from 26 countries, originally emerged after trade unions called for an alternative narrative to the green growth model of decarbonization, promoted by the IMF and the World Bank, at the 2012 United Nations Conference on Sustainable Development in Rio de Janeiro. That call prompted TUED's research focus of the last 10 years to show that the liberalized, privatized, market-driven model of energy has been ineffective in achieving decarbonization goals to slow climate change and that the resulting policies have had a socially regressive impact, creating more conditions of inequity and injustice.

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Part 3: Towards social justice and an end to the cost of living crisis

The chapters in Part 3 look at energy poverty and the energy transition in the context of broader household budget considerations and social justice. The first four chapters address the need to consider social policies alongside climate policies in a much more integrated way. The first chapter proposes three levers for improving social and environmental outcomes (p73). Two chapters provide cautionary tales on the risks to social acceptance (p76) and the potential to increase socio-economic inequalities (p80) when transition policies are poorly planned and timed. Recommendations span the areas of energy market reform, prioritisation of clean energy and building renovation, tax justice and adequate minimum wages and working conditions (p84).

Two chapters highlight promising initiatives that address transport poverty (p87) and housing affordability alongside incentives to renovate to reduce bills (p89).

Contents

Converging green and social agendas: Insights from the European Green Deal and Society workshop series (E3G) 72

Lessons from the Yellow Vests for a socially-just transition (Jacques Delors Institute) 76

The impact of a socially unjust decarbonisation on Greece (EAPN Greece) 80

A fair decarbonisation: A structural change is needed at EU level (EAPN) 83

What is transport poverty and how can cities address it? (Energy Cities) 86

The Handy Houses project – Antwerp, Belgium (Housing Europe) 89

CONVERGING GREEN AND SOCIAL AGENDAS: INSIGHTS FROM THE EUROPEAN GREEN DEAL AND SOCIETY WORKSHOP SERIES

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E3G is an independent climate change think tank with a global outlook. We work on the frontier of the climate landscape, tackling the barriers and advancing the solutions to a safe climate for all. Our goal is to translate climate politics, economics, and policies into action.

Conventionally, climate policy has not prioritised social justice outcomes and social policy has not forayed into climate action (Markkanen & Anger-Kraavi 2019; Robins, 2020). However, as the transition to climate neutrality starts to impact people's lives and livelihoods, it is no longer possible – or prudent – to see the green and social agendas in isolation. Drawing on insights from the European Green Deal & Society workshops, this contribution outlines the enabling conditions that bring these strands together.

> *"...it is no longer possible – or prudent – to see the green and social agendas in isolation"*

Convened by E3G, the European Green Deal & Society workshop series aims to reinforce the social dimension of the European Green Deal.[38] Each workshop brings together a diverse range of civil society organisations working at the social-climate nexus, including trade unions, tenant associations, consumer groups, climate, social, racial, and disability justice organisations, local networks, as well as specialists in democracy, open governance and geopolitics.

Held under 'Chatham House Rule' to encourage open and honest dialogue (Chatham House n.d.), the first workshop, in May 2021, initiated a group conversation towards envisaging positive social Green Deal outcomes. The second workshop, in November 2021, explored how to navigate the relatively negative climate rhetoric around energy prices to refocus on a broader, more positive social agenda. Amid a crucial period of EU climate and energy policy reform[39] and rapidly shifting geopolitics triggered by Russia's war on Ukraine, the third workshop, held in June 2022, took stock of the social aspects of the Green Deal to create space for joint reflection and action.

The below takeaways do not represent positions of individual participants. Instead, they highlight three levers that civil society organisations consider to be instrumental in delivering good outcomes for climate and society for years to come.

38 The European Green Deal is Europe's strategy to become a climate neutral, efficient economy by 2050. https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en

39 On 14 July 2021, the European Commission adopted a package of proposals, titled 'Fit-for-55', to make the EU's climate, energy, land use, transport, and taxation policies fit for reducing net greenhouse has emissions by at least 55% by 2030.

1. Move away from a narrative of trade-offs towards one of protection

The European Green Deal has a framing problem: despite regular calls from civil society for a more positive high-level narrative, a discourse of deficit, costs and loss still dominates. While real trade-offs do need addressing, this risks reinforcing an often false dichotomy between climate and society, which is a broader fear that populists are increasingly tapping into (Schaller & Carius 2019; The Guardian 2022). Moreover, the current narrative puts the onus on individual behaviour rather than highlighting the need for broader structural and systemic solutions, such as people-centred energy renovation (Broers et al. 2022). Such a narrow framing can also be demoralising and counterproductive when trying to engage the most vulnerable, whose ability to prioritise green alternatives is already limited (FairEnergyTransitionforAll 2022).

In a context where people feel unprotected against climate change, taking into account the COVID-19 pandemic and the war in Ukraine, it is crucial that the European Green Deal is discussed – and implemented – as an approach that repairs profound ecological and social damage and protects the most vulnerable. A social justice framing should be woven into this protection narrative, reflecting greater awareness of intersections including gender, ability, and race.

> *"In a context where people feel unprotected against climate change, the [COVID-19] pandemic and the war in Ukraine, it is crucial that the European Green Deal is discussed – and implemented – as an approach that repairs profound ecological and social damage and protects the most vulnerable" – workshop participant*

2. Broaden understanding of vulnerability

The energy price crisis has exposed vulnerabilities on several fronts. Although Europeans have been experiencing energy poverty for decades, it is only recently that disproportionate impacts on specific communities are being acknowledged. Racialised communities, for example, have historically faced higher levels of poverty, which is exacerbated by limited access to culturally specific housing as well as affordable clean energy (Ramanujam & Asri 2022). Yet, more granular data and analyses of how marginalisation relates to, and is compounded by, climate policies are still missing. An intersectional lens that looks at how class, gender, race, disability and other social determinants intersect is therefore necessary to map and monitor the social impacts of the green transition, to help determine who benefits from climate neutrality and who needs greater levels of support (Equinox 2021).

Adopting an intersectional approach should go hand in hand with widening the scope of vulnerability, beyond welcome efforts to measure energy poverty consistently at the EU level. It is important to recognise that, in the transition to climate neutrality, prices may initially rise for everyone, not just low-income households. The latter must be financially protected while also securing broad-based support for the transition among all citizens. More importantly, policymakers and civil society need to invert the logic on addressing inequality by shifting from compensation to prevention, and from tackling current inequalities to accounting for future disparities and intergenerational justice (Glenday, Tully, & Ward 2022). Ex-ante policy

assessments that incorporate currently missing determinants such as gender and race will strengthen the evidence base on social impacts and help shape fairer, more tailored policy responses.

> *"Policymakers and civil society need to invert the logic on addressing inequality by shifting from compensation to prevention, and from tackling current inequalities to accounting for future disparities" – workshop participant*

3. Foster inclusive governance and bottom-up participation

There has been much debate about who pays for the climate transition and who benefits from it, but not enough on who gets to have a say. Incumbent industry actors have a disproportionate influence on climate policy and decision making (Corporate Observatory Europe, 2022), which is compounded by a lack of sufficient public interest and financially-enabled representation and underdeveloped structures for the involvement of citizen voices at the EU level. The current energy crisis response is a case in point: despite the risk of rising energy poverty, policy measures and decision-making processes, including those around structurally transforming the EU's energy system[40], have not been participatory, leaving people further disempowered in the face of a crisis.

> *"Despite the risk of rising energy poverty, policy measures and decision-making processes, including those around structurally transforming the EU's energy system, have not been participatory, leaving people further disempowered in the face of a crisis" – workshop participant*

Including people in the decisions that affect their lives is a matter of social justice and policy effectiveness. Meaningful participation and strengthened democracy are fundamental in ensuring that the climate transition is sustained and does not repeat or replace historical injustices (Sovacool et al., 2019). Inclusive governance that prioritises equity and justice through bottom-up participation, co-learning and collaboration is pivotal to ensuring fair and tangible outcomes (IPCC, 2022). Policy instruments proposed under the EU's Fit for 55 package[41] such as the Social Climate Fund, the Energy Efficiency Directive, and the Energy Performance of Buildings Directive must become important vehicles to embed participation, fairness, and inclusion in the green transition. They will need binding co-design requirements, be it in the shaping of social climate plans, local heating and cooling plans, or access to locally produced clean energy.

40 On 18 May 2022, the European Commission put forward a plan titled 'REPowerEU' to phase out the EU's dependency on Russian fossil fuels and accelerate Europe's clean energy transition through a series of actions.

41 Fit for 55 is a package of climate legislation designed to deliver of Europe's 55% emissions reduction target by 2030. https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal/delivering-european-green-deal_en

Summary reflections

The above points indicate that the green transition does not stand apart from existing structural injustices but that tools exist for the European Green Deal to tackle them. The social dimension has so far been an afterthought, but with more intersectional policy design, shared ownership, financing, and corresponding political will, it can enable a successful just transition to climate neutrality.

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LESSONS FROM THE YELLOW VESTS FOR A SOCIALLY-JUST TRANSITION

Camille Defard, Research Fellow EU energy policy, Jacques Delors Institute.

The Jacques Delors Institute is an EU think tank founded by Jacques Delors in 1996 (under the name Notre Europe), at the end of his presidency of the European Commission. Its aim is to produce analyses and proposals targeting European decision-makers and a wider audience, and to contribute to the debate on the European Union.

> *"The yellow vests movement should be taken as a reminder that acceptance of the transition will depend on perceived justice, especially "whether the most responsible and capable actors are taking action." – Garvey et al., 2022: 1.*

In late 2018, rising fuel prices triggered a new protest movement in France, the 'mouvement des gilets jaunes' or 'yellow vests movement'. Unrest against the high cost of living soon focused on a planned national carbon tax increase, highlighting the potential for mobilisation against climate policies. Understanding the French Yellow Vests is highly relevant for the EU in a context of soaring energy prices, while discussions are heating up over the potential introduction of an EU-wide carbon price on heating and road transport as part of the EU's new climate package, Fit for 55.

Spatial constraints (e.g. long distances from home to work with little access to public transportation) associated with tight budgets lead to a higher vulnerability to energy price increases. What united the Yellow Vests was a shared experience of social vulnerability, despite being employed. They were not the poorest but rather downwardly mobile members of the middle class (Kipfer, 2019). Support for the movement was strongly correlated with occupation in low paying jobs with weak employment security[42] (Hoibian, 2019. Yellow Vests' supporters came from different places: 38% lived in a town, 34% in a village, 22% in a big urban area (Guerra et al, 2019). This shows the territorial fragmentation of the working classes, who navigate spaces shaped for cars, while lacking alternatives to fossil fuel consumption and access to public services. Lastly, protesters shared a feeling of social invisibility: 85% of the Yellow Vests declared facing - quite often to very often - important hardships that they felt went unnoticed by public institutions and the media (Hoibian, 2019).

A carbon price without counterbalancing redistributive policies hits the lowest-income brackets hardest (Cambridge Econometrics, 2020. Therefore, Yellow Vests were not protesting against carbon pricing per se, but against socially-unfair climate policies that added a financial strain on already tight budgets. Purchasing power, inequality and poverty were at the top of the list of their most important problems (Guerra et al 2019). They also called for greater citizen participation in decision-making to address political and social invisibility (Collectif d enquête, 2019). This suggests that social justice – to reduce inequalities and allow everyone to earn a

42 Over 2001 and 2017, fixed term contracts were multiplied by 2.5 times in France. In 2017, 87% of new hires are under fixed-terms contracts, 83% for less than one month, 30% for only one day.

decent living - should be at the core of ambitious and successful climate policies.

The current energy price crisis striking the EU and associated national emergency responses show that no Member State is immune to the risk of social unrest linked to high energy bills. High oil and gas prices are worsening the existing energy poverty. In 2020, before the energy price crisis, 95 million Europeans were already at risk of poverty or social exclusion (Eurostat 2022) and could be considered vulnerable to increasing energy price burdens.[43] Member States already spent close to €180 billion to shield consumers and businesses from the price spikes since September 2021 (Brezovska et al., 2022).

Therefore, adopting an EU carbon price on heating and road transport is an even greater political risk today than when it was proposed one year ago,[44] with little climate benefits expected in the absence of sufficiently ambitious regulations and appropriate technical and financial assistance[45] (Defard, 2021). Socially-blind EU climate policies, in a context of rising carbon inequalities (Gore and Lestig, 2020), risk fueling further discontent in impoverished places across the EU, as was the case in France. Even if all these EU carbon price revenues were to be spent for the just transition,[46] the spatial fragmentation of vulnerable Europeans could make it challenging to properly mitigate the expected negative social impact - not to mention reducing inequalities – and calls for a more inclusive governance (Defard and Thalberg 2022).

The Yellow Vests movement should be taken as a reminder that acceptance of the transition will depend on perceived justice, especially "whether the most responsible and capable actors are taking action" (Garvey et al, 2022). Climate policies must take carbon inequalities into account, both between and within EU Member States. Yellow Vests correctly felt that they were less responsible for climate change than companies, governments (Driscoll 2021) or top earning individuals (Chancel, 2021). The decision to build up clean mobility infrastructure - from charging points for electric vehicles to affordable quality public transportation systems - lies in the hands of governments, not individuals. Similarly, mass-deployment of deep renovation will be triggered by appropriate regulation and requires adequate financial and technical support. The costs, burdens and benefits of the transition should be fairly distributed across all stakeholders, depending on their past emissions, current contribution and vulnerability to climate change.

43 Energy burden refers to the proportion of household income or budget that goes towards energy cost.

44 Often referred to as the Emission Trading System 2 (ETS2), the new EU carbon price on heating and road transport would be determined by a new carbon market, separate from the existing carbon market (ETS1) that already covers power, industry and aviation emissions.

45 The existing EU carbon price on electricity (ETS1) calls for power decarbonization investments that are mostly carried out by large actors capable to integrate carbon price signals into their business plans and have a facilitated access to finance. On the other hand, many heating and road transport decarbonization investments would be carried out at the household level (home energy renovation, purchase of an electric vehicle). Households face more investments barriers, including lack of access to finance, which should be addressed to deliver emission reductions.

46 This is not the case at this stage. The Commission proposes to use around 50% of the expected revenues from the new carbon market to finance national Social Climate Plans, leaving the door open to use part of these revenues to finance the EU general budget, hence de facto repaying the COVID-19 debt, while the remaining would be used at the national level on climate action, without a social criteria as regards the beneficiaries. At the date of writing (July 2022), the Parliament pushes for 100% for the just transition, while the Council removed the provision on national co-financing of the Social Climate Plans, hence diminishing the ambition and amount available for the just transition.

The core lesson from the Yellow Vests is that a socially-just transition approach should first ensure everyone has access to affordable alternatives to fossil fuels, before introducing a carbon price (Defard, 2022). This measure works as a financial penalty mechanism for fossil fuel consumption that has an immediate impact on people's energy bills. One of the key drivers of the Yellow Vests' protests was the lack of alternatives to their diesel or petrol cars that are essential to work and to live. Besides, the current energy price crisis shows that green investments targeted to the most vulnerable are already much needed today. Many low-income households already restrict their energy use (IEECP, 2022) hence they have little room to further reduce it in the face of high energy prices. To stop spending tens of billions of public money in social compensation, let's address the root cause of high dependency on fossil fuels. Providing affordable alternatives to fossil fuels for low-income households is a matter of energy security, climate action and social justice.

Let's put in place socially-fair price signals (remove exemptions for businesses, industry or aviation), more ambitious regulations (high regulated standards for renovation for existing buildings), adequate financing and technical assistance (sufficient and frontloaded financing through the Social Climate Fund among others) and more inclusive governance. The Fit for 55 is above all a unique opportunity to implement a socially-just transition that would alleviate existing carbon inequalities, hence strengthening the EU's social cohesion and future resilience (Defard 2022).

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THE IMPACT OF A SOCIALLY UNJUST DECARBONISATION ON GREECE

Testimony from Spyros Psychas, member of the board of the Hellenic Anti-Poverty Network (https://www.antipoverty.org.gr) within the European Anti-Poverty Network (EAPN) - Edited by Sabrina Iannazzone, Policy Officer at the European Anti-Poverty Network.

The Hellenic Anti-Poverty Network (EAPN Greece) is a network of 34 non-profit organisations and grassroots groups working on a wide range of activities targeted at vulnerable social groups facing poverty and social exclusion. It was founded in 1990.

As energy prices – particularly electricity – have soared in the last two years, the poorest sectors of the population in Greece have been using cheap fuel alternatives to heat their homes, many of which are polluting or unsafe.

> *"A considerable number of accidents and casualties as a result of domestic fires occurred. In 2020, 68 people died from a fire in their homes and 83, in 2021 (Kalafatis, 2022)".*
>
> *"Until very recently, most of the electricity in Greece was generated from gas and polluting lignite,[47] which is mainly found in the centre of the Peloponnese (city of Megalopolis) an area in Western Macedonia (the cities of Kozani, Ptolemaida, Florina). In these areas, the local economy has relied almost exclusively, on lignite mining and large electrical power plants for around 70 years. The region of Western Macedonia is one of the poorest areas in Greece: its unemployment rate amounts to around 30% (EUROSTAT, 2022). The situation deteriorated after the dismissal of 5,500 workers in the mining sector and power plants over the last few years (WWF Ελλάς, 2020 and Janne, 2022). In fact, four power plants have been closed and other plants are expected to shut down in 2023." – Spyros Psychas, member of the board of the Hellenic Anti-Poverty Network.*

In 2019, the Greek government announced an overly ambitious and short-term plan to switch to cleaner sources for electricity generation and the closure of all lignite power plants (Simon and Karaoulanis 2021). The plan included the abolition of lignite use by 2025, with a possible extension for only one plant until 2028 and a view to accelerating the withdrawal of all the existing lignite-fired plants by 2023. Gas was part of the transition to clean energy: the Ptolemaida 5 lignite plant was planned to switch from lignite to fossil gas (PCC, power supplier in Greece). This abrupt decision created insecurity in the regions suffering from high unemployment, low income, and high poverty rates.

The war in Ukraine, and the subsequent scarcity of natural gas supplies from Russia, caused a contradiction between the decarbonisation policies and actions on the ground. "*Despite*

47 Lignite is defined as non-agglomerating coal, also known as 'brown coal'. Lignite has long been used for power generation despite its emissions of greenhouse gas, lignite feeds more than 55% of electric energy consumption in Greece.

the pre-war government announcement about 'de-lignitization', lignite mines have doubled production and store it for the upcoming period".[48] The initial timeline for the withdrawal of lignite from the domestic energy mix has since been reviewed: in April 2022, the Greek Prime Minister, Kyriakos Mitsotakis, mentioned the possibility of Ptolemaida 5 continuing with lignite fuel until 2028, contrary to the initial plans to convert it into natural gas fuel in 2025 to address the surge in gas prices and the reduction of Russian supplies (EnergyPress Greece, 2022). In July 2022, the Minister of Environment and Energy, Kostas Skrekas, declared that five natural gas plants will be authorised to utilise diesel oil if necessary (ERTNews Greece, 2022).

> *"Four lignite power plants will continue to operate to avoid black outs and replace the expensive gas for the next two years. In parallel, in Western Macedonia and Peloponnese which produce most of the electricity, the local workforce's role remains very limited and mainly aims at covering emergency needs in the mines and plants. The ambitious plans to invest in alternative facilities for clean energy and to install new technologies and companies will take a much longer time, probably a decade." – Spyros Psychas, member of the board of the Hellenic Anti-Poverty Network.*

In a nutshell, in Greece, the short transition timing set by the government - without adequate public policies supporting the most vulnerable people and without the necessary intermediate steps towards climate neutrality - is likely to increase socio-economic inequalities.

> *"The transition to a low or zero carbon economy has been proposed as a plan to capitalise on EU policies and funds. However, at local level, there is little discussion of an alternative model of development and poor involvement of the local communities in the decision-making process. In countries like Greece, where one third of the population is at risk of poverty or social exclusion, the design and timing of the transition to a low-carbon economy cannot disregard the need for a strategy to re-skill and up-skill workers and guarantee decent salaries and working conditions".[49] – Spyros Psychas, member of the board of the Hellenic Anti-Poverty Network.*

It is clear that the transition to new energy production conditions and green products and services cannot be led only by the market. The Greek case also points out that the switching to electrification - in the absence of a diversification of energy supplies and a reform of the electricity market design in Europe - will lead to increasing electricity bills and a delayed independence from fossil fuels to cope with emergencies.

48 Power supplier PPC boosted its lignite mining output by an additional 7,000 to 8,000 tons a day for its Megalopoli power station in the Peloponnese, in response to Prime Minister Kyriakos Mitsotakis' call, early in April 2022, for increased lignite reserves should Russia disrupt its natural gas supply to Europe. Nonetheless, Russia's natural gas contributed to 8 TWh of Greece's electricity generation last year; thus, the increase of 2 TWh electricity generation through greater lignite production would only cover 25% of electricity currently depending on Russian gas.

49 When comparing with other countries' transition plans, Germany fixed a deadline to phase out coal use for energy production in 2038, which means a period of more than 15 years to develop new professions, promote vocational training and advocate for decent salaries and working conditions.

"A longer transition period would be necessary in Greece to develop clean energy sources without generating a disproportionate impact on the energy poor, low-income and vulnerable people. To date, Greece produces only 40% of its electricity from renewable energy sources. As the government adjusts its plans according to the changing circumstances, we risk losing both objectives: decarbonisation and social protection for those who face energy poverty.

The transition to cleaner energy should not lead to greater poverty for those who can no longer heat their homes or pay the electricity bills" – Spyros Psychas, member of the board of the Hellenic Anti-Poverty Network.

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A FAIR DECARBONISATION: A STRUCTURAL CHANGE IS NEEDED AT EU LEVEL

Sabrina Iannazzone, European Anti-Poverty Network

The European Anti-Poverty Network (EAPN) is the largest European network of national, regional and local networks, involving NGOs, grassroot groups and European organisations active in the fight against poverty and social exclusion.

Ensuring a socially-just transition to decarbonised energy and housing systems is crucial to alleviate energy and transport poverty and prevent social exclusion from full participation in the low-carbon economy. In this respect, it is important to raise awareness of the risks of unfair decarbonisation for energy poor, low-income and vulnerable people. They are the least responsible for climate change and energy crisis yet, without adequate public policies supporting an inclusive green transition, they face higher costs in terms of rising energy poverty and lock-in effects to the fossil fuel infrastructure.

A social justice approach is needed to ensure a transition to a low carbon economy for all and equal access to affordable clean energy. Decarbonisation in response to climate change must go hand in hand with the alleviation of energy poverty and avoid a situation in which those who are least responsible for the climate and energy crises pay the highest price. Europe's dependency on fossil gas (for electricity[50] and heating) has created a disproportionate impact on low-income people (Gore, 2022). In addition to this, measures increasing fossil fuel prices, such as the existing EU emissions trading system (ETS) that sets a carbon price for electricity generation and the proposed introduction of a carbon price for transport and heating fuels (ETS2), can be regressive if the country or region where these are implemented has a high level of income inequalities (Andersson, 2021).

Low-income and energy poor people are still highly dependent on fossil fuels for their energy consumption at home, as well as for transport, and they face inequality in access to renewable energy and technologies, home renovations and energy-efficiency programmes (EAPN 2022 & 2021; Bartiaux et al., 2019). They also have limited capacity to pay upfront, access financing and control their living environments in terms of decarbonisation investments, particularly in rural areas (Sherriff et al, 2022). Overall, they risk getting locked in the fossil fuel infrastructure in the next decade to come, while higher-income people will have the means to shift to a new employability, energy and transport economy. Public measures are urgently needed to apply the 'polluter pays' principle in a socially-just way and to create a sustainable energy transition.

Timing is a constraint for people that rely on restricted budgets and have limited availability to make new choices rapidly. Therefore, any short-term measures should be integrated with structural reforms and investments to reduce the regressive impact of decarbonisation on society, particularly in the context of the war in Ukraine. Ending the EU's dependence on Russian fossil fuels and switching from fossil fuel boilers to storage heaters or heat pumps is not sufficient in the absence of long-term measures, such as:

50 Electricity represents the largest share of expenditure of lower income households, in 18 Member States.

- Diversification of energy supplies, at national and local level, and public investments in environmentally-friendly energy storage systems and technologies, to reduce the capital expenditure falling on individual households.
- Replacement of fossil fuel subsidies with renewable energy schemes subsidies, while addressing the structural pre-conditions that limit vulnerable people's access to renewables: amongst these, access to the grid-scale deployment of energy storage systems, maintenance and technology replacement costs, inequality in access to funding and capital, limited control of their living environment and related decision-making process.
- Reform of the design of the electricity market with regards to electricity generation, distribution and pricing mechanism at EU level[51] with a view to long-term reduction of electricity taxes and prices. If the demand for electricity exceeds the supply, to support the use of electrified systems, prices will continue to skyrocket and the transition to climate neutrality will significantly slow down, as consumers, power suppliers and municipalities will still rely on fossil fuel power plants to keep pace with changes in the marketplace and national infrastructure.
- Subsidisation of deep renovation programmes to stop energy-inefficient housing.
- Increased tax justice across the EU through a regulatory and social protection approach complementing carbon pricing and offsetting its social impact. Progressive green tax systems should leverage energy tax revenues to support energy-poor and low-income groups and decrease labour taxation on low-income earners (Gore et al., 2022). Any ban on subsidies for fossil fuels should be accompanied by better access to social protection and less polluting energy supplies and technologies. Households should be at the core of the transition towards clean energy through more incentives for vulnerable consumers, environmental tax incentives (Valenduc, 2022), and more taxes for polluting companies. A sustainable use of revenue recycling is essential to address the unmet needs of target vulnerable groups and reinforce positive impacts on welfare aimed at reducing structural inequalities and urban-rural divide.
- Strengthen wider enabling policies including adequate minimum wages and social safety nets, fair working conditions and accessible training programmes, to facilitate the transition of workers currently working in carbon-intensive industries towards quality green jobs.

51 The EU wholesale electricity market favours fossil gas, not renewables, through the mechanism of marginal pricing, meaning that all suppliers - including cheaper renewables – receive the same price of the last plant used to meet consumers' demand, which are often natural gas plants. The rapid shift to electrification of systems will increase the electricity demand and prices linked to the conditions of gas suppliers, in the liberalised energy market.

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WHAT IS TRANSPORT POVERTY AND HOW CAN CITIES ADDRESS IT?

Adapted from article by Axelle Gallerand, Energy Cities originally published on 22 September 2021

Energy Cities empowers cities and citizens to shape and transition to future proof cities. We showcase concrete alternatives deployed by cities, we advocate to change political and economic governance at all levels and we foster a wide cultural change leading to a futureproofed society. Energy Cities' community is composed of local leaders of thousands of cities in 30 European countries.

When talking about a just energy transition, we often mention energy poverty: we discuss matters within the home such as heating and cooling, presenting solutions like energy communities, energy efficiency and sufficiency. But most times, we forget to take into account that transport plays an important role in how fair the energy transition will be for each and everyone. How much is mobility part of the energy poverty spectrum? What does transport poverty mean?

A household that spends 10% of its expenditure on how its members move from A to B is considered "transport poor". This spending can have many reasons: either people live in a remote area (which can easily affect the low income but also the middle- and high-income households) or face transport dependency due to distant living or high mobility needs that require households to rely on transport availability, accessibility, and costs (both public and private).

The problem is more serious than one could expect. According to the study "Defining Transport Vulnerability" by the French Energy Poverty Observatory (2015), people in France are more likely to become transport poor than energy poor. The study – which was published long time before the 2022 energy crisis, underlines that more people are prone to be transport vulnerable (18.8%) than having difficulties in heating their homes (16.1%): as some suburbs can have renovated housing, it is the travel distance that creates vulnerability.

Indeed, living far from the main urban areas or having fewer means to travel to the workplace can often lead to social isolation and higher risks of vulnerability.

Germany has responded to the energy crisis and its impact on travel affordability with a striking new measure. Few socially motivated governmental measures have received as much media attention as the recently announced €9 ticket (Wehrmann, 2022). In June, July and August 2022, people living in Germany can travel by public transport across the country with a single ticket, costing €9 and valid for a full month. The decision to put this low-price travel scheme in place came in spring when energy and living costs started to rise considerably after the beginning of the war in Ukraine.

The following examples of city-led initiatives in France provide additional ideas for local governments on how to tackle and alleviate transport poverty in their places.

Free buses in Dunkirk (France)

In 2015, Energy Cities' French member Dunkirk began to offer a free bus service on weekends to boost the local economy and permit locals to move more freely. The initiative was incredibly successful: residents began to use the bus much more frequently, 30% more on Saturdays and up to 80% more on Sundays. It enabled people to save money and avoid the stress and time management of parking. In fact, the initiative was so successful that the city launched an overall free system for the whole week. Now, buses are used 60% more during the week and 120% more on weekends.

In an article by CityLab (Bliss, 2017), the Mayor explains this as both an environmental choice and a social initiative:

> *"We all know today that we have to do something for the environment(...) Free public transportation also adds a social dimension, because it links people together. That's something mayors are very interested in developing."*

He also explained that rider fares only ever made up about 10 percent of transit's operating budget, which is about €50 million per year. The rest comes from a special transport tax levied on businesses and the regional government's operating general budget.

This initiative has become widely popular both on local and national levels: free public transportation was also established in Tallinn (Estonia) (Jacobs, 2020) and in Luxembourg (Gralki and Wiggins, 2020).

Car-sharing by MOV'ICI in Grenoble (France)

MOV'ICI, a car-sharing mobile application, was promoted in Grenoble's action plan. Car sharing makes it easier for vulnerable consumers to get to work. The app was established to offer both driver and passenger live information on journeys and a way to contact each other immediately. The driver chooses the prices which, from the beginning, were set between 0.30 and 0.60 euros per kilometre. In 2018, the app had 45,000 members, more than 90 communes were involved and more than 220,000 people were linked together for car-sharing journeys.

The goal of this app was to make daily travel with public transportation easier in rural zones. The creators refer to it as an instrument of "territorial equity": car sharing can be the main instrument to reduce spatial and territorial inequalities, as it connects people to create easier and cheaper access to basic services that they could not otherwise obtain using their own means due to territorial and economic restrictions.

Main takeaways for cities

Implementing fairer and shared ways to commute and decreasing car dependency by promoting free and accessible public transportation are some of the many ways municipalities can alleviate transport poverty. These examples are not always direct solutions to eradicate transport poverty, but they do offer alternatives for people to be less vulnerable.

Initiatives to reduce urban sprawl could also decrease private car use, while just regulations on rental prices and better cycling infrastructure to travel to work should be part of the solution. Employers could also consider encouraging home office solutions when possible, to alleviate transport poverty.

These front runner local governments remind us that transport poverty is not a one-dimensional issue but that it can be tackled at many levels in different fields. Although cities have an important role to play, transport poverty is also a national issue. If we want a just energy transition, national and European policies should make sure mobility remains accessible and affordable for everyone.

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THE HANDY HOUSES PROJECT – ANTWERP, BELGIUM

Edit Lakatos, Senior Policy Officer, Michalis Goudis, former Communication Director and Mariel Whelan, former Research Assistant, Housing Europe

De Ideale Woning is a social housing company, and member of Housing Europe, that rents and sells houses and apartments in four regions of Belgium. De Ideal Woning manages 6124 dwellings and employs 57 staff. Read more here: https://deidealewoning.be/

Housing Europe is the European Federation of Public, Cooperative and Social Housing. Established in 1988, it is a network of 46 national and regional federations which gather 43,000 public, social and cooperative housing providers in 25 countries. Altogether they manage 25 million homes. They do not just provide affordable homes but a number of other services such as domiciliary care, neighbourhood services or urban regeneration. Read more here: https://www.housingeurope.eu/

Objective

The aim of the project was to come up with a solution to the problem of vacant, outdated, and isolated social rented houses, which were in need of renovation. These homes are usually sold into the private sector. The financing options for providers of social housing made available by the Flemish government were insufficient for the deep renovation works that were required. Therefore, the cooperative company De Ideale Woning established the 'Handy Houses' project.

Background

The Flanders region, especially its cities, faced, and continues to face, a real residential crisis within the lowest segment of the private rental market. The share of inadequate quality housing is the highest for low-income groups, single people and single-parent families (Housing Europe, 2021). Besides, these rental properties are usually also of poorer energy quality, which means that the tenants' energy bills increase over time due to the lack of energy efficient investment of private landlords.

Therefore, finding an affordable and high-quality home for lower income groups is not easy and buying is not an option for them. This translates into an increase of the waiting lists for a social rental home. In 2016, almost 140,000 prospective tenants were on the waiting list, which contrasts sharply with the limited construction of additional social rental housing.

Towards social justice and an end to cost of living crisis: the model

Innovative finance: purchase in two payments

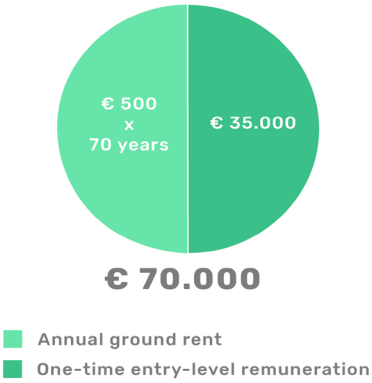
With the proposed innovative finance model, the "buyer" pays two fees for the "right in rem" (right not to have one's land or possessions interfered with):

- a one-time entry-level remuneration and
- an annual ground rent.

Both fees are calculated exclusively on land value. The land value of the first nine Handy Houses varies between €36,000 and €70,000, which means the entry-level remuneration varies between €18,000 and €35,000, and the annual ground rent between €257 and €500.

For example, if the value of the land on which the house stands is €70,000, then the "buyer" pays half (€35,000) as a one-time entry-level remuneration. The other half is paid as an annual ground rent out over 70 years, in this case amounting to €500 (indexed annually).

Figure 17: Illustration of the fees paid by the 'buyer' in the Handy Houses model



Renovation accompanied by De Ideale Woning

The purpose is to re-establish the property within a period of 5 years to a standard in line with the Flemish housing regulations. This means that "buyers" on top of the fees also need to invest in thorough renovation.

Most of the homes have not previously benefited from a renovation and should be renovated to at least energy label D.[52] Double glazing and roof insulation are mandatory for the occupants of the handy houses. All other measures are free to choose from.

52 The energy label is the energy performance certificate that reflects the energy performance of the home on an A+ to F scale, with A+ being the highest performance band. https://www.vlaanderen.be/en/epc-for-a-dwelling

For the first nine Handy Houses, the cost for a minimal renovation varied between €8,400 and €62,300. In order to reduce the cost, inhabitants have the choice to carry out the works themselves. De Ideale Woning supports, supervises and monitors the renovation works, and informs the "buyers" of possible subsidies.

Continuous involvement of future homeowners

The success of social housing projects lies with the involvement of inhabitants from day one. Therefore, De Ideale Woning put an emphasis on the continuous dialogue through information sessions on tips and tricks for renovation works or through open viewing days. The used tools included among others:

- Fact sheets with all necessary information (location, report of the current situation, planning regulations, energy performance, inspection certificates, land and building valuation, calculation of the remuneration and the annual payments, estimation of the renovation works).
- A Single Point of Contact via email for all information (agreements, renovation work, press).
- An extensive project page on the website, with all available information.

The registration list was based on the order in which a household applied (i.e., based on a queuing system).

Key advantages for beneficiaries

When the first nine Handy Houses were launched in 2017, more than 400 local families voiced their interest. They are all now on the registration list for the next series of Handy Houses (a total of 85 spread over a period of 6 years). While this solution is small-scale, the formula itself is very valuable:

- A sustainable answer to vacant, deteriorating housing – greatly benefiting quality of life in neighbourhoods.
- The affordability of the Handy House is guaranteed. Only those who meet the legal conditions to qualify for social housing are eligible. This also applies to the children– only if they meet the conditions can they inherit the Handy House for the remaining period of the lease.
- The right in rem on the property and the land (right not to have one's land or possessions interfered with) over a long period (70 to 90 years) makes "buyers" consider the Handy House their own home.
- The renovation will decrease the high energy consumption, which often pushes poor homeowners to energy poverty.
- The renovation obligation also stimulates the self-development of the "buyer". De Ideale Woning supports the major renovation works (and in supporting subsidies), but the responsibility remains with the "buyer".

Guaranteeing long-term, quality and affordable housing:

- The project makes De Ideale Woning able to tackle vacancies in its neighbourhoods, thus the project addresses the issue of derelict and vacant homes.
- The social houses remain in the social supply thanks to the strategy preventing selling off of the housing to the private sector.
- De Ideale Woning can permanently influence the affordability of the Handy House.
- Finally, the company is permanently involved in the quality of the houses.

As De Ideale Woning say,

> *"The Handy Houses are a brilliant answer to so many challenges according to affordable housing. We offer an alternative for people waiting for a social house for years. With the renovation obligation, which is being carried out by the new owner but under the guidance of De Ideale Woning, we encourage self-development and make people more resilient. Working with a long-term lease means that the affordability of the Handy Houses can also be guaranteed in the long term. And it is just a smart solution for outdated vacant social houses that would otherwise disappear from the social supply."*

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