SOCIALWATT

CONNECTING OBLIGATED PARTIES TO ADOPT INNOVATIVE SCHEMES TOWARDS ENERGY POVERTY ALLEVIATION

Concerted Action EED plenary meeting

25/03/2021

SocialWatt

Energy companies designing and implementing schemes to alleviate energy poverty

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The SocialWatt project has received funding from the European Union's Horizon 2020 Research and Innovation Programme under grant agreement No 845905

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SocialWatt in a Nutshell

Title	Connecting Obligated Parties to Adopt Innovative Schemes towards Energy Poverty Alleviation (Social Watt)
Funding	European Union's Horizon 2020 Research and Innovation Programme
Started	September 2019
Duration	36 Months
Coordinator	Institute of Communication and Computer Systems (ICCS)
Participants	14
Budget	1,998,297.50 €
Contract No	845905 — SocialWatt — H2020-LC-SC3-EE-2018

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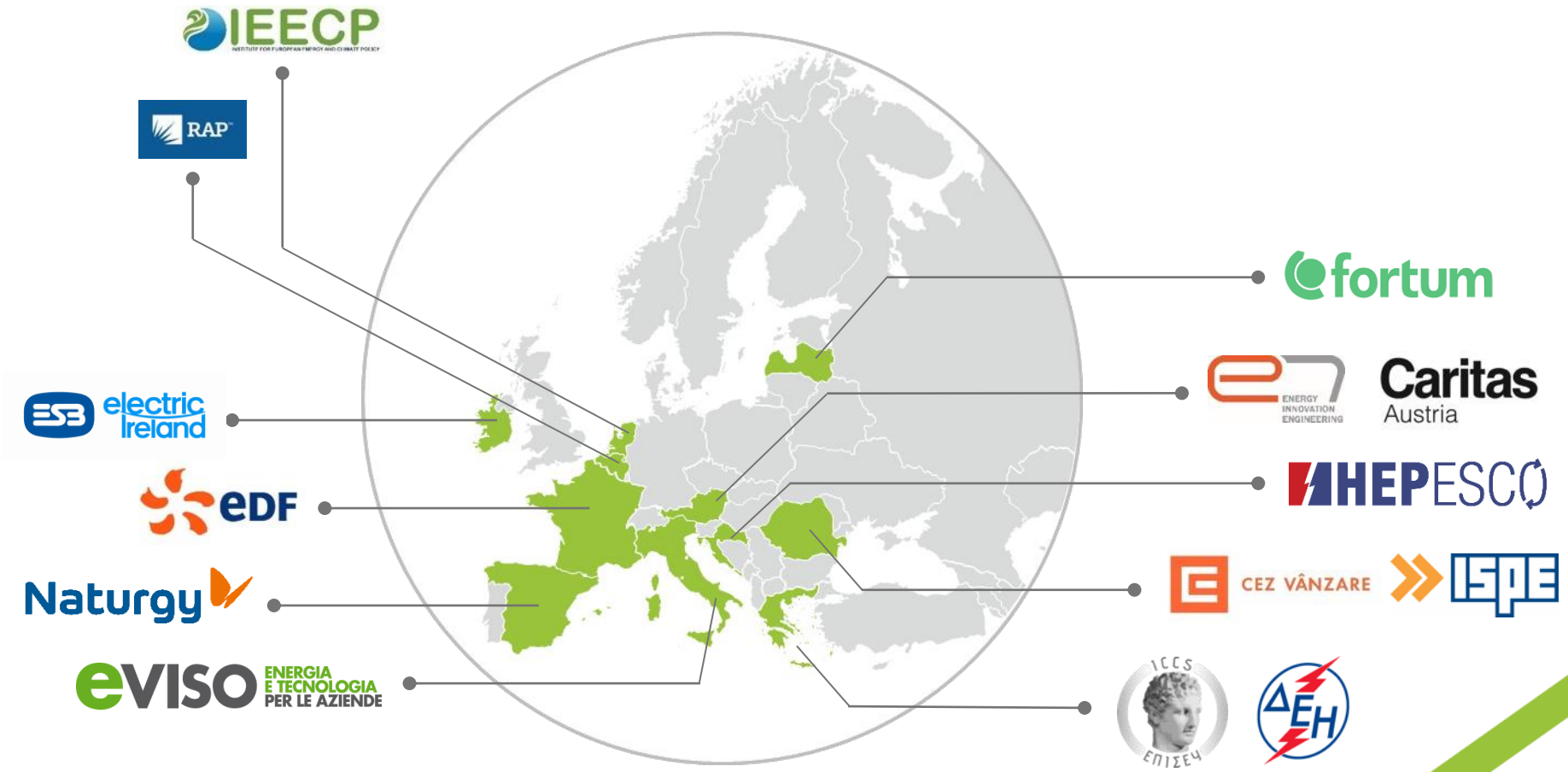
SocialWatt in a Nutshell

Who we are?



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SocialWatt in a Nutshell

SocialWatt aims to:

- Enable **utilities, energy suppliers and energy service companies** across Europe to develop, adopt, test and spread **innovative schemes to alleviate energy poverty**
- Develop **appropriate tools** for helping them identify energy poor households and work towards alleviating energy poverty
- **Build their capacity** and **promote collaboration** with social services and other stakeholders

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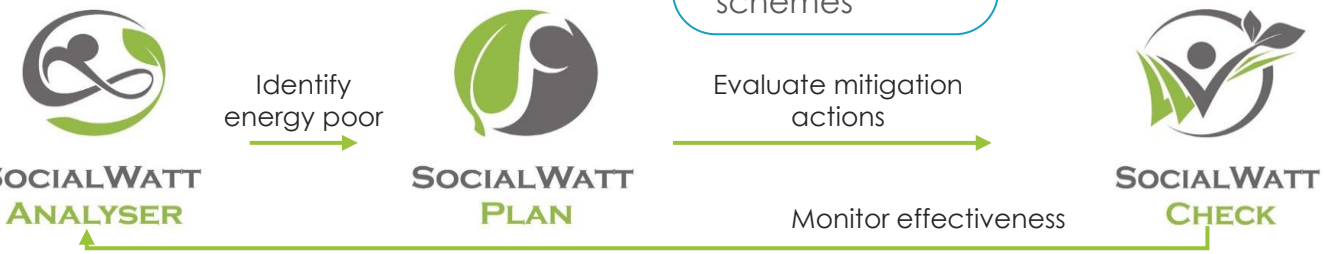
SocialWatt in a Nutshell

O1	O2	O3	O4	O5
Identify energy poor households	Develop innovative schemes to alleviate energy poverty with an emphasis on RES/EE investments	Build the capacity of utilities, energy suppliers and social services	Implement the schemes selected and evaluate their effectiveness	Replicate the project's outcomes and formulate policy recommendations
▪ Energy poverty definitions & Indicators ▪ Data analysis per country	▪ Good examples of energy poverty schemes ▪ Energy Poverty Action Plans	▪ Exchange knowledge for designing, financing & implementing schemes	▪ Implementation & monitoring of min. 2 schemes per participating utility	▪ 12 energy companies across Europe to replicate the project results



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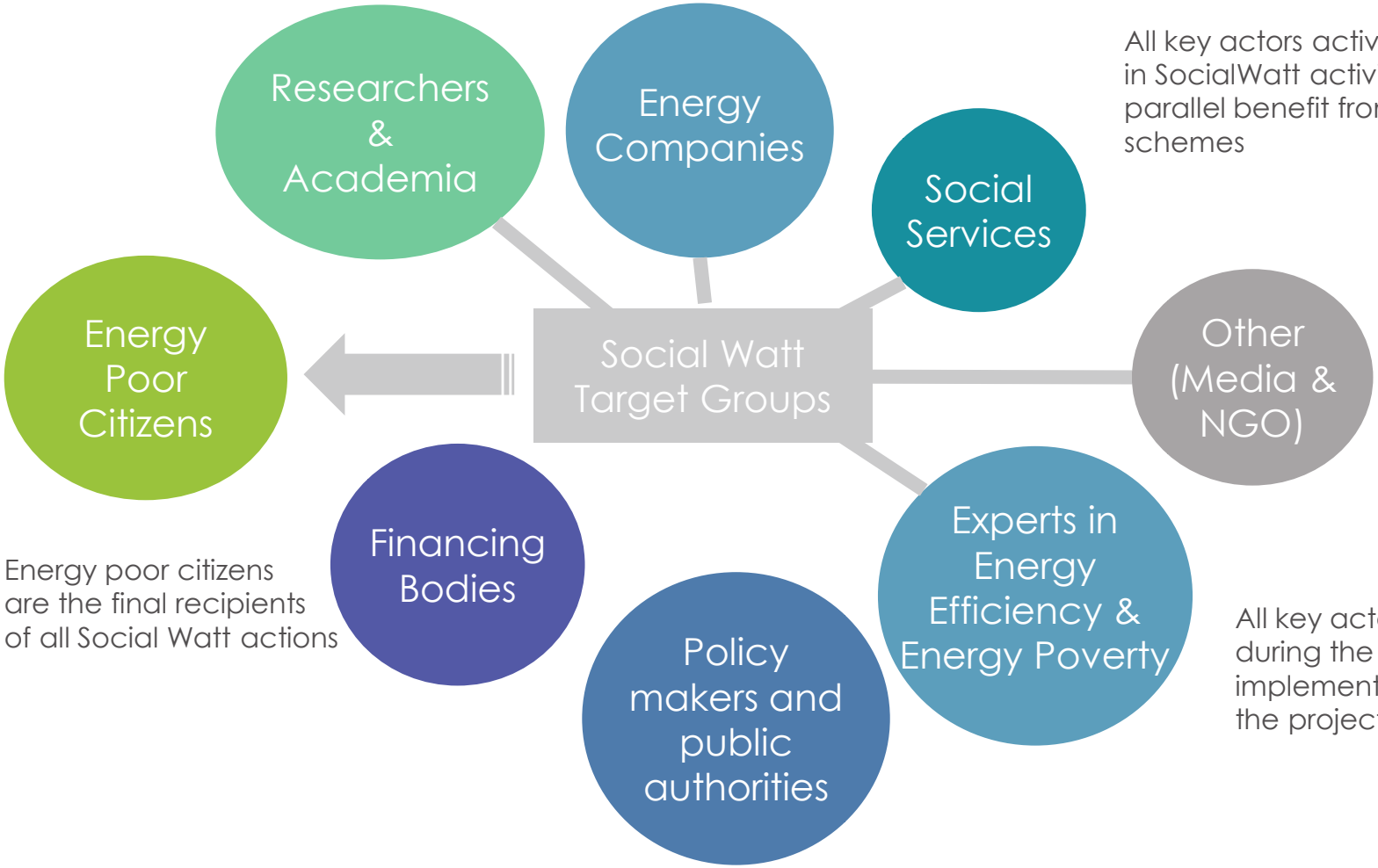
SocialWatt in a Nutshell



All key actors actively participate in SocialWatt activities whilst in parallel benefit from the innovative schemes

Energy poor citizens are the final recipients of all Social Watt actions

All key actors are engaged during the different implementation phases of the project

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Energy Poverty Schemes

Grant competition to identify locally inspired projects

- Grant competition campaign for financing projects that aim to reduce energy poverty
- Delivered by CEZ Vanzare in Romania
- Partnership with local charity to design the competition

Energy efficient buildings for refugees

- Retrofitting dwellings that the municipality is providing to refugees
- Main focus is on heating and air conditioning equipment and lighting
- Delivered by the Public Power Corporation S.A. (PPC) in Greece
- Partnership with the Municipality of Athens

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Energy Poverty Schemes

Interlinking schemes to proliferate impact

- Four schemes that raise public awareness, train social services, provide energy advice to energy poor households and ultimately support the replacement of inefficient household appliances
- Delivered by eVISO in Italy
- Partnership with two social services organisations and collaboration with an appliance retailer

Smart control systems in social housing

- Installation of a software to automatically optimize energy use based on data from smart sensors within the building and weather forecasts
- Delivered by Fortum in Latvia
- Partnership with the Municipality of Jelgava and collaboration with a retailer

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Energy Poverty Schemes

Challenges faced when designing innovative schemes:

- Uncertainties when there is **no national definition of energy poverty** or where there are ongoing processes to define energy poverty
- **Identifying, reaching and engaging energy poor households** so that these benefit from the schemes (e.g. there is no one perfect indicator of energy poverty that is suitable for all countries and contexts).
- **Securing financing to support** energy poor households (both from internal resources and third party financing)
- Alleviating energy poverty in the long run requires **a high investment per household**
- **Complexity** of designing and setting up ambitious schemes (& signing off schemes to be delivered by the utility is a lengthy process)
- COVID-19 and other unforeseen events (e.g. earthquakes) affecting companies financial priorities and business practices

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Energy Poverty Schemes

Specific challenges for obligated parties under Article 7 of the EED:

- The straightforward method for calculating energy savings **reduces the cost effectiveness of technical measures** (as it limits the lifetime of savings).
- **Schemes for energy poor households are not cost effective**, when compared to other options utilities have to meet obligations
- **Administrative uplifts in savings in EEOs are not enough** to trigger investments in energy poor households
- Delays in the design of the regulatory framework for the obligation schemes for the period 2021-2030

Specific challenges for other utilities and energy companies

- **Developing a convincing business case** to invest in energy poor households

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Lessons Learnt

- **Utility data can contribute to better understanding and targeting energy poverty** – the GDPR and the lack of disaggregated housing and income data are a drawback
- It is imperative to **build the capacity of utilities** on energy poverty and its relationship with energy efficiency. Insight into the comparative cost-effectiveness of different interventions is an asset
- It is important to establish **strong partnerships and collaborations** with key stakeholders (e.g. social services) to be able to effectively target energy poor households and design tailored schemes
- Energy poverty schemes should **facilitate combined funding/financing**, so that costs are not prohibitive for energy poor households
- **Different types of support** may be more appropriate for different levels of energy poverty/vulnerability

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Policy recommendations

EU policy recommendations:

- Tackling energy poverty is one of the three priority areas in the Renovation Wave. Article 7 of the EED can have a key role in this, as it has the potential to **deliver guaranteed energy savings to energy poor households**, if it is used effectively and stronger provisions are introduced (e.g. having a ringfence, considering the lifetime of technical measures)
- Where energy efficiency obligations are paid though energy bills, the **benefits should be directed to energy poor households**
- The impact of the entire European legislative portfolio on households of different income levels should be assessed. Article 7 is a key place that **the benefits of the transition can be directed to energy poor** to mitigate negative distributional impacts

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Policy recommendations

Recommendations for Member States:

- The existing requirement to **take into account the need to alleviate energy poverty** should be implemented in full under Article 7
- **Best practices should be considered when designing EEOS** (e.g. introducing in EEOS a ringfence of a proportion of the savings for energy poor households and not administrative uplifts)
- Utilities can play a key role in delivering vital support to energy poor households. Member States should **facilitate utilities and energy suppliers in implementing EEOS** (e.g. by facilitating access to financing).
- **Energy efficiency measures** should be taken to mitigate energy poverty. All opportunities to deliver guaranteed energy savings to these households must be prioritised and brought forward in time.

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Thank you for your attention!

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