Energy Efficiency Watch 4
Narratives for better EE implementation
National Parliamentary Workshop Cyprus

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1 July 2022

EEW 4

Starting points:

- Insufficient implementation requires an understanding of *‚why are things not happening?'*

- Key role: perception & connotation of policy instruments / energy transition

- For success of Green Deal, policy makers need broader understanding of economic EE potential than just *saving*

Narrative cases

Participation and Transparency

Case 1: Communication, Dialogue and Participation

Case 2: Independent and transparent data base

Economic Aspects

Case 3: What makes a real business case?

Case 4: The image of technologies

Connotation of Change

Case 5: Good to be a front-runner

Case 6: Energy Efficiency as integral improvement of the production cycle

Case 7: Empowering Research and Innovation for Energy Efficiency

Case 8: Education, training and upskilling

Societal Acceptance

Case 9: Communicate on price effects and social compensation

Case 10: Just transition

Conclusions from narrative cases (1)

Participation and Transparency

An engaged and well-informed public is more inclined to actively support ambitious policies

Narrative case 1: Communication, Dialogue and Participation

- Policy implementation will work better if dialogue and participation formats for relevant stakeholders and target groups exist

- Dialogue and participation facilitates level of information among stakeholders, helps manage expectations, create potential buy-in, form alliances, and allows to use the (potentially supportive) momentum of civil society

Narrative case 2: Independent and transparent data base

- Availability of transparently generated and meaningful data (well established on EU level) is a crucial foundation for policies, for setting targets & functioning principles, measure effectiveness and positive impact of policy instruments

- Continuous attention should be paid that this applies to all policies in all member states

- More focus is required on the collection of meaningful data on non-energy benefits (jobs, innovative momentum etc.)

- Option to generate specific data from existing / planned policies (e.g. on impact / efficiency) not used sufficiently => make a standard in new policies

Conclusions from narrative cases (2)

Economic Aspects

When highlighting the multiple benefits of energy efficiency and the energy transition, economic arguments need to be in the focus. Here, a wider and forward-looking perspective on what *economic* means (beyond just accounting for energy savings) is required.

Narrative case 3: What makes a real business case?

- ensure that real business cases (economically sustainable and expandable) can evolve

- level playing field for EE (conventional technologies: price signals; RE: synergies with EE)

- create favourable environment for specialized firms => develop / amplify business cases => cost degression through upscaling

- Accompany by convincing narrative that EE, despite comparatively higher complexity, is new mainstream

Narrative case 4: The image of technologies

- target groups of EE policies are often fragmented and accordingly have different motivations to act

- Analyse what will determine economic behaviour and willingness to adopt new technologies of different target groups

- consider where (and which level of) financial support leads to envisaged consumer behaviour, and where broader set of image factors (e.g. convenience, modernity, general value of a property, etc.) will trigger action

- incorporate when setting up new policies / evaluate success of existing ones, accompany by appealing narratives

Conclusions from narrative cases (3)

Connotation of Change

Economic and technological change => skepticism and fear => can delay or obstruct political reforms. For success of energy transition / decarbonization => generate positive connotation of change => show comprehensive economic chances, balance expected gains and losses

Narrative case 5: Good to be a front-runner

- identify why / in which area / by which concrete measures a country wants to be front-runner => build supportive narratives around this

Narrative case 6: Energy Efficiency as integral improvement of the production cycle

- Communication on benefits of EE must focus not only on (energy and thus cost-) saving aspect of EE measures

- Show overarching potential for optimizing production processes, reducing input of resources and optimizing financial performance

- strengthen role of energy audits => management attention => key performance indicators of business => energy management systems

Narrative case 7: Empowering Research and Innovation for Energy Efficiency

- technological research and innovation = agent and promotor of change => create supportive narratives

Narrative case 8: Education, training and upskilling

- alliances with educational / training institutions / branch associations => successful rollout => use momentum for narratives

Conclusions from narrative cases (4)

Societal Acceptance

Societal acceptance: key vector for political climate supportive of transition

Narrative case 9: Communicate on price effects and social compensation

- Empirical insights show that monetary compensation under CO_2-tax regimes are often wrongfully perceived as insufficient, mainly due to the complexity of influencing factors on energy prices

- If instruments are planned that – such as a CO_2-tax – structurally increase price levels => flank from earliest stage by communication campaign

- compensation for vulnerable societal groups must be well communicated: what is related price increase and level of support provided

Narrative case 10: Just transition

- 'just transition' easily misinterpreted => (too) large parts of society claim to be on losing side => 'race for highest compensation'

- Expected positive welfare effects often not sufficiently communicated

- Analyse vulnerabilities and strengths of societal spheres and stakeholder groups => define which financial compensation needed for whom / who supposedly will be on winning side of transition

- Narratives need to be developed, managing expectations on the meaning and the impact of a 'just' transition

Remark on implications of Ukraine crisis

- Ukraine crisis shows: potential of EE for energy security high but so far not taken serious
- expert survey stakeholder workshops: energy security ranked low
- belief in market forces outweighed specific energy security measures
- Recognition dominated by supply side (‚this is the real stuff')
- Potential of EE downplayed - seen just as ‚add on'
- Current process of strategic planning => EE is a pillar of diversification
- must get appropriate recognition / role / narrative!

Overarching policy recommendations

⇨ **Think and act beyond fragmented traditional policy areas**
- connotation of change in public debate decides about success / failure of energy transition
- communicative framing => cross-sectoral approach
- comprehensive policy packages across sectors / policy areas => energy, education, research & innovation, etc.
- concerted action between energy policy and key players such as educational institutions, branch associations etc. must be fostered by policy making

⇨ **Strategic planning of policy implementation is required from the very start**
- supportive narratives => flank / frame all new and ongoing policy measures
- participation and dialogue => increase understanding and potential buy-in

⇨ **Strengthen economic relevance of EE / energy transition in policy making**
- overcome predominance of supply side => consistently strengthen synergies with EE
- foster evolvement of new business models => create favourable market conditions
- create / apply broader understanding of economic benefits / role of audits => incorporate results in financial key performance indicators of companies
- analyse different target groups' patterns of economic behaviour => tailor policy instruments accordingly
- Establish comprehensive definition of economic dimension of EE (e.g. increasing geo-political resilience!)

THANK YOU

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