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# TOWARDS A SOCIALLY FAIR ENERGY TRANSITION

## WORKSHOP SUMMARY – EUROPEAN GREEN DEAL AND SOCIETY WORKSHOP 2

**WORKSHOP DATE: 16 NOVEMBER 2021**

### Introduction

This second workshop in the series brought together Members of the European Parliament (MEPs), the Commission, and stakeholders working at the social–climate nexus, covering a range of interests including climate, social, and racial justice, consumer rights, democracy, open governance, and local energy transitions.

The main objective was to collectively navigate the current, relatively negative, climate rhetoric around energy prices to refocus on the broader – more positive – social agenda that the European Green Deal has to enable.

Following introductory points from European Commission Representatives and Members of Parliament, participants held breakout discussions, resulting in the following takeaways for a fairer European Green Deal:

1. Refine and better communicate the European Green Deal’s role in addressing energy price vulnerability.
2. Broaden understanding of vulnerability.
3. Re-evaluate our energy dependency and the design of energy policy.
4. Make energy policy making more participatory and “humble”.
5. Harness the potential of key instruments to bring about a socially fair transition.

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## Key points raised by the European Commission Representatives and Members of Parliament

As we move away from the infrastructure legacy of the industrial revolution, there is a need to better communicate the European Green Deal in terms of the scale of change it will bring. Although these changes will be positive in the long term, it will be imperative to not lose political support along the way. The energy price crisis is a case in point. It is important to acknowledge that prices will initially increase before they decrease, but the transition to climate neutrality should not create more inequalities.

Although some political groups are using the energy price crisis to question the direction of the European Green Deal, a large majority recognise that scaling up renewables is only part of the way forward. The fact of the matter remains that there is not too much green transition but too little. At the same time, all climate policy must be socially just, with specific attention being paid to redistribution. Energy should be regarded as a public good, with renewable energy communities being a means of ensuring this. Energy efficiency is a central goal as the cheapest energy is the energy that is not used at all.

## Key takeaways identified by workshop participants

### **Takeaway 1: Refine and better communicate the European Green Deal's role in addressing energy price vulnerability**

Despite attempts by some incumbents to exploit the energy price crisis and push back against the European Green Deal, the need to move away from fossil fuels remains the dominant narrative. However, the precariousness of people's lives in relation to the energy crisis should not be minimised. Rising energy prices have resulted in an increase in the cost of food and other essentials, potentially driving worry and risking the erosion of trust in politics and in the European Green Deal more broadly.

There has been little to no debate on what makes the energy system unfair in the first place. Moreover, certain groups, such as those with disabilities, continue to be left out of the conversation by default due to the lack of clear information, provided in an accessible format, by energy providers. This is why the current crisis is also an opportunity to initiate a new type of discussion with the public and develop a more positive narrative of the clean energy transition. A better combined story can be told of the need for both short-term fixes for the present

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crisis and medium- to longer-term investment (for example, in energy efficiency) and reform for enhanced resilience to future shocks. A social justice framing should be interwoven into any such combined narrative, reflecting greater awareness of gender, ability, and race, among others.

### **Takeaway 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 different impacts on different communities are being acknowledged. Racialised communities, for example, have traditionally faced higher levels of poverty, which is exacerbated by the lack of culturally appropriate housing and limited access to renewables. Yet, more granular data and analysis of how marginalisation is related to, and compounded by, climate policies continue to be missing. An intersectional lens that looks at how class, gender, race, and other social determinants intersect is therefore necessary to map and monitor the social impacts of the energy transition, thereby identifying who will benefit from climate neutrality and who needs greater levels of support.

Adopting an intersectional approach should go hand in hand with widening the scope of vulnerability, beyond welcome efforts to measure energy poverty more clearly at the EU level. It is important to recognise that, in the transition to climate neutrality, prices will initially rise for everyone and not just low-income households. This group must be financially protected while also securing broad-based support for the transition. More importantly, however, policy makers and civil society need to invert the logic on addressing inequality from compensation to prevention and from limiting themselves to tackling current inequalities to accounting for future disparities.

### **Takeaway 3: Re-evaluate our energy dependency and the design of energy policy**

The ongoing energy crisis has also revealed the fragility of our commodified energy system by bringing into question the paradigm of endless cheap energy. The historically default response is to invest in and supply more energy. While efficiency is gaining status in the Fit-for-55 package, questions of energy and resource sufficiency remain at the fringes of policy debate. The crisis has demonstrated that energy should be treated as a common good and right, especially in the context of fully renewable energy systems. Just as importantly, energy security should not come at the cost of destabilising democracies and supporting oppressive regimes with fossil fuel purchases. Overall, the European Green Deal needs to look more closely at linking resource security with resource

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use and better explore the unintended consequences of conventional approaches to energy security, which have taken a backseat so far.

Energy prices are linked to our dependence on fossil fuels but are also the product of a centralised energy system. It is becoming increasingly clear, however, that national level policies do not sufficiently correspond to realities on the ground. The local level needs to be the starting point of energy planning and policy design. A more decentralised approach, complete with renewable energy and local transition movements, can help democratise energy systems and enhance flexibility and resilience in responding to future crises. This is also a matter of enabling a just energy transition by exploring how energy can be consumed where it is produced, to the greatest extent possible. At the same time, shifting more responsibility to the local (urban and rural) level should be accompanied by a boost in administrative capacity to conceive, attract, and see projects through.

**Takeaway 4: Make energy policy making more participatory and ‘humble’**

The current energy system is designed in a manner that leaves people disempowered in the face of an energy crisis. Despite the risk of rising energy poverty, measures and decision-making processes to address the energy crisis have not been participatory. There is a clear need for more public dialogue and diverse representation in these conversations, both in designing and delivering short- and long-term solutions. Representation also serves to provide greater visibility to minorities, including racialised communities, who have so far been left out of the conversation despite being disproportionately impacted by the energy price crisis. New forms of participation should empower these groups to set agendas and priorities, bringing the potential to greatly improve implementation of solutions.

More inclusive participatory decision making cannot take place without a humbler approach to policy making. Political leaders should recognise that they cannot deliver the European Green Deal without public support and participation. Given that their decisions affect everyday lives, more humility is required on the part of decision makers to truly listen to citizens and their needs. As part of this, more frameworks are required to help governments become more ‘open’ and make room for increased participation, transparency, and accountability.

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### **Takeaway 5: Harness the potential of key instruments to bring about a socially fair transition**

The Social Climate Fund offers an important opportunity to strengthen public debate and engagement in the shaping of the Fit-for-55 package. For this to happen, Social Climate Plans required on the part of EU member states will need to adopt more inclusive formats of stakeholder participation rather than follow the Resilience and Recovery Planning model, which was lacking in this regard, partly due to urgency and expedience. Notwithstanding its potential, the Social Climate Fund also illustrates a drawback of the Fit-for-55 package: its tie-in with the proposed ETS extension inevitably positions it as a financial compensation measure, with a view to carrying on with the existing system instead of transforming it.

The European Pillar of Social Rights is the cornerstone of a socially fair European Green Deal. Yet, the architecture to establish clearer links between the Fit-for-55 package and the Pillar is missing, hampering more concerted efforts to enhance data collection and monitoring of social impacts. To this end, bodies such as the European Environment Agency or new institutional bodies such as a 'Knowledge Centre on Fair and Just Transition' can play a role in tracking the social dimension and helping policy makers devise better evidence-based policies and course-correct implementation. Learning and iteration should be central to this set up given the type of complexity that multi-level, multi-stakeholder engagement requires. This will also help the Fit-for-55 package become more holistic in its approach.

The Energy Efficiency and Energy Performance of Buildings Directives are other avenues to achieve energy efficiency and address energy poverty. Indeed, most Fit-for-55 proposals tabled contain potentially helpful provisions, which will be important to connect in practical implementation, monitoring, and evaluation of their impacts. As part of reimagining a just energy transition, it will be essential to broaden just transition measures to sectors such as gas and heating and cooling, aspects that continue to be missed. Similarly, these Directives should work to address the upfront costs that citizens face when investing in energy efficiency measures, such as renovation. Making sustainable alternatives more affordable, attractive, and available to consumers, especially those from low-income households, is pivotal to them partaking in the energy transition. Recycling revenues from carbon pricing is also a means of boosting the social acceptability of the clean energy transition.

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## Summary reflections

The above points indicate that the current energy price crisis exposes structural vulnerabilities, but that the European Green Deal gives us important tools to address these. This means making efficiency paramount and sufficiency a more central consideration in the Fit-for-55 package. The takeaways also emphasise that the transformation has to be rooted in fairness and intersectional justice. All in all, they contribute towards a common understanding of a socially fair energy transition.

### The European Green Deal and Society workshops

This series of workshops arose from the identified need to strengthen the social dimension of Green Deal policies so as to leave no-one behind. Each workshop brings together a range of civil society organisations working at the social–climate nexus.

The workshops are convened by independent climate change think tank E3G and take place under Chatham House rules. The points raised in the published summaries do not represent the official policy or position of individual participants or organisations. Instead, they outline themes collectively identified as required to enable a fair, inclusive, and transformative Social Green Deal.

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## Participating Representatives from the European Parliament and Commission

MEP Cornelia Ernst, The Left

MEP Niels Fuglsang, S&D

MEP Jutta Paulus, European Greens

Aleksandra Tomczak, Member of EVP Frans Timmermans' Cabinet

## Participating organisations

**Central European University (CEU)**, Roxana Bucata

**Chatham House**, Nina Jeffs

**Citizens Climate Lobby Europe**, James Collis

**Climate Action Network (CAN) Europe**, Elif Gündüzyeli

**ClientEarth**, Alexia Falisse

**Democratic Society (Demsoc)**, Adriana O'Phelan

**Energy Cities**, Claire Roumet

**Equinox**, Serina Taylor

**European Consumer Organisation (BEUC)**, Eoin Kelly

**European Disability Forum (EDF)**, Marie Denninghaus

**European Network Against Racism (ENAR)**, Juliana Wahlgren

**European Network Against Racism (ENAR)**, Nadia Asri

**European Youth Energy Network**, Luciana Miu

**Foundation for European Progressive Studies (FEPS)**, Said El Khadraoui

**Friends of the Earth Europe**, Kieran Pradeep

**Friends of the Earth Europe**, Martha Myers

**Missions Publiques**, Ophélie Bretaudeau

**Open Governance Network for Europe (OGNfE)**, Maria Koomen

**Open Society European Policy Institute (OSEPI)**, Emily Stewart

**Open Society European Policy Institute (OSEPI)**, Heather Grabbe

**Social Platform**, Laura de Bonfils

**World Wide Fund for nature (WWF)**, Katie Treadwell

**E3G**, Theresa Griffin; Larissa Gross; Pedro Guertler; Lisa Fischer; Adeline Rochet; Raphael Hanoteaux; Rebekka Popp; Namita Kambli