

# enefirst.



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 839509. The sole responsibility for the content of this presentation lies with the authors. It does not necessarily reflect the opinion of the European Union. Neither the EASME nor the European Commission are responsible for any use that may be made of the information contained therein.



# Online Stakeholder Workshop

**Policy guidelines**

Breakout group on  
households' investments  
and behaviour

Workshop I 8th October 2021

**enefirst.**



MAKING THE ENERGY EFFICIENCY FIRST PRINCIPLE OPERATIONAL

# 1. Tour de table

## 2. Introduction to the breakout group session



- Recap of the report structure of E1st investment decisions
- Presentation of the policy approaches

## 3. Discussion



45 min

# E1st investment decisions in private households

Energy Efficiency First as a way to promote integrated approaches..

Chapter 1 ...in energy planning

Integrated energy modelling

Integrated **energy infrastructure** planning

Integrated planning of **energy demand & supply** in buildings

Chapter 2 ...in energy-related investments

Considering **multiple impacts** in investment decisions

E1st in public financing

E1st in end user investment decisions

Energy market regulations

Chapter 3

Complementary approaches to implement E1st

# Integrating E1st in energy-related investment decisions

## Large / major investments

(in EED recast: > €50 million)



**Enhanced CBA** = “*that allow proper assessment of **wider benefits** of energy efficiency solutions from the **societal perspective**” (Art.3 EED recast)*

- CBA methodology
- **Approval** by an **entity** in charge of verifying that E1st is well implemented

➔ **included in the proposed EED recast**

## Individual / smaller investments

(+ behaviours)



Need for **policies** to fill the gap between the *investor's* and *society's* perspectives

➔ **what types of approaches to make it happen?**

- **Multiple impacts** in policy design
- **Prioritization** in public funding allocation
- **Incentives or requirements** to promote decisions in line with national objectives

# Approaches included about energy-related investments

Considering **multiple impacts** in investment decisions

→ *basis for a cost-benefit analysis (or other assessment) in line with the E1st principle*

E1st in public financing

- Integration of E1st principle into EU funding streams
- Carbon revenue recycling towards energy efficiency



E1st in end-user investment decisions

- Financial incentives for RES linked to energy performance
- Fabric first approach
- Minimum energy performance standards (MEPS)
- Dynamic tariffs

# Policy approaches to discuss

## E1st in end-user investment decisions

Financial incentives for RES  
linked to energy performance

- Investment into renewable energy installations should be subject to a minimum energy performance level of the building

Business as usual	E1st scenario
Financial incentives for renewable energy systems are available without performance requirements	Financial schemes (grants, feed-in tariffs etc.) <b>require a certain heat loss/ energy performance level</b> before investing in the RES system
No legal requirements when installing e.g. a heat pump or PV panels	<b>Energy efficiency requirements</b> (e.g. roof/ wall insulation) linked to RES systems (use of trigger points)

# Policy approaches to discuss

## E1st in end-user investment decisions

### Dynamic tariffs

- Smart use of existing energy networks
- Incentivise consumer choices consistent with optimal choices from a power system perspective

#### Business as usual

The energy and network tariff paid by the consumers is **independent** from market and system conditions.

Load is considered to be **inelastic**.

#### E1st scenario

Consumers pay less in case of abundant generation and network supply and more in scarcity periods.

Consumers **do respond** to prices.



## Key guiding questions

### General approach of implementing Energy Efficiency First

- In your opinion, are the presented policy approaches relevant instruments to implement the concept of E1st?

### Enabling factors to implement Energy Efficiency First

- Can a positive energy efficiency narrative help guide energy-related investments following E1st?
- Are there any good practice examples in your country that incentivise the investment in energy performance improvements or use of dynamic tariffs?

slido



**If there was one thing you could change in the regulatory or enabling framework/ practices in your country (or on EU level) to implement E1st in households, what would it be?**

## Discussion about the two policy approach

**Financial incentives for RES  
linked to energy  
performance**

**Energy efficiency criteria in  
financing programmes**

**Dynamic tariff design**

**Incentivising efficient  
use of energy**

## Complementary measures to implement E1st

Building institutional capacities  
and increasing awareness

Facilitating transversality and  
interactions among professionals  
from different fields

Providing tailored information to  
end-users (E1st narratives)

Improving data availability

- Requirement to institutionalise the implementation of the E1st principle in EED recast
- Overcoming silos: providing incentives to learn from the other side and work together
- Raising awareness among private households about the benefits of E1st
- Promoting the concept of active consumers
- Increasing data collection and monitoring of energy use to make better informed decisions

slido



**What is, in your opinion, the main barrier to applying E1st to household energy investments?**

slido

- 
- —
  - —
  - —

**What are suitable ways to enable households consider multiple benefits in their investment decisions?**

## Additional questions

- While increasingly integrating residential buildings in the energy system, what do we need to consider E1st effectively?
- Can a positive energy efficiency narrative help to guide energy-related investments following E1st?
- Which legislation is the most important anchor point to implement E1st in end-user investments?
- Do you consider building renovation passports a suitable tool to guide investment decision of private homeowners? (or what information should they provide? What do you consider most important when introducing BRPs?)
- What could be good examples of raising awareness about E1st in households?

**We now  
return back to  
the plenary**



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 839509. The sole responsibility for the content of this presentation lies with the authors. It does not necessarily reflect the opinion of the European Union. Neither the EASME nor the European Commission are responsible for any use that may be made of the information contained therein.