# enefirst.



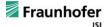
This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 839509. The sole responsibility for the content of this presentation lies with the authors. It does not necessarily reflect the opinion of the European Union. Neither the 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







#### 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

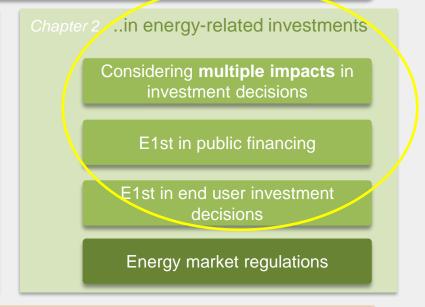




#### E1st investment decisions in private households

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 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

1

E1st in end-user investment decisions

- Integration of E1st principle into EU funding streams
- Carbon revenue recycling towards energy efficiency
- 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.) require a certain heat loss/ energy performance level before investing in the RES system
No legal requirements when installing e.g. a heat pump or PV panels	Energy efficiency requirements (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	E1st scenario
The energy and network tariff paid by the consumers is <b>independent</b> from market and system conditions.	Consumers pay less in case of abundant generation and network supply and more in scarcity periods.
Load is considered to be <b>inelastic</b> .	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.