

Fair Energy Transition for All: Final Recommendations

National Report of the Netherlands
– Results of dialogues with vulnerable
citizens about the energy transition

FAIR
ENERGY
TRANSITION
for all

Clingendael Report



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If you are interested in a synthesis publication from all countries and further information on the project and the methodology please check FETA's website: <https://fair-energy-transition.eu/what-vulnerable-people-have-to-say/>.

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Executive summary

While the prices of oil and gas, important contributors to climate change, are rising to unprecedented heights, the world is on fire. Literally and in a manner of speaking. Forest fires, heat waves, droughts and rising sea levels are indications of serious climate change. The Paris Agreement and the European Green Deal rightly call for us to work together to counteract further warming. The transition to a sustainable energy supply, away from fossil energy sources, has become an urgent global and European task.

Recently, geopolitical developments have only made this transition more urgent. First, the coronavirus pandemic – and especially its aftermath – led to a scarcity of raw materials and rising energy prices. The Russian invasion of Ukraine, and Russia's use of gas as political leverage, then caused energy prices to rise even further.

The geopolitical response to Russia's aggression includes a reassessment of our energy policy: reducing our dependence on Russian oil and gas has become a key strategic goal. This requires an acceleration of the energy transition, through accelerated investments in sustainable energy generation and energy conservation, as reflected for instance in the European REPowerEU plans.¹

However, accelerating the energy transition may come with transition costs for households which are already struggling with high energy prices and general price inflation. To avoid increasing levels of energy poverty,² income support is becoming more urgent for low- and now also for middle-income households. Income support is also necessary to ensure participation in the energy transition and guarantee households' contribution to and support for climate policy. In this report, we discuss this issue. What does energy transition mean for vulnerable households and how can policies better address their concerns so as to maintain support for climate policies?

1 European Commission, [REPowerEU: A plan to rapidly reduce dependence on Russian fossil fuels and fast forward the green transition](#), 18 May 2022.

2 A household is considered to live in energy poverty when 10% or more of its disposable income is used to pay its electricity and gas/heating bills.

The perspective of the most affected citizens and experts

Over the past year, the Clingendael Institute and Bureau Berenschot have participated in the Fair Energy Transition for All (FETA) project,³ which was also carried out in eight other European countries.⁴ The idea was to enter into a dialogue with both those who are potentially hard hit by the energy transition as well as experts, with the aim of gaining a better understanding of the emotions, fears, views and needs of vulnerable people with regard to energy transition and to develop policy recommendations for a fairer transition.⁵

Bureau Berenschot organised 14 focus groups with a total of 128 participants who had concerns about the current high energy prices and the possible effects of the energy transition/climate challenge on their daily lives. Based on the outcomes, Clingendael Institute organised two sessions with experts from government, academia and civil society to develop policy recommendations. Those policy recommendations were then discussed with the target group and validated in a *Fair Energy Forum*, organised by Berenschot, with input from Clingendael.

The high energy prices and the consequences of the war in Ukraine gave the FETA project enormous urgency. In no time at all, the energy transition had become an alarming issue about poverty and distribution. What follows is a brief overview of policies already in place, followed by the key findings for the Netherlands and corresponding recommendations.

What is the Netherlands currently doing about energy poverty?⁶

The importance of a fair energy transition is increasingly recognised in Europe. The Dutch government, too, has underlined its importance. In the Coalition Agreement of December 2021, the Cabinet Rutte IV (VVD, D66, CDA and ChristenUnie) adopted the social ambition of the European Green Deal, with the slogan 'NL gaat voor groen, iedereen moet kunnen meedoen' (the Netherlands goes green, everyone should be able to participate). In the course of 2022, it became clear – both at European level and in the member states – that a 'fair energy transition for all' more than ever requires urgent attention.

In 2022, the lowest-income households will receive, in the current year, up to 1,300 Euros to help with their energy bills. In addition, some taxes on energy use have been reduced,

3 See: <https://fair-energy-transition.eu/>

4 The project began before the Covid-19 pandemic; the start was delayed by the pandemic.

5 See: <https://fair-energy-transition.eu/>

6 This policy overview dates 14 September 2022.

so that the bill for all citizens will rise by slightly less in 2022.⁷ This income support will continue through 2023. The support is part of a comprehensive (17bn) package of measures to improve purchasing power. That package also includes an emergency fund to prevent households from being cut off from gas and electricity if they can no longer pay their energy bills. The day before Budget Day, it was announced that the Netherlands, in 2023, is going to set a price cap that will see citizens pay no more than 290 euros per month for average gas and electricity consumption; above that, higher market rates may apply.⁸ Extra efforts have also been made to provide subsidies for home insulation and the generation of sustainable energy, with extra attention being paid to vulnerable households.⁹ However, a structural approach for the medium term, which supports both the income position of these groups and the implementation of the energy transition, has so far been lacking. A 'fair energy transition for all' does not yet appear to be an integral and structural part of Dutch climate, energy and poverty policy.

There are growing concerns in the European market about the security of supply. On 26 July 2022, an emergency plan was adopted in Europe for a Europe-wide 15% reduction in natural gas consumption between August 2022 and March 2023 (which can still become mandatory for member states, if necessary).¹⁰ EU member states will ask (and possibly oblige) companies and households to reduce their gas consumption. In Germany, towns are setting up centrally heated halls ahead of the winter. They can serve as a fallback for people who cannot or do not want to turn the heating on at home.¹¹ At the same time, pressure is mounting to extract more gas from the Groningen field.

A Fair Energy Transition for All: key findings for the Netherlands

The focus group interviews conducted by Berenschot revealed that the target group of vulnerable households is aware of the importance of the energy transition, but that many do not consider themselves sufficiently able to take the necessary sustainable measures and/or finance them. From their perspective, the energy transition is a complex and costly affair, and the costs are not fairly distributed between higher- and lower-income groups. Moreover, many households feel very dependent on and sometimes disadvantaged by their social housing corporations – despite the fact that the percentage of housing association houses with an energy label B or higher

7 Rijksoverheid, [Maatregelen om de hoge energieprijzen te compenseren](#).

8 This price cap proposal will be further developed before 1 October 2022.

9 Rijksoverheid, [150 miljoen euro voor aanpak energiearmoede kwetsbare huishoudens](#), 15 October 2021.

10 Council of the European Union, [Member states commit to reducing gas demand by 15% next winter](#), 26 July 2022.

11 Duitslandweb, [Duitse steden richten voor winter verwarmde hallen in](#), 12 July 2022.

is higher than for owner-occupied or privately rented houses.¹² Public transport is available only to a limited extent in some parts of the Netherlands and is considered expensive. Older target groups feel less inclined to make their homes more sustainable. Finally, a significant proportion of the citizens interviewed have limited access to available (digital) support and/or have limited confidence in the government in general.

The experts, too, indicate that addressing and preventing energy poverty has become a politically urgent issue in a short period of time. The current rise in prices for heating and petrol cannot be absorbed by lower-income groups. It is feared that this winter, many people will be left in the cold or unable to pay their energy bills. On top of that, other costs are rising, such as for rent, care services and food, though the cost of energy is the biggest concern. This requires an urgent and structural approach – possibly even a ‘wartime mentality’ from the EU, from member states and from municipalities. All this is taking place while in Brussels the final negotiations are underway between the Council and the European Parliament on a tightened climate policy for 2030 (the ‘fit for 55’ package), which includes a new price incentive to reduce fossil fuels used for buildings and road transport.¹³ Furthermore, since summer 2022, the EU has been working on intervention measures for the European energy market that (among other things) should be aimed at reducing European citizens’ energy bills in the short term. On 14 September 2020, European Commission President Von der Leyen launched a number of concrete proposals to this end in her State-of-the-Union speech.¹⁴ Further European decision making on these proposals will be given high priority.

The experts noted that despite this increasing urgency, a ‘fair transition for all’ is not yet a structural and integral part of Dutch climate, energy and poverty policy. Ministers and ministries focus mainly on their own mandates, such as poverty policy or climate policy. On top of this there are labour shortages and problems with implementing agencies, which limit the capacity for the energy transition. Finally, it is suggested that a local approach using peer networks could help to reach target groups which have little confidence in the government.

On the basis of these results, and with input gathered during the *Fair Energy Forum*, we come to the following recommendations¹⁵:

1. *Improve the coordination of energy transition policies for all*
 - There is a lack of ‘ownership’ and urgency. Therefore, we advise the government to establish an interdepartmental **Task Force for a Fair Energy Transition for All**

12 Rijksoverheid, [Gebouwde omgeving](#).

13 Council of the European Union, [“Fit for 55”](#).

14 European Commission, [2022 State of the Union Address by President von der Leyen](#), 14 September 2022.

15 The recommendations listed are the responsibility of the authors.

which will put the urgency of a fair energy transition on the agenda and monitor and coordinate the implementation of measures by the ministries involved.

2. *Invest in a structural approach to energy poverty and in transition measures that reach vulnerable households*

- Invest in a **'National Fund for a Fair Energy Transition for All**, aimed at securing a structural, multi-annual approach to energy poverty, financially assisting vulnerable households in the energy transition.
- Focus on providing low-income groups with **vouchers and grants** that do not require co-financing, and **low-cost loans** with long maturities and low interest rates.
- Place even more emphasis on **energy coaches** and so-called **'fix brigades'** who provide households with practical assistance in insulating, making their homes more sustainable and reducing their energy costs.
- Include an obligation in the **'National Insulation Programme'** for (social) housing corporations to guarantee good insulation and consider mandatory insulation efforts by other landlords too.
- Invest in **affordable public transport** and improve access to electric vehicles for the lowest-income group.

3. *Improve the position of vulnerable groups in the energy transition labour market*

- Invest in targeted (and free) **training and (re)education programmes** for the unemployed and individuals awaiting a residence permit, with the aim of filling some of the required specialist jobs, such as technical installer or energy adviser.
- Provide **subsidies** to make it attractive for insulation companies and installers of heat pumps, solar and wind energy to employ lateral entrants.

4. *Involve vulnerable groups (more) in the policy-making process*

- Let policy makers continuously orient themselves to the concerns and expectations of vulnerable households. Make use of **Citizen Panels** and **Citizen Forums on Energy Policy**, but not as a top-down one-way communication channel.

At the moment, climate policy is in full development and it is difficult to keep an eye on vulnerable households, which are increasingly confronted with energy poverty. This brings with it the risk of eroding public support for climate policy. It is therefore important to include everyone in the energy transition and to include the perspectives of vulnerable households in the policy-making process. With specific measures and extra funding, they too could benefit from the advantages of the transition, whereas now they are sometimes literally left out in the cold.

Introduction

The Russian invasion of Ukraine and the rising energy prices have accelerated the European energy transition. The EU has been forced to rapidly reduce its dependence on (Russian) fossil fuels and to focus on accelerated sustainability, diversification of suppliers and efficiency. In order for this accelerated energy transition to succeed, it is of the utmost importance that the transition is 'fair'. An energy transition that is considered unjust will not be able to count on sufficient public support and will lead to considerable resistance.

In the best-case scenario, a fair energy transition will narrow the gaps between higher and lower incomes, the highly educated and the less educated, and the cities and the countryside. Right now, however, those gaps are widening. The most vulnerable incomes are hit the hardest by the rising energy prices and also risk being disproportionately affected by the (announced) new incentives to make consumers of fossil energy pay for pollution. In addition, the most vulnerable households often live in the most poorly insulated houses, and often live in areas where they are more dependent on the use of a car. Furthermore, this group often lacks the (financial) resources to actively participate in the transition and invest in sustainable alternatives themselves.

In order to achieve an energy transition in which all citizens are included, the costs and benefits of this transition must be shared more equally. Vulnerable households should be given better support, and it would be good if their concerns would be better reflected in climate and energy policy. This report makes recommendations to the Dutch government on how to organise an energy transition in which also vulnerable households can participate.

This report is part of a series of publications within the framework of the European 'Fair Energy Transition for All' (FETA) project. The aim of the FETA project is to develop concrete solutions and policy recommendations for a socially fair energy transition, based on the concerns and experiences of vulnerable groups. Some of the core questions underlying this project are: How can the EU and its member states prevent climate policies from hitting the pockets of poorer households the hardest? How can policies be designed so that everyone has an equal opportunity to enjoy the benefits of the energy transition? And how can the energy transition be combined with social justice?¹⁶ The FETA project is financed by a consortium of seven European foundations, led by the King Baudouin Foundation, and is implemented in nine European countries: Netherlands, Belgium, Germany, France, Spain, Italy, Greece, Poland and Denmark.

16 See: <https://fair-energy-transition.eu/>.

Overall methodology

In the first phase of the project, focus groups comprised of the target group (i.e. vulnerable households) were organised in all nine participating countries. The aim was to gain a better understanding of the experiences, concerns and wishes of vulnerable households with respect to the energy transition. In the Netherlands, the focus groups were organised by Berenschot. Due to the corona pandemic, researchers initially experienced a setback in reaching enough participants from the target group who were willing to participate in the focus groups during the citizen engagement phase. To overcome this problem, researchers approached welfare organisations, social enterprises and local energy initiatives which were in close contact with the target group. Eventually, 128 individuals in more than 14 meetings were interviewed about climate change, the energy transition and their energy bills.

In the second phase of the project, the outcomes of these national focus groups were presented to a panel of experts consisting of, among others, policy makers, scientists and representatives of trade unions and energy suppliers. Based on two national expert meetings, a set of policy recommendations for an energy transition, where all can take part, were developed. In the Netherlands, the expert meetings were organised by the Clingendael Institute.

In the third and final phase of the project, the draft policy recommendations were presented to the target group in a *Fair Energy Forum*, to validate the extent to which the recommendations were in line with the needs of the target group. The Dutch Fair Energy Forum was organised by Berenschot, with input from Clingendael.

This report presents the Dutch results of the focus groups, expert meetings and the Fair Energy Forum. The other eight national reports can be found on the FETA project website (fair-energy-transition.eu). A synthesis of all nine reports will be published and presented to European and national policy makers in the course of 2022. In the Netherlands, the outreach phase consists of, among other things, a public event, media interviews and the drafting of a short policy brief based on the results.

This report is divided into three chapters. The first chapter examines the focus groups organised by Berenschot, with a brief overview of the methodology and a discussion of the most important outcomes and conclusions. The second chapter gives a brief overview of the relevant policy measures at both European and national levels. The third chapter discusses outcomes of the expert meetings organised by Clingendael and, in particular, the most important policy recommendations arising from them. This chapter also briefly discusses the outcomes of the Fair Energy Forum.

Focus groups

Joachim Schellekens and Douwe Hylkema (Berenschot)

Research approach

To better understand the challenges that vulnerable households in the Netherlands face in the energy transition, Berenschot organised 14 stakeholder sessions with vulnerable groups. This chapter provides a summary of the challenges and needs voiced by the target group. The synthesis report has been shared with a group of 20 policy experts who were asked to help develop policy interventions and recommendations to address voiced concerns. The findings of the first 14 sessions and findings from the policy expert meetings were presented to a group of 22 participants in the beginning of July 2022 (during the Dutch Fair Energy Forum); feedback from this session has been incorporated into the Clingendael recommendations. The methodology for the focus group was developed by the King Baudouin Foundation and applied in the nine partner countries.

During each session, there was reflection on the climate and energy transition, the impact of changes on the energy bill and transport, as well as the distribution of costs. In total, 14 sessions were held between October 2021 and January 2022; 128 individuals participated, of which 49% were men and 51% women.¹⁷ Each session lasted between two to three hours and participants were informed about the current state of the climate, the expected climate change and its adverse effects, and the policy interventions that will affect their everyday life (mainly with regard to housing and mobility). During each session, participants were invited to express their opinion on certain expected developments (e.g. a price increase due to taxes) that might occur in the next decade. Our sessions took place just before the Russian invasion of Ukraine. At that point, energy prices had already gone up significantly. Participants were therefore very much interested to hear more about the price rises and the options available to reduce their energy and petrol use.

17 To 'recruit' participants, various municipalities and/or local welfare organisations were contacted. Most participants were recruited through their existing networks, known as 'convenience sampling'. As far as possible, there was a spread in rural/urban, religion/ethnicity and age between the various focus groups to ensure that findings of this study are as representative as possible of all sections of society who are part of the target group.

Key concerns felt by most participants

Most participants agreed on the importance of the energy transition. Participants felt that everyone should contribute their fair share, but within the bounds of what is financially feasible for each individual. Many felt that the distribution of the costs of the energy transition is not equally split between higher- and lower-income households and between low-income workers versus large (multinational) corporations.

Many participants were very worried about the current situation and the consequences that climate change would have for the next generations: *'We know that our behaviour has terrible consequences for the current state of our climate, but we don't take our responsibility to address this. We need to change our bad behaviour, working towards a more sustainable society, because otherwise, it will have negative consequences for the next generations.'*

A relatively minor number of participants claimed that we must see climate change as a natural process, arguing that humankind is not to blame for currently rising temperatures, and that investing in renewable energy sources and reducing consumption is futile. They mentioned that if the energy transition is to take place regardless, they would only participate if it did not affect their financial situation.

Many participants lived in social housing and pointed out that in order to reduce their energy consumption they are very dependent on measures taken by their social housing corporation. Due to a lack of clear communication and/or a language barrier, it is often not clear to them what to expect and when from their landlord. As a result, many vulnerable groups worry about their energy bill.

Most important findings and conclusions

This section provides an overview of policy recommendations as suggested by participants.

National level:

1. The focus groups revealed an issue with the accessibility of sustainability subsidies. Subsidies such as existing for heat pumps and solar panels are mainly aimed at households with a higher income while households with a lower income cannot afford these (up-front) investments. Therefore, the government would do well to offer alternative subsidy schemes tailored for lower incomes. Providing tailored subsidies, for instance to purchase induction hobs and pans, may help to improve the feeling of 'fairness' in the energy transition.
2. Some participants suggested addressing vulnerable household's rising energy costs by way of a cap on the maximum energy bills for those on lower incomes. Of course,

while this policy route would target the rising energy costs for lower-income households, it would also remove the financial incentive to minimise energy use.

3. Instead of providing cash contributions, the government could provide vouchers to be spent on, for instance, insulation material. Such a scheme could be connected to the deployment of energy coaches and (welfare) organisations that could support homeowners with installing insulation.
4. The government could make it obligatory for individuals who want to buy a property to obtain an Energy Performance Assessment (EPA). An EPA gives homeowners insight into the options (and the costs) of improving the energy performance of their home as well as the total cost of living. For homeowners who can barely meet monthly mortgage payments for their new home, this assessment demonstrates whether they should or should not buy a particular property.
5. The government could invest more in subsidies on healthy and environmentally friendly products and/or reduce Value Added Tax (VAT) on those products.
6. The participants advise the government to develop a long-term approach to addressing energy poverty. Often subsidy schemes have a limited budget (compared to demand for it) and/or do not address the problem in a structural manner. According to the participants, this could be tackled either through a yearly budget earmarked for this issue (e.g. X euro until 2030) or by developing a revolving fund. In such a scheme households in energy poverty would get a small energy loan to reduce energy use and would pay back the loan using the monthly energy bill savings.

Municipal level:

1. Local municipalities could encourage social housing corporations to renovate their building stock.
2. Local municipalities are advised to support citizens who have questions about the energy transition, their energy bill and other related concerns, for instance by:
 - a. supporting the target group with purchasing an energy contract (we found that at least 10% of all participants had not changed their energy provider for a very long period of time; it is likely they paid a higher energy bill than necessary)
 - b. facilitating help from support organisations such as energy coaches, for instance through welfare organisations.
3. According to the participants, it would be good if information about the energy transition were offered in other languages rather than only Dutch and English. Information should be both accessible online and shared through local community workers – rather than merely through ministries or housing corporations directly (as a way of addressing potential mistrust issues).
4. It is important for municipalities to work closely with social housing corporations (and landlords); often housing corporations do not have the means (or the incentive) to invest in the energy label of their houses. Participants advise municipalities to work with housing corporations in deciding on when and how certain

neighbourhoods will be improved, and to support households who live in poorly insulated houses and are 'last on the list' for renovation.

5. According to the participants, there is also a need for close cooperation between colleagues responsible for social affairs, the energy transition and renovation/construction.

Who is responsible and/or should pay for the transition?

Participants in focus group sessions seemed to be well aware of the enormous investments needed for the energy transition. In nearly all focus groups, and early on in the sessions, participants brought up the question of who should pay for the energy transition. Although most participants stated that everyone should pay their fair share in the energy transition, they emphasised that the costs of the transition should not be disproportionately borne by ordinary citizens and particularly not by citizens with lower incomes. Those who pollute more, and as such contribute more to climate change, should also take their responsibility and pay a larger share of the costs of the transition, so it was felt. As such, participants suggested that big polluting multinational companies should be more strictly regulated and taxed accordingly, for instance by eliminating tax concessions for polluting global companies. According to the participants, the government would then be able to use these tax revenues to invest in sustainable projects such as the insulation of social housing or sustainable transport services.

On an individual level, it was suggested that citizens need to pay their share of the energy transition based on their income; higher-income households would hence pay a larger share. This could be done through targeted taxes for the highest incomes in combination with price reductions and targeted subsidies for lower incomes, in order to also allow them to participate in the energy transition. Some participants also pointed out that higher-income households should set an example in the energy transition. If they were to do so, lower-income households would follow their lead, so was the reasoning.

Although many participants exhibited a general mistrust in the government, in their opinion, the national government is the part of governance primarily responsible for implementing the energy transition, including safeguarding its fairness.

Without exceptions, all participants felt that the government should ensure that everyone is able to be part of the energy transition. The government is seen to be responsible for raising awareness on sustainability and encouraging behavioural changes.

Key challenges and needs: breakdown in five types of target groups

The table below provides a breakdown of the key challenges and needs that are (more) relevant to a specific target group. The list provides readers with additional information about how the energy transition affects each group.

	Challenges	Needs
Group 1: Migration background, living in the Randstad	<ul style="list-style-type: none"> • Living in social housing. Highly dependent on the actions of housing corporations to invest in energy label • Knowledge of climate change impact and the changes to their lives due to the energy transition often limited • Some face a language barrier to obtain relevant information • Mistrust issues towards government institutions and (housing) corporations; positive attitude towards welfare workers 	<ul style="list-style-type: none"> • Information about the energy transition should be provided in several languages rather than only Dutch and English • Information should be both accessible online and shared via local community workers rather than through ministries or housing corporations directly • Support (at a local level) for energy-related questions, such as their energy bill and ways to insulate their house to reduce the current high energy bill
Group 2: Native, living in the Randstad (often in social housing)	<ul style="list-style-type: none"> • Living in social housing. Highly dependent on the actions of housing corporations to invest in energy label • Most in this group understand, in general, the need for investment in the energy transition and are willing to become more sustainable. Many investments to become more sustainable are deemed too expensive. • Relatively small number in this group believe that climate change is primarily a natural process and are critical of the energy transition. • Feel unheard in the 'fair' energy transition process • Mistrust issues towards government institutions and housing corporations 	<ul style="list-style-type: none"> • A policy mechanism could be implemented that would provide incentives for housing corporations to invest in the energy label of their houses • The government could provide tailored subsidies, for instance to purchase induction hobs and pans or even give induction cooking classes. This may help to improve the feeling of 'fairness' in the energy transition • They need support (at a local level) for energy-related questions, such as their energy bills and ways to insulate their homes to reduce the current high energy bills • Increase subsidies on healthy and environmentally friendly products
Group 3: Native, living outside the Randstad near a smaller city in a rental house	<ul style="list-style-type: none"> • Understand, in general, the need for investments to establish an energy transition and are willing to become more sustainable. Many investments to become more sustainable are too expensive • Feel unheard in the 'fair' energy transition process • Are afraid the government will favour the interest of households in the Randstad due to underlying economic reasons • Concerned about the current level of accessibility/frequency of public transport in the periphery, because it is below average in their opinion 	<ul style="list-style-type: none"> • A policy mechanism could be implemented that will provide incentives for housing corporations to invest in the energy label of their houses • The government could provide tailored subsidies, for instance to purchase induction hobs and pans. This may help to improve the feeling of 'fairness' in the energy transition • They need support (at a local level) for energy-related questions, such as their energy bills and ways to insulate their homes to reduce the current high energy bills • Improve the accessibility of public transport in the periphery and make it less expensive

	Challenges	Needs
<p>Group 4: Native, living outside the Randstad near a smaller city in their own house</p>	<ul style="list-style-type: none"> • Understand, in general, the need for investments in the energy transition • Already put some effort into becoming more sustainable by installing solar panels and/or heat pumps and/or insulating their house • Would need alternative transport options in the future to reduce own car use (e.g. EV car sharing) • Have insufficient financial resources to take all insulation measures required without more help from the government via subsidies 	<ul style="list-style-type: none"> • Improve the current status of car/bicycle sharing platforms • Improve the accessibility of public transport in the periphery and make it less expensive and more frequent • Increase subsidies on healthy and environmentally friendly products • Develop subsidy schemes that are also available for households with a low income and who have limited access to additional bank loans
<p>Group 5: Native, living in the periphery</p>	<ul style="list-style-type: none"> • Understand, in general, the need for investments in the energy transition • Already put some effort into becoming more sustainable by small improvements in their households, such as installing LED-bulbs, water-saving showerheads, etc • Find it difficult to make the step towards more expensive sustainable improvements, such as installing solar panels and/or heat pumps, due to a lack of financial resources and tailored government subsidies schemes • Concerned about the current level of accessibility of public transport in the periphery because it is below average in this group's opinion 	<ul style="list-style-type: none"> • Increase the subsidies on energy saving/sustainable products such as solar panels and heat pumps in order to bridge the gap between the middle and higher incomes • Increase subsidies on healthy and environmentally friendly products • Improve the accessibility of public transport in the periphery and make it less expensive and more frequent

The policy challenges of a fair energy transition

The focus groups conducted by Berenschot underlined the urgency of a more inclusive energy transition that would take into consideration the perspective and needs of the most vulnerable groups in society. The ability of European governments to operationalise an energy transition that is perceived to be fair has become significantly more challenging since 2019. The need for targeted (financial) support for vulnerable groups to take fossil energy-saving measures for climate-policy purposes is only one aspect of the task. Since the end of 2021 there has also been a need for generic income support to combat (energy) poverty, and to prevent an economic recession that could delay the realisation of the *Green Deal* ambitions. In this chapter we will discuss how the EU and the Dutch government have so far fulfilled this enormous task (and, as far as is known, plan to extend it from 2023 onwards).¹⁸

The European *Green Deal* and a fair energy transition

In the *Green Deal*, the EU has set out a new growth strategy that aims to transform the Union into a fair and prosperous society that will have net zero greenhouse gas emissions by 2050. The *Green Deal* states that a transition to a sustainable Europe 'can only succeed if it is fair and inclusive'.¹⁹ Policy at EU and national levels should reflect the need for what is labelled a socially just transition. The transition costs must be shared fairly, and energy poverty must be prevented as much as possible. 'The European Pillar of Social Rights will ensure that nobody is left behind.'²⁰

Recent developments underline the importance of a transition that is considered fair. Increases in energy prices, largely caused by the war in Ukraine, have triggered a Europe-wide price inflation that has hit the purchasing power of vulnerable income groups particularly hard. On top of the transition costs for energy-saving measures, these groups are faced with an unprecedented rise in energy prices and – due to rising inflation – the cost of living. The need to end the dependency on Russian oil and gas as soon as possible has strengthened the ambition to accelerate the energy transition. This threatens to further increase the transition costs for households. To prevent

18 This policy overview is dated 23 September 2022.

19 European Commission, [The European Green Deal](#), 11 December 2019, p. 19.

20 Ibid, p. 4.

rising energy poverty and an economic recession, and to ensure broad participation in the transition, income support for low- and middle-income households is becoming increasingly urgent.

Since summer 2022, the EU has been working on intervention measures for the European energy market which (among other things) should be aimed at reducing European citizens' energy bills in the short term. On 14 September 2022, European Commission President Von der Leyen launched a number of concrete proposals to this end in her State-of-the-Union speech.²¹ Further European decision making on these proposals will be given high priority.

The implications of the Green Deal

The EU is working out the *Green Deal* ambitions in a comprehensive package of measures, the Fit-for-55 Package (Ff55), aimed at reducing greenhouse gas emissions by at least net 55% in 2030 compared to 1990. The components of the Ff55 package are currently being negotiated in Brussels in trilogues with the European Commission, the Council of Ministers and the European Parliament. Decisions on various components are expected in the course of 2022. The expectation is that the Ff55 package will result in additional and direct increases in charges for households, as well as costs passed on by companies based on climate measures which they have to implement.²² The direct effects come from the following components of the package:

ETS-BRT: emissions trading in buildings and transport

The Commission wants to extend the ETS to buildings and road transport.²³ This involves pricing the CO₂ associated with burning fossil fuels for heating and transport, and will not take effect immediately. ETS-BRT auction revenues can be spent on climate measures with regard to buildings and road transport on the one hand, and on offsetting

21 European Commission, [2022 State of the Union Address by President von der Leyen](#), 14 September 2022.

22 In the midst of negotiations, these effects are currently not easily quantifiable. The European Commission carried out policy impact assessments of the Ff55 package in 2020. In 2021, the Rutte IV cabinet asked the Netherlands Bureau for Economic Policy Analysis (CPB) to make an initial exploration of the economic effects of 'the main components' of the Ff55 package; these include model estimates of macro-economic effects of between -0.4% and +0.5% for GDP in the EU in 2030. See: CPB Memorandum, [Economische beschouwing Fit for 55-pakket \(cpb.nl\)](#), March 2022, p. 4.

23 In Europe, a system for trading CO₂ emission rights between industrial companies (so-called Emission Trading System – ETS) is in place; it is proposed that the ETS be extended to the built environment and transport, the so-called Emissions Trading System for Buildings and Road Transport – ETS-BRT (planned start date 2025).

costs of the new trading system for vulnerable households (and businesses) on the other.²⁴ The Netherlands Central Planning Bureau (CPB)²⁵ states that the ETS-BRT may lead to an increase in the burden on households (and businesses): natural gas +10 ct/m³ and petrol +12-14 ct/l.²⁶

ETD: uniform energy tax rates

The Commission proposes a new, Europe-wide energy tax rate structure based on energy content rather than volume.²⁷ On the basis of this proposal, the Netherlands would have to substantially alter the relationship between the tax rates on natural gas and electricity, so that electricity is taxed less heavily than natural gas per unit of energy (GJ). Member states must also apply the same rates to energy products with a similar use. For the Netherlands, this means that the current degressive tariff structure in the Energy Tax (EB) and the Storage for Renewable Energy (ODE) for natural gas and electricity would need to be revised, as well as the current ratio of excise duties on diesel and petrol. The CPB states that it is still too early to quantify the income effects of the ETD proposal.²⁸

EPBD: minimum energy performance requirements for new and existing construction

The Commission's proposal²⁹ requires *new* buildings, including homes, to be completely emission-free from 2030 onwards. For *existing* homes it introduces minimum energy performance requirements: in 2030 energy label F, in 2033 label E.³⁰ Member states are called upon to set their own additional requirements for other years with the aim of achieving an emission-free building stock in 2050. The Commission calls on member states to develop instruments for the financing and subsidising of the necessary

24 To be distributed through the Social Climate Fund; see below.

25 See CPB publication footnote 22, p. 15.

26 According to Hekkenberg et al. (2021), assuming an ETS price of around 50 euros per ton of CO₂ in 2030; See CPB Memorandum, [Economische beschouwing Fit for 55-pakket \(cpb.nl\)](#), March 2022, p. 13. The question is to what extent excise duties and energy taxes will be adjusted in response to these price rises. The final total price increase will depend on future price developments within ETS-BRT and the choices made by the Dutch government concerning excise duties and energy taxes.

27 In a revision of the Energy Taxation Directive ETD, the proposal is to set minimum rates for energy products, in euros per gigajoule (GJ).

28 This is because the effects strongly depend on the extent to which households and companies change their behaviour as a result of the F55 package as a whole. In addition, the effects are strongly related to national flanking and compensating policies.

29 It concerns a revision of the so-called Energy Performance of Buildings Directive – EPBD: COM (2021) 802 final NL.

30 See: European Commission, [COM \(2021\) 802 final NL](#), 15 December 2021, p. 15 and annexes.

measures.³¹ The Commission is aware of the high cost of investments required when renovating buildings and supports member states in developing such instruments.³²

Social Climate Fund

The Commission proposes a fund for a just transition, to contribute to the objective of leaving no one behind in the transition,³³ and to counteract the effects of rising consumer prices for fossil fuels and the resulting increase in energy poverty. This *Social Climate Fund* (SCF) is to be used for direct income support to compensate in particular for cost increases due to the ETS-BRT, and for specific emission-reducing measures.³⁴ Criteria for the distribution of the SCF among member states³⁵ are related to poverty levels, share of the European rural population, and gross national income per capita.

On 28 June the Council of Environment Ministers took a compromise decision on the Commission proposal as a starting point for the trilogue negotiations on the package with the European Commission and the European Parliament this autumn. In this compromise decision, the size of the SCF was reduced from €72 to €59 billion. In addition, partly at the request of the Netherlands, a ceiling of 35% of expenditure on direct income support per member state was introduced. This will lead to a larger proportion of the fund focusing on measures that support the climate transition. As long as the trilogue negotiations have not been concluded, the exact size and use of the SCF remain uncertain.

How will the Netherlands deal with the Ff55 proposals?

In the Coalition Agreement, Cabinet Rutte IV adopted the social ambition of the *Green Deal*, with the slogan 'NL gaat voor groen, iedereen moet kunnen meedoen' (the Netherlands goes green, everyone should be able to participate).³⁶ So far it has been unclear how the implementation of the Ff55 package will contribute to this. In the *Ontwerp Beleidsprogramma Klimaat (Draft Climate Policy Programme)* of June 2022,

31 The CPB has not examined the economic effects of this proposal.

32 These include independent information points regarding relieving building owners, funds, sustainability loans, unlocking private investment, energy services and promoting other forms of financing that do not exclude anyone.

33 European Commission, [The European Green Deal](#), 11 December 2019, p. 19.

34 Such as financial support and tax incentives for making buildings sustainable, improving access to public transport and for purchasing low-emission vehicles and bicycles.

35 The SCF is filled with auction proceeds from the ETS-BRT and the ETS.

36 Minister of Economic Affairs and Climate Policy Jetten during the parliamentary debate on the outlines of the government's climate plans on 23 February 2022.

the government writes: 'Once the [Ff55] package has been adopted and the new obligations for the Netherlands become clear, it will be determined whether the national policy is sufficient to meet these (new) obligations and, if necessary, the policy will be reviewed. In this review, explicit attention will be paid to the socio-economic impact of this package' (translated from Dutch).³⁷

How does the Netherlands realise the ambition that 'everyone should be able to participate'?

Rutte IV has raised the climate ambitions considerably compared to the previous cabinet, to a reduction of greenhouse gas emissions to 55-60% in 2030, and to a predefined role for the Netherlands as an EU climate frontrunner. The Coalition Agreement of December 2021 states that the government wants to make the slogan 'everyone should be able to participate' concrete by financially supporting individuals (and businesses) who are unable to make the investments required for the climate and energy transition themselves.

Short term

In the short term, the government wants to limit energy poverty:³⁸ purchasing power effects due to gas and energy price rises must be tackled, with attention to 'vulnerable low and middle incomes'.³⁹ Due to the (unexpected) sharp increase in energy prices and price inflation, the Cabinet could not keep the promises made in the Coalition Agreement for a general improvement in purchasing power. Under pressure from Parliament, the Cabinet came up with a €200 direct income support for the lowest income group (up to 120% of the social minimum) as early as January 2022. However, persistent energy price rises and inflation quickly put renewed political pressure to find

37 Rijksoverheid, [Ontwerp Beleidsprogramma Klimaat](#), 2 June 2022, p. 12.

38 Research (*De feiten over energietoernooi in Nederland*; TNO, 23 Sept. 2021) showed that approximately 550,000 households were in so-called energy poverty even before the price increase. They had a low income and a relatively high energy bill and/or a house with a low energy quality. Recent (June 2022) CPB research shows that if energy prices remain high, 9-15% of all households will eventually have difficulty paying their fixed costs (*Stresstest Kosten van Levensonderhoud*, CPB, 9 June 2022); in August 2022, CPB published new data: in 2023, the proportion of people in poverty will rise to 8.1%, and for children to 9.8% (*Concept Macro-Economische Verkenningen 2023*, CPB August 2022, p.3).

39 Minister Van Gennip (Social Affairs and Employment) and Minister Kaag (Finance) during the parliamentary debate on rising energy prices and the development of purchasing power on 22/23 March 2022.

'more measures'. After intense debate, a parliamentary majority supported an additional package on 1 April 2022.⁴⁰

Subsequently, the Cabinet announced in the Spring Memorandum in May that no further generic or specific energy transition and purchasing power support was possible before 2022. In response, on 7 June, the PvdA and GroenLinks launched their 'Hoofd-boven-water-pakket' (*Head above Water package*),⁴¹ with additional proposals for 2022, such as an extra €500 supplement for people with a healthcare allowance, a rent freeze for social housing (and rent reductions for energy labels E, F, G), and an increase in the minimum wage to €14. The costs of this package are covered by the introduction of a 25% solidarity levy for companies that make a profit from the high energy prices and the Ukraine war. During the parliamentary debate on the Spring Memorandum at the end of June 2022, the pressure increased on the Cabinet to come up with extra measures for 2022. Along the lines of the proposals by the PvdA and GroenLinks mentioned above, the JA-21 proposal⁴² (also supported by the VVD) to let the additional VAT revenue, due to higher energy prices, flow back to the middle- income groups, and the opposition proposal⁴³ (supported by D66 and ChristenUnie) to increase the tax on profit and capital and to lower the tax on labour were debated. Much to the opposition's dismay, the Cabinet made it clear that there was no budgetary room for these proposals in 2022, and also that the opposition's proposals were not feasible for the tax authorities in the short term. Eventually, one additional measure for 2022 received the support of a parliamentary majority: €500 additional income support for incomes up to 120% social minimum, 'provided that municipalities can implement it'.⁴⁴

As energy prices and inflation continued to rise and it became clear that additional support could possibly be settled through the energy companies, on the day before Prince's Day, 19 September 2022, the government came up with a sizeable package of

40 It is noteworthy that during the debate, the parliamentary opposition proposed a number of specific, behaviour-influencing measures. These proposals did not receive the support of a parliamentary majority. These included proposals to make middle-income households eligible for support; to return the extra VAT revenue from higher energy tariffs to citizens, for example in the form of a lower energy tax; to label single-glazing as a defect in a rented home so that tenants would be eligible for a rent reduction as long as there was no double glazing; to investigate how sustainability subsidies could be made more accessible for low-income households, and to include the possibility of income-dependent subsidies; and to (temporarily) lower the price of public transport.

41 See: PvdA, [Hoofd-boven-water-pakket](#), 7 June 2022.

42 Tweede Kamer der Staten-Generaal, [Motie TK 2021-2022, 36120 nr. 17](#), 5 July 2022.

43 Tweede Kamer der Staten-Generaal, [Motie TK 2021 - 2022, 36120 nr. 22](#), 5 July 2022. Tweede Kamer de Staten-Generaal, [Motie TK 2021 - 2022, 36120 nr. 21](#), 5 July 2022.

44 Minister Kaag (FIN) in parliamentary debate on the 'Voorjaarsnota' on 154/165 June 2022.

more than €17bn to improve purchasing power in 2023⁴⁵ and – at the last minute – an additional new measure. The latter concerns a price ceiling for gas and electricity for use below the average use of households in the Netherlands, a proposal that was put forward by the PvdA and GroenLinks earlier this year (in March, June, and September).⁴⁶ This price cap will take effect in January 2023, but on the basis of it, energy companies will be allowed to reduce monthly energy costs as early as 1 November 2022. Details of the proposal are currently being worked out.

The total package for 2022/2023 includes

- one-off net income support of €1,300⁴⁷
- increase (for 2022) of the general 'energy tax credit' by €266.21 to €824.77
- from 1 April 2022 a temporary (nine months) reduction of excise duty on petrol (-17.3 ct/l) and on diesel (-11.1 ct/l)
- from 1 July 2022, a temporary (six months) reduction of VAT (from 21% to 9%) on natural gas and electricity, leading to a €20/month lower energy bill for an average household
- making €150 million available one year earlier (2022 instead of 2023) for subsidies from municipalities for energy-saving measures in private homes.⁴⁸
- a cap on gas and electricity bills up to the level of average household consumption. For now, the average consumption is set at 1,200 cubic metres (m³) of gas and 2,400 kilowatt hours (kWh) of electricity, but this is subject to further negotiations. The maximum price is likely to be 1.50 euros per cubic metre of gas and 70 cents per kilowatt-hour of electricity. This means that households using up to the average energy level cannot get a bill higher than 290 euros per month. For consumption above the average level, the market price will continue to apply. Details are still being worked out until 1 October 2022, in consultation with energy companies and Parliament.

45 These include: An extension in 2023 of the €1300 income support from 2022, an emergency fund to prevent households from being cut off from gas and electricity, a 10% increase in the minimum wage, an increase in child benefits, and a reduction in the income tax for low and middle incomes.

46 GroenLinks. [PvDA en GroenLinks: Prijzplafond Energie noodzakelijk voor huishoudens](#), 6 September 2022.

47 Decisions on €200 in January, €600 in April and €500 in June, for the income group up to 120% of the social minimum.

48 Municipalities can support households in taking energy-saving and energy-loss reduction measures. They can use this for both rental and owner-occupied homes, subject to the state aid rules for rental properties, and can spend it on both small (radiator foil, LED lamps, draft strips, etc) and large energy-saving measures (insulation, new refrigerator, etc) and energy advice (including water-side adjustment of the central heating system). Municipalities have until 1 May 2023 to spend the funds. Municipalities have policy freedom as to whom they allocate the funds – how the target group is defined – and with which measures they support them.

This package does not appear to be adequate for the government's ambition to ensure that vulnerable income groups can also participate in the energy transition through targeted support. Although the first measure (€1,300 for 120% social minimum) is aimed at income support for vulnerable groups, it does not include specific incentives for energy reduction. Nor does this measure take into account the energy performance of a household and/or the type of supply contract (fixed or variable). The price cap does this, but does not allow vulnerable groups to take measures that can reduce energy consumption while maintaining comfort, and for some households, energy bills still remain high in relation to overall income. In addition, the scheme only takes effect on 1 November, while many households, especially those on flexible or new contracts, are already paying very high bills. The measure is less favourable for large families and households living in poorly insulated rental properties.⁴⁹ Setting the cap at average use does maintain the incentive to make homes more sustainable for households with relatively high energy consumption, but it is estimated that these are more often the households with higher incomes. The measures will be paid for, among other things, by a levy on energy production and by not reducing taxes on energy in 2023.

Medium term

On 2 June 2022, the Cabinet sent the 'Ontwerp-Beleidsprogramma Klimaat' (*Draft Climate Policy Programme*) to parliament. The document outlines transition measures for the medium term (this Cabinet period to 2024), with an emphasis on sector-specific fossil energy savings. The Cabinet states that 'some of the measures in the Draft Policy Programme will have consequences for the burden on citizens, businesses and social organisations. This may (...) lead to burden increases, but the costs of inaction are many times greater. The starting point is that the burden must be shared fairly according to the "polluter pays" principle' (translated from Dutch).⁵⁰ In the policy document, the government's attention to the slogan 'everyone should be able to participate' seems mainly limited to the housing sector. There, special attention is paid to the affordability of measures for low- and middle-income households, and 'broader and better financing possibilities, especially for low-income home owners and small owners' associations⁵¹ are announced.

49 The House of Representatives adopted two motions by PvdA and GroenLinks during the General Political Consultations on 21/22 September 2022, asking the government, among other things, to take these groups into account when working out the price cap (see motions 36200, numbers 26 and 30).

50 See: Rijksoverheid, [Ontwerp Beleidsprogramma Klimaat](#), 2 June 2022, p. 6. The Cabinet has asked CPB to map out the effects of climate policy (of the Coalition Agreement, the 'Ontwerp Beleidsprogramma Klimaat' and the Ff55 package) on household costs. The first results are expected in 2023.

51 Rijksoverheid, [Ontwerp Beleidsprogramma Klimaat](#), 2 June 2022, p. 30.

For the mobility sector, the cabinet aims at a ‘zero emission mobility sector in 2050’ and at ‘a change in the way we transport ourselves and our goods’.⁵² The cabinet is committed to stimulate working from home, cycling and travelling by public transport, increasing the air passenger tax and, for car mobility, to ‘pay according to use’.⁵³ Zero-emission passenger cars must become a more attractive alternative for more and more consumers. These measures will certainly have cost consequences for households, but the government is not yet mentioning these, probably because calculations are not yet available. The memorandum does state that it is important for the mobility policy to be ‘comprehensible for citizens, entrepreneurs, companies and social organisations’⁵⁴ and that, when implementing the policy, it wants to pay extra attention to what it means in practice.

The Annex contains a schematic overview of measures with (potential) impact on the income position of households, differentiated according to the sectors ‘Housing’ and ‘Mobility’, supplemented by ‘General’ and ‘EU/Ff55’.⁵⁵

Some observations and suggestions

1. In recent months, it has become clear – both at European level and in member states – that ‘a fair transition for all’ is an ambition that demands urgent attention. It is an issue with a potentially disruptive impact on social and socioeconomic developments. Swift action from governments appears to be of great importance.
2. Although the concrete consequences for European and Dutch households are still not clear, it is likely that the Fit-for-55 package will lead to increased burdens for households. Moreover, it is likely that the lowest incomes will be disproportionately affected. For the time being, it is not clear whether planned compensatory measures (including the *Social Climate Fund*) could sufficiently counteract this effect.
3. Although the Dutch government is following up on the social ambition of the *Green Deal* by focusing on an energy transition in which everyone can participate, so far a structural approach seems to be lacking. The emphasis is mainly on short-term

52 Ibid, p. 24.

53 Also called MRB+: by placing less emphasis in the tax on vehicle ownership and more on the actual use of vehicles, the government wants to save 2.5 Mton extra CO₂ by 2030.

54 Rijksoverheid, [Ontwerp Beleidsprogramma Klimaat](#), 2 June 2022, p. 24

55 Based on the Legislative Programme in annex 2 of the ‘Ontwerp Beleidsprogramma Klimaat’, dated 2 June 2022. A distinction is made between generic measures (i.e. providing financial support without promoting sustainable behaviour) and specific green measures (promoting and/or financially supporting sustainable behaviour). Furthermore, it indicates whether or not the measure supports the FETA objective. Finally, a distinction is made between short and long term, and the starting year is indicated.

income support. Measures to support the participation of vulnerable income groups in the energy transition are limited in number.

4. An 'unjust' energy transition will not gain sufficient support and could create great resistance; consider, for example, farmers' protests against the nitrogen policy for example. The energy transition should not increase but rather should reduce existing contrasts between highly educated and less educated citizens and between cities and rural areas.
5. Crumbling political and social support for the climate and energy transition due to rising energy poverty could (significantly) delay the realisation of the *Green Deal* ambitions. This is a challenge for national and European leaders.

Recommendations

The importance of a fair energy transition is increasingly recognised in Europe. The Dutch government also emphasises the importance of a transition in which everyone can participate. However, despite the increasing urgency, a ‘fair energy transition for all’ is not yet an integral part of Dutch climate, energy and poverty policy. The emphasis remains on short-term income support. And despite the insistence that ‘everyone should be able to keep up’,⁵⁶ few concrete measures have been taken to (financially) support vulnerable groups in the longer term to make the necessary sustainable investments.

In this chapter, we make a number of policy recommendations to ensure that the energy transition in the Netherlands (and Europe) is structured more fairly. The recommendations arise from two expert meetings organised by Clingendael on 17 February and 10 March 2022 and were validated during a *Fair Energy Forum (FEF)* with the target group on 6 July 2022 (more information about the FEF can be found at the back of this chapter). During the expert meetings, attended by approximately 20 experts, we discussed the results of the focus groups organised by Berenschot, the policy challenges of a fair energy transition, and possible measures to address energy poverty. Among the participants were representatives of the relevant ministries, research institutes, trade unions and energy suppliers. A list of speakers and participants can be found at the end of this report. The recommendations listed are the responsibility of the authors.

Action points

1. *Improve the coordination of energy transition policies for all*

Given the urgency of the energy transition, rising energy prices and increasing energy poverty, it is essential that a fair energy transition becomes an integral part of Dutch energy, climate and poverty policy.

- **Task Force for a Fair Energy Transition for All.** A just transition requires the involvement of six national ministries (Economic Affairs and Climate Policy, Infrastructure and Water Management, Public Housing and Spatial Planning, Internal Affairs, Social Affairs and Employment, and Finance), each of which has a different interest in the development of an effective policy. The involvement

56 Marike Stellinga and Erik van der Walle, [Klimaatminister Rob Jetten wil niet meer horen dat het wel ‘haalbaar en betaalbaar’ moet blijven – NRC, NRC](#), 11 February 2022.

of local authorities in policy implementation makes it even more complex. Leadership and coordination will be essential. We therefore recommend that the government establish an inter-ministerial **'Task Force for a Fair Energy Transition for All'**, modelled after Scotland's *Just Transition Committee*, with a mandate to lead and coordinate the activities of all relevant stakeholders at national and local levels.

2. *Invest in a structural approach to energy poverty and in transition measures that reach vulnerable households*

Last year, TNO calculated that more than half a million households live in energy poverty.⁵⁷ As a result of rising energy prices and increased inflation, this number has risen sharply. The financial compensation currently offered is welcome, but it does not prevent more people from falling into energy poverty. Indeed, during the *Fair Energy Forum*, many participants stressed that the compensation currently provided was not sufficient. It is therefore important that a sustainable and structural solution is found.

- **National Fund for a Fair Energy Transition for All.** An example of a more comprehensive and sustainable measure would be the creation of a **National Fund for a Fair Energy Transition for All**. As discussed in the previous chapter, a *Social Climate Fund* is already being arranged at European level. It would be a good idea to set up a 'social transition fund' at national level as well, aimed at structurally assisting vulnerable households in bridging the energy transition. The fund could be used, for example, for direct income support (to be used in 'special' situations to avoid households falling into debt), subsidies for insulation programmes, and training and retraining programmes (see also further recommendations). The fund could be partly financed with possible funds from the European *Social Climate Fund* and through a transfer from the budgets of ministries involved in the energy transition.

With the slogan 'the Netherlands goes green, everyone should be able to participate', the Cabinet recognises the importance of an inclusive energy transition. However, concrete measures are largely lacking. In order to really give meaning to this slogan, the government could take the following steps:

- **Vouchers, subsidies and cheap loans.** Households with a relatively lower income often do not have the means to take the necessary sustainability measures. Subsidies (for solar panels, insulation and heat pumps) are often targeted at middle and high incomes, as they often require co-financing. The government could therefore focus on providing vouchers and subsidies aimed at

57 TNO, De feiten over energiearmoede in Nederland, 23 September 2021.

- low-income groups that do not require co-financing, and cheap loans with long maturities and low interest rates.
- **Energy coaches, fix brigades, and energy packages.** The focus groups conducted by Berenschot indicated that many households lack the time, knowledge and/or (digital and language) skills to participate in the energy transition. In order to address the limited self-sufficiency in the energy transition, the (local) government could make even greater use of energy coaches and so-called 'fix brigades' who provide households with concrete and practical assistance in insulating, making their homes more sustainable and reducing their energy costs. The (large-scale) provision of 'energy packages' in vulnerable neighbourhoods, as already provided in many municipalities, also fits with this approach. Participants in the *Fair Energy Forum* showed particular enthusiasm for these more practical measures.
 - **National Insulation Programme and compulsory insulation for housing corporations.** In addition to promoting the 'self-sufficiency' of households, it is also essential that the government focuses on 'unburdening', and ensures that vulnerable groups, many of whom are facing multiple challenges at once, are relieved of part of the burden of the energy transition. This could, for example, be done by obliging (social) housing corporations to guarantee good insulation. It is also essential that the government further develops its National Insulation Programme.
 - **Better, more frequent and cheaper public transport and access to electric vehicles.** The government's plans to reduce transport emissions are based heavily on reducing the use of (non-electric) cars. However, especially in the urban periphery and in rural areas, where public transport is often infrequent or sometimes completely absent, people are dependent on their cars – as highlighted by participants in the *Fair Energy Forum*. To reduce this car dependency, the government should invest in affordable public transport. Also, low-income households often do not have the same access to electric cars as high-income households. We therefore recommend that the government improves access for low-income groups to electric cars – for example through *car-sharing programmes*, targeted subsidies, and encouraging the development of a market for second-hand electric cars.

3. *Improve the position of vulnerable groups in the energy transition labour market*

The energy transition is leading to a high demand for specialised personnel. Estimates indicate that there are currently between 40,000 and 70,000 vacancies. While it will be a challenge to fill the number of new 'energy transition jobs', there is also a great opportunity to involve vulnerable groups more in the transition while tackling unemployment within this group.

- **Training and retraining programme.** The government could set up a targeted (and free) training and (re)education programme, aimed at training the

- unemployed and individuals awaiting a residence permit, with the aim of filling some of the required specialist jobs, such as technical installer or energy adviser.
- **Subsidies for lateral entrants.** In order to make it attractive for insulation companies, for example to take on lateral entrants, the government could use targeted subsidies.

4. *Involve vulnerable groups (more) in the policy-making process*

The focus groups conducted by Berenschot revealed that many participants felt they were disproportionately affected by the energy transition and that they were not being taken into account by the government. Considering the scale and impact of the energy transition, it therefore makes sense to involve (vulnerable) citizens (more) in energy and climate policy. Not only is it important that citizens feel heard and acknowledged, it is also important for policy makers to be well informed about the concerns and problems that exist in various groups and regions.

- Citizen panels and forums. A logical step would be to focus (even more) on citizen panels and forums, in line with the suggestions of the Brenninkmeijer Commission. The Commission, which was tasked by the Dutch parliament to investigate opportunities for involving citizens more closely in climate policy, concluded that citizen panels, especially on a local level and if tackled seriously, can increase citizens' engagement with and support for climate policy.⁵⁸ The Commission also warned, however, that 'organising a citizens' forum is a complex undertaking, which, without a serious, thoughtful approach, may actually lead to less citizen involvement and trust'⁵⁹ (translated from Dutch). Moreover, it should be noted that participants in the *Fair Energy Forum* expressed relatively little enthusiasm for the increased use of citizen panels. The government should therefore be careful that citizen panels and forums actually serve a need and demand on the part of the target group. In the near future, the government wants to further explore the option of a citizens' forum on climate and energy policy and discuss with parliament what would happen with the results.⁶⁰ In the Netherlands, various local authorities are already experimenting with citizen participation in the energy transition, with mixed results.

58 Commissie Brenninkmeijer, [Adviesrapport Betrokken bij klimaat](#), 21 March 2021, p. 4.

59 Ibid., p. 5.

60 Rijksoverheid, [Kabinet ziet potentie burgerforum voor klimaat- en energiebeleid; wil eerst met Kamer in gesprek](#), 4 July 2022.

Fair Energy Forum

On 6 July 2022, a 'feedback meeting' took place at 'De Groene Hub' in Amsterdam-Zuid. It turned out to be difficult for participants from more remote parts of the Netherlands to join the *Fair Energy Forum* physically. Therefore, the researchers decided to organise the *Fair Energy Forum* as a hybrid meeting. Although in general, a hybrid meeting is slightly less fertile for discussion, a more varied group of participants was able to join for reflection and discussion of the policy recommendations, which contributed positively to the results of the Dutch Fair Energy Forum overall. Eight previous focus group participants from Amsterdam-Zuid were physically present, alongside representatives from Berenschot and Clingendael. Online, 11 citizens and civil servants from Ooststellingwerf, a municipality in Zuid-Oost Friesland, participated. Another five participants from other municipalities also participated in the discussion digitally.

The aim of the meeting was to discuss the views and information previously collected by Berenschot in various focus groups throughout the country, and the policy recommendations as developed and formulated through the focus groups and expert meetings organised by Clingendael. Did the images of climate change, the energy transition and energy (in)justice match? How can the recommendations for a 'fair energy transition for all' be further refined and made more effective?

The *Fair Energy Forum* confirmed that many participants found the energy transition measures far too complex and expensive. Many participants said they were not actively engaged in the transition, sometimes because they are older. The latter felt that the long-term advantages of investments and subsidies would not benefit them anymore. Several of those present did express a feeling of injustice. They suspected that the transition would benefit the more affluent and disadvantage the less well-off.

For example, some participants had solar panels installed by the housing association. However, they still felt that they had been disadvantaged by the housing association because the energy costs had not been reduced as promised. Criticism of the role played by housing corporations in increasing sustainability was relatively widely voiced, both in Amsterdam and Friesland.⁶¹ Many residents were not aware that they are eligible for certain sustainability subsidies.

The focus group participants recognised that the energy transition has become much more critical due to current developments in Ukraine and the extremely high gas prices. There are major concerns about this. How do we prevent energy and heat from becoming luxury goods and how do we ensure that the energy transition is conducted

61 Despite the fact that the percentage of housing association houses with an energy label B or higher is higher than for owner-occupied or privately rented houses. See: Rijksoverheid, [Gebouwde omgeving](#).

as fairly and equitably as possible? The compensation that the government provides to individuals living on the social minimum (800 plus 500 euros) is seen as 'trying to empty the ocean with a thimble'. There is a special concern in Friesland about the rising costs of transport. Unlike in the big cities, in rural areas people are more often dependent on expensive car use. The government will have to take these differences between the cities and the countryside into account if it is to combat energy poverty.

There is a lot of enthusiasm for policy recommendations that offer concrete help and support, such as the 'Fix Brigade' or energy coaches who go door-to-door with insulation material and practical tips. There is little enthusiasm for participation via citizen panels. The control group thinks that few people are really interested in that.

All realise that serious steps must be taken to tackle energy poverty before the coming winter. Policy makers must realise that vulnerable groups are more concerned with managing struggles in their daily lives and finances than with becoming more sustainable. Community work and welfare agencies will also be needed to bridge the gap to vulnerable citizens. After all, energy transition is also a social transition.

Participants in FETA expert meetings

Name	Organisation	Position
External speakers		
Diederik Samsom	European Commission	Head of Cabinet for Executive Vice-President of the European Commission, Frans Timmermans
Niels Kastelein	Ministry of Economics and Climate	Director Climate
Participants		
Amy Eaglestone	SER (Social and Economic Council)	Senior Policy Advisor – Social Dialogue Climate Agreement
Sylvia Molenkamp	SER	Senior Policy Advisor – Task Force Labour Market & Education (Climate Agreement)
Bas van Weegberg	FNV (Federation of Dutch Trade Unions)	Member of the General Board, also member of the SER
Daniel Scholten	ACM (Authority of Consumers and Markets)	Strategic Advisor Energy Transition
Petrouschka Werther	Ministry of Infrastructure and Water Management	Director Sustainable Mobility
Yvonne de Kluienaar	SCP (Netherlands Institute for Social Research)	Research Fellow focused on the energy transition and sustainability
Esther Mot	CPB (Netherlands Bureau for Economic Policy Analysis)	Research Fellow, Sector 5 Climate and Built Environment
Marijke Vos	Council of State	Member of the Council of State, formerly parliamentarian and senator for the Green-Left Party
Ron Wit	Eneco (energy supplier)	Director Energy Transition
Joachim Schellekens	Berenschot	Senior Consultant, responsible for the Focus Group report for the FETA project
Layana Mokoginta	PR Mansion	Strategic Communication Consultant, commissioned by the IKEA foundation
René Cuperus	Clingendael	Senior Research Fellow 'EU & Global Affairs' Clingendael and moderator of the FETA Task Force sessions
Louise van Schaik	Clingendael	Head of Unit EU & Global Affairs
Paul Hofhuis	Clingendael	Senior Research Associate
Luuk Molthof	Clingendael	Research Fellow and project lead of the FETA project for Clingendael
Luc Kobben	Clingendael	Intern
Douwe van der Meer	Clingendael	Intern

Annex

Schematic overview of measures with (potential) impact on household income, differentiated according to the Housing and Mobility sectors, supplemented by 'General and EU/Ff55':

Living	Short term (generic)	Short term (green)	Long term (green)	FETA support	Status
Temporarily higher annual 'energy tax credit' for small consumers/households (from €266.21 to €824.77)	x			x	1/1/2022 to 31/12/2022
Temporary lower VAT (9% instead of 21%) on natural gas and electricity used by households	x				1/7/2022 to 31/12/2022
National Insulation Programme NIP: subsidisation by municipalities of vulnerable households (budget €150 million) and poorly insulated (E,F,G-labels) houses (budget €150 million) to combat energy poverty, to be used for both rental and owner-occupied houses		x		x	1/1/2022 and 1/1/2023
Subsidy scheme for preservation and maintenance of rental housing (SVOH): To stimulate landlords in energy saving, energy advice and maintenance (budget €152 million)		x			1/1/2022 to 31/12/2025
Making subsidy schemes (ISDE and SEEH) for insulation measures by homeowners and owners of associations more accessible (extending the scheme and making it more accessible, increasing the budget)		x			1/10/2022
National Heat Fund: stimulation of sustainability by home owners without borrowing space through 0% interest loans (up to €5,000)		x		x	1/1/2022 and 1/1/2023
Programme 'Acceleration of sustainability of owner-occupied houses': stimulation of development and marketing of standardised sustainability solutions for specific types of houses		x			1/5/2022
Sustainable tariff differentiation for energy tax for small consumers: natural gas +5,23 ct./m ³ and electricity -5,23 ct./kWh			x		1/1/2023 to 1/1/2028
Adjustment of energy performance requirements in new buildings, renovations and technical building systems (implementation of EU EPBD)			x		1/7/2025
Promotion of (hybrid) heat pumps through efficiency standards for heating systems			x		1/1/2026
Encouraging landlords to insulate/enhance the sustainability of rental properties through standardisation and pricing			x		1/1/2030
Expanding heat networks in urban areas, and subsidising the unprofitable top			x		t.b.d

(Car) mobility	Short term (generic)	Short term (green)	Long term (green)	FETA support	Status
Diesel excise duty increase by 1 ct/l	x				1/1/2021 and 1-1-2023
Temporary reduction in excise duty on petrol (-173 ct/l) and diesel (-11.1 ct/l)	x				1/4/2022 to 31/12/2022
Reduction of cap allowance for emission-free cars	x				1/1/2022 and 1/1/2023
Increase in air ticket tax to €28.58	x				1/1/2023
Differentiate parking fees in municipalities according to the emissions of a vehicle		x			1/1/2023
Sustainable commuting standards		x			1/1/2023
Encouraging working from home	x				t.b.d. 2022
MRB plus (paying according to car use instead of car ownership)	x				1/1/2030
General/EU – Ff55 context	Short term (generic)	Short term (green)	Long term (green)	FETA support	Status
€1,300 net income support for individual households with an income up to 120% social minimum	x			x	1/1/2022 to 31/12/2022
Package for improving purchasing power in 2023 (including an extension of the €1300 income support from 2022, the establishment of an emergency fund to prevent households from being cut off from gas and electricity, a 10% increase in the minimum wage, an increase in child benefits, and a reduction in income tax for low and middle incomes)	x				1//2023 to 31/12/2023
General/EU – Ff55 context	Short term (generic)	Short term (green)	Long term (green)	FETA support	Status
Price cap for gas and electricity usage, up to the level of average consumption per household; above that, market prices apply		x		x	1/11/2022 to 31/12/2023
Public campaign on existing but ineffective income support instruments for low- and middle-income earners	x			x	t.b.d. 2022
After the adoption of the EU Ff55 package, the Netherlands will calculate its private purchasing power effects	x			x	t.b.d. 2023-2024
The Netherlands will use its share in the Next Generation EU Fund (NGEU) for existing policy (i.e. 30% for climate policy)			x		t.b.d. 2023