Energy Poverty Advisory Hub Handbook 2:
A Guide to **Planning** Energy Poverty Mitigation Actions

April 2024

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Energy Poverty
Advisory Hub
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The **"Energy Poverty Advisory Hub (EPAH) Handbooks: A Guide to Understanding and Addressing Energy Poverty"** are a series of practical guidebooks for local governments and practitioners which ensure that the social dimensions of energy transition are addressed efficiently. This series consists of:

▶ The *"Introduction to the EPAH Handbooks: A Guide to Understanding and Addressing Energy Poverty"* which establishes the common background to all three handbooks

▶ The *"EPAH Handbook 1: A Guide to Energy Poverty Diagnosis"* which focuses on the practical assessment of energy poverty at the local level

▶ The *"EPAH Handbook 2: A Guide to Planning Energy Poverty Mitigation Actions"* which provides information on how to prepare and integrate an energy poverty mitigation plan within the Local Social Climate Plan

▶ The *"EPAH Handbook 3: A Guide to Implementing Energy Poverty Mitigation Actions"* which provides information on the execution of an effective energy poverty project.

The handbooks specifically target the staff of local governmental institutions; however, we welcome all the various actors using these as a guide to better understand the Energy Poverty phenomenon at the local level, and to possibly gain additional perspective that can drive concrete change.
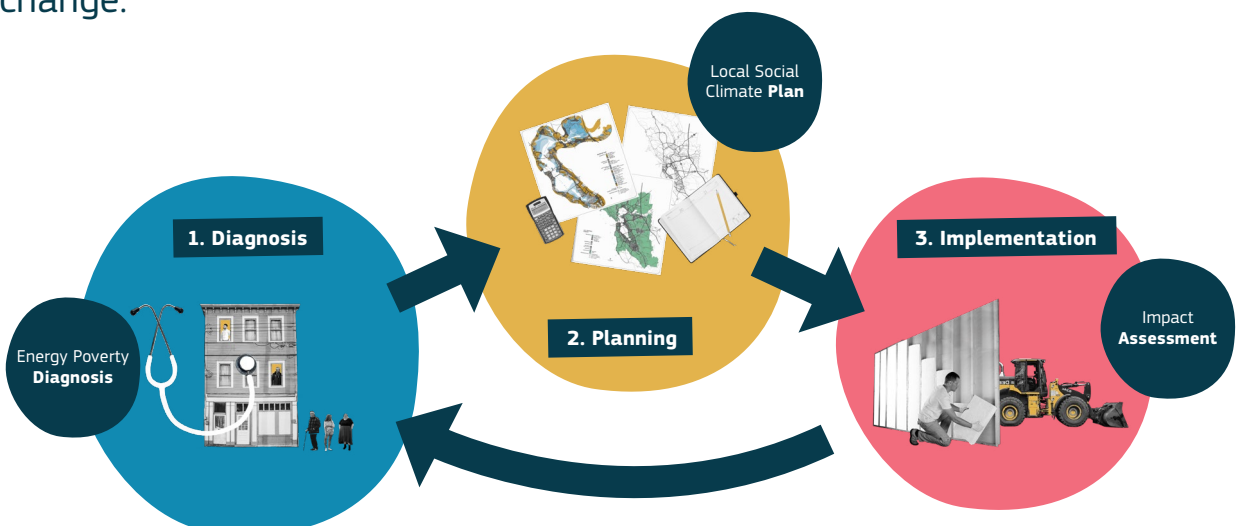
INTRODUCTION

Planning is the second phase proposed in the EPAH methodology to tackle energy poverty. It represents a conjunction phase in which the analysis set in the diagnosis needs to be transferred into concrete proposals that can be approved, financed and successfully implemented. Planning is all about prioritising actions with the clear goal to have an impactful approach. During this phase, you will develop key elements to plan your energy poverty mitigation actions, which can be integrated into your climate plans towards a more just and fair transition. The overarching goal is to ensure that every household, regardless of their socio-economic standing, has equal access to the opportunities presented by a sustainable energy future.

It is of primary importance to take adequate time to understand the challenges and to design a response. Robust planning to tackle energy poverty will not only increase the probability of success of the actions, but also increase the likelihood of having a real impact. During the planning phase, you should keep in mind some key guiding questions: What is the goal I want to achieve? How can I tailor activities and actions to the vulnerable consumers' needs? How can I include vulnerable consumers in the decision-making process? Do we have the real capacity to implement what we are planning? What is the expected impact of the prioritised actions?

The aim of this handbook is to **assist municipalities to effectively** include, underline and give visibility to the social aspect in their existing plans to make sure to include specific actions to mitigate energy poverty. In the EPAH methodology, we foresee the creation of a *Local Social Climate Plan* that specifically addresses the actions to mitigate energy poverty. The name selected for the methodology has the value to underline the key elements of the plan: **local** because it needs to be customised for your specific context, **social** because it is centred on the vulnerable consumers needs, **climate** as it addresses the environmental and energy perspective. The name of the plan can change, however, according to the requirements of the local government. For example, in the case of Covenant of Mayors (CoM) signatories, the plan will be the Sustainable Energy and Climate Action Plan (SECAP) integrated with the energy poverty perspective.

Moreover, it can also correspond to an integration of the energy poverty perspective into existing plans. In all cases, it is important that the defined actions are not only **ambitious, but also feasible**. For this reason, different options of possible actions are presented together with a proposed methodology to support the prioritisation process.

Local governments are responsible for formalising the planning phase. They are the entity entitled to set goals and prioritise activities in line with the vision shared at local, regional and national level. An effective planning can facilitate also the connection at national and EU level. It is key to establish an alignment with the National Plan (NECP) and the National Social Climate Funds.

HOW TO USE THE HANDBOOK

The **EPAH Handbook 2: A Guide to Planning Energy Poverty Mitigation Actions** presents **different practical steps to identify the most feasible and impactful actions** to prioritise **at the local level**. The core methodology can be tailored to your context, supporting the development of a robust set of tasks for implementing impactful and efficient actions. Although presented in consecutive steps, it may be necessary to perform certain steps multiple times in a circular fashion before finalising the plan. Keep in mind the necessity to review the previous step and fine-tune the results if needed in light of newly-gained information.

These steps can serve as a checklist if a process is already underway or as a guidebook, commencing with Step 1.

DEFINITION OF THE VISION

STEP 1

Taking stock of the diagnosis

Objective: To revisit, review and update

STEP 2

Building a vision

Objective: To use the diagnosis to set a vision with a timeframe

STEP 7

Economic factors

Objective: To check the budget

STEP 6

Social factors

Objective: To track the support and capacities of all the stakeholders

STEP 8

Technological and environmental factors

Objective: To check the possible impact of other elements

DEFINITION OF THE PLAN

EXPLORATION OF POSSIBLE ACTIONS

STEP 3

Evaluating options

Objective: To know what you can possibly do
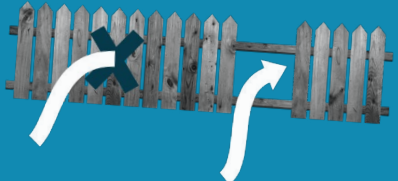
IDENTIFICATION OF OPPORTUNITIES AND BARRIERS
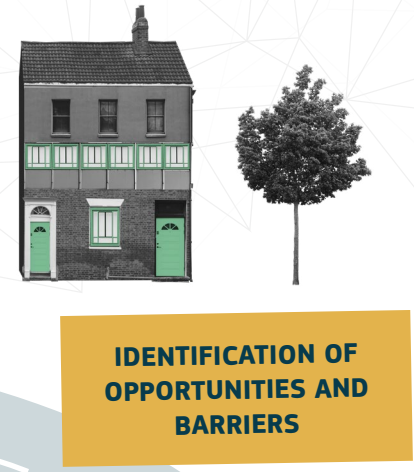
STEP 4

Defining opportunities and barriers

Objective: To understand which are the external factors

STEP 5

Policy and legal factors

Objective: To evaluate the impact of policy and regulations

STEP 9

Prioritising

Objective: To select the appropriate actions

STEP 10

Developing a local social climate plan

Objective: To formalise the results of your process

DEFINITION OF THE VISION

In order to formulate impactful strategies, it is crucial to establish a clear vision for what you aim to achieve. This section focuses on synthesising the information gathered during the diagnosis phase to develop a long-term vision that will serve as a guiding principle for subsequent actions. By the end of this section, you should have a well-defined understanding of the ultimate goals you are aiming to accomplish. Moving forward, it is beneficial to involve the established working group and, where appropriate, engage external stakeholders to solicit feedback for the upcoming steps.

STEP 1: TAKING STOCK OF THE DIAGNOSIS

Objective: To revisit, review and update

The Energy Poverty Diagnosis Report finalised at the end of the previous phase is a key document to help with navigating the complex scenario of defining the shapes that energy poverty takes at local level. Presenting this document to the policy makers and obtaining the approval to move forward and concretely plan and implement actions may take some time. During this period, it may be that new legislation, policies or recommendations have been introduced that can influence your planning, either providing a positive push or introducing limitations. Before delving into the core planning work, it is advisable to reactivate the working group established in Step 2 of Handbook 1: A Guide to Energy Poverty Diagnosis. Review the previously developed documents together and update the list of useful documents in light of the new active framework. As for Step 1, with Step 2 of Handbook 1: A Guide to Energy Poverty Diagnosis, it is important to maintain traceability of these documents and have them readily accessible.

The table 1 below provides an example of how to collect key information.

Table 1 – Collection of key information

Name of resource	Type of document (maps, data, reports, evaluations, articles, other: specify)	Source	Date of release/last revision	URL/link to the resource	Significance of this document for action implementation
National Energy and Climate Plans (NECPs)	National Plan	Government	DD/MM/YY	LINK	Key to understanding the national direction
Energy Efficiency Directive	European Directive	European Commission	DD/MM/YY	LINK	Definition of energy poverty, key examples
Energy Poverty Recommendation	European Recommendation	European Commission	DD/MM/YY	LINK	Recommendation for the Member States on energy poverty
Staff work documents (together with the Recommendation)	Working document	European Commission	DD/MM/YY	LINK	Additional documents with more details on how to implement the recommendations

ALIGNMENT WITH EUROPEAN AND NATIONAL POLICY

Local governments are able to develop tailored actions that address energy poverty. However, it is of primary importance to also take into consideration the regional, national and European Union position in order to understand how the political scenario is reacting to address such challenges. Knowing what is happening at different levels of governance permits the development of coordinated action by the European Union, the Member States and local and regional authorities. Moreover, aligning the different plans can facilitate the access to financing mechanisms, outreach more beneficiaries and facilitate the monitoring process.

The European Union recognises Energy Poverty and includes it as a key element within the European energy and climate policies. The recent Energy Efficiency Directive and the Commission's Recommendation on Energy Poverty puts a stronger focus on diagnosing and implementing targeted measures. Furthermore, National Energy and Climate Plans are roadmaps for EU Member States, outlining their climate and energy goals for 2021-2030. NECPs focus on energy efficiency, renewables and electricity market reform. The NECP process involves several key stages, including drafting, review and implementation. Notably, local authorities play a role in providing recommendations during this process. Each EU country is required by the legal framework to identify and tackle energy poverty within their National Energy and Climate Plans (NECPs) or through dedicated documents as energy poverty strategies (example from Portugal). Understanding which actions are underlined and promoted at national level can influence the decisional process of prioritisation.

To coordinate with all the different levels of governance, it is fundamental to increase the probability of success of the selected actions. Make sure to get in touch with the "Coordination Group for Vulnerable Consumers and Energy Poor" set up by the European Commission for the Member States.

SUGGESTED LINKS

► Energy Efficiency Directive

► Energy Poverty Recommendation and Staff Working Document

► National Energy and Climate Plans (NECPs)

► Energy Performance of Buildings Directive

► National Strategy against Energy Poverty, Spain

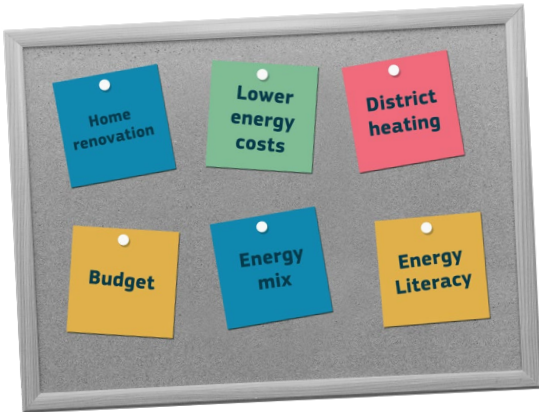► National Long-Term Strategy to Combat Energy Poverty, Portugal

SUGGESTED ACTIVITIES

► Take stock of the Energy Poverty Diagnosis Report

► Identify the priority goals and actions underlined in recent plans/policies and include it in the list of reference documents

STEP 2: BUILDING A VISION

Objective: To use the diagnosis to set a vision with a timeframe

Setting a **clear vision** is pivotal for any plan, providing structure, clarity and accountability. It instils a sense of purpose and urgency, preventing a plan from languishing in the realm of ideas. The vision should not only be a broad outlook for the municipality's future but also consider long-term goals, operational strategies and community well-being. Setting a vision is replying to the more general question: What do we want to achieve?

A vision serves as the guiding image of your municipality's future, reflecting aspirations, uniqueness and ambitions. It should emanate from the *Energy Poverty Diagnosis Report*, combining realism with ambition. The vision is a broad, aspirational view of the future, encapsulating what distinguishes your municipality. Your vision should be visually compelling, ensuring citizens and stakeholders can understand and grasp its essence. Achieving shared ownership and alignment is vital; therefore, share the vision across departments as much as with external stakeholders. Moreover, vision can be the instrument to use to attract and develop the commitment of the political parties, but also to guarantee the future engagement of key actors. The vision should be your guiding line to explore the next steps and evaluate the possible actions to reach this aspiration.

Timeframes foster motivation and momentum and enhance focus. Defining a timeframe is crucial at this stage. Short timeframes span months, e.g. for heating allowances in the winter time. *Medium-term* actions unfold over 2-5 years and they can start addressing root causes but may be just a first step in the process of a more consistent approach to eradicating energy poverty. Long-term actions, spanning 5-10 years, shape the overall direction of the town/city. These long-term actions may continue across different political parties in the towns/cities and can thus be more complex to implement and require an alignment of the ambition and objectives across political change.

Table 2 – Example of vision

	Question	Time	
DIAGNOSIS – Definition	What is the situation?	Now	The energy poverty diagnosis in the municipality confirms the high rates of energy poverty underlined at national level. 41% don't heat the entire house, 24% don't heat the whole house while the inside temperature is 15-18°C, 36% are unable to pay their energy bills on time, 65% stated that the annual income cannot cover the needs and obligations and 35% have mould problems in the house.
PLANNING – Vision	What do we want to achieve?	Future	The municipality aims to create a Future without Energy Poverty. Our vision by 2030 is a community where every resident has access to affordable, sustainable energy, ensuring warmth, comfort and well-being for all, regardless of their background, income or other circumstances.

POLITICAL COMMITMENT

There is no single route leading to political commitment. Administrative structures, patterns of political approval and political cultures vary from country to country. For this reason, the local authority itself is best suited to know how to proceed to raise the political commitment needed to include the Social aspect in the Climate Plans.

To increase interest from the political actors, **the energy poverty working group** (established during the diagnosis phase) **can**:

▶ **Brief the mayor:** Regular briefings on the progress are key to maintaining momentum and gaining political support. The results of the *Energy Poverty Diagnosis Report* are a key element in presenting messages to the political leaders and capturing their attention. The links with regional, national and European Union strategies may also be relevant to recognise the municipality for its excellent work and increase visibility. Make sure that the co-benefits of climate policies are highlighted, such as social, economic, employment, air quality and health benefits.

▶ **Take advantage of media opportunities:** Energy poverty may come under the spotlight during specific times of the year, such as winter and summer, when vulnerable consumers face heightened challenges. Seize these moments to promote the analysis conducted and present potential actions in response. Leverage media coverage during this time to raise awareness and garner public support for addressing energy poverty.

▶ **Engage with external stakeholders:** Collaborate with external stakeholders who can serve as advocates, reporting and representing the voices of potential electors. Build partnerships with organisations that align with the goals of addressing energy poverty. Foster relationships with influencers, community leaders and experts who can amplify the message and advocate political commitment.

SUGGESTED LINKS

▶ Building a low carbon future: the politics of Climate Change

▶ How to set a vision

SUGGESTED ACTIVITIES

▶ Set a long term vision based on the information collected in your *Energy Poverty Diagnosis Report*

▶ Set a timeframe to achieve your vision (short, medium, long) and specify the reason for this choice (e.g. expected new elections, bureaucratic constraints, external legislation limits, available funding etc.)

EXPLORE POSSIBLE ACTIONS

Addressing energy poverty requires a nuanced understanding of the diverse **set of actions** that have proven successful in various local government contexts. This section aims to **empower** decision-makers by presenting a range of tested and refined actions tailored to address vulnerable consumers. Knowing the array of possibilities gives the power to shape a more effective plan. Understanding what the different options are, as well as their specific approach to the issue, enables us to make decisions that are more informed. Multiple possible groups of actions are introduced in this section. The list is designed to give a broader perspective without limiting the possibility of evaluating new innovative approaches. For a deeper dive into each action, refer to the **EPAH Handbook 3: A Guide to Implementing Energy Poverty Mitigation Actions**. This detailed resource provides practical insights and guidance.

At the end of this section, you should be able to develop a first list of possible actions for tackling energy poverty.

Decision-makers and participants involved in the plan development process are encouraged to thoroughly read and comprehend the following steps. This ensures a shared understanding and collaborative engagement. You are also encouraged to involve external stakeholders to present their specific perspective in case you are aware of any aspect of this action already implemented and tested in your municipality.

STEP 3: EVALUATING OPTIONS

Objective: To know what you can possibly do
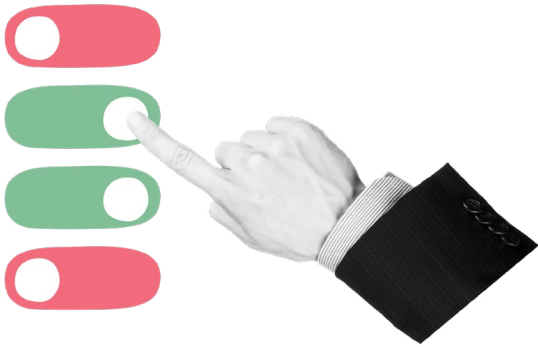
In this section, we present different possible actions that can be implemented to tackle energy poverty. You are encouraged to draft a series of possible actions, incorporating different levels of detail. You can then integrate and update this list according to the information provided below and/or in the EPAH Handbook 3: A Guide to Implementing Energy Poverty Mitigation Actions.

FROM EMERGENCY MEASURE TO LONG-TERM ACTIONS

As stated in the "Introduction to the EPAH Handbooks", energy poverty is connected to three main causes, two of which are energy prices and household incomes. These two elements are particularly sensitive to rapid changes and wild cards related to emergency situations (e.g. health emergencies such as COVID-19, wars and other conflicts, economic downturns, environmental issues etc.). In the face of such dynamic circumstances, local governments may find it necessary to implement emergency measures with the primary goal of mitigating the impact of ongoing conditions. This has been evident in some countries through the introduction of energy price caps, disconnection bans, social incentives and other similar measures.

Despite the clear value of the emergency measures in alleviating the impact of a crisis, they are often not sustainable in the medium to long term.

Planning medium- to long-term actions not only addresses the root causes of energy poverty, but also provides the opportunity to respond rapidly to crises by deploying emergency measures that align with the overall vision and objective. This ensures that emergency measures complement the broader strategy, promoting a seamless and cohesive approach. In essence, transitioning from emergency measures to long-term actions involves a strategic shift from **reactive** solutions to sustainable, **proactive** initiatives.

List the on-going emergency measures (if you have them) and how they can be moved to more structural mid- to long-term actions.

AWARENESS CAMPAIGN

Awareness raising is often a component that needs to be taken into consideration for the development of each action that will follow in this chapter. While the primary focus may vary across different actions, there exists a critical juncture in each where engaging the target vulnerable consumers is essential. Embedding awareness strategies within the fabric of each action is not merely an option but a strategic necessity. It ensures that the intended beneficiaries are not only informed but also empowered to engage with and benefit from the initiatives designed to alleviate energy poverty.

Successful awareness campaigns often incorporate several critical elements. These include clear and compelling messaging, consistency in communication, credibility of information sources, engagement of influential figures or community leaders and sustained efforts over time. Empathy

with the target audience is key to persuasion. How a message is delivered matters as much as the content itself. Tailored storytelling can be a powerful tool to connect with people and motivate them personally. Therefore, build on the information about your target audience collected during your diagnosis.

Awareness campaigns may vary in cost, impact and timeframe, depending on the type of target audience and the final purpose of the campaign itself.

Costs depend on tools, media and the target audience you want to reach.

The expected **impact** may be generally limited as it is difficult to monitor and establish a clear connection between the cause and effect of the actions. Involving different stakeholders in the campaign may increase the impact. Opt for diverse communication, including online and onsite events, promotional material (leaflets, flyers, videos etc.), TV, radio, local newspapers, social media and meetings. It is challenging to measure individual impacts, therefore using multiple approaches simultaneously is essential. Awareness campaigns can also potentiate the impact of other actions. For example, targeting elderly individuals for a specific financial measure requires a tailored approach. If these individuals lack widespread Internet access, an online campaign may not yield the desired impact. Instead, opting for a campaign disseminated through local television or newspapers may significantly enhance its reach and effectiveness.

The **timeframe** may also be different. In general, a campaign does not last for a long period but it may be replicated during specific periods (e.g. winter or summer).

SOME INSPIRATIONAL EXAMPLES

▸ Establishing a municipal quiz app

▸ Organise activities to raise awareness among nursery and primary school children of how to save energy through interactive, playful activities and by providing the related methodology to teachers for future use/replication

▸ Create a municipal roadmap: develop an information sheet for each measure with a description, term, budget, priority, municipal areas involved etc.

▸ Guiding the approach of trainees: design specific materials, kits, advice and workshops to address summer energy poverty with vulnerable households

▸ Collaborative learning workshop with different administrative departments from the municipality

▸ Engage in artistic projects to show the challenges that the population faces

▸ Start a community forum on energy issues

▸ Set timelines, engagement strategies, communication materials and media connections
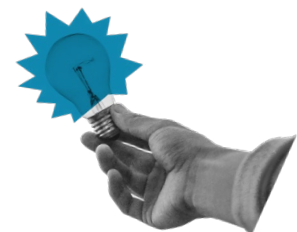
BEHAVIOURAL CHANGE

While awareness campaigns are essential for disseminating information, they often struggle to translate into consistent actions due to our automatic habits. In contrast, behavioural change delves deeper into the intricate dynamics that influence individual choices. In recognising that providing information on, for example, how to heat your home correctly if you live alone is insufficient, behavioural change campaigns navigate the complexities of motivating factors, social environments, cultural norms and access to resources. Crafting targeted messaging, education and creating supportive environments become essential elements in inducing lasting behavioural change.

Use behavioural economics principles to design nudges that encourage energy-saving behaviours. This could include implementing default settings for energy-efficient appliances, providing timely feedback on energy usage and leveraging social norms and peer feedback to promote positive actions within communities. Recognise that individual behaviours are influenced by the broader social and physical environments in which people live. Work towards creating environments that make it easier for households living in energy poverty to adopt and sustain energy-saving practices. This may involve enhancing energy literacy through community programmes and fostering social networks that promote collective action.

In the context of behavioural change interventions, promoting energy sufficiency involves encouraging households to adopt energy-saving behaviours that prioritise efficiency without sacrificing comfort or basic necessities. This can include measures such as improving insulation, upgrading heating and cooling systems and adopting energy-efficient appliances which can help reduce energy consumption while maintaining or even enhancing comfort levels. Households may refrain from self-restraint due to higher energy needs and intersecting vulnerabilities. While reducing energy consumption is important, it is crucial to understand the short-term nature of self-restraint and the implications for households experiencing energy poverty as it may have detrimental consequences on health and wellbeing.

The **cost** of a behavioural change campaign is generally higher than that of an awareness campaign, often necessitating the expertise of dedicated professionals versed in developing specific targeted information. As for the awareness campaign, the **impact** is difficult to measure and generally connected with the effort allocated to develop the actions itself.

Unlike awareness campaigns, behavioural change campaigns require a longer **timeframe** for development and implementation. This extended duration is necessary to thoroughly understand the behavioural dynamics of households living in energy poverty, identify key intervention points and design tailored strategies that resonate with their specific needs and contexts.

SOME INSPIRATIONAL EXAMPLES

▸ Provide push notifications on energy usage

▸ Smart metering with real-time feedback on energy consumption, which would even allow

▸ personalised information and interventions, is one of the most important building blocks for raising energy consumer awareness and empowering consumers to understand and adjust their consumption behaviour

▸ Develop an app or a gamification system with rewards for energy savings

ONE-STOP SHOPS: ENERGY ADVICE OFFICES

One-stop shops serve as centralised hubs, either physical or virtual, where consumers can find information about various energy-related services. With the support of qualified experts, they offer different services to the general population and to vulnerable consumers: advice on electricity and gas bills; information and advice on obtaining funding for the energy renovation of homes and support in completing applications; home energy assessments, energy sharing etc. The main advantage is that a vulnerable consumer may receive different types of support all in the same place. However, it may be difficult to manage a series of transferable skills that range from technical skills to social and psychological abilities to support the vulnerable consumers in an empathic way. It is important to effectively use the information collected in the Diagnosis Phase to properly shape this service, evaluating other options such as mobile or digital one-stop shops.

The **cost** of a one-stop shop varies depending on factors like location (physical or digital) and associated management expenses (rent of space, website hosting, bills/maintenance, human resources, communication materials etc.). Depending on the municipality's size, it may also be more effective to create multiple spaces in order to be sure to serve the vulnerable consumers in different areas. Another element to take into consideration is whether the experts providing support are from external organisations or are internal municipal staff who are properly trained. Effective cost evaluation includes pairing it with an awareness/promotional campaign to inform vulnerable consumers about the services. While one-stop shops can have a significant impact, precise targeting, concrete services and proper advertising are fundamental. When planning the one-stop shop, it is important to take into consideration that, on top of the initial cost involved in setting up the, office there are usually maintenance costs on an ongoing basis.

One-stop shops may present a significant **impact,** especially if properly targeted to engage specific customer segments and if well advertised. Partnerships with local organisations are fundamental to unlocking better access to both the general population and to vulnerable consumers, leveraging already existing communication channels and trusted relationships.

One-stop shops typically represent a **medium- to long-term action** with ongoing operational and maintenance costs that can keep it functioning for years. The timeframe to activate a one-stop shop may vary significantly, depending on whether it is integrated into an already existing service or a newly-developed one. Beyond activation time, reaching the target population is a crucial aspect of the overall timeline.

SOME INSPIRATIONAL EXAMPLES

▸ Act as an intermediary for the negotiation of a new tariff

▸ Provide energy audits to households living in energy poverty

▸ Establish a governance framework between departments with thematic forums

ENERGY COMMUNITIES

Energy communities are open and voluntary entities aiming at creating environmental, economic and/or social benefits rather than financial profits. These ventures encompass diverse initiatives, such as the provision and supply of energy systems (e.g. solar panels on rooftops, the creation of wind farms or bioenergy villages with district heating networks), depending on the most suitable resource in the specific context. Some energy communities are also active in energy efficiency and building renovation, among other energy market activities. Energy communities can contribute to the social acceptance of the transformation, due to the creation of local jobs and the reduction in energy prices.

RENEWABLE ENERGY COMMUNITIES OR CITIZEN ENERGY COMMUNITIES?

There are three European directives that describe two different types of energy communities:

1.) Renewable Energy Communities and 2.) Citizen Energy Communities.

These two types can be distinguished by factors such as geographical scope, activities, participants, autonomy and effective control. National governments define energy communities independently, and local governments are advised to familiarise themselves with the specific regulations and guidelines set forth. Visit the Rural Energy Community website and the Energy Communities Repository for more details.

If well-designed, energy communities can reach vulnerable consumers through social inclusion, community integration and as beneficiaries of generated energy. Identifying and engaging vulnerable consumers may require support from external stakeholders, particularly those already active in social support, coupled with awareness-raising and capacity-building sessions. Energy communities are often mentioned as actions that

can address other challenges such as energy supply, CO_2 reduction etc. and, for this reason, they may be already included in the plan of some other internal departments. It is worth analysing and working jointly to create an energy community legal structure and business model that benefits multiple consumers including the vulnerable ones.

Costs associated with energy communities vary depending on the national context, type of activity, community size and target population. However, the costs of establishing an energy community may be too high for vulnerable consumers to join, since there is an upfront investment in the installation of the renewable energy system, for example, or there are operational costs related to maintenance, insurance, tariffs and taxes. These have to be considered in the energy community business model to ensure its long-term sustainability and special conditions may need to be developed to allow vulnerable households to join. For the energy communities, a pre-feasibility study may be the key to identifying the different possibilities and the viability of the concept in the national and local context.

While energy communities can have a significant **impact** on improving conditions for vulnerable consumers involved, the number of beneficiaries may be limited by financial concerns, availability of space and difficulties in identifying and successfully engaging hard-to-reach households.

Energy communities are considered **medium to long-term actions**. Setting up an energy community involves establishing a legal entity, defining governance structures and securing necessary permits and approvals. This process can be time-consuming. Developing a sustainable business model for the energy community requires careful consideration of financial aspects such as investment costs, operational expenses, revenue streams and potential funding sources. Crafting a viable model that balances economic viability with social and environmental objectives may require iterative planning and stakeholder engagement. Building trust and cooperation among community members, especially vulnerable consumers, is crucial for the success of energy communities. Engaging stakeholders in decision-making processes, addressing concerns and fostering a sense of ownership and empowerment take

time and concerted effort. Developing effective communication strategies and conducting outreach activities to reach marginalised or hard-to-reach households may also require a prolonged engagement period. Building on existing citizen initiatives can speed up this process, promoting trust and cooperation for successful community development.

SOME INSPIRATIONAL EXAMPLES

▸ Support to install self-consumption systems

▸ Development of the concept (identify the stakeholders, target audience, explore the legal framework etc.) of the local energy community.

▸ Development of guidance for vulnerable households in energy poverty on how to become part of an energy community

HOME RENOVATION AND ENERGY EFFICIENCY IMPROVEMENTS

Energy poverty is closely linked with housing policy. To effectively combat energy poverty, it is essential to address the underlying housing problems prevalent across Europe. These issues include soaring housing prices, declining public investment in housing and the persistently low quality of rental properties, leading to high energy consumption. Notably, the poor energy efficiency of the building stock is a central driver of energy poverty. Individuals living in energy poverty often reside in poorly performing buildings and lack the means to finance renovations. Buildings are not only the largest energy consumers within the European Union, accounting for 40% of total energy consumption, but they also represent an untapped reservoir of potential energy savings and

a means of reducing greenhouse gas emissions. However, households living in energy poverty often resist renovation efforts due to concerns about increased monthly costs, such as rents and the possibility of "renovictions" (the practice where tenants are evicted from their homes due to renovations). Additionally, many of these households already have low energy consumption, making it challenging to diagnose those hidden households living in energy poverty and to achieve significant savings through basic efficiency improvements. Instead, more comprehensive renovations and renewable energy installations may be necessary, requiring innovative funding solutions.

Additionally, changing appliances for improved energy efficiency may be challenging. Renovation may also be related to a change in appliances that help reduce the energy bill and improve the quality. However, the appliances themselves may also involve a high cost that makes it difficult for the vulnerable consumer to change them.

Addressing vulnerable consumers through renovation actions requires a collaboration among different internal departments such as housing, urban and environment and can be combined with mitigation and adaptation to climate change actions.

Renovation actions, while delivering a **high impact**, stand out as the **most expensive measures** in combating energy poverty. They involve multiple challenges, from the deployment of external consultants for the feasibility, legal and construction procurements to the realisation of the works themselves. Nowadays, local governments face additional hurdles, not only in funding allocation but also when identifying skilled contractors and procuring sustainable materials.

Renovation of buildings constitutes a **high impact** when implemented. It may also present high cost and **long timeframe** to be finalised. However often there is the flexibility to split the action into smaller activities and build on each other (e.g. start with public buildings, start with a most disadvantageous neighborhood and then expand etc). To define the approach it is important to have a clear idea of the distribution of the vulnerable consumers.

SOME INSPIRATIONAL EXAMPLES

▶ Provide renovation roadmaps

▶ Help with rehabilitating houses for vulnerable consumers

▶ Provision of new appliances to vulnerable consumers

▶ Tracking and assessing indoor climate conditions in chosen buildings to gain insights into areas needing rehabilitation support

▶ Best practice document that guides municipalities in working with social housing projects in the municipality as they are an especially potent partner regarding energy-saving initiatives targeted towards those living in energy poverty

Specific financing measures may be functional to implement, jointly with the citizens, some of the other key actions for tackling energy poverty. For example,with regard to renovation projects, subsidy schemes may be used to facilitate access to vulnerable consumers. Supporting financial measures can also be designed in support of the previously mentioned actions in order to have access to some of their specific services.

The **cost** can vary depending on the complexity of the financial measure implemented. There may be a need to involve special consultants, develop dedicated awareness campaigns but also allocate an internal budget in case of specific subsidies.

For the same reason, the **impact** can be different depending on the specific action implemented and the capacity to really deploy what is needed.

Financial measures can be used as short-term activities (in case of the need to provide specific incentives when faced with an energy crisis). However, they can extend to a longer **timeframe** as soon as they are focused on more structural changes (e.g. subsidies to substitute the heating systems etc.).

INCENTIVE REGULATIONS AND FINANCIAL MEASURES

Access to adequate funding is pivotal for action success. Households living in energy poverty, often lacking resources for energy expenses and home improvements, require targeted support. Customised subsidies and incentives are crucial for effective energy poverty alleviation, given limited access to conventional financing such as loans because commercial banks perceive low-income clients as **high-risk borrowers**. There are still very few examples of financing mechanisms targeted specifically at households living in energy poverty in the EU. When establishing financing options to combat energy poverty, it is essential to **prioritise accessibility, transparency and simplicity in the application process** and to **minimise bureaucratic hurdles**. Municipalities play a pivotal role in designing financing instruments, subsidies and grants to directly aid these households.

SOME INSPIRATIONAL EXAMPLES

▶ Support with paying energy bills

▶ Tax exemptions

▶ Free amount of energy per month

▶ Disconnection ban

▶ Bank guarantees

OTHER TYPES OF ACTIONS

The above-mentioned actions have been successfully implemented and piloted in multiple municipalities, thereby providing documented references for potential replication or scaling up. However, other actions may be effective in your specific local context. It is important to exchange information among the different departments and with other municipalities in order to thoroughly evaluate what is already planned.

As a rule of thumb, it is important to question if this action can have a specific effect and benefit for vulnerable consumers. Climate-related mitigation and adaptation actions could become a first step in addressing vulnerable consumers.

As an example, natural-based solutions such as green roofs and facades, green areas and water spaces that provide shade and reduce heat may offer an interesting approach to address summer energy poverty.

AI-driven smart energy management systems can optimise energy use in buildings and communities by automatically adjusting heating, cooling and lighting systems based on real-time data and user preferences. These systems help reduce energy waste, lower utility bills and improve comfort levels for residents, particularly vulnerable consumers. AI algorithms can personalise energy assistance programmes and recommendations based on individual household characteristics, preferences and needs. This tailored approach ensures that support services, such as energy efficiency upgrades, financial assistance and behavioural interventions, are relevant to and effective for each recipient. Furthermore, AI-powered chatbots and virtual assistants can provide accessible and responsive support to energy consumers, answering questions, providing energy-saving tips and guiding users through application processes for financial assistance programmes. These digital assistants enhance accessibility and convenience, particularly for vulnerable populations with limited mobility or language barriers.

Invest in dedicated training programmes and capacity-building initiatives to empower residents, community organisations and municipal staff with the knowledge and skills needed to address energy poverty effectively. This includes training in energy efficiency, renewable energy technologies, financial literacy and advocacy.

We encourage you to experiment with new technologies, approaches and business models to address energy poverty challenges. Pilot projects and innovative initiatives can serve as test beds for scalable solutions and pave the way for wider adoption.

SOME INSPIRATIONAL EXAMPLES

▸ Capacity building on energy efficiency at household level

▸ Capacity building: train social and technical services of the municipalities and local regional stakeholders

▸ Develop or improve a "Risk of energy vulnerability tool"

SUGGESTED LINKS (FOR ALL ACTIONS)

▶ REScoop.eu (Organisation)

▶ Energy Communities Repository (EU Initiative)

▶ RENOVERTY (EU project)

▶ EASIER (EU project)

▶ Coolproducts (EU project)

▶ Telheiras Renewable Energy Community,
Lumiar Parish Council, Lisbon, Portugal

▶ Energy Advice Points, Barcelona, Spain

▶ Transition Point Mobile One-Stop Shop,
Portugal

▶ The Thermostat Police, a.k.a. 'DAD'

SUGGESTED ACTIVITIES

▶ Expand the knowledge of the possible actions for tackling energy poverty and quickly integrate with the details in the *EPAH Handbook 3: A Guide to Implementing Energy Poverty Mitigation Actions.*

▶ Brainstorm with the internal energy poverty working group and external stakeholders to create a full list of possible actions.

IDENTIFY OPPORTUNITIES AND BARRIERS

In order to be able to prioritise impactful and feasible actions, it is worth taking a moment to evaluate what the boundaries and constraints are for each of the brainstormed ones in connection with the local scenario. New regulations, the presence of skilled stakeholders and availability of a budget are some of the elements to take into consideration when selecting the actions to include in the planning. The goal is to characterise further the framework under which we are working and use this information to strategically select our approach. At the end of this section, you should have identified all the possible opportunities and barriers for each of the actions in the list developed in the previous section.

The following steps can often be undertaken by a small team. If you activated the energy poverty working group, it is advisable to involve all of them. You may also consider involving some external professional service providers or consultants to facilitate some of the steps.
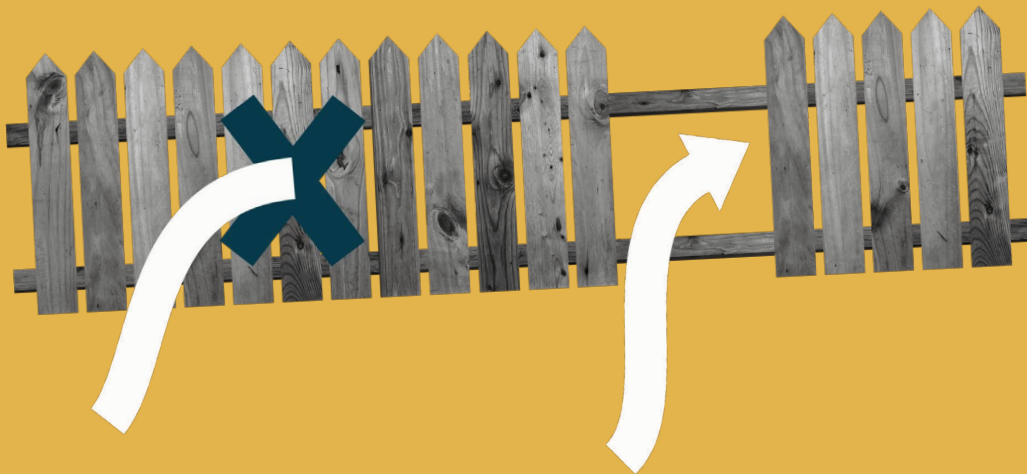
STEP 4: DEFINING BARRIERS AND OPPORTUNITIES

Objective: To understand which are the external factors
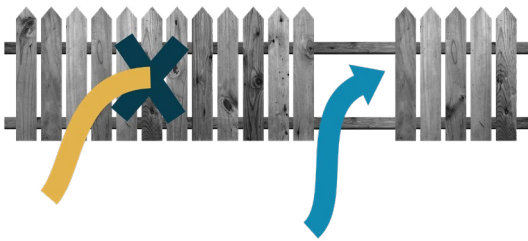
Navigating the complex landscape of decision-making for planning actions to eradicate energy poverty requires a comprehensive understanding of the external factors that can significantly influence outcomes.

The success of any vision hinges on a multi-sectoral approach, ensuring that proposed ideas align with political acceptability, social desirability, technological feasibility, financial viability, legal tenability and administrative achievability. Without this alignment, even the most well-conceived vision risks remaining unrealised; it would just remain a vision.

In this step, the objective is to give an overall perspective of the different types of external factors that can influence the likelihood of successfully implementing your actions. The steps that follow will delve deeper into some of the factors and provide more detail of how to identify barriers and opportunities.

Taking the **PESTLE model** as an inspiration, it is important for each of the actions to collect some input focusing on 6 areas:

Political: Focus the attention on all the political elements that can influence your action (e.g. tax policy; environmental regulations; trade restrictions and reform; tariffs; political stability and elections)

Economic: Relate to the different economical aspect that can affect and influence the development of the action (e.g. interest, exchange, inflation and wage rates; budget; credit availability)

Social: Connect with the demographic and cultural elements (e.g. cultural norms, attitude, health consciousness etc.)

Technological: Investigate the availability of necessary technologies and materials and the impact of innovation in the field

Legal: Be specific about the procurements and permits needed to implement some actions

Environmental: Evaluate the impact of climate change, the environmental impact and the carbon footprint of actions as an opportunity to choose less impactful actions. Consideration of how territorial/urban display/infrastructural constraints would be taken into account.

Table 3 – PESTLE Model: Example of elements for each area

Political	Economic	Social	Technological	Legal	Environmental
The agenda of the leading party underlines the social value of the agenda, with a focus on people on low incomes.	Inflation is predicted to rise and this may result in an increase in the prices of raw materials.	The municipality has an ageing population and is experiencing a high level of migration.	The social department activated an online system to access social incentives; however, these did not achieve the expected outreach.	Legislation on tenants' rights is under revision and will not be fully activated until the middle of next year.	There is an increase in temperatures across the year that has made the area prone to heatwaves.

SUGGESTED LINKS (FOR ALL ACTIONS)

▸ PESTLE Analysis

SUGGESTED ACTIVITIES

▸ Familiarise yourself with the different elements and ask the working group to do the same.

STEP 5: POLITICAL AND LEGAL FACTORS

Objective: To evaluate the impact of policy and regulations

In Step 1, we reviewed the list of documents. In this step, it is worth doing the same but with the specific focus on identifying policy and regulations that may constitute a key factor for the actions identified. The key is to identify potential synergies and barriers imposed by existing measures/instruments/regulations. In some cases, the documents you have already included in your research are enough, but in some others, it may be necessary to conduct additional research to gain more insight into aspects such as market demand, costs, regulatory opportunities, legal frameworks and risks.

For each of the actions defined as being possible to be implemented, identify key policy and regulations that can affect it and how they may influence it (in a positive or negative way). The lack of any specific regulation can also be considered as an element.

Table 4 – Example of the development of a Renewable Energy Community

Element	Details	Opportunity	Barriers
Political	Energy Poverty Recommendations (EU)	Specific mention to encourage energy communities to tackle energy poverty	Connected to the national regulation framework
Political	National Climate Action Plan	Specific mention of RES community as key action for diversification of energy sources	General mention of RES energy communities, but not focused on the involvement of vulnerable consumers
Political	Local Level – Climate Plan/SECAP	The local climate plan already foresees the implementation of RES energy communities	It may be complex to adapt the already existing plan to involve vulnerable consumers
Legal	Legal contract to establish an energy community	Well-defined and well-regulated	Long administrative period to legalise the contract (estimated 1 year to obtain the permit)
Legal	Protection of historical site regulation	-	Limitation on the installation of PV panels inside the historical centre of the neighbourhood identified as affected by energy poverty
Legal	Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the Promotion of the Use of Energy from Renewable Sources (Recast). It is also important to mention that the Directive should have already been transposed to each country and that the transposition can have national specificities, REScoopeu has made an analysis of this transposition which is also a useful resource.		

SUGGESTED ACTIVITIES

▶ For each of the actions listed in the previous section, develop a list of key political and legal frameworks. Underline the case in which there is a lack of a dedicated framework.

▶ Identify the political and legal frameworks to facilitate the implementation, making it more complex/time-consuming.

STEP 6: SOCIAL FACTORS

Objective: To track the support and capacities of all the stakeholders

The social element refers to everything that is related to human resources and capacity available, either internal (departments of the same municipality) or external (contractors and service providers), or the beneficiaries of the action (the vulnerable consumers identified in the Handbook 1: A Guide to Energy Poverty Diagnosis.

At this point, it is essential to develop broad stakeholder mapping in light of the new knowledge acquired about the specific actions. For each stakeholder, a clear identification of their capacity, predisposition and ownership complete the picture of how effective the result may be. To collect this information, engage with each of them to further assess their position.

For each specific action, there may be a need to include specific stakeholders not initially identified as key players in defining energy poverty, but who gain importance during the action's implementation (e.g. if the aim is to implement extensive renovations of buildings, the construction companies, property managers of homeowner associations or local associations become crucial stakeholders).

In order to identify whether the stakeholders may represent an opportunity or a barrier, it is important to consider if all the needed actors are available (presence), if they are competent (capacity), willing to act (interest) and in a position to be able to influence the result (power). To guarantee ownership of the process, an important point is to reach and engage with those living in energy poverty and include their perspective on the best actions, aiming to tailor the actions better to their needs and increase a sense of ownership and inclusion.

Table 4 – Example of the development of a Renewable Energy Community

Element	Details	Opportunity (strength)	Barriers (weakness)
Social	Internal department – Energy	Knowledge of the energy community regulations and RES systems Interest in implementing Energy Communities Capacity to simplify the administrative procurements	Understaffed
Social	Internal department – Social Development	Interest in involving vulnerable consumers Knowledge of how to reach out to vulnerable consumers	Lack of specific experience within energy communities
Social	External – Service contractors to develop the Renewable Energy System	Availability of different skilled contractors in the area Interest in developing RES communities	Need to be involved with public procurement procedure – timeframe
Social	External – vulnerable consumer	Aware of the potential of energy communities	Sceptical about the community approach and the shared rules

This table outlines our approach for each step and helps you to address potential risks related to ineffective engagement. It is important to analyse this in order to understand what is needed to implement a specific action. For instance, if the internal department lacks knowledge about the legal framework for establishing a renewable energy community, you might need to provide training or consider hiring an external contractor for this task.

Building a robust network of individuals and organisations ensures that your action is grounded in collective expertise and experience.

SUGGESTED ACTIVITIES

▸ Review the list of stakeholders you developed in the *Energy Poverty Diagnosis Report* and integrate further information.

▸ For each stakeholder, characterise the strongest elements and any weaknesses. You can also integrate the information including any activity or programme which the different stakeholders already have ongoing.

▸ Identify a list of possible integrative activities that need to be included to address the stakeholders' weaknesses.

STEP 7: ECONOMIC FACTOR

Objective: To check the budget

Every plan requires financial resources for its implementation. Ensuring the plan's achievability and robustness involves evaluating available financial opportunities. It is also key that the resource allocation mechanisms and budget allocation are transparent and accountable.

A preliminary **financial assessment** is vital to estimate costs involved in plan development and the available budget at this stage, ensuring the plan's concreteness and viability. Ideally, the *internal municipal budget* should cover all activities. Integrating the social aspect into existing budget allocations or expected future activities is essential. Advocating inclusion in ongoing projects, such as renewable energy systems for public buildings, can demonstrate cost-effectiveness. Working on a multi-year budget can facilitate the development of medium- to long-term actions. It also involves considering the cost of lost opportunities, such as the expenses of providing incentives instead of addressing the root causes of energy poverty. Budgeting should consider the possibility of initiating pilot projects and subsequently scaling up (e.g. start with RES on one building and then replicate the model when additional finances are available etc.).

In some cases, an effective public sector budgeting strategy also requires considering *grants and loans* from the state, national government or from European Union sources, such as the Recovery and Resilience Fund, Social Climate Fund or the EEEF – European Energy Efficiency Fund. These grants offer additional revenue streams for governments and enhance the capacity to create and sustain new programmes.

There are various other grant opportunities and funding sources available for initiatives targeting energy poverty. These include: Horizon Europe, LIFE, INTERREG, the ELENA project of the European Investment Bank etc. But there are also funding streams from dedicated projects to further support the implementation of the ideas.

Despite the interesting opportunity these grants may offer, they are often constrained by an application and selection process. Therefore, until confirmation and contract signing take place, they may not be considered secure sources of funds. Despite this, they present intriguing possibilities for testing concepts, kick-starting ideas and potentially replicating, scaling up or piloting actions.

The Energy Efficiency Directive and the Social Climate Fund

Article 7 of the *Energy Savings Obligation,* part of the EU energy policy package, imposes an Energy Savings Obligation on EU Member States through targeted policies. A significant development in this directive is the proposal to allocate a portion of national energy savings targets specifically to priority households affected by energy poverty, as outlined in Article 8. This marks a fundamental shift towards addressing energy poverty as an integral part of energy efficiency efforts. Municipalities are encouraged to collaborate with energy suppliers to create Energy Poverty Action Plans, leveraging corporate social responsibility. Check out action plans and what kind of schemes other utilities have already implemented. The directive ties energy savings to the share of households facing energy poverty, ensuring more targeted efforts. *However, concerns arise about the effectiveness of these measures due to challenges in targeting and eligibility thresholds that may exclude those slightly above the limit.*

The **Social Climate Fund** is a new emissions trading system (ETS2) where a carbon price is assigned to fossil fuels used for road transport and heating. Companies selling fuels need to buy allowances (at the carbon price) for the emissions caused by running their business. The revenues from the sale of the allowances are then directed into the Social Climate Fund. The Member States have the flexibility to utilise the revenues assigned to the Social Climate Fund for a range of purposes, including: measures and investments for increasing the energy efficiency of buildings, building renovation, the decarbonisation of heating and cooling in building, the uptake of zero- and low-emission mobility and transport, measures providing temporary and limited direct income support. The main beneficiaries are vulnerable households, vulnerable micro-enterprises and vulnerable transport users.

Table 5 – Example of the development of a Renewable Energy Community

| Element	Details	Opportunity	Barriers
Economic	Multi-year budget available	Budget available in the Energy department	Budget available below XX – limiting extensive actions, but suitable for pilots
Economic	Grant proposal	Expected X call for a proposal from the project YYY to develop pilot projects with the focus on energy security	Longer timeframe in which to receive feedback Budget uncertain
Economic	ESCO	ESCO companies interested in participating in the financial perspective	Legal and contractual framework to be defined

SUGGESTED ACTIVITIES

▸ Evaluate the budget available in the municipality.

▸ Identify some grants and loans that can support and integrate the available budget.

▸ Identify local financial organisations that may be interested in developing Public Private Partnerships.

STEP 8: TECHNOLOGICAL AND ENVIRONMENTAL FACTORS

Objective: To check the possible impact of other elements
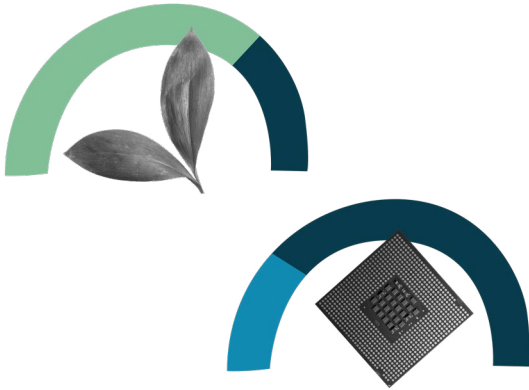
Some of the actions that can be implemented to tackle energy poverty foresee different technologies and can have different environmental impacts.

Technological factors encompass the impact of innovation, research & development and the overall state of technology that can be used to implement the actions. Rapid technological advancements can create opportunities but may become difficult to find on the market or entail higher maintenance costs.

Environmental factors involve the impact the action will have on the environment. This includes considerations such as climate change and resource availability. It is important to consider that, when tackling energy poverty, prebound and rebound effects may occur. Vulnerable consumers may have a tendency to reduce their consumption to the detriment of their health. This means that the overall environmental impact may already be quite low. In order for their condition to improve, there may be an increase in their consumption and if this is not covered by sustainable and environmentally friendly solutions, it may result in a higher environmental impact. When designing the possible action, it is worth taking into consideration how to mitigate risks of a negative effect on the environment.

Table 6 – Example of the technological and environmental factors

Element	Details	Opportunity	Factors
Technological	Monocrystalline solar panel	High efficiency and less space usage	Long time of supply on the market
Environmental	Renewable Energy System	Reduced impact compared to fossil fuels	

SUGGESTED ACTIVITIES

▸ Evaluate the technological elements that may influence your action.

▸ Evaluate the environmental impact of your action.

SUGGESTED ACTIVITIES AFTER YOU HAVE EVALUATED EACH ACTION

▸ Collate all the different information for each of the actions listed in the previous section.

▸ Organise a meeting with the working group to discuss the complete information collected for each action and make sure that every aspect is taken into consideration.

DEFINE THE PLAN

Once you have a better idea of the possible actions and collected inputs on opportunities and barriers for each of them, it is important to collate the information and identify which actions should be prioritised and which may be critical for the success of the others. The list of possible actions can be quite broad but, realistically, a local government has the possibility to implement only a smaller number of them effectively. By prioritising, there is clarity about what deserves immediate attention and what has the likelihood to be more impactful. Defining an order of actions gives the chance to focus the effort on specific tasks and optimise the time.

At the end of this section, you will be able to finalise your **Local Social Climate Plan** with concrete information on how you expect to achieve your vision.

The following steps should be performed by a group of key actors who are informed and familiar with local dynamics. This process forms the strategic backbone of municipal planning. It is thus important that the activities proposed are developed by a core team of people who have as much knowledge as possible in order to effectively influence the **strategic direction** of the municipality. You may also consider involving an external professional service provider or consultant to facilitate the process.
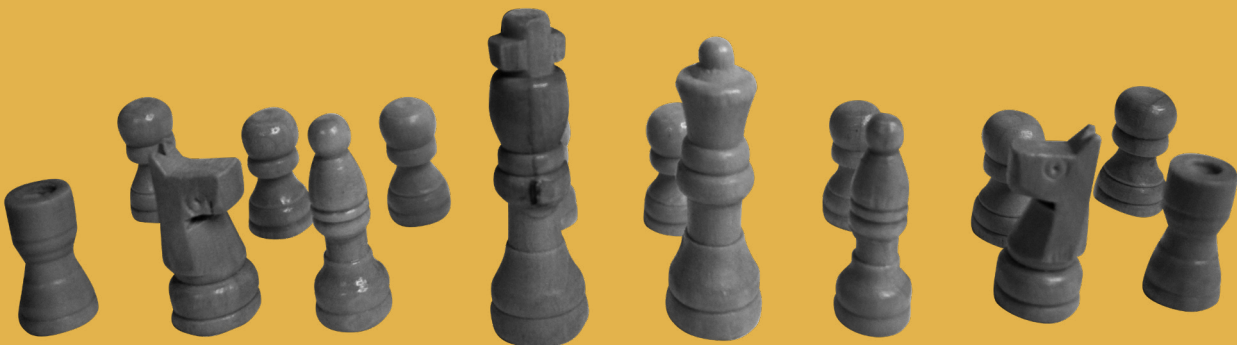
STEP 9: PRIORITISING

Objective: To select the appropriate actions
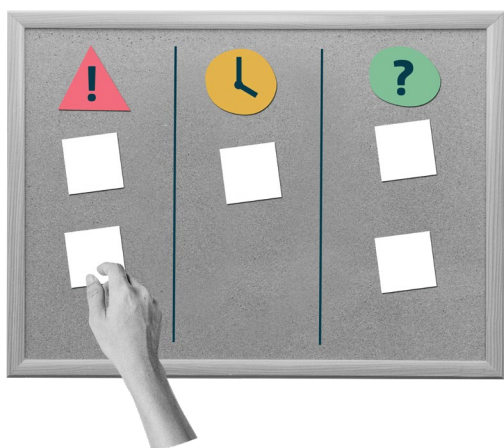
In the previous sections, the goal was to deepen your understanding of barriers, constraints and possible actions that can be implemented. Now it is time to collate all the information available and define the key actions to start with in order to achieve the highest possible impact at the current time. Ideally, all the different actions mentioned before could be implemented. Realistically, it is complex and not efficient to focus on all of them at the same time. For this reason, it is important to evaluate, organise and rank the different tasks and objectives. Prioritisation can have different rules; it is a multi-criteria analysis. For this reason, keeping at hand all the considerations made for each action is essential at this point in order to carry out a better evaluation.

There are different methodologies used to prioritise and you are welcome to use the ones that you are most familiar with or have already implemented. Numerous local governments have been working successfully with the *Materiality Matrix*, a two-dimensional grid using **relevance/impact** on the horizontal axis and **effort/difficulty** on the vertical axis.

Engage the Energy Poverty Working Group to score the relevance and effort of each action. **Relevance/impact** relates to the capacity to fully tackle energy poverty, reach the vulnerable consumers and establish a permanent, stable and sustainable solution. To assign this value, consider referring to the information provided for each action, taking into account the evidence outlined in the *Energy Poverty Diagnosis Report*. Ask yourself whether the proposed action will effectively reach vulnerable consumers. Evaluate the potential impact of the actions on the indicators identified in the diagnosis. For example, if the baseline data in your Diagnosis shows that 41% of people don't heat their entire house, aim to reduce this percentage to 31% with your proposed action. This estimation will help assess the effectiveness of the proposed intervention in addressing energy poverty. **Effort/difficulty** relates to the other information collected (timeframe, cost, opportunities and barriers). You can ask the members of the Energy Poverty Working Group to individually provide a score for each of the actions and then jointly discuss the results.

Table 7 – Materiality Matrix

Action	Relevance/impact			Notes	Effort/difficulty			Notes
	Low	Medium	High		Low	Medium	High	
Financial measures: support with paying energy bills		x		Impact in the short term but not a structural measure		x		Direct implementation, challenging to address the right target group. Needs to be integrated with a proper awareness campaign
RES energy community			x	High impact for a smaller number of beneficiaries		x		New regulation under development; needs external support (procurement process).

Based on the score provided by the different members of the working group, you can position each action in the *Materiality Matrix.* The actions that are positioned in the yellow/orange area are ideally the ones to prioritise[1]. However, it is worth discussing the results with the working group and confirming the actions to be selected. The internal stakeholders often provide a more realistic perspective on the municipality's capabilities.

However, if possible, ask for feedback from the external ones and check if their prioritised actions mirror the ones selected by the working group. In the event that the actions to prioritise are not aligned, it may be worth further explaining the position of the municipality and the reasons behind the choice. In this way, you can establish a stronger relationship and a sense of ownership.

Table 8 – Materiality Matrix example

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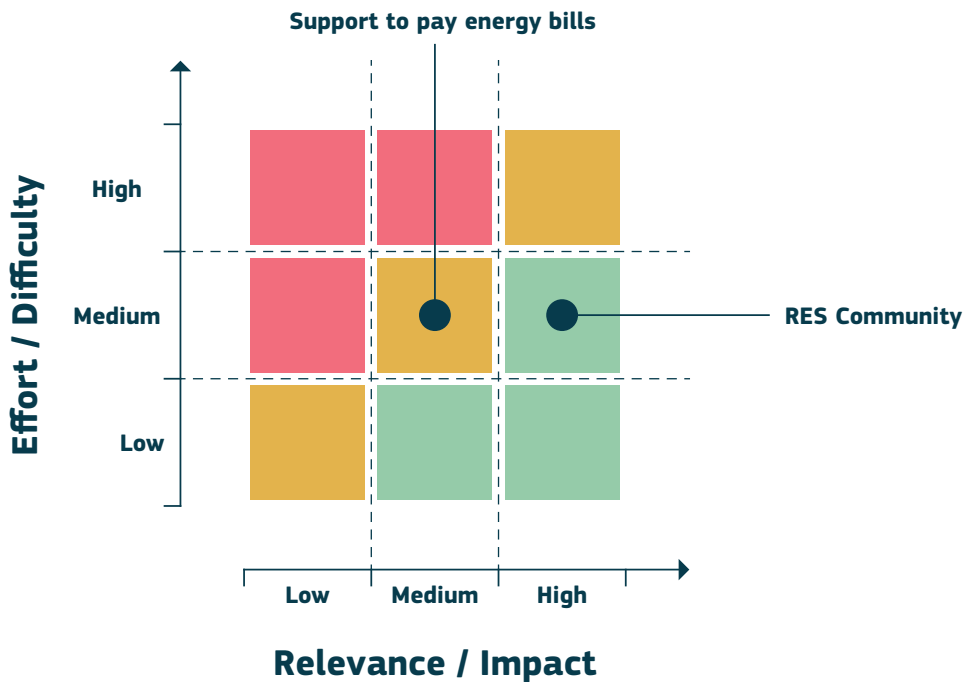
1   Keep in mind that, if scoring with only low, medium and high prevents you from establishing a clear distinction between the different actions, it is possible to extend the scale of the scoring system and evaluate using a score from 1 to 5 or even higher (1 to 10 etc.)

You have the option to use more complex scoring methods for the different activities. For instance, you can assign scores to multiple individual parameters, such as the number of beneficiaries addressed, timeframe, required human resources and budget. Afterwards, you can apply different weights to these parameters based on their expected influence. Moreover, you may decide to conduct more detailed qualitative ex ante assessments for each of the actions (e.g. you can engage an external expert to draft a possible financial and management plan for the development of an RES community). However, when choosing the methodology, keep the final goal and vision you want to achieve in mind and evaluate if it is really worth adding extra complexity.

SUGGESTED ACTIVITIES

▶ Review the list of actions and assign scores based on the agreed parameters. Ask each stakeholder to score them individually. You can do this in a group workshop or through a survey questionnaire.

▶ Collect all the inputs and position the actions in the Materiality Matrix.

▶ Discuss the results of the Materiality Matrix jointly with the stakeholders to check if the team is aligned. Establish the priority area where the municipality will concentrate its efforts.

STEP 10: DEVELOPING A LOCAL SOCIAL CLIMATE PLAN

Objective: To formalise the results of your process
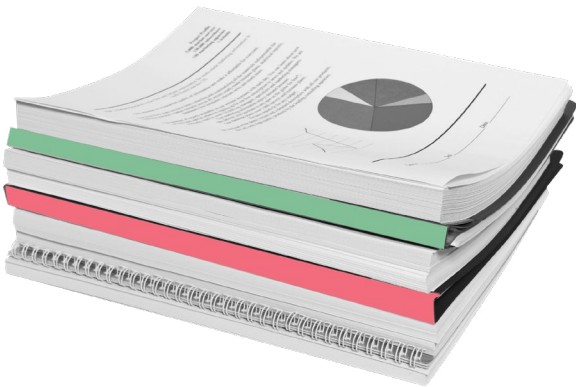
Once the working group selects the key actions to prioritise for the next period, it is important to formally define a plan, ensuring a comprehensive and lasting approach that addresses not only mitigation and adaptation actions, but also provides insights into serving vulnerable consumers. Ideally, it would be great to have a dedicated *Local Social Climate Plan* to address energy poverty challenges specifically and then reference this plan in the Climate Plans in order to make sure that there is a joint relationship between the different actions.

AN EXHAUSTIVE PLAN TO TACKLE ENERGY POVERTY SHOULD INCLUDE DIFFERENT ELEMENTS:

► reference to the analysis carried out during the diagnosis and specifically defined in the Energy Poverty Diagnosis Report in response to the question: *"What is the definition of energy poverty at local level?"*

► a clear vision for the municipality to achieve within a specific set timeframe in response to the question: *"What do we want to achieve and by when?"*

► the list of actions which will be carried out during the period specified in the vision in response to the question: *"How will we reach that vision?"*

► reference to which department will be responsible for the effective implementation of the action and which stakeholder will be involved in response to the question: *"Who is responsible?"*

► estimated cost and funding source for each of the actions

► estimated effect of the actions on the indicators selected in the diagnosis (do not limit yourself to the main indicators, but try to integrate them with others that may be more relevant).

Referencing inspirational cases can enrich the plan by providing additional insights and practical examples.

Table 9 - Example of the steps taken to finalise planning from the diagnosis

	Question	Time	
DIAGNOSIS – Definition	What is the situation?	Now	The energy poverty diagnosis in the municipality confirms the high rates of energy poverty underlined at national level. 41% don't heat the entire house, 24% don't heat the whole house while the inside temperature is 15-18°C, 36% are unable to pay their energy bills on time, 65% stated that the annual income cannot cover the needs and obligations and 35% have mould problems in the house.
PLANNING – Vision	What do we want to achieve?	Future	The municipality aims to create a Future without Energy Poverty. Our vision by *2030* is a community where every resident has access to affordable, sustainable energy, ensuring warmth, comfort and well-being for all, regardless of their background, income or other circumstances.
PLANNING – How	How do we estimate how we can achieve it?	From now until the set time	To reach this vision, the local government will: open a one-stop shop to provide advice to vulnerable consumers develop a dedicated awareness campaign develop a specific financial measure to promote the installation of heat pumps for vulnerable consumers
PLANNING – Who	Who will be responsible for the activities?		The environmental department will be responsible for the implementation of the three identified actions and will be supported by the financial department, social services etc.
PLANNING – When	When will the action will be developed?		The aims are to: have the OSS operative and functional within 1 year of plan approval. run the awareness campaign for 6 months after the OSS opening to target vulnerable consumers and promote OSS usage. finalise the design of the financial measure within 1 year of plan approval to ensure OSS support for accessing this opportunity.
PLANNING – How much?	How much will the activity cost?		The estimated cost is: OSS: XXX initial cost and XXX operational cost. The cost is budgeted internally Awareness campaign: XXX (for a 6-month campaign). Cost covered by internal budget Financial measure: XXX for the design of the financial measure, XXX of subsidies for the vulnerable consumers. Cost for the design of the financial measure from the internal budget. Cost of the subsidies coming from national funding schemes
PLANNING – Impact	Which main indicator do we expect to address?		% of people who do not heat the whole house (% reduction from the baseline) % of people who are unable to pay their bills (% reduction from the baseline)

It may also be the case that specific elements on how to serve vulnerable consumers are included in cross-thematic plans. For example, if the energy department is planning the development of renewable energy communities, it is imperative to ensure that explicit reference is made regarding how this action will target vulnerable consumers.

Once finalised, approved and supported at political level, make sure you properly promote and advertise the commitment made in the Local Social Climate Plan. Ensure that all stakeholders are aware of the results of the work developed jointly.

Encourage key departments to integrate energy poverty into their agendas, fostering collaboration. Ideally, formalise this alignment through a memorandum of understanding to ensure uniform action.

Covenant of Mayors
for Climate & Energy
EUROPE

Energy Poverty is an integral part of the Sustainable Energy and Climate Action Plan (SECAP) developed by signatories to the EU Covenant of Mayors for Climate and Energy

The Covenant of Mayors for Climate and Energy is the world's largest local initiative. In Europe, the EU Covenant of Mayors has mobilised nearly 12,000 local authorities of all sizes and locations. Covenant signatory towns/cities commit to **reducing greenhouse gas emissions and reaching climate neutrality by 2050, increasing resilience and addressing energy poverty on their territories**. Alongside this political commitment, signatories develop and implement a Sustainable Energy and Climate Action Plan (SECAP) and report regularly on their progress.

The SECAP covers all three pillars of the initiative: mitigation, adaptation and energy poverty. For each pillar, signatories define a goal/target, assessment indicators and proposed actions and undertake timely monitoring. To support, the Covenant has established a reporting and monitoring framework through which signatories monitor and report on a minimum set of indicators from their action plan.

To strengthen the energy poverty pillar of the Covenant initiative**, the EPAH provides the technical assistance and advice, capacity building and guidance for developing the energy poverty component of the SECAP reporting and monitoring framework.** The latter has been developed in close collaboration with the EPAH, the Joint Research Centre of the European Commission and a wide pool of town/city practitioners.

WHAT IS THE COVENANT ENERGY POVERTY PILLAR?

The Covenant energy poverty pillar consists of:

▸ i. **Energy poverty goal**: defining a target year by which the signatory will tackle energy poverty >>> *Guidance available in "EPAH Handbook 1: A Guide to Energy Poverty Diagnosis"*

▸ ii. **Energy poverty assessment**: a set of indicators to define and assess energy poverty >>> *Guidance available in "EPAH Handbook 2: A Guide to Planning Energy Poverty Mitigation Actions"*

▸ iii. **Energy poverty actions**: a generic description of actions that will tackle energy poverty >>> *Guidance available in "EPAH Handbook 3: A Guide to Implementing Energy Poverty Mitigation Actions"*

▸ iv. **Monitoring**: monitoring of progress through the identified assessment indicators and progress of the implementation and impact of actions >>> *Guidance available in "EPAH Handbook 3: A Guide to Implementing Energy Poverty Mitigation Actions"*

Covenant signatories are encouraged to integrate energy poverty in their SECAP, thus strengthening the coordination and co-benefits with mitigation and adaptation actions. However, it is acceptable if the energy poverty action plan is a stand-alone document.

WHAT DO COVENANT SIGNATORIES NEED TO REPORT ON?

Covenant signatories need to report on at least one indicator in the Covenant reporting platforms (MyCovenant or CDP/ICLEI Track) for each of the components of the energy poverty pillar:

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▸ **Goal**: Indicate target year and base year (mandatory)

▸ **Assessment**:

- **One indicator is mandatory** – *Percentage of population or households spending up to [specify value] % of their income on energy services*. In the event that data for this indicator is not available, the notation keys can be used.

- **All other indicators are optional**. These indicators are intended to provide a starting point and inspiration and are in no way prescriptive.

- For ease, the indicators are grouped in six macro-areas: climate, facilities/housing, mobility, socio-economic aspects, policy and regulatory framework, participation and awareness raising. Additional indicators for each micro-area can be added from the drop-down list.

- Signatories are **encouraged to use as many indicators as they find relevant** to their context.

- Signatories may **decide to report on more indicators at any point in time**.

- Signatories can choose whether all or some of the indicators they decided to report on will **serve for monitoring purposes**.

▸ **Energy poverty actions:**

- Reporting the total (approximate) number of energy poverty actions is mandatory.

- **Reporting one energy poverty action is mandatory**. Signatories are encouraged to report additional actions.

- An action includes generic information (title, origin, responsible body, short description, implementation status) and energy poverty-specific information (macro-area addressed, vulnerable populations addressed, outcome/impact indicator).

▸ **Monitoring**:

- Signatories monitor progress of their action plans **every four years**. Signatories may monitor their progress at shorter intervals, whenever they wish, by creating a new monitoring report.

- Through the reporting platform, signatories are required to update the assessment indicators (mandatory indicator and those selected for monitoring, if any) and the status of implementation of actions on energy poverty.

▸ **Action plan**: The energy poverty action plan document – either as an integrated SECAP document or a stand-alone document – should be uploaded in MyCovenant.

The **Covenant reporting guidelines on energy poverty** are available **in all EU languages** in the Covenant Library: https://eu-mayors.ec.europa.eu/en/resources/library

Covenant of Mayors
for Climate & Energy
EUROPE

WHEN DOES REPORTING ON ENERGY POVERTY BECOME MANDATORY?

The energy poverty pillar was introduced in 2022. To allow for a transition period and sufficient time for planning, reporting on energy poverty for all Covenant signatories is optional until 1 January 2025.

As of 1 January 2025, existing Covenant signatories will be required to report on energy poverty (the mandatory data as a minimum) at their next due reporting/ monitoring cycle.

For newly joining signatories, the existing timeframe for reporting applies; i.e. reporting is due two years after joining the Covenant initiative and monitoring every four years thereafter, unless the signatory decides to follow a shorter monitoring cycle.

Fig x. MyCovenant reporting platform, Energy Poverty Assessment

SUGGESTED LINKS

► Covenant of Mayors

► Sustainable Energy Climate Action Plan (SECAP)

► Covenant of Mayors energy poverty plans

SUGGESTED ACTIVITIES

► Formalise the different paragraphs to include in your Local Social Climate Plan including the key information mentioned for each action.

► Facilitate the approval process for the Local Social Climate Plan.

► Promote and advertise the municipality's commitment to tackling energy poverty.

CONCLUSION

At this point, you have in your hands a complete diagnosis and a comprehensive plan to assist you with your next phase: Implementation.

It may be difficult to decide how many actions to include in your planning. You may have the impression that you do not have enough information to make a final decision and constantly need more. Moreover, in this fast-changing world, you may also have the feeling that, by the time you finalise your choice, the barriers and opportunities will have already changed.

You may repeat the various steps until you feel comfortable with your choices. However, you should consider that moving to implementation can also unlock a better understanding of the energy poverty situation at your local level. Remember that we are working on a circular model. You will realise that each action will give you access to further data and information that allows you to make choices more confidently.

The overall objective of the whole process is to start tackling energy poverty, and even small actions planned may contribute to delivering a positive impact. Understand when it is the right moment to set the first actions to implement and don't be afraid to move forward.