

## **Consumer (Co-)ownership in Renewables, Energy Efficiency and the Fight Against Energy Poverty – a Dilemma of Energy Transitions**

*Related to the project SCORE, funded by the European Union Horizon2020 programme*

### Description

In the Clean Energy Package of the European Union the fight against energy poverty and the inclusion of low-income households (LIHs) and vulnerable consumers have a prominent place. Although the political aim is clearly set, the lawmakers have refrained from specifying how to include LIHs and what policies in particular to implement. When consumers become prosumers of renewable energy (RE), they produce a part of the energy they consume, thus reducing their overall expenditure for energy, and the sale of excess production gives them a second source of income. These positive effects on disposable household income further increase when prosumership is coupled with energy efficiency (EE) and decreased consumption reduces the amortisation period of the investment for participation in RE as less money is spent on energy and more production may be sold to the grid.

There is, however, a condition attached in order for these effects to materialise: investment capital, either savings or access to credit. LIHs as a rule have neither savings nor access to credit; but even if they manage to raise the necessary funds, means-tested transfers pose a barrier to LIHs since to be eligible for social transfer payments they must liquidate all assets. This problem is exacerbated by the fact that (energy) poverty negatively affects the capacity for sound economic decision-making, complicates trade-offs and leads to short-sighted and risk averse assessments (Lowitzsch/Hanke). All these factors prevent LIH to participate in renewable energy communities (RECs) as put forward by the 2018 recast of the Renewable Energy Directive (RED II).

The seminar investigates how Consumer Stock Ownership Plans (CSOPs) mitigate these problems and open up the existing hermetic system of property ownership. Successful participation firstly depends on a supportive regulatory environment with a welfare regime not only allowing but actively supporting financial participation of LIHs in RE projects. Secondly, project design must consider the poverty situation by providing access to information, simplifying required decision-making and applying nudging and re-framing of decisions. In addition, given the tense financial situation of LIHs, participation should translate to immediate (financial) benefits.

### Course plan

- Introduction: formalities; overview
- LV1: Background: Energy poverty; Energy Transitions: insights from a historical and comparative perspective; property rights, RES promotion;
- LV2: tba;
- LV3: tba ;
- LV4: tba ;
- LV5: Conclusion and oral presentations

### **Teilnahmevoraussetzungen**

Registration until 24.10.19 at [kelso-professorship@europa-uni.de](mailto:kelso-professorship@europa-uni.de) including your immatriculation number and the seminar title

### **ECTS-Credits**

- 5 and 6 ECTS: regular attendance; oral presentation; term paper around 15 pages
- 9 ECTS: regular attendance; oral presentation; term paper around 20 pages

### **Deadlines**

1. Optional: first draft of the term paper by the end of the lecture/exam period onward (only if feedback wanted): WiSe1920: 14/02/2019

2. Finalized term paper by the end of the semester: WiSe1920 31/03/2020

<https://www.wiwi.europa-uni.de/de/studium/pruefungen/index.html>  
<https://www.europa-uni.de/de/studium/termine/wintersemester2019.html>

## Zielgruppe

- Master of European Studies
- Master of International Business Administration
- Exchange students

## Literatur

- European Commission (2019), Clean Energy for all Europeans Package, state of play <https://ec.europa.eu/energy/en/topics/energy-strategy-and-energy-union/clean-energy-all-europeans>
- European Commission, Selecting indicators to measure energy poverty. DG Energy. Trinomics. (2016).
- Energy Atlas 2018 - Facts and figures about renewables in Europe (Heinrich Böll Foundation, Friends of the Earth Europe, European Renewable Energies Federation, and Green European Foundation, 2018).
- Shafir, E. and S. Mullainathan, 'Savings Policy and Decisionmaking in Low-Income Households' (2010).
- Jasiak, M. (2018). Energy Communities in the Clean Energy Package. EEJ, 8, 29.
- Lowitzsch, J. (ed.) (2019) Energy transition: financing consumer co-ownership in renewables
  - Lowitzsch J. (2019), Introduction: the challenge of achieving the energy transition, 1-26
  - Lowitzsch J. (2019), The consumer at the heart of the energy markets?, 59-77
  - Jenkins K. (2019) Energy Justice, Energy Democracy, and Sustainability: Normative Approaches to the Consumer Ownership of Renewables, 79-97
- Pye, S. and A. Dobbins, Energy poverty and vulnerable consumers in the energy sector across the EU: analysis of policies and measures (2015)
- Sherraden, M and L. Johnson, M. M. Clancy, S. G. Beverly, M. S. Sherraden, M. Schreiner, W. Elliot, T. R. W. Shanks, D. Adams, J. Curley, J. Huang, M. Grinstein-Weiss, Y. Nam, M. Zhan, and C.-K. Han, Asset Building Toward Inclusive Policy (NASW Press and Oxford University Press, 2013), vol. i....