## Focus :

# ENVIRONMENT ET DEVELOPMENT

ENERGY TRANSITION AND SUSTAINABLE ENERGY: HOW TO ADRESS ENERGY POVERTY WHILE PRESERVING THE ENVIRONMENT?

## CONFERENCE

[GE10] Room Dalai Lama Palais Brongniart

Thursday, September 20th, 2012

## MAIN FINDINGS

The problem that the energy transition poses is not the same for developed countries as it is for developing countries. As a matter of fact, in France and in other countries in the North, the main need is to reduce consumption and to renovate buildings and housing in order to improve energy efficiency. For developing countries, the energy transition requires an energy mix which is more focused on biomass, meeting growing demand and physical access to electricity for all under equal conditions. Fuel poverty in developed countries will not be solved simply by changing price equations. Structural measures of urban planning and tax measures have to be put in place in the long term in order to support plans for renovation and in order to reduce consumption. The support and participation of populations in this energy transition is a key element for all countries.

# **SPEAKERS**

Raphaël Claustre Director, Comité de Liaison Energies Renouvelables

> Alain Guinebault General Delegate, GERES

Thierry Salomon Chairman and Founder, NGO négaWatt

Gilles Vermot-Desroches Senior VP, Sustainable Development, Schneider Electric

# MODERATEUR

François Siegel

Chief Editor, We demain



## SUMMARY OF INTERVENTIONS

#### The energy transition in France and in Europe

On the topic of the environment conference that took place on 14 and 15 September, Thierry Salomon believes **that François Hollande's speech was a strident one** saying what had been hoped for. The round table, lasting seven hours, brought together several different stakeholders from the energy sector: representatives of Medef, associations, well-known figures such as Nicolas Hulot, and trade unions among others. A timescale and framework were set and strong recommendations should be put forward by June 2013.

For Raphaël Claustre, the environment convention was not an example of deep-rooted change; the objective of this conference was to define an area to work on in order to bring about a constructive and effective reflection process. The most important aspect is to bridge the gap between decentralization and the energy transition, leaving space for stakeholders on the local level.

Alain Guinebault highlights on the one hand, the need to start up actions that do not disconnect the energy transition from fuel poverty, while on the other hand, simplifying the concept of fuel poverty in order to optimise the effectiveness of action.

Gilles Vermot-Desroches draws attention to the fact that the environment conference is only the start of energy transition, and that two positive signs have come out of it: the renovation of one million homes (a new point which was not included in the Grenelle report) and the new links which have been made between groups participating.

In terms of steps forward, Raphaël Claustre points out that the situation in France is very different to that of countries in which decentralization and the involvement of citizens is greater, such as in Germany. France can and should catch up on this delay by transforming society through a citizen-based approach and by changing behavior.

Thierry Salomon also believes that considering different types of equipment and the way renovation is carried out in order to build low-consumption housing is different in each country, and that France is behind in what it offers on the technical level.

With regards to fuel poverty in France, Raphaël Claustre points out that the situation is roughly the same as in other European countries and other developed countries. Besides, the Grenelle 2 law of 2010 gives a precise qualitative definition of fuel poverty. The British definition is calculated in accordance with the energy needs for each home in relation with the monthly household income, with the threshold standing at 10% or above of the monthly income being needed to maintain an adequate heating regime. This definition is out of date, however, since it does not take into account people depriving themselves of heat and also because the formula includes a number of wealthy households. Today, qualitative criteria takes precedence over quantitative.

For Gilles Vermot-Desroches, this leads to two major challenges. Firstly, those affected are not the ones we might think: most elderly people live alone spending more than minimum social welfare provides, with some living in isolated country cottages. Providing support to these groups is vital. Secondly, public authorities must play a role, for example by setting up payment schemes.

As for solutions, Thierry Salomon is of the opinion that urban planning measures can solve the issue in the long term, for example by providing shared living spaces located close to public transport or by introducing tax measures such as an energy subsidy. Funds for "small **building jobs" and updating one's energy use are short**term solutions.

Gilles Vermot-Desroches believes that a revolution in electricity consumption and distribution is key. Procedures should be put together which take as their basis innovations and awareness raising in order to make these two aspects reality.

On the European level, Raphaël Claustre points out that convergences are necessary between social and environmental actors in order to establish measures for emergencies. Considerably renovating housing is necessary in order to mitigate future rises in energy prices. Finally, Thierry Salomon and Gilles Vermot-Desroches insist on the need to improve both energy efficiency and energy sobriety.



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# Energy transition in developing countries, and more specifically BRIC countries

Alain Guinebault notes that large energy inequality variations between regions and countries (particularly regarding kilowatt-hour prices), rising demand, ensuring that the energy mix is principally made up of biomass solutions, updating technology and Millennium Development Goals on the subject of energy mean that the problem of the energy transition is completely different in BRIC and developing countries than elsewhere.

Raphaël Claustre thinks that the approaches to be taken are nonetheless the same: inhabitants' participation in increasing the share of renewable energies is at the heart of the problem.

Thierry Salomon believes that real revolutions for simple materials can be brought about, in a similar way to how silent revolutions were carried out in developed countries. The question of energy in the Global South is therefore not as distant from the problems being addressed in France. This question is one of world peace and is one of balancing resources and the way they are used.

Gilles Vermot-Desroches finishes by pointing out that Schneider Electric has created the BiPBoP programme for developing countries, which includes three types of complementary solutions: individual solutions (Home Solar Systems), collective solutions (a village network) and a prepay system (for large cities). The key of these programmes resides in developing human capacities, and this is why Schneider Electric has complemented its programme with activities for training young people.

## SUMMARY OF AUDIENCE EXCHANGE

#### How can cheaper energy be produced?

Gilles Vermot-Desroches, believes that reducing consumption has a stronger and more long-term impact than lowering energy prices. Raphaël Claustre believes that the price of energy services should fall, but the kilowatt-hour price should rise. According to Alain Guinebault, the priority lies in consolidating local economic fabrics. Finally, Thierry Salomon believes that energy prices should reflect the cost of energy (see the **Court of Auditors' report)**, and today's prices should include the cost of balancing out prices in future.

**Are mass education and people's** behavior not priorities for the energy transition?

All the speakers agree on the importance of behavior in bringing about an energy transition.

### REPORTER

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# MORE ON THIS TOPIC

- Sénat, « Commission d'enquête sur le coût réel de l'électricité afin d'en déterminer l'imputation aux différents agents économiques », Conférence de presse du 18 juillet 2012: <u>www.senat.fr/rap/r11-667-1/r11-667-1syn.pdf</u>
- GERES : <u>www.geres.eu</u>
- Négawatt : www.negawatt.org/association.html
- Programme BiPBoP : www.schneider-electric.com

