

Rachel Guyet* - 5 September 2025

A Just Energy Transition: Not Only For the People, but With the People¹

As the European Union has been leading the way for ambitious climate policies for years, the growing imperative of competitiveness must not now overshadow the fundamental need for a just transition that underpinned the European Green Deal. This policy paper argues that competitiveness, energy security, and decarbonisation are not only compatible with, but dependent upon, a just transition that will empower all citizens, particularly the most vulnerable.

The current energy system transformation presents both risks and opportunities. The risk lies in perpetuating or exacerbating existing inequalities or even creating new ones if policymakers fail to take into consideration the differential impacts of transition policies across social groups, territories and sectors. At the same time, the opportunity exists to address the current deficiencies and injustices of the current system by creating a more equitable and inclusive energy system that distributes costs and benefits more fairly while ensuring meaningful participation for all citizens in shaping their energy future and creating global adhesion to this societal project (Laurent, 2025).

This paper examines four key pathways for achieving a just energy transition: recognizing existing energy-saving efforts by vulnerable households, supporting inclusive building retrofitting programmes, developing renewable energy communities as tools for empowerment, and implementing innovative energy-sharing mechanisms. Central to all these approaches is the need for a genuine engagement with households that moves beyond mere information to ensure that “no one is left behind” in the decision-making process and to avoid a political “green-lash”.

Defining the Just Transition Challenge

The question facing European policymakers is not whether the decarbonisation of the energy sector represents the correct pathway forward, but rather how this transformation can reconcile ambitious climate action with social justice imperatives. A truly

just transition goes beyond compensating for negative effects of the current energy system transformation to address the structural roots of energy inequalities, including energy poverty and the exclusion of some local communities (Bouzarovski 2023).

Meanwhile, there is broad consensus on the normative objective of justice, yet the process for achieving a just transition remains contested and context-dependent. These processes depend heavily on national and local representations of the issues, on existing systems, practices, and institutional frameworks. The challenge lies in reconnecting ambitious climate action with the lived experiences of people struggling to meet their basic energy needs (Middlemiss & Gillard, 2015) while acknowledging the social risks inherent in climate and energy policies (Mandelli & Lee, 2025).

Households experiencing energy poverty face a triple burden: they struggle to afford energy bills, endure inadequate thermal comfort in winter and in summer, and are deprived of any alternatives and choices to improve their situation. While income support provides necessary short-term relief, it fails to address the structural factors that perpetuate energy poverty. A comprehensive just transition strategy must therefore encompass both redistributive and structural measures as well as participatory mechanisms that restore dignity and agency to affected communities (Grossman & Trubina, 2021). A bottom-up approach alone will be insufficient without a supportive regulatory framework that empowers citizens to participate meaningfully in the energy transition to decarbonise their consumption. What is needed is a comprehensive policy structure that enables all citizens to contribute positively to this transformation while ensuring that they benefit from it in sustainable and equitable ways. Several models promoting a just transition offer significant untapped potential that could help achieve these goals.

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Recognizing and Rewarding Energy Conservation Efforts

During the 2022-2023 energy price crisis, European governments called upon citizens to reduce energy consumption in order to contribute to supply security, decrease Russian gas dependency, and lower energy bills. In this context, the European Commission set final energy consumption reduction targets³ of 11.7% by 2030. However, these appeals failed to distinguish between households already practicing energy conservation out of necessity and affluent households with significant energy savings potential. As illustrated by research figures published recently in the Guardian⁴ that claim “limiting the demand of the richest 20% saves seven times the amount of greenhouse gases required to meet the needs of the poorest 20%”. While wealthy households have the agency to choose consumption reduction, modest-income households are constrained to reducing consumption out of necessity, sometimes to the detriment of basic living standards. Paradoxically, these conservation efforts are seen as coping mechanisms that receive little recognition or reward in political discourse framing climate action. The narrative that positions low-income households as unable to manage energy consumption effectively has justified targeting most energy-saving programmes exclusively toward these groups. While programmes like Germany’s 12-year Stromspar-Check initiative⁵ demonstrate success in reducing bills by an average of €276 annually and CO₂ emissions by 670,000 tons, they fail to recognize these efforts as a substantial contribution to energy transition goals. This requires changing narratives.

Current approaches risk perpetuating the perception of energy transition as an “elite project” rather than a collective endeavor (Hanke et al. 2023). A just transition framework must acknowledge and value the conservation efforts of the most vulnerable households, recognizing their contributions as integral to achieving climate objectives.

Inclusive Building Retrofitting

Structural measures need to go beyond conservation efforts to protect vulnerable households from price volatility in the long term. The EU Renovation Wave⁶ aims to renovate 35 million buildings by 2030, representing a key pillar of energy and climate action, with significant potential for social justice. This is espe-

cially so, if funding targets the least efficient buildings. Indeed, low-income households, constrained by limited housing choices, often occupy the least energy-efficient buildings due to affordability pressures and lack of alternatives. Targeting retrofitting funding toward these buildings can benefit residents, climate objectives and enhance supply security by reducing energy demand. However, successful implementation requires addressing multiple barriers beyond financial constraints. Deep retrofits costing⁷ €30,000-70,000 (depending on the country) (Higney and Gibb, 2024) demand not only substantial investment but also navigating complex bureaucratic processes, technical expertise, and sustained motivation. Current funding mechanisms often leave significant costs to be covered by households already facing financial stress and having to set their own priorities, as illustrated by the « heat or eat dilemma » (Burlinson et al, 2022), which represents a strong disincentive. Moreover, the volatility of funding programmes and discontinuity of regulatory frameworks create additional uncertainty that discourages participation. The risk of rebound effects - where efficiency improvements lead to increased consumption (Galvin, 2014) - and the risk of « renovictions » - tenants being unable to pay for rent increases related to renovation works are forced out of their homes (Busa, 2025 ; Bouzarovski et al., 2018) - may represent other deterrent factors because despite the support provided, expected benefits are not always realised. Social acceptance represents another critical challenge, as retrofitting operations disrupt daily life and require household cooperation throughout extended implementation periods.

This difficult context means that deep retrofitting requires a high and sustainable level of support from trusted third parties to help owner-occupiers make informed decisions on the renovation process and tenants to participate meaningfully in and adhere to the project.

Renewable Energy Communities: Democratizing Energy Ownership

Renewable Energy Communities (RECs), as defined in the 2018 recast Renewable Energy Directive, represent a transformative approach to citizen engagement in energy transition. They can develop decentralised low-carbon energy projects for community benefit, operating on voluntary participation and

not-for-profit principles. Europe's approximately 9,000 RECs⁸ demonstrate the potential for citizen participation, lifestyle transformation, and social cohesion building. Indeed, RECs serve three complementary objectives⁹: economic (adding local value), environmental (promoting green systems), and social (inclusive participation and energy poverty reduction). By addressing energy vulnerabilities, RECs can make energy transition more socially and politically acceptable within local communities.

Despite their potential, RECs face significant challenges in reaching vulnerable households. From the supply side, RECs may lack the resources, expertise, or stable business models necessary to effectively engage with households exposed to energy poverty (Hanke et al., 2021). From the demand side, vulnerable households may be reluctant to participate due to perceived and real barriers, lack of awareness, insufficient knowledge, perception that energy transition is an « elite project » or inability to make initial investments due to multidimensional vulnerability (Hanke et al., 2023). These barriers risk reproducing existing inequalities within the renewable energy sector, where benefits accrue primarily to those already possessing social, economic and cultural capital. They need to be addressed through an adequate enabling framework, capacity building programmes and targeted support for vulnerable household participation.

Energy Sharing: Innovative Models for Energy Justice

Energy sharing, included in the Union's 2024 electricity market design reform¹⁰ complements collective self-consumption provisions (article 21 of Directive (EU) 2018/2001 and Article 15 of Directive (EU) 2019/944) stating that energy sharing¹¹ *“empowers a wider group of consumers that do not otherwise have the option of becoming an active customer due to financial or spatial constraints, such as vulnerable customers and customers affected by energy poverty, and leads to increased uptake of renewable energy by mobilising additional private capital investment and diversifying remuneration pathways”* (22). Despite the introduction of a *“right to energy sharing”* (article 15a), current practices remain largely experimental, with projects like the Horizon 2020 RESPONSE project¹². The complexity of business models of energy sharing projects, including those for social housing providers attempting to

share solar electricity with tenants, requires continued innovation locally, regulatory enabling conditions nationally, as well as adequate energy taxation policies to allow such alternative models to be scaled up and to bring financial benefits to the users.

France's AMEP network (Association pour la Mutualisation d'une Energie de Proximité¹³) demonstrates an alternative approach through energy solidarity, connecting small green electricity producers with consumers within 2-kilometer geographic areas. This model allows producers to voluntarily share excess electricity for free with households experiencing energy poverty or local NGOs, such as food banks with a high electricity demand to keep their fridges running. It tackles energy vulnerability by providing free electricity while allowing households to benefit from the energy transition process. Such solidarity-based models move beyond market mechanisms to create direct relationships between energy producers and vulnerable consumers, fostering community connections while addressing immediate needs.

Engagement and Participation: A Necessity

As shown in this paper, enabling vulnerable households to choose and access clean technologies is a precondition for achieving an inclusive transition that tackles current inequalities while preventing new ones. This requires empowering all households to participate meaningfully in decision-making processes thanks to relevant information and adequate delivery models that take into consideration their barriers (language, culture, knowledge, socio-economic capital etc.). Therefore, participatory mechanisms need to be well-designed to legitimise the recognitional, distributive and procedural dimensions of just transition policies, amplify marginalised voices, and build ownership of transformation processes for all social groups. However, effective participation demands willingness, effort, and time from both decision-makers and citizens. Meaningful participation, going beyond mere consultation imposed by law, requires capacity building, resource provision, and institutional changes that redistribute power rather than simply seeking input on predetermined options. Particular attention must be paid to including and respecting voices that are typically marginalised in policy processes, including low-income households, elderly residents, immigrants, women and other vulnerable groups who may face additional barriers to

participation (Atkins, 2023). This approach can transform communities from passive observers into active participants in decarbonisation decisions affecting their geographies, energy supply, lifestyle and energy costs.

The achievement of a just energy transition requires moving beyond technical solutions to embrace participatory approaches that recognise the agency, contributions, and rights of all citizens, including the most vulnerable. This transformation demands policy innovation across multiple domains as show in the paper. A successful, just transition depends on

integrating these approaches within a coherent framework that addresses both immediate needs and structural inequalities. Policymakers must resist the temptation to place economic competitiveness in opposition to social justice, and rather recognise that competitiveness, energy and climate policies and social justice go hand in hand. The EU Green Deal led the way, demonstrating that ambitious climate action and social justice are not only compatible, but also mutually reinforcing. The current geopolitical tensions shouldn't lead to an EU just transition backlash; on the contrary: EU efforts should be accelerated.

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