Managing a just energy transition out of the covid-19 crisis

Executive Summary

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1 The project

This Executive Summary records the findings of a research study conducted at Erasmus University Rotterdam (EUR) in 2020. The full report is found **here** *(to follow).* It presents a comparative analysis of how the energy transitions in the Netherlands and in the UK are being affected by the COVID-19 crisis, through the conduct of 60 interviews with relevant organisations. The interviews assessed the prospects for achieving a just energy transition in each country moving forward. Funding for this project was provided by the Dutch Research Council NWO. The project duration was from 1 May 2020 until 31 October 2020.

The research team was led by Professor Darren McCauley of the Erasmus School of Social and Behavioural Sciences (ESSB), supported by post-doc researcher Iain Todd and MSc students Cas Bulder and Mary-Kate Burns. Cas is a native Dutch-speaker, which assisted with the setting up of interviews, although all were conducted in English. The interviews were arranged with 15 organisations in the Netherlands and 15 in the UK, with each organisation being interviewed twice – in July and October – to track changes in perceptions. In each country, the target was to achieve 5 governmental interviews, 5 from industry, and 5 from the social sector. Each interview lasted about an hour. The list of 30 organisations is given in Appendix I, grouped by country and by social actor.

Due to COVID-19 lockdown requirements, all interviews were conducted remotely, using Zoom technology. All interviewees agreed to be recorded and for their comments to be attributed by name and organisation, although in the end we decided to ascribe comments only to the type of social actor e.g. UK industry. The recordings were then transcribed to assist with the analysis phase. This then led to the development of recommendations and conclusions. Further coding work will result in academic papers based on this research work.

2 Draft recommendations identified in the Round 1 interviews

We set out in table 1 below the suite of 10 draft recommendations identified from our Round 1 interviews. They are based on the range of possible mechanisms and policies which have been reviewed in section 5 of the full report. They are grouped according to social actors.

Sector	Recommendation
Exchequer	Tax regimes should place a higher priority on social justice, especially considering vulnerable groups
Exchequer	Investments in green technology must be maintained, and preferably increased substantially
Education	New re-skilling and training mechanisms are needed for all workers under transition
Education	New national communication campaigns on 'long-term' behaviour changes
Employers	Industry must also invest in the just energy transition
Employers	Increased home working should be better facilitated with well-being initiatives
Employees	Targeted support needed for employees in 'vulnerable group' categories
Employees	Non-fossil fuel employee categories need equal financial compensation recognition
Energy	Investments in hydrogen and offshore wind urgently needed
Energy	Reduction in transport and building demand must be a long-term trend

Table 1 Key recommendations arising from Round 1 interviews

3 Prioritisation of recommendations in Round 2

Prior to each Round 2 interviews, we invited the interviewee to place in priority order the suite of 10 draft recommendations identified from the Round 1 interviews. This activity was completed by 22 of the 27 Round 2 interviewees; several interviewees advised that "all of the

recommendations are important". The results are set out in table 2 below, according to the following key:

	Ranked 1-4 **+** = first		Ranked 5-7		Ranked 8-10 ***=** last

Recommendation	Overall	NL	UK	Gov't	Industry	Third sector
Governments must maintain and preferably increase substantially – investments in green technology	+		+	+	+	
Governments should adapt tax regimes to place a higher priority on social justice, especially considering vulnerable groups		+				+
The energy demands of transport and heating must be reduced, involving communities and municipalities						
Industry must also invest in the just energy transition						
New re-skilling and training mechanisms are needed for all workers under transition						
Investments in hydrogen and offshore wind are urgently needed						
Targeted support is needed for employees in the vulnerable groups						
Financial compensation (for transition) must be equitable, not restricted to fossil fuel workers			*			
There should be increased national (and local) communication campaigns on long-term behavioural changes		*		*		
Employers should facilitate home working with wellbeing initiatives	*				*	*

Table 2 Prioritised recommendations from Round 1 interviews

The differences in the results of prioritisation – between countries and between social actors - are some of the most significant findings of this research project. The key observations may be set out as follows:

(a) The theme of investment (by both governments and industry) was considered central by all parties, securing the highest rankings in the results submitted. In the words of one UK industry interviewee, “projects follow money”.

(b) The second priority was tax reform in favour of social justice, which again secured widespread support (although less from UK interviewees and industry interviewees). Several mentioned the need for more progressive taxation.

(c) The third priority was given to the behavioural changes needed – by all parties – to reduce the energy demands of the heating and transportation sectors. Specific mention was made of the need to address the renovation of building stock, citing the recent EU announcement on the Renovation Wave.

(d) The need for re-skilling initiatives was accorded a high priority by industry, the third sector and the UK, and an intermediate level by the Netherlands and governments. This resulted in an overall intermediate position.

(e) The most divisive of the recommendations was the one which emphasised the specific technologies of hydrogen and offshore wind. The UK and the industry contributions gave this the highest ranking, while the Dutch and the third sector recorded the lowest priority. The Dutch third sector questioned the practicality and affordability of hydrogen, and favoured community investment. This therefore resulted in an intermediate overall ranking for this recommendation. One interviewee wished to include investment in grid infrastructure in addition.

(f) The suggestion of national communication campaigns to reinforce the need for behavioural change received a lesser priority, although intermediate by the UK and industry respondents. Overall, it gained a lesser priority.

(g) All considered that additional efforts to support home working merited the lowest priority. One interviewee explained that such change was already well under way, and so did not require additional priority.

4 Supplementary comments made during Round 2 interviews

The interviewees in Round 2 provided a wealth of additional comments on the prospects for a just energy transition post-COVID. These interviews were more focussed on the key issues than the rather more exploratory nature of the Round 1 interviews, which reinforced the importance of repeat interviews. These supplementary comments are set out in table 3 below, in order that they are recorded. The interviewees are not named, although their broad affiliation is given.

Sector	Supplementary comment
Dutch third sector	The second (current) COVID wave is characterised by less resilience, more fear, less unification, less compliance, and increased domestic violence
UK industry	We need a wide range of green technologies, not just hydrogen and offshore wind. Heat networks and retrofitting should feature also
Dutch government	Lower gas prices have undermined progress on carbon reduction
UK industry + Dutch third sector	COP26 – which is to be held in the UK in 2021 - needs to make serious progress on carbon taxation
Dutch government + UK industry	Unused/under-used office space should be utilised for housing or launching new businesses
Dutch third sector	There are now many competing societal issues – Black Lives Matter, US election
UK industry	Germany has a detailed hydrogen strategy
Dutch third sector (several)	Since the Round 1 interviews, the issue of new nuclear power had gained prominence in the Netherlands
UK industry	The state has a duty to deal with the negative impacts of the energy transition
Dutch third sector	The Netherlands is second to only the US as an offshore tax haven
UK industry	For businesses, volatility is the new normal
Dutch third sector	Societal changes should include guaranteed employment and a shorter working week
UK industry	Every country needs a new green deal
Dutch third sector	The repayment of borrowing for investment is an inter-generational issue
UK third sector	Further education is reverting to on-line teaching only
Dutch third sector	There is a need to concentrate on the “lost cohort” leaving education

Table 3 Supplementary comments from the Round 2 interviews

5 Conclusions

This closing section considers the conclusions that can be drawn from this 6-month project. We would open with the conclusion that the structured plan for the project has proved successful. From the outset, it was realised that repeat interviews would be necessary to cope with a rapidly changing environment, and that has been borne out in practice. A balanced number of interviews has been conducted between the two study countries. Similarly, balanced numbers of interviews have been conducted between the interests of government, industry and the third sector, and this has been a significant strength. One possible improvement could have been a higher number of interviews with Dutch industry.

On national differences, the first thing to say is that the Netherlands and the UK are similar countries in terms of many factors – economy, social, political. The interviews displayed much more commonality between the views of organisations in the two countries than they identified differences. Both countries commented heavily on changes in transport behaviour, the significance of building heating, flexible working, and the importance of vulnerable groups. But some differences were noted, and these are set out in the table below.

The Netherlands	The UK
More comments on growing nationalism and populist policies	No comments on this
More decentralised government	Less decentralised government, but devolved national administrations are important
Ease of connection to trans-European energy networks	Brexit dislocates from European thinking and resources
More comments on transportation – especially walking and cycling	Fewer comments
Flexible workers mentioned as a vulnerable group in all Dutch interviews	Fewer comments on this
More comments on the need for fiscal reform	More comments on the need for better Government communication
Less supportive and more questioning on hydrogen	More supportive comments on hydrogen

Table 4 Differences between the UK and Dutch interviews

During the conduct of the project, the idea emerged to not only produce recommendations for action to deliver a just energy transition in a post-COVID environment, but also to use the Round 2 interviews to prioritise the draft recommendations. The results have been described above and we

conclude this was a most worthwhile activity. It shows important differences of perspective between the two nations, and between the various social actors. Further, it could allow future research to be conducted - in due course - to address the changing perceptions of these interviewees, or to extend the model to comparisons with other countries.

In considering further research activity, one chance remark by a UK industry interviewee – about an international index for a country's energy transition – led to some exploratory research by members of the team. This has been described in Appendix III of the full report and is considered as an area of significant future potential.

The research team would like to record its thanks to the Dutch Research Council NWO for funding this 6-month project, which we trust makes a valuable contribution to a rapidly evolving scene. The results are to be promulgated in various ways: the full report and Executive Summary will be sent to all interviewees; shorter articles are already in preparation for publication; and the coding of the detailed transcripts will allow the preparation of academic papers of this work over the next year.

INTERVIEW SCHEDULE **Appendix I**

	Netherlands		UK	R1 = round 1	R2 = round 2

Government		**Industry**		**Third sector**	
Env Ministry	*R1 and R2*	Shell NL	*2 (R1)*	Jester	*R1 and R2*
Env Ministry	*R1*	National grid	*R1*	Enver	*R1 and R2*
Rotterdam municipality	*3 (R1 and R2)*	Shell UK	*R1 and R2*	Laks	*R1 and R2*
STT	*R1 and R2*	Scottish Renewables	*R1 and R2*	TNI	*2 (R1 and R2)*
PBL	*R1 and R2*	SHFCA	*R1 and R2*	Future Motions	*R1 and R2*
TNO	*R1 and R2*	Energise	*R1 and R2*	Milieu defensie	*R1*
Scottish Government	*R1 and R2*	Co-op Power	*R1 and R2*	ALL union	*R1*
NI Government	*2 (R1 and R2)*	Delta - EE	*R1 and R2*	Salford University	*R1 and R2*
Aberdeen Council	*R1 and R2*	Financial Investor	*R1 and R2*	UNISON	*R1 and R2*
		The ADE	*R1 and R2*		

Total R1 = 18 NL + 15 UK = 33 Total R2 = 13 NL + 14 UK = 27

Total NL (R1+R2) = 31 Total UK (R1 +R2) = 29

Total Government = 23 Total industry = 19 Total third sector = 18

Grand total = R1 + R2 = NL + UK = Govt + industry + third sector = 60