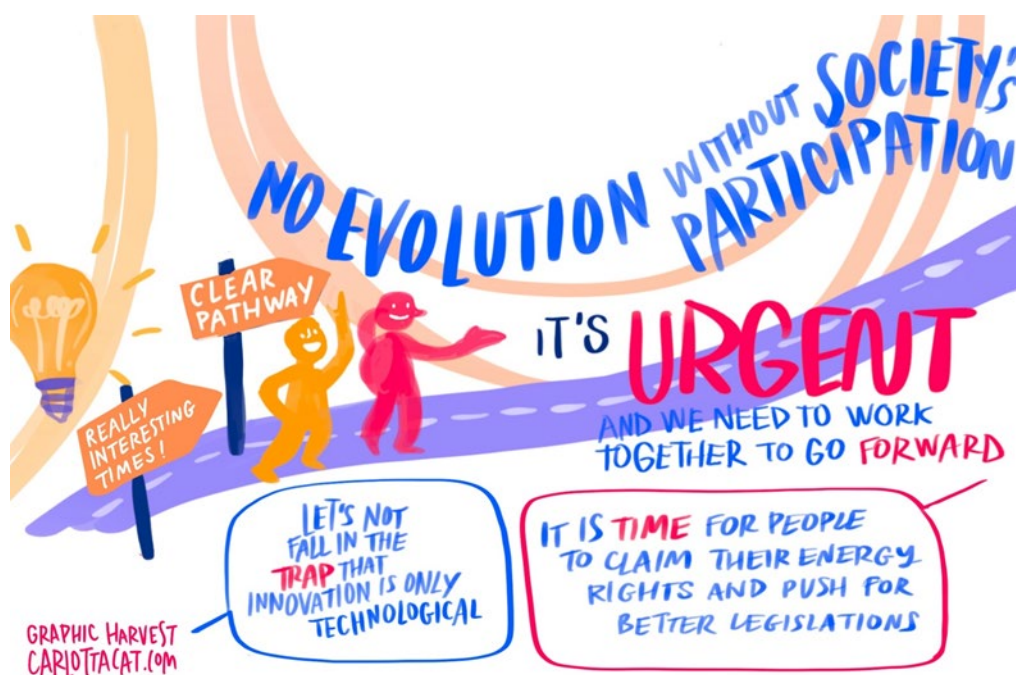


SOCIAL INNOVATION IN ENERGY MEETS THE 'FIT FOR 55' PACKAGE

Policy opportunities and challenges



EVENT REPORT

Breakfast at Sustainability's

14 January 2022

The **S**ocial **I**nnovation in **E**nergy **T**ransitions project **SONNET** brings diverse groups together to make sense of how social innovation can bring about a more sustainable energy system in Europe. Through a diversity of methods, it explores how social innovation has contributed to making our energy sources, use, and production cleaner, as well as how social change helps reduce our carbon footprint in the future. For more information, visit sonnet-energy.eu



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Panel presentations

Tessa de Geus (DRIFT) kicked off the policy dialogue on behalf of the SONNET organising team, welcoming participants and panellists, and presenting the agenda. Adrienne Kotler (ICLEI Europe) provided information about ICLEI, the *Breakfast at Sustainability's* event series, and the composition of the audience.

The following seven speakers contributed to the policy dialogue:

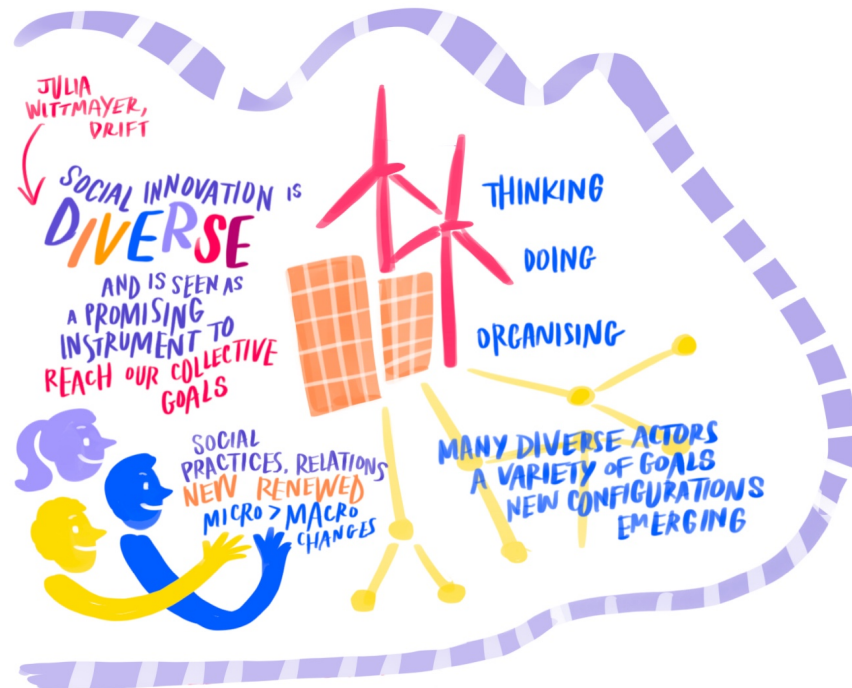
- Julia Wittmayer (DRIFT)
- Karoline Rogge (Fraunhofer ISI; University of Sussex)
- Emilie Vandam (European Commission, DG Research and Innovation)
- Cristina Marchitelli (European Commission, DG Energy)
- Giorgia Rambelli (ICLEI Europe)
- Dimitris Tsekeris (Friends of the Earth Europe)
- Stavroula Pappa (REScoop.eu)



Figure 2-1: Graphic harvest of the presentations given at the policy dialogue

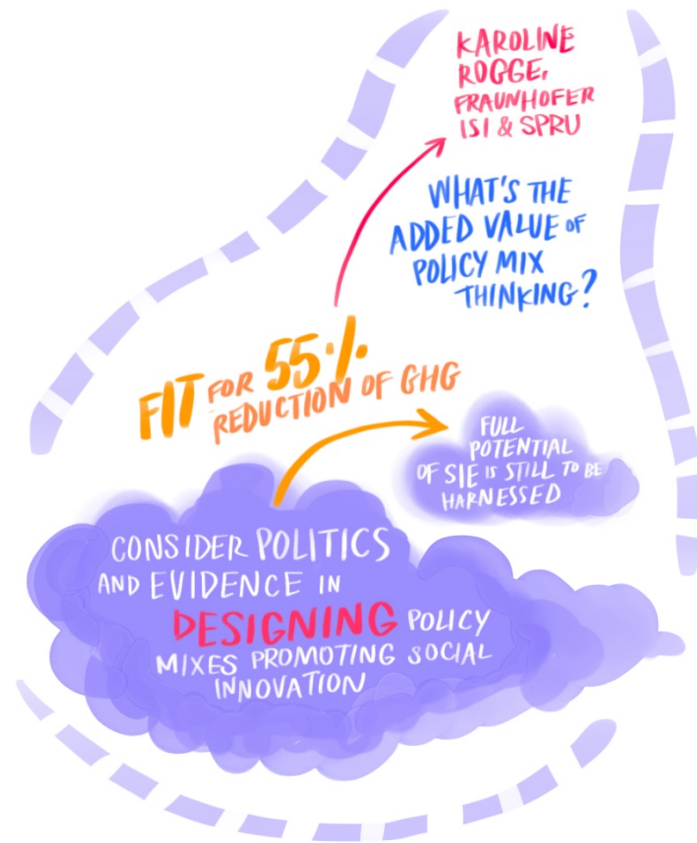
Illustration (and its component parts, displayed in the pages that follow): Carlotta Cataldi

Research perspectives: Two SONNET researchers set the scene by highlighting the diversity of social innovation in energy, and illustrating how policy mix thinking can inform discussions about how to better consider social innovation in energy in the Fit for 55 package.



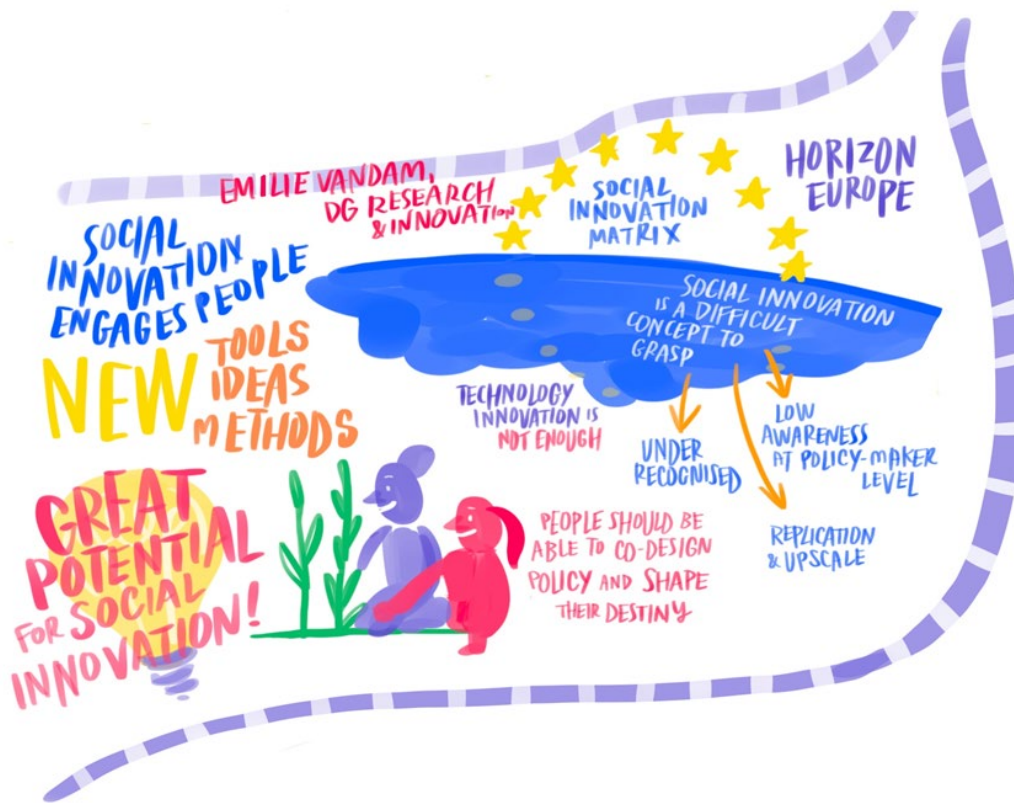
- Julia Wittmayer** introduced social innovation, its plurality of definitions, as well as its history in EU-level policy making. For her, a central question is *whether and how social innovation contributes to changing social relations around energy*. Julia highlighted that what is new (i.e. the object of change) in such innovations is social – namely renewed, new or reinvented practices, relations or ideas – and provided SONNET's definition of social innovation in energy as a combination of ideas, objects and/or actions that change social relations and involve new ways of doing, thinking and/or organising energy. Based on this broad definition, she presented the different types of social innovation in energy that SONNET has identified, which differ in the ways in which they contribute to changing social relations. This highlights the role that different actors (such as policy makers, businesses, citizens, etc.) play in social innovation in energy. Acknowledging the diversity of social innovation in energy also provides insights into the need to reflect on what kinds of social innovations in energy can and should be supported by the Fit for 55 package¹.

¹ This refers to the European Union's planned "revision of its climate, energy and transport-related legislation" in order to ensure that such policies are aligned with the EU target of reducing emissions by at least 55% by 2030, and reaching climate neutrality by 2050. For more information, visit: consilium.europa.eu/en/policies/green-deal/eu-plan-for-a-green-transition/.



- Karoline Rogge** presented a 'policy mix thinking' approach to looking at social innovation in energy, describing the Fit for 55 package as an example of applying policy mix thinking to EU energy and climate policy. A 'policy mix' includes a policy strategy and instruments to implement this strategy. To reach the more ambitious Fit for 55 targets for 2030, it is important to ensure that the instruments in the mix are tightened and thus made consistent with the target. Research conducted as part of the SONNET project shows how different types of social innovations in energy are affected by different instruments across different policy fields and governance levels. To fully grasp the potential of social innovation in energy, and to design policy instruments that promote diverse types of innovations, it is important to identify the policy fields and instruments that matter. Furthermore, policy mix thinking acknowledges the political nature of the policy-making processes involved in designing policies that promote social innovation. She concluded that the impacts of policies on social innovation in energy should be monitored as part of policy evaluation so as to generate evidence, which can contribute to redesigning policies for social innovation in the future.

Policy perspectives: reflections on **opportunities** for better consideration of social innovation in energy in the Fit for 55 package, and **challenges** that could act as barriers to considering social innovation in energy in the Fit for 55 package.

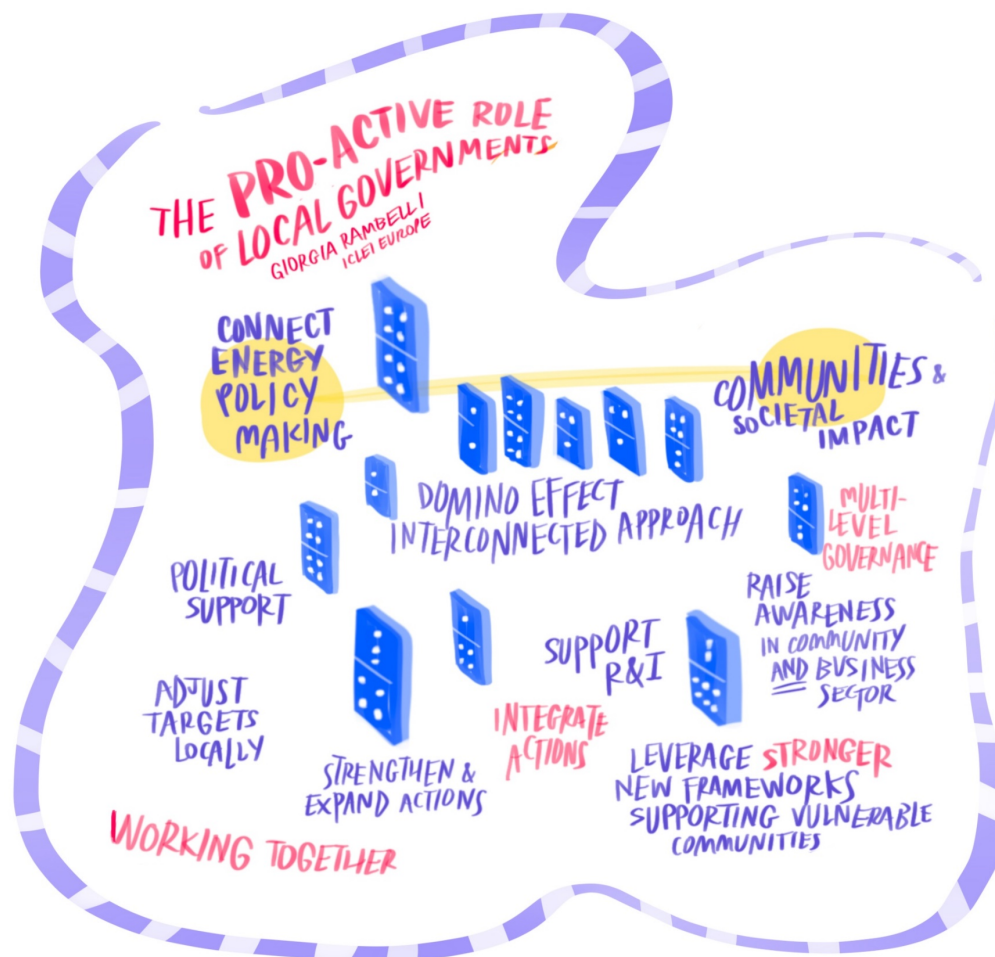


- According to **Emilie Vandam**, the recent European research programme [Horizon Europe](#) understands social innovation as a cross cutting issue. While social innovation may not be directly mentioned in the Fit for 55 package as such, it is indirectly addressed. She sees making policy-makers aware of social innovation as a major **challenge**. Another challenge is to upscale and replicate social innovations that are often being developed at local level. Furthermore, to replicate and upscale social innovation, it is crucial to convince all policy makers from all levels about the benefits of such innovation. This, however, also links to **opportunities**: technology alone cannot be the answer to challenges like climate change, because such challenges require changes in social practices and behaviours. Social innovation can achieve that and give people a sense of agency. This underlines the need for a mix of technological and social innovation. According to her, the Fit for 55 package can be seen as a great opportunity for social innovation to achieve climate goals while addressing social needs.

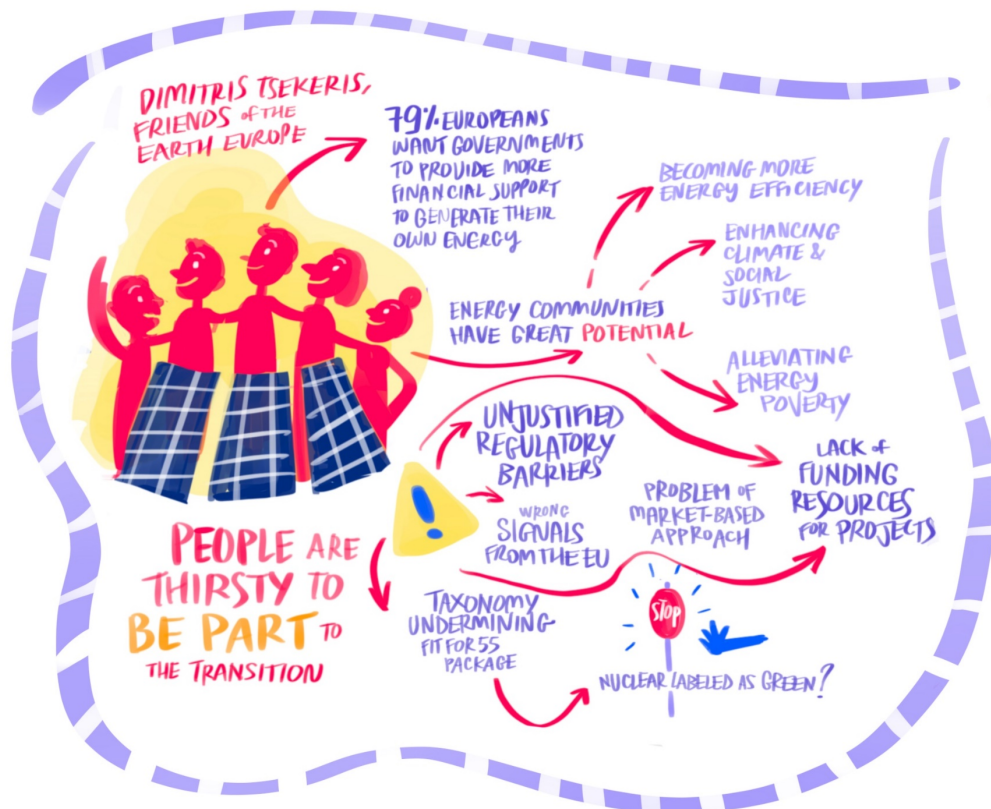


- Cristiana Marchitelli** described social innovation as an approach that enables citizen engagement, helps to overcome trust issues and contributes to a human-centric energy transition. This links to **opportunities** presented by social innovation in energy: they allow for inclusion of citizens from the beginning, listening to citizens' needs and gaining knowledge about how to address and support people. Social innovation in energy can help to inform policy making, create trust and overcome the digital divide. The **challenges** she identified around including social innovation in the Fit for 55 package lie in how difficult it can be to raise awareness among policy makers of the potential of social innovation, especially as it remains unclear how social innovation can be sustained over time. According to her, it is important to create synergies between policies, such as ensuring that a digital transition supports the energy transition.

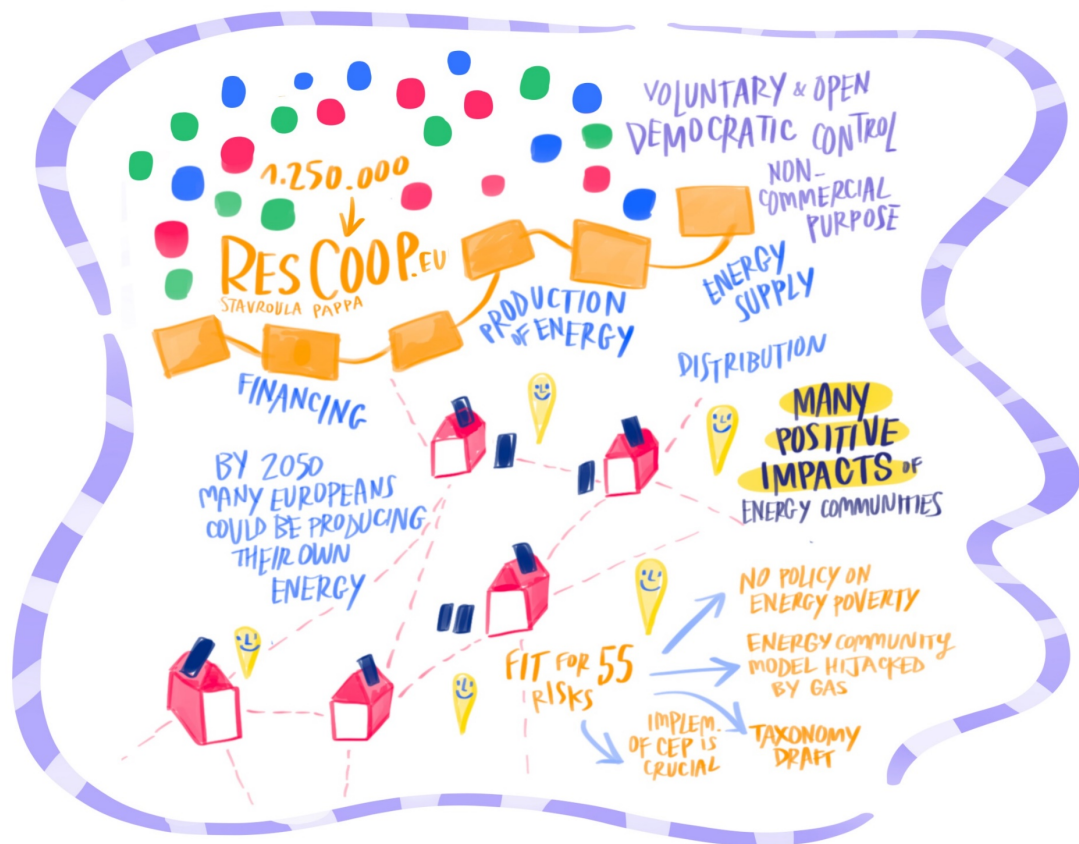
Practitioner perspectives: reflections on **opportunities** for better consideration of social innovation in energy in the Fit for 55 package, and **challenges** that could act as barriers to considering social innovation in energy in the Fit for 55 package.



- **Giorgia Rambelli** highlighted the important role that local governments can play in connecting policy making with citizens. Regarding the Fit for 55 package, local governments can, for example, play a proactive role in: bringing forward climate action plans; reassessing plans, adjusting and measuring targets locally; implementing appropriate policies or new initiatives; and acting as testbeds for innovations. She identified several **opportunities** for social innovation in energy to support vulnerable communities, advance gender equality, reduce energy poverty, and enable new forms of collaboration between actors. The **challenges** she identified are speeding-up the energy transition, and making better use of data to quicken and understand its impacts on the ground.



- Dimitris Tsekeris** highlighted the high acceptance of energy communities and renewables across Europe, with 86% of Europeans supporting new wind and solar projects in their local area and 79% of Europeans wanting their government to provide more financial support for renewables (see: cross-EU polling on renewable [energy](#)). From this perspective, there are many **opportunities** that social innovation in energy can bring to the Fit for 55 package, and ways in which energy communities can contribute and play a role in it. Energy communities can help to speed-up the energy transition through democratic participation, reduce energy poverty, increase energy efficiency, increase the acceptance of renewable energy and contribute to solidarity and social justice. Legal barriers in the Renewable Energy Directive ([RED II](#)) present **challenges**, as they can turn energy communities into competitors. Additional challenges lie with the proposed EU taxonomy that labels nuclear and gas energy as 'green'. With social inequalities rising, and 10% of richest responsible for 49% of CO₂ emissions, more political will for change is needed.

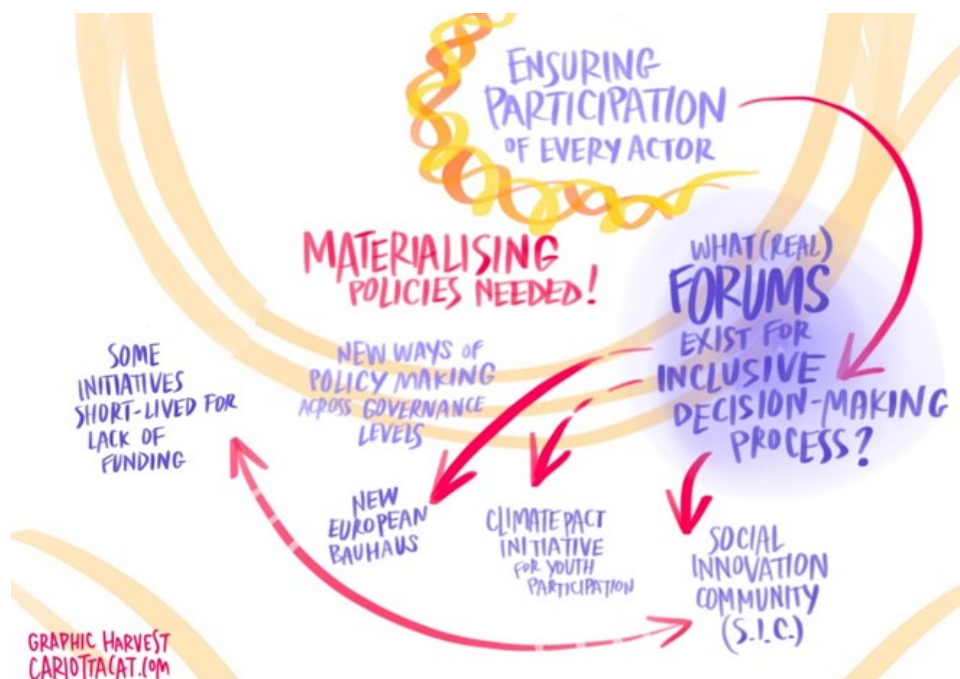


- Stavroula Pappa** identified potential for energy cooperatives to help people at the local level by engaging with local community and energy projects and driving social innovation. According to her, the **opportunities** of energy cooperatives and citizen participation across the EU were identified in the [clean energy package](#) and are now further acknowledged in the Fit for 55 package. Two directives ([EED](#) and [EPBD](#)) recognise the potential of energy communities. However, to really build out the role of energy communities, the directives need to be more precise and to have stronger language. This displays some of the **challenges** she saw with the Fit for 55 package. Namely, recognition of energy communities is not yet backed-up by supportive policies, even though they are much needed, both at the EU- and the national-levels. Another risk emerges around gas energy communities that were introduced with the Commission's proposal for the Gas Directive – these provisions should prevent such energy communities from being 'hijacked' by larger gas companies.

Fishbowl discussion

The subsequent Fishbowl discussion – moderated by Tessa de Geus (DRIFT) – was informed by questions collected via the online tool Mentimeter. Participants asked questions anonymously, and voted for the questions that they would most like to see discussed. The subsequent discussion has been synthesised into five main topics; the order of the responses in this report does not follow the chronological order of the discussion (for which the reader can refer to the event video).

First, **tacking stock of existing forums**, the panellists discussed opportunities to include social innovators in EU decision-making processes. The question for the discussion was formulated as follows: “What forums do we have to concretely (actually!) bring social innovators and local leaders into the EU decision-making process?”

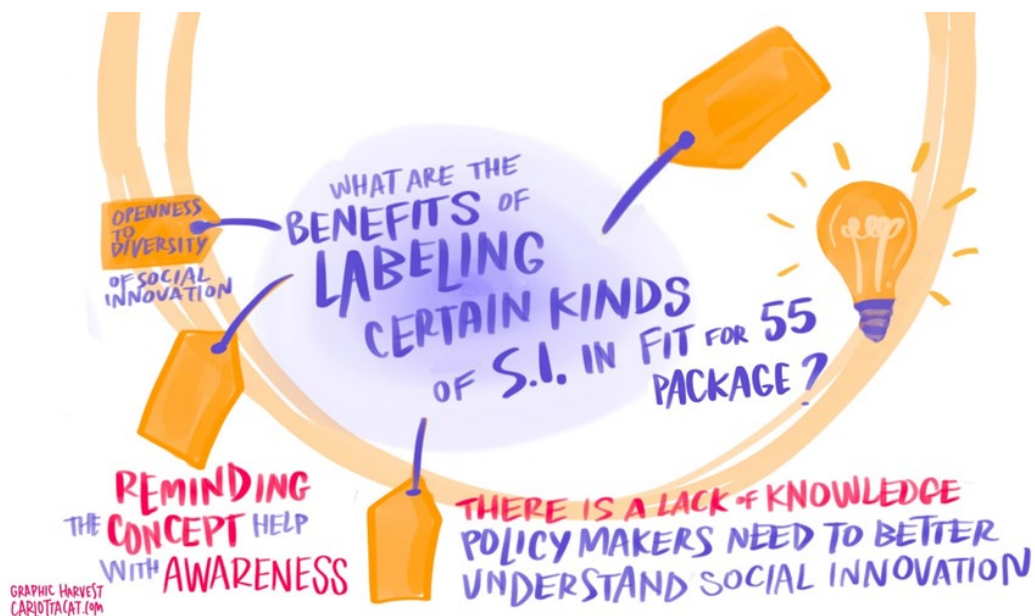


- **Cristina Marchitelli** mentioned that there are currently no new platforms being developed, but existing platforms already allow for citizen participation on the EU level. Examples include the [Climate Pact initiative](#), the citizen panel at the [Conference on the Future of Europe](#), initiatives as part of the European Year of Youth and the [European Youth Energy Network](#).
- **Emilie Vandam** additionally mentioned networks among social innovators linked with the European Commission that emerged as part of projects funded in the EU's H2020 framework, such as the '[social innovation community](#)'. One challenge of such project-funded networks is to keep them up when funding stops. Also, at the heart of the New European Bauhaus lies the aim of bringing diverse actors together, following a quadruple helix approach. This also invites social innovation actors to join. Finally, the [R&I days](#) organised by DG R&I allow for citizen contributions.
- **Stavroula Pappa** highlighted the opportunities for exchange and participation that exist as part of the REScoop.eu network, e.g. through

internal working groups and the community power coalition as a forum that enables participation.

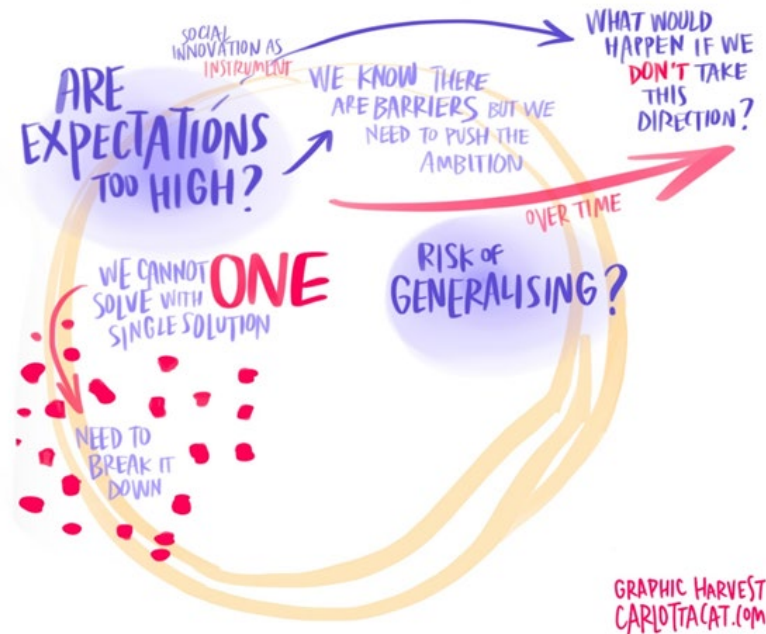
- **Giorgia Rambelli** argued for the importance of already existing networks to scale-up initiatives, share knowledge across Europe, and reach beyond innovations on the ground, citing the Covenant of Mayors. One opportunity for networking that she mentioned was the newly launched [European Mission on Climate Neutral and Smart Cities](#)

Second, the importance of strengthening a **shared understanding of the term ‘social innovation’** was discussed. This was linked to the question addressed directly to Emilie Vandam and Karoline Rogge: “You criticize that SI is not explicit in Fit for 55, but specific forms of it are. Could you elaborate which benefits you see to label these explicitly as SI?”



- **Emilie Vandam** argued that using the term ‘social innovation’ would contribute to awareness-raising. It would acknowledge the contribution of social innovation and do justice to it. In many cases, people working on social innovation would often not recognise their work as such. Furthermore, using the term would allow policy makers to include it in future policy proposals.
- **Karoline Rogge** emphasised that, especially in the field of energy, the notion of innovation as technological development still dominates. Mentioning social innovation could contribute to shifting mind-sets of people working in the energy sector and remind them that both technological and social innovation are needed for a successful socio-technical transition. Furthermore, mentioning social innovation, rather than just specific types of social innovation in energy, would better acknowledge its diversity and may provide more opportunities for novel forms of social innovation in energy to emerge.
- **Stavroula Pappa** agreed that more specific wording shows acknowledgment and furthermore gives a strong signal to different Member States regarding the implementation of EU policies on a national level.

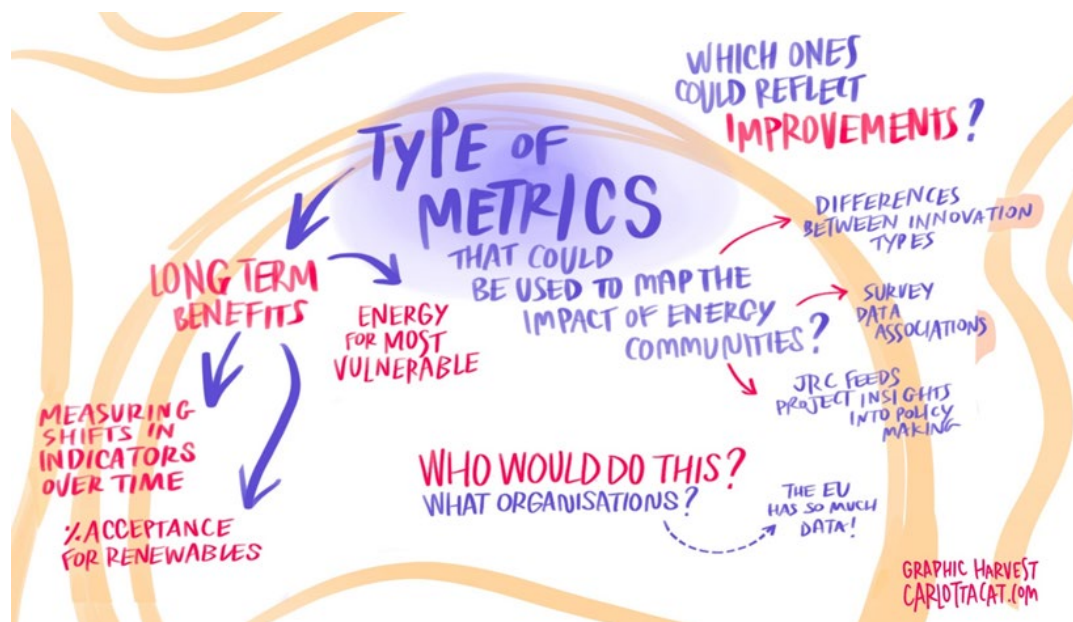
Third, and linked to the previous question, the **expectations towards social innovation in energy** were discussed, guided by the questions: “Are the expectations of social innovation as a tool not too high? And shouldn’t we rather be more critical and conscious about the limitations of the generalisation of social innovation?”



- **Giorgia Rambelli** argued that this very much depends on the underlying understanding of social innovation. From the perspective of local governments, there would be great further potential – not only for innovation on the ground but also in terms of new governance frameworks that strengthen the role of local governments across governance levels. The expectation might be high, but so is the potential that lies in changing our thinking around how to implement energy transitions on the ground.
- **Emilie Vandam** added that there is a need to break down specific aspects of social innovation in different policy fields. This would allow acknowledging their potentials to overcome societal challenges, while staying realistic. She also stressed that we cannot solve everything with social innovation, but need to combine different approaches.
- **Cristina Marchitelli** further elaborated on the need to reduce barriers so that the outcomes of social innovation can be fully grasped or sustained over time. According to her, it is important to understand the ways governments on different levels can be included in designing policies through a social innovation lens. She describes thinking about social innovation as a self-sustaining ambition – if we push the ambition now, we can push even further next time.
- **Dimitris Tsekeris** emphasised that social innovation should not be understood as a tool, but rather as a process. The benefits of including different perspectives in processes would be clearly visible (e.g. leading to greater effectiveness), and he warned of the consequences when these potentials are not recognised.
- **Stavroula Pappa** highlighted the need to back-up existing initiatives with legally binding EU policies to strengthen the position of socially innovative

initiatives in all countries in Europe. Otherwise, social innovation will stay at a more theoretical level.

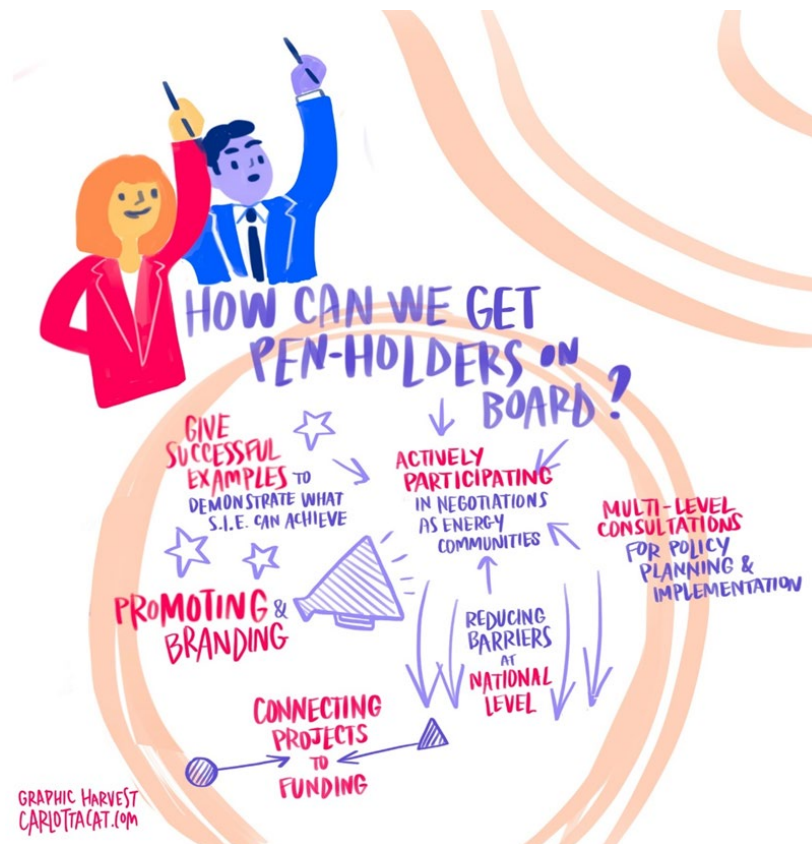
Fourth, the metrics that exist to gather **data on social innovation in energy** were discussed. The question was: “What type of metrics could we introduce to gather better data on SI impacts in the energy sector? Data are important to policy makers and attract attention”.



- **Dimitris Tsekeris** described different indicators that could be used to keep track of SI-based initiatives, for example changing levels of energy poverty, data on the adequacy of the building stock, income levels, the penetration of renewables, long-term unemployment rates, and more. According to him, the main question is *what metric could reflect the impact of energy communities (over time)*. Concerning further potentials of social innovation, [a recent poll by European Climate Foundation](#) showed that 61% of people would be willing to participate in energy communities. Furthermore, when projects are successful, acceptance of renewable energies and energy communities increases.
- **Stavroula Pappa** reported from a survey and mapping conducted by REScoop.eu and two other organisations on the [social impact of energy communities](#). This was complemented by a workshop with experts in the field, and the aim of the mapping was to develop indicators for the social impact of energy communities. This project focusing on the social impact of energy communities is still under development and more results are expected.
- **Karoline Rogge** shared insights from the SONNET project on this question. The project gathered data from different types of social innovation in energy and analysed whether the goals of socially innovative initiatives align with EU policy goals. However, in particular quantitative data availability was a key issue, with differences in its availability across different types of social innovation in energy. She concluded that gathering data on the rich diversity of social innovation in energy and its various impacts remains a challenge and that so far it is still unclear who is responsible for this.

- **Cristina Marchitelli** added that data gathering would also be done by the [Joint Research Centre \(JRC\)](#), the European Commission's science and knowledge service based on EU-funded projects. The analysis included the topic of social innovation, behavioural changes and the impact of the project on energy issues (e.g. reducing energy poverty, involvement of energy communities, etc.). The data would also feed into further policy-making.

Finally, the discussion closed with a question on further steps and especially **how to get those writing the Fit for 55 energy and climate policy proposals** to adequately consider social innovation: *"What can be done (by whom) to get the penholders on board with social innovation?"*



- **Emilie Vandam** argued that the best way to do so is by raising awareness through concrete examples and the sharing of success stories. This would demonstrate what social innovation can actually achieve.
- **Stavroula Pappa** mentioned the need to actively participate in policy making and to push for amendments and revisions, both at the European level and at national levels. Especially on the national level, it is particularly important to reduce regulatory barriers.
- **Giorgia Rambelli** emphasised that it would be crucial to foster shifts in mind-sets around the importance of acting together in the same direction. From a practical point of view, on the national level it is important to pass on the message that consultations need to happen together with local and regional governments and communities – not only in the planning and implementation of policies, but also in their roll-out, available funding mechanisms and access to different resources.

Status quo reflection of the discussion

After sharing the graphic harvesting of the event (produced by **Carlotta Cataldi**, see Figure 2), the panel closed with a final round of reflections by all the speakers:

- **Cristina Marchitelli** concluded that the ambition to further push social innovation has to be understood as a self-fulfilling prophecy. The higher the ambition is, the more social innovation is integrated into policy-making, the more impactful it will be and the more we could get out of it. *"If we don't bring the impact to the surface and fully grasp the benefits of social innovation, this cannot happen."*
- **Dimitris Tsekeris** emphasised that the work on social innovation needs to be advanced. According to him, a clear pathway is needed and actors must work together on the shared goal of further acknowledging social innovation in energy. *"We need to be more ambitious to fight the climate crisis and find new ways of collaborating to do so."*
- **Giorgia Rambelli** highlighted the danger of falling into the trap of thinking that innovation is purely technological. This must not be the case. Regarding local governments, rethinking and reframing cities' roles in transitions, as well as their responsibilities and abilities to work together with communities, is necessary to meet the objectives of the Paris Agreement. *"We cannot reach the goals of the Paris Agreement and make the changes that are needed without including all actors."*
- **Emilie Vandam** closed with the positive conclusion that things are starting to move in the right direction. Policies increasingly allow leaders to make the changes that are needed, e.g. local governments are more and more participative. *"We are heading towards really interesting times with many social, as well as technological innovations that are currently emerging."*
- **Stavroula Pappa** highlighted that many people on the ground are interested and motivated to contribute to the transitions needed. As there are still barriers in many countries, backing this up with supportive policies provided by the EU is crucial. *"It is time for people to claim their energy rights and push for better legislation."*



Illustration (and its component parts, displayed in the preceding pages): Carlotta Cataldi