



WHY ENERGY JUSTICE?

TOWARDS A NEW ECONOMIC

AND ENERGY FRAMEWORK IN EUROPE

DECEMBER 2022

EEB
European
Environmental
Bureau



Funded by the European Union.
Views and opinions expressed are however those of the author(s) only and do not necessarily reflect those of the European Union or CINEA. Neither the European Union nor CINEA can be held responsible for them.

The EEB is Europe’s largest network of environmental citizens’ organisations. We bring together over 180 civil society organisations from more than 38 European countries. Together, we work for a better future where people and nature thrive together.

The EEB is an International non-profit association / Association internationale sans but lucratif (AISBL).
EC register for interest representatives:
Identification number: 06798511314-27
BCE identification number: 0415.814.848
RPM Tribunal de l’entreprise francophone de Bruxelles

Published December 2022

Authors’ title

Nick Meynen, *Senior Policy Officer for Systemic Change* nick.meynen@eeb.org
Diego Marin, *Policy Officer for Environmental Justice* diego.marin@eeb.org

Contributing author

Patrick Ten Brink, *Secretary General* patrick.tenbrink@eeb.org

European Environmental Bureau (EEB)
Rue des Deux Eglises 14-16
1000 Brussels,
Belgium +32 (0)2 289 1090

Acknowledgements: EEB Staff: Luke Haywood, Katy Wiese, Davide Sabbadin, Margarida Martins, Eva Corral, Eva Izquierdo, Ruby Silk, Emily Macintosh, Sonia Goicoechea, Stéphane Arditi, Marco Musso, Alberto Vela, Laura Hildt, Jean-Luc Wietor, Roberta Arbinolo, Patrizia Heidegger, Piotr Barczak, Marguerite Culot, Cosimo Tansini. **Members:** Volker Molthan, Arnaud Schwartz, Tonje E. Orsten Kristiansen, Christina Kontaxi **Others:** Kalina Arabadjieva, European Trade Union Institute (ETUI). Olivier Hoedeman, Corporate Europe Observatory (CEO). Shar Ruth (proofreading), Anne-Cécile Fraud (layouter and illustrator).

This report is supported by a grant from Open Society Foundations. Its contents are the sole responsibility of the authors and do not necessarily reflect the views of the donor.

CONTENTS

- 1. Introduction4
- 2. Energy poverty6
- 3. Why Energy Justice? Defining a systemic approach8
- 4. Reflections on energy affluence, inflation, and injustice10
- 5. From excessive profits to fair and progressive taxation14
- 6. The concentration of capital and owning up to the issue of ownership16
- 7. Energy Justice: Recognising who is being left behind22
- 8. Towards deeper energy and economic justice28
- 9. Conclusion35



1. INTRODUCTION

Energy runs through every aspect of our life. The way a society sources, sells and consumes energy says a lot about how sustainable and fair that society is. If energy scarcity suddenly strikes, millions cannot heat their homes, businesses shut down and governments quickly face both a geopolitical and national crisis. An acute sense of energy-related injustice can take root, with repercussions for the political-economic system from which the problem arose.

European unity has been tied to the energy question from the start of the European project. Following the Second World War, the case for collaborating on coal overcame nationalist sentiments and created the European Coal and Steel Community, an alliance which would evolve into the EU. Common sense led to a common project that would help define our common future.

Much of our common future in Europe now depends on Europeans working together more closely on energy again, but to face a rather distinct challenge: how to phase out coal and fossil fuels more broadly, as fast as required.

After decades of energy market liberalisation, climate stability has collapsed, resource scarcity dominates the political agenda and many Europeans struggle to keep the lights on. Alongside the climate challenge, there is a rush on raw materials, a sustained attack on the European Green Deal, record excess profits of big energy companies, inequality and democratic erosion. All this raises tough questions about energy, justice, our economy and the European project as a whole.

The need to address consumer energy poverty is clear, but poverty is also created where energy is produced. The emerging academic “energy justice” concept connects the upstream and downstream landscape of the energy question and presents a bigger and more global picture. A good look at Europe’s state of affairs through the energy justice lens leads to a deeper

understanding of the political-economic governance issues that have led to the current crisis in Europe. It is through this deeper understanding that deep change steps can and in fact must follow, as the price of inadequate, incremental-only action continues to rise.

The crisis can remove long standing constraints to deeper system change, but this requires the identification and reconsideration of long-held theoretical assumptions about our economic system and a vision of the alternative. If a solution at the source requires new governance models, then these need to be discussed. Systematic efforts are required to ensure a just transition at all levels.

This is the age of the [Great Acceleration](#), a series of megatrends which cannot continue on this finite planet. Big questions need to be asked. Could issues as diverse as the crisis on energy, climate, economy, inequality, and democracy be related and if so: how? Are the same problems with the process of extractivism (definition below) and dependence on rough regimes that dominate the still largely fossil fuel dependent energy sector in Europe solved or rather changed and yet continued within the emerging low carbon energy sector?

This paper does not claim to have all the answers, but it will offer some timely insights. In this paper, the growing academic literature on “energy justice” provided an academic concept and a lens through which to view the 2021-2022 energy, economic and political crises in Europe and to connect this contemporary critical period to environmental injustices occurring far from the current political discussions. What follows will be a downstream to upstream journey from sudden high energy bills to several deep injustices where energy is sourced. Along the faultlines of the crisis, a bigger picture of the political-economic system in place will emerge. This bigger picture will hint at the true scope and scale of the economic transition needed to rise to the occasion of the existential challenges for Europe, for Europeans and for humanity as a global society.

Extractivism: is a term to describe the process of removing, processing and selling of natural resources such as minerals, lumber, hydrocarbons, and other materials by large-scale, profit-driven operations. The term also describes a mindset, where resources serve a means-ends function, becoming commodities to be extrapolated and turned into profit.



2. ENERGY POVERTY

Our journey towards the various forms of energy injustices begins at a place in the fossil fuel crisis that all Europeans are now concerned about: the energy bill.

Today, [1 in 4 homes](#) in the EU cannot afford to adequately cool, heat, or light their homes. An average Belgian family has [seen their energy bill double](#) from roughly €3000 in October 2021 to €6000 in October 2022. Despite being one of the world's richest regions, [34 million of the approximately 500 million people](#) living in the EU were considered to be living in energy poverty before the 2021-2022 fossil fuel crisis. During the [6th Just Transition Platform Conference](#) in October 2022, this figure was said to be [80 million](#). And the winter of 2022 was yet to come.

The [6th IPCC assessment report](#) (2022) states that “High energy prices tend to reduce energy consumption, particularly in less affluent households, and thus attention is needed in order to avoid unintended effects such as energy poverty.” Single parents, pensioners, people on social benefits and the working poor, predominantly women, are disproportionately hit. [High energy prices](#) are also causing other prices to rise, leading to a wider cost of living crisis. By July 2022, one in five people were already drawing from their savings. Behind the dry statistics, people's lives are at risk. In Spain, [more people die prematurely](#) due to fuel poverty than from car accidents.

This dire situation is here today despite the fact that in the last decade, increased attention has been focused on solving fuel poverty in Europe on a [political](#) and [institutional level](#), especially through the advocacy and work of civil society and grassroots movements. [The Right to Energy Coalition](#) for example advocates for access to affordable, clean energy as a basic human right, energy-efficient and affordable housing for all, and a people-centred energy transition through energy democracy. Other organisations such as [RESCOOP](#) already represent around 300,000 people engaged in renewable

energy cooperatives across the EU. Many of them enjoy relatively low energy prices coming from local, low carbon and low cost energy production.

In late 2021, as a result of high gas prices and at the request of the European Parliament, the European Commission launched [the Energy Poverty Advisory Hub](#) (EPAH). The EPAH aims to create a collaborative network of stakeholders to end energy insecurity and accelerate the just energy transition of European local governments. Other legislative approaches include the Social Climate Fund, which, although [underfunded](#), is intended to financially support those most affected by energy and mobility poverty. A further useful measure could be the creation of a fuel poverty emergency fund as proposed by civil society, similar to COVID-19 relief packages, to reduce the burdens on poorer households.

Other efforts to address energy poverty include the EU's [Renovation Wave Strategy](#), which aims to tackle fuel poverty and worst-performing buildings, among other initiatives. To achieve the targets set out by the Fit-For-55 climate targets and the 2050 target for a climate-neutral Europe, renovating the building stock is imperative, yet 75% of the EU building stock is [energy inefficient](#). Renovation is one of Next Generation EU's flagship areas for member states to prioritise in their National Resilience and Recovery Plans (NRRPs). The Plans aim to strengthen the social and economic recovery of member states in the wake of the COVID-19 pandemic, while also promoting a more digital and green recovery. But a [recent study](#) by the NRRPs of 18 member states found that although fuel poverty is widely acknowledged, it is less frequently matched with specific programmes, with France, Slovakia, Croatia, and Austria being notable exceptions.

Energy poverty demands put forward by grassroots movements and civil society have clearly identified and brought to light the distributional [burdens of energy prices](#) and where the [solutions lie](#). Though severely limited in terms of funding, policy initiatives do pave the way for addressing some of the prevailing energy insecurity, though a lot of work is still needed.

However, will energy justice be achieved when the focus remains on fuel poverty at the consumer end of the system? Is the same attention by the general public and policymakers to end injustices being given further upstream?



3. WHY ENERGY JUSTICE? DEFINING A SYSTEMIC APPROACH

The meaning of what is just or fair can differ from person to person and indeed, concepts emerge and develop over time. The idea of a just transition, for example, was first launched by the trade union movement for coal miners as a framework to enable a transition to more sustainable livelihoods, yet has now [expanded](#) to include gender and intersectionality approaches, to agroecology, community resilience and now to ending energy poverty.

Energy poverty has focused on the energy vulnerabilities in communities in order to shed light on the unfair distribution of prices and how to access and consume energy. However, it is important to apply an energy justice framework to go a step further. This is useful because energy justice analyses the whole energy system and creates connections between energy policies and social justice by engaging with economics and systems of production and consumption.

Energy justice is a relatively new and growing concept in energy transition literature. It seeks to look at energy systems through a normative moral framework, putting values at the forefront within a field of science and study that is dominated by technical solutions and largely devoid of ethics. The concept has taken off within the last decade, including various approaches to energy politics, and builds on the literature and critiques of climate and environmental justice.

Energy justice is built on [three central tenets](#); distributional, procedural and recognitional justice. [Sovacool et al.](#) expand on the three tenets and provide a conceptual energy justice framework which includes 10 principles to analyse from: availability, affordability, due process, transparency, accountability, sustainability, intragenerational equity, responsibility, resistance and intersectionality. These will be unpacked in section 7.

While this report cannot discuss all these approaches in detail, from the energy justice vantage point, we are better equipped to unpack what a

seemingly uncertain winter means for European citizens, how energy insecurity at the consumption level is connected to energy injustices at the sourcing and installation levels, and how issues with the deeper economic architecture create many different forms of energy injustices. Hoping to achieve energy justice by addressing fuel poverty alone is very limited. “Clean energy” technologies may hide negative impacts occurring further upstream in the energy system outside the public imagination: [sourcing](#), [manufacturing](#), transportation, consumption, and [waste](#). Our energy systems are truly global, and so are their impacts. Energy generation and distribution depend on an array of raw materials that are mined with devastating impacts on [local communities and the environment](#), and are smelted, refined and manufactured globally for the technologies and fuels that power our energy grids. This is the case whether energy is generated from oil or coal, or wind, solar or other low-carbon technologies, but of course with varying degrees of impact.

Our energy systems are also interconnected. Remotely located installations and their grid connections that power industries and major urban centres can create [social and environmental burdens](#). Raw material sourcing or project installation relate to **distributional justice**. Whether people have the means to be recognised and fairly represented within decision-making relates to **recognitional justice**. Whether there is a fair process behind these projects or actions to mitigate and rectify future issues relates to **procedural justice**. Recognitional justice forms the backdrop of both procedural and distributional justice and is often [intertwined](#) with both these concepts, because a [lack of recognition](#) can lead to both distributional and procedural issues. These are all necessary questions to analyse blind spots within energy policy and advocacy so that inclusive systems can be realised, but also to reduce or eliminate the externalities of energy production and consumption. Cases will be mentioned in section 7.

Additional questions arise when considering how institutions are involved in exacerbating or mitigating the impacts of energy production and distribution, both in local physical terms as well as in financial and socio-economic terms. Lastly, there is a need to push the concept of energy justice to include the need for a phase-out of fossil fuels on an institutional level. With this in mind, the role of public ownership comes into question. To successfully transition away from fossil fuels, the energy justice framework offers clarity on what exactly will be needed.



4. REFLECTIONS ON ENERGY AFFLUENCE, INFLATION, AND INJUSTICE

Having touched on energy poverty and the broader meaning of “energy justice” first, energy affluence and energy inflation are worth investigating because they influence the perceived level of “justice” present or lacking in the political-economic system. Through this lens, the evaluative questions around distribution, recognition, and procedure all converge.

For households with plenty of financial capital, a high price is not a bad thing. The authors of “[Scientists’ warning on affluence](#)” conclude that the most affluent part of humanity has a disproportionate impact on the global environment, thus contributing more to the creation of global injustice. The authors address the consumption of “scarce energy resources” and conclude that concerning high incomes, “the impact intensity of consumption decreases, but absolute impacts increase towards higher consumption.” The most affluent in society use far more energy than a fair share of the remaining carbon budget would ever allow for. As a result, a high price is not a bad development for this particular overconsuming affluent class.

However, very high energy prices are also a key driver behind very high inflation. And energy companies are not entirely innocent with respect to today’s double digit inflation. The height of the energy price is not only a supply issue, it is rather the net sum of supply issues, how the prices is set and the profit margin of energy companies. In this respect, it is important to know that the [average net profit margin for oil and gas production](#) was 4.7% in 2021 but 31.3% by Q4 2021 and remained very high throughout 2022.

While there are, of course, serious issues on the supply side that are mostly beyond the power of energy companies, the companies do have a certain level of power to influence how prices are set and which margins they take. When extending from the energy sector alone, the [Economic Policy Institute](#) claims that “a chronic excess of corporate power has built up over

a long period of time, and has manifested in the current recovery as an inflationary surge in prices”. They add that corporate pricing decisions in a pandemic-distorted market environment are a propagator of inflation - and point to the need for excessive profit taxes to correct this.

When it comes to inflation, something strange has been going on in 2020 and 2021. Research has shown that [half of the inflation in the US was not due to supply issues but driven by companies setting higher profit margins](#). In the forty years before, this figure was only 11%. Speculation is one explanation. In the food industry, seven out of ten buyers of wheat futures contracts are now speculators. Commodity trader Cargill made a [record profit](#) of \$6.7 billion in one year. In the energy markets, speculation also spiralled upwards, as illustrated in October 2022 when tankers full of liquified natural gas (LNG) circled off the coasts of Spain to go to harbour only when gas was at its highest price.

Speculation, record profit margins and record inflation are connected. Energy companies are using the political enabling environment that was created to contribute to these trends. In Europe, that “enabling environment” was created in the last three decades in particular, through a process that is better known as the so-called “liberalisation of the energy market”. It is in this and in other world regions’ supposedly liberalised energy markets that on a global scale, in 2022, [according to the IMF](#), oil and gas companies are looking at a \$2 trillion extra profit compared to 2021, thus reaching a record \$4 trillion of profits. Meanwhile, the liberalisation promise of more competition leading to lower prices seems broken.

According to the [IMF](#), “Most of the inflation surge so far is driven by high commodity prices — primarily energy”. Eurostat data show a shock [50% rise in the energy component](#) in overall inflation in the EU in the period from October 2020 to October 2022. This energy shock is both directly responsible for inflation and indirectly, by making the production of everything from food to manufactured goods more expensive too. When wages do not rise as fast as inflation, working people actually become poorer, as happened in Europe in 2022.

To better understand what might have happened during this inflation crisis, one [survey](#) among 1,000 retail owners and executives might give a clue. The majority said that inflation gave them the ability to raise prices beyond what is required to offset higher costs. The logic is: once you are increasing the price of a product, you can use that moment to increase more than needed,

thus raising your profit margin. The concern here is similar to the concerns raised when the euro was introduced. When external factors offer a good explanation, be they a new currency, pandemic or war, it seems easier to escape scrutiny and criticism. But it will not stop those who keep paying attention to the inflation crisis from noticing that much more is going on than a supply issue. According to [economics professor Jayati Ghosh](#), “the driver of price rises is not ‘excess demand’ or workers demanding higher wages because they are not being adequately ‘disciplined’ by unemployment, but corporate profiteering, along with financial speculation in commodities markets.”

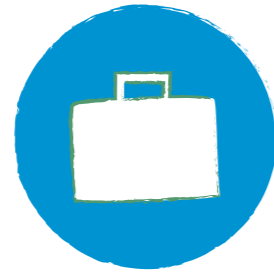
The poorer half of energy consumers, including renters, now join the ranks of those rural communities pushed towards poverty by powerful energy actors using extractivist methods. They are increasing their profits to the detriment of the poor and abusing a deeply unfortunate geopolitical development — raising multiple questions of ethics that cannot be left unaddressed. Inflation can be named distributional injustice downstream at the consumer level. Distributional injustice upstream at the community level is when resources are taken through extractivist means. This happens in the fossil fuel, nuclear and renewable energy sectors and when it happens in the latter, it can be referred to as “green extractivism”. Major energy players active in all kinds of renewable or non-renewable energy sources are behind an enormous amount of [evictions](#) and [expulsions upstream](#) in the energy sector, which will be illustrated in section 7.

At this point, a small step back to see the bigger picture might help. Energy prices for European energy consumers have exploded, causing fast-rising energy poverty and pushing overall inflation up in a major way. Not all of the inflation can be blamed on foreign enemies or supply issues alone. Due to inflation, eurozone real wages are [falling off a cliff](#) and Europeans who work to earn a living became [3% poorer](#) in 2022. But also in 2022, gas and oil companies are reaping a [\\$2 trillion extra profit](#) on top of the so-called normal \$2 trillion profit.

In countries such as Portugal, Spain and Greece, attempts are being made to cap or even decouple the price setting on the energy market. After all, the price of energy is connected to the price of electricity made with the most expensive energy source (now gas) at every single hour. This drives up all prices when fossil fuel scarcity hits, causing more collateral damage than needed. However, none of these crisis management measures that may or may not be taken will in and of themselves speed up the deployment of

renewables and phase out the use of gas and other fossil fuels. At most, governments take a few of the big blows that energy companies are aiming at their own clients, while the profits of these energy companies stay high.

All of this points to the urgency of deep fiscal reform, including a strong excess profit tax. In our next section, this excess profit tax is considered as one form of distributional justice. In the section after that, the [Overton window](#) is moved up to include deeper distributional, recognition and procedural forms of energy justice that may seem unthinkable or radical today, just as an excess profit tax seemed radical until the crisis moved the Overton window.



5. FROM EXCESSIVE PROFITS TO FAIR AND PROGRESSIVE TAXATION

The announcement during the 2022 State of the Union that the European Commission wants member states to come up with a windfall profit tax is a welcome step towards solidarity and fair burden-sharing. Kindly asking record-profit making energy companies to simply show some goodwill is not enough. That is why the EEB supports an excess profit tax.

Unfortunately, the EC proposal is a drop in the rising ocean. According to its own (and [quite possibly too optimistic](#)) estimates, this measure would only recover some [€140 billion](#). That is not only low compared to the concentration of capital that will still take place, but it is also [less than a quarter](#) of the amount that governments in the EU have already spent in the 15 months since September 2021 on all the cushion measures related to the fossil fuel crisis. This means that Europeans will still pay three times: first through their increased energy bill, then through increased taxes or decreased government spending to cover the massive budget gaps and finally through the catastrophic fallout from the continued use of fossil fuels.

The EC proposal is to implement a minimum of 33% tax on excessive profits realised by energy companies in 2022. Excessive profits are defined as those profits above an already elevated profit level: 20% higher than the average profit over the last 3 years. By the end of December 2022, all member states need to come up with a proposal. Belgium already has a political agreement to tax 100% of all windfall profits made on sales above a set price. This might put the government in a position to claw back one to two billion euros from energy companies that are making tens of billions of euros in profit. But [Belgium has a €5 billion bill for the energy crisis](#) measures taken so far.

Taxing excessive profits is no longer a taboo and the revenue could flow towards the most vulnerable. This would be a step in the right direction. In the [proposal of the UN Secretary General](#) on the windfall profit taxes,

António Guterres remarked that this revenue should go “to countries suffering loss and damage caused by the climate emergency, and to people struggling with rising food and energy prices.” In other words, for the UN, this should be about both local social justice as well as climate justice on a global scale. Other good destinations for the proceeds from windfall profit taxes include directly financing the low carbon and clean energy future or [speeding up the modal shift](#) from private towards public transportation. This is a long overdue and welcome step.

However, a number of [loopholes](#) and the low ambition level of the EC proposal severely limit its potential. To mention but one example, the excess profits generated by trading activities and the distribution and sale of finished petroleum products (such as gasoline) are excluded from the proposal. Furthermore, the tax would only apply to European branches of fossil fuel companies, while a considerable share of the excess profits of these energy groups is registered in entities located outside the EU.

One positive thing coming out of the discussion around excess profit taxes on energy companies is that it sets a good precedent with regard to justice. It falls outside the scope of this paper to discuss how [car makers and banks](#) are also reaping huge profits, but it is worth noting that a much broader view of windfall profit taxes can begin to address some injustices. The debate brings progressive taxation back into focus more generally, which is much needed. Green and fiscal systems can and must play a key role in tackling inequality by redistributing wealth and creating fiscal space for social policies. Social policies need to cushion the impacts of the crisis on the most vulnerable, ensuring no one is left behind during the current crises.

Next to taxing excess profits, broader green and fair fiscal reform are critically needed to transition to an inclusive sustainable economy. Appropriate concession taxes for the exploitation of fossil fuels and closing the tax loopholes used by fossil fuel companies are currently still outside the Overton window. The EEB is working more broadly towards a more coordinated EU approach to shifting the tax burden from labour to pollution and resource use in combination with a more equitable redistribution of revenues. [More information on this work can be found on the EEB’s dedicated webpage](#). A tax shift is surely needed, but is it enough?



6. THE CONCENTRATION OF CAPITAL AND OWNING UP TO THE ISSUE OF OWNERSHIP

The eurozone-wide [decades-long decline of the wage share in national income](#), combined with inflation and a concentration of capital among high-net-worth individuals and their often privileged access to decision-makers, erode the very legitimacy of our political system. The excess profit tax on energy companies should slow the net transfer of wealth towards the top but although this is required, it is a first aid plaster on a deeply flawed political economic system.

What if energy companies were fully controlled by actors with other goals than the profit motive? The liberalisation of the energy markets in Europe over the past decades has failed. Energy market liberalisation did not create the conditions for providing a basic clean energy guarantee, it did not end excess energy use, and it is not capable of coping with the climate challenge. Private players make excess profits at the expense of the public interest.

The [Welsh Government](#) just formed a new state-owned renewable energy developer, [Scotland](#) is setting up a National Public Energy Agency and [the UK](#) might have a publicly owned energy company in the relatively near future. The thinking on this issue is changing fast in a nearby region with a bad experience of decades of liberalisation. It's a matter of time before the paradigm shifts in the EU too.

Who controls the energy system is a fundamental question that needs to be asked. The so-called merits of the energy liberalisation of the last decades deserve questioning. After all, moving away from fossil fuels can also mean moving away from centralised energy provision. Energy from the sun or wind can be tapped from many local sources where conditions allow. Fossil fuels on the other hand are stuck in place and need to be transported through massive pipelines where people depend on governments and multinational utility companies for energy access. Decarbonising economies can and in fact must lead to democratising the energy system.

As an example, one business model that is very different to the multi-billion privately owned players working for shareholders is the “energy community”. A group of citizens who organise as co-owners of renewable energy and who are involved in setting the energy price, making them resilient to future energy crises. The European Commission [defines](#) energy communities as “a means to restructure our energy systems by harnessing the energy and allowing citizens to participate actively in the energy transition and thereby enjoy greater benefits”.

Cooperative forms of organising economic activities or [commoning](#) are a cornerstone of both democracy and the European project as a whole. Energy is a textbook example of the (often untapped) potential of decentralised cooperative business models, which benefit local citizens rather than multinational utility companies. Energy cooperatives have existed for a long time and have, for example, powered a lot of the [Energiewende](#) in Germany back in the 1980s and 1990s when decentralisation and democratisation were still popular ideas.

The federation of energy cooperatives, [RESCOOP](#), implements business models which typically respect the 7 principles outlined by the [International Cooperative Alliance](#), with concern for the community being a cornerstone policy. This allows renewable energy cooperatives to keep money in the local economy, foster social acceptance of renewable energy, and keep individual investments affordable, overall benefiting the local community. For instance, examples show that energy communities can be an important measure to address fuel poverty by using some funds from energy generation to finance energy efficiency measures in public buildings. Sometimes even [donations](#) are given for households who cannot afford energy prices, or experts are even hired to work together with locals on improving their overall housing energy efficiency.

However, renewable energy communities face challenges, both externally and internally. Energy communities have largely functioned without special policies that promote their endeavours, making it difficult for them to scale up. [Article 22](#) of the Recitals to the Renewable Energy Directive (RED II), for example, states that member states must ensure that “participation in renewable energy communities is accessible to all consumers, including those in low-income or vulnerable households.” But many member states have still not implemented RED II within their national legislation, and there are limited examples of policies and measures to facilitate or support the connection between [energy communities and energy poverty alleviation](#).

Other challenges occur around financing for the upfront costs of realising an energy community project. This is more the case for vulnerable households, who may not only lack the initial funds and social and economic capital to be involved. Participating in energy communities can often require volunteering, which is not realistic for those households living day-to-day. As [Hanke et al.](#) find, “vulnerable households face a set of economic, social, and individual participatory prerequisites. As a result, they are often excluded from participating or exclude themselves from participating.”

While they are important to achieving energy justice and address fuel poverty, energy communities are only part of the solution to a systemic problem. While energy communities address energy at the local level, achieving energy justice needs to also occur at a systemic level. Energy justice will thus require bold political action to address issues at the source: fossil fuels.

Political philosophers Green and Robeyns [argue](#) that “governments should bring privately-owned fossil fuel companies into public ownership with a view to managing their wind-down in the public interest.” The logic is that under a fossil fuel industry owned by public authorities, the necessary phase-out of fossil fuels has at least the *potential* to be organised in an orderly, socially just fashion, centred on science-based targets. Until then, the “natural” market-based ending for a big private fossil fuel energy player is bankruptcy, in the most socially unfair way imaginable. This does not have to be the case if public ownership makes a well-informed decision to carefully phase a harmful activity out, in a just transition. While it is not impossible to imagine fossil-fuel companies converting to sustainable energy providers, their short and medium-term incentives, under private ownership, are to keep pushing for profits from fossil fuels and to lobby as hard as they can to delay the decarbonisation imperative, thus continuing the practice of private profit and social costs. Some in the car industry have finally woken up to the reality of needing to go beyond fossil fuels, but this is not the case with fossil-fuel companies.

Climate science is telling us how urgent this fossil fuel phase-out truly is. The IPCC established that humanity has a [carbon budget](#). The planned investments and outputs of fossil fuel companies translate into humanity using the full carbon budget in just [eight years](#). Our potential to thrive beyond this decade depends on disrupting their business potential.

As explained above, the EEB wants to enable energy communities to thrive, but their existence has not stopped the fossil fuel industry from continuing its

harmful practices. Companies like [TotalEnergies](#) [reinvest 75% of their profits](#) in new fossil fuel extraction and production, no matter how much energy is produced at the community level or what the IPCC warns. Hence, the Paris Agreement is failing and the [Keeling curve](#) of the concentration of greenhouse gas emissions in the atmosphere keeps rising. To flatten the curve and bring it back to a level at which humanity can thrive sustainably, no new money can go into new fossil fuel extraction and production, as explained in the International Energy Agency’s (IEA) much-cited [landmark report from 2021](#). And yet, that is what fossil energy companies still do. Consumers and communities do not have the power to stop all of them. Authorities need to intervene.

The deconcentration of power in the energy sector is not going to come about without a struggle. Individuals and households need to keep making the right personal choices on things like PVs, heat pumps and insulation wherever they are in a position to do so, as this helps to take back some of the control that massive companies now have. However, consumer choices alone do very little to change the fact that vested fossil fuel interests with very deep pockets protect their interests in many impactful ways far beyond the reach of consumers. The revolving doors between this sector and public authorities harm the capacity of the decision-makers to do what is needed in the public interest. In many cases, conflicts of interests are camouflaged by a process of citizen participation that can best be described as “[citizenwashing](#)”: giving the appearance of involving the public in decision-making without taking their views into account.

To deeply democratise the economy and reduce inequality, the EEB and Oxfam Germany recently [urged](#) policy-makers to ensure much more equal access to productive assets. No economic transition can happen without change on the issues of power, ownership, and privilege. The EEB has warned of growing discontent and fall-out if these issues are inadequately addressed. The full cost of lacking sufficient power, ownership, or privilege to shape what happens in the energy sector is now visible. Today, the price of inaction is clear.

Considering the severe limits to the availability of non-renewable energy carriers and that the climate crisis gives us no choice but to keep most of them in the ground, these energy carriers in particular cannot be allowed to be extracted in an uncontrolled way. The logic of the markets does not capture the big time lag between the time of extraction of fossil fuel and the full cost of burning that fossil fuel, due to the long delays inherent in the

carbon cycle and in climate change. [Public authorities have a duty of care](#) towards citizens regarding climate change.

Private fossil fuel companies are not phasing and will not phase out fossil fuel before more crucial [climate tipping points](#) are reached and public outcry over one disaster after another makes it impossible for decision-makers to keep supporting fossil fuels. The International Energy Agency predicts that [peak oil demand](#) will be reached by the end of this decade, but that timeline is incompatible with addressing the unfolding climate catastrophe, which already harms the [global south](#) disproportionately. And the levels of injustice do not end there.

The global south still does not receive the [\\$100 billion a year](#) agreed in 2009 to cope with the consequences of a crisis they contributed to the least. If fossil fuel companies come (back) under public control, earnings could be used to fill the funding gap for adaptations. Discussions on who should pay for “loss and damages” — [estimated to run up to \\$290-580 billion](#) by 2030 — have been heated at COP27 in Sharm el-Sheikh. The agreement on a loss and damage fund can be presented as a first step towards much needed global climate justice. Three decades in the making, all governments at COP27 agreed to set up a Loss and Damage Fund, but clear and binding commitments for its financing are still lacking. This is a first step in a process to rectify the systemic injustice to billions of people, particularly in the Global South, who are the least responsible but are on the frontlines of the climate crisis.

The creation of the Loss and Damage Fund is also a clear victory for civil society groups across the world, who made this issue a priority and used their power to put sustained pressure on rich nations to take responsibility for the crisis they have historically caused.

Experience dictates that in times of crisis only [public authorities can effectively regain control](#) of the situation. However, to be both effective and efficient, authorities need to act proactively, not just wait until finances have collapsed completely (as in Germany with [Uniper](#) or in France with [EDF](#)). Proactive control is very different from reactive crisis management. Moreover, control on its own is not a solution, it is only an enabling condition for beginning to implement the solution: capping, reducing and for the most harmful extraction and production, even banning.

Public control makes it easier to begin the work on ensuring that workers' rights are better respected. The next and crucial step is a vastly deeper

citizen engagement to put pressure on the government to work in the public interest. France offers a good example of a so far missed potential: decisions on the next steps of the painfully expensive [nationalisation of EDF](#) should involve a broader meaningful societal debate about what France ought to do with the energy giant it now owns. However, the recent and [disappointing](#) country-wide experiment with the citizens' convention on the climate did not inspire confidence that France is ready to engage in a meaningful exchange with its citizens. While no promising practice can be found here, this example points to a large untapped potential and the need to work holistically and comprehensively towards the goal of a fair transition to an energy sector that upholds energy justice as the norm. Many things need to be in place before the deeper work on ending the fossil fuel era in a just way can truly unfold. One specific task is to take back power from foreign investors.

Seizing fossil fuel assets to freeze and strand them would trigger a slate of legal cases from foreign investors against states. To overcome this, states must be freed from the [Investor-State Dispute Settlement or ISDS Mechanisms](#) they are bound by, especially those that involve obligations towards fossil fuel energy companies. To achieve that process in an orderly fashion, EU coordination would be much welcome. At present, the dominoes are falling fast as all the bigger EU member states are pulling out one by one from [the outdated Energy Charter Treaty](#) (ECT) that protects fossil fuel companies. On 24 November 2022, the European Parliament adopted a resolution to end the ECT. This will be discussed later in the paper.

Considering collaboration, power, ownership, and vision in the European energy sector, small steps have been taken in 2022. For example, EU leaders deciding that an excess profit tax is necessary or to buy gas together in 2023, instead of competing. But the issues of power, ownership and vision on moving towards a phase-out are as yet to be addressed in a meaningful and adequate way. There is scarcely a serious political discussion on these structural issues, which is one reason for the EEB to try to widen the political debate on energy justice. Until the root causes are addressed, the various forms of energy injustice are bound to occur. European leadership is needed to pursue a fast enough phase-out of the unwanted part of the whole energy system (fossil fuels) while steering investment in the wanted and needed part (renewable energy) in a specific way that protects not only the planet but also all its people. Given the speed of the necessary transformation, a more forceful way is needed than merely carrot tax breaks and/or windfall profit sticks.



7. ENERGY JUSTICE: RECOGNISING WHO IS BEING LEFT BEHIND

It should be clear by now that energy systems are not solely a matter of technology and neutral economic development. [Sovacool et al.](#) remind us that energy justice is about political power, social cohesion, and even ethical and moral concerns over equity and due process. The current fossil fuel-driven energy justice crisis is also eroding the very legitimacy of our system of political power. The existing erosion of trust in “the system” can be measured from various parameters, including Europeans disengaging from fundamental societal rituals such as [voting](#) and paying [energy bills](#). By November 2022, [1 in 3 Belgians were seriously considering no longer paying their energy bill](#). But while energy consumers are now more aware of the injustices in the energy system and actively resisting them, energy injustices persist at the extraction, production, and transport levels. Local communities impacted by energy projects lack recognition and these injustices still happen. While out of sight of policymakers and the majority of Europeans, they are very real and replicate the structural ills of the fossil fuel industry in the renewable energy industry. To understand these injustices, understanding “green extractivism” is paramount.

Using the Just Transition Mechanism and Social Climate Fund, the EU is trying to mitigate the country-level imbalances of the benefits of the green energy transition. But this does not mitigate the community-level imbalances of the costs of this transition. These imbalances are not only local, but spill over the border of Europe and into the Global South.

Energy injustice is also about the inequitable distribution of the benefits and burdens of energy systems across the globe. It is furthermore about the lack of remediation for the social, economic, and health burdens for those who are disproportionately harmed by an energy project and the lack of participation in the processes behind these projects. Energy injustice concerns a disregard for marginalised communities. This will be the focus of

a series of forthcoming reports as part of the EEB’s project “[Understanding Green Extractivism](#)”.

At the urban level, political demands on retrofitting buildings as a response to energy poverty, while needed, could inadvertently impact low-income and racialised households and put them at [risk of displacement](#) due to landlords seeking higher rents. There is currently a lack of analysis within energy poverty discussions in Europe, which need to pay closer attention to how other marginalised groups such as the Roma, undocumented migrants, Sami communities and other racialised groups are impacted by the fossil fuels crisis and the perceived solutions to this crisis.

Moving up in the energy production value chains, there is an ongoing scramble for metals to feed low-carbon technologies and battery storage. Without strong and binding due diligence legislation, lithium mines are imposed [against the will of communities in Portugal](#), and the (not so) Democratic Republic of the Congo could become a lithium supplier for Europe.

There are many cases spread out all over the world where communities are negatively affected by energy projects. In many of these, communities lack representation and access to decision-making processes, and may [even face violence](#). This goes far deeper than dismissing protests as a Not In My Backyard problem. The EEB commissioned a peer-reviewed report* with case studies from Sweden to Spain and Mexico to Kenya to highlight that as economies pursue the energy transition, a pattern of “green extractivism” where burdens and benefits are distributed unfairly must be avoided at all costs.

Increasing energy demands cause increased land use changes that can lead to conflicts whereby the politically and economically more powerful can enforce their will on the marginalised. The starkest displays of this power imbalance leading to conflicts can be found among the territories of indigenous peoples. For example, the low-carbon impact lifestyles of the Sami people in Sweden are under existential threat due to massive and ill-designed [wind energy developments](#). In these locations, installation sites are picked far away from cities and industrial areas and are instead located within the nationally recognised indigenous territories where industrial

* Forthcoming report (Feb 23): “[Sacrifice Zones for Sustainability? Green Extractivism and the Struggle for a Just Transition](#)”

development, including access roads and transmission lines, creates problems for reindeer herders.

Proposals to build those windmills closer to cities and industrial areas where the energy produced is used through a more deliberative process by guaranteeing the free, prior and informed consent of local communities is often neglected by a government that repeats patterns of extractivism, this time within the green energy sector.* The fact that the energy itself is renewable becomes difficult to mobilise against for fear of being perceived as being against the renewable-energy transition. Such an approach creates an excuse to reduce human rights protections and makes democratic ownership more difficult. The price is increased resentment towards green policies and unfortunately, this is happening in a multitude of places inside and outside Europe — not just in the Sami territories.

Other examples include communities in Almeria and Granada, in Spain, where renewable energy generation is competing with agricultural land uses. These communities speak out about their lands becoming sacrificial territories for energy generation for the rest of the country, and here again are perceived as being opposed to renewable energy. These regions combine the high potential for renewable energy with high unemployment levels. People in the areas accept the use of this potential for their region and to some extent for nearby regions – but argue that there are limits to this. The main problem is a pattern of expropriation of agrarian property, through urgency procedures in a law left over from the time of Franco's dictatorship, whereby farmers has zero choices and are forced to accept a bargain price for their land, while the new owner goes on to sell their property with a huge profit to a third party who develops the energy project. Throughout Spain, communities are demanding a fair energy transition model, which center on the defence of territories, people and biodiversity, as captured in the slogan, "*Solares sí, pero no así*" (Solar, yes, but not like this).

Another notable example of energy justice tensions exists in the conflict between mining more metals for renewable energy infrastructure and the raw reality that [green mining is a myth](#). Most raw material mining projects

* Forthcoming report (Feb 23) "[When Clean Energy Plays Dirty: Decarbonisation and the Struggle for a Just Transition](#)"

will cause anything from social and environmental injustices to outright conflicts.

Initial predictions from the [EU estimated](#) that the EU would need up to 18 times more lithium by 2030 and 60 times more by 2050. Projections of a five-fold increase in raw material demand in the EU by 2030 should also be read as an increase in geopolitical tensions and conflicts around access to the raw materials that remain, after the easiest to harvest have been taken. Agricultural communities and citizen movements in northern Portugal, for example, are currently demanding an end to concessions for lithium mines to power electric vehicles in urban areas. Some proposed mines are within the proximity of Natura 2000 protected areas and a proposed mine in the Barroso region would [threaten the region's agricultural heritage status](#). The economic transition to a low carbon society is bound to fail if green energy companies enforce the same patterns of "profit at all costs" seen in the fossil fuel industry.

This should raise questions around the desirability of an overall five-fold increase in raw material demand in the EU by 2030 in the first place — as well as where this demand comes from, who will benefit from it and who will be footing the bill. Case studies collected by the EEB from communities throughout Europe and beyond clearly illustrate how the same patterns of extractivism ravaging people and the planet outside the EU are now replicated on the European continent, with marginalised communities making even more sacrifices to enable the lifestyles of a certain class with a growing material footprint. Moving away from fossil fuels is urgently needed, but it is also imperative that justice is delivered throughout the supply chains.

TABLE 1—ADAPTED DEFINITIONS FROM SOVACOO ET AL.'S.
TEN PRINCIPLES OF ENERGY JUSTICE, WITH MINOR ADAPTATIONS. THIRD COLUMN
ADAPTED FROM LONERGAN ET AL.

Principle	Definition	Example Application
Availability	"People deserve sufficient high-quality energy resources (suitable for their end use)"	From obligatory gas storage ahead of winter to enabling energy communities to ensure local availability
Affordability	Energy ought to be affordable for all consumers	Renovation of building stock without the need for prefinancing by poorer households and renters.
Due Process	"Countries should respect due process and human rights in their production and use of energy"	High environmental and social standards for mining, refining, and smelting of materials; due diligence measures for the sourcing of materials but also the installation of energy projects with respect to local and indigenous rights.
Transparency and accountability	"All people should have access to high-quality information about energy and the environment and fair, transparent and accountable forms of energy decision-making"	Communities should be involved from the beginning of energy projects and should have access to information, public participation and access to justice as per the Aarhus Convention.
Sustainability	"Energy resources should be depleted with consideration for savings, community development, and precaution"	Sourcing of materials should prioritise technologies that directly address the dangers of the climate challenge; scaling down of fossil fuels.
Intragenerational Equity	"All people have a right to the fair access to energy services"	Providing financial support to energy consumers, particularly to vulnerable households and marginalised communities; energy poverty emergency fund for vulnerable and low-income households; renovation of the built environment; urban planning such as transport, where the most vulnerable are taken into account.

Intergenerational Equity	"Future generations have a right to enjoy a good life undisturbed by the damage our energy systems inflict on the world today"	Favouring of renewable energy over fossil fuels; scaling down of resource use and material sourcing via circularity and sufficiency.
Responsibility	"All actors have a responsibility to protect the natural environment and minimise energy-related environment threats"	Establishment of no-go zones for sourcing and installation of projects; state's duty of care; companies' duty to respect human rights and to reduce environmental harms.
Resistance	"Energy injustices must be actively and deliberately opposed"	From downstream "Don't pay movements" to upstream earth defender movements: recognising the role of non-violent direct action.
Intersectionality	"Expanding the idea of recognitional justice to encapsulate new and evolving identities in model societies, as well as acknowledging how the realisation of energy justice is linked to other forms of justice, e.g. socio-economic, political and environmental justice."	Creating solidarity and links with different connected struggles, for example, to the debate on energy poverty, the need for renewable energies and the communities suffering from mining and energy installation burdens.



8. TOWARDS DEEPER ENERGY AND ECONOMIC JUSTICE

The 2022 State of the Union Address by European Commission President Ursula von der Leyen touched on the issue of the excessive profits of fossil fuel companies, stating “In these times, profits must be shared and channelled to those who need it most.” [The EEB welcomed this.](#)

But this is not good enough. In the autumn of 2022, much of the European political discussion on energy was about an emergency break for energy prices and the scale and bite of the excess profit tax. But social corrections alone will not end the ongoing transfer of hundreds of billions of euros from struggling Europeans’ pockets into the hands of speculators and shareholders of energy companies. The real need is for measures to address the concentration of capital and power, the pattern of exploitation and the inherent injustice of the energy market. While the EU budget is only 1% of GDP and market interventions happen at the level of member states, it is the EU that needs to create the enabling environment to do what is needed at all levels.

All over Europe, millions of people who [cannot](#) afford to keep paying into this system [are refusing to](#) do so. They are uniting, [to face off](#) those who would come to cut them off. Such signs of desperation call for bold coordinated European-level actions that are not yet on the table. Are the voices of these citizens being heard in the offices of European policymakers?

The EEB advocates for a world in which people and the planet can thrive together. This will require a much more ambitious deal than the European Green Deal. A leap is needed from a dysfunctional system to an EU wellbeing (for all) economy, with strong and strategic interventions in the most crucial parts of the economy—and this includes energy. The long-stalled [reform of the EU’s economic governance should create an opening in this direction.](#) If a European Convention is called, as suggested by President Ursula von der

Leyen during her [State of the Union speech](#), then let it be one where system errors can finally be addressed.

At the time of writing key elements of the current system are in flux. Our discussion of the Energy Charter Treaty and the Investor-State Dispute Settlement (below) is time sensitive and likely to develop between the time of writing and publication and beyond.

EXIT THE ECT AND END ISDS

Big energy companies have gained unequal and unfair amounts of power and privilege through deals such as the [Energy Charter Treaty](#) (ECT), which offers them multi-billion dollar payments when countries change legislation that hurts their future profits. The secret courts that awarded over 100 billion euros of taxpayer money to energy companies for harming their future profits have been shown to be biased and marked by [conflicts of interest](#). To quote the former ECT-executive Patrice Dreiski: “The energy charter treaty is not consistent with the Paris agreement”. Now that Germany, France, Spain, the Netherlands, Slovenia, Luxembourg and Poland have followed Italy’s example to end membership of the ECT, the arguments of Commissioner Simson to keep the EU in the not-so-modernised ECT just don’t hold up. Solutions to the infamous 20-year-long zombie clause that binds those leaving the ECT to its rules already exist and are known as an [inter-se agreement](#), that would neutralise the effects of the clause and allow the EU and potentially other ECT-signatories to end treaty protection earlier. The other argument, that the ECT would protect renewables, has been [rebutted by the European Renewable Energies Federation](#), which said that the ECT impedes the European Green Deal and that the EU should withdraw. Last but not least, the ECT is [not compatible with the EU Treaties](#) nor with implementing climate legislation in EU member states or in any other state that is a signatory to the ECT. The EU should protect the interests of citizens, rather than protecting the interests of the big centralised energy multinationals. On 24 November 2022, Members of the European Parliament adopted a resolution calling on the European Commission to immediately initiate the process of a coordinated exit of the European Union from the Energy Charter Treaty (ECT), arguing that it is now “an outdated instrument, which no longer serves the interests of the European Union”. The European Commission now needs to follow suit. The EU must seize this opportunity to put authorities back in the driving seat of our energy system.

However, the ECT is not the only treaty that puts private profits before the public interest. The Investor-State Dispute Settlement (ISDS) mechanisms that protect investors from the climate action needed are causing a regulatory chill that our society cannot afford. Energy and mining cases make up [42% of known ISDS cases](#) and many of them directly challenge climate policies. Industry insiders expect these cases to be just a foretaste, given the [scale](#) of fossil fuel 'stranded assets'. The [2022 IPCC report](#) was clear that ISDS risks blocking the phase-out of fossil fuels. At the COP 27 Climate Change Conference, the EEB joined over 380 civil society organisations from over 60 countries across the world in [calling on governments](#) to put an end to a system of secretive tribunals which jeopardise global climate goals.

Governments need to take their gloves off and come together to recapture the power needed to shape our energy system and our society in a future-proof way. This is a precondition for bringing about energy justice, climate justice and social justice within every possible meaning.

Once the EU and its member states are unchained from the handcuffs that treaties such as the Energy Charter Treaty represent, the real work can begin. At this point, decision-makers can finally begin to address the root causes of our energy injustices. To deliver any sense of energy justice, decision-makers will have to work on multiple levels to keep us both in a liveable climate and with enough trust in democracy or the European project as a whole. The interventions below are not something to start work on "in the long term". That idea is a luxury from the past. The below is the systemic solution to energy justice that needs to start right now.

1) REDUCE THE ENERGY DEMAND AND STAY EFFICIENT CONCERNING THE ENERGY STILL NEEDED

First, the need to [reduce the demand for energy](#) has to be embraced as part of a wider [energy sufficiency, security and sustainability vision](#). Be smart from the start, when designing buildings, grids, cities, transport, and products. The **first saving is on the energy not needed**. The IPCC names [sufficiency policy options](#) and there is a European sufficiency policies [database](#).

For the energy still needed, being as efficient as possible is crucial. Together, energy sufficiency and energy efficiency can [halve the EU's energy demand between 2015 and 2050](#). That halves the difficulty of the other work on energy justice.

The reduction of energy demand must be centred on structural change, particularly guided toward urban planning, luxury consumption and industrial developments. Energy demand reduction attempts should not fall on individuals, especially the poor, many of whom actually need to increase energy consumption.

2) 2040 IS POSSIBLE, BUT LAND & OWNERSHIP ARE KEY

Fossil fuels need to be phased out much faster than the markets are able to do. In the EU, it is possible and necessary to end coal by 2030, fossil gas by 2035 and oil and nuclear energy by 2040. The share of **renewable energy** could go to **50% by 2030** and **100% by 2040**. [The Paris Agreement Compatible \(PAC\) model](#) shows that this is possible.

To avoid land competition, [solar installations](#) planned on arable land need to allow both activities to co-exist, for example by placing solar panels above pastures. The [Akvo's Bellegarde project](#) shows what is possible when functions are integrated: it combines solar power with organic apricots and beekeeping. The panels provide protection from weather hazards and excessive sunlight, saving 70% water compared to traditional apricot farms. Other promising practices that should be replicated are [France](#) mandating solar energy on car parks with more than 80 places and [Switzerland](#) changing the law to allow solar panels, windmills and geothermal energy along highways.

Renewable technology cannot come at the cost of the protection of biological diversity or cause involuntary displacements. Aside from smart location and functional integration, ownership is the key to energy justice. Renewable infrastructure should represent an additional source of income for farmers and local communities, not an additional cost or burden. Decentralised renewable energy communities should be prioritised. Shared ownership is much more likely to lead to success and is usually a quicker way to implement projects. Large centralised projects should not be imposed on communities.

3) GUARANTEE ENERGY AS A BASIC SERVICE AND ELIMINATE EXTREME ENERGY AFFLUENCE

Everyone has a right to enough affordable and clean energy to meet their basic needs. Policymakers are legally obliged to uphold a duty of care that in some countries already specifically includes the possibility of heating a home at an affordable price.

But the issues of [extreme affluence](#) and [carbon inequality](#) within Europe also need to be addressed. Excesses need to be capped and clipped through strong interventions that fall beyond the scope of what markets are designed to do: allow the richest to simply pay to pollute. The [Fair Consumption Space for All](#) framework entails choice editing to remove harmful consumption options and to provide universal basic services and sufficiency.

4) OWN AND CONTROL FOR FAST AND FAIR CHANGE

Public players can ensure rights and fairness and end excesses. The very conditions in which the energy sector in Europe can evolve in the low-carbon high-justice direction need to be shaped not at some market-driven pace, but at a critical-situation-needed pace.

Energy communities need more support to truly unleash their full potential. However, for the high-capital energy sector, such as operating a grid or phasing out coal mining in a fair way, control and change of ownership require strong authorities at the most appropriate governance level. Public authorities cooperating in the EU would make more sense than major private or non-European forces undermining our social fabric and creating the climate crisis seen week after week in the news. The EEB encourages citizens and cities to do what they can at the cooperative and [remunicipalisation](#) level. However, citizens and cities alone do not stop the oil industry.

This crisis needs to put governments (back) into a position of guaranteeing affordable and clean energy for a basic level of consumption, while making excess consumption increasingly impossible. This is also in line with [scientific evidence](#) showing that our environmental challenges can only be addressed when the problem of freeriding affluence is addressed.

5) FAIRNESS ALSO MEANS MAKING THE ENERGY TRANSITION GENDER AND SOCIALLY JUST

Energy poverty has a female face: research [shows](#) that women and women-led households are disproportionately affected by energy poverty. Yet the money in the just transition pipeline goes disproportionately to men. At the same time, women are often not equally involved in local energy projects that include energy communities. Energy justice tackles the blind spots.

The Social Climate Fund, which is one of the key Fit for 55 measures, intended to address energy poverty, has very few *concrete* or binding measures to assist vulnerable groups. Despite the just transition narrative, evidence

that the EGD enables a just transition is lacking. The narrow interpretation of a just transition as if it concerns only a few geographical regions and economic sectors (i.e. coal mining in Poland) is totally inadequate to deal with the justice challenges in Europe. The [EEB is actively pursuing a more holistic understanding of a just transition and the role of work in it](#) – as part of the systemic change needed to restore a thriving living environment.

Next to the Social Climate Fund, the Recovery and Resilience Facility also creates an opportunity to steer policy reforms and public investments to concretely realise the just transition ambition of the EGD. Evidence is, however, mixed on the extent to which the national Recovery and Resilience (RRF) plans presented by member states deliver on the promotion of social justice. As the RRF plans will drive member states' reforms and investments for years to come, it is essential to swiftly correct any deviations and refocus them on green and just transition. This includes making full use of the levers provided by the multilateral surveillance of the European Semester. More specifically, country recommendations must include clear directions and instructions to better integrate the just transition dimension, including, for example, a clear push for community-based renewables or investments in affordable public transport.

One form of energy poverty is mobility poverty, and one solution is more public transport, organised in a not-for-profit manner and ensuring affordable pricing. By providing mobility as a free to very low-cost service, authorities can make the energy transition socially just. For the European Union, enabling rather than discouraging public ownership of socially just public transport is the way forward. Recent examples such as Germany's €9 ticket and Spain's free and low-cost train travel have shown that these initiatives do not only decrease emissions, but also help the most marginalised.

6) THE RAW (MATERIALS) REALITY IS THAT GREEN MINING IS A MYTH

The 10% of the world population that is European consumes [25% of all raw materials](#). A 100% renewable energy system (RES) by 2040 is possible, but can only be just as part of a wider post-growth strategy. This includes a 30% reduction of the material footprint by 2030, for example through decreasing private car ownership and increasing car sharing, getting rid of planned obsolescence, or eliminating food waste. The estimated extraction demand of [key materials](#) under a green growth scenario surpasses current

levels of reserves and encroaches on protected and vulnerable ecosystems and marginalised communities. Instead, the supply of materials should be exploited through circular economy measures, such as eco-design, substitution, urban mining and recycling. In addition, in the case that mining is deemed socially necessary, measures must be put in place to establish a responsible and legally binding approach to sourcing materials.

Green mining is a myth. Mining raw material is always harmful to the environment, whether it takes place in Europe or overseas. A “rare metals war” at the “commodity frontiers” is already ongoing. While 100% renewable energy is needed as soon as possible, it must involve minimal material extraction from responsibly sourced materials only. Human rights and laws to protect the environment cannot be overruled in the name of “green mining”. A hierarchy of rational resource use can bring mining for the energy transition within planetary and social boundaries.



9. CONCLUSION

The EEB has more detailed proposals on all the issues discussed in the paper, from energy to taxation and from climate to economic transition. Some of the other low-hanging fruits include ending heating fossil subsidies, increasing support for renewable heating solutions and phasing out stand-alone fossil fuel boiler sales to keep energy bills affordable for consumers.

However, as the sum of all the currently politically acceptable sector-specific policies does not add up to climate and social justice for all, there is a need to confront deeper problems too. These include the dense concentration of capital and power in the hands of actors who do not work in the interest of humanity and who are actively undermining our very ability to thrive.

Meanwhile, the field of low carbon energy legislation in Europe is moving fast. At the time of publication, the European Commission was seeking to bypass Parliament through “a wartime regulation” for renewables. The key question is: what wartime are they referring to? If this is about the war of large energy companies opening new commodity and energy frontlines all over Europe at the expense of thousands of European communities and European consumers as a whole, we need to make sure that the regulation puts an end to it. If it is about the war waged by fossil fuel companies on humanity as a whole, then let’s make sure that the regulation works hand in hand with energy communities and public authorities towards energy justice at all levels.

It is ironic that those with the longest experience in thriving together with the natural environment such as the Sami people are increasingly facing marginalisation by those with a short term extractive mindset. As the EEB unpacked in an earlier report, there is a pattern of systemic and systematic discrimination against Roma and other communities, which deprives them of access to basic environmental services and public utilities. Adding insult to injury, this is now also happening through ill-designed extractivist energy

projects in the name of a green energy transition that claims to be about a sustainable future for all. From Europe's sunny South to its windy North, new energy injustices are created to meet the energy demands of those, elsewhere, whose interests are centred on themselves alone. As illustrated in this paper, these injustices are unnecessary and preventable. In the forthcoming twin reports "[Sacrifice Zones for Sustainability? Green Extractivism and the Struggle for a Just Transition](#)" and "[When Clean Energy Plays Dirty: Decarbonisation and the Struggle for a Just Transition](#)", the EEB will take a deep dive into case studies stretching from the heart of the European Union to the Global South.

The million euro question to be asked is: who has the power and money to turn the tide in time? It is great when citizens unite to create clean energy in a cooperative, but a community could hardly crowdfund to buy up a fossil fuel company worth multiple billions to phase it out of existence. It would be equally naïve to simply assume that if citizens design an alternative, the present system would naturally collapse - as this has not happened in the past decades. Fossil fuel companies are not going to stop producing fossil fuels by themselves, even if their scientists can see the climate crisis happening and know that it will only get worse. If due to cheating on emissions, Volkswagen can be forced to pay [around \\$30 billion](#), could fossil fuel companies found to be cheating on greenhouse gas emissions possibly be forced to pay trillions in loss and damage reparations? After all, the fossil fuel industry made [over \\$30 trillion](#) between 2000 and 2019, which is enough to cover the costs of climate-induced economic losses in 55 of the most climate-vulnerable countries nearly 60 times over. It seems obvious that only a state, or more realistically a large group of important states, can amass enough counterpower to stop the fossil fuel companies "[from killing us all slowly](#)," to quote from a recent spoof oil company advert.

The crisis is here now and decision-makers need to rise to this occasion. Progress without justice is not progress. And a just transition, that fully integrates equity, ethics, and justice, is essential for communities, for confidence in local to national government and democracy, to trust in the European institutions and commitment to a positive European Project. A new social contract is needed that has people's wellbeing and empowerment at its heart.

Meynen, N., Marin, D., Dec 2022.

Why energy justice? Towards a new economic and energy framework in Europe. European Environmental Bureau.

Corresponding author: nick.meynen@eeb.org

The sources used in this report can be accessed through the hyperlinks in the online version. Please find [the online report on this URL](#) or through this QR code:





EEB

European
Environmental
Bureau

European Environmental Bureau

Rue des deux Eglises 14-16
1000 Brussels, Belgium

Tel +32 2 289 1090

eeb@eeb.org
<https://eeb.org>



META

Keep up to date with the latest
environmental news at the EEB's
news channel <https://meta.eeb.org/>