

An Energy Budget scheme for Europe

An Energy Budget scheme is a means to deliver absolute reduction of energy use at the EU level, progressively reducing each year, guaranteeing every citizen access to the same fair share and involving all business and public entities. The accompanying tools would make this economically and socially feasible, while ensuring that the competitiveness of the European economy ultimately benefits. The aims are to:

- tackle the **root causes of climate change and overconsumption**,
- gradually **reduce and phase out high-carbon energy use** in Europe,
- **boost innovation and create jobs** through providing incentives and interest free loans to realise energy efficiency and renewable energy investments,
- **generate a shared sense of common purpose** in reducing energy demand,
- **create a predictable business environment** for energy use, security and affordability, even allowing for changing environmental trends in the future,
- promote **social justice** through allowing transfers from overconsumers to underconsumers,
- encourage **value change** in the society.

The Core Scheme

Energy consumption entitlements would be allocated among households and public and private organisations, covering high-carbon energy use. The total number of entitlements issued would equal Europe's agreed energy budget, and decrease annually in line with the phase-out of fossil fuels. Consumers who use less than their allocated entitlement could sell them to the issuing body. Those who need more could buy them from the issuing body, thus effectively paying those who use less for the privilege of consuming more than the average.

The Transition Fund

The Transition Fund provides the opportunity for everyone, both energy producers and consumers, to be able to achieve savings through energy efficiency and renewable energy investments. It also supports research and innovation in pursuit of new technologies. The Transition Fund provides interest free loans with a payback period adjusted to the anticipated energy savings or income generation. The Transition Fund can also facilitate investments where beneficiaries are unable to contribute financially.

A Dedicated Market for Environmental Goods and Services

There is also the possibility of incorporating a dedicated market for environmental goods and services. This would be a market open only to retailers achieving certification on environmental and ethical criteria, e.g. retailers of outstandingly energy efficient appliances, organic food products produced with low-carbon energy input, electric vehicles or solar panels, or those offering insulation of buildings, installation of local renewable energy capacities or the building of passive houses. Income from the sale of energy entitlements would then be given in the form of 'quota money' that could only be exchanged for products and services in this secondary market.

Support Service

A supplementary Support Service would provide advice to all energy consumers on lifestyle, planning, social and environmental issues, as well as information on the functioning of the scheme.

More information and detail at: www.ceeweb.org/rcc