



## MOTIVATING PEOPLE TO RENOVATE THEIR HOMES

*with Prashant Vaze from the Climate Bonds Initiative*

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AN INITIATIVE  
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### **Based on your experience in home and building renovation space, how do we persuade people to invest in improving their home's energy efficiency and why?**

Few people wake up in the morning with a burning desire to go out and buy energy efficiency from the shop or the web. It's something that is sold to them either by tradesmen while undertaking other improvements to their home, because they're persuaded about its benefits from people they trust like family members, or they get to see it for themselves in a neighbour's home. As an energy efficiency community, we have to align our offer with existing triggers for homeowners. In some cases that means being creative and thinking about energy efficiency from a more people-centric perspective.

### **What are some of the mistakes or short-comings you've seen in the market when it comes to consumer engagement?**

Unfocussed ad campaigns to raise awareness, exhort people to switch off, or make extravagant claims like turning off lights will save the planet. Overly focusing on saving money is often not that effective either, as people are often unconvinced by claims of future savings. What works best are financial incentives that dramatically reduce prices of energy efficient products, or regulations that mandate improvements or minimum standards. But in the absence of these policies effective financial and behavioural tools work too.

### **If you had to boil it down to three things, what motivates people to act?**

1. It's important to make the renovation as hassle free as possible for instance undertaking external insulation or internal insulation when a wall is being treated. Or offering to declutter the loft at the same time as insulating it.
2. Using people's desire to fit-in helps: a street-by-street programme with high levels of participation tends to prompt others to join in.
3. Co-benefits from the investment can be persuasive for some people, e.g. increasing the resale value of their home, or reducing the void periods for landlords. For households with young children or elderly relatives improved healthiness can be a trigger.

### **What does an effective consumer engagement strategy look like?**

I am a big fan of the Efficiency Vermont model in which a local NGO was provided a time limited franchise and operational finances funded by the general energy rate-payer to operate an energy efficiency utility within the state and set tough performance targets. Their secure funding allowed them to experiment with many different interventions like improving installers skills, discounting the price of highly efficient equipment.



**ABOUT PRASHANT:** Prashant Vaze is a Head Policy and Government at Climate Bonds Initiative where he works to mobilise the bond market for climate change solutions. Prashant is an experienced consumer policy analyst, public policy expert and environmental economist. He's worked an economist in the UK civil service, consultancy and the consumer movement. He wrote his first book, a how-to guide, *The Economical Environmentalist* about his efforts to save the world and how much it cost, a second book with Stephen Tindale - *Repowering Communities* - on policies to replace burning fossil fuels with renewables and energy saving, his novel - *The Rising Tide* - is focused on the impacts of climate change. Prashant holds a Master's in Agricultural Economics from Reading University and a Master's in Applied Biology from Oxford University.

**The success of PACE in the US was driven partially by the innovative financing and partially by an effective consumer engagement practices. How can EuroPACE build upon this experience and adapt the scheme to Europe?**

Beneath the bonnet PACE is quite a complicated financial instrument. But it's important that the proposition being put to customers is truthful and kept simple. For the average customers in the US, the savings in their energy costs outweigh the annual repayment amount, the payment or charge stays with the property so even if they move house they are not penalized. EuroPACE intends to adapt this model to Spain and several other European countries. Building upon the US experience, the EuroPACE team is designing a programme that taps into people's need for simple, hassle free, and straightforward renovation involving packages of installations that specially chosen for local property types, climatic zones and homeowner's needs.