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European mayors welcome focus on reducing gas consumption but call upon the EU Commission and Member States for immediate relief for residents and support to cities to renovate millions of households

- C40 cities welcome the urgent focus to reduce gas demand in Europe this winter. The best way to reduce demand and deliver energy security is for Member States to work with cities in their emergency plans to renovate at least 6 million homes in the next year, starting with social and low-income housing. Not only would this deliver the gas saving we need, but would protect some of Europe's most vulnerable residents from spiralling gas prices, deliver jobs and keep European climate commitments on track.
- Even over the short term, the answers to the energy crisis must not come at the expense of Europe's clean energy transition - fuel substitution must mean accelerating the roll out of fast installation renewables like heat-pumps and solar panels. In addition to energy savings before winter, cities call for direct support to residents suffering now through windfall taxes, and to bring Europe's reliance on fossil fuels to an end as quickly as possible.
- Cities are already working to provide energy bill support to residents, deliver home energy saving measures and roll out renewables, but with the right level of support and investment from the EU and member states to renovate homes, cities can bring together communities to scale up the delivery of energy savings and deliver home renovations to the highest level of energy performance.

20 July, 2022 – C40 Cities and its European member cities welcome the European Commission's focus to prepare for further gas supply disruptions in the coming winter months, but urge governments across the continent to work with cities when updating national emergency plans to renovate the millions of homes needed to protect vulnerable residents from energy price hikes and work to end Europe's reliance on fossil fuels.

Crucially, this includes working with cities to deploy clean energy solutions such as heat-pumps and solar panels and urgently achieve an annual whole house energy renovation rate of 3% of the building stock (in line with reaching Europe's climate commitments) starting with residents vulnerable to price hikes. Working with cities to reach at least 6 million social housing and low-income homes every year can achieve the 3% annual rate to reduce the EU's structural vulnerability to volatile gas prices, while enhancing the economy, environment and well-being, and ensure all social housing is fully upgraded in the next five years.

C40 cities further support the EU's guidance to protect citizens' households and essential social services under national emergency plans and will work towards tapping the full potential of immediate gas consumption reduction measures available to them.

Meeting this 6 million target and reaching the most vulnerable can be best achieved through collaboration with cities, who know their residents, can enact savings by delivering a street-by-street approach with communities, and have the mandate and knowledge to deliver on the ground. Cities are committed to doing their part, but require additional, direct support to scale up action to curb the escalating energy crisis.

For example, in **Barcelona**, city-led home energy assessments and subsidised energy efficiency measures for energy poor homes have helped to reduce energy use and the cost of bills by up to 19% or 225 euros a year. More can be done with and through cities.

In **Milan** and other Italian cities, energy renovations for homes could support 598,000 jobs, boosting economic activity as well as reducing gas demand and CO2. Polling commissioned in October 2021 by C40 suggests that 93% of residents in Italian cities have supported the use of economic recovery funds for climate action where local jobs are created.

And in **Warsaw** between 2018 and 2021, with the help of city subsidies, they managed to replace more than 4,000 solid fuel stoves, with up to 30% of new heating sources now being heat pumps. Those who choose to install a heat pump

could count on an additional subsidy for solar panels, which reduces the cost of operating the pump. This solution is currently not only the greenest, but also the most cost-effective.

While immediate energy efficiency measures are essential to prepare for colder winter months, energy poverty should be more than a seasonal priority. As parts of Europe are facing extreme and unprecedented heat waves, energy demand for cooling will only increase in the near future.

As the European Commission will be working closely with national governments to revise emergency plans of action for this winter, the time to act and equip cities is now.

Ada Colau, Mayor of Barcelona and Member of the C40 Steering Committee, said: "Toxic dependency on fossil fuels is the critical underlying cause of rampant energy poverty. We cannot treat this disease with more fossil fuels. With our C40 Emergency Plan, the City of Barcelona has already outlined the way forward for our clean, just energy transition while taking care of the most vulnerable residents, such as through our recent commitment to renovate 15,000 homes in the coming three years. Lifting residents out of energy poverty must be our absolute priority in Europe, and this is what we have been doing in Barcelona for many years through our energy poverty advisory points and Barcelona Energia, our municipal energy operator running only on renewable energy. The time to act and equip cities for this emergency is now."

Giuseppe Sala, Mayor of Milan and Member of the C40 Steering Committee, said:

"Europe finds itself amidst a severe energy crisis. While scorching heat waves are hitting the continent, we must prepare for severe energy disruptions ahead of next winter. Mayors stand ready to lead by example and implement all possible energy saving measures while protecting our residents. This must prioritise the renovation of 6m homes to protect Europe's most vulnerable residents from the energy crisis and save lives. In Milan, we have already adopted an Air and Climate Plan aimed at implementing energy efficiency and decarbonisation solutions as well as providing relief to our residents. Together with the C40 city network, we will continue to work closely with the European Union and national governments on Europe's green and just energy transition."

Rafał Trzaskowski, Mayor of Warsaw said:

"Our response to the energy crisis is a subsidy program to support residents in replacing fossil fuel stoves with renewable energy sources: heat pumps with solar panels. We are also launching a special Stop Smog program dedicated to low income households, under which we will combine the replacement of coal-burning stoves with heat pumps and the insulating of buildings by covering 100% of the investment costs.

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Notes:

- 1. Of the 197 million households in the EU, around 25 million are social housing, which makes up 12% of total dwellings and much of the 75% of Europe's building stock that is energy inefficient, with renovation rates between 0.4-1.2% annually. Prioritising social housing energy efficiency reduces the cost of heating and cooling for the most vulnerable and keeps Europe on track to achieve climate commitments. Achieving 6 million renovations every year over four years will make for a 3% rate per year.
- 2. In April, C40 mayors released a <u>Mayors Emergency Plan to Tackle the</u> <u>European Energy Crisis and Protect Residents</u> calling for support to curb the escalating energy crisis by winter.
- 3. Jobs data from C40 Cities shows that 598 000 jobs can be created from house retrofits and construction of new energy efficient buildings.
- Survey data on Italy from Clear Path Strategies. Total national sample size was 505 adults. Online fieldwork took place between 27 September and 2 October, 2021. The figures are a demographically representative sample proportions by age, gender, education, region and race.

About C40 Cities

C40 is a network of nearly 100 mayors of the world's leading cities who are working to deliver the urgent action needed right now to confront the climate crisis and create a future where everyone, everywhere can thrive. Mayors of C40 cities are committed to using a science-based and people-focused approach to help the world limit global heating to 1.5°C and build healthy, equitable and resilient communities. Through a <u>Global Green New Deal</u>, mayors are working alongside a broad coalition of representatives from labour, business, the youth climate movement and civil society to go further and faster than ever before.

The current Chair of C40 is Mayor of London Sadiq Khan; and three-term Mayor of New York City Michael R. Bloomberg serves as President of the Board. C40's work is made possible by our three strategic funders: Bloomberg Philanthropies, Children's Investment Fund Foundation (CIFF), and Realdania. To learn more about the work of C40 and C40 cities, please visit <u>c40.org</u> or follow C40 on <u>Twitter</u>, <u>Instagram</u>, <u>Facebook</u> and <u>LinkedIn</u>.