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Just Transition: Equitable Policy Pathways to Carbon Neutrality in the Energy Sector

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JustDecarb Project:

The JUSTDECARB project seeks to bring together leading social science and humanities researchers from four disciplines (philosophy, political science, economics, and law) across four countries (Austria, Czech Republic, Norway, and UK) in pursuit of two overarching project objectives: To fill critical gaps in the knowledge base relating to socially just and politically robust decarbonisation, with a particular focus on inclusive processes and redistributive measures (the scientific objective); To develop a 'toolkit' to help European policymakers steer transition processes in a socially just and politically robust direction (the policy objective).

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Key Messages:

1. The energy sector is urged to transition to carbon neutrality by 2030, as energy-related activities account for about 33% of total direct Greenhouse Gas emissions.
2. A fair energy transition considers multiple interpretations of justice, including energy justice, energy democracy, procedural justice, distributive justice, and restorative justice.
3. The political climate of a country can significantly impact the success of energy transitions and climate-related goals, with support from key stakeholders in the energy sector being crucial.
4. For a successful energy transition within a country, direct support from the legal system, policy, and decision-makers is essential.
5. Key stakeholders, such as government departments, financial institutions, trade unions, business organizations, and research bodies, play a vital role in assisting the transition and should be involved in decision-making related to the energy transition.

1. What is an energy transition and why is it necessary?

The energy sector has been called to make major changes and to transition to a carbon neutral industry by 2030, hence the introduction of the just energy transition. According to the Intergovernmental Panel on Climate Change (IPCC), in its 6th Assessment Report, the energy related activities account for approximately 33% of total direct Greenhouse Gas emissions.

In support of the coal phase-out, the International Energy Agency (IEA) writes: "Energy transitions offer the chance to build a safer and more sustainable energy system that reduces exposure to fuel price volatility and brings down energy bills, but there is no guarantee that the journey will be a smooth one."

The IPCC also acknowledges that there has been a rapid growth in energy transitions and future transitions may become more affordable and occur at a faster pace than previously

The World Economic Forum has developed an Energy Transition Index (ETI) "which benchmarks 120 countries on their current energy system performance and on the readiness of their enabling environment." The 10 countries with the highest ETI scores are all located within Europe, sharing common energy transition related criteria that have assisted in them maintaining their lead.

2. How can an energy transition be equitable?

In order for an energy transition to be equitable it must consider multiple interpretation of justice.

Energy justice: Previously, Sovacool, et al., identified that energy justice occurs when there is “a global energy system that fairly distributes both the benefits and burdens of energy services, and one that contributes to more representative and inclusive energy decision-making.”

Energy democracy: Szulecki, provides a definition that considers various energy related stakeholders and defines energy democracy as “an ideal political goal, in which the citizens are the recipients, stakeholders (as consumers/producers) and accountholders of the entire energy sector policy.” Energy democracy has a particular focus on the participation of various stakeholders within energy governance and decision making as well as the goal of economic redistribution.

Within the just transition, procedural justice, distributive justice and restorative justice are seen as inseparable and intertwined. As succinctly put by Abram et al., procedural justice inculcates meaningful and continuous consultations with affected parties; distributive justice ensures that costs and benefits are fairly and equitably shared; and restorative justice seeks to redress past harm. Through ensuring consultations with stakeholders throughout energy governance and decision making; equal share in energy related costs and benefits and addressing patterns of energy poverty amongst vulnerable communities, the energy transition can encapsulate procedural justice, distributive justice and restorative justice.

3. How does a countries political climate support or hinder energy transitions and climate related goals?

When considering the correlations between climate change and the energy transition, there should be a move to ensure that fossil fuel intensive industries end fossil fuel dependency as. Ultimately, all industries should be expected to shift to renewable energy resources. This mammoth task is made easier with a support and buy in form key-stakeholders within the energy sector.

4. Is it essential for the legal system, more specifically its policy and decision-makers, to directly support an energy transition for it to be successful within a country?

A just transition is a procedure and as such it requires administrative and procedural oversight in order to effectively achieved. A just transition regulatory framework can support the establishment of a designated task force or government office within an energy related ministry that can promote the execution of the transition and function as a go-between amongst various stakeholders and government. These administrative and procedural entities should also be allocated to review, analyse and address the economic and social challenges that could arise as a result of the just transition.

5. Which key stakeholders can assist in the transition?

While traditionally established as a labour related concept, a just energy transition still impacts labour and economic markets and as such all employees who are likely to use their jobs during the transition should be provided with the opportunities and support to reskill and relocate to new green jobs. Partnering nations should have programmes that provide skill-sharing and training for any and all affected energy related services and industries to support carbon neutrality programmes and projects.

Government should partner with industry and key stakeholders to reduce and address any resistance to the just transition. For example, some stakeholders may be: government departments, regulators and advisory bodies; financial institutions and commercial banks; trade unions, coalitions and NGOs; the transport sector; business organisations, petrochemicals, coal mines and energy industry organisations; donor agencies, international governmental treaties (e.g. UNFCCC), government agencies (e.g. GIZ) and intergovernmental organisation (e.g. IEA); and research and advisory bodies (e.g. international research institutions, academia or private sector).

All stakeholders should be offered the possibility to participate in decision making related to the energy transition; There are several benefits of public participation, such as (to name a few): the promotion of democracy; enhancing sustainable development initiatives; increasing knowledge of and skills in public engagement; expanding knowledge pools amongst local communities; legitimising state actors and improving transparency and accountability amongst government institutions; and cultivating the state's decision-making capabilities. It is also necessary to ensure that all communities, age groups and citizen organisation are represented and have an opportunity to have their perspectives, opinions and ideas voiced in order to promote social justice through the energy transition.

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