

Consumer advice on energy – Finnish experiences

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Keywords

energy consumption, consumers, behaviour, pilot projects, networking, knowledge transfer, evaluation, advice, energy awareness

Abstract

Consumers' behaviour and use of energy play an essential role in achieving the demanding targets of carbon dioxide reduction. In Finland, we have long-standing experience in promoting energy efficiency among consumers and other energy end-users. However, during the last years the need to give consumers reliable and up-to-date information with practical examples has increased remarkably. This has been taken into consideration in the current climate and energy strategy and in other national strategies and related sectoral programmes. The need for a more systematic approach for consumer energy advice with national coordination was highlighted in the Government's Decision on Energy Efficiency in February 2010. In December 2010, Motiva was appointed the National Coordinator of the Consumer Advice on Energy by the Ministry of Employment and the Economy.

In autumn 2009, a call for pilot projects to support energy advice in the fields of building and renovation of houses, choices of heating systems in buildings, housing, durables and mobility. Fourteen two-year pilot projects out of 60 applications commenced throughout Finland in the beginning of 2010 by the financing of the Ministry of Employment and the Economy and Sitra, the Finnish Innovation Fund. Motiva Oy coordinates the activities and supports the projects by e.g. organizing networking events, by producing common tools and communication facilities, and by providing knowhow for the projects. Process monitoring and impact assessment are the coordinators' tasks as well.

Experiences from the pilot projects, and their successes and challenges will be addressed here. The projects are carried out by a multitude of organizations such as regional energy agencies, municipalities, NGOs and associations. The examples and experiences can therefore be widely applied. The means of advice and communication include a vast mix from face-to-face advice to targeted events, tailored tools, web portals and telephone service. Cooperation among project practitioners provides better quality of advice for both, particular groups and larger audiences.

In addition to the experiences from individual pilot projects, experiences and practises will also be gathered from the view of national coordination and networking. Focal concerns include, for instance, the most cost-effective ways to network advisory centres and how to guarantee the knowledge transfer between different stakeholders.

Introduction

The aim of this paper is to give an overview of development of the coordinated consumer advice structure on energy to consumers in Finland. Consumers' behaviour and use of energy play an essential role in achieving the demanding targets of carbon dioxide reduction. All possible ways to cut emissions will be needed and improvement of energy efficiency must be the first priority. These are the indisputable facts which have been agreed on the political level in the current climate and energy strategy and in other national strategies and related sectorial programmes.

Valuable information and communication has been provided for consumers from the 1970's by a variety of actors: regional and local energy agencies, energy companies, municipalities,

different associations, organizations and institutions. Motiva has been an active player in information dissemination and consumer awareness raising work since 1993 when Motiva (former Energy Information Centre) was established by the Ministry of Employment and the Economy (formerly Ministry of Trade and Industry). The role of the energy companies has also been essential in consumer advice; they have supported e.g. Second Graders Energy Awareness Week since 1995. Today, energy companies work actively in the area of consumer advice as a part implementation of energy efficiency agreements and the requirements of the Energy Service Directive (ESD 2006).

The current climate and energy strategy approved by the Finnish Government in November 2008 set ambitious targets including detailed insights into climate and energy policy measures up to the Year 2020. The strategic objectives call for halting the growth of energy end use. The longer-term vision aims to a further, minimum one-third decrease in final energy consumption by 2050, from the level of 2020 (Government of Finland, 2008).

In April 2008, the Ministry of Employment and the Economy set up a broad-based committee to prepare energy saving and energy efficiency measures to meet the targets set in the long-term climate and energy strategy. The Energy Efficiency Committee gave its report in June 2009. The report describes nearly 125 new or notably expanded energy saving and energy efficiency measures. Adequate information and advice of energy use for consumers as well as professionals in different fields was emphasized in many measures (Ministry of Employment and the Economy, 2009).

In February 2010, the Government passed a decision on intensifying measures to enhance energy efficiency in the next few years. This Action Plan, to be implemented in 2010–2020, is based on the report by the Energy Efficiency Committee, with the aim of reaching the objectives set in the long-term climate and energy strategy. The measures include consumer awareness raising and advice provision and also permanent organisation of energy advice work by establishing a national coordination centre for the work (Ministry of Employment and the Economy, 2010).

The need to provide consumers with correct and relevant information as a basis for sustainable consumer decisions was also highlighted in 'The Consumer Policy Programme 2008–2011'. According to this programme, information, communication and campaigns on material and energy efficiency, targeted at consumers, shall be promoted as well as the development of illustrative models and user-friendly tools. The programme also identifies that more resources should be allocated to enhancing the awareness of consumers (Ministry of Employment and the Economy, 2008).

The importance to support relevant information and advice for consumers is emphasized also in several related, sectoral programmes on energy efficiency such as in the 'Building Renovation Strategy (2007)' and the 'Government's Decision of Principle on Renovation (2008)', and correspondingly, in the 'Account on Traffic Politics (2008)'.

A draft "architecture" for the nation-wide consumer advice system on energy was produced in 2009 in collaboration with Sitra, the Finnish Innovation Fund, Ministry of Employment and the Economy, Ministry of the Environment and Ministry of Transport and Communications and other actors and

organizations working on the field. The target of the drafted architecture for the advice system is to ensure that Finnish consumers receive reliable energy advice, given by various providers. According to the architecture a permanent advice system should have a coordination centre, advice by phone, web or other written formats as well as face-to-face advice for consumers.

However, during the past few years the need to increase energy awareness and especially to provide consumers with reliable and up-to-date information and practical examples has increased remarkably. On the other hand, many actors, like municipalities, are interested to increase energy awareness of consumers but due to limited resources their operation has decelerated. Few consumers are willing to pay for the advice.

Pilot projects on energy advice

A CALL FOR PILOT PROJECTS

In autumn 2009, the Ministry of Employment and the Economy launched a call for pilot projects to support energy advice in the fields of building and renovation of houses, choices of heating systems, housing, durables and mobility. Besides the actual need for the advice given for consumers, the aim of the pilot project was to generate experience in different ways and methods of advice provision to consumers by versatile advisor centres.

The objective is to provide the consumers with high quality and reliable, cost-effective energy advice by relevant actors on local, regional and national levels.

The call resulted in intense interest and a total of 60 proposals were received from a variety of applicants: institutions, organizations, municipalities and even individual consultants. The value of the applications totalled over €9 million. Criteria for financing projects emphasised the following: capacity and experience to give consumer advice, knowledge and competence of relevant topics of energy, possibilities to carry out projects according to the project plan, cost effectiveness and innovativeness of a project plan, interest and capability to continue advice activities after the financing period, and possibilities for further networking.

Fourteen two-year pilot projects out of 60 applications commenced throughout Finland in the beginning of 2010. The financed projects were chosen by the coordination steering group of energy advice based on the criteria described above. The total financing was €1.9 million, of which the Ministry of Employment and the Economy covered €1.345 million for 10 projects as well as the coordination, and Sitra, the Finnish Innovation Fund covered €0.555 million for 4 projects. The financing percentage from public resources was typically 50–70 %.

The organization type of the financed projects varied considerably, consisting of different advisory centres like national Martha Organization and the Finnish Real Estate Federation, cities Helsinki and Lahti, regional energy agencies and one regional Council, one University of Applied Sciences and some technology centres. Five of the supported advice centres operate on national level, seven on a regional level and two of them locally.

Motiva Oy was responsible for the practical organization of the call and for the selection procedure of the financed projects in close co-operation with the financiers, the Ministry of Employment and the Economy and Sitra, the Finnish Innovation

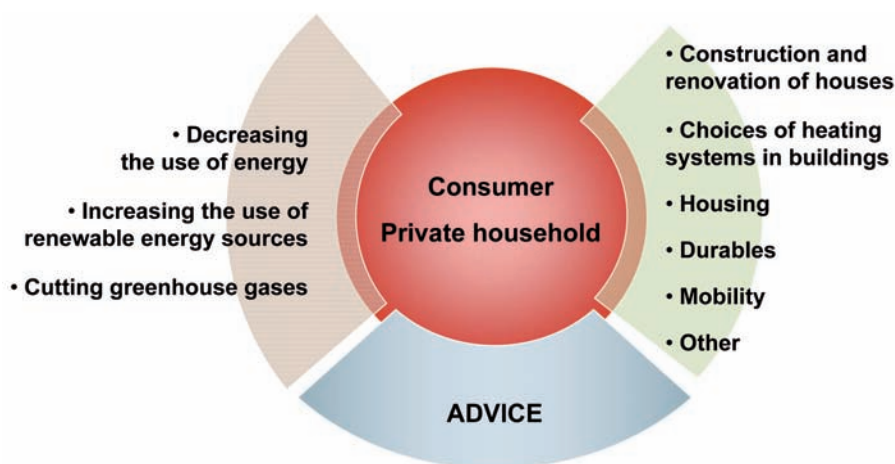


Figure 1. Focus of activities on energy advice. More information web: http://www.motiva.fi/en/finland_energy_facts/consumer_advice_on_energy_issues.

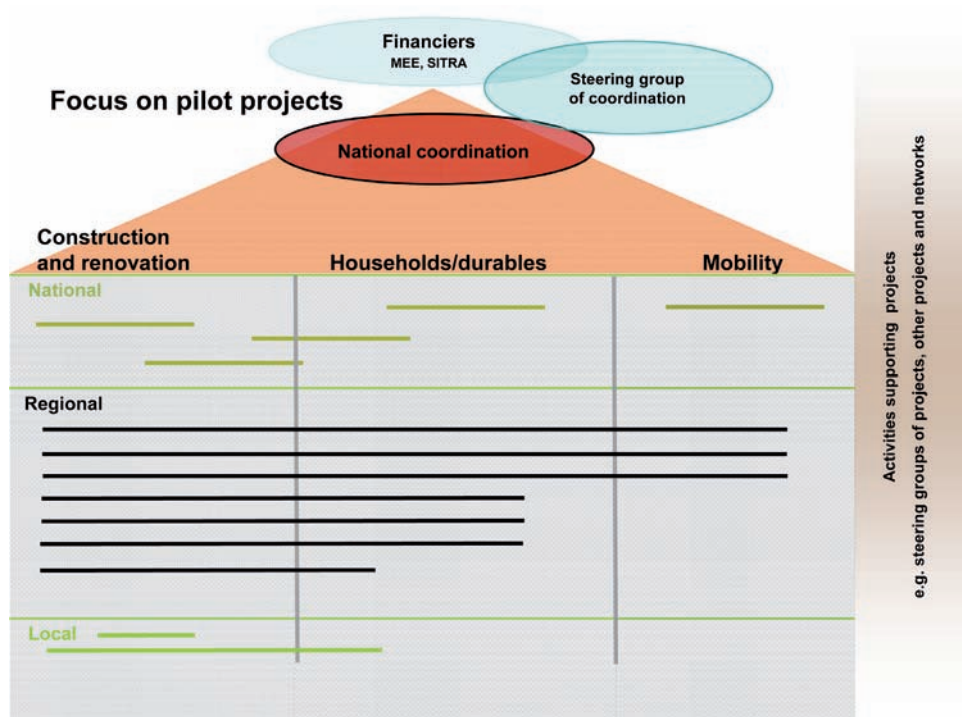


Figure 2. Energy advice pilot projects 2010-2011 on national, regional and local level. Most of the projects offer advice on building, renovation and housing issues.

Fund. The coordination steering group gave their valuable support for that process. Besides to the Ministry of Employment and the Economy and Sitra, The Finnish Innovation Fund, the coordination steering group is represented by Ministry of the Environment, Ministry of Transport and Communications, Ministry of Agriculture and Forestry, Association of Finnish Local and Regional Authorities, Finnish National Board of Education and Motiva Oy. Keen and active collaboration within the steering group and its vast networks has been beneficial for the development work of consumer advice.

SUPPORT FROM THE COORDINATION FOR THE IMPLEMENTATION OF THE PILOT PROJECTS

Motiva Oy coordinates the activities and supports the pilot projects through their successful implementation. Motiva encourages pilot projects to share experiences and to network by

organizing common networking events at least twice a year and by active and regular information dissemination through electronic newsletters and emails. Based on feedback the networking events have proven to be an efficient forum for idea sharing and knowledge transfer. Moreover, through the networking events, financiers and Motiva receive valuable feedback from the field.

Individual support and information exchange between Motiva, the financiers, Ministry of Employment and the Economy and Sitra, the Finnish Innovation Fund and individual pilot projects is guaranteed by projects' steering group meetings where relevant stakeholders of the pilot projects are present.

In order to make it easier for a consumer to find advice and to visually connect the pilot projects under one brand, a common layout with a logo has been produced. Motiva also gives knowhow, like communication expertise, on relevant topics for



Figure 3. Common visual layout strengthens the impact of Energy Advice.

the use of the pilot projects. Common tools such as internet-based working for a for pilot projects has been produced. Pilot projects are also encouraged to use available informative material as much as possible.

Process monitoring and impact assessment are an essential part of any successful project management. In order to gather experience and knowledge of the implementation of pilot projects, a common template for collecting of quantitative and qualitative data of advice activities was produced.

Pilot projects are also encouraged to give any feedback of advice activities (obstacles, best practices etc). This will generate capacity and forms of activity for enhancing the realisation of a nationally-coordinated energy advice system. One of the aims of the pilot projects was to obtain experience of different ways and methods to give advice for consumers by versatile advisor centres.

During the first six months 12,000 consumers received advice directly (face to face, by telephone, by individual mail, by targeted event) and 6,000 consumers indirectly.

EXPERIENCES FROM THE PILOT PROJECTS

In addition to the individual contacts, pilot projects report twice a year using the common reporting template which consist of a technical report and a detailed description of given advice with qualitative and quantitative data.. Based on the reported experience the need for information dissemination and consumer advice is evident. However, the most important requirements for advice are to be reliable with competent information and advice. Besides, backgrounds, habits and knowledge of consumers vary and thus different methods and information channels are needed to reach consumers effectively.

The timing of information provision is also important (when people have time and when they are receptive to information). Good examples and experiences suggested by familiar people, such as neighbours, seem to be valued highly. The role of different “gatekeepers” like salespersons or suppliers, the media, janitors, teachers etc. is crucial. It is necessary that the information distributed by them is as coherent and consistent as possible.

Most consumers prefer advice as a “one-stop-shop” which means service for different needs at the same time. Customers also appreciate personal advice given e.g. at fairs, exhibitions and other events. Because individual advice is expensive it is extremely important to have informative websites to encourage consumers to start with to get information. Both consumers and advisors seem to appreciate user-friendly graphics and calculating tools.

Project partners need support from the coordination unit for the development of common tools and information material as well as organizing networking possibilities. However,

the most important task for the national coordination seems to be to guarantee the quality of the advice. This also means that a systematic training of advisors is necessary although this couldn't be organized during the pilot projects 2010–2011.

A common visual layout with logo was emphasized by the pilot projects. Also a wish for a common central data base with adequate updating of resources was raised. Monitoring and impact assessment are necessary for validation of resources and further development of the work.

From the consumers' point of view, non-profit organizations are regarded as trustworthy and the public sectors' role as fore-runner is important.

Future activities – a coordinated system for advice

Pilot projects will be completed by the end of the year 2011. Simultaneously, a coordinated system for consumer advice on energy will be developed since Motiva was appointed the National Coordinator of the Consumer Advice on Energy by the Ministry of Employment and the Economy in December 2010. It is estimated that the development phase will take about two years.

The duties of the national coordination centre include coordination of advisors, development of common tools and guaranteeing knowledge and competence of advisors. There are many possibilities to organize an advisory systems but usually a mix of local, regional and national operations seem to work well.

A coordination centre forms the core for the coordination and networking of advice centres. The aim is to network and coordinate various advice centres but not to lead them. It has been a novel experience to learn that the best advice for consumers is neither consultation nor detailed planning. It is, rather, to show the way and propose alternative options to get advice.

Coordination activities will be developed in five sub-projects. The key information source will be a web portal which will be developed and linked to other services and portals. Examples are the building renovation advice centre and web portals of mobility management. Phone and email services support the usability of web portals and other common tools.

Advice activities will be carried out by different advice centres nationwide. Their methods to increase consumers' awareness of energy and ways to give advice may vary, from face-to-face advice to different events that are targeted for particular groups of consumers.

Training of advisors and quality assurance as well as the quality of training material are essential. Sufficient efforts will be made to ensure quality and reliability of advice.



Figure 4. *The coordination of national energy advice system.*

Monitoring and evaluation of energy advice are key elements in reliable and effective advice systems. This subproject involves both process monitoring and impact evaluation. An evaluation by an independent evaluator will be completed by the end of 2011.

Through information and promotion activities the advice system will become well-known for consumers and other stakeholders. Adequate information material will support the work of advice centres.

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