



TASK 24 POLICY BRIEF FOR SWEDEN

- **People need to be the main focus when developing behaviour change interventions:** The transformation of the energy system can only be achieved sustainably and effectively, if the energy end users are involved and their context and needs understood. Another group of people who are hugely important in successful behavioural interventions are Behaviour Changers from government, industry, research, the third and service sectors collaborating on intervention design, implementation and evaluation.
- **A variety of DSM- and behaviour change tools and approaches** are needed to motivate and engage *Behaviour Changers* to implement these interventions successfully.
- The **Top 2 behavioural DSM-issues in Sweden** are: 1) tariffs and incentives to improve load shifting in buildings; and 2) split incentives between commercial building owners and their tenants and the usage of green leases in the commercial building sector.
- **Evaluation of (non-kWh) co-benefits** is required to make the implementation of behavioural interventions more attractive and it is important to evaluate behavioural pilots to prove actual change has taken place.
- **Behavioural interventions can be subject to political and market changes** and leading players can change with these forces. Creating an open space for communication and collaboration is essential for collective impact to occur.

WHAT'S THE ISSUE?

As environmental and societal pressures continue to rise, OECD governments are doing more and more to meet rising energy needs with greater sustainability policies. Low carbon policies and targets, as well as the *Paris Accord* are shaping the future of our energy system. We have taken great inroads into increasing the proportion of renewable energy technologies, with rapid cost reductions and are tracking towards low carbon electricity production but these changes remain insufficient.

It is clear that current efforts and technologies will not be enough to achieve a 1.5C climate change target. Results from transformation studies show us that an effective change of our energy system can only work effectively if the affected *people* are involved in the process. In the Swedish participation in the second phase of Task 24 we focussed on the uptake of green leases for commercial buildings.

WHY IS THIS ISSUE IMPORTANT?

The main topic was chosen by industry, research and government experts in Sweden:

Increasing the uptake of green leases for commercial buildings

Sweden set targets to become carbon neutral by 2045. Improving the energy performance of the buildings sector is a priority in Sweden, where ageing buildings create a challenge to achieve the ambitious climate goals. In 2014, the buildings sector in Sweden used 76.1 TWh, 27% of it was used by commercial buildings. Even though the energy use in the building sector has decreased during the last 30 years, there is an opportunity to decrease it even more, especially when existing buildings undergo a renovation. There are several barriers that prevent the full energy efficiency potential in commercial buildings to be realised and one of these barriers is the split incentive problem between the building owner and the tenant. One policy instrument that corrects for split incentives is green leases between building owners and tenants, allowing for mutually-beneficial agreements between the two parties for the energy efficient operation of

buildings. The uptake of green leases for commercial buildings in Sweden, however, has been slow and some of the barriers that were identified with the help of Task 24 workshops and national experts are as follows:

- Lack of willingness by building owners and tenants to use green leases more frequently;
- Some green leases can be considered “green washing”; and
- A perceived imbalance in benefits between tenants and landlords.

If the green leasing process could be improved it could lead to building owners undertaking energy-efficient measures that they would not do without the involvement and closer relationship with the tenants, including a better understanding of their specific needs. If green leasing was used more frequently and appropriately, this could lead to a significantly more efficient use of energy in the entire commercial building sector, and a better relationship between landlords and tenants, leading to a reduction in split incentives.

WHO AND HOW CAN WE CHANGE?

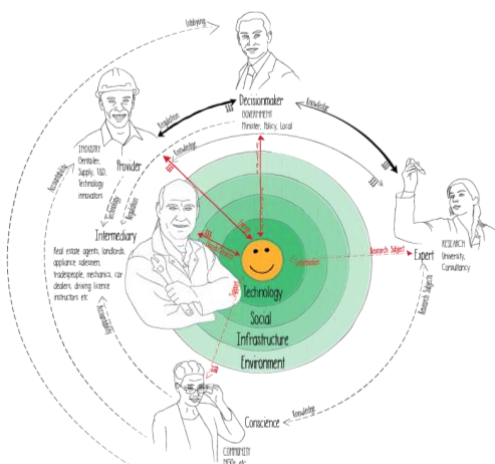


Once the main issues were identified, we used tools like the Task 24 **Behaviour Changer Framework** (Rotmann, 2016) to delve deeper into understanding them better and support multi-stakeholder facilitation. This framework gets used in association with other creative and engaging Task 24 tools, such as

storytelling and a “**beyond kWh**” standardised evaluation tool, which was developed but not utilised (due to time constraints) for the pilot case study in Sweden. A **cross-country comparison**, led by a world expert on green leasing was published and a green leasing **pilot** for the Swedish Energy Agency’s new office building was developed as part of the Swedish Task 24 participation.

Various “Behaviour Changers” were invited to the four workshops that were organised as part of the Swedish participation in the Task. Other than the Task 24 Operating Agent who acted as *Facilitator*, there were the Swedish Energy Agency as *Decisionmaker*, various major commercial landlords as both *Providers* and *End Users*, the Real Estate Owners Association “Fastighetsägarna” as *Middle Actor*, national and international research *Experts* from academia and consulting, and the Swedish Green Building Council as *the Conscience*. For the final workshop, where the focus was on the green leasing pilot that was being developed for the Swedish Energy Agency, the landlord for the Agency’s new building and the facility manager of the Agency were present. Their relationships and systemic conflicts were explored in the Task 24 “magic carpet” exercise.

The “magic carpet” or Behaviour Changer Framework



WHAT CAN POLICY MAKERS DO?

Concerning the most relevant DSM issue, the following recommendations for policy makers are given:

- In general, to solve any behavioural DSM issue, all *Behaviour Changers* need to collaborate and communicate with each other and the *End Users* whose behaviour they are trying to change.
- Creation of a clear regulatory framework that would minimise the uncertainties surrounding the uptake of green leases and green leasing practices is crucial.
- Strengthening the legal aspects of green leases would provide clarity and assurance to the actors involved, and thereby reduce the perception of risks associated with green leases by the market actors.
- The introduction of policy tools and the creation of stakeholder platforms would increase the knowledge about green leases and encourage their use.

- Identification of the most relevant and effective issues that could be included in green leases in a local context is important to keep green leases relevant to the market actors.
- Additionally, evaluating success and challenges of green leasing pilots and publishing case studies and cross-country comparisons can contribute to market uptake in a positive way.
- Encouraging industry interest organisations also plays a key role in creating awareness regarding green leases and push for a change in the leasing practices on the market. Such organisations can provide guidance for the market actors and even act as a mediator in cases of conflicts.
- Providers can also be instrumental in pushing for policy changes that would create favourable conditions for the uptake of green leases.
- An open dialogue and the discussion of mutual benefits through the green leasing process can create a stronger relationship between the landlord and the tenant, which would have a potential to go beyond the requirements of a green leasing agreement. Such relationships may result in sustainable solutions that could be adapted by both parties regardless of concerns over maximised benefits if there is an ambition to achieve a joint target, which is an environmentally-friendlier building.

The **green lease agreement** should therefore not be considered and promoted as the ultimate goal, but rather, a by-product of improved **green leasing practice** between the landlord and the tenant.

FINAL RECOMMENDATIONS

1. Make people your main focus
2. Have a variety of DSM- and behaviour change tools and best practice examples to learn from and share
3. Collaboratively identify your main issues and develop shared goals
4. Identify and evaluate multiple benefits of your intervention, from different stakeholder perspectives
5. Do not only focus on the product (green lease), but also on the process (green leasing).

SOURCES

Rotmann S., 2016: [How to Create a 'Magic Carpet' for Behaviour Change, BEHAVE 2016](#)

BELOK (2016): [Background for Green Leases in Commercial Office Buildings – Sweden](#)

BELOK (2018): [Collaboration and Green Leasing: A case study of the Swedish Energy Agency's new office building in Eskilstuna](#)

Fastighetsägarna (2011): [Grönt Hyresavtal.](#)

Janda, K., Rotmann, S., Bulut, M., and S. Lennander (2017): [Advances in green leases and green leasing: Evidence from Sweden, Australia, and the UK.](#) ECEEE Summer Study Proceedings, Hyères, France

Subtask 8: [Toolkit for Behaviour Changers](#)

FURTHER INFORMATION

Contact Dr Sea Rotmann drsea@orcon.net.nz

Task 24 Phase 2: www.ieadsm.org/task/task-24-phase-2/