# License to Heat

A JUST TRANSITION TO POST-OIL HEATING OF DETACHED HOUSES IN FINLAND



Hsin-Yun Lai

CREATIVE SUSTAINABILITY

DESIGN



Daniel Leiviskä

CREATIVE SUSTAINABILITY
DESIGN



Anh Nguyen

CREATIVE SUSTAINABILITY
ENGINEERING



Emile Rebours

CREATIVE SUSTAINABILITY
DESIGN

# 

SOURCE: M. LETTENMEIER ET AL. (2019) 1.5-DEGREE LIFESTYLES.

10.4

**AVERAGE** FINN

SOURCE: M. LETTENMEIER ET AL. (2019) 1.5-DEGREE LIFESTYLES.

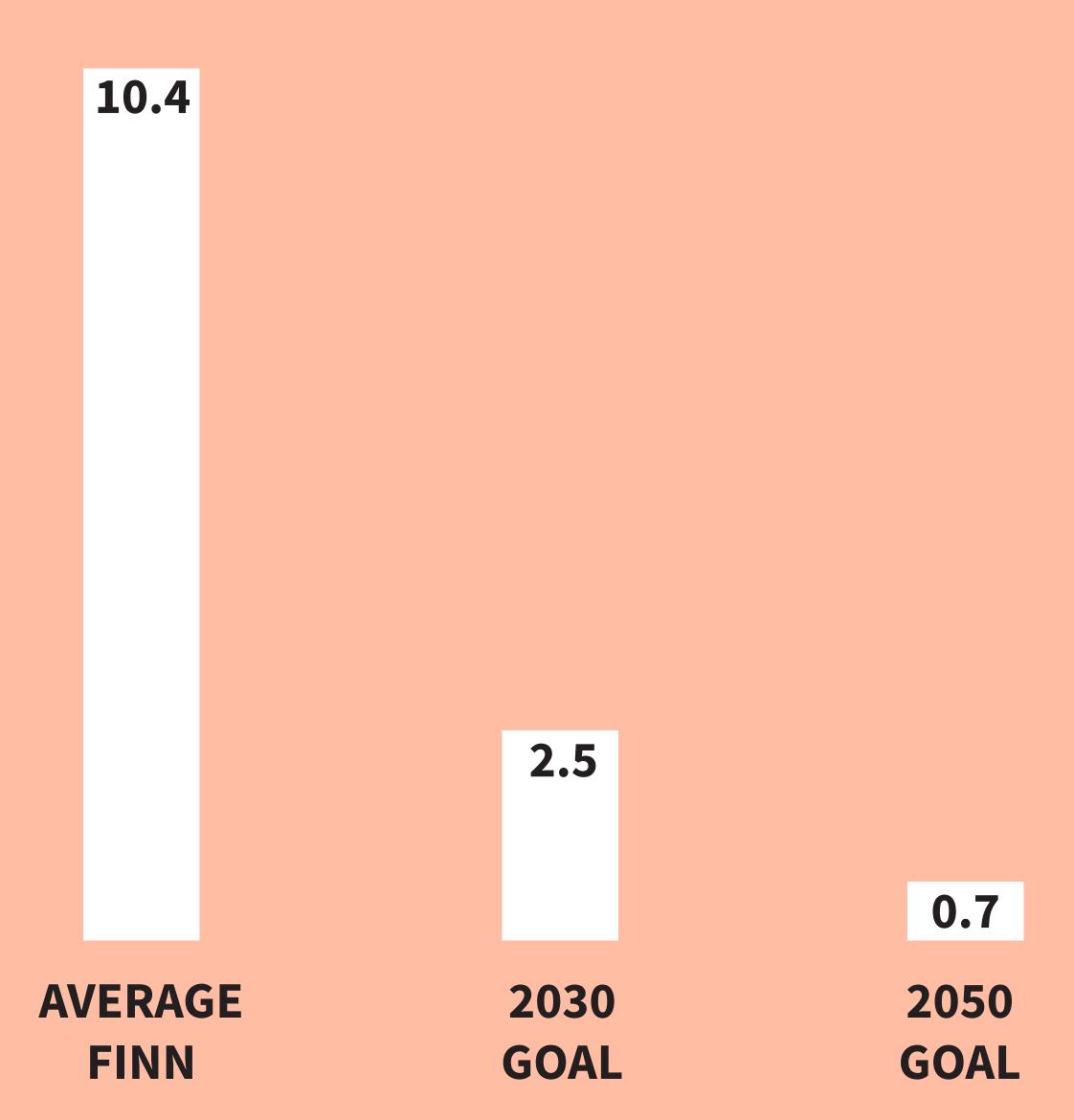
10.4

2.5

**AVERAGE FINN** 

2030 GOAL

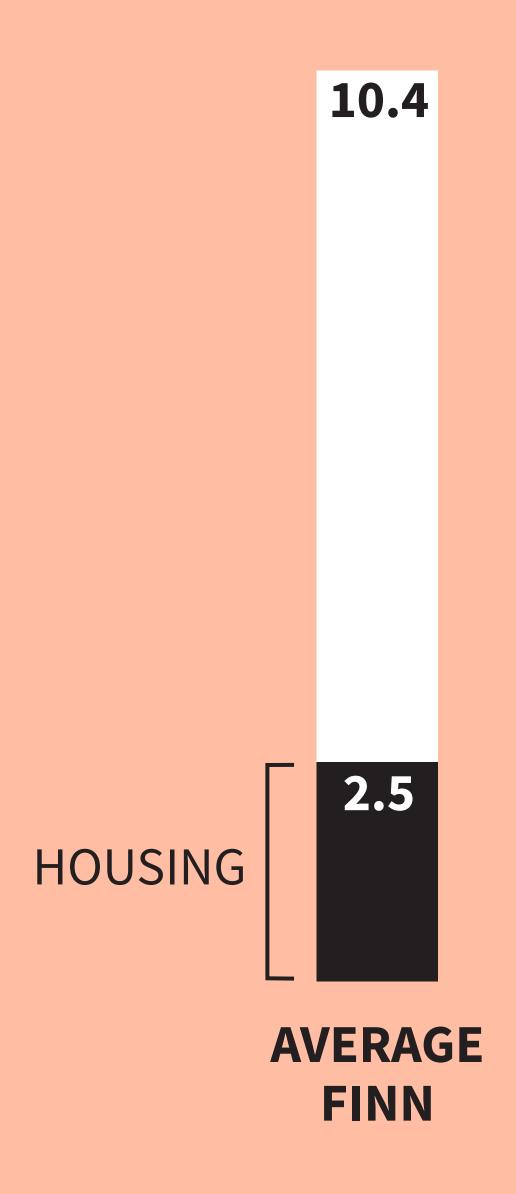
SOURCE: M. LETTENMEIER ET AL. (2019) 1.5-DEGREE LIFESTYLES.

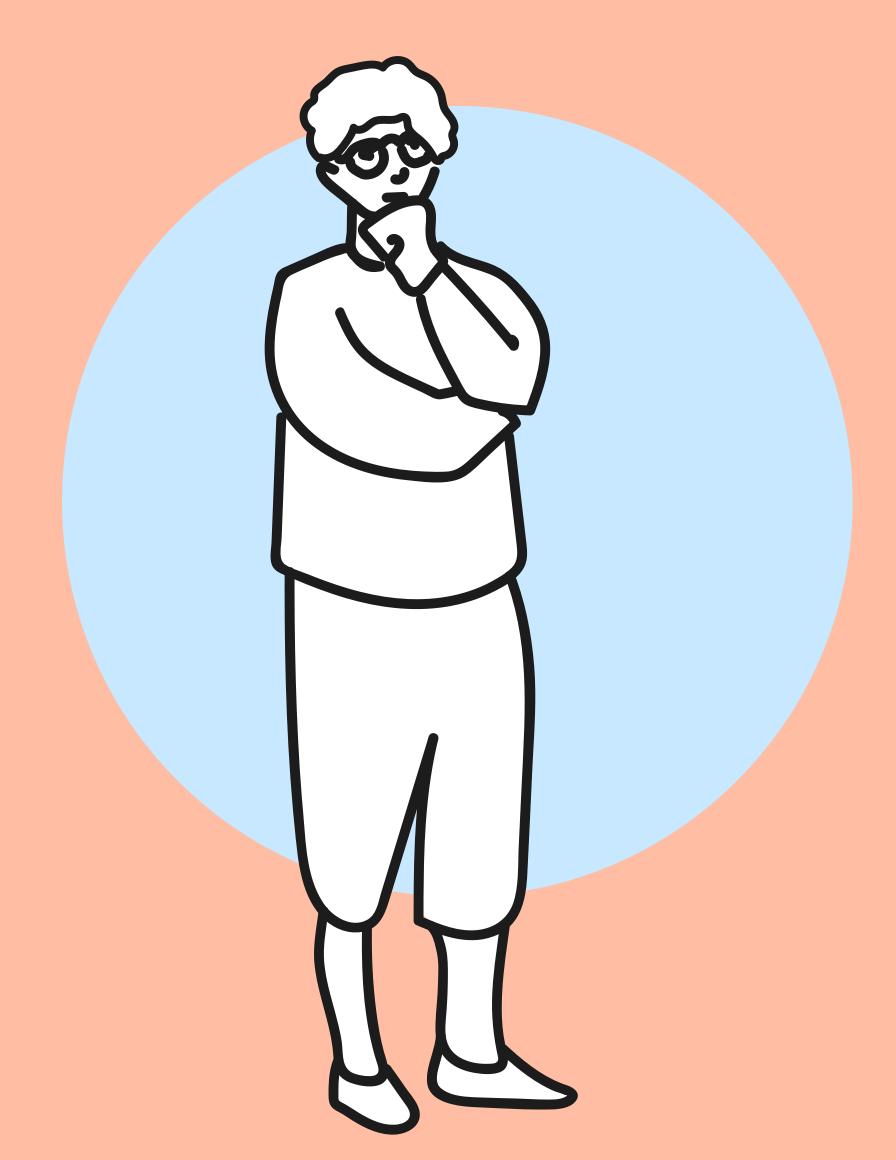


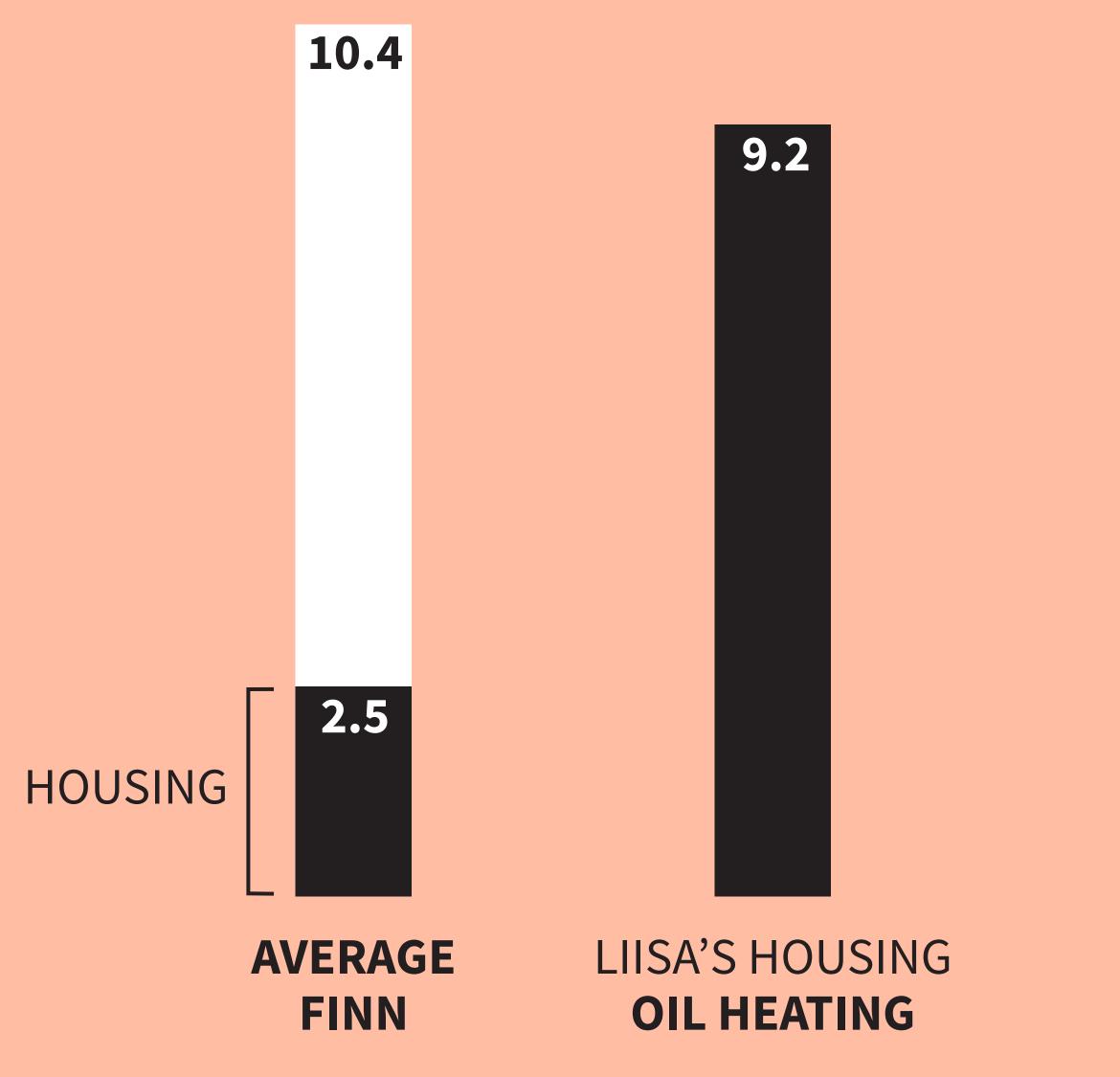
Liisa, 68

PENSIONER LIVES ALONE 140 M<sup>2</sup>

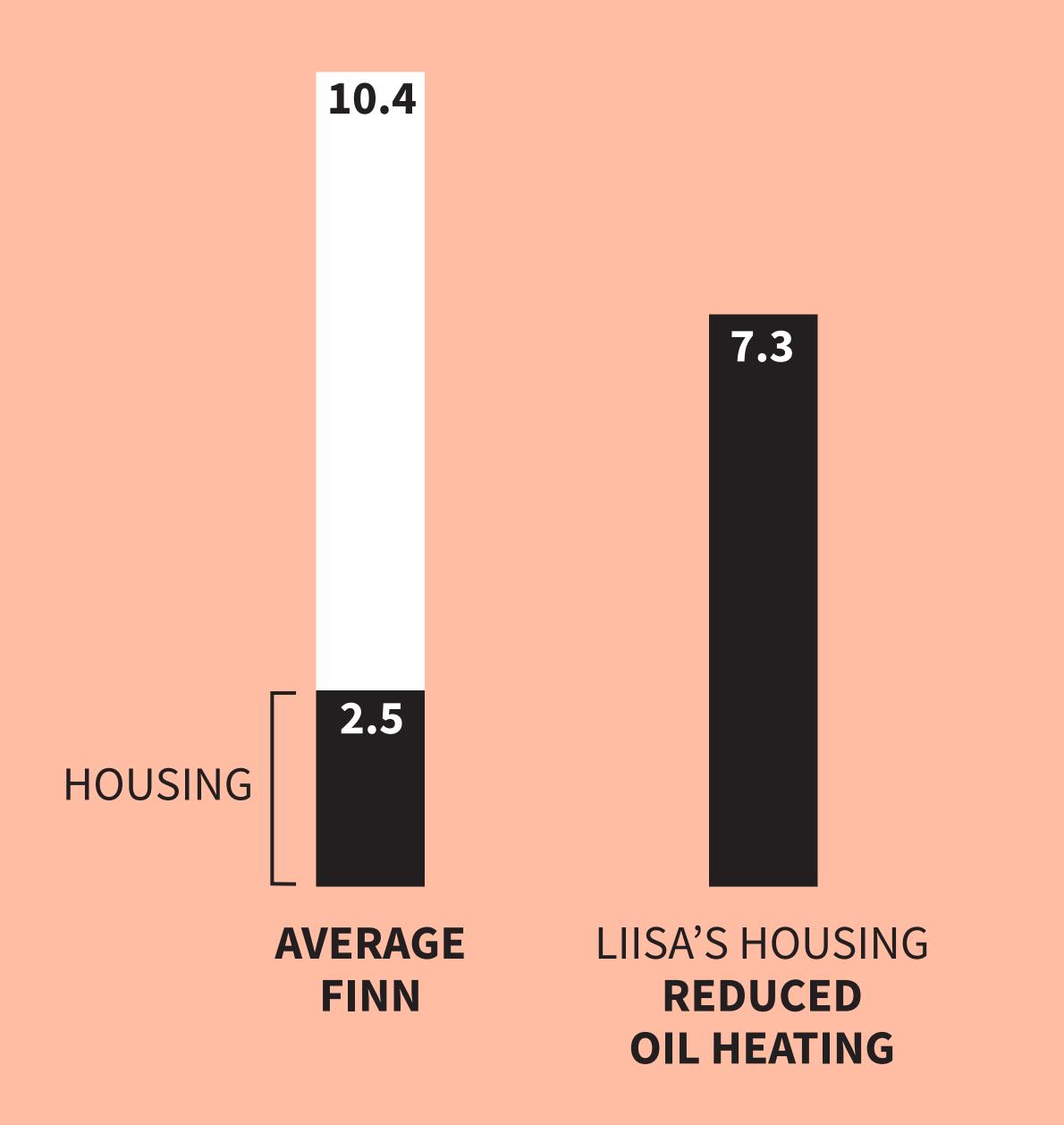




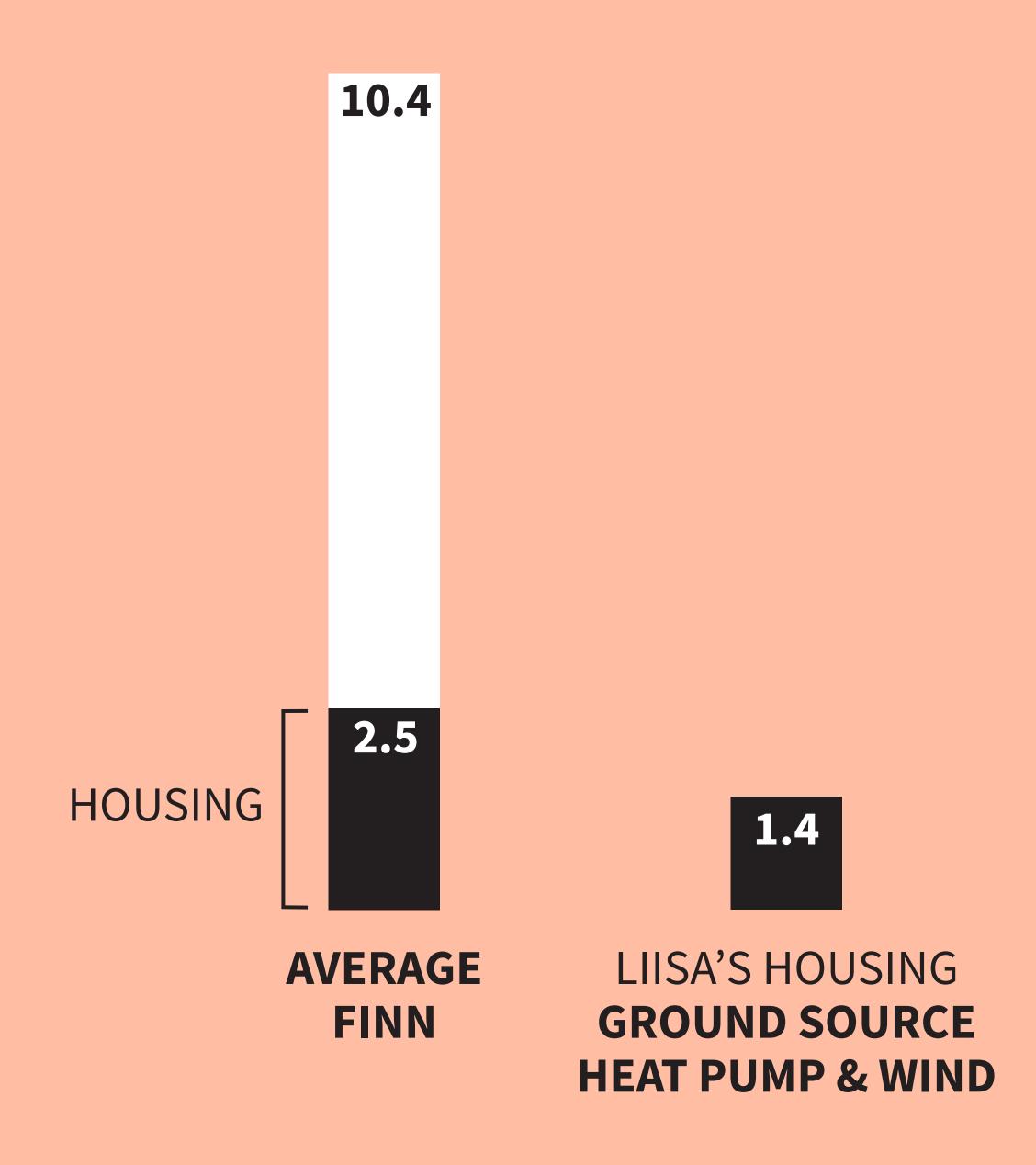


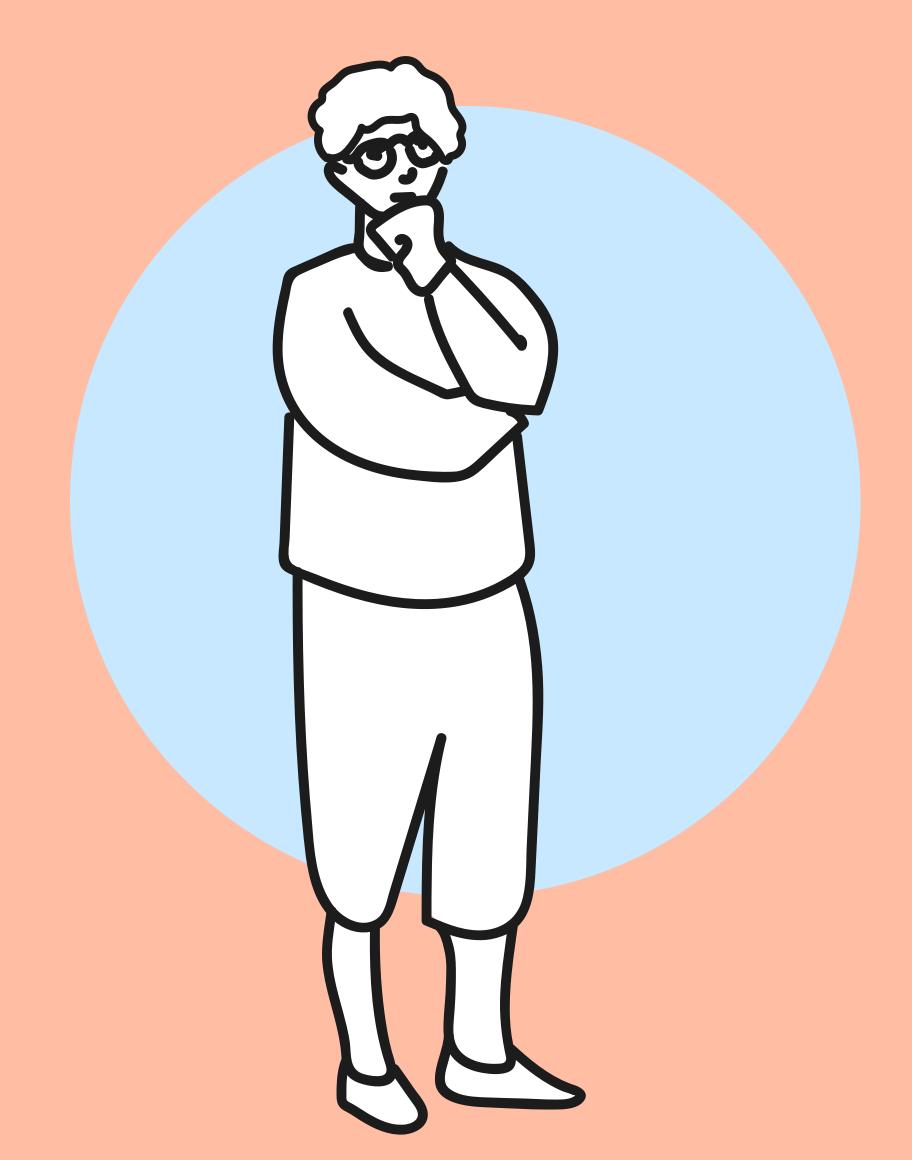












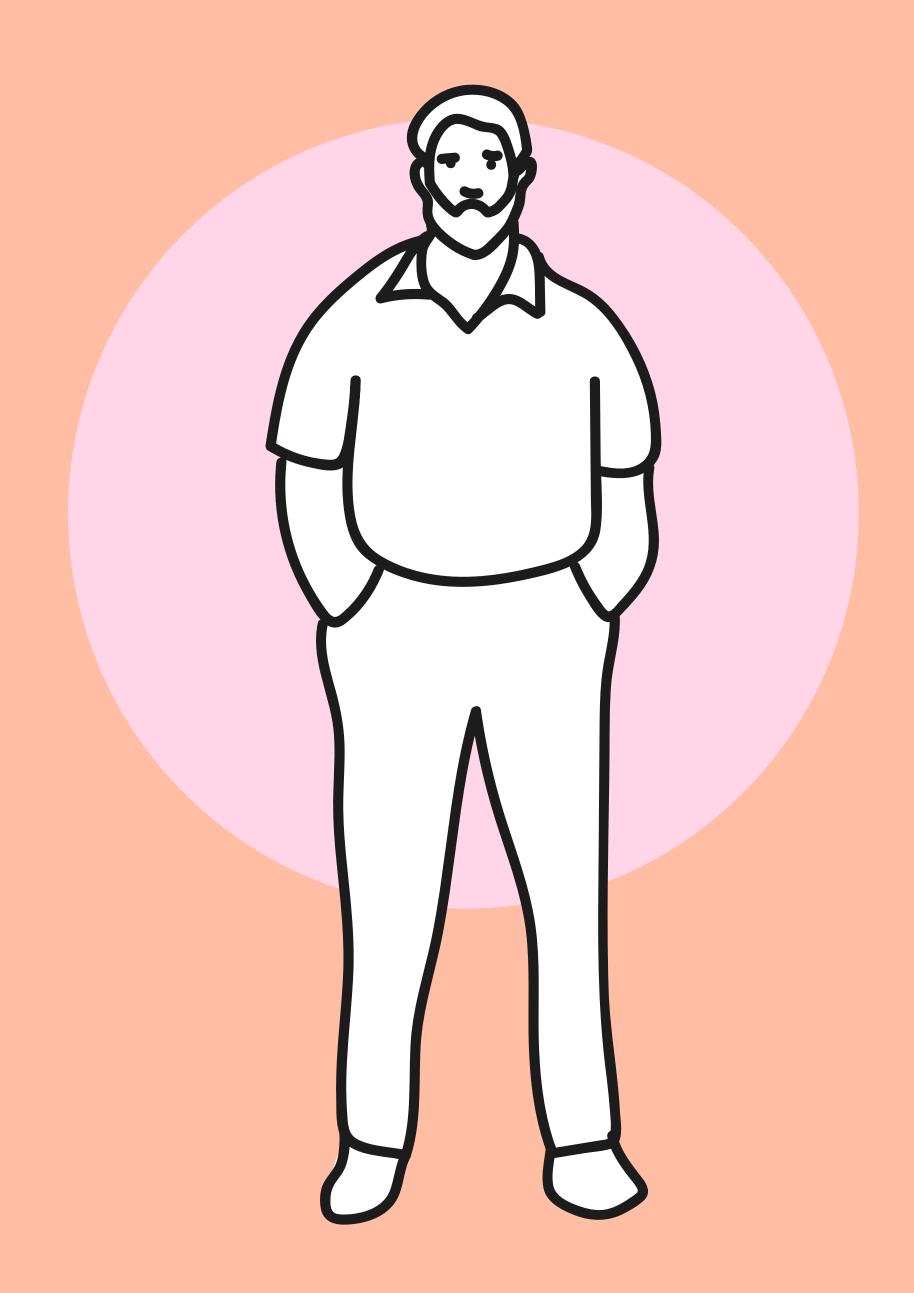
"Sometimes support can be available but is difficult or impossible to find."



"Sometimes support can be available but is difficult or impossible to find."

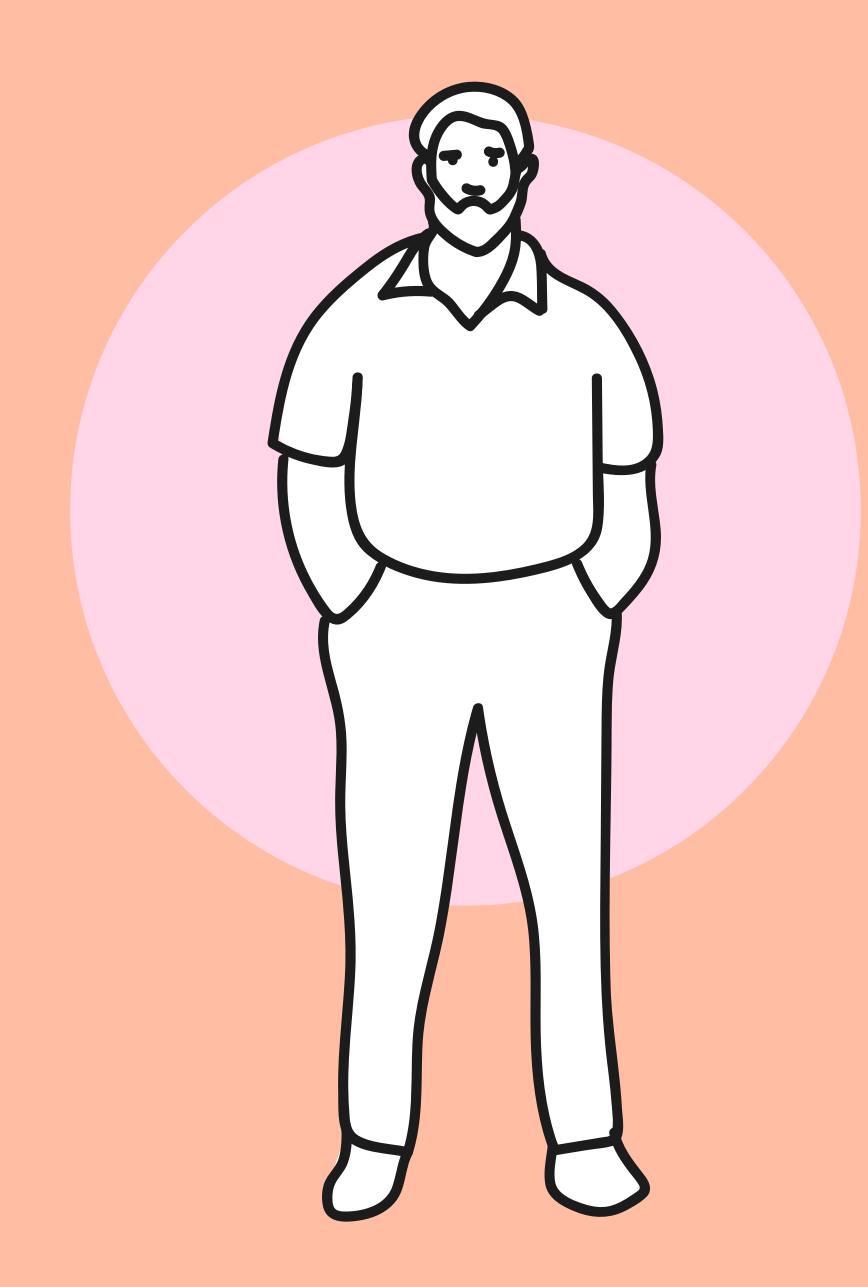
"They almost tried to force me to buy a new heat pump, I felt quite annoyed."





# Make, 44

UNEMPLOYED
SINGLE PARENT, 2 CHILDREN
110 M<sup>2</sup>

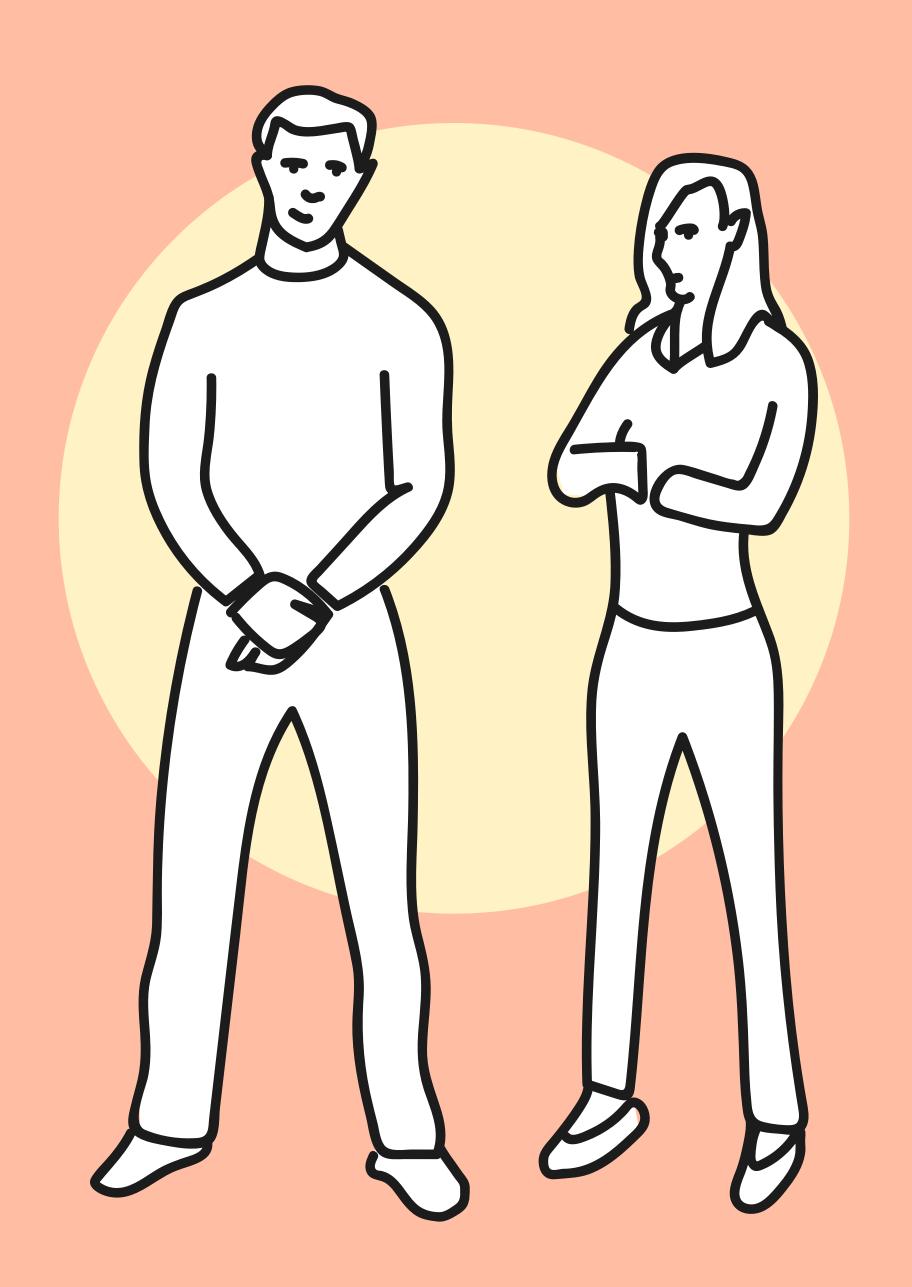


"The whole goal is just about bullying and controlling the common people.

Increasing taxes will clean the air, yeah right."

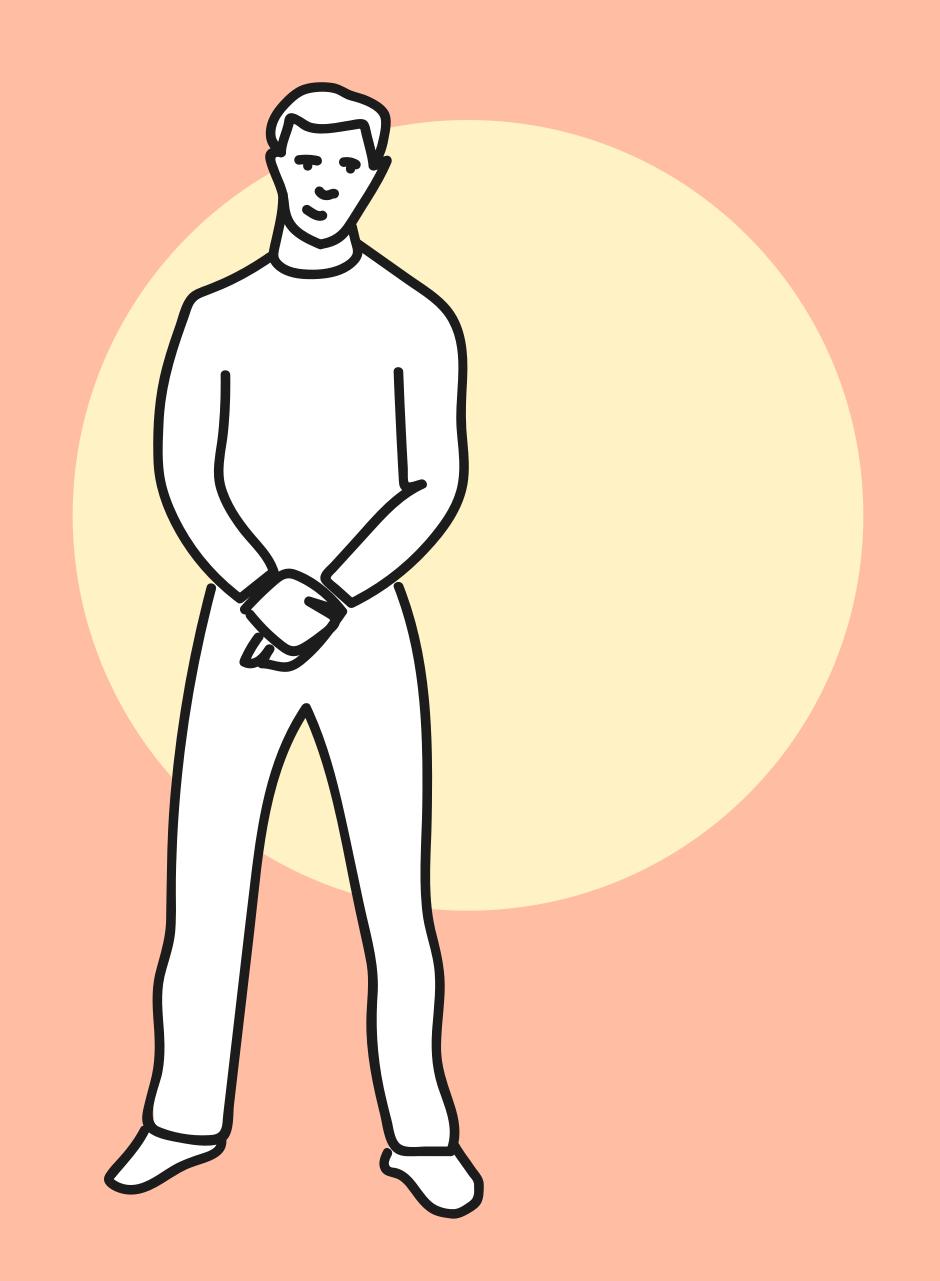
Panu, 34 & Jenna, 35

TRUCKER & PRESCHOOL TEACHER
2 CHILDREN
220 M<sup>2</sup>



"I think the carbon neutrality goal for individuals is close to bullying.

The thing that has an effect on anything is the industry."



# Residents have different financial options

**HOUSEHOLD ENERGY LOAN CREDITS AID** Panu & Jenna working couple

# Residents have different financial options

RENOVATION SUBSIDY

**LOAN** 

HOUSEHOLD CREDITS

**ENERGY AID** 

**Liisa** pensioner





# Residents have different financial options

RENOVATION SUBSIDY

**LOAN** 

HOUSEHOLD CREDITS

**ENERGY AID** 

**Liisa** pensioner



**Make** unemployed





# Continuing to heat with oil is the passive default

"I have oil heating because that is what was installed in the house when I moved in."

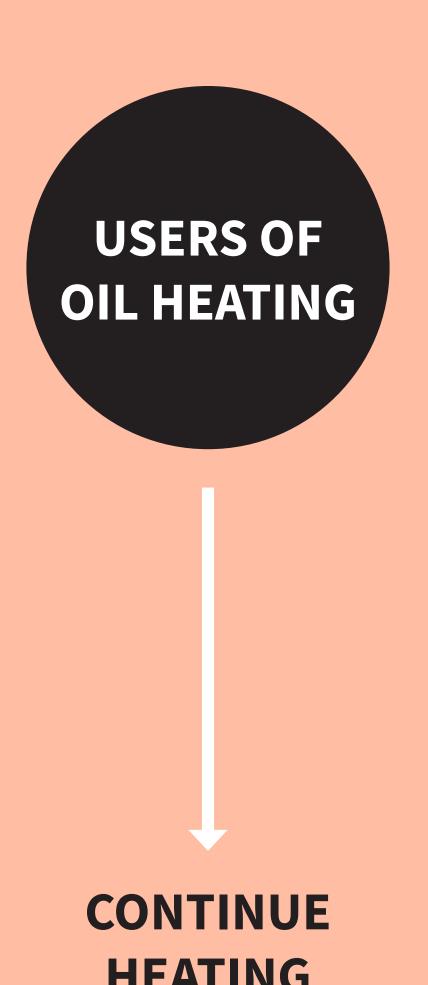


### Continuing to heat with oil is the passive default

"I have oil heating because that is what was installed in the house when I moved in."



# The default



**HEATING WITH OIL** 

# Continuing to heat with oil is the passive default

SOURCE: E. R. FREDERIKS ET AL. (2015)
HOUSEHOLD ENERGY USE: APPLYING BEHAVIOURAL ECONOMICS
TO UNDERSTAND CONSUMER DECISION-MAKING AND BEHAVIOUR.

# The default



- STATUS QUO BIAS
- SUNK COST EFFECT
- TEMPORAL DISCOUNTING
- PERCEIVED TRUST

CONTINUE
HEATING
WITH OIL

# How to disrupt the default in a way that is fair?

# THE SOLUTION

# OIL HEATING LICENSE

## Creating a trigger point

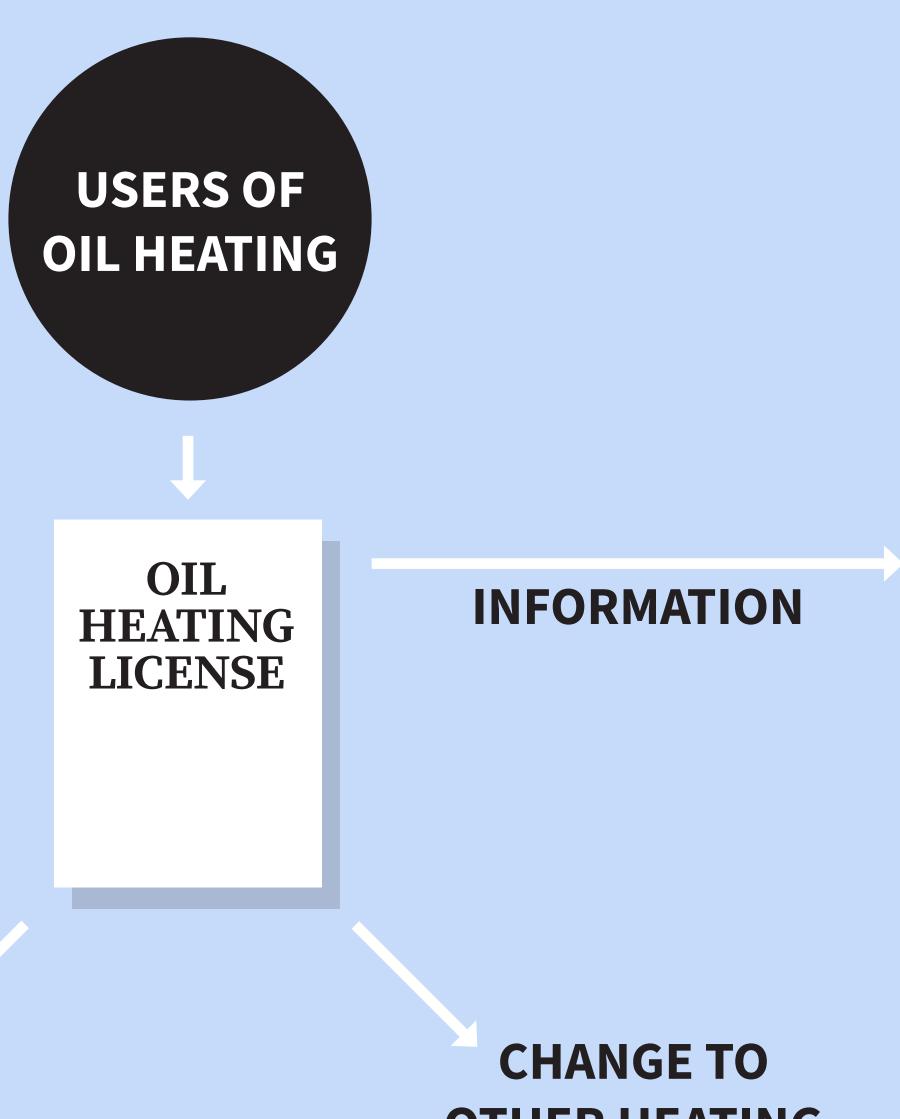


OIL HEATING LICENSE

CONTINUE
HEATING
WITH OIL

CHANGE TO
OTHER HEATING
METHOD

# Gathering information about users of oil heating



**CONTINUE** 

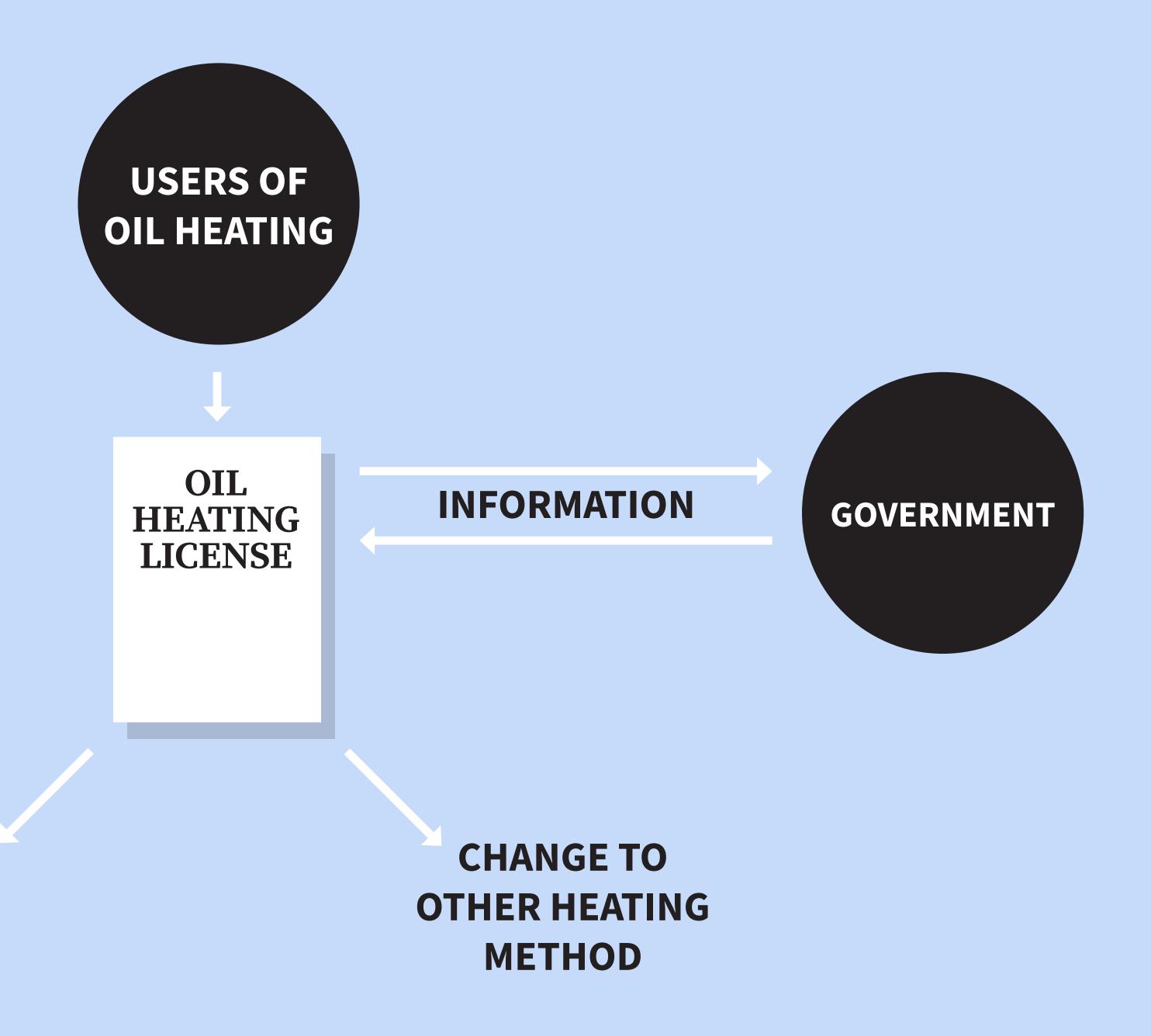
**HEATING** 

**WITH OIL** 

CHANGE TO
OTHER HEATING
METHOD

**GOVERNMENT** 

# Providing information to users of oil heating



CONTINUE HEATING WITH OIL

# Limiting who gets the license

**USERS OF OIL HEATING** OIL **INFORMATION HEATING LICENSE** 

**ONLY THOSE** 

WHO CAN'T

**TRANSITION** 

**CONTINUE** 

**HEATING** 

**WITH OIL** 

**GOVERNMENT** 

**CHANGE TO OTHER HEATING METHOD** 

## **Supporting**

those who need it

When we get the more capable to transition first, it requires less resources to give support to those who need it most.

### Linking current support to emissions

RENOVATION SUBSIDY

**Liisa** pensioner



**Make** unemployed



HOUSEHOLD CREDITS



### Linking current support to emissions

ADDING SUSTAINABILITY REQUIREMENTS

RENOVATION SUBSIDY

**Liisa** pensioner



**Make** unemployed



HOUSEHOLD CREDITS



#### Linking current support to emissions

ADDING SUSTAINABILITY REQUIREMENTS

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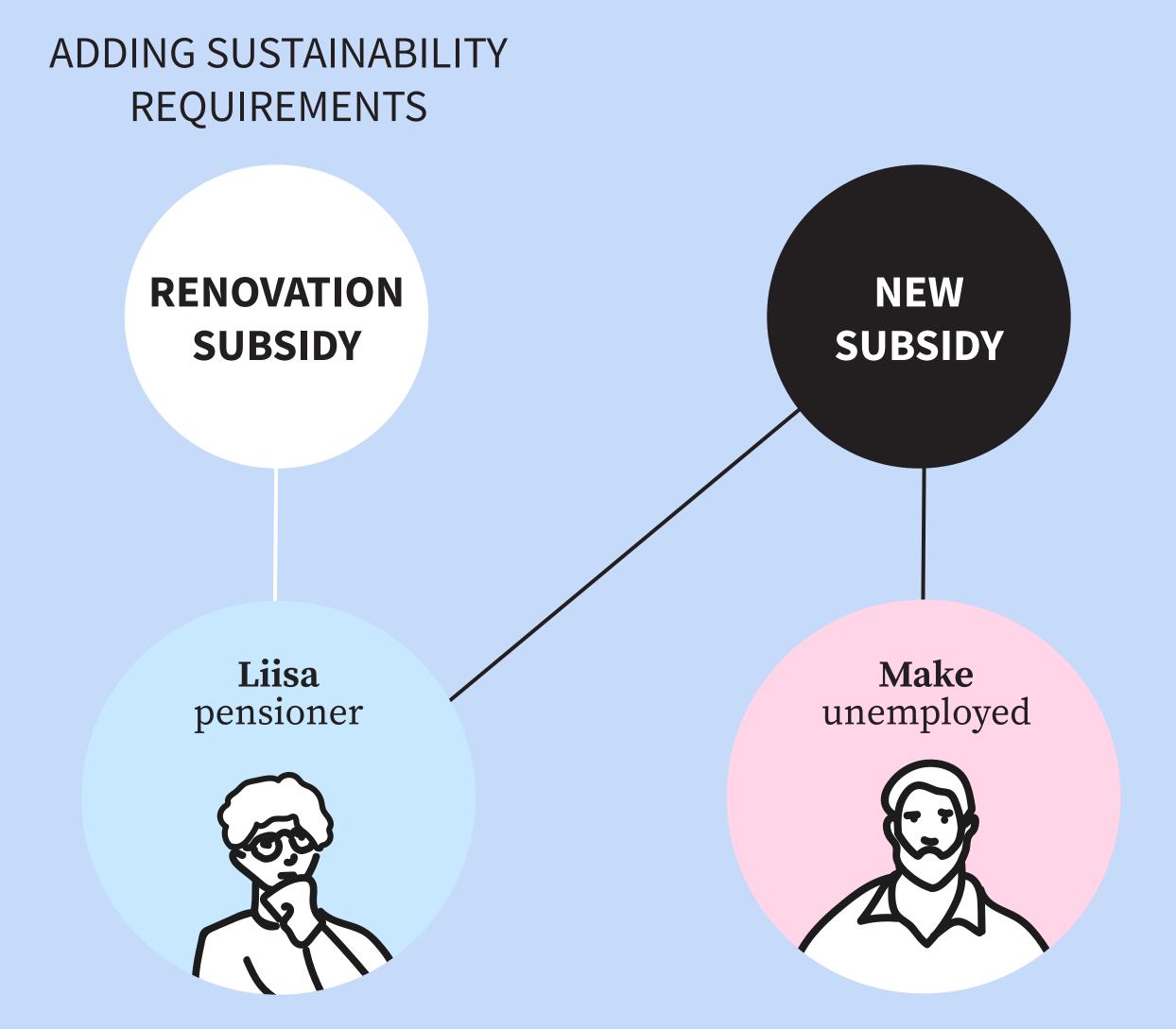


INCREASED WHEN REDUCING EMISSIONS

HOUSEHOLD CREDITS



#### New support for those with lower incomes

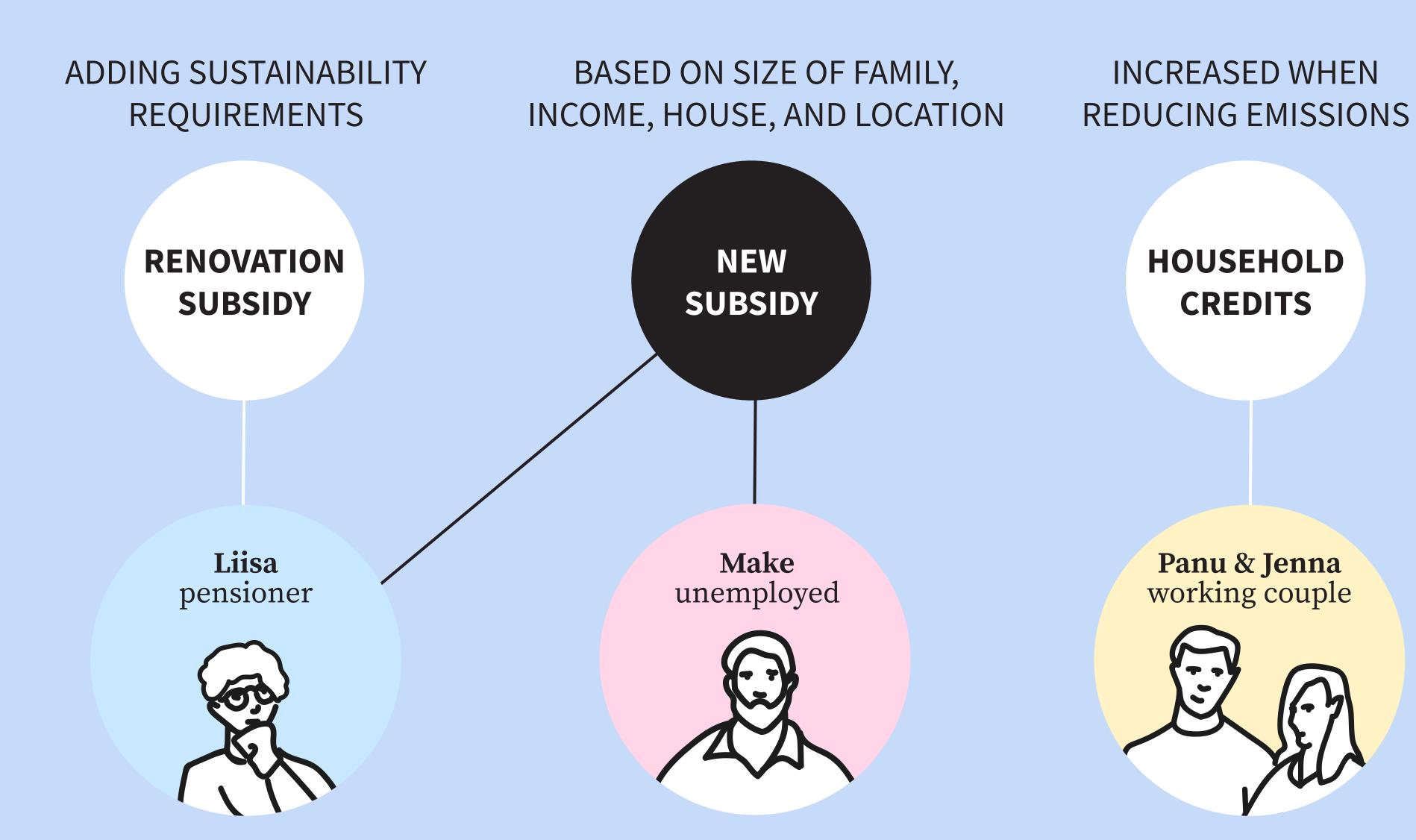


INCREASED WHEN REDUCING EMISSIONS

HOUSEHOLD CREDITS



#### New support for those with lower incomes



# TIMELINE OF THE TRANSITION

communicating the plan





#### **ONBOARDING**

2021

- collecting data of all users
- giving information to users
- everyone gets the license



#### **ONBOARDING**

2021

collecting data of all users

giving information to users

everyone gets the license



ONBOARDING **LIMITING**2021 2023 2030

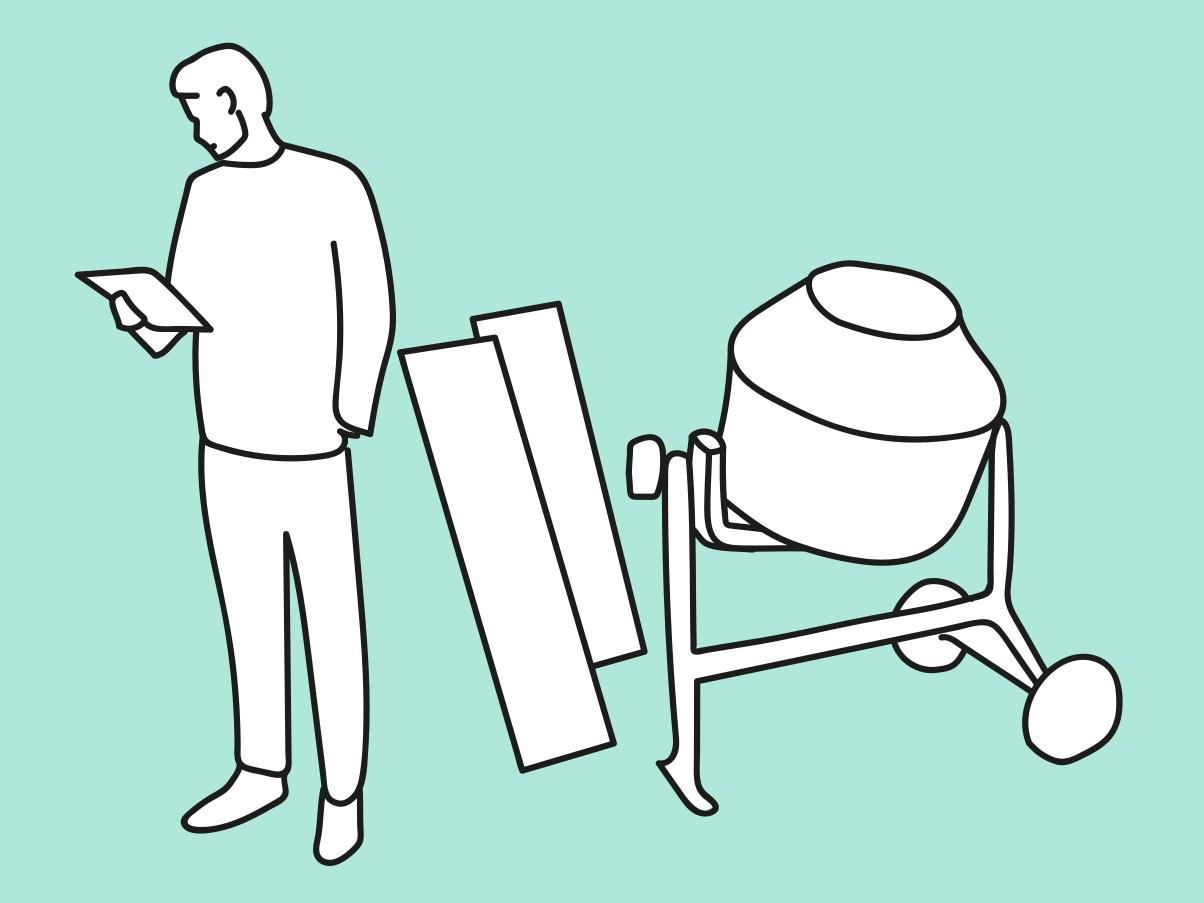
data has been collected

 only those who need it get the license



2021

- data has been collected
- only those who need it get the license



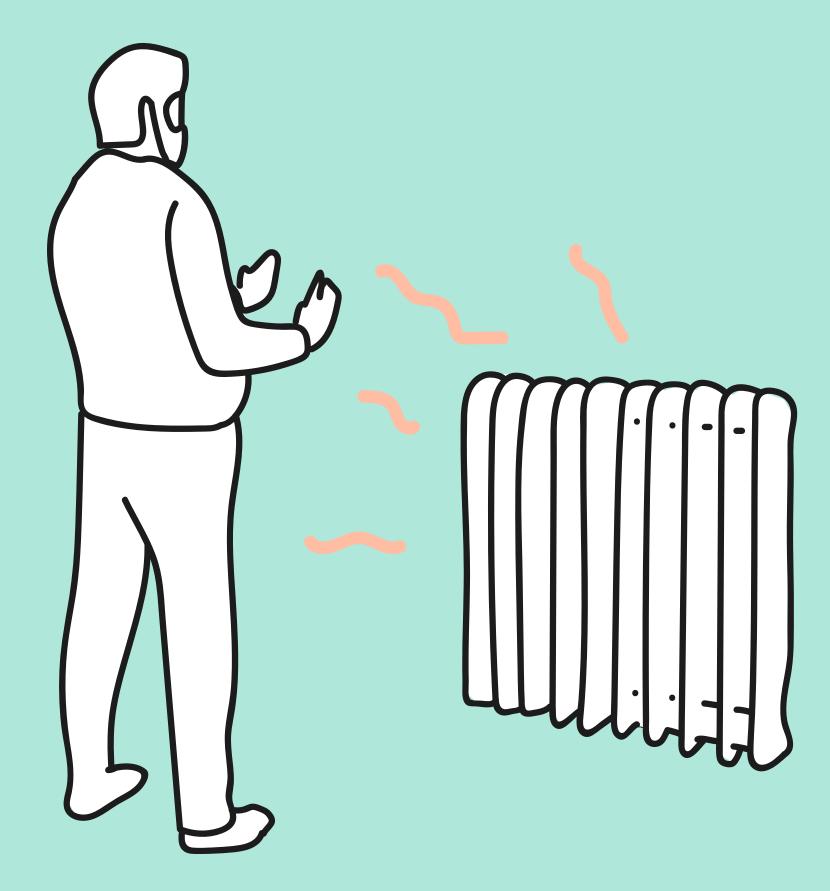
ONBOARDIN

### **LIMITING**

2021

2023

- data has been collected
- only those who need it get the license

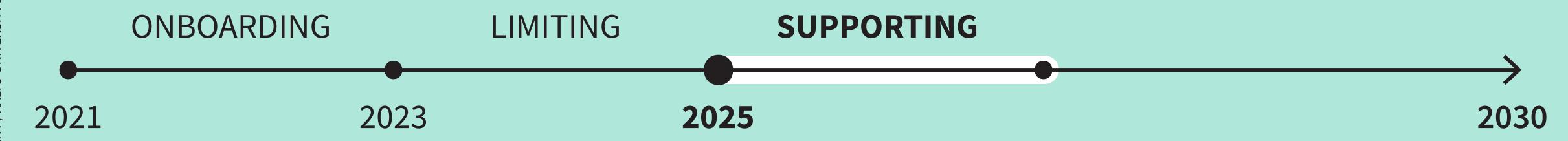


ONBOARDING

LIMITING

- data has been collected
- only those who need it get the license
- planning new support



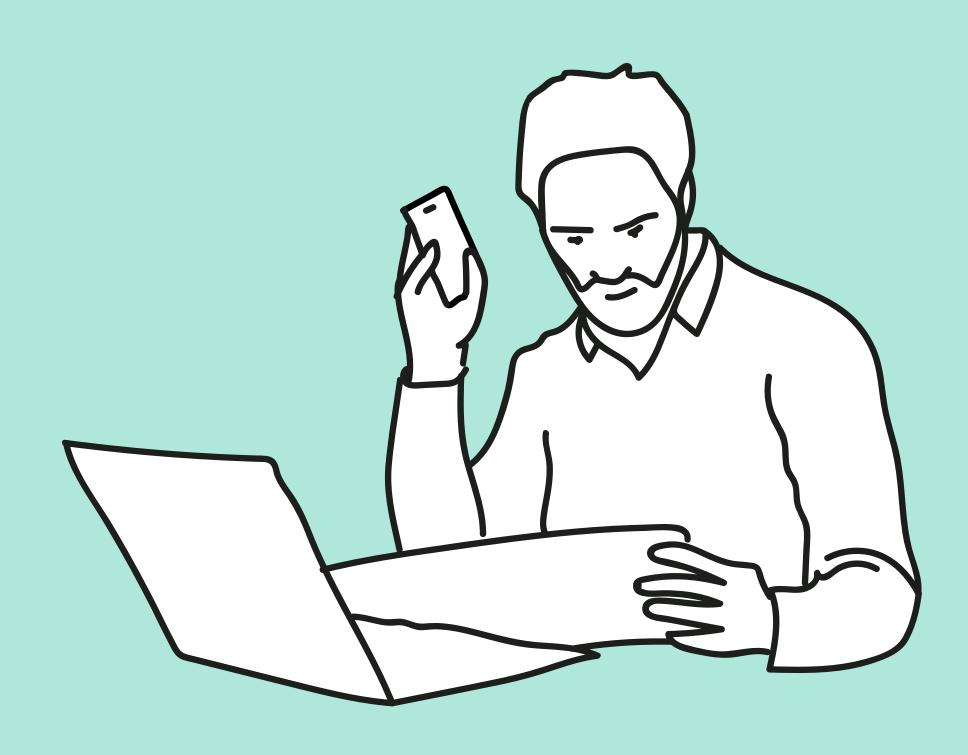


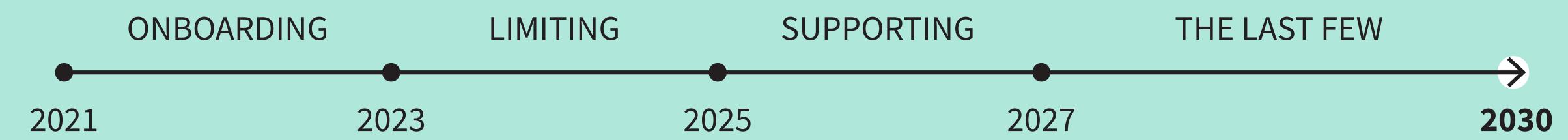
 new financial support to those who haven't been able to transition

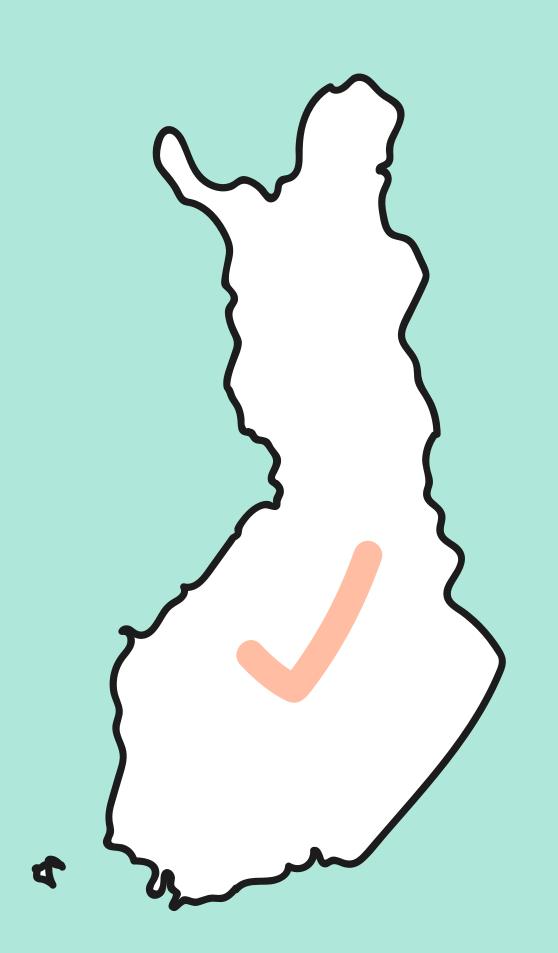




more support for the last few





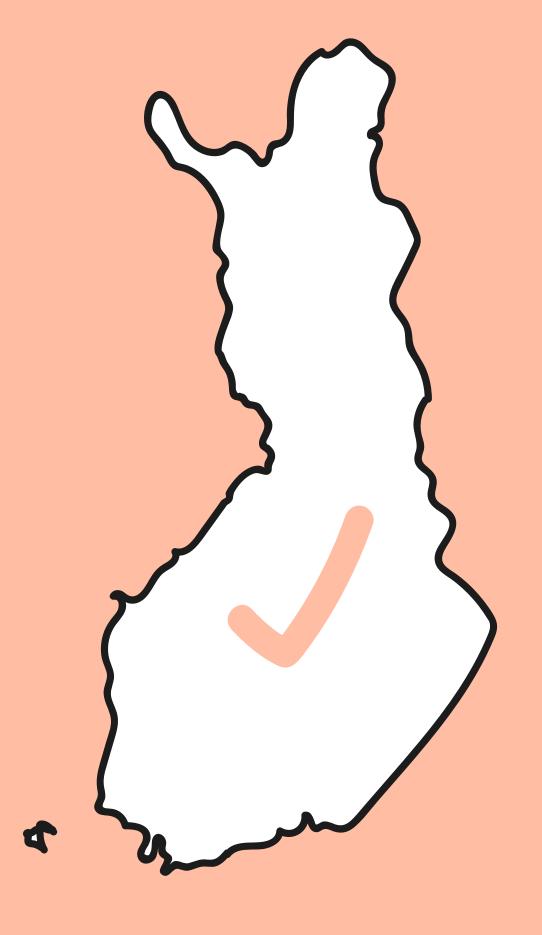


## License to Heat









A fair transition based on capability and need.

#### **SOURCES:**

E. R. FREDERIKS, K. STENNER, E. V. HOBMAN (2015).
HOUSEHOLD ENERGY USE: APPLYING BEHAVIOURAL ECONOMICS TO UNDERSTAND CONSUMER DECISION-MAKING AND BEHAVIOUR.

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M. LETTENMEIER, V. TOIVIO, R. KOIDE, A. AMELLINA (2019). 1.5-DEGREE LIFESTYLES: TARGETS AND OPTIONS FOR REDUCING LIFESTYLE CARBON FOOTPRINTS. TECHNICAL REPORT. INSTITUTE FOR GLOBAL ENVIRONMENTAL STRATEGIES, HAYAMA, JAPAN.

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