

Who Wins and Who Loses from the Energy Transition? Distributional Evidence and Policy Lessons for Switzerland

Policy white paper

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Executive Summary

Energy and climate policy creates direct and indirect costs and benefits for consumers and other parts of society. The distribution of these costs and benefits and how they are perceived are important determinants of public opinion on policy proposals. Only if policymakers know about this distribution, can they inform voters transparently and refine policy design to mitigate adverse distributive patterns.

Several studies conducted by EDGE analyze distributional impacts of policy proposals in Swiss climate and energy policy and survey public opinion and perceptions. One strand of research focuses on the employment effects of current renewable electricity targets. It finds that employment linked to constructing, operating, and dismantling power plants would be larger under these renewable electricity targets, but the impacts would differ across industries and regions. Less prosperous cantons tend to enjoy larger employment impacts, which could slightly reduce inequality across cantons.

A second strand of research analyzes how dynamic electricity tariffs, designed to increase the efficiency of the electricity system, impact different parts of the Swiss population. The findings show that households can profit from dynamic tariffs if they are equipped with time-flexible technologies such as heat pumps and battery-electric vehicles. The distribution of impacts does not warrant serious concern about burdening certain population groups with disproportionate policy costs; rather, it shows that, across all subgroups of the Swiss population, the heterogeneity of impacts is large.

A third research focus of EDGE examines policies that mitigate emissions in the residential sector, quantifying the effectiveness and distributional effects of a range of policy mixes. The studies find that, under a combination of heating bans, PV and retrofit obligations, and price-based incentives, it is less affluent households, older single-person households, homeowners, rural households, and households in less densely populated cantons that risk having to make the least favorable investments. Similar but more stringent policy mixes forcing investments by 2035 would accelerate defossilization, but may have unintended side effects such as liquidity constraints for some dwelling owners, increased pressure on public spending, workforce bottlenecks, reduced revenues for utilities, and increased energy-related costs for certain households.

The “SWEET EDGE survey” from 2025 asked Swiss residents about their preferences regarding two regulations for mitigating emissions in the residential sector: the installation ban on fossil-fuelled heating and the retrofit obligation. The survey finds that public support for these policies decreased considerably when individuals were confronted with the policies’ distributional impacts on both homeowners and tenants. The protection measures proposed in the survey could not increase public support.

In summary, the following general recommendations can be made to policymakers.

1. Facilitate the defossilization of the Swiss economy by making sure that enough skilled workers are available where they are needed.
2. Ensure that all actors have the right incentives and information. Regulations should align the energy-related interests of property owners with those of their tenants.
3. Credit constraints can restrict consumers’ access to efficient and flexible technologies. Low-interest loans, "energy-as-a-service", and "rent-to-buy" business models can help. Framework conditions should be put in place so that such offers are available and become known to consumers.
4. Take differences in impacts into account when designing policies, as different impacts for different stakeholder groups seem unfair and make the policies unattractive to voters.
5. Help vulnerable groups particularly burdened by policies.
6. Inform honestly about the remaining differences in impacts and explain why they are justified by the benefits of the policies. Different stakeholders pointing at different outcomes can create the impression that policies are not well thought out.

1 Introduction

Switzerland has a legal obligation under the Paris Agreement to reduce its greenhouse gas (GHG) emissions, and surveys show that the Swiss population takes climate change seriously (see, e.g., results from EDGE's second survey, Fig. 1).

At the same time, poverty is another important issue on people's minds, and the political discourse in 2021 around the revision of the CO_2-act revealed that the distribution of its impacts across different parts of the population was a critical criterion for voters' views about the policy proposal.

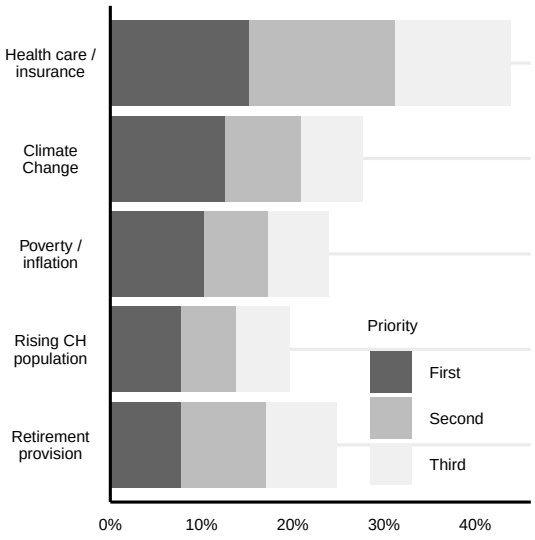


Figure 1: Top 5 answers from EDGE Survey 2 (May to August 2025, 1857 respondents) to the question "*Which of these topics do you think are the three most important issues facing Switzerland?* "

It is, therefore, important for policy making to know beforehand what distributional effects introducing different proposed policies will have. If distributional effects are known, the discussions around equity remain level-headed. If policy impacts are perceived as distributed unfairly, alternative designs or complementary policies to improve fairness should be considered to ensure public support. Policy packages that result in fair outcomes are better aligned with society's moral obligation to support its least well-off constituents and are more likely to succeed politically with voters [1].

We invite the reader to look at the distributional impacts described herein through two lenses. The first, frequently discussed way of assessing distributional effects compares the distribution of consumer welfare across income levels before and after a policy intervention. A policy that causes consumer welfare of the financially vulnerable to decrease by less than another policy instrument makes the former preferable under this assessment.

The second perspective does not require protection of the financially vulnerable but strives for equality in impacts (equal sacrifice principle): All households should experience similar (relative to their means) gains or losses from a policy intervention. While assessing policy instruments under this lens has some undesirable properties (both the introduction and a later retraction of a policy intervention can rank badly under this assessment), policy impacts on individuals are more salient than final outcomes for consumer welfare.

The SWEET consortium EDGE has carried out a set of studies that analyze how perceptions and policy impacts are distributed across different parts of Swiss society and the economy for a selection of policy instruments that promote the energy transition in Switzerland. This white paper provides an overview of their main findings and highlights the consequences for policy-making that they entail. It groups EDGE's studies into four themes:

Employ "*Distribution of employment impacts of the transformation in the electricity sector*" (Section 2) – Input–output modeling is combined with techno-economic data to evaluate the employment impacts of transforming the electricity system according to scenario results from the electricity sector model EXPANSE. The study compares employment effects across industries and regions (cantons).

Ele "*Distributional effects of promoting electricity demand flexibility through dynamic tariffs*" (Section 3) – This study uses a model of rational agents that optimize their buildings' energy systems and energy use patterns to analyze how households in the buildings can profit or lose if they have to pay dynamic electricity tariffs rather than constant ones.

Res "*Distributional effects of the defossilization in the residential sector*" (Section 4) – This theme summarizes two microsimulation-based studies that consider different regulations and ambition levels to defossilize the residential sector. Direct cost impacts on industry, utilities, the state, dwelling owners, and different household groups are analyzed.

PO&P "*Public opinion and perceptions of distributional effects in the residential sector*" (Section 5) – A survey-based experiment uses results from the theme **Res** and analyzes how policy acceptance of homeowners and tenants change when respondents are confronted with information about distributional impacts.

Figure 2 gives an overview of the themes and the dimensions across which they report distributional impacts. The work carried out by EDGE cannot cover the distributional impacts of all policy options needed for a successful implementation of Switzerland's energy transition, nor can it cover all dimensions across which policy impacts can be distributed. But EDGE makes a substantial addition to existing work on this matter, and this white paper summarizes it.

While the scientific method allows us to *describe* the expected distributional impacts and public perception, we make an effort to deduce what these findings may imply for policy-making. We do this in the *Implications* sections of the different themes and summarize in the concluding Section 6.

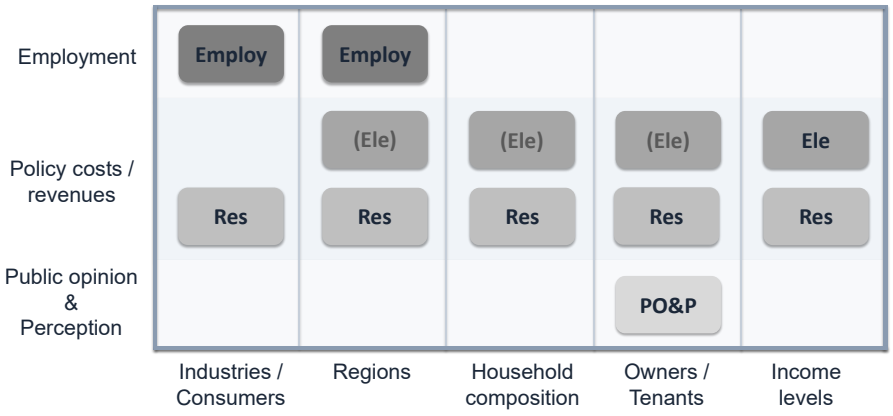


Figure 2: Dimensions covered by different EDGE studies. Parenthesized entries denote dimensions that are discussed in the respective publications but do not feature in this white paper.

2 Distribution of employment impacts of the transformation in the electricity sector

Introduction

The transition towards an electricity system with a high share of renewables in Switzerland will have broad socio-economic implications, of which the impacts on employment are one important aspect. An update [2] to EDGE's report on employment impacts [3] aims at analyzing the distribution of impacts on employment across industries and regions in Switzerland under different scenarios for the transformation of the Swiss electricity system. Based on results of the electricity system model EXPANSE [4], techno-economic data are combined with input-output modeling to estimate employment by industries and by regions.

We consider four scenarios of the EXPANSE model: two domestic scenarios combined with two scenarios of the development of the European electricity system. Regarding the domestic electricity system, one scenario assumes achievement of the current renewable electricity targets in 2035 (35 TWh of domestic generation from renewables) and 2050 (45 TWh), a certain flexibility of electricity demand, and no new nuclear power plants in 2050 (short: RET scenario). The counterfactual scenario assumes no renewable electricity targets, no demand flexibility, and new nuclear power plants in 2050 (short: no-RET scenario).

Findings

The employment impacts refer to the average annual employment between 2021 and 2050, needed for constructing, operating and dismantling power plants and in the respective supply chains. They are calculated as difference between the RET scenario and the no-RET scenario. Potential employment impacts of different electricity system costs or prices are not taken into account, since we assume that these won't have a substantial distributional effect. Employment impacts by region or by industry are related to the current total employment in the respective region or industry to normalize the results. We average the results for the two European scenarios for the sake of brevity.

Our results show that employment impacts are higher in the RET scenario than in the no-RET scenario. An important driver for this result is that more electricity is generated domestically in the RET scenario due to the target of 45 TWh in 2050. As a consequence, less electricity is imported.

The employment impacts are unequally distributed across industries. Not surprisingly, they are the largest in the power plants industry. The construction industry, the rest of the industry sector, and "planning and engineering" experience above average employment impacts.

Turning to regional employment impacts, we first report results for cantons and then for three broad regions: cities, Alps (municipalities in the Alps excluding cities), and midlands (all other municipalities). The RET scenario leads to more employment than the no-RET scenario in all cantons, but unequally so, as shown in Figure 3. The regional distribution of employment impacts depends strongly on how the utilization of electricity generation technologies changes between the scenarios, where additional power plants are located, and how the regions participate in the supply chains of constructing, operating, and dismantling power plants.

We also analyze whether the employment impacts contribute to decreasing the economic inequalities between cantons. We consider several indicators for the economic strength of cantons with specific strengths and limitations: GDP per capita, GDP per employed person in full-time equivalents (FTE), the resource potential per capita (used in Switzerland as a basis for inter-cantonal fiscal equalization), and the unemployment rate. The employment impacts across cantons are weakly negatively correlated with GDP per capita (correlation coefficient –0.23), GDP per employed person (–0.23) and the resource potential per capita (–0.30). Thus, economically weaker cantons tend to enjoy larger employment impacts. The correlation with the unemployment rate is near zero (0.09).

Turning to broad regions, our results show that employment impacts are largest in the midlands with approximately 0.4% of total employment, followed by the Alps (0.2%) and cities (0.13%).

Our findings depend on specific scenario assumptions and modeling results that should be taken into account before generalizing the results.

Implications

Our results show that employment impacts are larger in all industries and regions with the investments and operating work needed for a scenario with ambitious renewable electricity targets and without a new nuclear power plant in

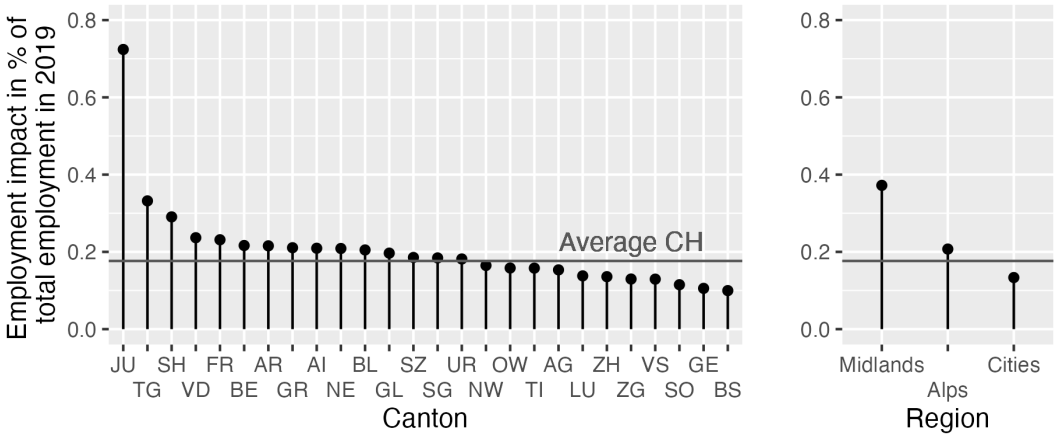


Figure 3: Average annual employment impacts across sectors from 2021 to 2050 (RET scenario minus no-RET scenario) by canton and by region

2050, compared to a scenario without RET and with new nuclear power plants in 2050. Employment impacts differ strongly between industries and between cantons and regions. They weakly contribute to decreasing economic inequalities between cantons.

These results help in identifying how sectors and regions may be affected by the transformation of the electricity sector. The employment potential generated by the transformation of the electricity system can only be exploited if the necessary labor force and skills are available. The results may also help in anticipating support and opposition. If policymakers wish to reduce inequalities between cantons or regions in the context of the energy transition, subsidies for renewable energy deployment could be targeted to underprivileged regions.

3 Distributional effects of promoting electricity demand flexibility through dynamic tariffs

Introduction

Dynamic tariffs are an effective way to ensure efficient deployment of heating and electricity-generating technologies. They can give incentives to households to behave in a system-friendly manner and help to keep in check the expansion of the electricity generation and grid system required by the energy transition. But dynamic tariffs are unpopular with consumers, because their household-specific impacts are hard to predict.

Research by EDGE set out to find patterns in household-specific outcomes under the introduction of dynamic tariffs [5]. The study analyzes how dynamic tariffs affect households of different population groups. It uses a rational agent model to determine, on the level of single buildings, what the optimal deployment and use of energy infrastructure is, when a predetermined level of energy services (heating, operation of battery electric vehicles [BEVs], lighting, etc.) needs to be provided to inhabitants of the building. Electricity load patterns depend on the type of building (single-family or multifamily home) and on ownership of heat pumps or BEVs. Detailed data on building properties and geography give us information about the possibilities of residents to exploit PV combined with batteries, EVs, and heat pumps to optimize their own consumption. When tariff design changes, they react by adjusting their investments in solar PV and batteries, and they shift electricity demand from times of high tariffs to times when electricity is cheap.

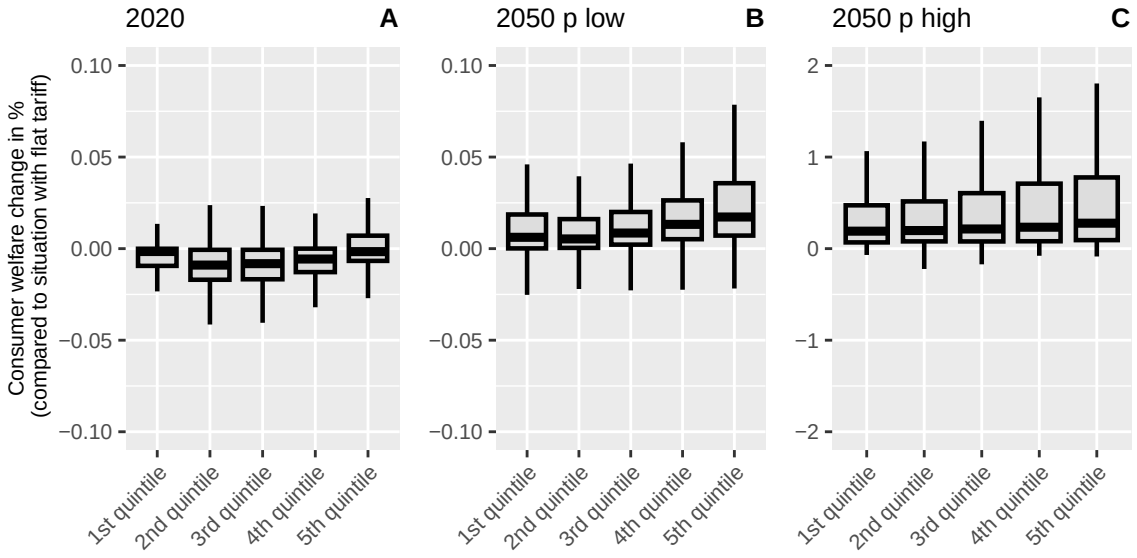


Figure 4: Direct impacts on household consumer welfare and their distribution across income levels for three scenarios. For 2020 (panel A), price levels, heat pump installations, and BEV ownership are according to historic data. For 2050, all cars are BEVs, heat pumps are installed where they are the most viable renewable energy option, and electricity price levels are low (panel B) or high (panel C) according to two different assumptions about transmission capacities to the neighbouring countries.

Findings

Figure 4 shows how direct impacts on consumer welfare are distributed across households of different income groups. (Consumer welfare refers to the individual benefits derived from the consumption of goods and services; it depends on both consumer prices and household income.) In the short run, i.e., before vehicles and heating systems reach their end of life and are replaced (see panel A), dynamic tariffs tend to yield losses, except for a small share of the population that is concentrated in the wealthiest income group (they already have the possibility to react to price signals by investing in solar PV and batteries – and some of them already own BEVs). In the long run (panels B and C), all income levels are able to react to dynamic tariffs and profit from the switch since heat pumps and BEVs will be widespread. We find (see [5] for details) that installing PV and batteries is mostly done by higher-income groups since they are living in buildings that are well suited to these technologies. But these installations reduce the attractiveness of dynamic tariffs: They can be operated more profitably under a flat tariff. Reductions in energy costs come from deploying existing energy infrastructure (heat pumps and BEVs) in a flexible manner. Low-income households, home owners, and retirees are at a slight disadvantage compared to other groups in the short term. But this disadvantage will reduce or vanish in the long term provided that heat pumps and BEVs become pervasive and it will even turn into an advantage for home owners. We find the heterogeneity in policy impacts to be considerable across households within all subgroups of the Swiss population.

A factor that the study was not able to consider is that additional regressivity may be introduced when grid tariffs have to be increased. This may well happen when the grid has to be financed through grid charge revenues from fewer consumed kWh (since dynamic tariffs incentivize own production with solar PV and batteries).

Implications

While no strong and persistent trends differentiate the household-level impacts across population groups, the heterogeneity of impacts within population groups is large. Industry experience

and studies conducted outside EDGE (and outside of Switzerland) show that the uncertainty entailed by this heterogeneity is unnerving for consumers and makes dynamic tariffs unattractive. Offering opt-out options to dynamic tariffs (as is currently mandated by federal legislation) makes dynamic tariffs politically more palatable. Other options include designing consumer group-specific deals for transitioning to dynamic tariffs, but in order to reach equitable outcomes, the design of such group-specific deals (e.g., the specification of these groups) may require regulation.

To ensure that households can fully exploit intra-day price differences in the electricity system, a fast roll-out of heat pumps, BEVs, and smart devices for controlling them is helpful. While utility companies can, and do, make dynamic tariffs available to their customers, there may be a role for strengthening and speeding up the introduction of regulation that ensures that households and building owners have technologies available to them to adapt to flexible prices (see, e.g., module 14 of the MuKEn 2025). In order to react optimally to dynamic electricity tariffs, renters of their dwelling have to have BEV charging infrastructure available and should be in control of their flexibility, and they would need owners to install efficient and flexible heating systems. Low-income households have to be able to afford heat pumps and BEVs. If up-front costs are prohibitive, "energy-as-a-service" or "rent-to-buy" business models can be a way to offer credit-constrained households affordable energy. These offers have to be available, and households need to be informed about their options.

4 Distributional effects of the defossilization in the residential sector

Introduction

Direct fuel combustion of the Swiss residential sector still accounted for 20% of total energy-related CO_2-eq emissions in 2023 [6], which underscores the need for more stringent defossilization policy mixes. The challenge, however, is not only to identify which instruments can bring the sector closer to its climate targets and at what costs, but also to understand whether households and other actors risk experiencing adverse burdens (and even associated vulnerabilities, e.g. [7]), and how these can be mitigated. This is particularly important in the current policy context, marked by debates on the restructuring of building subsidy programmes [8, 9], differences in cantonal approaches [10], and the new so-called MuKEn 2025 model regulations in the energy sector [11]. Results presented here synthesize findings from two studies based on microsimulation using survey data [12, 13].

Findings

Policy mixes combining MuKEn regulation (bans on installing fossil and electric heating boilers, obligations to install PV panels when renovating roofs, and obligations to retrofit the worst insulated dwellings) with varying price-based incentives could promote 35% to 68% additional emissions savings beyond those that could be achieved through attractive energy investments on purely economic grounds without any incentive [12]. At the same time, these policy mixes would not affect all households equally. On average, less affluent households, older single-person households, homeowners, rural households, and households in less densely populated cantons risk bearing the greatest direct cost burden [12]. Relative to disposable income (but without considering savings), these groups would have to make higher upfront investments and would be less able to achieve low heating and electricity costs. Including an obligation for deep retrofits risks placing a particularly high burden on older men living alone, as they more often live in larger and worse-insulated houses, have relatively low disposable income, and high energy consumption.

Policy mixes that go beyond the MuKEn recommendations with stricter regula-

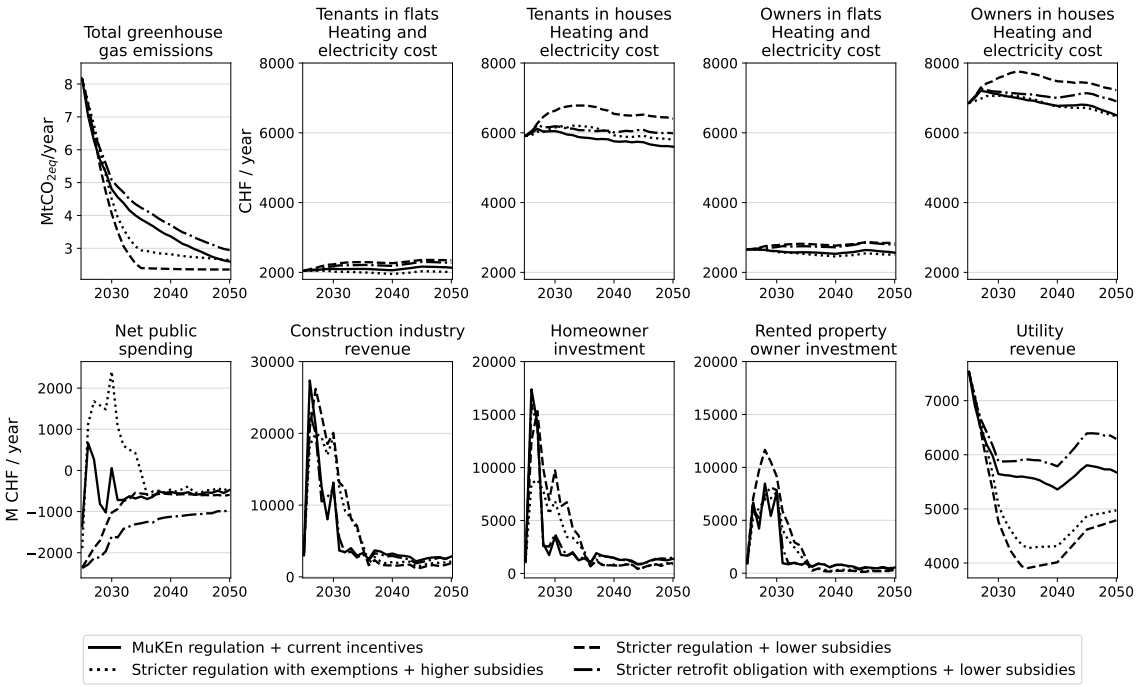


Figure 5: Defossilization pathways and key distributional outcomes of four policy mixes to defossilize the Swiss residential sector. Policy mixes vary in the stringency of heating bans, PV and retrofit obligations, subsidy levels, and protection measures for households at risk. Household costs include annualized investments.

tions can avoid even more greenhouse gas emissions (Figure 5), as illustrated by the difference in Figure 5 between the more ambitious policy mixes (the dotted and dashed lines) and the baseline mix with MuKEn regulations (the solid line). Yet, they still risk missing sectoral targets [13]. This applies to mixes that additionally include a ban on the use of fossil fuel heating by 2035, an obligation to install PV on all roofs by 2035, and an obligation to retrofit a wider range of buildings by 2035, which reflect forefront policies discussed in some cantons [14, 15]. Depending on subsidies and protection measures in the mix, these stricter regulations also risk generating unintended side effects. In the short term, they may create liquidity constraints for some dwelling owners because of high required investments, especially for retrofits. They may also increase pressure on public spending if subsidy levels are expanded (Figure 5). Even though they could benefit the construction industry by providing a peak of revenue in the next decade, they could lead to workforce bottlenecks. In the longer term, stricter regulations that sharply reduce fossil fuel and electricity demand may reduce revenues for utilities while increasing the absolute energy-related costs for certain households, particularly those living in houses.

Implications

To minimize adverse effects, enforcement waves for regulation, incentive schemes, and protection measures should be carefully co-designed. Four implications follow:

1. Target financial support carefully. Especially with stricter regulations, subsidies and other support instruments should be well targeted to reduce the burden on vulnerable dwelling owners while avoiding unnecessary cross-subsidization and public spending.

2. Use exemptions sparingly. They may be justified in cases of hardship, but should remain limited to avoid undermining policy effectiveness. Other measures, such as low-interest loans, limits on the pass-through of investment costs from rented property owners to tenants, and complementary social policies, could also be considered.

3. Anticipate adjustment needs for utilities. As building energy demand and fossil fuel use decline, utilities may face declining revenues and shifting service demands. Policymakers should anticipate these pressures and support the adaptation of utilities' business models.

4. Coordinate regulatory ambition with delivery capacity. Regulations should be phased in at a pace that matches the availability of skilled labour, and availability should be expanded to meet the demands of the transition.

5 Public opinion and perceptions of distributional effects in the residential sector

Introduction

In the current times of poly-crises, including the climate, housing, and cost-of-living crises, defossilization of the residential building sector is urgent but is likely to generate new social risks and conflicts over the distribution of costs. To understand how the public views the distributional consequences of policies to reduce GHG emissions in the residential building sector, we move beyond previous research, which usually focused on market-based policy measures (such as carbon taxation), and study regulatory climate policies (see [16]). Thus, we performed an experiment in the second SWEET EDGE survey, a probability-based sample of Swiss residents fielded between May 10 and August 4, 2025. All respondents were informed (in random order) about two policy measures and their (equal) effectiveness in terms of GHG emissions reductions inspired by the *MuKEn*: a ban on installing fossil fuel boilers and an obligation to retrofit building envelopes of the worst insulated buildings [17]. One experimental group also received information on the distributional impacts (*Distrib. Info.*) for both tenants and homeowners, i.e., how many would pay more or less as a result of the policy. In a second experimental group, the policy was enhanced with an element of social protection for vulnerable households (either policy exemptions for dwellings occupied by people at risk of poverty, which reduce effectiveness by 5 percentage points or targeted subsidies for dwellings occupied by people at risk of poverty, which keep policy effectiveness constant). For this combined policy (*with Protect.*), the respective distributional impacts were displayed to respondents in the same style as in the other experimental group.

Findings

Our analysis, presented in Figure 6, highlights that the moment the distributional costs of residential defossilization policies become visible, they strongly shape public opinion. Protection measures that target only financially vulnerable households thereby fail to recover the drop in policy support by making distributional impacts visible.

Homeowners and tenants may be affected quite differently by these policies. While the former would be urged to invest in new heating systems or retrofitting, tenants may fear higher rents. The results, however, show that the reactions to the experimental treatments are very similar across groups.

Implications

Our study reveals that visible distributional costs heavily affect public opinion about regulative policy measures to accelerate the energy transition. This aligns with findings from other research on market-based policy instruments, such as carbon taxes. Moreover, the protection measures we tested – targeted exceptions and additional subsidies for financially vulnerable households – failed to increase public support, likely because they did not create a clear perception of improved distributional impacts.

Our findings, therefore, imply that public support for large-scale implementation of coercive policies, such as retrofit obligations or fossil fuel heating bans, is likely

to decrease when distributional impacts enter public discussion.

A second implication is that, to increase public support, one might need stronger protection policies and/or better communicate how protection measures improve distributional outcomes. We expect compensation measures to be effective if they create a sense that vulnerable groups are better protected, that impacts of the distribution are more equally distributed, that outcomes are generally fairer, or that individuals feel protected or better off themselves, given that self-interest also plays a role.

Moreover, these measures likely need to compensate "vulnerable groups" more broadly. While renting is most common in Switzerland, meaning that protection measures will be particularly relevant to win political majorities, compensation likely also needs to include homeowners who bear the direct costs of regulatory policies in the building sector. A concrete policy option to protect financially vulnerable tenants would be to limit and control the pass-through of the costs of regulation-induced retrofitting (i.e., by controlling rent increases and empowering tenants to fight them). For financially vulnerable homeowners, in addition to exemptions and higher targeted subsidies, pay-as-you-save financing mechanisms and zero- or low-interest loans could be considered. In future research, such policy configurations could be included in new large-scale population surveys to elicit public support for them.

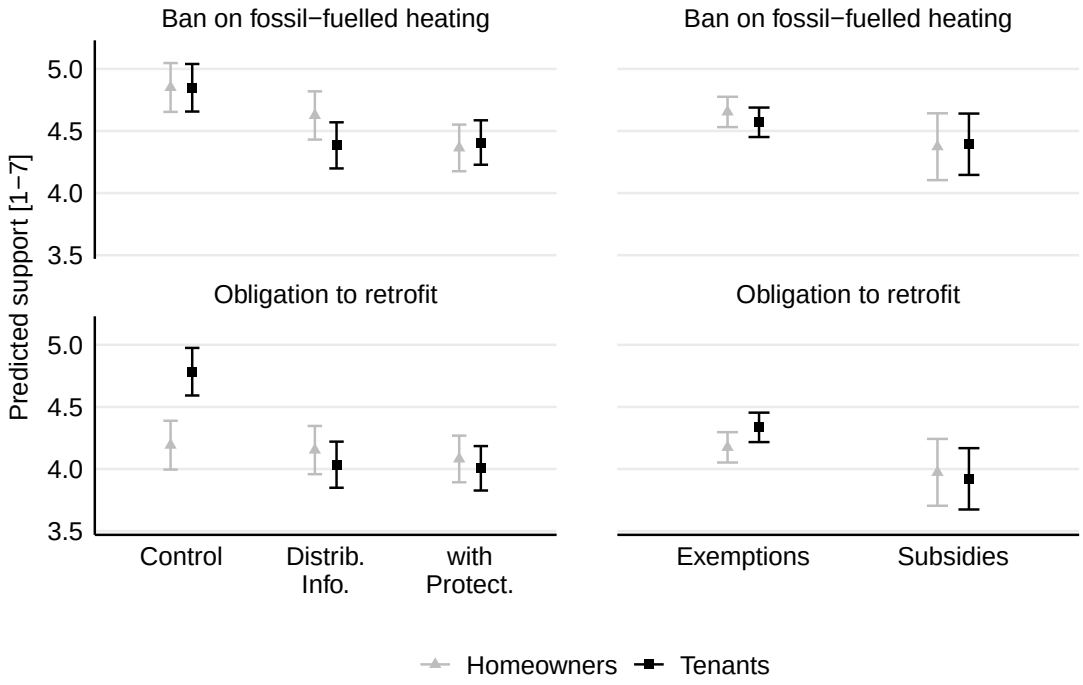


Figure 6: Predictions for policy support [measured on a 7-point Likert-scale, from "completely oppose" (1) to "neither support nor oppose" (4) to "completely support" (7)] based on a linear random intercept model using n=1831 respondents (950 tenants and 881 homeowners), split by policy. The left panel averages over the two redistributive elements, while the right panel displays the type of redistributive element.

6 Conclusion

EDGE's research finds that employment linked to constructing, operating, and dismantling power plants will increase under renewable electricity targets. Employment is higher in all cantons and regions, and the level of employment impacts tends to decrease economic inequalities between cantons by increasing employment, particularly in cantons with lower economic strength.

A second strand of research analyses how dynamic electricity tariffs impact different parts of the Swiss population. The findings indicate that the distribution of impacts does not give cause for grave concern about burdening certain population groups with disproportionate policy costs; rather, it shows that, within all subgroups of the Swiss population, the heterogeneity of impacts is large. The fact that some households may be less well off under dynamic tariffs may be unpopular with consumers/voters, and opt-out options can help avoid both the negative impacts of the introduction of dynamic tariffs and disapproval by consumers.

Third, EDGE's research examines the effectiveness and distributional implications of a range of policy mixes aimed at defossilizing the Swiss residential sector. The studies find that, on average, less affluent households, older single-person households, homeowners, rural households, and households in less densely populated cantons risk bearing a greater direct cost burden under policy mixes combining proposed MuKEn regulation with price-based incentives. Similar but more stringent policy mixes forcing investments by 2035 would accelerate defossilization, but they may have unintended side effects such as liquidity constraints for some dwelling owners, increased pressure on public spending, workforce bottlenecks, reduced revenues for utilities, and increasing energy-related costs for certain households.

Survey results indicate that visible distributional effects of ambitious defossilization policies have the potential to significantly reduce their public support. Moreover, targeted exemptions and additional subsidies for financially vulnerable households were unable to increase public opinion, likely because they did not create a clear perception of improved distributional impacts. We make the following recommendations to policymakers.

1. Make sure that the Swiss economy is well prepared for the changes entailed by its defossilization. Measures that facilitate workers obtaining new skills and moving into new sectors help to build the decentralized, renewable energy infrastructure and avoid energy consumers remaining stuck with expensive options.

2. Ensure that all actors have the right incentives and information. Regulations should be designed such that they align the energy-related interests of property owners with those of their tenants.

3. Credit constraints can restrict consumers' access to efficient and flexible technologies. Low-interest loans, "energy-as-a-service", and "rent-to-buy" business models can help. Framework conditions should be put in place so that such offers are available and become known to consumers.

4. Households (in relation to their means) being impacted differently by the same policy appears unattractive to the population and thus to voters. This should be taken into account when choosing policy instruments and complementary instruments should be designed accordingly.

5. To the extent that coercive policies risk being too burdensome to some, well-targeted and communicated complementary policy instruments are recommended to compensate vulnerable groups. These groups should be defined broadly enough and should not focus solely on homeowners or tenants.

6. Inform honestly about the remaining differences in impacts and explain why they are justified by the benefits of the policies. Different stakeholders pointing at different outcomes can create the impression that policies are not well thought out.

7 References

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