

## **The Alliance to Save Energy Releases its Regional Synthesis Paper on Residential Energy Efficiency Solutions to Meet the Burden of Rising Energy Bills in Europe and Eurasia**

### *For Immediate Release*

A new study by the Alliance to Save Energy on “Addressing Affordability of Utility Services in Urban Households: Energy Efficiency Solutions” is now available online at [www.ase.org](http://www.ase.org) and [www.munee.org](http://www.munee.org).

The economic transition in the post-Soviet economies necessitates a gradual (or sometimes abrupt) ending of the heavily subsidized utility prices from the Soviet era. However, many policymakers have been reluctant to raise heating and water tariffs to cost-recovery levels due to concerns that consumers will not be able to pay increased prices. The continuation of untargeted resource subsidies perpetuates unsustainable consumption patterns and hinders any real potential for providing more effective aid to households truly in need.

With support from the U.S. Agency for International Development (USAID), the Alliance to Save Energy conducted an extensive study that examines the potential for energy efficiency, particularly on the consumer demand side, to improve the affordability of utility services and improve the quality of life in households and communities. A team of energy-efficiency experts based in Central & Eastern Europe and the Commonwealth of Independent States contributed to the research and analysis, which examines the structural, institutional, political, and socioeconomic barriers to improving energy efficiency. Lack of awareness, inexperience with energy efficiency, and incomplete documentation of efficiency project results leave many bill-payers and policymakers without motivation, means and know-how to benefit from energy efficiency. Consumers are only motivated to improve the efficiency of their consumption if the price they pay for that resource is clearly related to the amount they consume.

The findings and recommendations of this study are based largely on the results of actual residential energy-efficiency projects that the authors documented in 26 case studies. In most of the projects examined for this study, energy-efficiency improvements helped households manage price hikes without severe effects on household welfare. Households repaid their loans for improvement projects using their energy-cost savings, payment discipline improved, and comfort levels increased. The authors conclude that introducing energy-efficiency programs, particularly with special provisions for low income households, can help improve or maintain utility affordability and thereby facilitate otherwise difficult decisions to increase energy tariffs to cost-recovery levels.

The study and its supporting case studies are available at [www.ase.org](http://www.ase.org) and [www.munee.org](http://www.munee.org).