



 **BEYOND**
FOSSIL FUELS

Renewable Energy as a Path to Resilience

SME Perspectives on the Energy Crisis

July 2023

Renewable Energy as a Path to Resilience

SME Perspectives on the Energy Crisis

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Layout

Designers For Climate

About Beyond Fossil Fuels

Beyond Fossil Fuels, an expansion of the Europe Beyond Coal campaign, is a coalition of civil society organisations striving for a just transition to a fossil-free, fully renewables-based European power sector by 2035.



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Contents

Background	1
Key Findings	2
Conclusions and Recommendations	3
Methodology	4
Results	5
Overall results from the six countries	6
Czech Republic.....	9
Germany.....	13
Greece.....	17
Italy.....	20
Netherlands.....	24
Poland.....	28
Annex 1 - Sectoral breakdowns	31
Annex 2 - Survey questions	33
Photos	34

Figures

Figure 1:	Map of the six countries where SMEs were surveyed.....	4
Figure 2:	Distribution of SMEs surveyed according to industry sector.....	4
Figure 3:	Six country average - Survey Q1 - Perception of SMEs on the impact of the energy crisis on their business.	6
Figure 4:	Six country average - Survey Q2 - Perception of SMEs on the causes for increasing energy costs.....	7
Figure 5:	Six country average - Survey Q3 - How governments can provide support measures to SMEs.....	7
Figure 6:	Six country average - Survey Q4 - Actions SMEs have taken or are considering taking to respond to higher energy costs.....	8
Figure 7:	Czech Republic - Survey Q1 - Perception of SMEs on the impact of the energy crisis on their business.....	9
Figure 8:	Czech Republic - Survey Q2 - Perception of SMEs on the causes for increasing energy costs.....	10
Figure 9:	Czech Republic - Survey Q3 - How governments can provide support measures to SMEs.....	10
Figure 10:	Czech Republic - Survey Q4 - Actions SMEs have taken or are considering taking to respond to higher energy costs.....	11
Figure 11:	Germany - Survey Q1 - Perception of SMEs on the impact of the energy crisis on their business.....	13
Figure 12:	Germany - Survey Q2 - Perception of SMEs on the causes for increasing energy costs.....	14
Figure 13:	Germany - Survey Q3 - How governments can provide support measures to SMEs.....	14
Figure 14:	Germany - Survey Q4 - Actions SMEs have taken or are considering taking to respond to higher energy costs.....	15
Figure 15:	Greece - Survey Q1 - Perception of SMEs on the impact of the energy crisis on their business.....	17
Figure 16:	Greece - Survey Q2 - Perception of SMEs on the causes for increasing energy costs.....	18
Figure 17:	Greece - Survey Q3 - How governments can provide support measures to SMEs.....	18
Figure 18:	Greece - Survey Q4 - Actions SMEs have taken or are considering taking to respond to higher energy costs.....	19
Figure 19:	Italy - Survey Q1 - Perception of SMEs on the impact of the energy crisis on their business.....	20
Figure 20:	Italy - Survey Q2 - Perception of SMEs on the causes for increasing energy costs.....	21
Figure 21:	Italy - Survey Q3 - How governments can provide support measures to SMEs.....	21
Figure 22:	Italy - Survey Q4 - Actions SMEs have taken or are considering taking to respond to higher energy costs.....	22
Figure 23:	Netherlands - Survey Q1 - Perception of SMEs on the impact of the energy crisis on their business.....	24
Figure 24:	Netherlands - Survey Q2 - Perception of SMEs on the causes for increasing energy costs.....	25
Figure 25:	Netherlands - Survey Q3 - How governments can provide support measures to SMEs.....	25
Figure 26:	Netherlands - Survey Q4 - Actions SMEs have taken or are considering taking to respond to higher energy costs.....	26
Figure 27:	Poland - Survey Q1 - Perception of SMEs on the impact of the energy crisis on their business.....	28
Figure 28:	Poland - Survey Q2 - Perception of SMEs on the causes for increasing energy costs.....	29
Figure 29:	Poland - Survey Q3 - How governments can provide support measures to SMEs.....	29
Figure 30:	Poland - Survey Q4 - Actions SMEs have taken or are considering taking to respond to higher energy costs.....	30



Background

Small and medium-sized enterprises (SMEs) are the backbone of Europe's economy, and our communities. They deliver jobs, growth and prosperity for millions of people, and, like households, they have been hammered by the fossil fuel energy crisis.

This research, conducted with YouGov across six countries (Czech Republic, Germany, Greece, Italy, Netherlands, and Poland) shows that European SMEs are acutely aware that the dependency on fossil fuels has led to volatile, expensive energy, giving them yet another burden to carry as they recover from the COVID pandemic.

It also shows that despite seeing their energy bills grow and revenues drop, SMEs choose to protect jobs, and overwhelmingly want to be part of the renewable energy transition. Many have taken advantage of renewable power and energy efficiency solutions where possible, and many more are poised to do so if administrative barriers are dropped, and support schemes¹ expanded.

There are 30 million SMEs in the EU 27 alone. From butchers and bakers, to accountants and lawyers, to manufacturers and media companies, they account for two-thirds of private sector jobs and contribute to more than half of the total added value created by businesses². As governments across Europe scrambled to secure new supplies of fossil fuels in the wake of Russia's invasion of Ukraine, €646 billion euros³ was poured into support measures in the EU27 alone to help households and businesses survive the cost-of-living crisis.

While it looks like we survived a worse energy crisis during the 2022-23 winter, and avoided the much-feared coal resurgence⁴ thanks to mercifully mild weather, collective energy savings efforts, and the rapid expansion of wind and solar generation, we can't neglect the energy demand drop caused by the economic downturn. Much more needs to be done to help SMEs build resilience and avoid high energy costs in the future.

This polling shows that there is broad consensus among SMEs on the solution to high energy costs and addressing climate change: a rapid shift to renewable power and ramping up energy savings efforts.

It also shows that SMEs are either already doing their part to transition to an efficient, renewables-based power system, or are ready, willing, and able to do so if their efforts are supported.

1 Support schemes and administrative barriers are not detailed in the polling as they vary from country to country, but can include things such as: feed in tariffs, tax rebates, technical assistance, grid access, and low-interest government or bank loans.

2 European Parliament, 2023. Factsheets on the European Union Small and Medium Enterprises, accessible at: <https://www.europarl.europa.eu/factsheets/en/sheet/63/small-and-medium-sized-enterprises>, last accessed: 04/07/2023.

3 <https://www.bruegel.org/dataset/national-policies-shield-consumers-rising-energy-prices>

4 <https://ember-climate.org/insights/research/weathering-the-winter/>





Key Findings

1

The energy crisis made Small and Medium-sized Enterprises less profitable and drove price increases. Almost two thirds (65%) of SMEs say high energy costs harmed profits and forced them to increase the price of goods and services. Across surveyed countries, SMEs operating in sectors such as manufacturing, retail, hospitality and leisure say they feel the burden of high energy costs more than other sectors.

2

Small and Medium-sized Enterprises blame fossil fuels for high energy costs. More than half (52%) of SMEs surveyed say their country's fossil fuel dependency is behind increasing energy prices.

3

Small and Medium-sized Enterprises support more solar and wind to build resilience. More than half (56%) of SMEs say investing in local renewable energy projects such as solar and wind is the best way to support them through the energy crisis. The second most preferred support measure among SMEs are programmes to help businesses generate their own power with renewables.

4

Small and Medium-sized Enterprises are already acting on solutions to shield themselves, with three out of four ready to take action. Most SMEs report they have taken action on energy savings, with 24% using smart measures, while an additional 20% say they are considering implementing such measures in the next 12 months. This number could increase to 72% if incentives are offered and barriers are removed. 40% of SMEs surveyed also say they have installed solar panels, or are considering installing them, in the next 12 months. This number rises to 75% when they can access support measures and if administrative barriers are lifted.

5

Just removing barriers could increase the number of Small and Medium-sized Enterprises that deploy solutions by 10-14%, and additional support would increase this number again by 17-26%. Removing administrative barriers and the provision of incentives create the biggest increase in consideration of heat pumps (40% increase). Power purchase agreements and multi buyer consortiums score lower compared to other solutions as a driver of the energy transition for SMEs (only above heat pumps) and they can also become widely popular (65%) with support and lifting of barriers.

Conclusions and Recommendations

Key findings clearly show that the polled SMEs view efficiency and the renewable energy transition as the pathway out of the energy crisis. They desire more local and national renewables projects, but are also willing to take measures into their own hands. A lack of support combined with administrative barriers are hindering the ability of SMEs to regain margins, reduce overhead costs, and maintain jobs. Supporting SMEs through the energy transition will not only deliver much-needed decarbonisation, but will create long term financial and economic resilience and increase their competitiveness.

1

Information and Awareness Raising

The most affected sectors and most willing to act don't always converge. It is vital to pinpoint the most affected SME sectors and communicate the opportunities the energy transition offers for those businesses, coupled with technical information and funding support that is available to them.

2

Capacity Building and Technical Assistance

There are models where SMEs can source renewable electricity, from on site production, to leasing, to individual or aggregate purchase price agreements (PPAs) and green electricity supplies. Decision makers have to ensure that technological solutions and models are accessible and well known among SMEs, that the regulatory environment is stable, the availability of funds is clearly communicated, and that financial support schemes are equally accessible by all SMEs.

3

Networking and Collaboration

SMEs, industry associations, civil society organisations (CSOs), research institutions, energy providers, and financial institutions can leverage each other's skills and experience to improve knowledge-sharing, innovation, and investment in the energy transition. Creating platforms for dialogue and collaboration on all levels can help SMEs access resources, share best practices, and build networks to smoothly and rapidly transition to modern energy solutions.

4

Regulatory Stability

SMEs are risk averse and require regulatory stability for long term planning. Supportive policies and regulations that encourage and streamline the energy transition for SMEs, including simplified permitting processes for renewable energy installations, energy efficiency standards, and codes that incentivise or require clean energy practices provide a clear, known framework for SMEs to work within.

5

Financial Support

Government entities, financial institutions, and relevant funding programs need to help offset the upfront costs associated with adopting energy-efficient technologies and renewable energy systems through financial assistance for SMEs. This support can come in the easily accessible form of grants, subsidies, low-interest loans, or access to investment capital specifically earmarked for SME clean energy projects.



Methodology

Key details

Research Partner: YouGov plc

Fieldwork dates: 3rd – 24th May 2023

Country Scope

-  Czech Republic
-  Germany
-  Greece
-  Italy
-  Netherlands
-  Poland

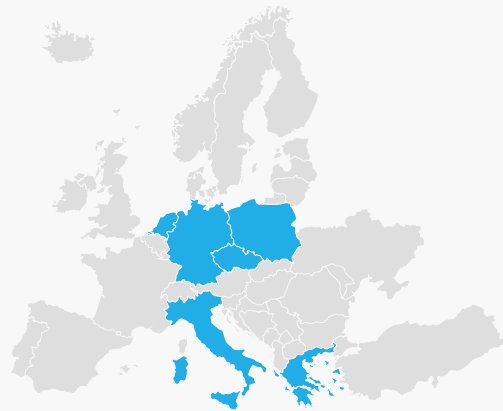


Figure 1: Map of the six countries where SMEs were surveyed.

Fieldwork Method

The survey was conducted via online interview, with members of the YouGov Plc UK panel of 2.5 million+ individuals who agreed to take part in surveys. Emails are sent to panellists selected at random from the base sample. The email invites them to take part in a survey and provides a generic survey link. Panel members are selected according to sample definition and quotas, and once they agree to participate they are sent a link to the survey.

Sample Sizes

YouGov surveyed 1,517 SME representatives, with an average of 252 respondents across six countries.

Table 1: Survey participants per country

Total	Germany	Italy	Czech Republic	Greece	Poland	Netherlands
1517	260	252	252	252	250	250

82% of respondents were from small enterprises (1 to 49 employees) with the remaining 18% from medium sized companies (50-249 employees), across various sectors. For country breakdowns of sectors, see Annex 1, and questions in Annex 2.

Breakdown of Respondents by Industry Sector

YouGov survey question (single choice):
 "Which ONE of the following industry sectors does your business mainly operate in?"

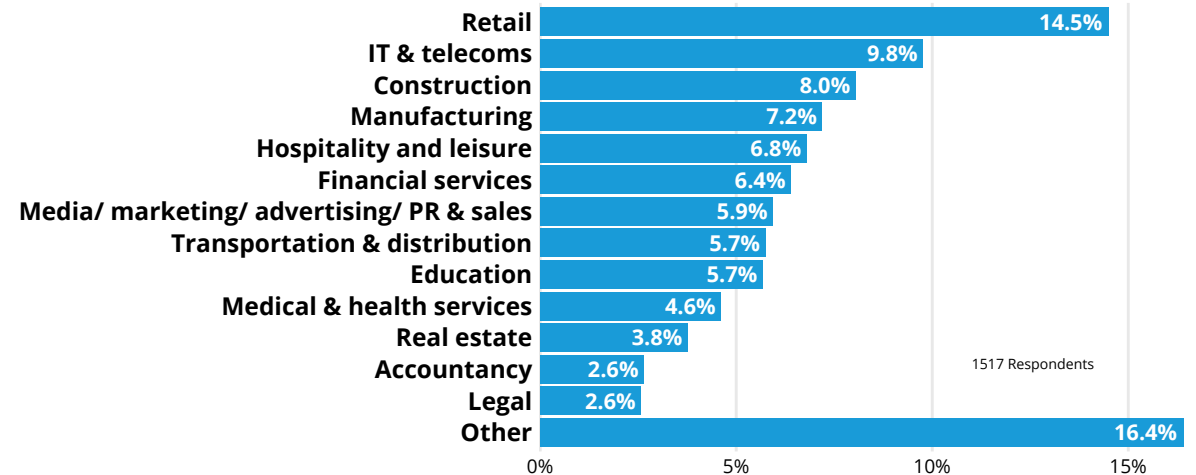


Figure 2: Distribution of SMEs surveyed according to industry sector.



Results



Overall results from the six countries

Impact of Energy Crisis on Small and Medium sized Enterprises

Asked about the impact of energy costs on their business, 66% of SME respondents across the six countries surveyed say their business has had to increase prices because of high energy costs.

A sectoral breakdown shows businesses operating in hospitality and leisure (77%), retail (76%), construction (77%) and manufacturing (79%) voicing stronger impact. This is the most common concern across countries as well, with the figure jumping to 77% in Italy, and dropping to a still-majority of 52% of SMEs in Germany.

The second most common statement at 65% of SMEs is that high energy costs are making their business less profitable (e.g through reduced productivity, limited production). Again sectoral breakdowns show businesses operating in manufacturing 79%, retail 78%, hospitality and leisure 80% voice stronger impact with the businesses operating in education sector joining (75%). Across countries, this is most prevalent among SMEs in Greece with 77% agreement, and least among SMEs in Germany with 49% agreement.

While it is clear higher energy costs are a significant burden for SMEs, it is clear that most have not let this affect staffing. 63% of SMEs surveyed disagree with the statement that they had to reduce staff levels because of high energy costs. This disagreement rate is higher (65%) for small (1-49 employees) businesses, and only slightly lower (57%) for medium (50 to 249 employees) businesses. Businesses operating in the transportation and distribution sector across the six countries had the lowest rate of disagreement (49%), while Poland (49%), Czech Republic (56%), Greece (60%) and Italy (62%) were all below average.

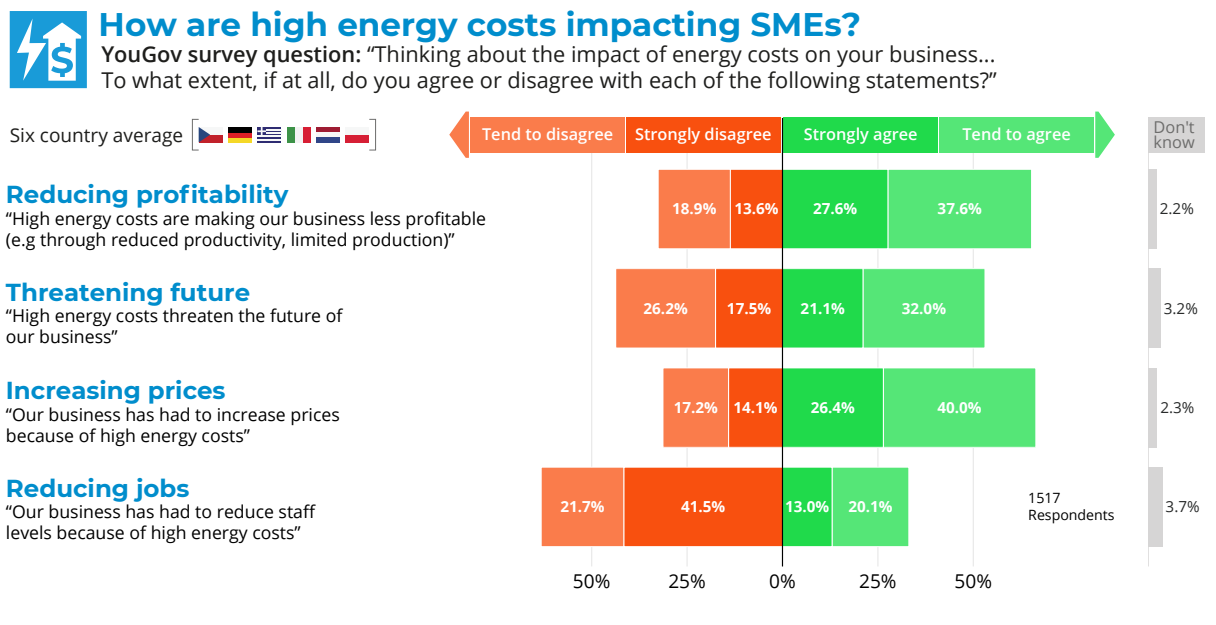


Figure 3: Six country average - Survey Q1 - Perception of SMEs on the impact of the energy crisis on their business.

The Netherlands (76%) and in Germany (77%) were significantly above average, with more than three quarters of respondents in each country reporting that high energy costs did not affect staffing.

53% of surveyed SMEs think high energy costs threaten the future of their business. In the six countries surveyed, Poland (63%) and Greece (61%) demonstrate above average concerns for the future. Businesses operating in hospitality and leisure (70%), and retail (63%) across all countries surveyed perceive high energy prices to be threatening their businesses more than others do.

Reasons for Increasing Energy Costs

56% of SME respondents think that geopolitical world events affecting stability of gas supplies are the main reason for increased energy costs.

52% of those surveyed blame their country's fossil fuel dependency for increasing energy costs. This opinion is highest for respondents in Italy (59%), and lowest in the Czech Republic (40%).

Both the lack of energy efficiency measures and support programmes, as well as the lack of local/national renewable energy projects were selected by around 40% of respondents (41% and 39% respectively), as reasons for the increase in energy costs.

Respondents in Greece (49%) and Poland (50%) stated that they do not think there are enough local/ national renewable energy projects/ investments at a higher rate than average.

Support Measures

By a large margin, compared to other support measures on offer, 56% of SME respondents say investing in local renewable energy projects, such as solar and wind, is the best way to support them through the energy crisis. The rate is highest among SMEs based in Greece with 66%.

The second most preferred measure among SMEs are programmes to help businesses generate their own power with renewables, at 43% of respondents. Again SMEs in Greece score higher than average for this measure, at 56%.

The third most important measure SMEs see as useful during high energy costs are windfall taxes on the excess profits of large energy companies, with 36% of respondents supporting this. SMEs based in Germany pick this measure as their second most preferred, at 46%.

The least preferred measures are those related to fossil fuels. Only 29% of respondents mentioned investment in national fossil fuel production as a possible solution, and only 20% included importing fossil fuels from other countries.



Why SMEs think energy costs have risen?

YouGov survey question: "In your opinion, which, if any, of the following factors have contributed to increasing energy costs?"

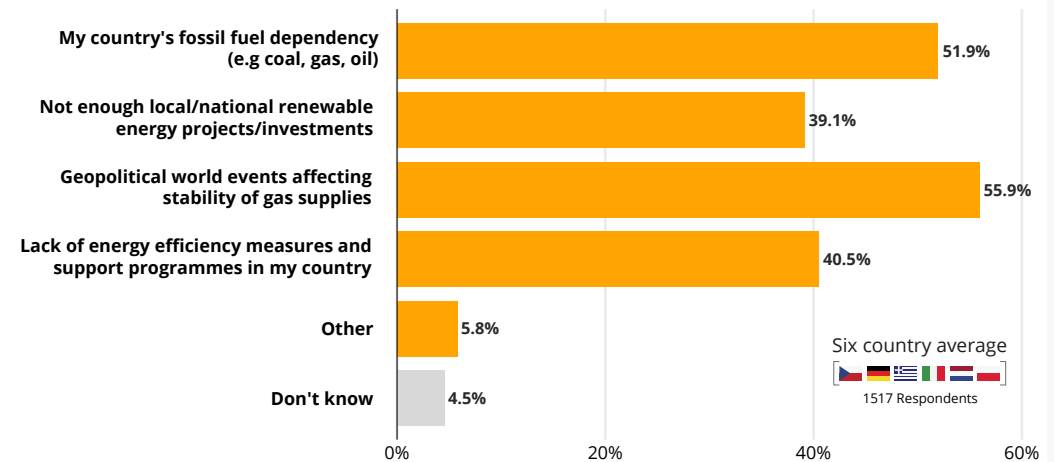


Figure 4: Six country average - Survey Q2 - Perception of SMEs on the causes for increasing energy costs.



How can governments support SMEs with the energy crisis?

YouGov survey question: "Which, if any, of the following initiatives, do you think would be most useful to bring down the energy costs for businesses?"

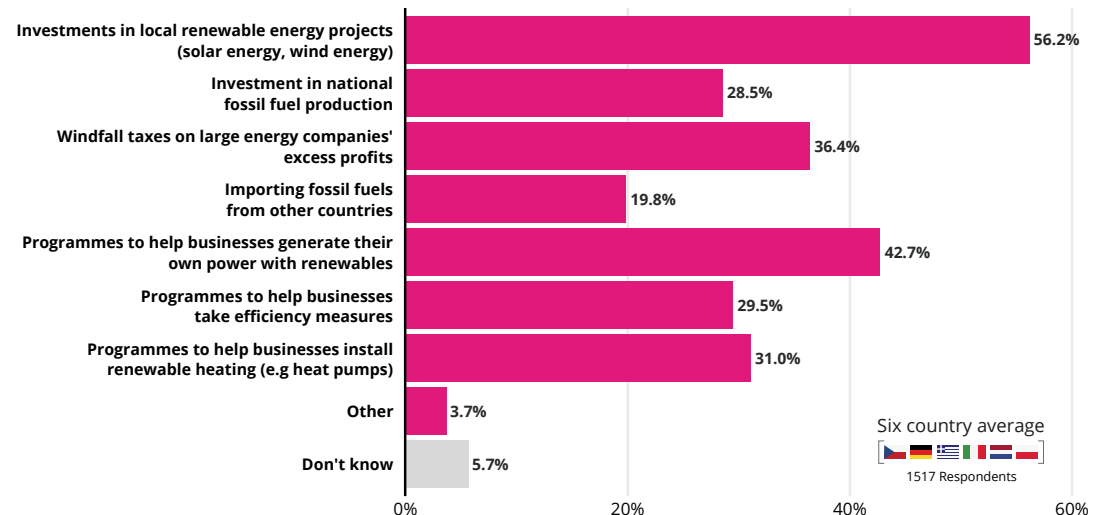


Figure 5: Six country average - Survey Q3 - How governments can provide support measures to SMEs.

Measures to be taken by Small and Medium sized Enterprises

The most preferred measures SMEs have either taken, or are considering taking relate to energy savings. 24% of respondents said they have saved energy through smart measures, while an additional 20% are considering taking steps to save energy in the next 12 months. This number could increase to 72% if incentives are introduced and barriers removed.

40% of all respondents across countries said they have already installed solar panels or are considering instalments in the next 12 months. This number jumps to a potential 75% when incentives are offered and administrative barriers are lifted. Solar is even more popular than energy saving measures, and this is a trend across countries. 50% of respondents in Poland indicated they have either installed or are considering installing solar panels, increasing to 78% with support measures available. For Greece and Italy, the desire to install solar panels is even greater, with 77% of respondents saying they would under favourable circumstances. 29% and 34% respectively report they have already installed, or are considering solar currently.

For sectors who have installed or are considering installing solar panels, manufacturing (49%), financial services (50%), accountancy (52%), real estate (53%) and transportation and distribution (53%) report the highest support, with manufacturing having the largest potential deployment of 87% under favourable conditions of incentives being offered and barriers removed.

Insulation is the third most popular measure among respondents, with 34% of those surveyed indicating they have either already installed or upgraded insulation, or are considering doing it in the next 12 months. This group more than doubles when support is available, to 70%. Financial services (43%) and accountancy (42%) show the highest support for insulation, but with incentives added real estate (81%), manufacturing (81%), and legal (83%) join financial services (84%) with very potential high levels of takeup.

Even less popular measures, like installing heat pumps and renewable power purchase agreements, could be widely adopted if support measures are introduced.

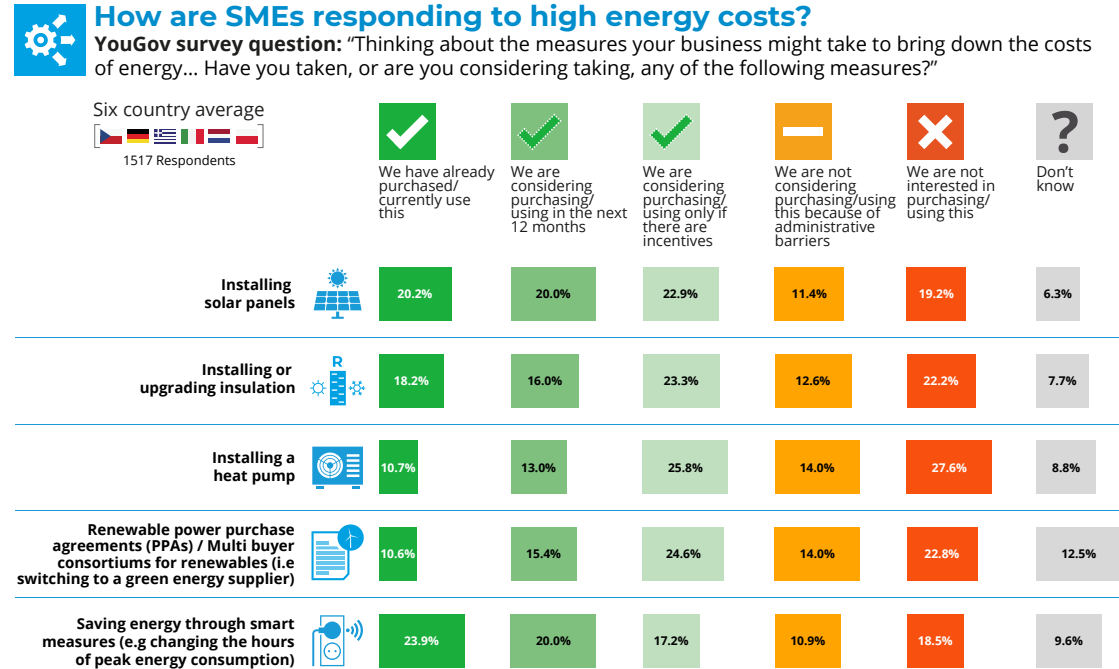


Figure 6: Six country average - Survey Q4 - Actions SMEs have taken or are considering taking to respond to higher energy costs.

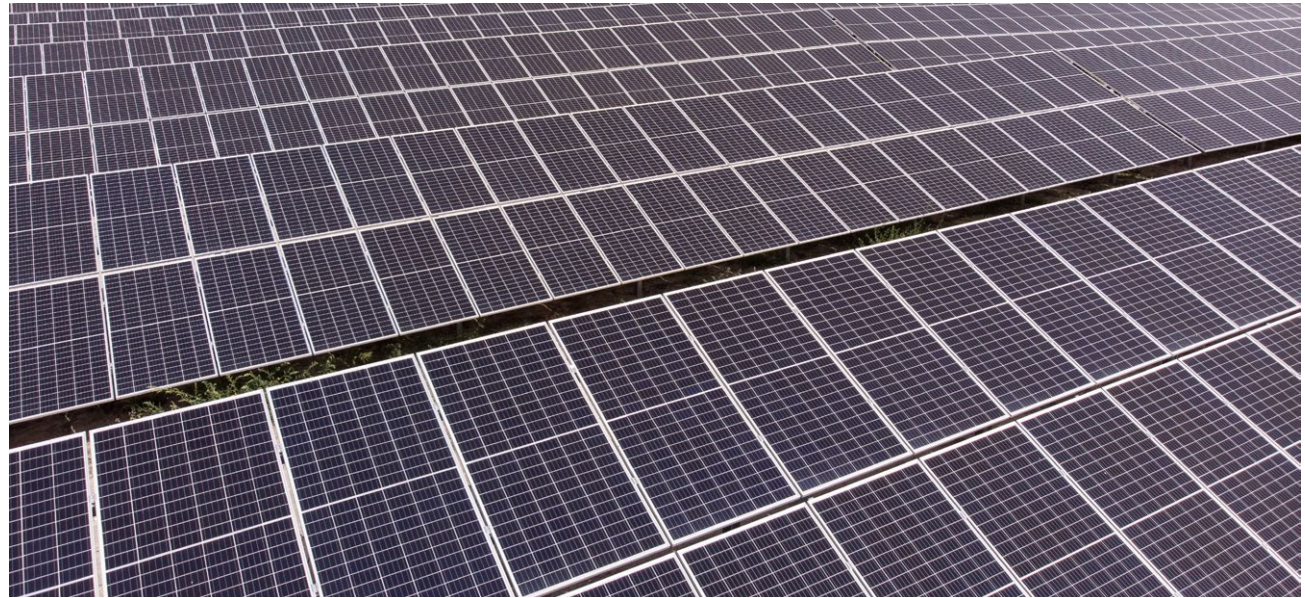
For power purchase agreements and multi buyer consortiums, 26% of SME respondents are already using or considering using them, but this figure could jump to 65% if barriers are removed and incentives are provided. Right now SMEs based in Germany (21%) and Netherlands (14%) have the highest use of PPAs and other types of multi buyer consortiums, compared to just 3% of SMEs in Greece using these measures the least. If favourable conditions to help them are created, SMEs based in Poland and the Czech Republic report the highest demand increase for PPAs, with 72% saying they would use them under better circumstances.

Among sectors, accountancy (37%), legal (33%), transportation and distribution (34%) are already using or are considering using PPAs. However, under favourable circumstances sectors initially having low usage, voice the highest increase, such as manufacturing (77%), construction (74%), transportation and distribution (75%), and real estate (75%).

Those who have either installed or consider installing heat pumps is 24%. The number can increase to 64% if there are incentives and there are no administrative barriers. Heat pumps are above average in demand in Italy with 33% already considering or installed and 73% under favourable circumstances. Heat pumps seem to be more preferred by medium sized companies (35%-77%). Sectors like real estate, legal and accountancy along with manufacturing have a higher preference for heat pumps.



Czech Republic



Czech Republic: How are high energy costs impacting SMEs?

YouGov survey question: "Thinking about the impact of energy costs on your business... To what extent, if at all, do you agree or disagree with each of the following statements?"

Six country average

 Czech Republic

Reducing profitability

"High energy costs are making our business less profitable (e.g through reduced productivity, limited production)"

Threatening future

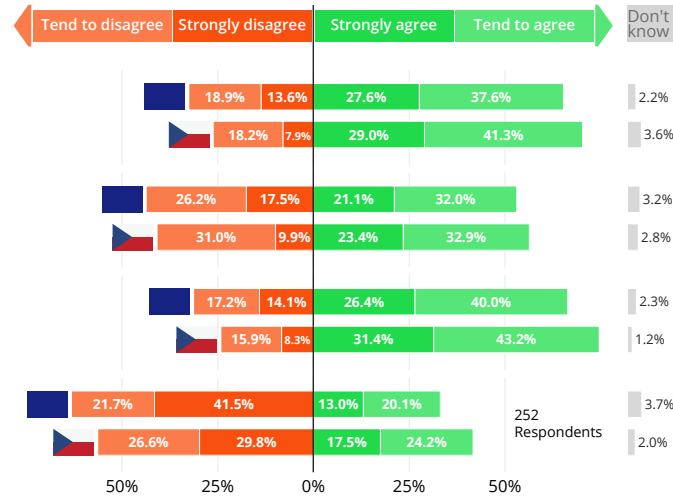
"High energy costs threaten the future of our business"

Increasing prices

"Our business has had to increase prices because of high energy costs"

Reducing jobs

"Our business has had to reduce staff levels because of high energy costs"



Impact of Energy Crisis on Small and Medium sized Enterprises

More than two-thirds of (70%) SMEs in the Czech Republic think high energy costs are making their business less profitable, and three-quarters (75%) blame high energy costs for increasing the prices of their goods and services.

Figure 7: Czech Republic - Survey Q1 - Perception of SMEs on the impact of the energy crisis on their business.

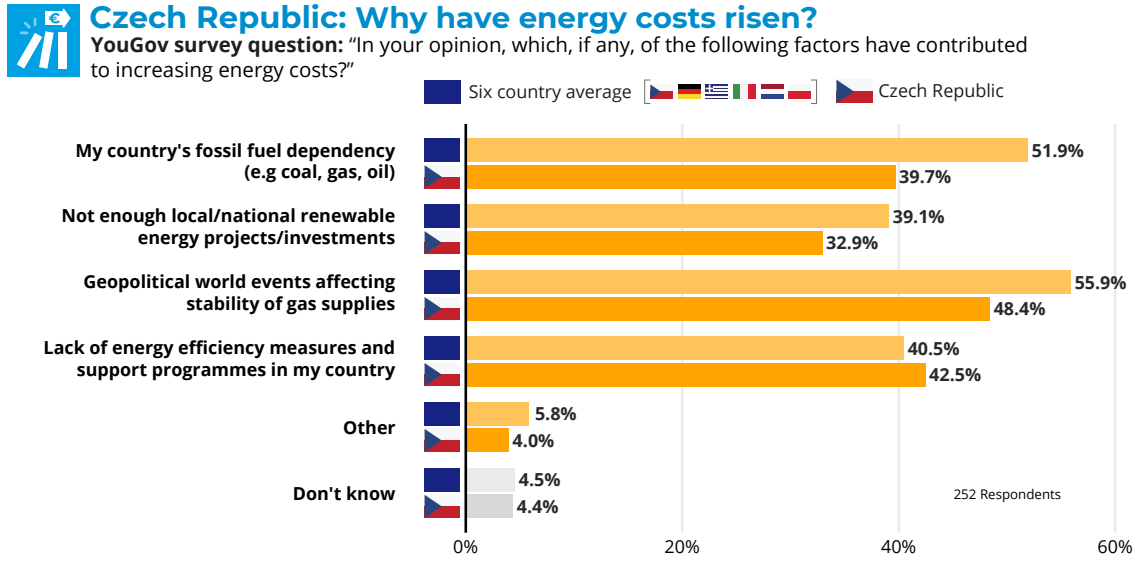


Figure 8: Czech Republic - Survey Q2 - Perception of SMEs on the causes for increasing energy costs.

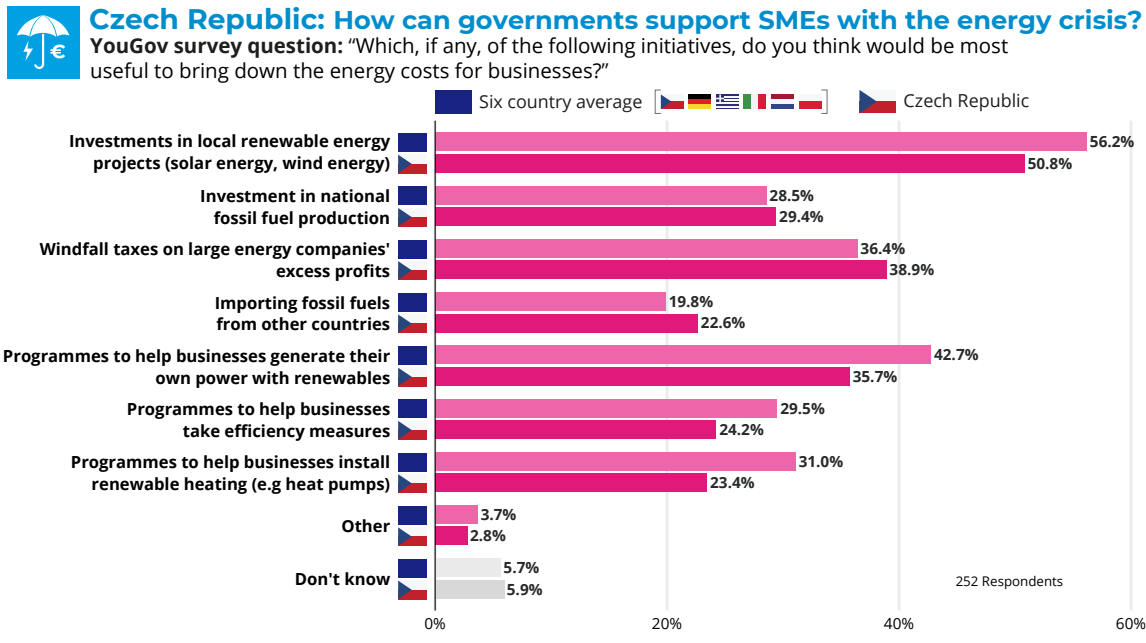


Figure 9: Czech Republic - Survey Q3 - How governments can provide support measures to SMEs.

Reasons for Increasing Energy Costs

Contrasting other countries, only 40% of the SMEs surveyed in the Czech Republic blame their country's fossil fuel dependency for increasing energy costs, though a higher than survey average of 43% identified lack of energy efficiency measures and support programmes as the reason behind increasing energy costs in the country.

Support Measures

Half of SMEs surveyed in the Czech Republic say investing in local renewable energy projects such as solar and wind is the best way to support them through the energy crisis.

More than a third of SMEs in the Czech Republic say windfall taxes on large energy companies' excess profits, and programmes to help businesses generate their own power with renewables are useful.

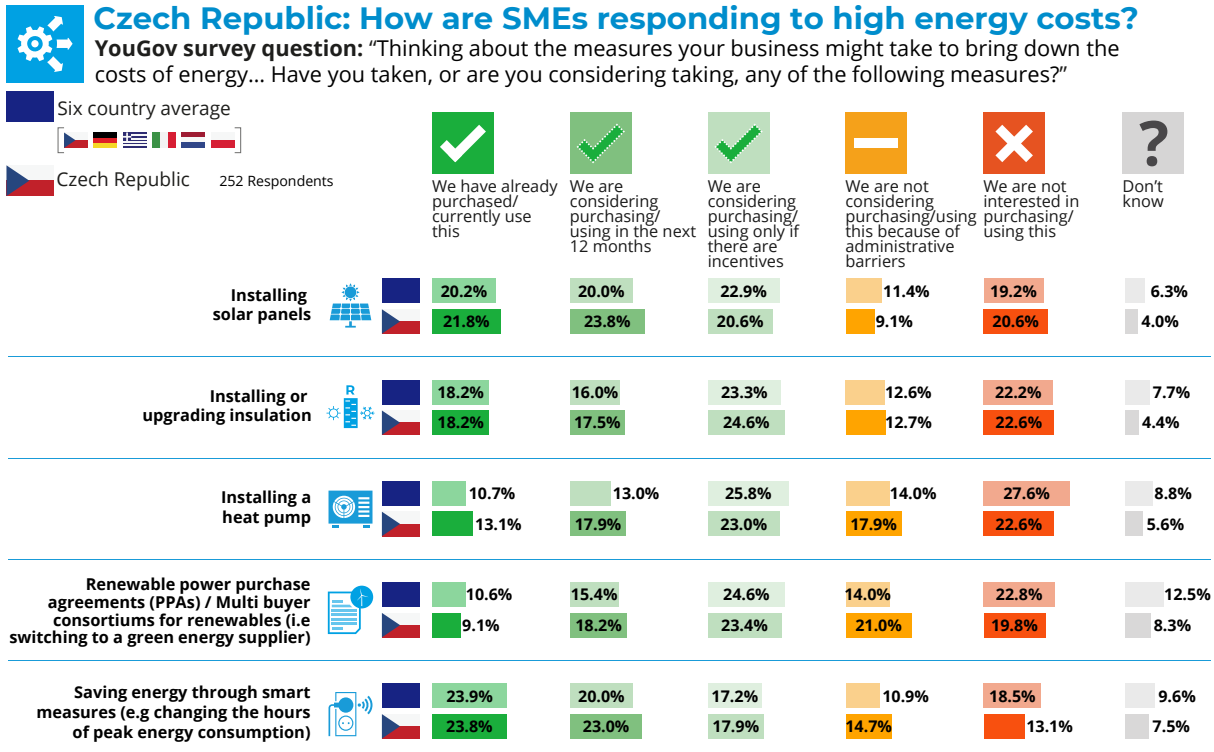


Figure 10: Czech Republic - Survey Q4 - Actions SMEs have taken or are considering taking to respond to higher energy costs.

Measures to be taken by Small and Medium sized Enterprises

Almost half of SMEs in the Czech Republic say they have already installed, or are considering, installing solar panels and saving money with smart energy efficiency measures.

If incentives are put in place and administrative barriers lifted, 75% and 79% of SMEs in the Czech Republic say they will install solar panels or use energy efficiency measures, respectively.

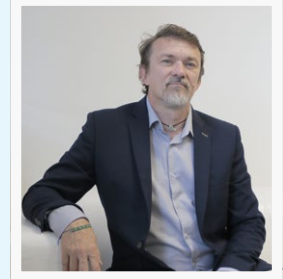
CASE STUDY CZECH REPUBLIC

ECM System Solutions

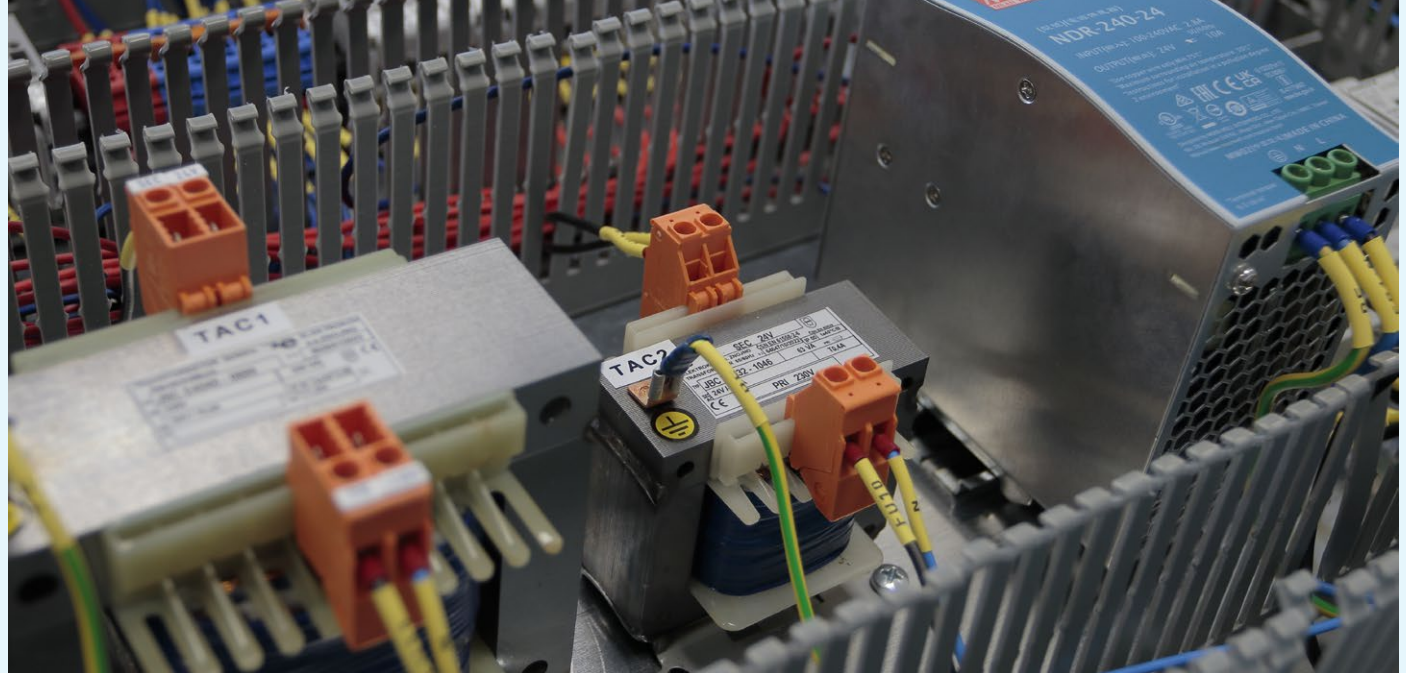
The energy transition in Central Eastern Europe often comes bottom up, straight from the people, not from the big, mostly state owned energy companies. The people care most about their own pockets, and they're driving the change from fossil fuels to renewables.

Martin Krupa was once mayor of Mikolajice, a small municipality in north eastern Czech Republic. He realised renewables could significantly lower local utility costs and spur development, so he set up ECM System Solutions, a company dealing with measuring, managing, and monitoring renewable energy sources such as solar panels, battery systems, electric car chargers, and intelligent lighting.

"What we do for our clients is a dynamic management of energy sources [...] I recommend that they map their buildings and use their own sources, because for the next three to five years it's going to be hard to predict the market and forecast the prices until things stabilise. The more sources they will have, the more certainty they will have. They will reach energy independence through a mix of photovoltaics, solar thermal panels, cogeneration units, and energy management systems".



Martin Krupa,
CEO of ECM System Solutions





Germany



Germany: How are high energy costs impacting SMEs?

YouGov survey question: "Thinking about the impact of energy costs on your business... To what extent, if at all, do you agree or disagree with each of the following statements?"

Six country average

 Germany

Reducing profitability

"High energy costs are making our business less profitable (e.g through reduced productivity, limited production)"

Threatening future

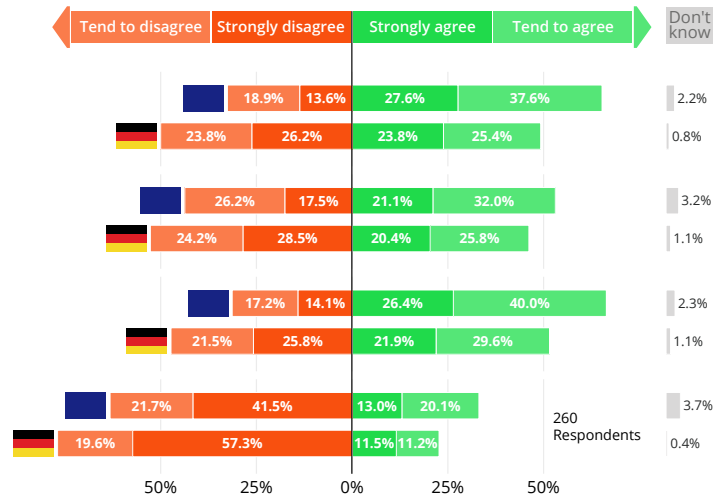
"High energy costs threaten the future of our business"

Increasing prices

"Our business has had to increase prices because of high energy costs"

Reducing jobs

"Our business has had to reduce staff levels because of high energy costs"



Impact of Energy Crisis on Small and Medium sized Enterprises

Almost half of SMEs (49%) in Germany think high energy costs are making their business less profitable, and just over half blame high energy costs for increasing the prices of their goods and services (52%). Compared to the average, fewer SMEs in Germany (23%) report reducing staffing levels in response to high energy prices.

Figure 11: Germany - Survey Q1 - Perception of SMEs on the impact of the energy crisis on their business.

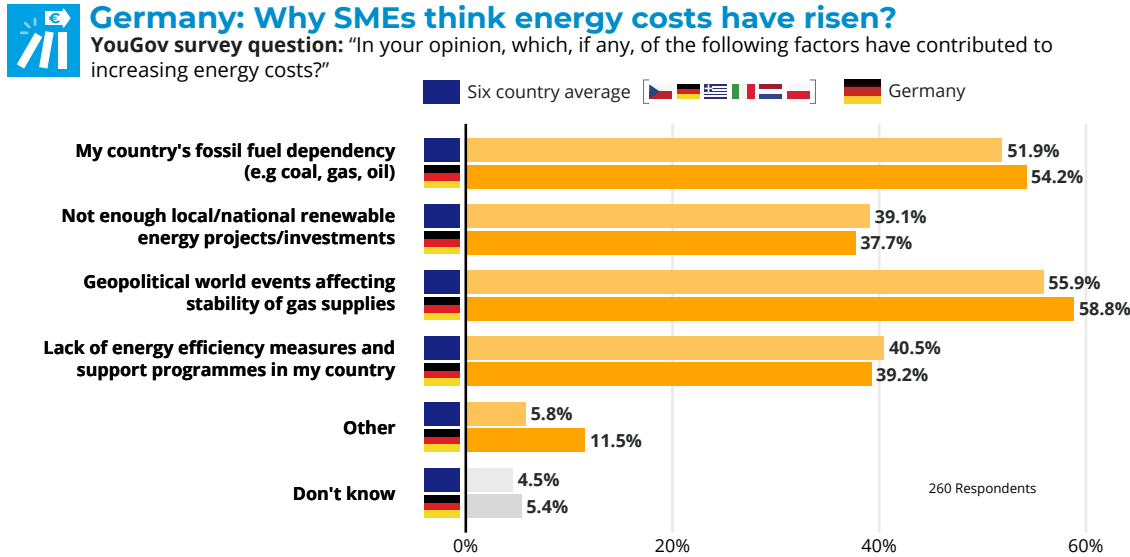


Figure 12: Germany - Survey Q2 - Perception of SMEs on the causes for increasing energy costs.

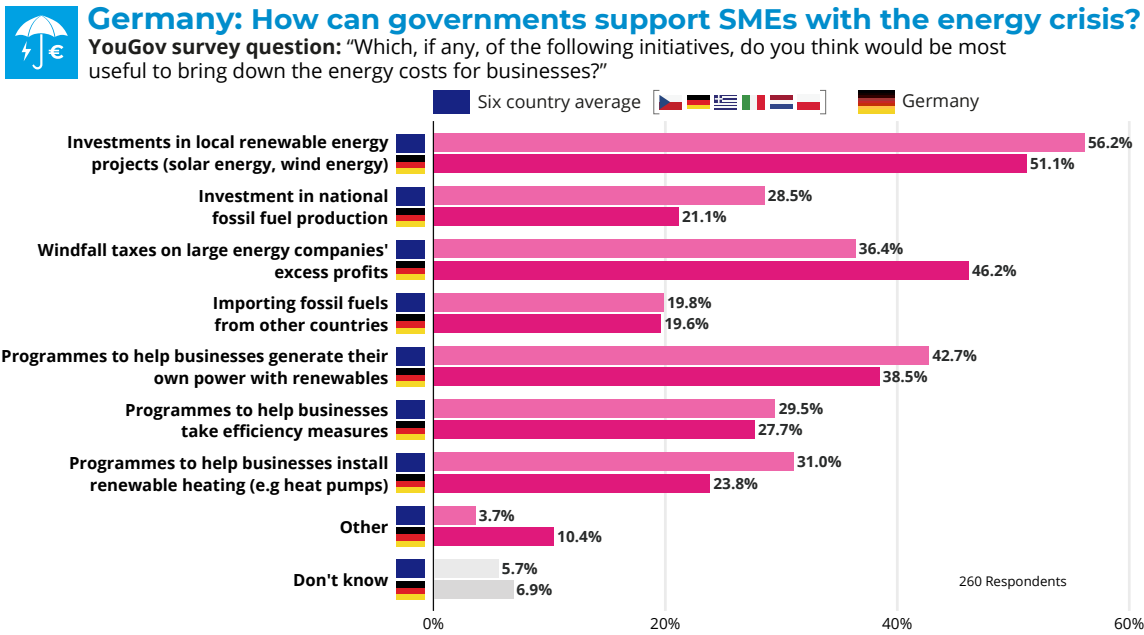


Figure 13: Germany - Survey Q3 - How governments can provide support measures to SMEs.

Reasons for Increasing Energy Costs

More than half (54%) of SMEs in Germany blame their country's fossil fuel dependency for increasing energy costs, and even more (59%) believe geopolitical events have affected the stability of gas supplies.

Support Measures

Half (51%) of SMEs in Germany say investing in local renewable energy projects such as solar and wind is the best way to support them through the energy crisis, while almost as many (46%) agree that windfall taxes on large energy companies' excess profits is helpful when energy prices are high.

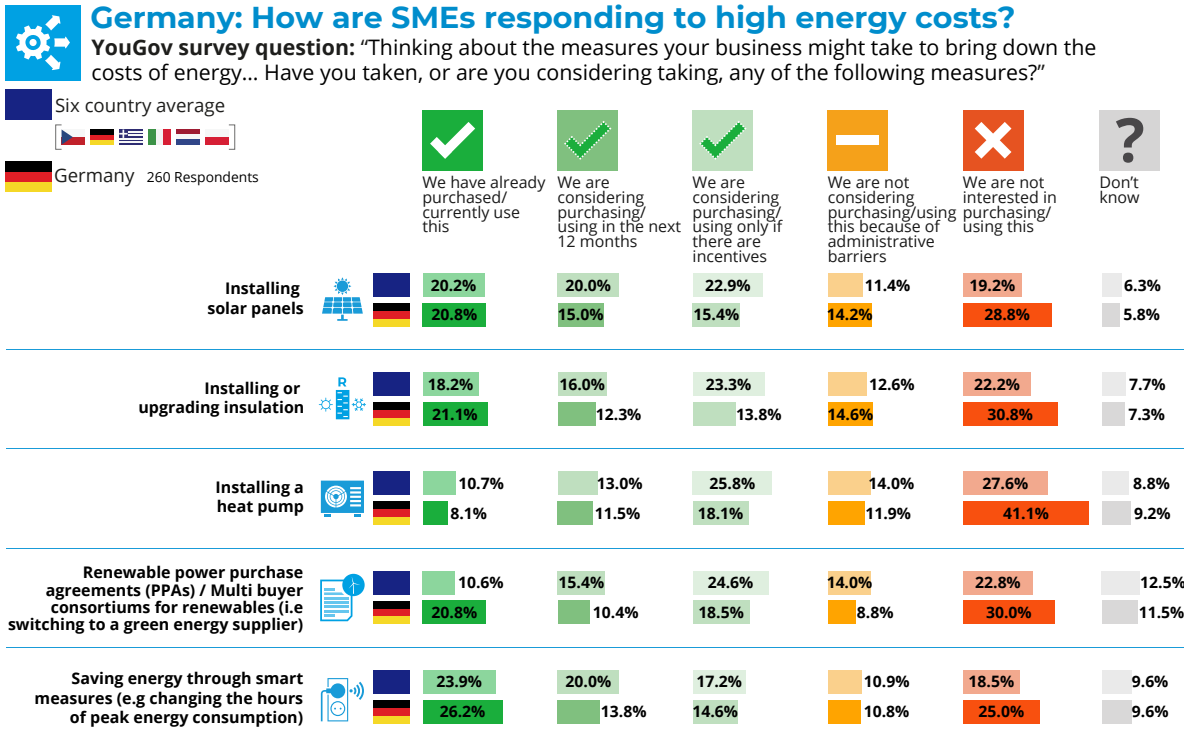


Figure 14: Germany - Survey Q4 - Actions SMEs have taken or are considering taking to respond to higher energy costs.

Measures to be taken by Small and Medium sized Enterprises

A third of SMEs in Germany say they have already installed, or are considering installing, solar panels (36%) or upgraded insulation (33%). This number could jump to 65% and 62% respectively if there were incentives in place to help them and administrative barriers were lifted.

CASE STUDY GERMANY

Bergzeit

In the foothills of upper Bavaria, outdoor clothing company Bergzeit has built a reputation for environmental responsibility. It's one of five European outdoor retailers to sign a climate commitment in alignment with the Paris Agreement, and has embraced renewable energy and energy efficiency measures across its operations to dramatically reduce its energy bills and carbon footprint.

The centrepiece of Bergzeit's green energy revolution is a whopping 1,370 panel solar installation on the 6,000 square metre roof of its warehouse. The setup produces 550,000 kilowatt hours of certified green electricity annually: enough to meet Bergzeit's daily operational requirements, as well as power 150 households for a year. The €320,000 investment in the system returned an immediate €12,000 in energy bill savings in the three months after the solar roof was installed, and with prices rising, the company expects to recoup the entire investment faster than the anticipated seven-year payback period.

"It's just a central conviction of ours that in the future all energy needs to be generated from renewable resources. Our original intention was to create a self-sufficient energy community in our immediate area so that electricity that is generated locally could be efficiently transferred over short distances, helping increase self-sufficiency. Unfortunately, regulation in Germany does not allow for this at the moment, so we were really happy when EWS agreed to go into partnership with us, and help us realise at least part of our vision. If you want to survive as a modern company, you can't afford not to invest in energy savings".



Holger Cecco-Stark,
Head of Projects and Corporate Social Responsibility





Greece



Greece: How are high energy costs impacting SMEs?

YouGov survey question: "Thinking about the impact of energy costs on your business... To what extent, if at all, do you agree or disagree with each of the following statements?"

Six country average [Germany, France, Italy, Spain, UK, Greece]
Greece

Reducing profitability

"High energy costs are making our business less profitable (e.g through reduced productivity, limited production)"

Threatening future

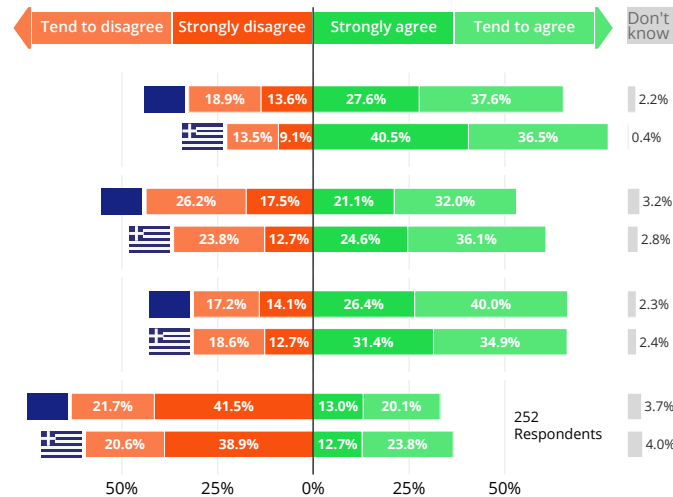
"High energy costs threaten the future of our business"

Increasing prices

"Our business has had to increase prices because of high energy costs"

Reducing jobs

"Our business has had to reduce staff levels because of high energy costs"



Impact of Energy Crisis on Small and Medium sized Enterprises

More than three-quarters of SMEs in Greece say that high energy costs are making their business less profitable (77% - 10% above the average across the six countries surveyed) and blame high energy costs (66%) for forcing them to increase their goods and services prices.

Figure 15: Greece - Survey Q1 - Perception of SMEs on the impact of the energy crisis on their business.

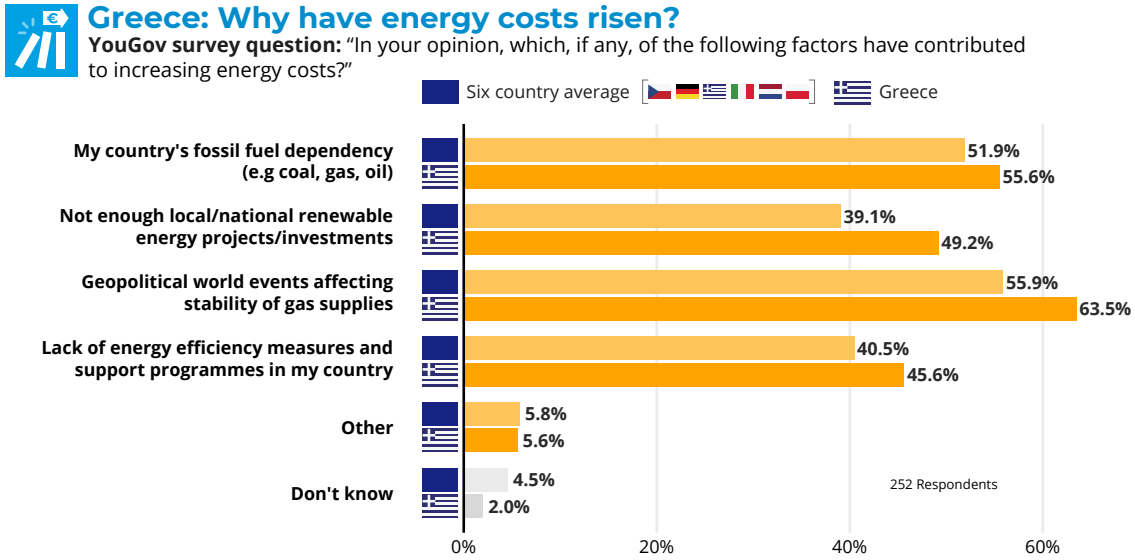


Figure 16: Greece - Survey Q2 - Perception of SMEs on the causes for increasing energy costs.

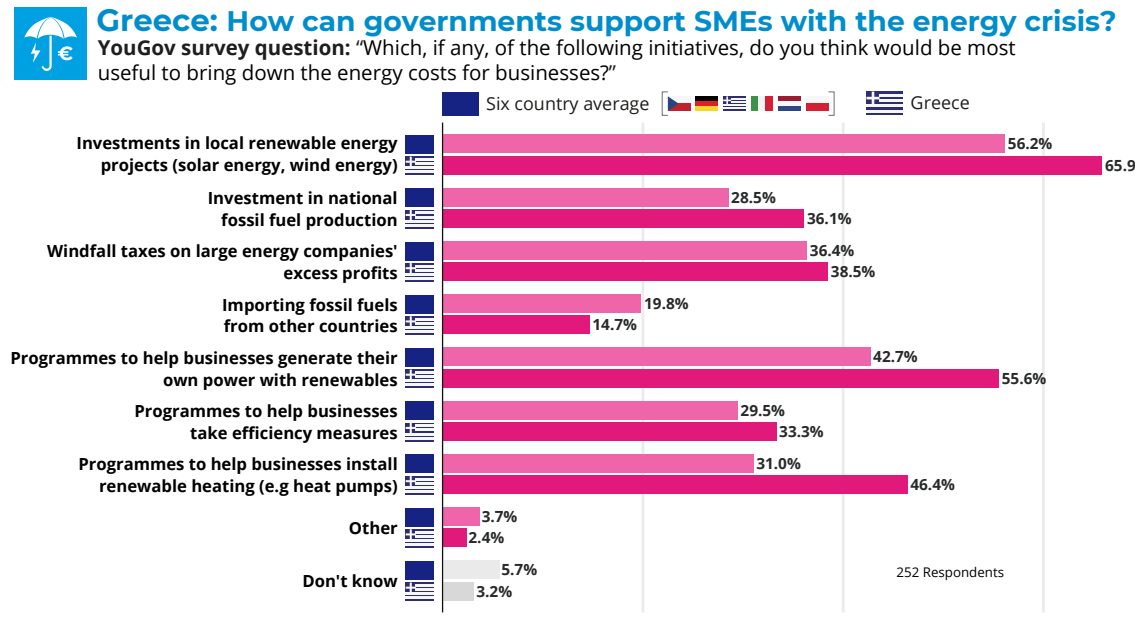


Figure 17: Greece - Survey Q3 - How governments can provide support measures to SMEs.

Reasons for Increasing Energy Costs

SMEs respondents in Greece clearly blame fossil fuels for increasing energy costs. 64% say geopolitical events affecting gas supplies have contributed to higher bills (higher than the 56% six-country average), while 56% also say that Greece's fossil fuel dependency contributes.

The lack of energy efficiency measures, support programmes, and local/national renewable energy projects received significantly higher agreement in Greece than the overall average, with "not enough local/ national RES projects and investment" and "lack of energy efficiency measures and support programmes" receiving 10% and 5% respectively higher agreement from respondents than the overall six-country average.

Support Measures

Two-thirds of SMEs in Greece say investing in local renewable energy projects such as solar and wind is the best way to support them through the energy crisis, while more than half say programmes to help them generate their own power with renewables are useful.

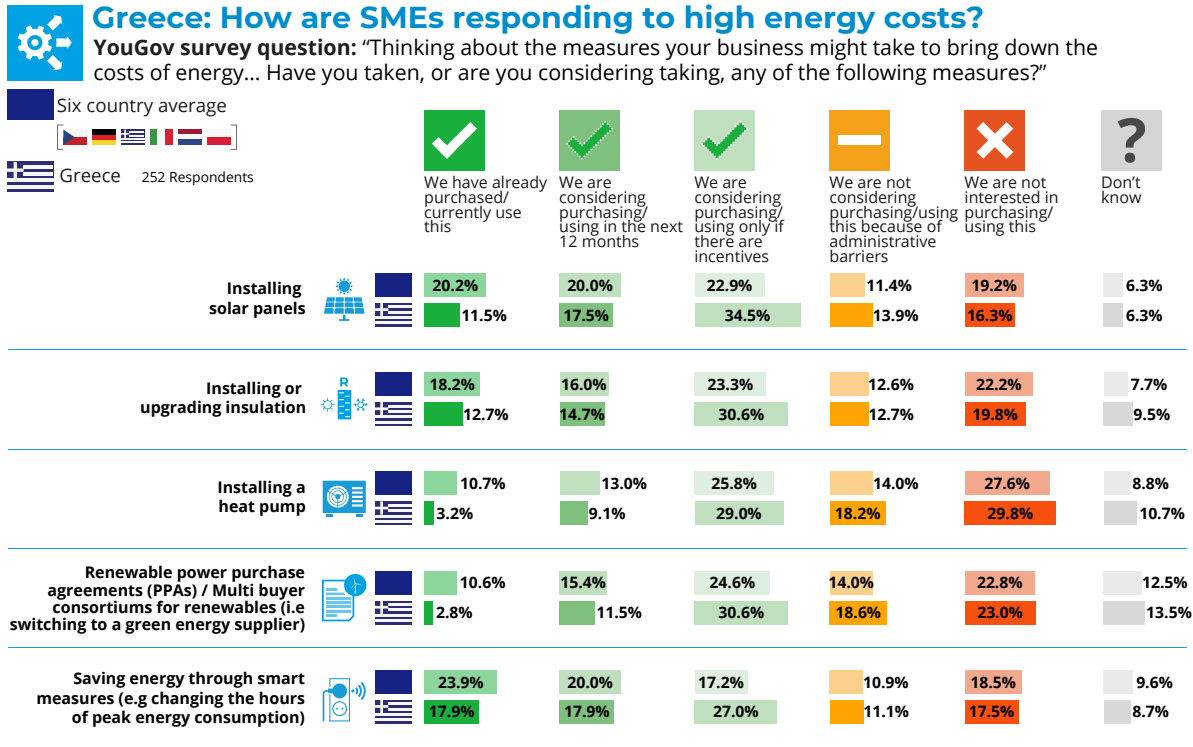


Figure 18: Greece - Survey Q4 - Actions SMEs have taken or are considering taking to respond to higher energy costs.

Measures to be taken by Small and Medium sized Enterprises

While just under a third of SMEs are already taking advantage of renewables and energy efficiency solutions, or considering doing so in the next year, this number would rise to more than two-thirds if incentives are put in place and red tape removed. Fewer report taking advantage of, or considering heat pumps, upgraded insulation, PPAs or smart energy savings measures, but a high 60 to 74% do say they would if incentives were in place and administrative barriers were lifted.



Italy



Italy: How are high energy costs impacting SMEs?

YouGov survey question: "Thinking about the impact of energy costs on your business... To what extent, if at all, do you agree or disagree with each of the following statements?"

■ Six country average [Germany, USA, Italy, France, UK, Spain]
 ■ Italy

Reducing profitability

"High energy costs are making our business less profitable (e.g through reduced productivity, limited production)"

Threatening future

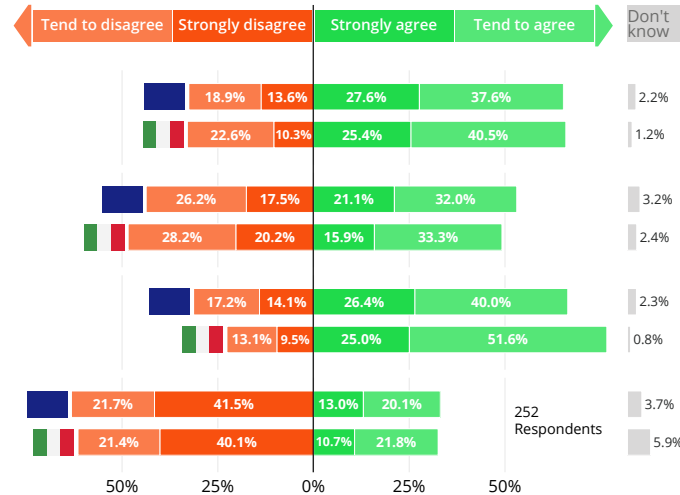
"High energy costs threaten the future of our business"

Increasing prices

"Our business has had to increase prices because of high energy costs"

Reducing jobs

"Our business has had to reduce staff levels because of high energy costs"



Impact of Energy Crisis on Small and Medium sized Enterprises

Three-quarters (77%) of SMEs surveyed in Italy state that their business has had to increase prices because of high energy costs. This is 10 points above average of merged data.

Similar to the merged data average, 66% of SMEs surveyed in Italy think high energy costs are making their business less profitable.

Nearly half of SMEs surveyed in Italy (49%) believe that high energy costs are threatening the future of their businesses.

Figure 19: Italy - Survey Q1 - Perception of SMEs on the impact of the energy crisis on their business.

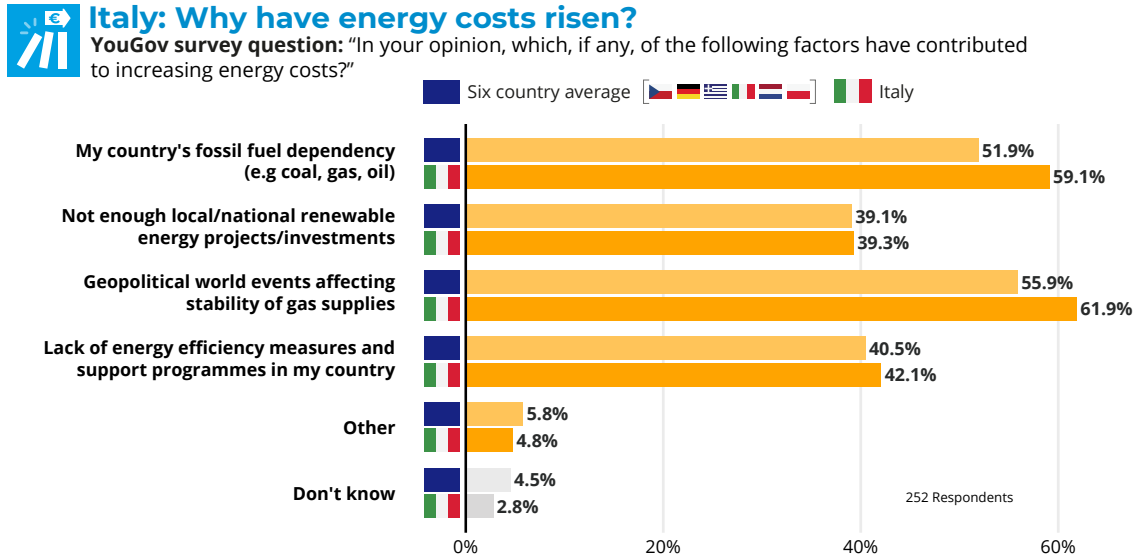


Figure 20: Italy - Survey Q2 - Perception of SMEs on the causes for increasing energy costs.

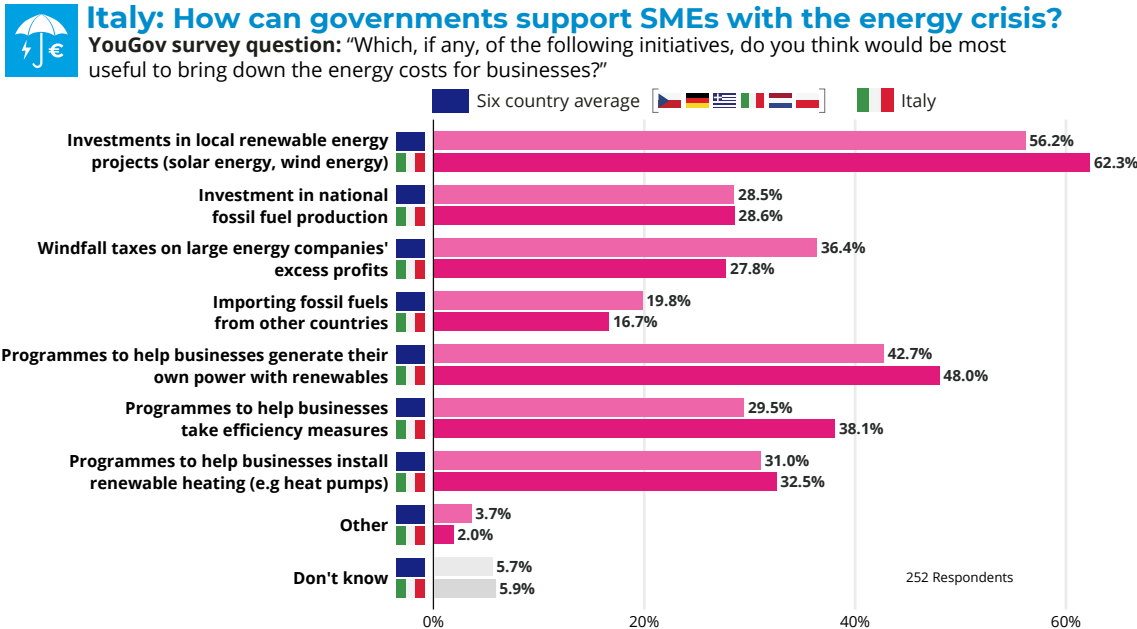


Figure 21: Italy - Survey Q3 - How governments can provide support measures to SMEs.

Reasons for Increasing Energy Costs

62% of SMEs in Italy say geopolitical world events affecting stability of gas supplies as the reason for increasing energy costs, which is higher than the merged average of 56%.

A similarly high, above-average number of respondents also link Italy's dependence on fossil fuels with increased energy costs.

Around 40% of respondents (42% and 39% respectively) agree a lack of energy efficiency measures, support programmes, and local/national renewable energy projects have also contributed to increasing costs.

Support Measures

Respondents in Italy say investing in local renewable energy projects such as solar and wind is the best way to support them through the energy crisis, with programmes to help businesses generate their own power with renewables being second most popular.

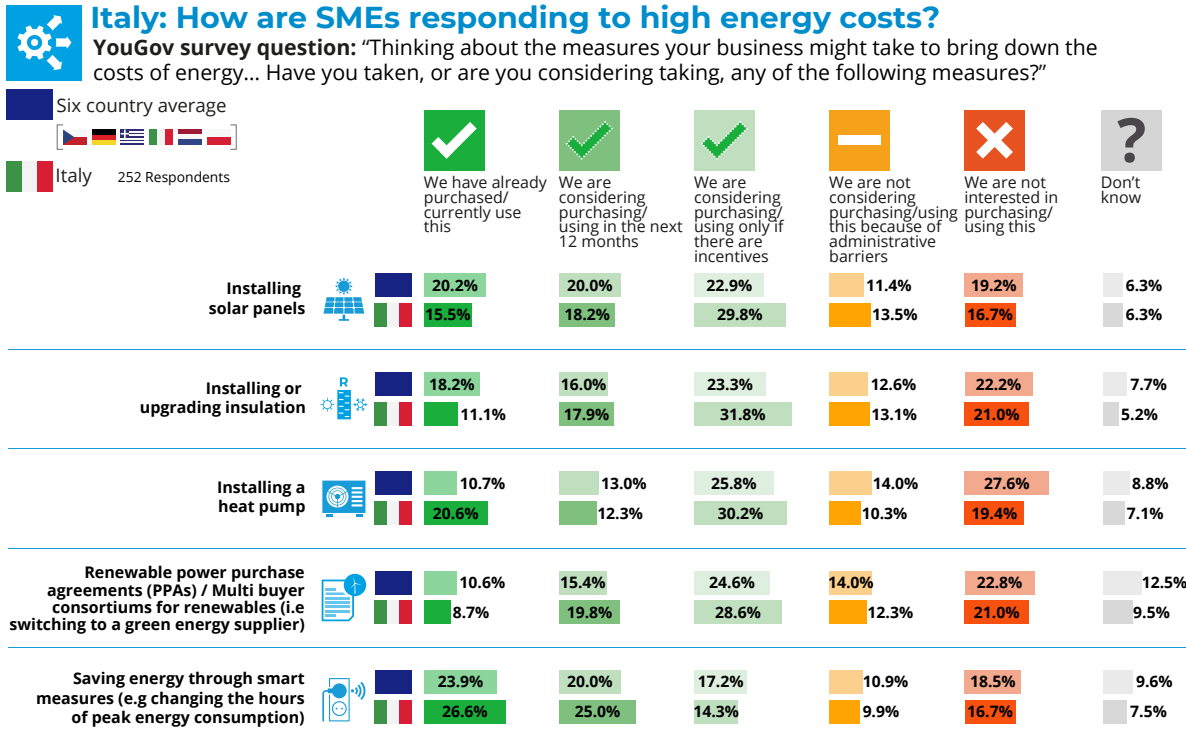


Figure 22: Italy - Survey Q4 - Actions SMEs have taken or are considering taking to respond to higher energy costs.

Measures to be taken by Small and Medium sized Enterprises

While around a third of SMEs are already taking advantage of renewables and energy efficiency solutions, more than two-thirds would join them if incentives are put in place and red tape removed. More than half say they have saved, or are considering saving energy through smart measures in the next 12 months.

CASE STUDY ITALY

Santangiolina

Agriculture cooperative Santangiolina launched in 1961, with the collection and distribution of milk produced by farmers in Lombardy, Northern Italy. The business evolved throughout the years with the production of local cheeses, including Grana Padano, one of the most iconic products of northern Italy.

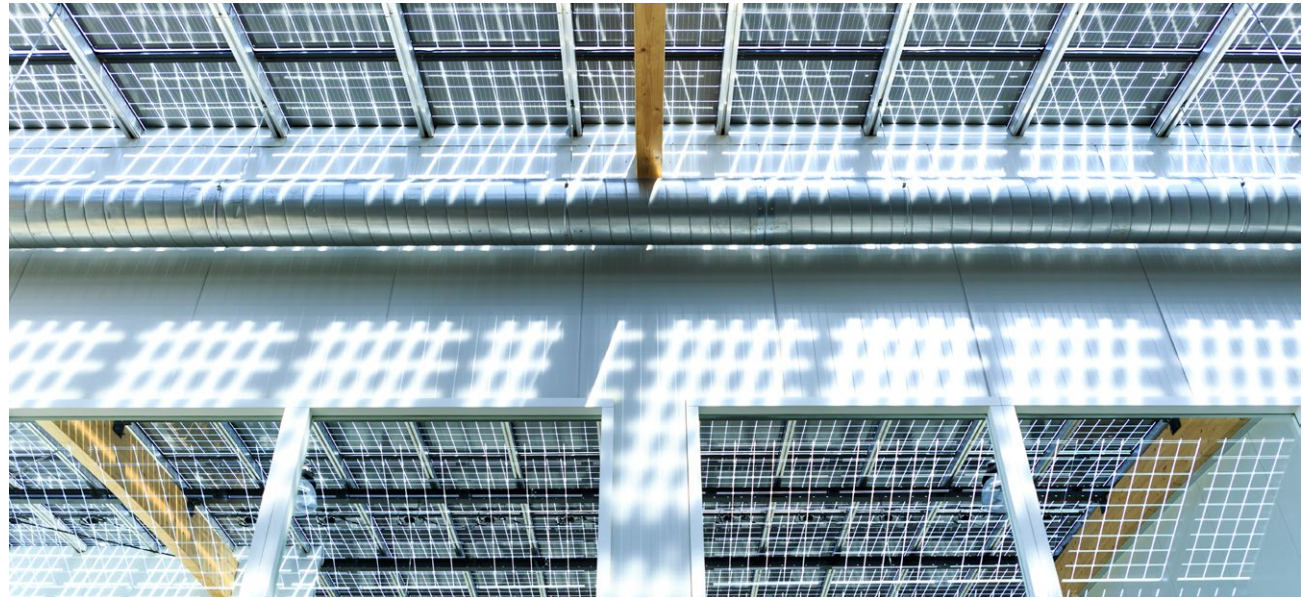
Santangiolina has been able to seize the opportunities of a rapidly evolving market by adapting itself. In 2012, it analysed its carbon footprint as a starting point for a journey towards sustainability. It invested in new equipment to recover heat during the milk processing phases, halving its energy use during production.

Savings on electricity and gas consumption have allowed Santangiolina to face the recent energy crisis with a competitive advantage. It continues to pursue more benefits of sustainability, through the production of energy from photovoltaic panels and better management of biogas produced by the treatment of milk whey.





Netherlands



Netherlands: How are high energy costs impacting SMEs?

YouGov survey question: "Thinking about the impact of energy costs on your business... To what extent, if at all, do you agree or disagree with each of the following statements?"

Six country average

 Netherlands

Reducing profitability

"High energy costs are making our business less profitable (e.g through reduced productivity, limited production)"

Threatening future

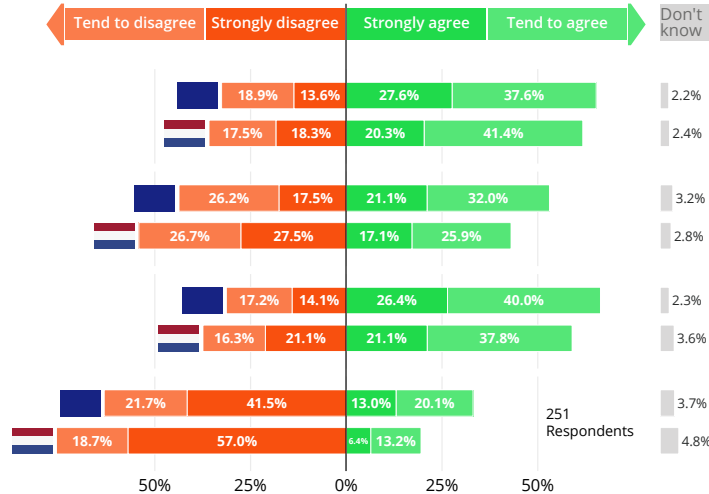
"High energy costs threaten the future of our business"

Increasing prices

"Our business has had to increase prices because of high energy costs"

Reducing jobs

"Our business has had to reduce staff levels because of high energy costs"



Impact of Energy Crisis on Small and Medium sized Enterprises

While SMEs in the Netherlands reported similarly high perception (62%) of increased energy costs making their businesses less profitable, and 59% saying they had to raise the price of their goods and services, few reported high energy costs affecting staffing decisions.

Figure 23: Netherlands - Survey Q1 - Perception of SMEs on the impact of the energy crisis on their business.



Netherlands: Why have energy costs risen?

YouGov survey question: "In your opinion, which, if any, of the following factors have contributed to increasing energy costs?"

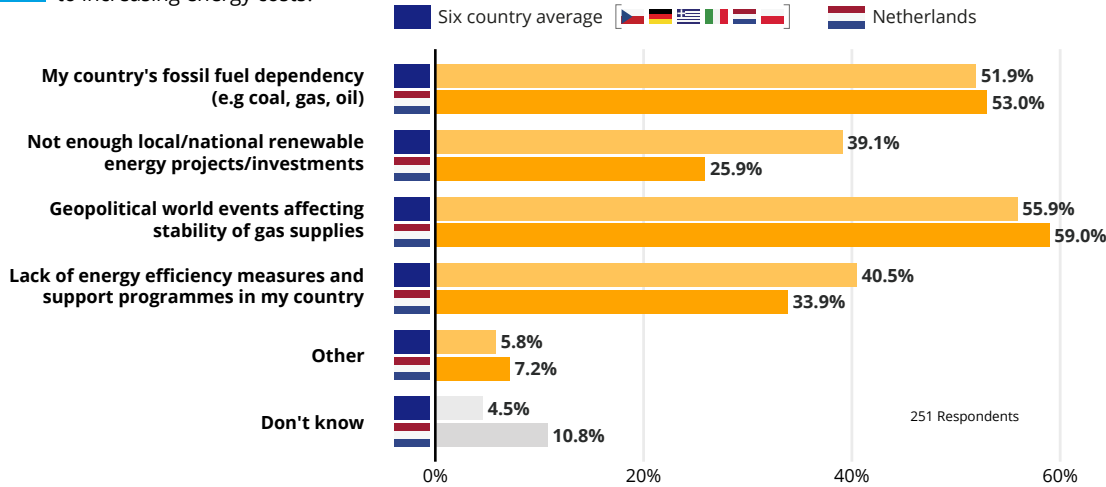


Figure 24: Netherlands - Survey Q2 - Perception of SMEs on the causes for increasing energy costs.



Netherlands: How can governments support SMEs with the energy crisis?

YouGov survey question: "Which, if any, of the following initiatives, do you think would be most useful to bring down the energy costs for businesses?"

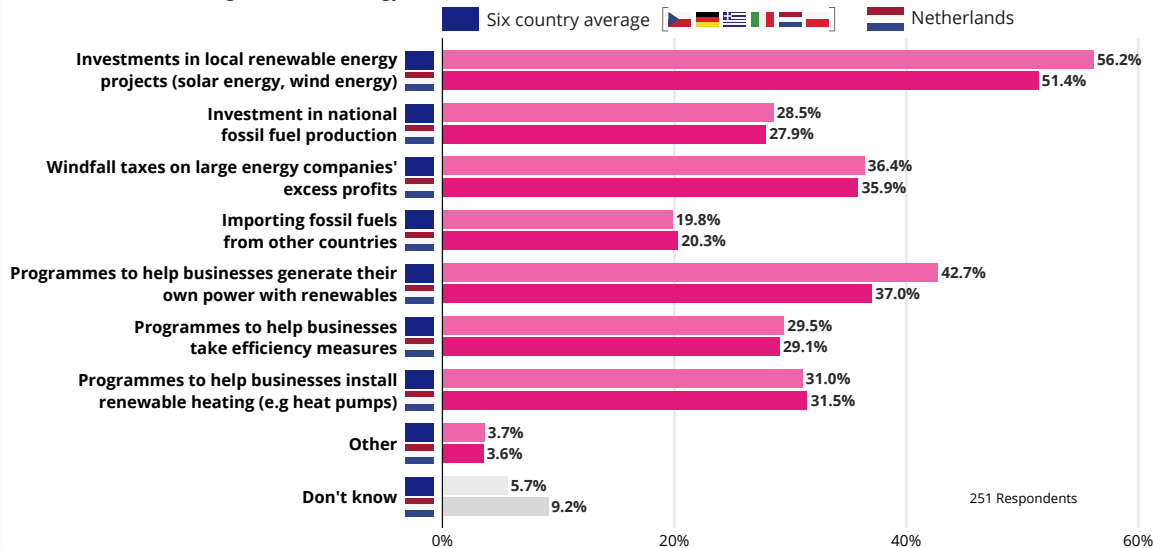


Figure 25: Netherlands - Survey Q3 - How governments can provide support measures to SMEs.

Reasons for Increasing Energy Costs

At a similar level to the overall average, SMEs in the Netherlands blame their country's fossil fuel dependency and geopolitical global events for increasing energy costs, though significantly less respondents say underinvestment in local/national renewable energy projects, energy efficiency measures and support programmes have contributed to higher prices.

Support Measures

Half of SMEs in the Netherlands say investing in local renewable energy projects such as solar and wind is the best way to support them through the energy crisis, while over a third say programmes to help them generate their own power with renewables are useful. More than a third also think windfall taxes on the excess profits of large energy companies is helpful.

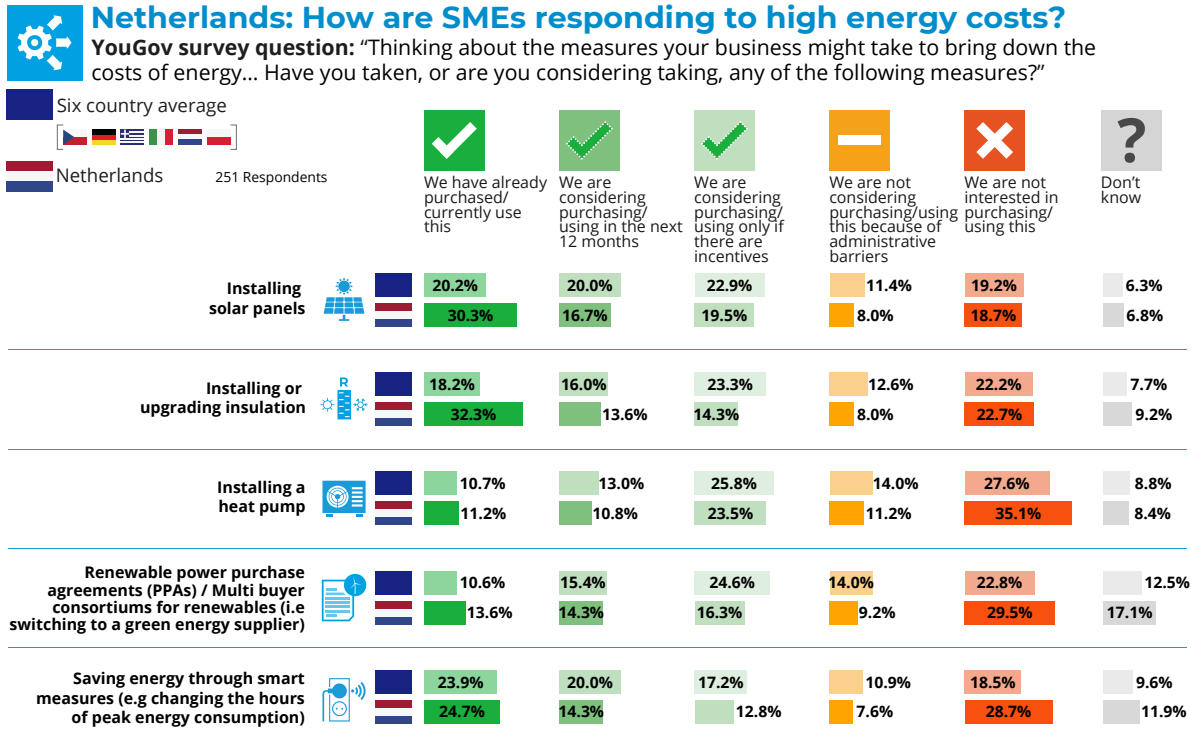


Figure 26: Netherlands - Survey Q4 - Actions SMEs have taken or are considering taking to respond to higher energy costs.

Measures to be taken by Small and Medium sized Enterprises

Heat pump enthusiasm sees a similarly large jump in support when better conditions are put in place, going from 22% of SMEs saying they have installed, or are considering, a heat pump, to 57%.

Almost half of SMEs in the Netherlands have installed, or are considering installing solar panels and upgraded installation. With incentives in place and red tape removed, this rate jumps to 75% and 68% respectively.

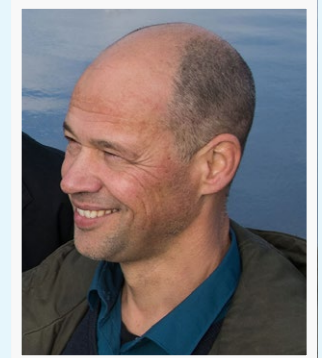
CASE STUDY NETHERLANDS

The ChocolateMakers

In the heart of Amsterdam's bustling cocoa port, The ChocolateMakers have built an innovative company from the power of the sun and wind. Cocoa is shipped 4,143 nautical miles from the Dominican Republic to their factory dock, aboard the Tres Hombres – a beautifully restored 32-metre brigantine three-mast ship dating back to 1943.

A transparent solar canopy blankets the factory roof, providing 100% of their power, with excess fed back into the grid. Residual heat from the chocolate chamber is also used to efficiently warm the entire space, allowing them to save an estimate 35,000kg of CO2 annually in total - equivalent to the emissions of seven households.

"We innovate on all fronts. We look beyond fair trade or organic: environmentally friendly transport, a zero-waste production process and nature conservation are also part of it. We believe in a holistic approach. In 2014 we were already named Amsterdam 's most sustainable SME, five years later we were proud to open our factory, with a fully transparent roof of solar panels, so that we can provide for our own energy needs".

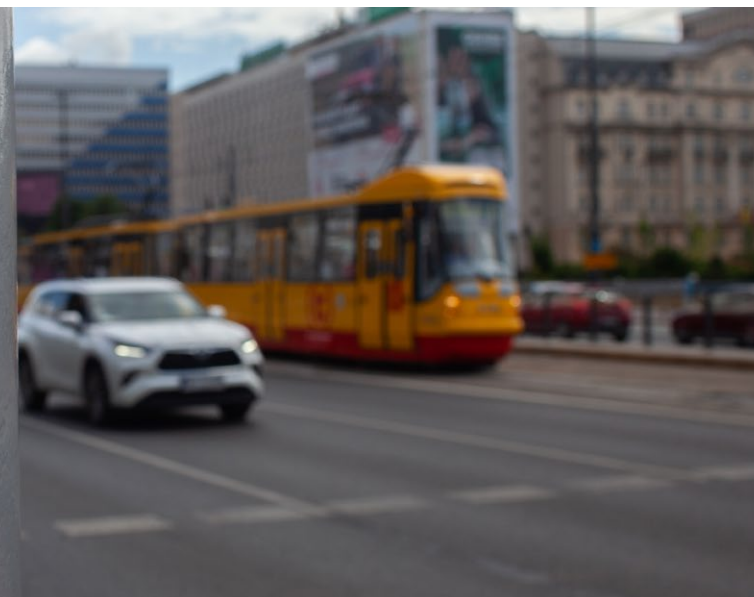


Rodney Nikkels,
Co-Founder of The ChocolateMakers





Poland



Poland: How are high energy costs impacting SMEs?

YouGov survey question: "Thinking about the impact of energy costs on your business... To what extent, if at all, do you agree or disagree with each of the following statements?"

Six country average [Germany, France, UK, Italy, Spain, Poland]

 Poland

Reducing profitability

"High energy costs are making our business less profitable (e.g through reduced productivity, limited production)"

Threatening future

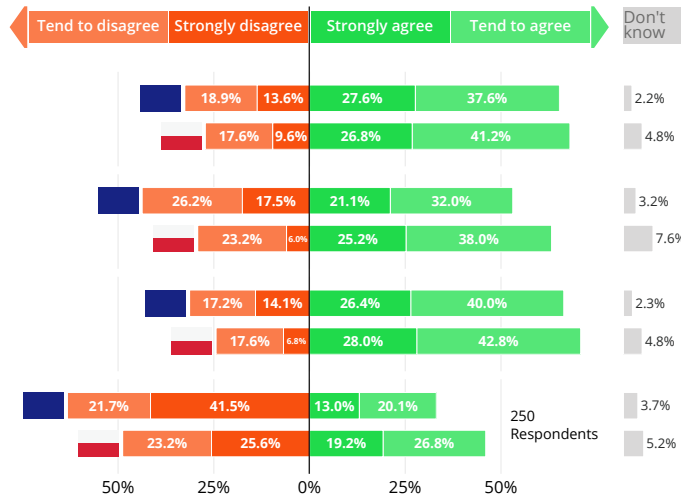
"High energy costs threaten the future of our business"

Increasing prices

"Our business has had to increase prices because of high energy costs"

Reducing jobs

"Our business has had to reduce staff levels because of high energy costs"



Impact of Energy Crisis on Small and Medium sized Enterprises

More than two-thirds of SMEs in Poland think high energy costs are making their business less profitable (68%), and they blame high energy costs for increasing the prices of their goods and services (71%). Almost half report they have had to reduce staff levels because of high energy costs, well above the 33% average over the six countries surveyed.

Figure 27: Poland - Survey Q1 - Perception of SMEs on the impact of the energy crisis on their business.

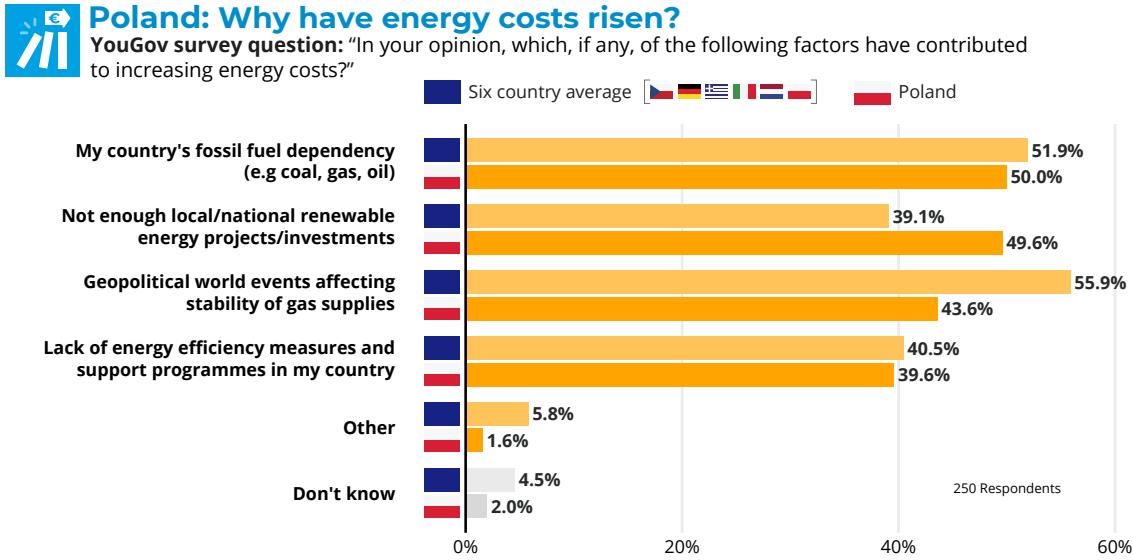


Figure 28: Poland - Survey Q2 - Perception of SMEs on the causes for increasing energy costs.

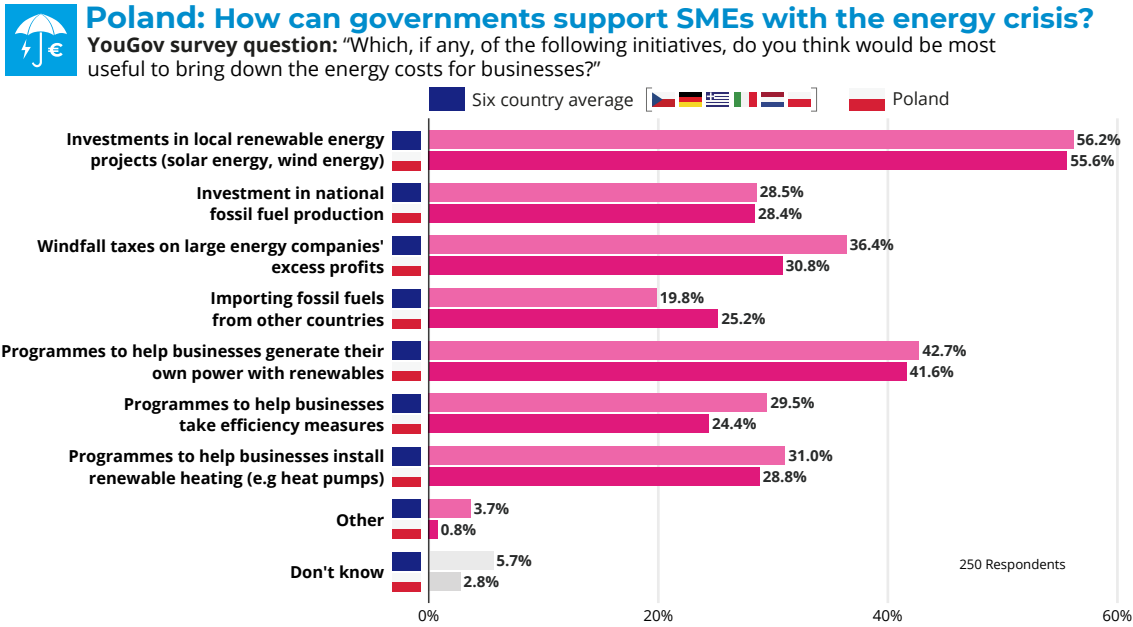


Figure 29: Poland - Survey Q3 - How governments can provide support measures to SMEs.

Reasons for Increasing Energy Costs

Half of SMEs in Poland blame their country's fossil fuel dependency for increasing energy costs, while virtually the same amount think a lack of (50%) say not enough local/national renewable energy projects and investments are among the reasons for increasing energy costs in the country.

Support Measures

Most SMEs in Poland (56%) say investing in local renewable energy projects such as solar and wind is the best way to support them through the energy crisis, while more than a third say programmes to help them produce their own energy from renewables energy are useful.

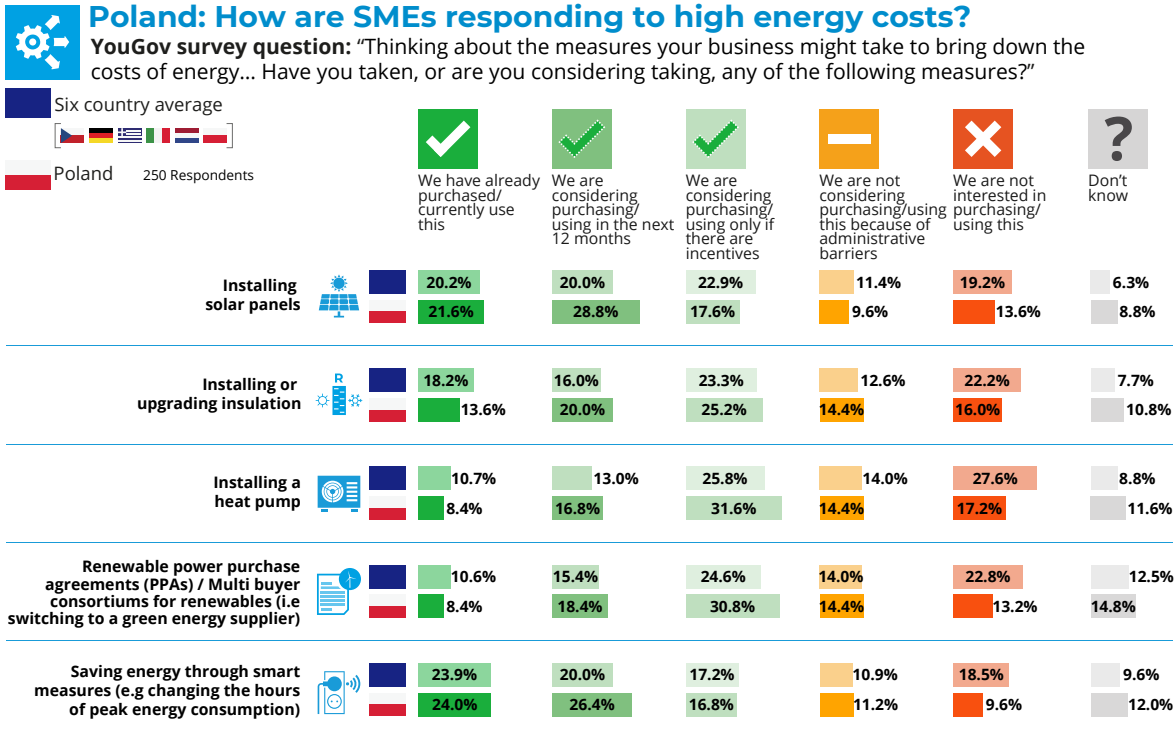


Figure 30: Poland - Survey Q4 - Actions SMEs have taken or are considering taking to respond to higher energy costs.

Measures to be taken by Small and Medium sized Enterprises

Half of SMEs in Poland say they have, or are considering in the next year, installing solar panels or saving energy through smart measures.

78% of SMEs in Poland would consider solar panels and energy savings if incentives are put in place and administrative barriers lifted.

Annex 1 - Sectoral breakdowns

Table 1: Sectoral Breakdowns

“Which of the following industry sector(s) does your business operate in? (If your business falls into more than one industry, please select all that apply)”

	Six country average	Germany	Italy	Czech Republic	Greece	Poland	Netherlands
Base	1517	260	252	252	252	250	251
Manufacturing	9%	7%	6%	14%	7%	16%	4%
Construction	10%	7%	10%	12%	7%	14%	10%
Retail	17%	11%	17%	20%	24%	18%	15%
Financial services	9%	8%	7%	10%	8%	10%	10%
Hospitality and leisure	9%	10%	8%	6%	11%	8%	8%
Accountancy	4%	2%	4%	8%	4%	3%	5%
Legal	4%	5%	4%	5%	3%	5%	5%
IT & telecoms	12%	18%	10%	17%	10%	12%	7%
Media/ marketing/ advertising/ PR & sales	8%	9%	6%	10%	7%	9%	9%
Medical & health services	6%	3%	2%	6%	9%	6%	8%
Education	7%	7%	4%	9%	11%	7%	6%
Transportation & distribution	7%	6%	4%	11%	4%	12%	8%
Real estate	6%	5%	4%	8%	4%	8%	6%
Other	17%	20%	24%	9%	15%	12%	22%

Table 2: Sectoral Breakdowns

“Which ONE of the following industry sectors does your business mainly operate in?”

	Six country average	Germany	Italy	Czech Republic	Greece	Poland	Netherlands
Base	1517	260	252	252	252	250	251
Manufacturing	7%	5%	6%	11%	6%	12%	2%
Construction	8%	5%	10%	9%	6%	11%	8%
Retail	15%	8%	15%	15%	22%	14%	12%
Financial services	6%	7%	6%	6%	5%	6%	8%
Hospitality and leisure	7%	9%	7%	3%	8%	6%	7%
Accountancy	3%	1%	4%	4%	3%	1%	3%
Legal	3%	3%	3%	3%	1%	3%	3%
IT & telecoms	10%	17%	10%	12%	6%	8%	6%
Media/ marketing/ advertising/ PR & sales	6%	7%	5%	7%	4%	6%	6%
Medical & health services	5%	2%	2%	4%	8%	4%	7%
Education	6%	6%	4%	7%	9%	4%	5%
Transportation & distribution	6%	5%	4%	8%	3%	9%	6%
Real estate	4%	4%	3%	3%	3%	5%	5%
Other	16%	20%	22%	8%	15%	12%	21%

Annex 2 - Survey questions

These four questions were asked to the survey respondents to understand four key aspects of interest:

- Q1** How SMEs felt the impact of energy crisis on their business
- Q2** What they view as the factor behind the energy crisis
- Q3** What kind of support measures they view as way out of the crisis
- Q4** What kind of solutions they, as SMEs, would like to deploy to tackle the effect of energy crisis on their business

Q1 Thinking about the impact of energy costs on your business...To what extent, if at all, do you agree or disagree with each of the following statements? (Please select one option on each row)

- Strongly agree
- Tend to agree
- Tend to disagree
- Strongly disagree
- Don't know

- High energy costs are making our business less profitable (e.g through reduced productivity, limited production)
- High energy costs threaten the future of our business
- Our business has had to increase prices because of high energy costs
- Our business has had to reduce staff levels because of high energy costs

Q2 In your opinion, which, if any, of the following factors have contributed to increasing energy costs? (Please select all that apply. If any of your answers don't appear in the list below, please type them in the "Other" box)

- My country's fossil fuel (e.g coal, gas, oil) dependency
- Not enough local/national renewable energy projects/ investments
- Geopolitical world events affecting stability of gas supplies
- Lack of energy efficiency measures and support programmes in my country
- Other
- Don't know

Q3 Which, if any, of the following initiatives, do you think would be most useful to bring down the energy costs for businesses? (Please select all that apply. If any of your answers don't appear in the list below, please type them in the "Other" box)

- Investments in local renewable energy projects (solar energy, wind energy)
- Investment in national fossil fuel production
- Windfall taxes on large energy companies' excess profits
- Importing fossil fuels from other countries
- Programmes to help businesses generate their own power with renewables
- Programmes to help businesses take efficiency measures
- Programmes to help businesses install renewable heating (e.g heat pumps)
- Other
- Don't know

Q4 Thinking about the measures your business might take to bring down the costs of energy... Have you taken, or are you considering taking, any of the following measures? (Please select the option that best applies on each row)

- We have already purchased/currently use this
- We are considering purchasing/ using in the next 12 months
- We are considering purchasing/ using only if there are incentives
- We are not considering purchasing/ using this because of administrative barriers
- We are not interested in purchasing/ using this
- Don't know

- Installing solar panels
- Installing or upgrading insulation
- Installing a heat pump
- Renewable power purchase agreements (PPAs) / Multi buyer consortiums for renewables (i.e switching to a green energy supplier)
- Saving energy through smart measures (e.g changing the hours of peak energy consumption)

Photos



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