



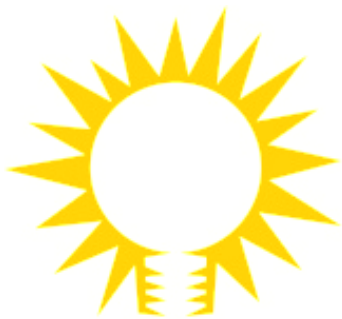
# **Session 6**

# **Energy Poverty**

**Paula Rey Garcia**  
**DG Energy**  
**Barcelona, 30 January 2020**

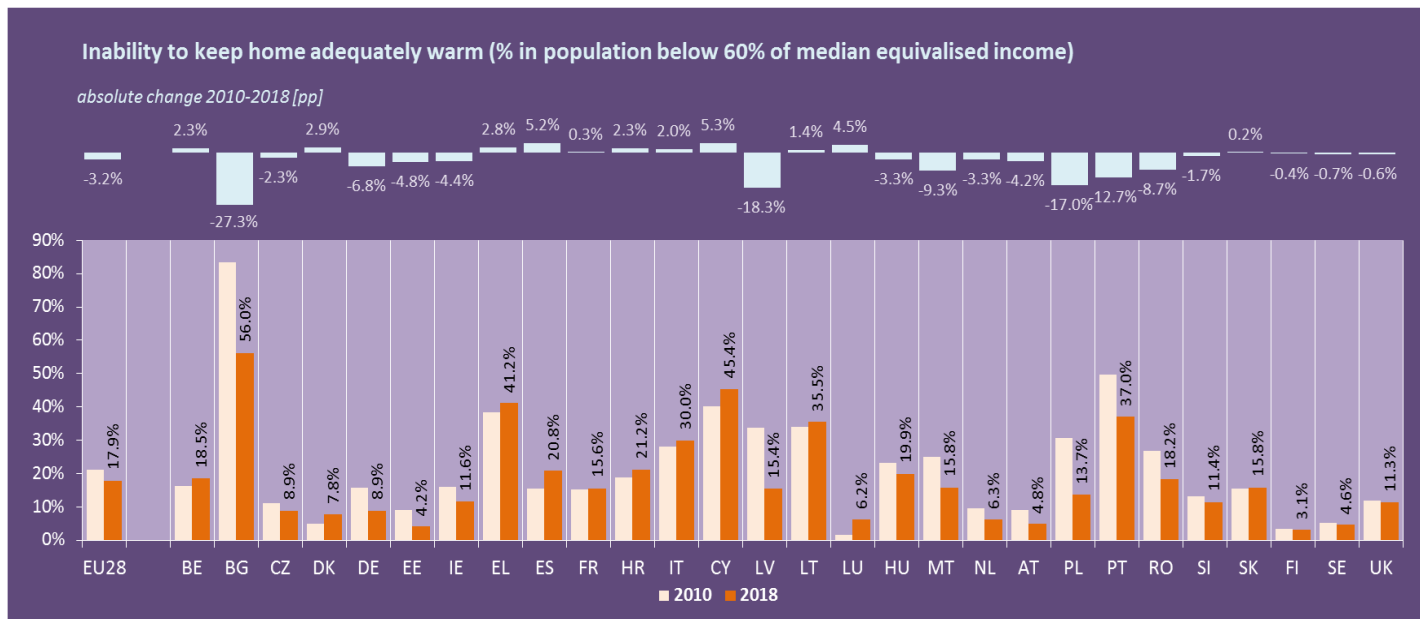
**What is it and how can it be addressed**

Energy poverty is a widespread problem across Europe, as between 50 and 125 million people are unable to afford proper indoor thermal comfort.



# Inability to keep home adequately warm

Share of (sub-) population not able to keep their home adequately warm, based on question "Can your household afford to keep its home adequately warm?" (Eurostat)



# Drivers of vulnerability



## **Market conditions**

Final energy price  
Level of competition



## **Individual Circumstances**

Income level  
Health and disability  
Education: literacy/numerical skills  
IT skills/Internet Access



## **Living Conditions**

Under-occupancy  
Type of heating system  
Quality of housing stock



## **Social Natural Environment**

State of economy  
Climate

# Recommendations

- ✓ *Focus on long-term prevention*
- ✓ *Invest in energy efficiency measures*
- ✓ *Invest in renewable energy measures*
- ✓ *Make accessible energy efficiency and renewable energy measures to vulnerable/energy poor in building renovation schemes*
- ✓ *Encourage more energy-efficiency behaviour*
- ✓ *Provide accessible information on the expense and cost reduction potentials of energy efficient & renewable based heating/cooling system*
- ✓ *Social tariffs and direct payments*
- ✓ *Role & interaction of different stakeholders*
- ✓ *Empower consumers*



# Energy Poverty provisions in the Clean Energy Package

- Identification, monitoring, addressing (“significant number”)
- Energy efficiency obligations schemes, long term renovation strategies
- Alternatives to disconnection

— Electricity Directive

— Energy Performance in Buildings Directive

— Energy Efficiency Directive

— Renewable Energy Directive

— Energy Union Governance Regulation



# Electricity Directive- provisions

Description in **Recital (40)** : "Inability to afford basic energy services, such as adequate warmth, cooling, lighting and the energy to power appliances, due to a combination of low income, high energy expenditure and poor energy efficiency of their homes"

**Article 5(5)**- *Obligation to set an objective to reduce energy poverty where "social tariffs" are applied*

**Article 10** - *MS to ensure that customers are given information on alternatives to disconnection sufficiently in advance*

## **Article 29**

- **Define** a set of criteria to measure energy poverty
- **Monitor** energy poverty
- **Report** on the evolution of energy poverty and to prevent it to the Commission every two years. *Integrated National Energy and Climate Progress*



# EPBD- provisions

*Member States must outline relevant national actions that contribute to the alleviation of energy poverty in the framework of their long-term renovation strategy to support the renovation of the national stock of residential and non-residential buildings.*

- In accordance to Article 2a(1)(d) of the EPBD, each LTRS must encompass 'an overview of policies and actions to target the worst-performing segments of the national building stock, split-incentive dilemmas, and market failures, and an outline of relevant national actions that contribute to the **alleviation of energy poverty**'.
- This is a new element which did not exist in the EED.





# EED- provisions

Reinforced obligations as compared to the 2012 EED

Article 7(11)

***Member States to take into account the need to reduce energy poverty in the context of their energy efficiency obligations.***

*Article 7(11) requires, to the extent appropriate, a share of energy efficiency measures to address as a priority matter vulnerable households, including those affected by energy poverty*



# RED II - provisions

- *RED II: When adopting and implementing measures to increase the share of renewables in heating and cooling Member States shall aim to ensure **accessibility of measures** to all consumers, **in particular low-income or vulnerable households**, who would otherwise not possess sufficient up-front capital to benefit. – Art. 23(4) last para*
- *These measures can be implemented **using** the structures of **energy saving obligations** (energy efficiency obligation schemes and alternative measures) set out in Article 7 of EED – Art. 23(5)*

*Synergies with EPBD and EED: renovation schemes, measures, information on replacing fossil fuel boilers as part of building renovation, including transformation to NZEB (Art. 20(2) EPBD); L-T renovation strategies to include policies/actions to alleviate energy poverty (Art:2a.1.d); These measures can be part of energy saving obligation aimed at reducing energy poverty under Art. 7 of EED to (e.g. EPBD Article 20(2));*

# Governance Regulation- provisions

Energy poverty addressed in a holistic and comprehensive manner in the new governance framework and the mix of energy policy measures implemented in the context of the national energy and climate plans.

## Article 3(3)(d) Governance Regulation

- Member States shall assess number of households in energy poverty
- Where the number of households is significant”, *set objective and outline policies and measures*
- → *NECP assessments*



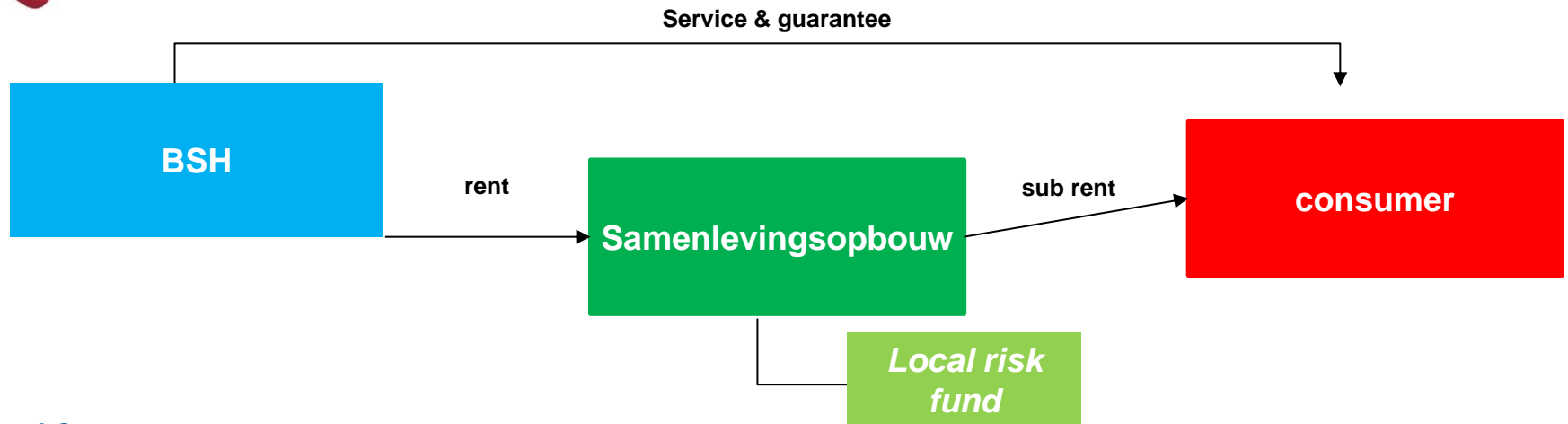
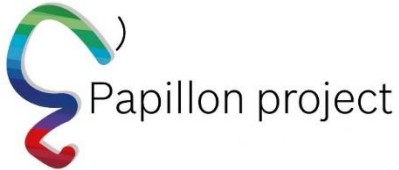
# First National Energy and Climate Plans

- *“The NECPs should address energy poverty in a more structured way, **starting with an assessment of the number of households in energy poverty.**” - energy poverty alleviation measures should be considered across the instruments provided by EED, RED II, EBPD. This could include access to renewable self-consumption, building refurbishment to reduce costs and energy expenses via better insulation and low running cost renewable heating/cooling*
- *“Properly addressing energy poverty is also needed, incl. by assessing the number of households in energy poverty and **where necessary** defining an indicative objective to reduce energy poverty.”*

# Rationale for new provisions

- *Energy poverty levels on the rise across the EU*
- *Lack of reliable data and information on the scale of the phenomenon at MS level*
- *Weak policy transfer from successful programmes resulting in difficulties in effective policy design*

# An example of an innovative project



- ✓ 10 year rental contract
- ✓ Service / guarantee included for 10 years
- ✓ fridge, freezer, washing machine, dryer, dish washer
- ✓ product service combination / Circular economy
- ✓ first experiment with up to 100 appliances
- ✓ our initial focus is the 'Westhoek' region
- ✓ All rental prices are < 9 €



# EU networks to engage Municipalities (1)



- **valuable source of data and statistics**
- *It has developed energy poverty indicators, gathered an extensive catalogue of policy measures and compiled a comprehensive repository of research*
- *helps stakeholders involved in designing or implementing energy poverty policy (policymakers, NGOs, public authorities at different levels, researchers and practitioners) to define and measure the phenomenon*
- *facilitates the exchange of good practice and provides training materials*
- *can be of direct assistance to Member States in providing advice and expertise – both ad hoc and via its extensive advisory board, which is made up of experienced experts in all aspects of energy poverty*



# EU networks to engage Municipalities (2)



- *8000 active signatories in EU (9000+ worldwide)*
- *Strong political commitment to reach EU climate/energy targets*
- *Need for know-how and financing of plans*
- *Mitigation, adaptation, **energy poverty***



- *Nearly 6.000 members*
- *Clear implementation & replication target and focus on matchmaking*
- *Knowledge and support to capacity building*







European  
Commission

**THANK YOU!**



Energy