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EU legislation related to energy poverty

CA EED2 Working Group 4.2

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Energy poverty in the Clean Energy Package



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The Clean Energy for All Europeans Package addresses lack of energy affordability as a key objective. Recasts of EU directives include requirements to address domestic energy poverty.

Relevant directives for energy poverty:

- Energy Efficiency Directive
- Electricity Directive (proposal)
- Energy Performance in Buildings Directive
- Renewable Energy Directive
- Energy Union Governance Regulation

Energy poverty in the EED



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In the **new EED (Directive EU 2018/2002)**, energy poverty is covered in Article 7(11):

- “(...) Member States **shall take into account the need to alleviate energy poverty** in accordance with criteria established by them, taking into consideration their available practices in the field, by requiring, to the extent appropriate, a share of energy efficiency measures **under their national energy efficiency obligation schemes, alternative policy measures**, or programmes or measures financed under an Energy Efficiency National Fund, to be implemented as a priority among vulnerable households, including those affected by energy poverty and, where appropriate, in social housing.”

Energy poverty in the Electricity Directive



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Recast Internal Market in Electricity Directive (proposal)

- Aims at putting consumers at the heart of the energy markets: MSs have to ensure that the most vulnerable customers are protected and that the overall number of energy-poor households will not further increase
- New obligations included to **better identify** vulnerable and energy poor customers, making it easier to target assistance and this way to tackle energy poverty.
- Market design proposal requires Member States to **duly measure and regularly monitor energy poverty**.

Energy poverty in the Electricity Directive



- Energy services are essential services, access to which is important. Energy poor households are unable to afford these energy services due to a **combination of low income, high energy expenditure and poor energy efficiency of their homes**. MSs should collect the right information **to monitor** the number of households in energy poverty in order to provide targeted support.
- Art.5. (2) MSs shall ensure the protection of energy poor or vulnerable customers **in a targeted manner by other means than public interventions in the price-setting for the supply of electricity**. Apply public interventions in the price-setting for vulnerable households only in case of extreme urgency.
- The interventions shall not go beyond what is necessary to achieve the general economic interest which they pursue, **be limited in time and proportionate as regards their beneficiaries**.

Energy poverty in the Electricity Directive



Member States shall take appropriate measures, such as

- formulating national energy action plans,
- providing benefits in social security systems to ensure the necessary electricity supply to vulnerable customers,
- providing support for energy efficiency improvements, to address energy poverty where identified,

Such measures shall not impede the effective opening of the market.

Art. 29 on **Energy poverty**

- Member States shall define a set of criteria for the purposes of measuring energy poverty.
- Member States shall continuously monitor the number of households in energy poverty and shall report on the evolution of energy poverty and measures taken as part of their NECP.

Energy poverty in the EPBD



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The **Energy Performance in Buildings Directive (EU 2018/844)** aims at a comprehensive treatment of energy poverty through the renovation of the inefficient building stock.

- MSs are required in their **long term renovation strategies** to target the worst performing segments of the national building stock, ...and implement actions that contribute to the alleviation of energy poverty;
- Goal: achieve a highly energy efficient and decarbonised building stock and that the long-term renovation strategies deliver the transformation of existing buildings into nearly zero-energy buildings (by an increase in deep renovations)

Energy poverty in the EPBD



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- MSs should provide clear guidelines and outline actions, **promote equal access to financing**, including for the worst performing segments of the national building stock,
 - for energy-poor consumers,
 - for social housing,
 - and for households subject to split-incentive dilemmas, while taking into consideration affordability.

Energy poverty in the Renewable Energy Directive



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Recital (67)

Empowering **jointly acting renewables self-consumers** also provides opportunities for renewable energy communities to advance energy efficiency at household level and helps fight energy poverty through reduced consumption and lower supply tariffs. Member States should take appropriate advantage of that opportunity by, *inter alia*, assessing the possibility to enable participation by households that might otherwise not be able to participate, including vulnerable consumers and tenants.

Energy poverty in the Governance Regulation



In their integrated NECP MSs should

- **assess** the number of households in energy poverty
- in the event that a Member State finds that it has a significant number of households in energy poverty, it should include in its plan a **national indicative objective to reduce energy poverty**
- **outline policies and measures** targeting energy poverty, including social policy measures and other relevant national programmes, either as part of an EEO or as alternative measures
- COM shares data with the European Energy Poverty Observatory

Thank you for your attention



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