

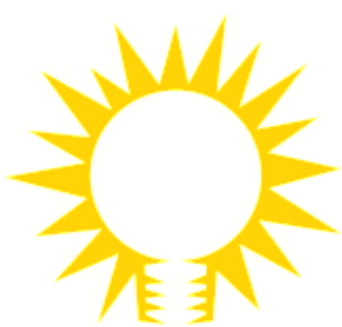


Session 6 Energy Poverty

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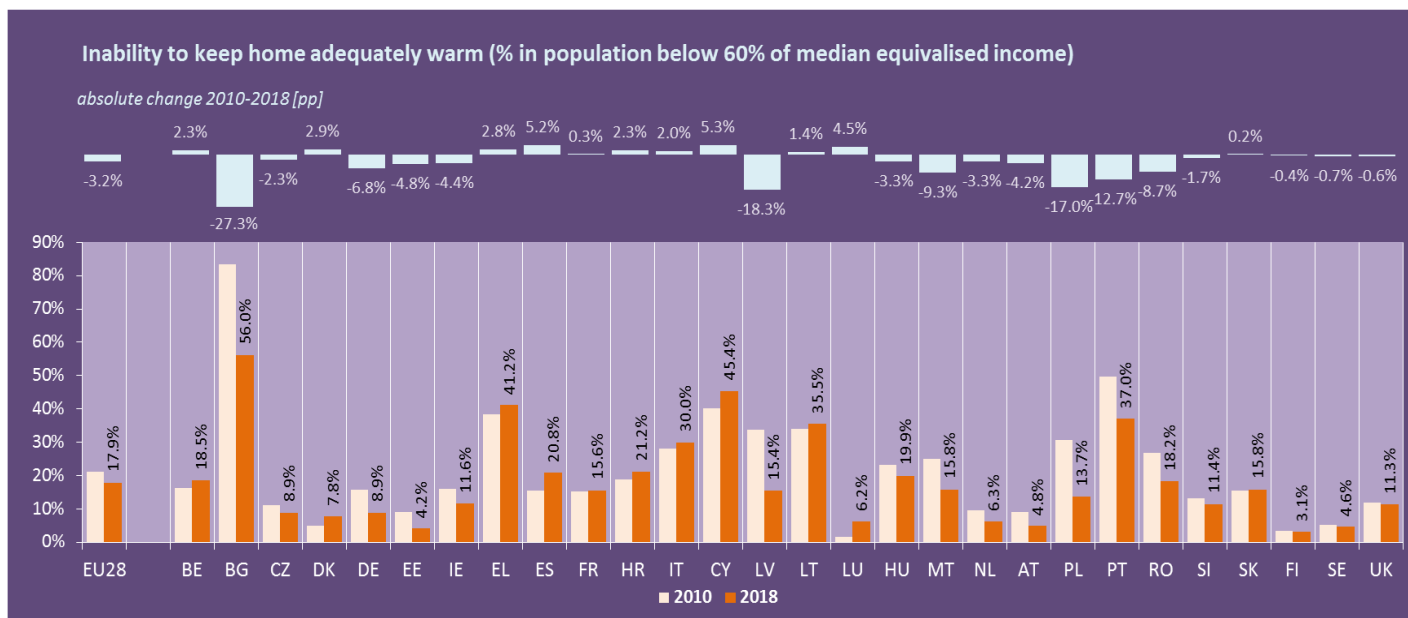
What is it and how can it be addressed

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 object energy poverty.”*



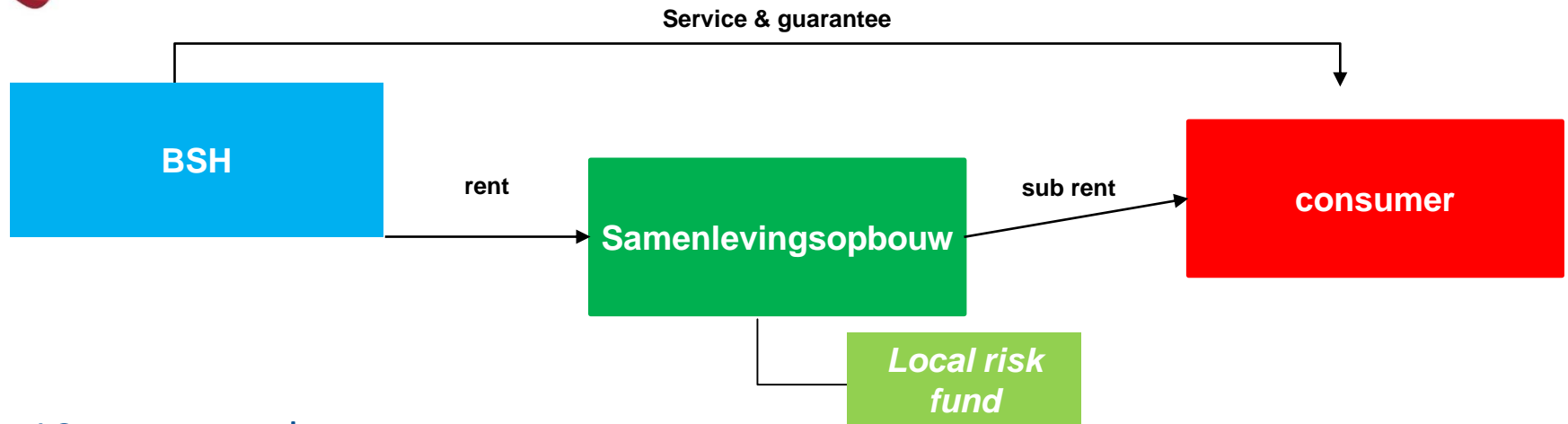
Rationale for new provisions

- *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



Papillon 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
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THANK YOU!



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