



Fit for 55

**Directive 2023/1791 on Energy Efficiency
of 13 September 2023 – energy poverty provisions**

**Concerted Action EED, 3rd Plenary Meeting
10 October 2023, Brussels**

**Energy Efficiency Unit, DG ENER.B2
European Commission**

Energy Efficiency Directive (EED) recast

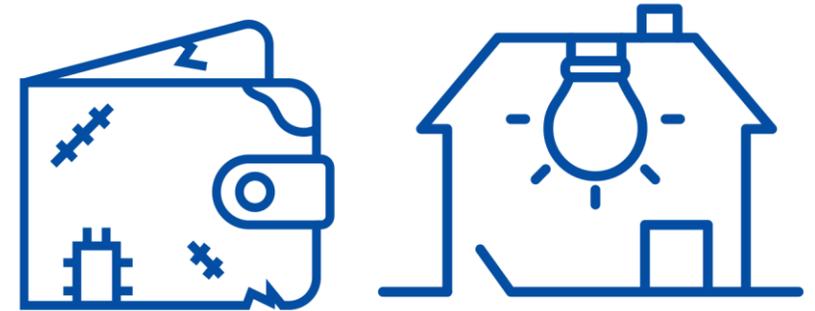
- Energy efficiency identified as the most effective solution to alleviate energy poverty and overcome some of the potential negative distributional impacts of pricing measures
- EED recast introduces:
 - First-ever EU definition of energy poverty (Article 2(52))
 - Energy savings obligation sub-target (Article 8(3)): requirement to achieve a share of total amount of energy savings among vulnerable groups (share at least equal to the share of households in energy poverty as notified in NECP or using four indicators)
 - Prioritisation, higher protection and empowerment of vulnerable customers (Article 22 and new Article 24)

Beneficiaries: people affected by energy poverty, vulnerable customers, people in low-income households and, where applicable, people living in social housing

Energy poverty definition

A household's lack of access to essential energy services where such services provide basic levels and decent standards of living and health, including adequate heating, hot water, cooling, lighting, and energy to power appliances, in the relevant national context, existing social policy and other relevant national policies, caused by a combination of factors, including at least non-affordability, insufficient disposable income, high energy expenditure and poor energy efficiency of homes.

Article 2(52), EED recast



Target groups

People affected by energy poverty

Relates to the definition of energy poverty set out in Article 2(52) EED recast, which refers to the relevant national context. Each Member State may thus adopt its own legal definition of energy-poor households.

Vulnerable customers (take into account final user)

The concept of "vulnerable customers" is set out in Article 28(1) of the Directive (EU) 2019/944:

The concept of vulnerable customers may include income levels, the share of energy expenditure of disposable income, the energy efficiency of homes, critical dependence on electrical equipment for health reasons, age or other criteria.

People in low-income households (no definition in EU law)

Indicator of at-risk-of-poverty rate mentioned in Article 8(3) of the EED recast refers to the threshold of 60% of the national median equivalised disposable income after social transfers.

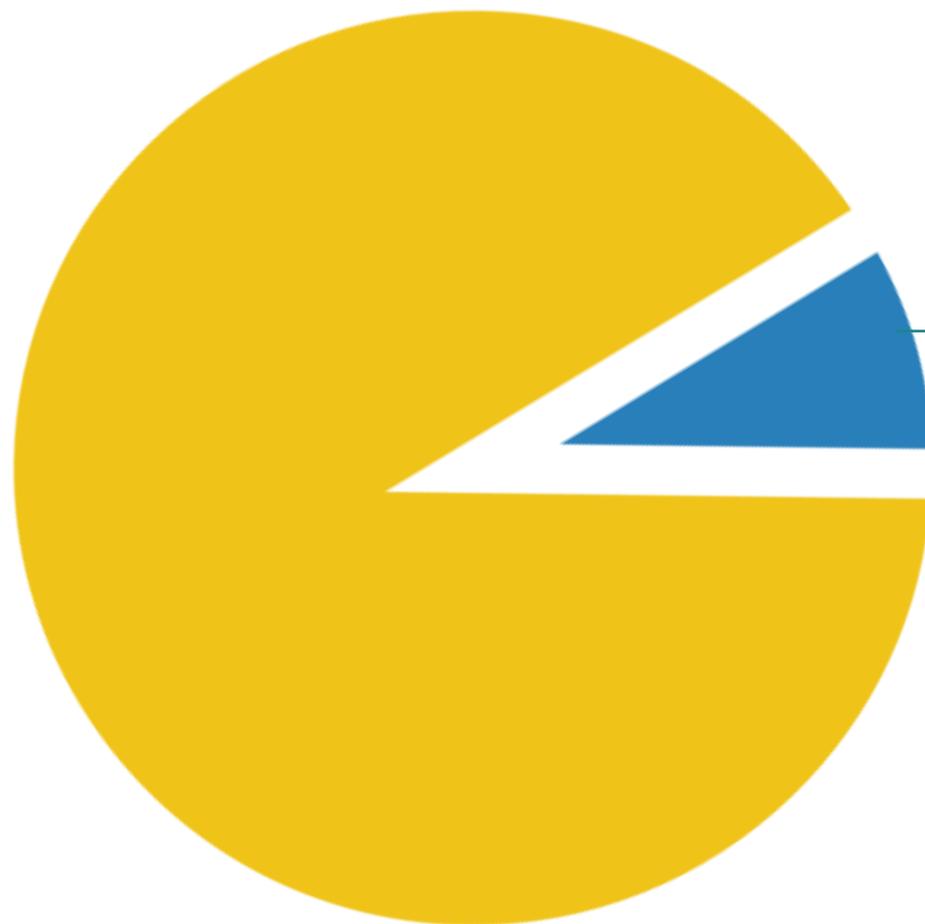
People living in social housing (no definition in EU law)

Residential rental accommodation provided at sub-market prices targeted and allocated according to specific rules, such as identified need or waiting lists

(as defined by the 2020 Policy Brief of the OECD)

Article 8: Energy savings obligation

Stepwise increase
in annual cumulative
energy savings
obligation in end use:
1.3% as of 2024
1.5% as of 2026
1.9% as of 2028



Just transition sub-target:

Achieve share of the
total amount of energy
savings among
vulnerable customers
and energy poor

Member
States to
define

Savings coming from direct fossil fuel combustion progressively excluded

Article 8 – Indicators to establish share of energy poor



Inability to keep home adequately warm (Eurostat, SILC [ilc_mdcs01]);



Arrears on utility bills (Eurostat, SILC, [ilc_mdcs07]);



Total population living in a dwelling with a leaking roof, damp walls, floors or foundation, or rot in window frames or floor (Eurostat, SILC [ilc_mdho01]);



At-risk-of-poverty rate (Eurostat, SILC and ECHP surveys [ilc_li02]) (cutoff point: 60 % of median equivalised income after social transfers.

Article 24: Empower and protect vulnerable groups

Empower and protect energy poor and vulnerable customers

Implement EE measures and related consumer protection or information measures **as a priority among vulnerable groups**

Implement EE measures to **mitigate distributional effects** of other policies

Make **best possible use of public funding** (national and EU level) and carry out early, forward-looking investments in EE

Establish a **network of experts** to develop strategies for implementing EE improvement measures to alleviate energy poverty

Both *final customers* and *final users*



ETS

Increase clean energy offer to end users
Innovation & investment in new energy sources
Modernisation of existing infrastructure

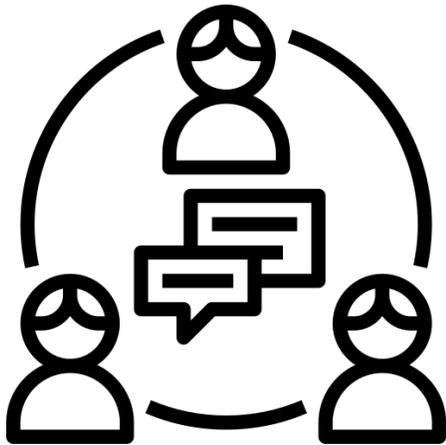
SCF

Temporary direct income support to households and transport users
Structural investments that reduce emissions in transport and buildings to reduce costs for vulnerable households

Article 22: Information and awareness raising

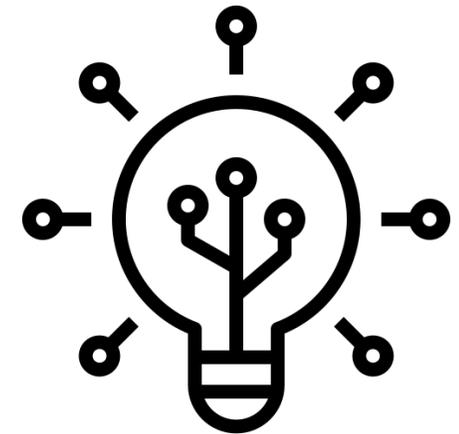
Disseminate **information** on available energy efficiency improvement measures, individual actions and financial and legal frameworks to all relevant market actors

One-stop shops



Create **one-stop shops** or similar mechanisms for the provision of technical, administrative and financial advice and assistance to final customers and final users, especially household and small non-household ones, including SMEs and microenterprises

- provide holistic support to all households, **with a particular focus on households affected by energy poverty** and on worst performing buildings





Thank you

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