



Quantifying Energy Poverty Measures in EED Art 8 and SCP Frameworks

Concerted Action EED, Working Group 8.2
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Policy context and scope: two frameworks, one goal

	Social Climate Fund (SCF)	EED Article 8(3)
Legal Basis	SCF Regulation (EU/2023/955): Just Transition principle	EED (EU/2023/1791): energy savings obligation on Member States
Objective	Financing instrument to mitigate ETS2 social impacts on vulnerable groups via structural measures & temporary income support.	Achieve final energy savings among priority groups (energy poor, vulnerable, low-income, social housing) to mitigate adverse effects of EE policies
Scope	<ul style="list-style-type: none"> - Support measures - Eligible households and micro-enterprises (building and transport sector, with focus on ETS2 fuels) - Energy and transport poverty 	<ul style="list-style-type: none"> - Energy efficiency improvements - Eligible households (residential and transport sectors, all energy carriers) - Energy poverty
Specific Features/ Requirements	Allows temporary direct income support (max 37.5% of plan) but cannot count toward EED savings.	Mandatory sub-target: a share of energy savings must come from priority groups.

Policy context and scope: two frameworks, one goal

Do SCP and EED Art.8 measures target the transport sector (in practice)?

SCF	EED Article 8(3)
Transport could represent a large share of SCP measures (see example of Sweden)	Transport = small share of savings reported to Art.8 so far (and even less for Art.8(3))

- Priority of measures addressing transport poverty = ensuring access to mobility and services (not necessarily achieving energy savings)
- Energy savings in transport might be more difficult to monitor and assess (notably for modal shift or infrastructures facilitating active modes)
- New vehicles using fossil-fuels are not eligible to EED Art.8 (whereas low-emission vehicles may be eligible in SCPs)

Policy context and scope: two frameworks, one goal

	SCF	EED Article 8(3)
Temporal Scope	<p>currently set for 2026-2032</p> <p>→ provides funding and support structure to absorb part of the impacts of the ETS2 on vulnerable groups.</p>	<p>10-year obligation periods (currently 2021-2030)</p> <p>→ meant for long-term sustainability (cf. lasting effects of energy efficiency + no time limit on the obligation periods)</p>
Monitoring & reporting	<p>Member States shall submit SCPs for approval, and then justify spending and KPI achievements</p>	<p>Member States shall report policy measures energy savings</p>
<p>[underlying measures can be the same for both purposes]</p>		
Additionality	<p>Additionality of the funding</p> <ul style="list-style-type: none"> ✓ vs. other Union funds, programmes and instruments ✓ and not substituting recurring national budgetary expenditures. 	<p>Additionality of the savings</p> <ul style="list-style-type: none"> ✓ vs. what would have occurred in the absence of the policy ✓ At least vs. the impacts of the implementation of mandatory Union law

From definition to targeting

Common starting point

Definition of 'Energy Poverty' (EED Article 2(52)):

“A household's lack of access to essential energy services, caused by a combination of low income, high-energy expenditure, and poor energy efficiency of homes . It's a root-cause definition, with broad categories, primarily defined by income and social indicators (e.g., social benefit recipients).”

Groups considered in EED Art.8(3)

“people affected by energy poverty, vulnerable customers, people in low-income households and, where applicable, people living in social housing”
→ Practical criteria up to the Member States (e.g., income thresholds, using or not criteria related to buildings' energy performance)

'vulnerable households' in SCF Art.2(10)

“households in energy poverty or households, *including low income and lower middle-income ones*, that are significantly affected by the price impacts of the inclusion of greenhouse gas emissions from buildings within the scope of Directive 2003/87/EC and *lack the means to renovate the building they occupy*”

Priority groups targeted by Member States for EED Article 8(3) might not necessarily all be “vulnerable households” under the SCF Regulation (and reciprocally)

Complement about additionality in SCF:

Member States must justify how measures in their SCP are additional and not simply a re-labelling of existing national spending.

Guiding principles: (I) no double counting/funding, (II) Justification, (III) Necessity (of additional funding to support more highly targeted measures)

- How to Justify Additionality:
 - Scale: SCF allows for a much larger programme (e.g., renovating 10,000 homes instead of 1,000).
 - Depth: SCF invites to deeper, more comprehensive renovations (e.g., holistic deep renovation vs. a single measure) .
 - Targeting: SCF aims at reaching the "*hardest-to-reach*" households previously left out of standard schemes, thanks to targeted outreach and 100% grants.
- The interface is not about double-reporting the same action, but rather about using SCF to catalyse new measures or boost existing ones so that they can contribute to the EED's objectives in a way that wouldn't have happened otherwise.

Additionality: How EED Art. 8(3) Can Expand SCP-Funded Initiatives

- SCP can provide significant funding sources depending on the country, but SCF funding alone is not enough to mitigate ETS2 impacts. Member States must demonstrate how they will cover the remaining needs .
- Relevance of EED Article 8(3) to SCP measures:
 - It creates a policy obligation to continue and expand these efforts beyond the SCF's timeframe.
 - It provides a reporting and M&V framework that can track the long-term impacts of SCF-funded measures.
- The obligation to target priority groups ensures that national energy savings measures can be redesigned to sustain the momentum and continue supporting renovations for vulnerable groups long after 2032.

Conclusions & Key Messages about the interplay between EED Art.8(3) and SCF/SCPs



Synergy, not duplication: EED Article 8(3) and the SCF are designed to be complementary.



Definitions matter: SCF's focus on those "lacking the means to renovate" provides a clear, operational target group that aligns with the EED's broader "energy poverty" concept .



Additionality is  : MSs must demonstrate that SCF plans go beyond business-as-usual, for more, deeper, and better-targeted action.



Evidence for Impact: robust assessment under Article 8(3) requires combining energy savings calculations (using EPCs, billing data) with socio-economic indicators to capture the full benefit for vulnerable households.



Thank you