

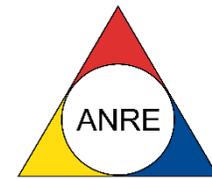
EnR Position Paper on Energy Poverty in EUROPE and MS - 2018

**ANRE Romania
The Energy Efficiency Department
Mrs. Mirela PLESCA**

**CA EED PM
19 -20 March 2019
Helsinki**

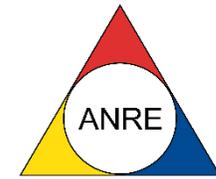
EnR





About EnR Network

- **EnR is a voluntary network currently numbering 26 European energy agencies, with responsibility for the planning, management or review of national research, development, demonstration or dissemination programs in the fields of energy efficiency and renewable energy and climate change abatement**
- It seeks to strengthen cooperation between member agencies and other European actors on all issues relevant to sustainable energy
- International comparison and information sharing takes place primarily through our **eight Working Groups**, which are also open to relevant non-member organizations
- The EⁿR management is jointly formed by the EⁿR Presidency & Secretariat and the EⁿR Troika.
Presidency & Secretariat rotate among EⁿR members for one-year periods.
The Troika consists of mandated agency representatives for the previous, current and next Presidencies.



2017 EnR Presidency

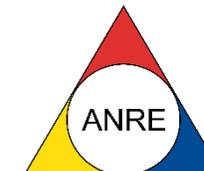
- In February 2017, the Romanian Energy Regulatory Authority - ANRE took over the EnR Presidency & Secretariat from DENA – Germany.
- **Focus topic: Energy Poverty in Europe and MS** – benchmarking the relevant documents and reports and the Clean Energy Package proposals
 - **EnR Position Paper on Energy Poverty in Europe and MS**

<https://www.anre.ro/ro/eficienta-energetica/informatii-de-interes-public/info-eficienta-energetica1386850500/anre-presedinte-enr-2017/intalnire-enr-regular-and-full-meetings-m62-londra-20-22-februarie-2018&page=1>

- Starting February 2018, the EnR President was ENEA – Italy and beginning February 2019, the EnR President is EST UK.

<http://enr-network.org/about-enr/>





EUROPE 2020 STRATEGY HEADLINE INDICATORS, EU28

	Headline Indicator	Past situation	Current situation			2020 Target
		2008	2014	2015	2016	
Employment	Employment rate, total (% of the population aged 20-64)	70.3	69.2	70.1	71.1	75
R&D	Gross domestic expenditure on R&D (% of GDP)	1.84	2.04	2.03 ^p	:	3.00
Climate change & energy	Greenhouse gas emissions* (index 1990=100)	90.31	77.39	77.88	:	80
	Share of renewable energy in gross final energy consumption (%)	11.0	16.1	16.7	:	20
	Primary energy consumption (Million tonnes of oil equivalent)	1,692.4	1,508.3	1,529.6	:	1,483
	Final energy consumption (Million tonnes of oil equivalent)	1,179.7	1,059.6	1,082.2	:	1,086
Education	Early leavers from education & training, total (% of population aged 18-24)	14.7	11.2 ^b	11.0	10.7	<10.0
	Tertiary educational attainment, total (% of population aged 30-34)	31.1	37.9 ^b	38.7	39.1	≥40.0
Poverty or social exclusion**	People at risk of poverty or social exclusion (Cumulative difference from 2008 in thousands)	:	4759	1956	:	-20000

* Total emissions, including international aviation, but excluding emissions from land use, land use change and forestry.

** People at risk of poverty or social exclusion are in at least one of the following three conditions: at-risk-of-poverty after social transfers (income poverty), severely materially deprived or living in a household with very low work intensity. Persons are only counted once even if they are present in several sub-indicators. The overall EU target is to lift at least 20 million people out of risk of poverty or social exclusion by 2020 with 2008 as a baseline year. All data refer to EU27.

e estimate p provisional b break in time series : Data not available

Europe 2020 Targets

ROMANIAN ENERGY REGULATORY AUTHORITY

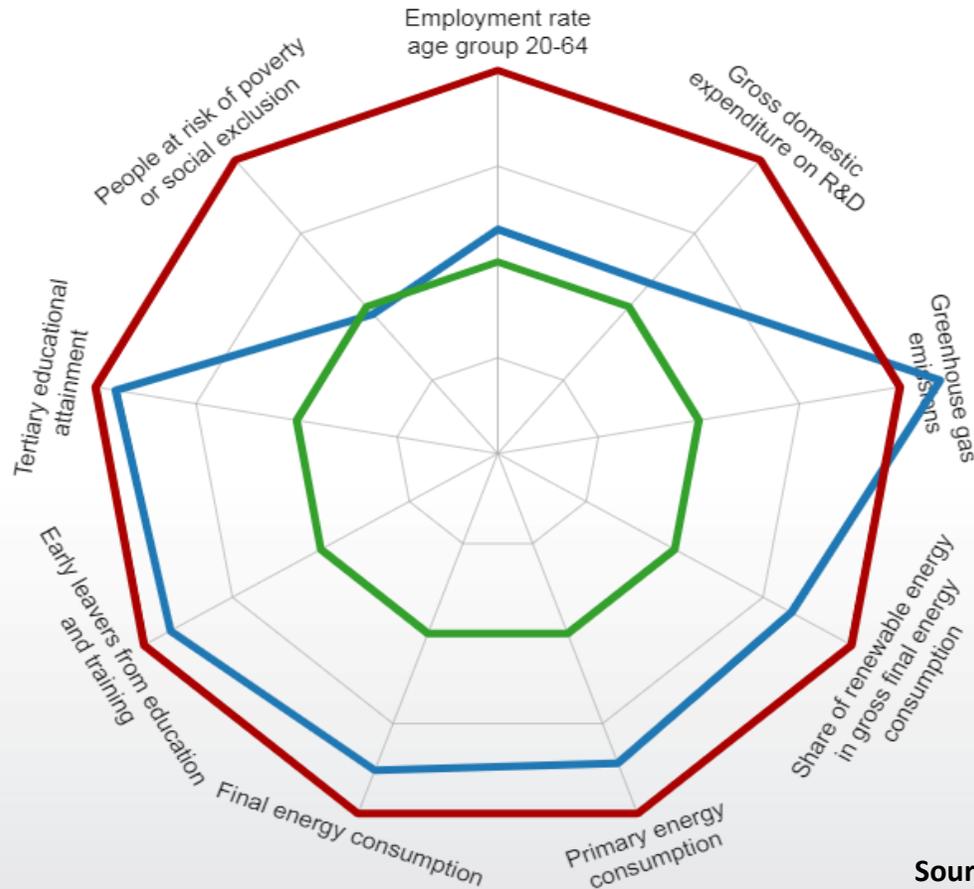
EU/Member State	Employment rate	Gross domestic expenditure on research and development	Greenhouse gas emissions	Share of renewable energy	Energy efficiency	Early leavers from education and training	Tertiary educational attainment	Poverty and social exclusion
EU-28	Increasing the employment rate of the population aged 20-64 to at least 75%	Increasing combined public and private investment in R&D to 3% of GDP	Reducing greenhouse gas emissions by at least 20% compared to 1990 levels	Increasing the share of renewable energy in final energy consumption to 20%,	Moving towards a 20% increase in energy efficiency (equalling a reduction to 1 483 Mtoe of primary energy consumption)	Reducing school drop-out rates to less than 10% (of the population aged 18 to 24)	Increasing the share of the population aged 30-34 having completed tertiary education to at least 40%	Lifting at least 20 million people out of the risk of poverty and social exclusion (compared to 2008)*
Belgium	73.2 %	3 %	- 15 %	13 %	43.7	9.5 %	47 %	- 380 000 persons
Bulgaria	76 %	1.5 %	+ 20 %	16 %	16.9	11 %	36 %	Reduce by 260 000 the number of persons living in monetary poverty
Czech Republic	75 %	1 % (public sector only)	+ 9 %	13 %	39.6	5.5 %	32 %	- 100 000 persons
Denmark	80 %	3 %	- 20 %	30 %	17.8	10 %	> 40 %	Reduce by 22 000 the number of persons living in households with very low work intensity
Germany	77 %	3 %	- 14 %	18 %	276.6	< 10 %	42 % (ISCED 2011 level 4-8)	Reduce by 20 % the number of long-term unemployed (unemployed for more than one year) compared to 2008. (equalling to a reduction of 320 000 longterm unemployed persons)
Estonia	76 %	3 %	+ 11 %	25 %	6.5	9.5 %	40 %	Reduce to a rate of 15 % the number of persons living at risk of poverty after social transfers (compared to 17.5 % in 2010)
Ireland	69 - 71 %	2.5 % of GNP (Approximately 2 % of GDP)	- 20%	16 %	13.9	8 %	60 %	Reduce by a minimum of 200 000 the population in combined poverty (either consistent poverty, at-risk-of-poverty or basic deprivation).
Greece	70 %	1.2 %	- 4 %	18 %	24.7	<10 %	32 %	- 450 000 persons
Spain	74 %	2 %	- 10 %	20 %	119.8	15 %	44 %	- 1 400 000 to - 1 500 000 persons
France	75 %	3 %	- 14 %	23 %	219.9	9.5 %	50 % (age group 17 to 33)	- 1 900 000 persons (compared to 2007)
Croatia	62.9 %	1.4 %	+ 11 %	20 %	11.5	4 %	35 %	Reduce to 1 220 000 the number of persons at risk of poverty or social exclusion .
Italy	67 - 69 %	1.53 %	- 13 %	17 %	158.0	16 %	26 - 27 %	- 2 200 000 persons

Europe 2020 Targets

ROMANIAN ENERGY REGULATORY AUTHORITY

EU/Member State	Employment rate	Gross domestic expenditure on research and development	Greenhouse gas emissions	Share of renewable energy	Energy efficiency	Early leavers from education and training	Tertiary educational attainment	Poverty and social exclusion
Cyprus	75 - 77 %	0.5 %	- 5 %	13 %	2.2	10 %	46 %	- 27 000 persons or reduce the rate to 19.3 % of the population (compared to 23.3 % in 2008)
Latvia	73 %	1.5 %	+ 17 %	40 %	5.4	10 %	34 - 36 %	Reduce by 121 000 the number of persons living at risk of poverty after social transfers and/or in households with very low work intensity
Lithuania	72.8 %	1.9 %	+ 15 %	23 %	6.5	< 9 %	48.7 %	- 170 000 persons and limit to 814 000 persons in 2020
Luxembourg	73 %	2.3 - 2.6 %	- 20 %	11 %	4.5	< 10 %	66 %	- 6 000 persons
Hungary	75 %	1.8 %	+ 10 %	13 %	24.1	10 %	34 %	- 450 000 persons
Malta	70 %	2 %	+ 5 %	10 %	0.7	10 %	33 %	- 6 560 persons
Netherlands	80 %	2.5 %	- 16 %	14 %	60.7	8 %	> 40 %	Reduce by 100 000 the number of persons (aged 0-64) living in a jobless household (compared to 2008)
Austria	77 %	3.76 %	- 16 %	34 %	31.5	9.5 %	38 %	- 235 000 persons
Poland	71 %	1.7 %	+ 14 %	15 %	96.4	4.5 %	45 %	-1 500 000 persons
Portugal	75 %	2.7 - 3.3 %	+ 1 %	31 %	22.5	10 %	40 %	- 200 000 persons
Romania	70 %	2 %	+ 19 %	24 %	43.0	11.3 %	26.7 %	- 580 000 persons
Slovenia	75 %	3 %	+ 4 %	25 %	7.3	5 %	40 %	- 40 000 persons
Slovakia	72 %	1.2 %	+ 13 %	14 %	16.4	6 %	40 %	Reduce to a rate of 17.2 % the number of persons living in poverty or social exclusion (compared to 20.6% in 2008)
Finland	78 %	4 %	- 16 %	38 %	35.9	8 %	42 % (excluding former tertiary Vocational Education and Training (VET))	Reduce to 770 000 the number of persons living in poverty or social exclusion
Sweden	> 80 %	4 %	- 17 %	49 %	43.4	< 7 %	45 - 50 %	Reduce to well below 14 the percentage of women and men (aged 20-64) who are not in the labour force (except full-time students), long-term unemployed or on long-term sick leave
United Kingdom	No target in National Reform Programme	No target in National Reform Programme	- 16 %	15 %	177.6	No target in National Reform Programme	No target in National Reform Programme	No target in National Reform programme, but numerical targets exist under the umbrella of the 2010 Child Poverty Act and the Child Poverty Strategy 2011-2014

2016 Progress for Europe 2020 Strategy targets



“Fighting poverty or social exclusion is a key political priority for the European Commission.

One of the five headline targets of the Strategy **2020** is to lift at least 20 million people out of the risk of poverty or social exclusion by 2020, thus reducing poverty from 116.4 million in **2008** to 96.4 million over the decade.

Making further progress requires renewed efforts for poverty reduction at European and Member state levels.”

Source: <https://ec.europa.eu/eurostat/web/europe-2020-indicators/visualisations>

People at risk of poverty or social exclusion 2008 and 2016

People at risk of poverty or social exclusion in the EU, 2008 and 2016

	% of total population		in thousands	
	2008	2016	2008	2016
EU*	23.7	23.4	115 908	117 472**
Belgium	20.8	20.7	2 194	2 335
Bulgaria	:	40.4	:	2 890
Czech Republic	15.3	13.3	1 566	1 375
Denmark	16.3	16.7	887	948
Germany	20.1	19.7	16 345	16 035
Estonia	21.8	24.4	291	318
Ireland	23.7	26.0***	1 050	1 207***
Greece	28.1	35.6	3 046	3 789
Spain	23.8	27.9	10 786	12 827
France	18.5	18.2	11 150	11 463
Croatia****	:	28.5	:	1 182
Italy	25.5	28.7***	15 082	17 469***
Cyprus	23.3	27.7	181	234
Latvia	34.2	28.5	740	554
Lithuania	28.3	30.1	910	871
Luxembourg****	:	19.7	:	114
Hungary	28.2	26.3	2 794	2 541
Malta	20.1	20.1	81	85
Netherlands****	14.9	16.8	2 432	2 807
Austria	20.6	18.0	1 699	1 542
Poland	30.5	21.9	11 491	8 221
Portugal	26.0	25.1	2 757	2 595
Romania****	44.2	38.8	9 115	7 694
Slovenia	18.5	18.4	361	371
Slovakia	20.6	18.1	1 111	950
Finland	17.4	16.6	910	896
Sweden	14.9	18.3	1 367	1 799
United Kingdom	23.2	22.2	14 069	14 359
Iceland	11.8	13.0***	36	41***
Norway	15.0	15.3	701	791
Switzerland	18.1	17.8	1 333	1 460

In 2016, 117.5 million people, or 23.4% of the population, in the European Union (EU) were at risk of poverty or social exclusion.

This means that they were in at least one of the following three conditions:

- at-risk-of-poverty after social transfers (income poverty),
- severely materially deprived or
- living in households with very low work intensity.

Understanding energy poverty



Energy poverty – subset of consumer vulnerability and general poverty. Specific problem where energy and social policies meet.

How to address energy poverty? First one step back to

1. Agree on a generic concept
2. Measure the level of energy poverty
3. Set up targeted policies to tackle it and measure their effectiveness

Recommendations



1. A generic, simple and flexible **definition** of energy poverty centring around **low-income; affordability; adequate domestic energy services.**



2. Comparable **indicators** taking account of **energy expenditure** and **household income.**



3. Better data on **houses** and **households**



4. Combination of **policies**

Targeted & Effective	
Financial measures	Social policy ,Energy efficiency
Safeguards against disconnection	Consumer protection

Energy poverty in EU

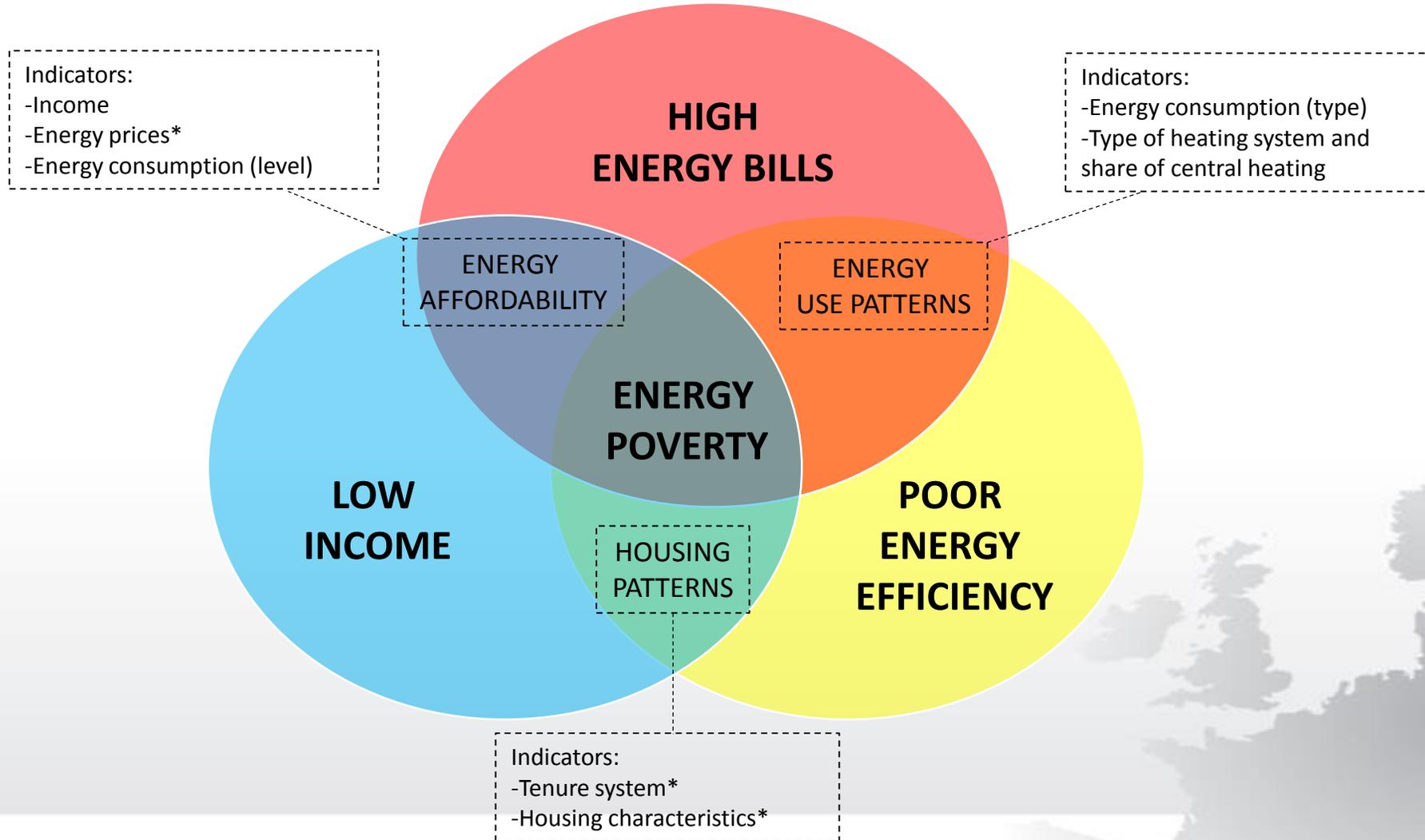
Energy poverty is a major challenge across the EU, having its roots in low incomes and energy inefficient housing. The EU Survey on Income and Living Conditions (EU SILC) estimates that 54 million European citizens (10.8% of the EU population) were unable to keep their home adequately warm in 2012, with similar numbers being reported with regard to the late payment of utility bills or presence of poor housing conditions.

The Commission's energy efficiency proposals *Clean Energy for all Europeans* package ask Member States to take energy poverty into account, by requiring a share of energy efficiency measures to be implemented as a priority in households affected by energy poverty or in social housing.

Also, as part of the Energy Union Governance process, Member States will have to monitor and report on energy poverty while the Commission will facilitate the exchange of best practices.

The Commission has launched on January 2018 the Energy Poverty Observatory to provide better data on the problem and its solutions as well as to help Member States in their efforts to combat energy poverty.

Drivers of energy poverty - Insight_E Report 2015



Trend

- 11% from EU population
- Between 50-150 millions people

Solution

- Subsidiarity principle

THIRD ENERGY PACKAGE (2009)

→ ENERGY CONSUMER ←

- ✓ Recognition of energy poverty
- ✓ National Action plan for energy poverty
 - Definition of vulnerable consumer;
 - Integrated measures.

➤ **ENERGY POVERTY:**

- MS have to adopt an unanimous definition, but most opinions are related to the impossibility of a household to ensure for itself the necessary energy services at affordable costs.

➤ **VULNERABLE CONSUMER:**

- Requirements for MS to define energy vulnerable category and ensure benefits from protection



Third Energy Package :

National legislation must guarantee you the right to receive adequate protection, if you are defined as a 'vulnerable consumer' by relevant national legislation. Member States have to define the concept of vulnerable consumers in their national legislation and ensure there are adequate measures in place to protect vulnerable customers. Member States have some flexibility to define vulnerable customers according to their own particular situation but they must take measures to address energy poverty while ensuring a high degree of protection.

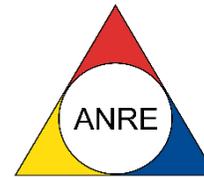
Integrated measures for energy poverty and vulnerable consumers

SHORT TERM EFFECTS

- 1. Financial measures** (Government) - **40% from MS**
e.g. Social tariffs, social support, subsidies (generals/older people)
- 2. Non-financial measures** (NRAs/energy suppliers) - **20% from MS**
e.g. disconnections interdictions, network extension on rural area

SUSTAINABLE EFFECTS

- 1. Energy Efficiency** (measures for all)
e.g. grants/loans/fiscal incentives, increasing social houses efficiency, legislation
- 2. Information and awareness**
e.g. campaigns, guides, invoices transparency, smart meters, price comparison



The European countries actions referring to vulnerable customers and energy poverty

Measures to protect vulnerable customers in the EU (2014)

Measures	Applicability	
	electricity	Natural gas
Limitations on disconnections for nonpayment	AT, CY, GR, FR, GB, HU, IE, IT, LU, LT, NL, RO, SI, SE	AT, BG, GR, FR, GB, HU, IE, IT, LU, NL, RO, SI, SE
Special prices of energy for vulnerable consumers (the so-called social tariffs)	BE, CY, GR, ES, FR, GB, PT, RO	BE, FR, GB, PT
Exemptions from certain components of the invoice (e.g.: the cost of the actual energy, network fees, taxes, etc.)	GR, IE	IE
Additional social benefits, unallocated, for the payment of energy bills	AT, CZ, DE, FR, HU, NO, SE	AT, CZ, DE, FR, HU, NL, SE
Social benefits exclusively pre-allocated for the payment of outstanding expenses with energy.	AT, DE, FI, GB, HU, IE, NO, PL, SE	AT, DE, FI, GB, HU, IE, PL, SE
Free counseling on the ways to save energy	AT, FR, HU	AT, FR, HU
Free replacement of energy-inefficient appliances	FR	BE, FR
Financial grants for replacing inefficient appliances	AT, CY, FR	AT, FR
The right to postpone payment	CT, FR, HU, LT	FR, HU
Other	AT, DK, GR, HU, IE, LT, MT	AT, DK, HU, IT, LT, SI

Source: The database on national indicators of CEER (2015)

The role for energy agencies in tackling energy poverty (EnR Energy Efficiency Working Group)

- **Advice services**

Energy agencies are the official, first point of advice for householders who are struggling with their energy bill, including for millions of energy poor households across Europe

- **Targeting programmes to alleviate energy poverty**

Energy agencies work closely with governments at national, regional and local level to develop and deliver policies to promote energy efficiency and renewable energy.

- **Working with social and public sector housing providers**

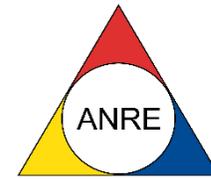
People on low incomes, and therefore who are particularly susceptible to energy poverty, are more likely to live in social and public housing. Energy Agencies have a long history of collaborating with housing providers to install energy efficiency and renewable energy measures

- **Developing new technologies and energy services**

Millions of energy poor households across Europe are missing basic energy efficiency measures. Energy agencies play a key role in reaching and supporting those households to improve their property with basic insulation measures and improvements to heating systems

Source : EnR Position Paper on Energy Poverty in Europe and MS

<http://enr-network.org/wp-content/uploads/EnR-Position-Paper-Energy-poverty-2017.pdf>



Guide on good practice in energy efficiency for Central and South Eastern Europe – June 2018

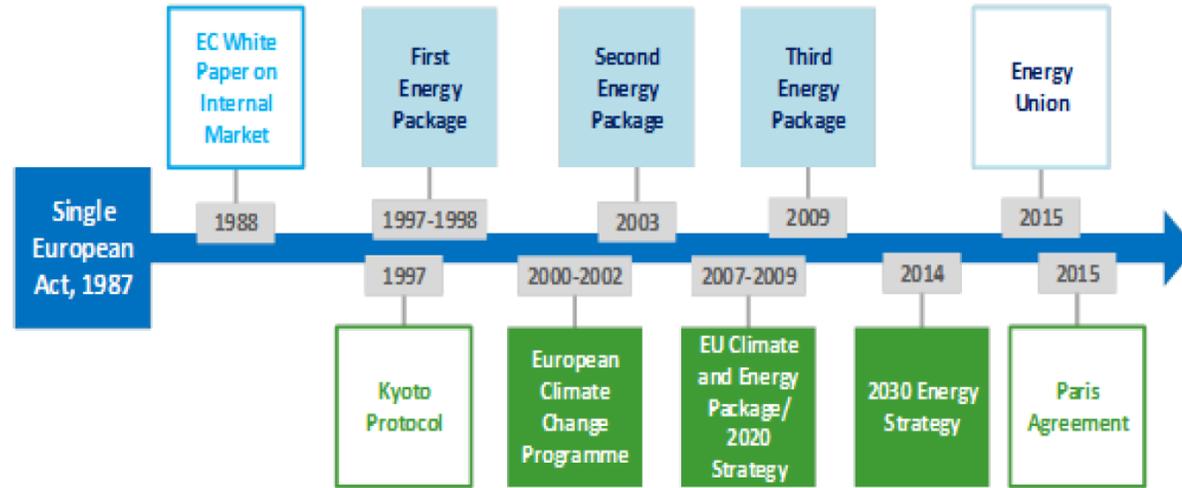
Set up in 2015, the "Central and South-Eastern European Energy Connectivity" (CESEC) Initiative aims to accelerate the integration of Central and South-Eastern European gas markets and diversify gas supplies. It brings together **nine EU Member States (Austria, Bulgaria, Croatia, Greece, Hungary, Italy, Romania, Slovakia and Slovenia)** and eight Energy Community Contracting Parties (Albania, Bosnia and Herzegovina, Kosovo2, the former Yugoslav Republic of Macedonia, Moldova, Montenegro, Serbia and Ukraine).

At the **4th CESEC ministerial meeting in Bucharest in September 2017**, energy ministers signed a Memorandum of Understanding extending the scope of CESEC cooperation. It now also includes:

- a joint approach on electricity markets, **energy efficiency and renewable development**
- a list of priority projects to build an interconnected regional electricity market
- specific actions **to boost renewables and investment in energy efficiency** in a region with vast growth potential in these areas.
- **When addressing energy poverty, energy efficiency should be considered in relation to both the reduction in energy consumption and the achievement of adequate comfort levels, without increasing or with a marginal increase in energy consumption.**
- **Low-cost measures in households are easy to implement, can effectively complement other actions to address energy poverty, and can help Member States reach energy efficiency targets.**
- **By involving social workers and societal actors in engaging vulnerable consumers towards sustainable energy, it increases their trust and acceptance of interventions. It also increases the sustainability of the actions, as the social workers and societal actors involved can be expected to continue to provide energy advice.**
- **Non-financial barriers can undermine the efficiency of support schemes addressing energy poverty and should not be overlooked. A holistic approach should be considered and include, in addition to subsidies, additional accompanying measures. These could be financial, such as microloan offers or guarantee funds, and non-financial, such as technical assistance.**

https://ec.europa.eu/energy/sites/ener/files/documents/brochure_easme_04_web.pdf

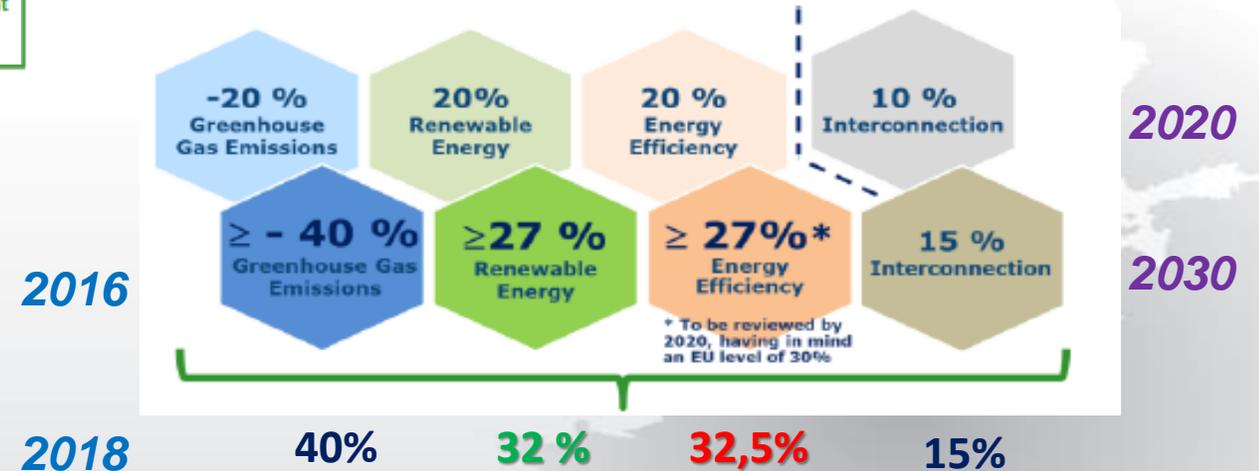
Figure 1: Major milestones in EU energy and climate policy



CLEAN ENERGY FOR ALL EUROPEANS 2016 - 2018



Source: Report for DG ENERGY 29.03.2017- Specific contract No ENER/C3/SER/2015-659/SI2.729305/2015-665/SI2.731474 Framework contract No ENER/C3/2013-484-Ricardo-AEA Ltd



CLEAN ENERGY PACKAGE APPROVAL IN 2018

- 4 European legislative acts finalised after 2 years of debates for setting and implementing ambitious 2030 targets for emission reductions, improving energy efficiency and increasing the share of renewables in the energy mix in order to deliver the Paris agreement commitments.
- EPBD Directive recast - Directive (EU) 2018/844 of 30 May 2018
- EED Directive recast – Directive EU 2018/2002), with 32.5% target for 2030, with an upwards revision clause by 2023
- RES Directive recast– Directive EU 2018/2001 with 32% target for 2030
- Governance Union Regulation (EU) 2018/1999 sets monitoring and reporting requirements for MSs related to energy poverty in the 2018 draft of **national integrated energy and climate plan - NIECP 2021 - 2030** that will be finalized on 31 December 2019.

NEW EPBD DIRECTIVE (EU) 2018/844 of 30 May 2018

- This is **the first** of the 8 legislative acts adopted in the Clean Energy for All Europeans package and published in the Official Journal of the European Union L 156/19.06.2018
- The new Directive has huge potential for efficiency gains in the **EU building sector** (where **three-quarters of the building stock is *energy inefficient***), the largest single energy consumer in Europe (**40% of energy consumption** and 36% of CO2 emissions in the EU) to lead to significant energy savings, which could reduce the EU's total energy consumption by 5-6% and lower CO2 emissions by about 5%.
- More energy efficient and smarter buildings can also provide **higher levels of wellbeing** for their occupants and improve their health by reducing illnesses and deaths caused by a poor indoor climate, as well as reducing the energy bills of many households and thus **help alleviate energy poverty**.

THANK YOU FOR YOUR ATTENTION !



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