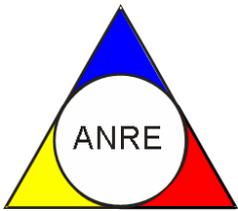


**STUDY REGARDING ENERGY POVERTY
IN ROMANIA**

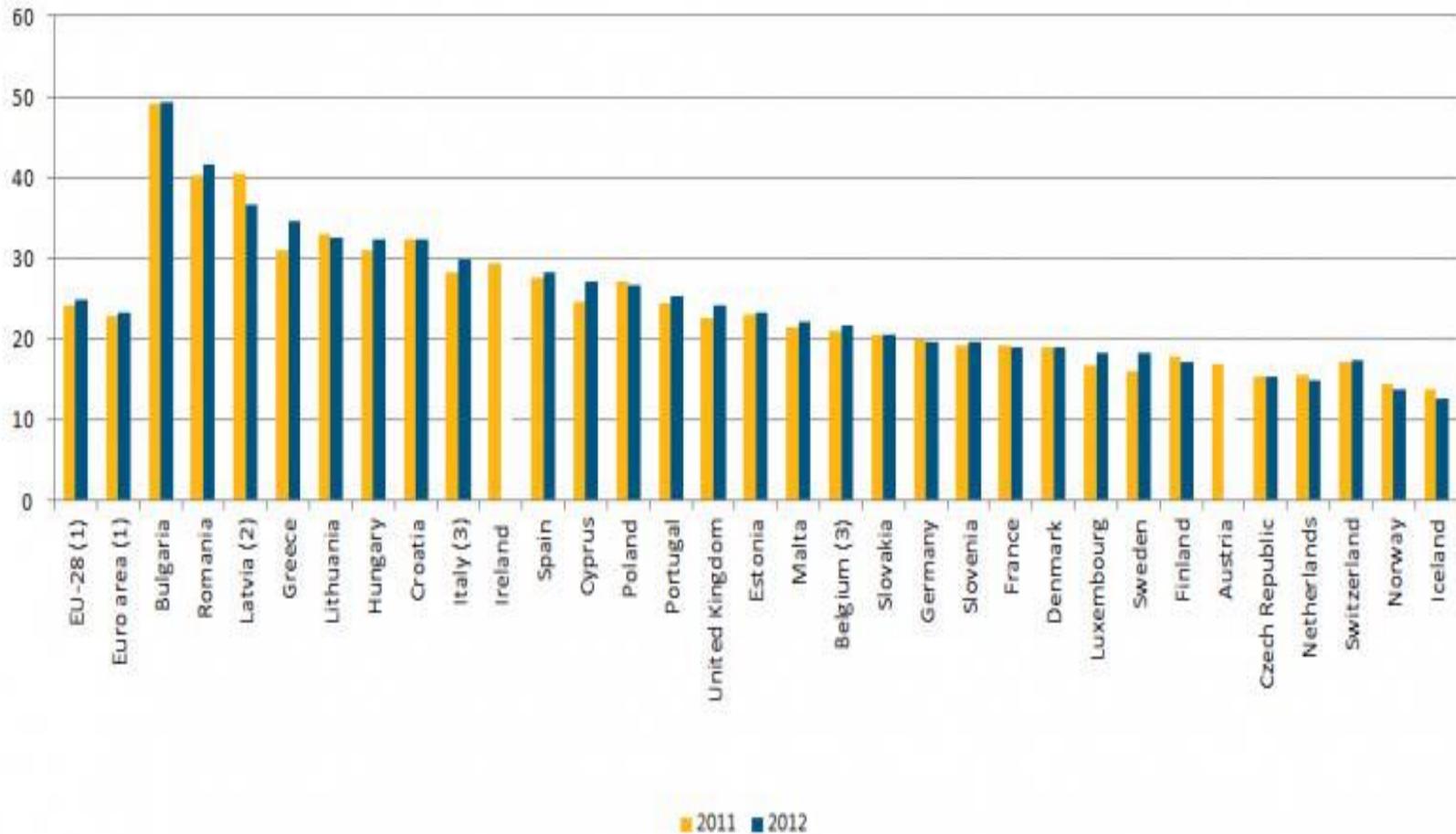
7th PM CAEED, The Hague

March 2016

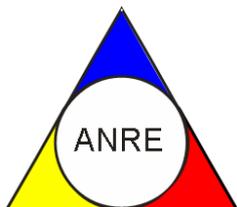


ROMANIAN ENERGY REGULATORY AUTHORITY
DEPARTMENT FOR ENERGY EFFICIENCY

POPULATION AT-RISK-OF-POVERTY OR SOCIAL EXCLUSION



— Source *European Commission*



ROMANIAN ENERGY REGULATORY AUTHORITY

DEPARTMENT FOR ENERGY EFFICIENCY

ENERGY PRICES IN EUROPE (EURO/kWh)

	Electricity prices (per kWh)						Gas prices (per kWh)					
	Households (1)			Industry (2)			Households (3)			Industry (4)		
	2012s2	2013s2	2014s2	2012s2	2013s2	2014s2	2012s2	2013s2	2014s2	2012s2	2013s2	2014s2
EU-28	0.195	0.202	0.208	0.116	0.118	0.120	0.070	0.071	0.072	0.038	0.040	0.037
Euro area	0.205	0.215	0.221	0.122	0.126	0.128	0.077	0.079	0.079	0.039	0.041	0.038
Belgium	0.222	0.222	0.204	0.111	0.110	0.109	0.073	0.067	0.065	0.035	0.034	0.029
Bulgaria(**)	0.096	0.088	0.090	0.078	0.073	0.084	0.056	0.052	0.047	0.040	0.035	0.034
Czech Republic	0.150	0.149	0.127	0.103	0.099	0.082	0.066	0.058	0.056	0.034	0.033	0.030
Denmark	0.297	0.294	0.304	0.099	0.100	0.088	0.096	0.098	0.088	0.042	0.044	0.036
Germany	0.268	0.292	0.297	0.130	0.144	0.152	0.065	0.069	0.068	0.036	0.048	0.040
Estonia	0.112	0.137	0.133	0.082	0.097	0.093	0.052	0.048	0.049	0.036	0.035	0.037
Ireland	0.229	0.241	0.254	0.140	0.137	0.131	0.067	0.072	0.075	0.042	0.047	0.042
Greece	0.142	0.170	0.179	0.122	0.124	0.130	0.102	0.089	0.080	0.058	0.051	0.047
Spain	0.228	0.227	0.237	0.120	0.120	0.117	0.086	0.089	0.096	0.038	0.038	0.037
France	0.145	0.159	0.175	0.079	0.085	0.091	0.068	0.073	0.076	0.040	0.039	0.038
Croatia	0.138	0.135	0.132	0.094	0.094	0.092	0.047	0.047	0.048	0.046	0.043	0.040
Italy	0.230	0.232	0.234	0.178	0.172	0.174	0.097	0.095	0.095	0.040	0.038	0.035
Cyprus	0.291	0.248	0.236	0.234	0.201	0.190	:	:	:	:	:	:
Latvia	0.137	0.136	0.130	0.111	0.115	0.118	0.056	0.050	0.049	0.040	0.037	0.036
Lithuania	0.127	0.139	0.132	0.114	0.123	0.117	0.061	0.061	0.050	0.046	0.041	0.037
Luxembourg	0.171	0.165	0.174	0.101	0.100	0.099	0.059	0.057	0.051	0.051	0.045	0.039
Hungary	0.162	0.133	0.115	0.100	0.098	0.090	0.052	0.042	0.035	0.047	0.048	0.039
Malta	0.168	0.169	0.125	0.186	0.186	0.186	:	:	:	:	:	:
Netherlands	0.190	0.192	0.173	0.097	0.094	0.089	0.084	0.085	0.082	0.037	0.036	0.033
Austria	0.202	0.202	0.199	0.112	0.111	0.106	0.076	0.075	0.073	0.043	0.043	0.040
Poland	0.153	0.144	0.141	0.096	0.088	0.083	0.058	0.051	0.050	0.038	0.036	0.036
Portugal	0.206	0.213	0.223	0.115	0.114	0.119	0.085	0.093	0.104	0.042	0.042	0.047
Romania	0.108	0.128	0.125	0.076	0.082	0.081	0.027	0.031	0.032	0.026	0.029	0.031
Slovenia	0.154	0.166	0.163	0.094	0.095	0.085	0.073	0.071	0.063	0.055	0.048	0.044
Slovakia	0.172	0.168	0.152	0.127	0.127	0.117	0.051	0.052	0.052	0.041	0.039	0.038
Finland	0.156	0.156	0.154	0.074	0.075	0.072	:	:	:	0.048	0.047	0.056
Sweden	0.208	0.205	0.187	0.078	0.075	0.067	0.127	0.122	0.114	0.055	0.055	0.044
United Kingdom	0.179	0.180	0.201	0.119	0.120	0.134	0.058	0.059	0.065	0.034	0.036	0.035
Iceland	0.116	0.107	0.116	:	:	:	:	:	:	:	:	:
Liechtenstein	:	:	0.155	:	:	0.140	:	:	0.086	:	:	0.056
Norway	0.178	0.178	0.166	0.086	0.087	0.081	:	:	:	:	:	:
Montenegro	0.101	0.105	:	0.071	0.073	:	:	:	:	:	:	:
FYR of Macedonia	0.079	0.078	0.082	:	0.075	0.078	:	:	:	0.050	0.039	0.042
Albania	0.117	0.115	0.116	:	:	:	:	:	:	:	:	:
Serbia	:	0.061	0.060	:	0.066	0.067	:	0.044	0.045	:	0.038	0.038
Turkey	0.147	0.131	0.131	0.096	0.081	0.081	0.041	0.037	0.037	0.030	0.027	0.027
Bosnia and Herzegovina	0.080	0.080	0.081	0.066	0.066	0.062	0.056	0.051	0.051	0.057	0.053	0.053
Kosovo(*) (**)	:	0.056	0.059	:	0.073	0.079	:	:	:	:	:	:

(*) This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Declaration of Independence.

(**) provisional data 2014 semester 2

(***) provisional data electricity industry 2014 semester 2

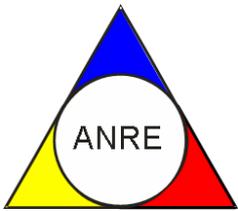
(1) Annual consumption: 2 500 kWh < consumption < 5 000 kWh.

(2) Annual consumption: 500 MWh < consumption < 2 000 MWh.

(3) Annual consumption: 5 600 kWh < consumption < 56 000 kWh (20 - 200 GJ).

(4) Annual consumption: 2 778 MWh < consumption < 27 778 MWh (10 000 - 100 000 GJ).

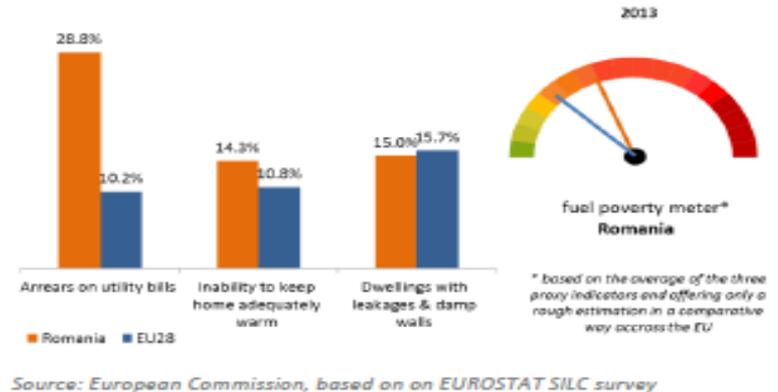
Source: Eurostat (online data code: nrg_pc_204, nrg_pc_205, nrg_pc_202 and nrg_pc_203)



STATE OF THE ENERGY UNION - COM(2015) 572

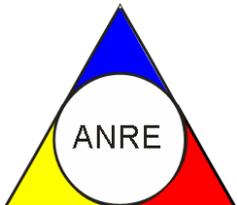
- ROMANIA -

Based on a Eurostat survey on income and living conditions, three proxy indicators are used to assess fuel poverty.



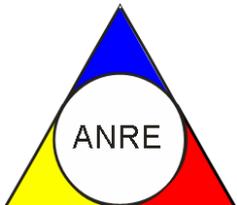
There seems to be a particular issue in Romania regarding households with arrears on utility bills. The roadmap for phasing out regulated electricity and gas prices includes social measures for vulnerable consumers by providing direct subsidies, informing consumers about the process of market liberalisation, reviewing the process for changing suppliers and detailing electricity and gas bills. Financial aid for social protection during the cold season is in place.

The effects of market liberalisation, in particular the costs of investments needed for decarbonisation and their impact on the utility bills, need to be carefully looked at. Due to the overall low income in Romania, an important segment of the population might be considered as vulnerable consumers.



EUROPEAN STUDY REGARDING ENERGY POVERTY - 2015

- The European Commission had published the Insight _E Study on June 25, 2015 on the state of energy poverty across Europe and ways to combat it. The study found that while many EU countries do have measures in place to protect vulnerable people, nearly 11% of the EU's population is in a situation where their households are not able to adequately heat their homes at an affordable cost (around 54 million people in Europe - 2012 figures).
- The study found that financial interventions are a crucial means for the short-term protection for vulnerable consumers.
- In the longer-term, energy efficiency measures focusing on retrofitting buildings are a key part of addressing energy poverty. Strong incentives to encourage low income households to put energy efficiency measures in place, as well as raising awareness, are needed.

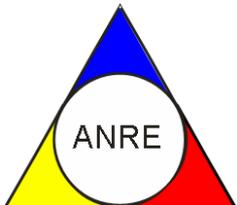


ENERGY POVERTY STUDY 2015 – ROMÂNIA

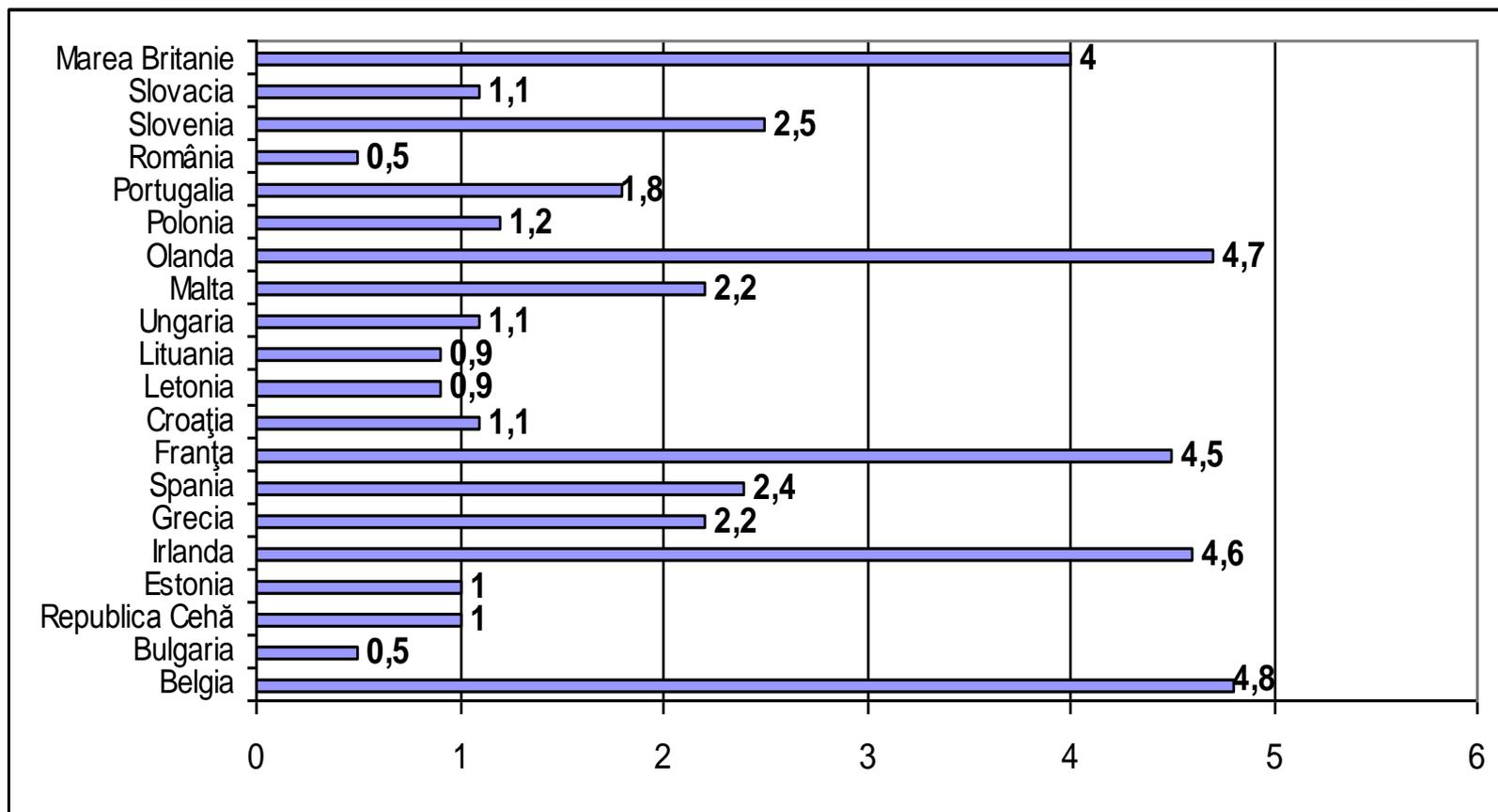


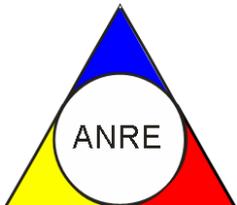
In order to raise the awareness of decisions institutions regarding the active policies and measures for increasing energy efficiency, reducing energy poverty and protecting the vulnerable consumers, at the request of the Energy Efficiency Department within ANRE it was elaborated the *Energy Efficiency – national priority for reducing energy poverty, increasing life quality and safety of energy consumers” Study* by the Romanian Institute for Life Quality Search and Institute of Sociology, within the Romanian Academy (June-September 2015).

The issues addressed in the debate highlighted the fact that in Romania, must take into account the difficulties of the national context represented by the share of people facing poverty or social exclusion risk (40%). It was also emphasized that in the case of energy household consumption, the dissemination of the benefits resulting from energy efficient behaviour changes to the vulnerable consumers, is a prerequisite to ensure a decent living standard required by the European context, the protection of the household energy consumer as a national security component represents part of the human rights.



MINIMUM SALARY FROM EU COUNTRIES COMPARED TO THE DECENT MINIMUM LIVING CONDITIONS AMMOUNT - JULY 2013



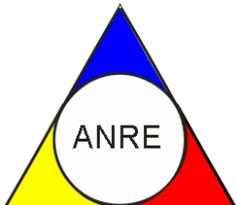


**ENERGY EFFICIENCY – NATIONAL PRIORITY FOR REDUCING ENERGY POVERTY,
INCREASING LIFE QUALITY AND SAFETY OF ENERGY CONSUMERS” STUDY - 1**

On the 2nd of November 2015 the Romanian Regulatory Authority for Energy (ANRE) together with the Romanian Academy organized the official launching of the “Energy Efficiency – National priority for reducing energy poverty, increasing life quality and safety of energy consumers” Study.

The event gathered personalities from the academic community, high representatives of the Romanian Parliament, the European Commission, Romanian Government, government bodies, as well as representatives of specialized companies, professional associations and experts working in the field of energy efficiency.



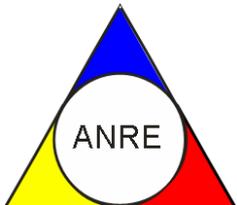


**ENERGY EFFICIENCY – NATIONAL PRIORITY FOR REDUCING ENERGY POVERTY,
INCREASING LIFE QUALITY AND SAFETY OF ENERGY CONSUMERS STUDY - 2**

Participants noted that the transition to a more efficient economy, from an energetic stance, must speed up the dissemination of innovative solutions in terms of technology and to improve industry competitiveness, fostering economic growth and establishing high-quality employment in several energy efficiency related sectors.

In order to achieve these objectives, promoting energy efficiency culture based on the accountability of all forms of consumption and repositioning the final user at the center of future strategies/action plans, represented the main conclusions of the debates of the event.

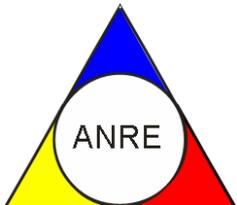
The social problem in Romania is related to the discrepancies between the population incomes that represent 40% from the EU 28 average income in 2013 and the market liberalization of the energy prices to EU level until 2018 due to the roadmap for phasing out regulated electricity and gas prices.



- CONCLUSIONS -

**ENERGY EFFICIENCY – NATIONAL PRIORITY FOR REDUCING ENERGY POVERTY,
INCREASING LIFE QUALITY AND SAFETY OF ENERGY CONSUMERS STUDY**

- Coordination and integration of social policies in various sectors, made by the Government with ANRE support, such as: social policy for energy, against energy poverty and for support of social insertion, for consumers' protection, for incomes/salaries, for creating new jobs, for habitation
- Reassessment of the heating financial aids system: this system now does not rely on the correlation between the necessary fuel needed for an optimal heating, the type of fuel used for heating and the energetic status of the houses
- Launch a national programme for increasing the households consumption energy efficiency
- Setting an efficient mechanism for the participation of the household consumers to the decisions taken related to the energy consumption
- Coordination of energy prices growth for the period 2017 – 2018 with the incomes policies, more public support for increasing the energy efficiency of the buildings (such as thermal rehabilitation of buildings)
- Redesigning of taxes' system included in energy prices in Romania, where the taxes are among the highest in Europe
- The households must be hold accountable and same time receive support to pay the energy bills and to increase the energy efficiency of the dwellings (in România, 97% of the dwellings are private properties).

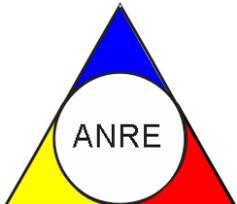


PROTECTION OF VULNERABLE CONSUMERS **AT RISK OF ENERGY POVERTY**

- ANRE and the Ministry of Labour and Social Protection will cooperate to identify solutions for vulnerable consumers at risk of energy poverty, accordingly to the Action Plan 2015-2020, integrated into the National Strategy for Social Inclusion and Reducing the Poverty 2015-2020, approved by GD no. 383/27.05.2015 .
- Same document, another priority is related to the design of programs for increasing the energy efficiency of the buildings in order to be relevant for the low income households and to assure the protection of vulnerable consumers.

vulnerable customer - the end customer being part of a residential customer group and for reasons of age, health or low income are at risk of social exclusion and in order to prevent this risk, benefits from social protection measures, including financial ones.

- ANRE Regulations regarding vulnerable consumers
 - Procedure for granting the social tariff to household electricity consumers
 - Performance Standard for electricity distribution service
 - Regulations for electricity and gas supply to final customers
 - Performance standard for the supply of natural gas



**ROMANIAN ENERGY REGULATORY AUTHORITY
DEPARTMENT FOR ENERGY EFFICIENCY**



THANK YOU FOR YOUR ATTENTION !

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