



EU LIFE INFO DAYS 2024

Policy Background: Energy poverty

25 April 2024

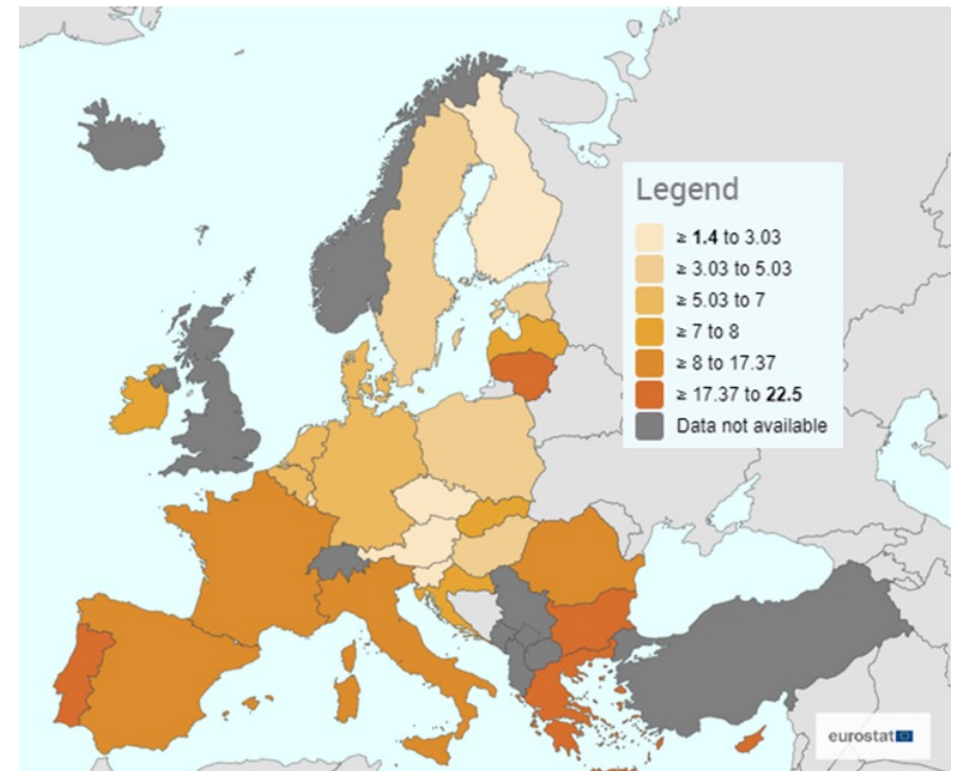
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State of play in the EU

- Population unable to keep dwelling adequately warm:
 - First trend for 2023:
 - Increase in the indicator in 9 of 11 countries. [Data from spring 2023]
 - 2023 global figures to be published by Eurostat in June 2024.
 - 2022 EU Average: 9,3% of EU population = 40 million EU citizens.

Indicator: 'unable to keep home adequately warm'

MS	2022	2023
BE	5.1	6.0
BG	22.5	20.7
CZ	2.9	6.1 (110% increase)
DK	5.1	6.9
DE	6.7	8.1 (20% increase)
EE	3.4	4.1
ES	17.1	20.8 (21% increase)
LV	7.1	6.6
SI	2.6	3.6
SK	7.1	8.1
FI	1.4	2.6
SE	3.3	5.9



An EU-level definition of energy poverty

□ Article 2(52) of the recast Energy Efficiency Directive 2023/1791:

‘energy poverty’ means 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 national 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’

□ Multidimensional phenomenon resting on:

- low income, high energy expenditure, inefficient homes.

Legal framework at EU level

Electricity directive 2019/944 :

- Requires Member States to take appropriate measures to address energy poverty wherever it is identified, including in the broader context of poverty. In addition, Member States must also protect vulnerable customers (Art 28, 29)
- Allows for regulated prices for energy poor or vulnerable household customers (Art. 5)

Governance Regulation (1999/999):

- Where the number of households in energy poverty is **significant**, Member States must include in their **National Energy and Climate Plans** (2020-2030) an indicative objective to reduce energy poverty, provide a time frame, and outline relevant policies.

Art 3.3(d) EU Governance Regulation

- **Definition of energy poverty**
- Assessment: indicators, data availability
- ‘significant’ number of households: national objective
- Policies and measures

Changed context – Commission guidance on how to integrate the new legal framework into the updated **National Energy and Climate Plans (NECPs)**

Article 8 of the recast Energy Efficiency Directive 2023/1791 - Energy savings obligation



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]) (cut-off point: 60 % of median equivalised income after social transfers.

Article 24 of the recast Energy Efficiency Directive

Empower and protect vulnerable groups

Empower and protect energy poor and vulnerable customers

Both *final customers* and *final users*

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



ETS

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

SCF

Temporary direct income support
Structural investments in energy efficiency and building renovation for vulnerable households and microenterprises

Social Climate Fund

- **Objective:** to address the social impacts arising from the new emission trading system for buildings and road transport (ETS2) **on vulnerable groups households, vulnerable microenterprises and vulnerable transport users**
- **Period: 2026-2032**
- **EUR 65 billion + 25% MS' national contributions = EUR 86.7 billion**
- **What can be financed:**
 1. Support investments in energy efficiency & renovation of buildings, clean heating & cooling, community-led projects.
 2. Finance zero- & low- emission mobility & transport, including public transport
 3. Provide temporary direct income support to the vulnerable households (capped at 37,5%)

Article 22 of the recast Energy Efficiency Directive Information and awareness raising

One-stop shops



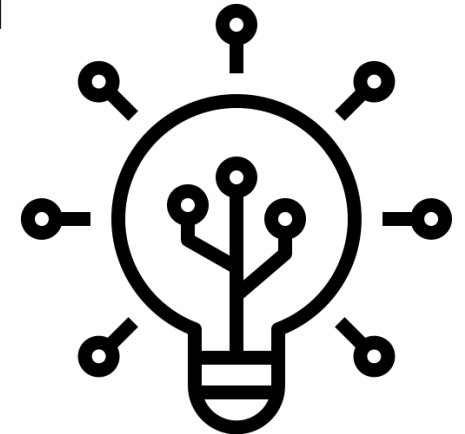
Disseminate information on available energy efficiency improvement measures, individual actions and financial and legal frameworks to all relevant market actors

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

Remove regulatory and non-regulatory barriers to energy efficiency due to split of incentives between owners and tenants



Single point of contact
information on rights, applicable law and
dispute settlement mechanisms



A stronger legal framework at EU level – new legislation (1/2)

Recast Energy Efficiency Directive (2023/1791):

- EU wide definition of energy poverty
- energy efficiency policy measures to be implemented as a priority among people affected by energy poverty

Social Climate Fund Regulation (2023/955)

- Objective to address and prevent distributional impacts from the new emission trading system for buildings and road transport
- EUR 65 billion Fund (+25 % national contribution), operational from 2026 to 2032

Recast Energy Performance of Buildings (adopted on 12.04.2024 to be published in the Official Journal)

- Cross references to the EED, to prioritise renovation investments for energy poor and vulnerable households as a means to address energy poverty
- Prioritisation of worst performing buildings

A stronger legal framework at EU level – new legislation (2/2)

Electricity Market design – prov agreement in Dec 2023 (adopted by the EP on 11.04.2024 awaiting adoption by the Council):

- Member States shall ensure that vulnerable customers are protected from electricity disconnections.
- Strengthen consumer roles, rights and empowerment, including through energy sharing.

Hydrogen and decarbonised gas market package – prov agreement in Dec 2023 (adopted by the EP on 11.04.2024 awaiting adoption by the Council):

- Extending the protection of vulnerable customers to gas market and mirroring what exists in the electricity directive
- EC will provide guidance on the protection of vulnerable and energy poor customers when planning and carrying out the phase out of natural gas or gas distribution networks are being decommissioned

Recommendation EU (2023) 2407 final with accompanying SWD (2023) 647 final

□ Objective:

- To help Member States and all relevant stakeholders gain a better understanding of which **policies, reforms, strategies and good practices** can be adopted to address energy poverty, on **which indicators** they may build and how to effectively reduce energy poverty.

□ Consultation with:

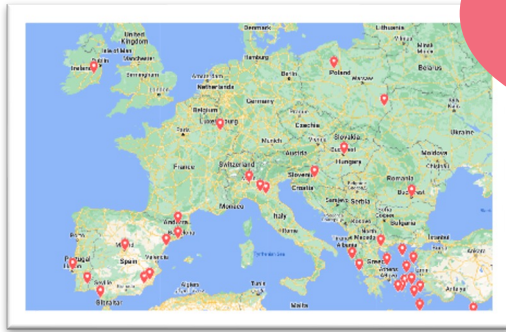
- Member States through the **Energy Poverty and Vulnerable Consumers Coordination Group** established in 2022 (Decision (EU) 2022/589)
- Energy poverty stakeholders contact group

LINK: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L_202302407

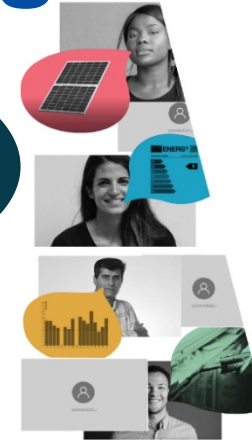
Energy Poverty Advisory Hub (EPAH)

Tackling energy poverty through local actions

DIRECT SUPPORT



TRAINING

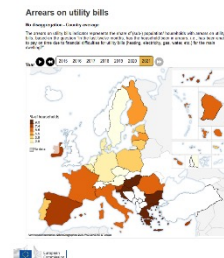
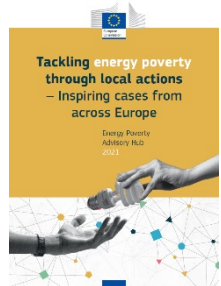
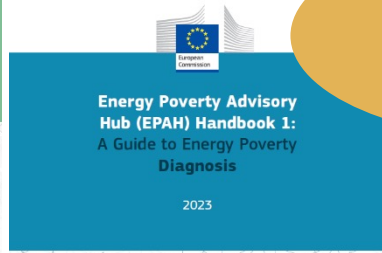
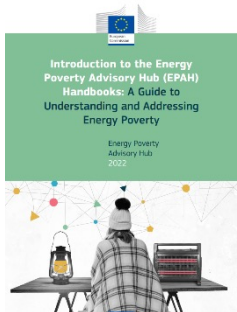


NEW COURSE

Energy poverty in Europe: From policy framework to integration in local action plans

New extended on-line course for municipalities available

LEARNING MATERIAL



Discover the new national indicators dashboard



NETWORKING



- EU wide
 - National
 - Regional
- exchange of experiences**

The EPAH lunch talk series

Sharing experiences among key stakeholders across Europe to tackle energy poverty

Thank you