

# Best practice examples for PaMs to alleviate energy burden and contribute to climate change mitigation

Viktorija Noka | Online, 27.10.2022

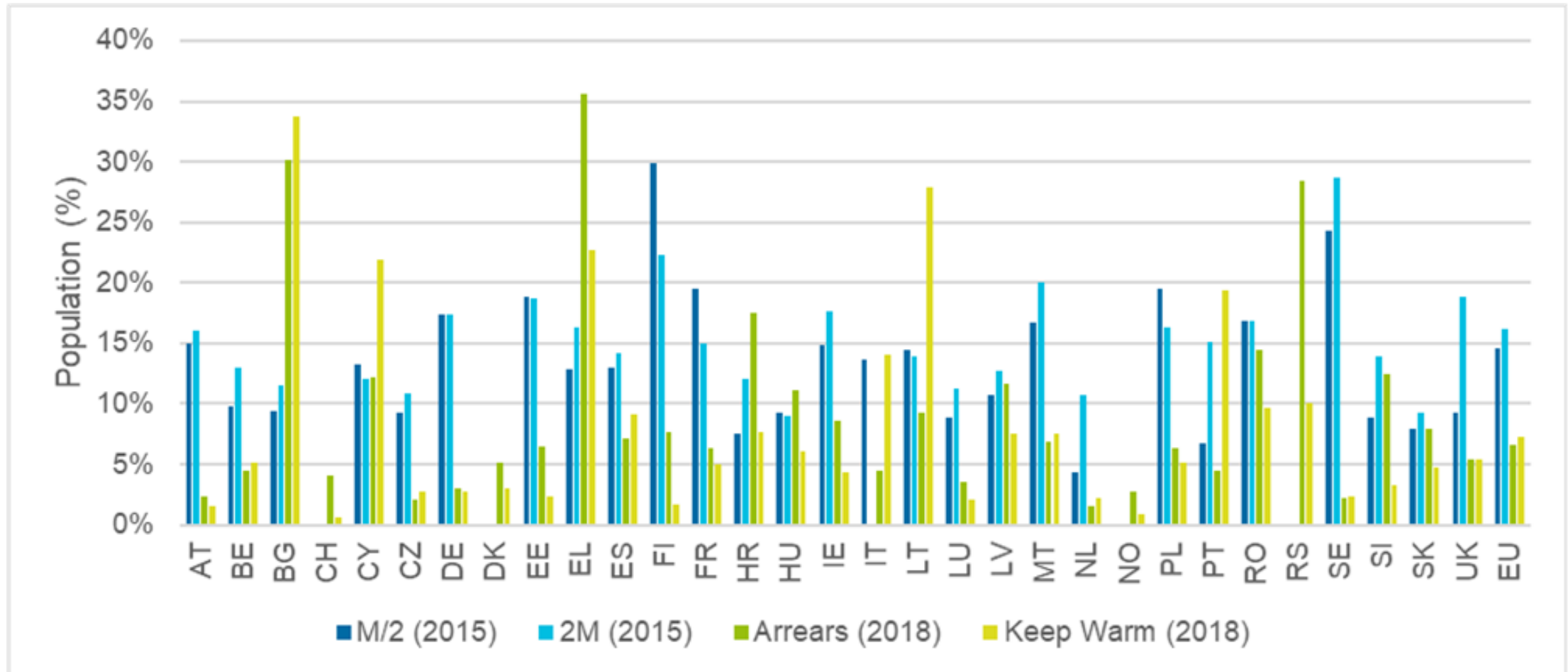
## Just Transition & Energy Poverty

- **Just Transition Mechanism:** „Leave no one behind“
- **Energy Poverty:** „a situation in which a household cannot afford the essential energy services necessary for a decent standard of living“
  - Low income, energy prices, and poor energy efficiency of dwellings
  - Increasingly written into EU legislation, regulations, and recommendations
  - But Member States retain control over the extent to which they report on and address energy poverty
- **Commission Recommendation** (Oct 2020) on energy poverty  
<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32020H1563&from=EN>

## Energy Poverty in EU Member States

- Governance Regulation: „Member States shall assess the number of households in energy poverty”
- EU Energy Poverty Observatory & [EU Energy Poverty Advisory Hub](#)
  - Online resource; measuring energy poverty; best-practice measures & instruments
- [Indicators](#) of energy poverty:
  - Ability to keep home adequately warm
  - Arrears on utility bills
  - M/2: Absolute (equivalized) energy expenditure below half the national median
  - 2M: Share of (equivalized) energy expenditure (compared to equivalized disposable income) above twice the national median

# Levels of Energy Poverty in Europe



## Reporting on Energy Poverty (NECPs)

- Member States should report on:
  1. the number of energy-poor households
  2. an indicative objective to reduce energy poverty
  3. outline relevant policies and report on their progress of reducing the number of households in energy poverty
- ½ of MS provide explicit objectives to reduce energy poverty and quantify this objective
- Several MS argue that they do not have a significant number of households in energy poverty
- Some MS refer specifically to the role of social welfare systems
- Majority of measures and policies are related to energy efficiency

# Reporting on Energy Poverty (NECPs)

Spain, Belgium, France, Lithuania

Member States should report on:

1. the number of energy-poor households
2. an indicative objective to reduce
3. outline relevant policies and report on the number of households in energy poverty

Important for monitoring progress

number of

- Using available EU data
- More recent data may be available on national level (HH income & expenditure)
- National energy poverty observatories (FR, IT, RO)

- Key for addressing energy poverty in the long term
- Important to ensure targeted support

objectives to reduce energy poverty  
 do not have a significant number  
 to the role of social welfare systems  
 policies are related to energy efficiency

Criterion	BE	ES	FR	LT	BG	GR	IT	MT	HR	CY	PL	RO	AT	HU	FI	PT	SK	CZ	LV	DE	EE	NL	DK	SI	LU	SE
EP recognised	2	2	2	2	2	2	2		2	2	2	2	2	2		2	2	2	2					2		
EP defined		2		2			1	1		2			2		2											
Explicit EP indicator(s)	2	2	2	2			2	2		2		2	2	2				2	2		2	2				
Direct EP policies	2	2	2		2	2	2	2	2	2		2		2						2	1					
Tariff bill EP measures	2	2	2	2	2	2	2	2	2	2		2				2	1						2			
EE for EP	1	2	2	2	2	2	2	2	2	2	2		2	2	1	2	1				1		1			
Market regulation	2			2	2		2				2			2			1					1				
Infra. investment	2	2	2	2	2	2		2			2	2					1					1				
New financing	1		2			2					2															
EU funding for EP	1			2	2	2	1		2		2								2							
National BPs for EP	2	2	2					2							2					2						
Local/regional BPs	2														2			2								
Engagement mechanisms		2	1	1					2			2	2		2	2	2			1						
<b>Summative score</b>	<b>19</b>	<b>18</b>	<b>17</b>	<b>17</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>13</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>10</b>	<b>10</b>	<b>9</b>	<b>8</b>	<b>8</b>	<b>6</b>	<b>6</b>	<b>5</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>0</b>	<b>0</b>

*Note: Each criterion has been given a score of 2 where it has been fully met, and a score of 1 where it has been only partially met – e.g. through regional or indirect policies. EP = Energy poverty. EE = Energy efficiency. BP = Best practices.*



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EP defined		2		2			1	1		2			2		2											
Explicit EP indicator(s)	<p><a href="#">Bouzarovski et al</a> (2021) Confronting Energy Poverty in Europe: A Research and Policy Agenda. <i>Energies</i> 14(4).</p> <p><a href="#">Noka et al</a> (2021) Energy Vulnerability and Energy Poverty: Experience and Approaches in the EU. Working Paper 9/2021.</p>																									
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## Energy Efficiency in the EU

- EU policy draws a direct link between energy efficiency measures and alleviating energy poverty
- Energy efficiency measures for vulnerable groups can decrease household energy costs, as well as delivering important energy savings
- Measures targeted specifically at vulnerable customers/households
- Energy Efficiency Directive, Energy Performance Buildings Directive, EcoDesign Directive, and Energy Labelling Framework
- Definition of **vulnerable customers/households** is primarily left to Member States and covered only through energy poverty definitions and indicators

## Addressing Vulnerable Households

- Distributional effects of energy and climate policy need to be considered
  - Low-income households and other vulnerable groups cannot take advantage of benefits of these policies and can experience increased costs, especially during the first years
- Making links between climate change mitigation and alleviating energy poverty

### Best Practice from EU:

1. Energy & Climate Policy (CO<sub>2</sub> tax)
2. Protection: Regulatory Instruments (disconnections & tariffs)
3. Participation: Infrastructure & Technology (smart-metering & landlord/tenant)
4. Resilience: Energy Efficiency (large-and small-scale)
5. Resilience: Direct Financial Support (incl. social welfare system)

## Best-Practice examples from the EU

<b>Energy &amp; climate policy</b>	Revenue recycling from CO <sub>2</sub> pricing	Germany
	Limited pass-through of CO <sub>2</sub> costs	Germany
<b>Protections:</b> regulatory instruments	Disconnection protections	Ireland (Austria, Finland, ...)
	Social domestic tariff	Greece (France, Belgium, Portugal ...)
<b>Participation:</b> infrastructure and technology	Smart meters	Italy (Finland, Sweden)
	Self-generated electricity for tenants	Germany
<b>Resilience:</b> energy efficiency	MaPrimeRenov Serenite	France (Belgium, France, UK ...)
	Electricity saving check	Germany (Netherlands, Belgium ...)
	Energy Company Obligation	France (Lithuania, Latvia, Malta ...)
<b>Resilience:</b> direct financial support	Electricity and gas fund	Belgium (Ireland, Italy, Denmark ...)
	Climate Bonus	Germany

