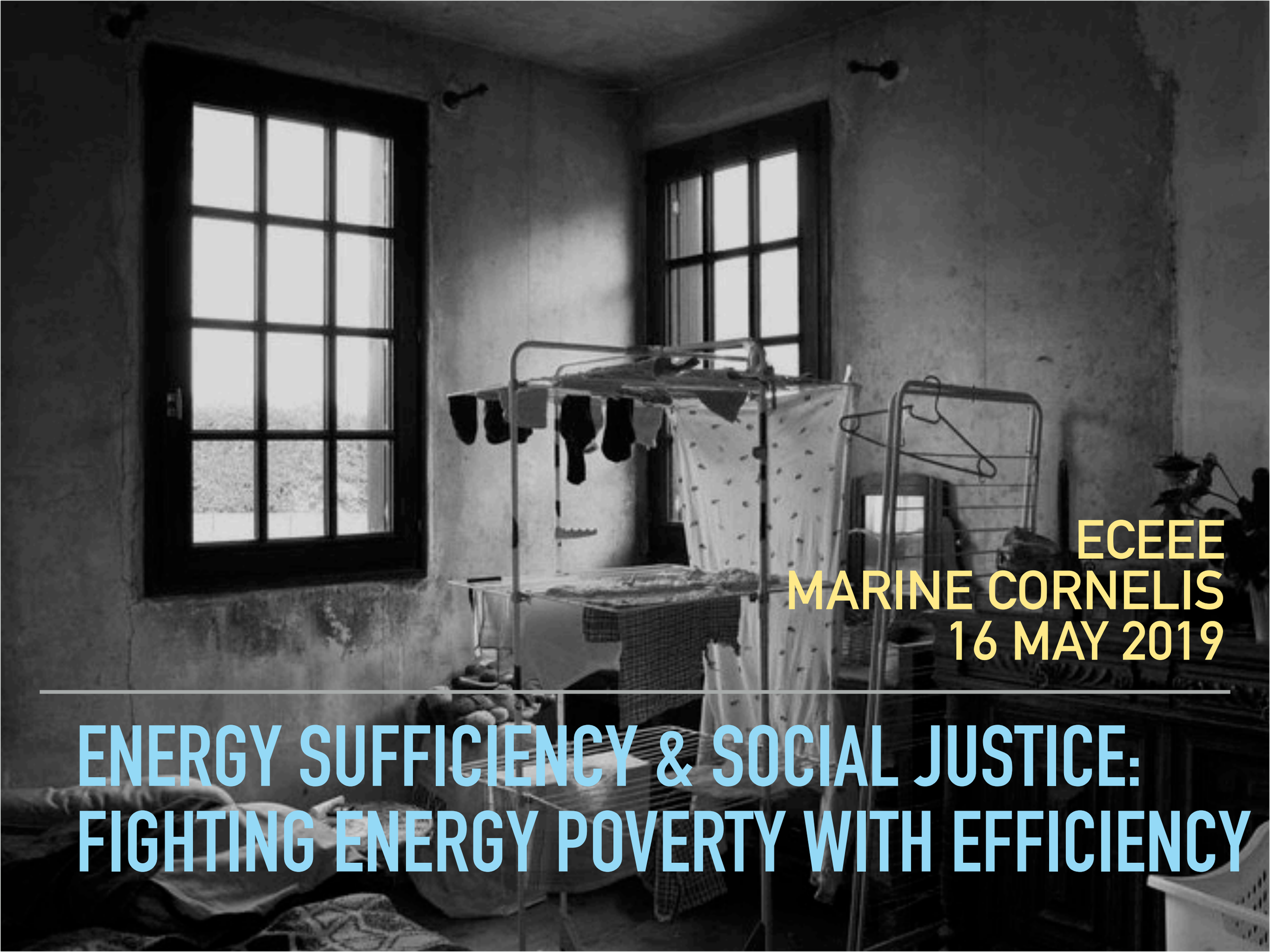


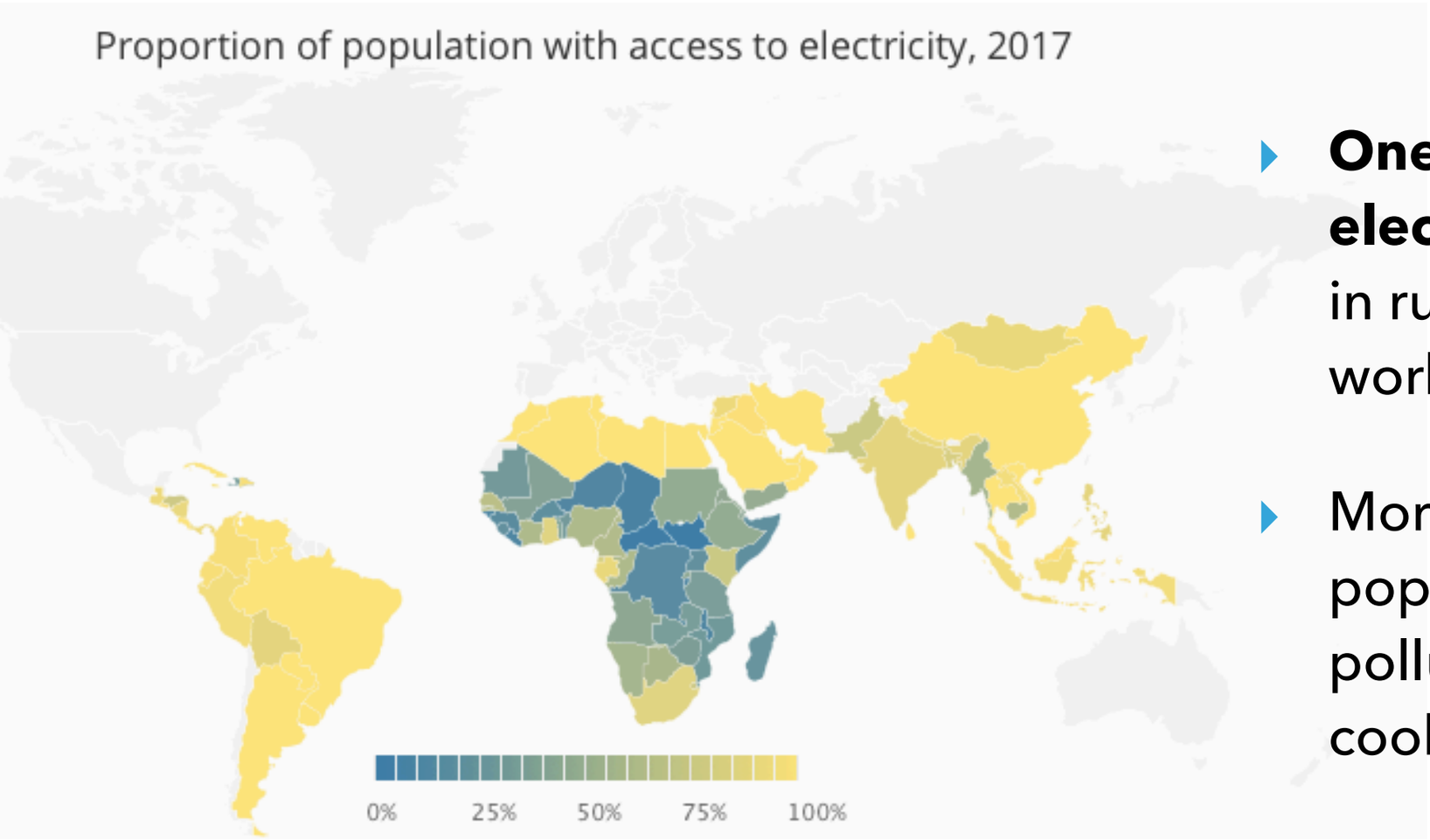
ECEEE
MARINE CORNELIS
16 MAY 2019

# ENERGY SUFFICIENCY & SOCIAL JUSTICE: FIGHTING ENERGY POVERTY WITH EFFICIENCY

"LOW-INCOME COMMUNITIES AND SOME COMMUNITIES OF COLOR ARE EXPERIENCING HIGHER RATES OF EXPOSURE TO ADVERSE ENVIRONMENTAL CONDITIONS AND SOCIAL CONDITIONS THAT CAN REDUCE THEIR RESILIENCE TO THE IMPACTS OF CLIMATE CHANGE"

U.S. National Climate Assessment, November 2018

# SD GOAL 7: AFFORDABLE AND CLEAN ENERGY



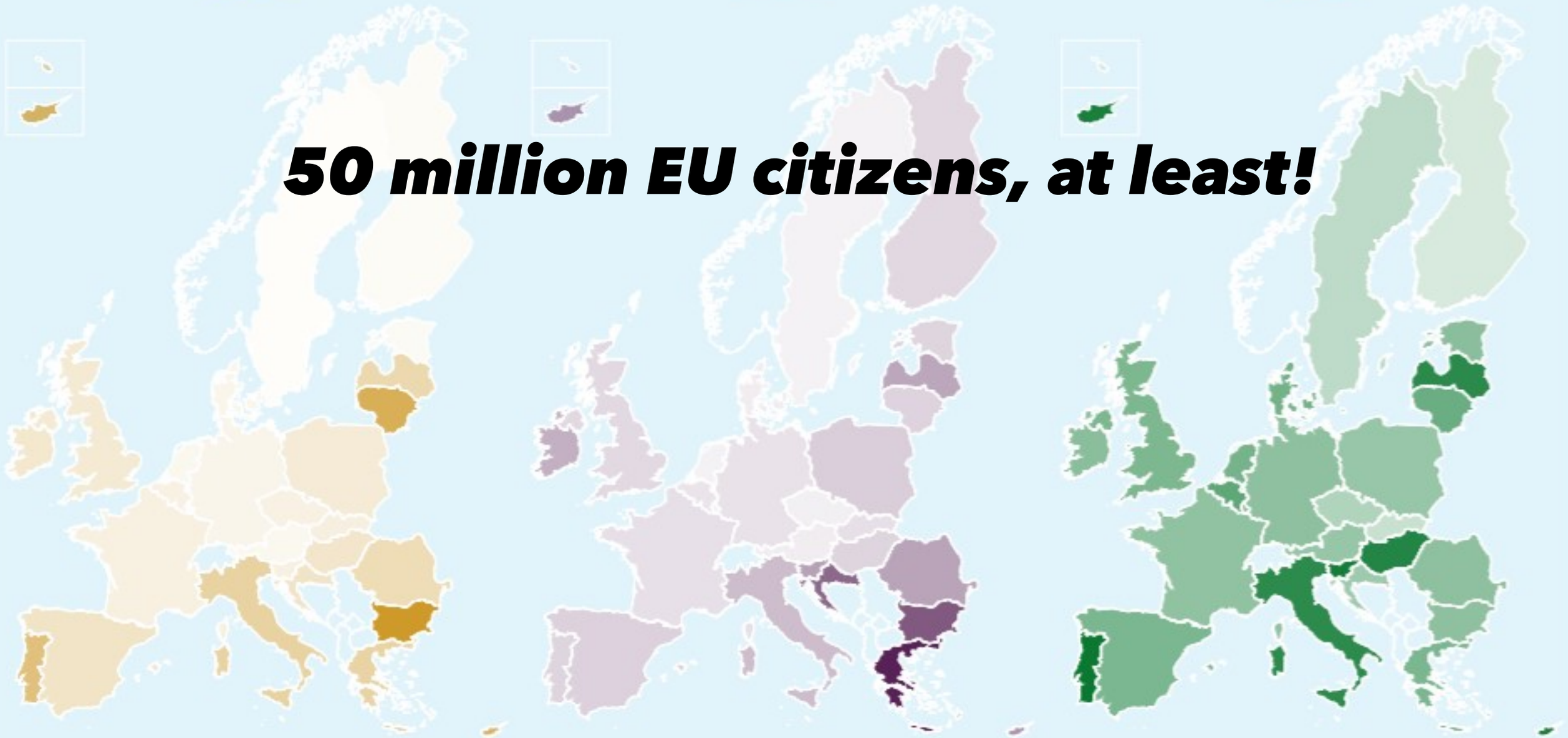

- **One in 7 people still lacks electricity**, and most of them live in rural areas of the developing world.
- More than 40% of the world's population –**3 billion**– rely on polluting and unhealthy fuels for cooking.
- Energy is the main contributor to climate change, it produces around 60 percent of greenhouse gases.

source: IEA

**INABILITY TO KEEP HOME ADEQUATELY WARM**

**ARREARS ON UTILITY BILLS**

**PEOPLE LIVING IN A DWELLING**
WITH A LEAKING ROOF, DAMP WALLS, FLOORS OR FOUNDATION



# *50 million EU citizens, at least!*

**Bulgaria, Lithuania, Greece and Cyprus**
**(>28%)**

EU average: 9.4%

**Sweden, Luxembourg, Finland**
**(<1.8%)**

**Greece, Bulgaria, Croatia**
**(>28.5%)**

EU average: 9.1%

**Luxembourg, Sweden, the Netherlands**
**(<2.8%)**

**Portugal, Cyprus, Slovenia**
**(>26.6%)**

EU average: 15.2%

**Finland, Slovakia, Sweden**
**(<7.6%)**

# WHAT DATA SAY

- Energy poverty means **many different situations & realities**: quality and type of the dwelling, ownership, energy price, complex tariffs and contracts, region, climate, support measures, policies, social relations, personal history, age, gender, belonging to a minority, (un)employment history, income…, and EP is often hidden (prefer to pay than being in debt). There is no "standard profile"

- EP translates in very different **symptoms**: high bills, indoor air pollution, too warm, cold or leaking homes, damp, unaffordable bills, increased mortality, poor (mental) health and anxiety, loneliness, difficulties to learn, employment issues, mobility and transport issues, etc.

- Many different **actors** are involved: governments, local authorities, cities, public structures, private companies, foundations, welfare centres, research centres, NGOs, regulators, ombudsmen… Bits of answers are provided by each of them (technical, economic and financial, social) without necessarily a good coordination and governance

- Residential buildings account for around **40% of total final energy demand i**n the EU; and in most EU countries, **half of the residential stock** was built before the 1st thermal regulations in the 1970s.

# ENERGY UNION & CLEAN ENERGY FOR ALL PACKAGE TOOLBOX (2018–2019)

1. Internal Electricity Market Directive: Planning of policies and measures to alleviate domestic energy poverty. **Definition** of energy poverty, recognising its 3 causes: low income, high energy expenditures, **poor energy efficiency** –> Improvement of dataset comparability across the EU

2. Energy Efficiency Directive: More explicit requirements to tackle domestic energy poverty in the annual savings objective (Article 7). Improving the energy performance of buildings

3. Energy Performance of Buildings Directive: Ensuring access to energy for vulnerable consumers in critical periods

4. Energy Efficiency Directive: Regulation of governance: Mandatory efforts to target households living in energy poverty

5. Renewable Energy Directive: Knowledge of the prevalence of energy poverty

# 3 TYPES OF POLICIES TO COMBAT ENERGY POVERTY

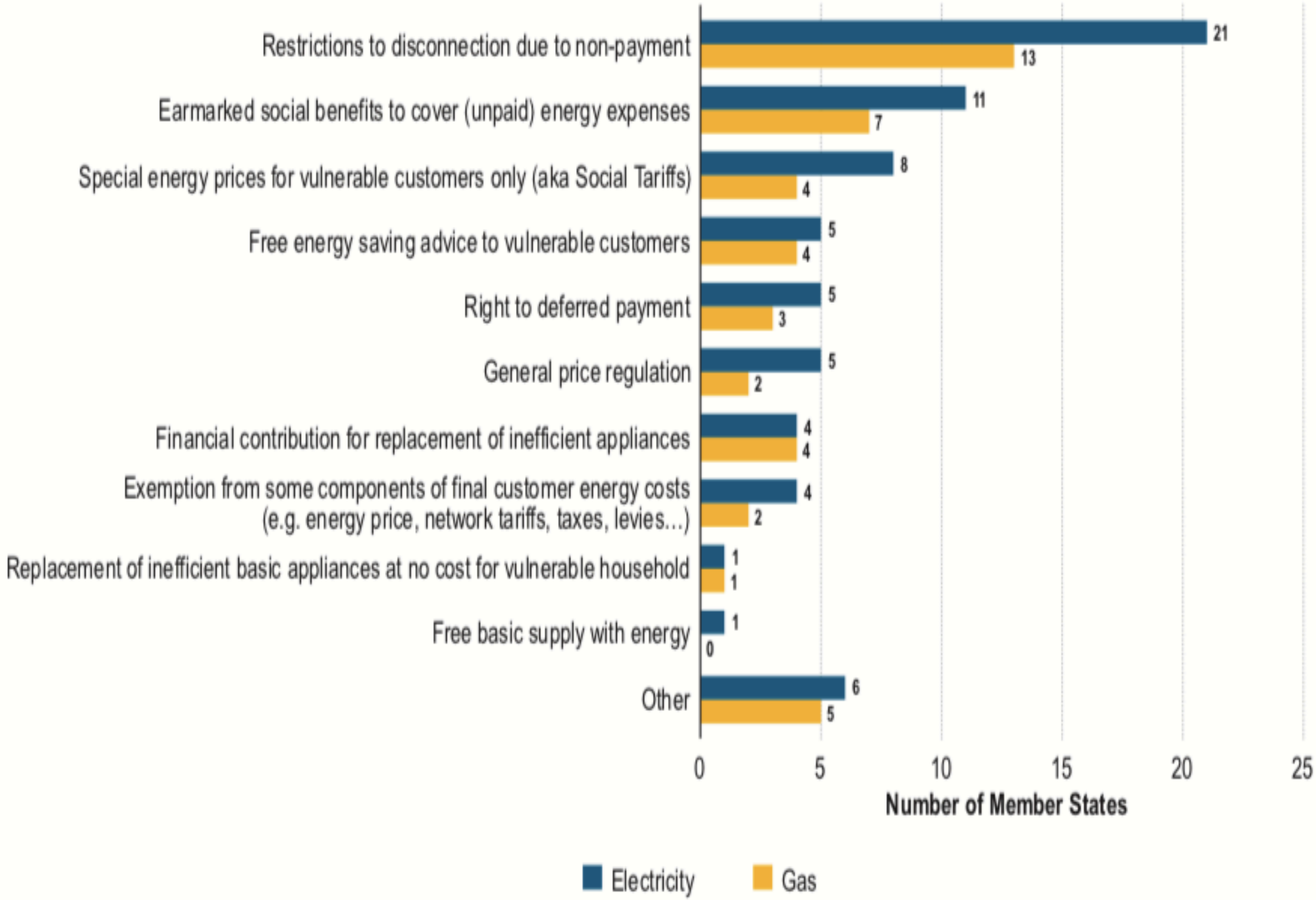
In Europe, there are 3 types of policies to combat energy poverty, including in countries that have not adopted a definition or made it a public problem:

1. **Market regulation** policies = measures to control prices => constant & costly adaptation to the market

2. **Social policies of income support** or bill payment (redistribution policies) => expensive, not sustainable and stigmatise the users.

3. **Renovation and retrofitting policies** to contain the phenomenon in a sustainable way. Energy efficiency policies are long-term solutions that not only protect households from price fluctuations, but also allow them to better understand their consumption and thus reduce their environmental footprint.

# Figure 6: Measures in place to protect vulnerable consumers in EU MSs – 2017 (number of MSs)




*Source: CEER 2018*

# 1 & 2: CURATIVE MEASURES – TREATMENT OF (SOME OF) THE SYMPTOMS (EXPENSIVE BILLS)

Examples

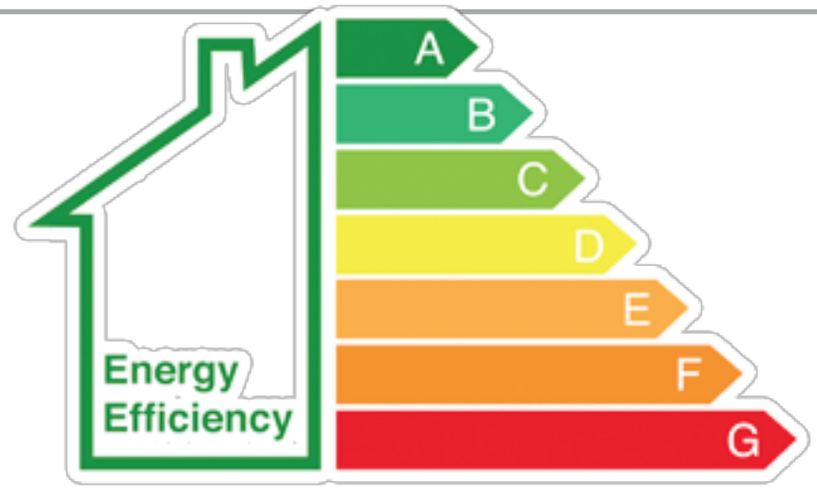
- Automatic social tariffs for "protected consumers" (BE)
- Electricity and gas bonuses upon request for eligible families (Italy, Spain)
- Partially automatic chèque énergie (France)
- Prepaid meters to top-up consumption (GB, Belgium)
- Price / tariff caps (GB)
- Emergency funds by social welfare centres in order to pay the bills (France)
- Micro-donation (Banco dell'Energia (A2A, Italy), Energie Solidaire, France)


Limits

- Very widespread in Europe but they rarely target the energy poor (other criteria than EP indicators).
- The benefits often depend on the income declared: What if the household does not declare taxes? What about sudden changes in the situation?
- Bureaucracy is often an obstacle, too many documents to show
- Tools work best when provided automatically (no need to ask), but they are not always easy to use
- The amounts are often too small to make a significant difference
- Non-sustainable, the request must often be made each year and the assistance provided is repeated
- Involves strong involvement of (social) workers and access to information
- Do not take into account the poor quality of the building or the way energy is used, or energy efficiency. **Climate, sustainability or environmental issues are not addressed and those measures might stimulate consumption and poorly efficient behaviours!**

# ENERGY POVERTY IN MEMBER STATES

## PREVENTIVE MEASURES: POLICIES HAVING A LONG TERM IMPACT ADDRESSING ENERGY EFFICIENCY




Examples

- Renovate housing with **incentives and interest-free loans** (EnergieSprong in the Netherlands) from ESCOs / energy service companies or third party financing companies, EuroPACE)
- Personalised **advice and support** (Green Doctor & Energy Café in the United Kingdom, Stromspar-Check in Germany, TED in Italy, Punt d'assorament energetic in Barcelona) + Professional training and integration
- **Cost-effective replacement or rental** of energy-efficient household appliances (Papillon in Belgium, Otthon Melege in Hungary)
- **Prescription of measures by the doctor** (Warmth & Wellbeing in Ireland, Boiler on prescription in the United Kingdom)
- **Sharing economy** (Civico 5.0 in Italy), Energy cooperatives (Energia Positiva in IT), collective switching (under certain conditions)
- **Obligation for owners to improve energy efficiency** (project in Scotland); Stop renting "thermal sieves"

Limits

- Access to **information** is essential. What happens when a person is illiterate and/or has no access to the Internet? Red tape and bureaucracy can prevent action
- Access to **funding** and financial resources (available resources). What role should banks play?
- Assumes a very good network of well-trained **craftsmen and professionals**
- Especially useful for **landlords**: tenants do not have access or fear tensions with the landlord -> enforcement challenges
- Different programs for **social housing and multi-family housing**

# ENERGY EFFICIENCY IMPACT ON HOUSEHOLDS

- Savings for households of around 30% (£500 / €566) in 2017 thanks to residential energy efficiency policies introduced since 2004 (UK Climate Change Agency)
- low-income households, which typically spend a greater share of their expenditure on energy, tend to see the largest reductions in bills as a proportion of total expenditure: the **poorest 30% are expected to benefit from a reduction of between 0.6% and 1.6% of total expenditure**, compared to a reduction of between 0.2% and 0.5% for other deciles (UK Climate Change Agency, 2014)
- An EU average household uses about 29% less gas and 22% less electricity than in 2004 (EUASE, 2018)
- 330 euros saved per household on bills in Germany and France, thanks to energy efficiency improvements between 2000 and 2016
- **greater internal thermal comfort,** avoiding associated diseases and the consequent health costs due to the low internal temperature

⚠ Risk of “rebound” effect of EE: we need to look at the overall benefits of EE + accompany with personalised advice and support

# SOME RECOMMENDATIONS

- Energy inefficiency is a **primary driver of energy poverty**. Implementing energy efficiency schemes can reduce energy poverty rates, and bring many other energy and non-energy benefits. If all necessary improvements were completed at once, the cost to EU economies and societies would be repaid within 18 months by projected savings such as lower healthcare costs and better social outcomes. In other words, **for every €3 invested, €2 would pay back in one year**. If all the work was undertaken now, it is estimated that the savings on healthcare provision alone would be some €9 billion in the first year; this saving would continue to accrue year-on-year. (Eurofound, 2016)
- There is a need for **closer integration with cohesion and regional development instruments**, and the integration of energy policy in urban and regional planning. European Structural and Investment Funds can play a pivotal role in alleviating energy poverty. States and regions should massively engage in renovating.
- It is imperative to **identify and remove any barriers** to receiving energy efficiency investment to ensure the most vulnerable households can benefit from interventions. For example, requiring co-contributions or a financial loan will exclude many households.
- The **costs of policies** encouraging energy efficiency and sobriety should not increase the burden on already vulnerable households!

# WE AIM TO HAVE AN ENERGY TRANSITION THAT IS SOCIALLY FAIR AND CONSUMER-CENTRED

Maroš Šefčovič
Vice-President of the European Commission
in charge of the Energy Union (2016)

# THANK YOU

Marine Cornelis
Directrice générale, NextEnergyConsumer
Consultant politique, ESRC JustEnergy (Universités de Westminster & Glasgow)
Membre, Réseau COST ENGAGER de recherche sur la précarité énergétique
www.nextenergyconsumer.eu
marine.cornelis@nextenergyconsumer.eu