



AYEP

SUSTAINABLE ENERGY DEVELOPMENT AGENCY BULGARIA



SEDA

Energy Poverty in Bulgaria

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ODYSSEE-MURE

“ODYSSEE-MURE” First project meeting
Berlin, 16-18 December 2019



Status-quo



Social Assistance Act



Ministry of Labor and Social Policy

There is no official definition for “energy poverty”

Definition only for “Vulnerable customers“:
Household customers who receive targeted **aid for electricity, heat or natural gas** pursuant to the Social Assistance Act and the secondary legislation for its implementation.

Aid for electricity, heat or natural gas for vulnerable consumers is available upon application and...

Amount of monthly income

Size of the dwelling

No rental income

No real estate is sold over the last 6 months

Unemployed persons
– mandatory registration with the Labor Office 6 months prior to the application



“Energy poor” is a difficult definition

According to the Energy Poverty Observatory:
Multiple indicators in combination

- Arrears on utility bills
- Low absolute energy expenditure (hidden energy poverty)
- High share of energy expenditure in income
- Inability to keep home adequately warm

Subjective indicators

- Self-reported: Poverty status based on the personal assessment of households for their situation

Objective indicators

- Absolute measures: minimum level of household well-being.
- Relative measures: based on comparison

Additional indicators

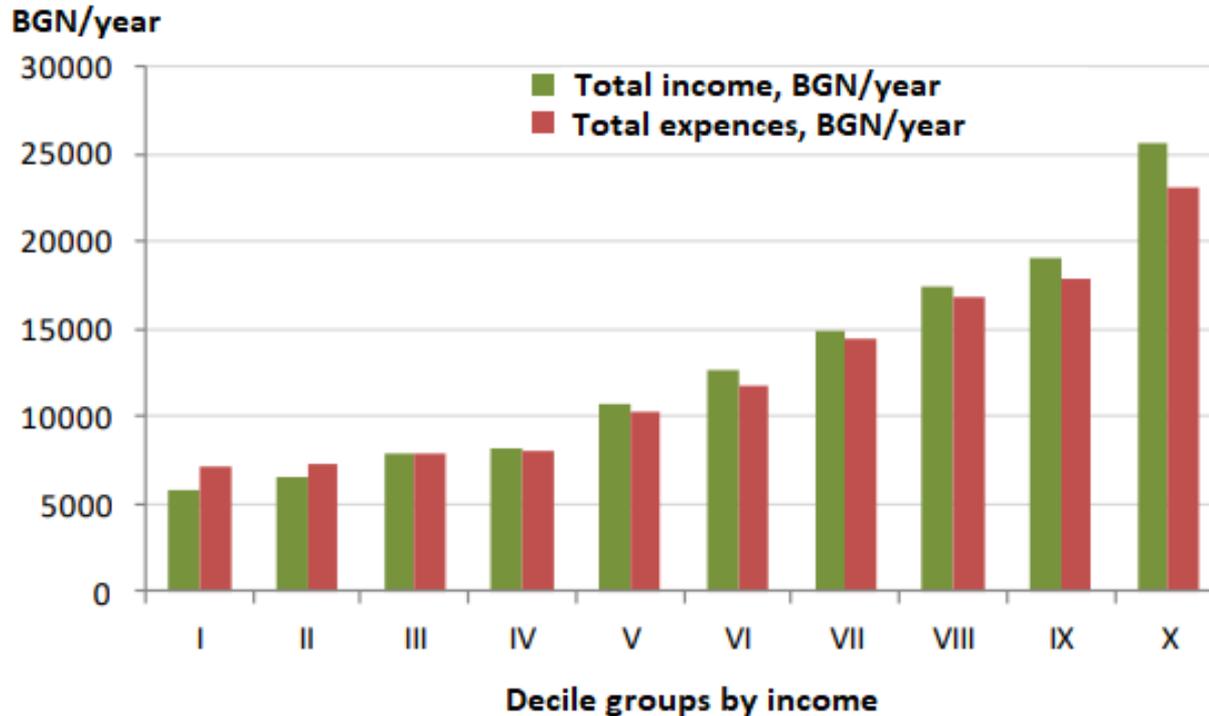
- Liberalization of energy markets and access to up-to-date energy services that affect competition between suppliers
- Energy prices
- Accessibility and awareness of possible measures to optimize household consumption.

Statistics on income and expenditure of the population and households in Bulgaria

National Statistical Institute

In 2017, the poverty line for Bulgaria is BGN 351.08 (EUR 179.50) per month per person.

At the moment, there are 1,665,300 people below the poverty line, or 23.4% of the country's population



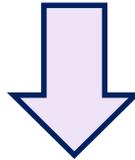
Source: “Energy poverty in the light of local elections”, October 2019, [Center for Energy Efficiency - EnEffect](#)



Future plans

Draft definition for "Vulnerable customers" in accordance with Directive 2009/72:

Household customers who live in homes supplied with electricity and who, due to age, health or income, are at risk of social exclusion in connection with the supply and consumption of electricity, and benefit from social measures protection, to ensure the necessary supplies of electricity.



Bigger group of vulnerable customers

Measures for protection of the "Vulnerable customers"

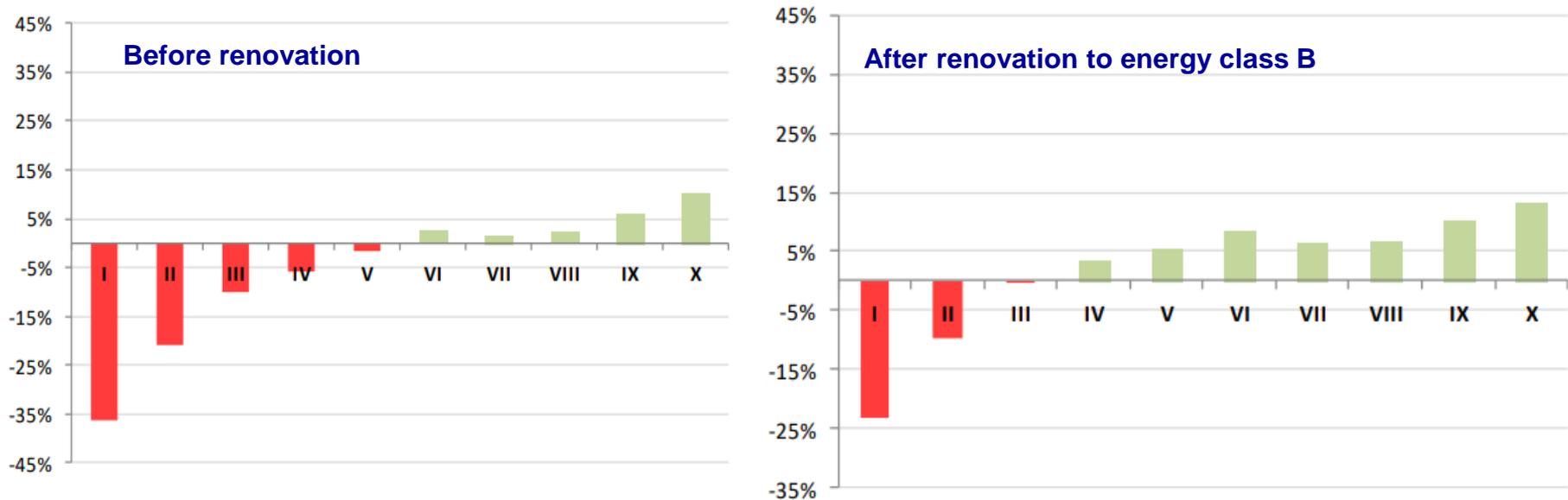
- *Financial measures*: Social tariff – short-term, 5 years - ***focused on the consequences, not on the causes of the problem***
- Non-financial measures
 - Prohibition of suspending electricity for a precisely defined category of vulnerable customers;
 - Deferring the power supply interruption during the winter period for a specific category of vulnerable customers;
 - Possibility of debt restructuring;
 - Code of Ethics;
 - Informational campaigns, online platforms and others;
- Long term measure – **Energy efficiency measures for households**

Energy efficiency as an opportunity to tackle energy poverty

SEDA's database – EPCs for the National Energy Efficiency Program for Multifamily Residential Buildings' Renovation:

Before the renovation - 40.5% buildings are with energy class E, followed by class F (35.3%) and class G (16.1%). Most of the buildings have been renovated to the minimum required energy class C, but there are a smaller proportion of them renovated to class B (8.4%). According to energy auditors' calculations, it is quite possible to achieve savings of around 40% with these levels of renovation.

Difference between average monthly incomes and average monthly total expenditures in the winter months when providing comfortable warming during winter for 65 m2 dwelling



Source: "Energy poverty in the light of local elections", October 2019, [Center for Energy Efficiency - EnEffect](#)



National Energy Efficiency Program for Multifamily Residential Buildings' Renovation



Residential buildings, designed before April 26 1999 of three or more floors with six (6) or more separate objects with residential use.

All 265 municipalities

100% grant support
Measures to be implemented should bring the energy consumption of buildings to at least Class C (energy use of 191 kWh/m² to 240 kWh/m²) at the lowest cost.

Annual Program's Budget - BGN 1 billion

Program Coordinator -
Ministry of Regional Development and Public Works

Methodological guidance – Ministry of Finance

Program administration-through the municipalities

Home Owners Associations

External contractors



Residential buildings renovation program in numbers

| | 2018 | Total for the Program (expected results 2020) |
|--|-----------|--|
| Renovated buildings | 511 | 2 022 |
| Improved housing infrastructure, m ² | 3 225 647 | 11 525 389 |
| Number of renovated homes | 36 545 | 147 761 |
| Num. of residents benefiting from the improved infrastructure | 76 151 | 340 705 |
| Energy savings, MWh/ann. | 264 700 | 975 226 |
| Greenhouse gas emission reductions (CO ₂ equivalent) - incl. saving of kt CO ₂ /ann. | 93 | 319 |



Possible solutions

General

- Definition of energy poverty
- Integrated approach; improved dialogue between the responsible institutions

National policies to support energy efficient building renovation

- Deep energy renovation of the entire building stock, carried out once or step by step, and establishing mandatory procedures to maintain renovated buildings

Costs and financing

- Sustainable financing scheme for investments in deep renovation
- Existing energy support schemes to be reconsidered and converted into building renovation promotion schemes
- Mobilizing private investment - energy suppliers obligations (art. 7 EED)

Capacity building

- The role of local authorities – planning and monitoring of the EE building renovation
- Increasing the capacity of construction professionals
- Citizens' awareness - positive public opinion and encouraging active participation in renovation programs

Source: “Energy poverty in the light of local elections”, October 2019, [Center for Energy Efficiency - EnEffect](#)



**Please don't
ask difficult
questions**



**Thank you for
listening!**

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