



*ODYSSEE-MURE Fit4-55*  
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## ***Energy poverty policies***

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Energy Poverty in MURE



‘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.**

EU (2023): Directive (EU) 2023/1791 of the European Parliament and of the Council of 13 September 2023 on energy efficiency and amending Regulation (EU) 2023/955 (recast). [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ%3AJOL\\_2023\\_231\\_R\\_0001&qid=1695186598766](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ%3AJOL_2023_231_R_0001&qid=1695186598766)

# Targets for alleviating energy poverty

- 1 reducing the share of households in energy poverty by xx %
- 2 increasing housing energy performance, reach xx % of related energy savings in energy poor households (see also EED Art. 8)
- 3 reduce the burden of energy consumption (e.g. through price support mechanisms)
- 4 avoid/reduce disconnections
- 5 increase energy literacy and knowledge about energy consumption

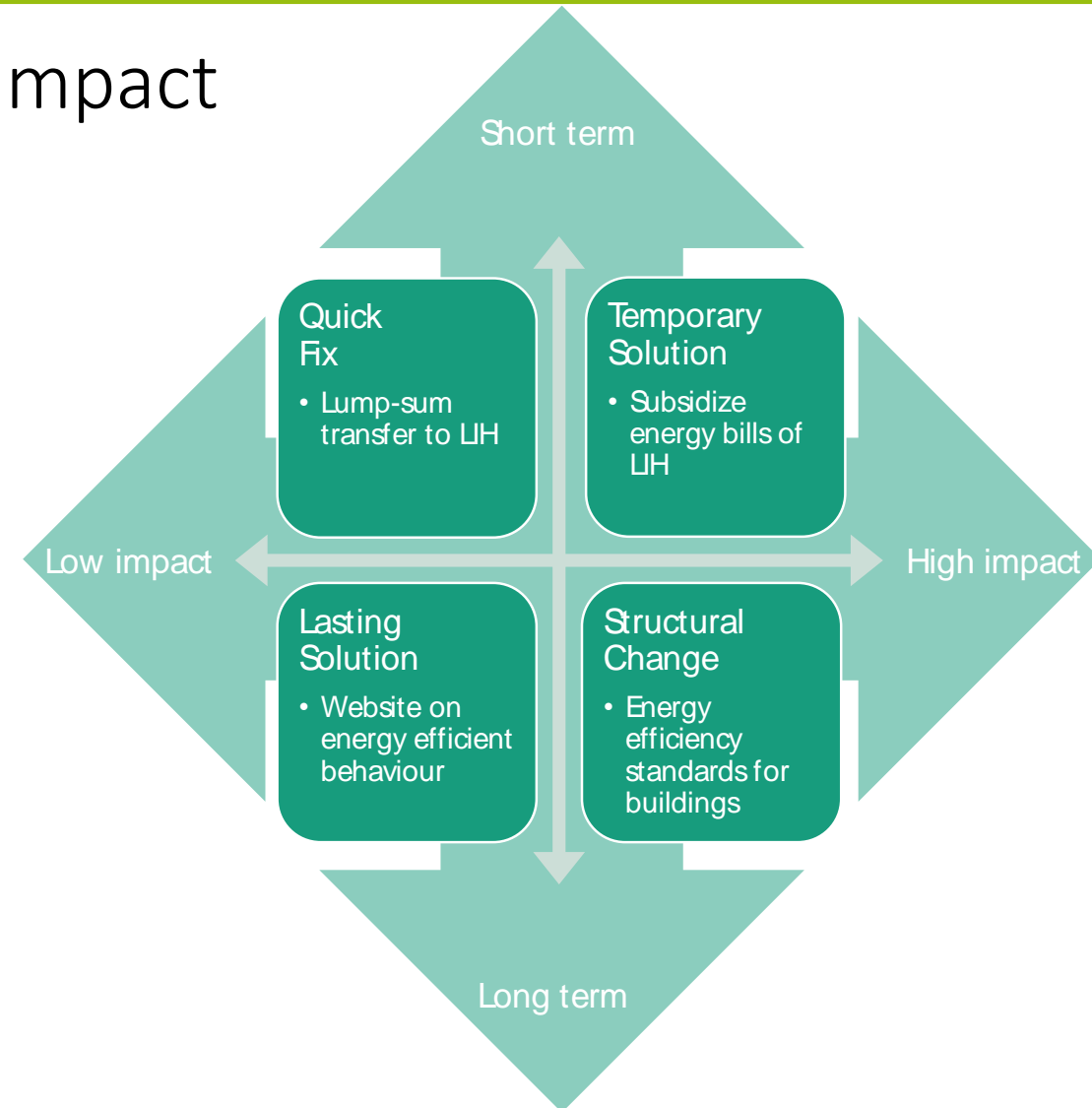
**no social policy measures in MURE**




# Energy Poverty Measures

## Structural measures over time and impact

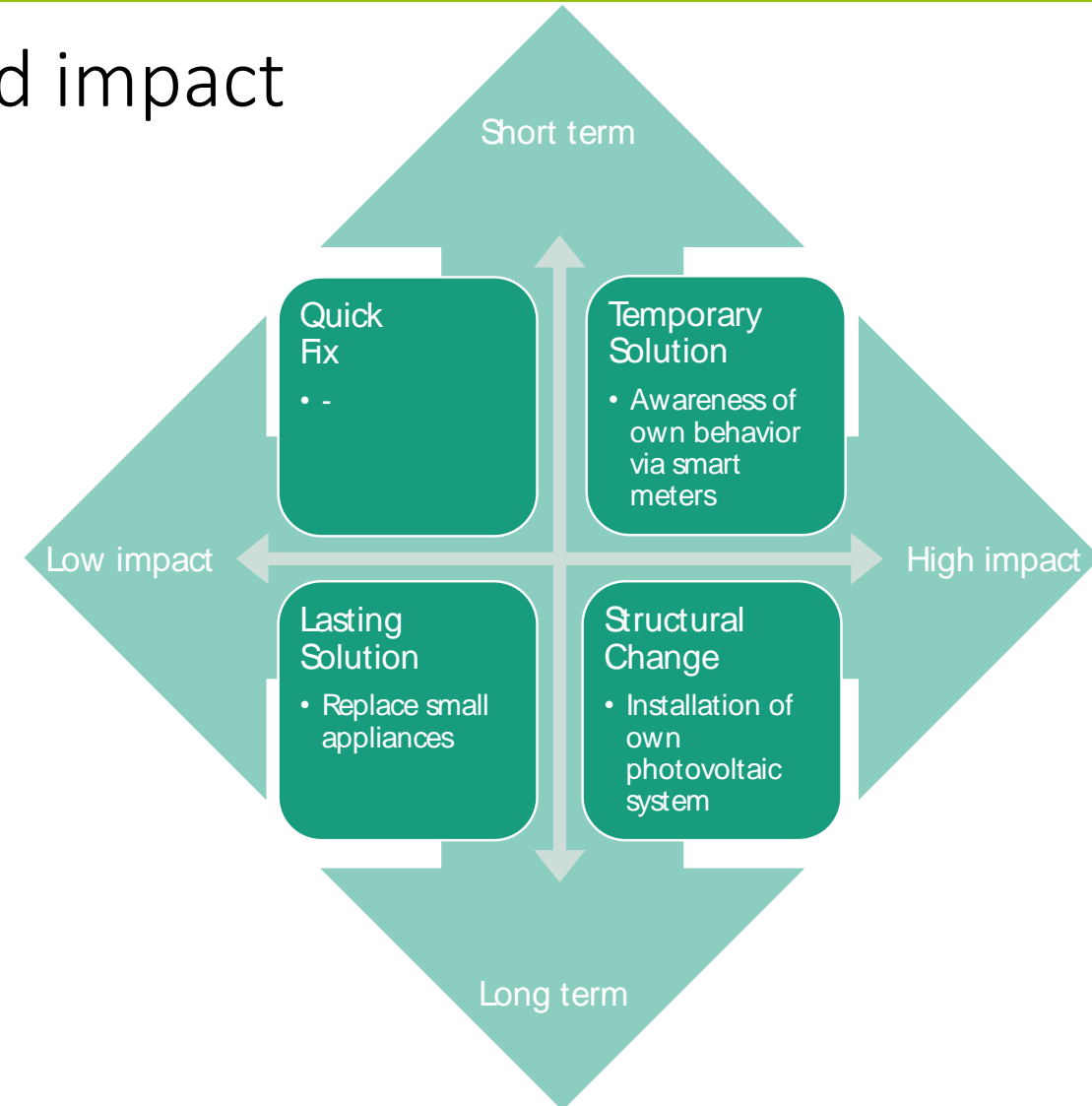
- different kinds of measures can structurally help to alleviate energy poverty
- systematic measures are implemented by institutional actors
- structural change addresses root causes of energy poverty and enables long term prevention



# Energy Poverty Measures

## Behavioural measures over time and impact

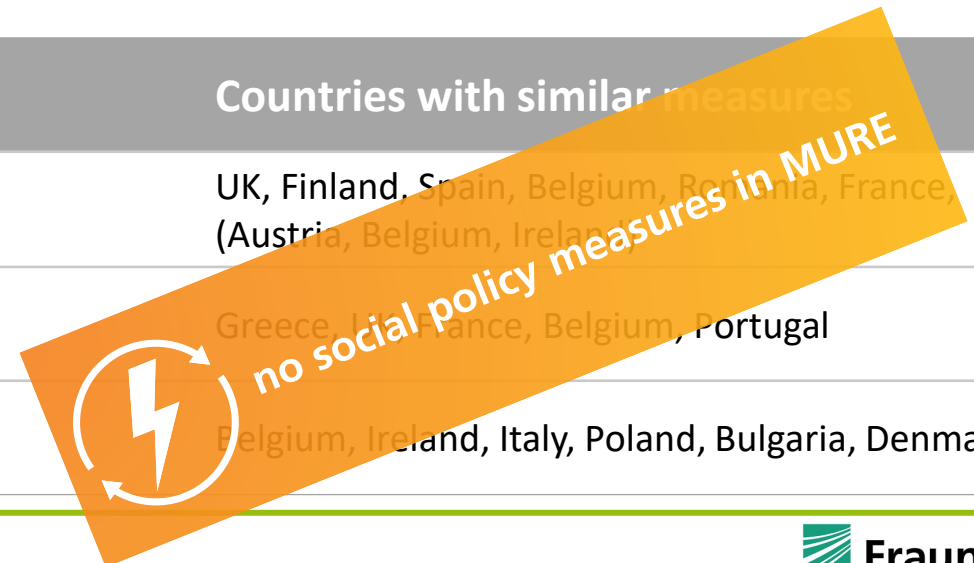
- behavioural measures are initiated by vulnerable individuals



# Types of energy poverty policies

| Category                                                          | Instrument Type                                        | Countries with similar measures                |
|-------------------------------------------------------------------|--------------------------------------------------------|------------------------------------------------|
| <b>Instruments and measures related to CO<sub>2</sub> pricing</b> | Revenue recycling options from CO <sub>2</sub> pricing | Germany, Denmark, Switzerland                  |
| <b>Resilience: Energy efficiency instruments</b>                  | Financial support for low-income owner-occupiers       | France, Belgium, UK, Germany                   |
|                                                                   | Electricity and energy savings check                   | Germany, Netherlands, Austria, France, Belgium |
|                                                                   | Energy Company Obligations                             | Lithuania, Latvia, Luxemburg, Malta            |
| <b>Participation: Infrastructure and technology</b>               | Smart Meters                                           | across the EU and UK                           |
|                                                                   | Self-generated electricity for tenants                 | Germany                                        |

| Category                                    | Instrument Type           | Countries with similar measures                                           |
|---------------------------------------------|---------------------------|---------------------------------------------------------------------------|
| <b>Protection: Regulatory instruments</b>   | Disconnection Protections | UK, Finland, Spain, Belgium, Romania, France, (Austria, Belgium, Ireland) |
|                                             | Social Domestic Tariffs   | Greece, UK, France, Belgium, Portugal                                     |
| <b>Resilience: Direct financial support</b> | Electricity and Gas funds | Belgium, Ireland, Italy, Poland, Bulgaria, Denmark                        |



# Energy Poverty in the EED

## Definition of the target groups

- **people affected by energy poverty**: based on the definition of energy poverty in Art. 2 (52) EED
- **vulnerable customers** (Art 28(1) and Art 28(3) Directive (EU) 2019/944):
  - national definitions
  - may include income levels, the share of energy expenditure of disposable income, the energy efficiency of homes, critical dependence on electrical equipment for health reasons, age or other criteria
- **people in low-income households** (Article 8(3) of Directive (EU) 2023/1791, but no Union law definition):
  - based on the indicator of at-risk-of-poverty rate referring to the threshold of 60% of the national median equivalised disposable income after social transfers
  - unless the use of another national definition can be justified (e.g. related to the eligibility criteria to certain social benefits)
- **social housing** (defined in a 2020 OECD policy brief, no Union law definition):
  - residential rental accommodation provided at sub-market prices that is targeted and allocated according to specific rules, such as identified need or waiting lists
  - differences across Member States in the definition, size, scope, funding, target population, and type of provider (e.g. public, private, non-profit or limited-profit entities, co-operatives, or a mix of these)



## Definition of target groups

|                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                          |
|-----------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>people affected by energy poverty:</b>                                                                       | based on the definition of energy poverty in Art. 2 (52) EED                                                                                                                                                                                                                                                                                                                             |
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# Priority Groups

low-income households

people with disabilities

individuals receiving social benefits

people living in the worst performing dwellings (e.g. energy classes G or F)

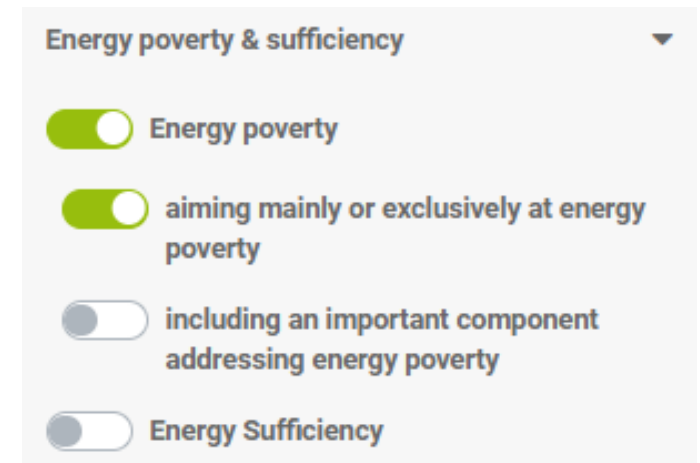
families with children

pregnant individuals

# Energy poverty policies in MURE

## Measures aiming mainly or exclusively at energy poverty

- main objective is to alleviate energy poverty or mitigate distributional effects of energy policies (like energy or carbon taxes)
- designed and targeted to directly address energy poverty by alleviating the conditions and causes of energy poverty in affected households
- priority groups are e.g. based on income criteria, on eligibility to social benefits or a mix of social criteria and criteria about the energy performance of the dwelling



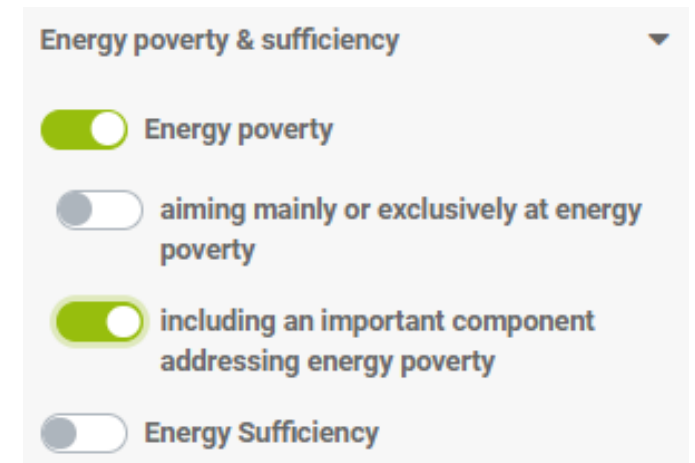
## Examples

- subsidies for energy-efficient appliances for LIH or vulnerable groups
- renovation programmes focused on G- or F-class buildings in social housing

# Energy poverty policies in MURE

## Measures including an important component addressing energy poverty

- will showcase broader objectives but incorporate a significant component aimed at addressing energy poverty
- not exclusively focused on energy poverty or priority groups, but including elements or provisions related to energy poor households or other priority groups



## Examples

- higher grant rates for LIH in renovation programmes open to all households
- energy advice services free for vulnerable households (but with a fee for other households)
- grant schemes where a share of the budget is reserved to LIH

# Energy poverty policies in MURE

## Energy poverty ⓘ

### aiming mainly or exclusively at energy poverty ⓘ

### including an important component addressing energy poverty ⓘ

The Specific Allowance Energy Poverty (SPUK Energiearmoede) is a specific benefit from the government to the municipalities, which aims to reduce the energy consumption of households with a low disposable income and who live in a home with a low energy quality. Funds were distributed based on the

number of households with energy poverty per municipality and based on research by TNO. Measures that are permitted under this benefit are measures in the form of material support (small and large insulation actions and a white goods scheme) and advice (deployment of energy savings coaches). There may be no support in the form of a financial benefit.

## Energy poverty description

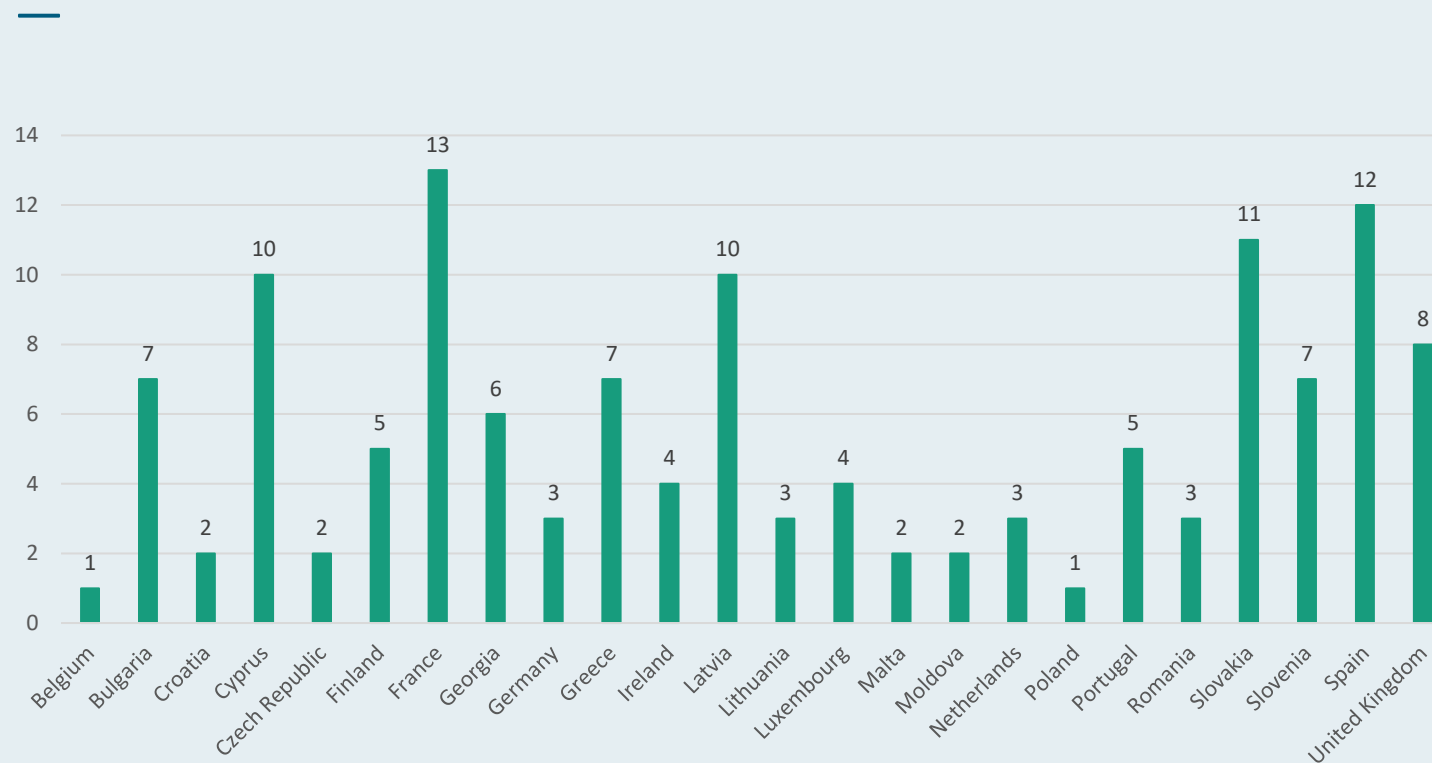
- clear outline of how the measure is relevant in addressing energy poverty
- specification of the target/priority groups
- succinct explanation of how the measure is focused on these priority groups (e.g. with eligibility criteria) and/or what specific benefits and/or support are provided to these groups

## Priority groups may include:

- low-income households
- people with disabilities
- individuals receiving social benefits
- people living in the worst performing dwellings
- families with children
- pregnant individuals

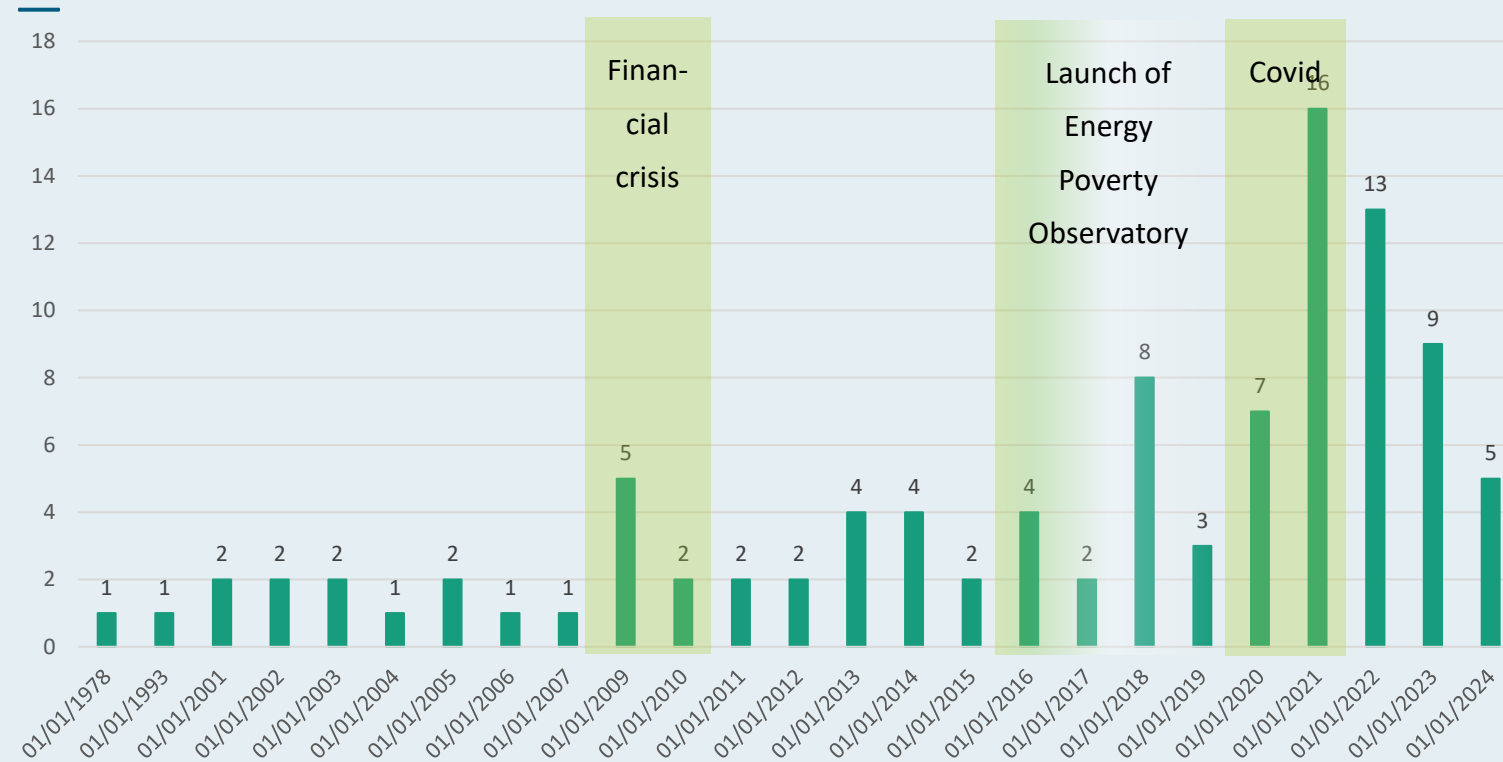
# Energy poverty measures in MURE

Distribution of energy poverty measures across partner countries (Sept 2024)



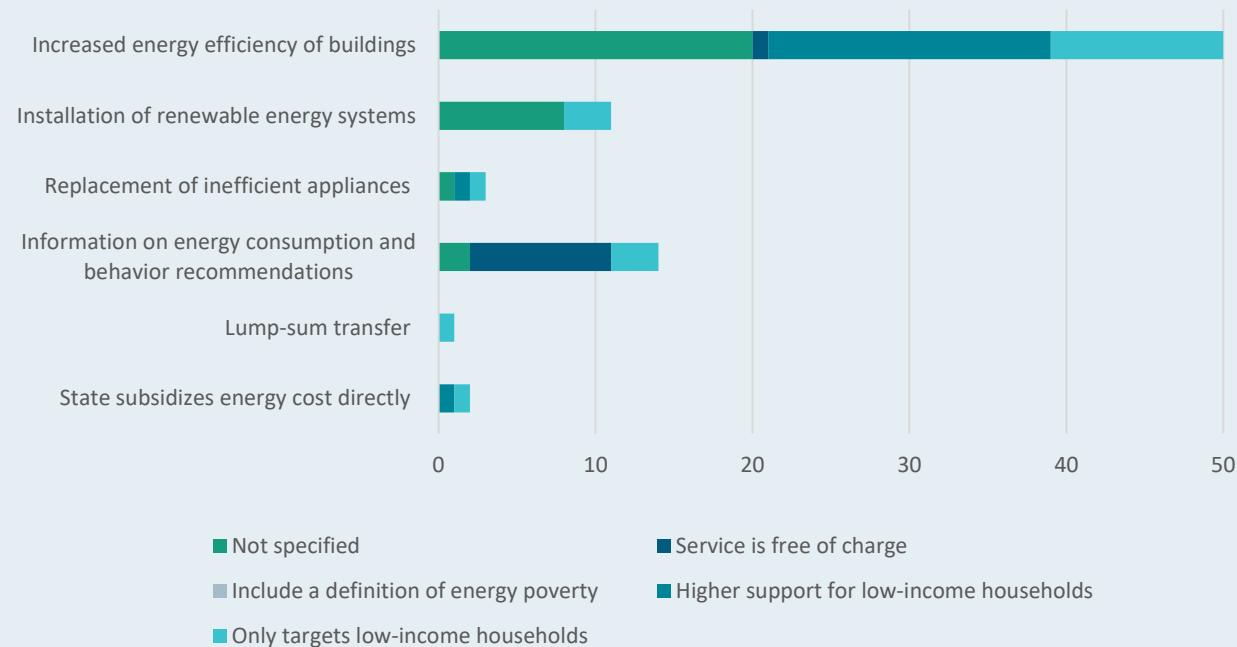
# Energy poverty measures in MURE

Distribution of energy poverty measures across partner countries (Sept 2024)



# Energy poverty measures in MURE

Distribution of no, stronger or exclusive low-income targeting per energy poverty policy types (Mar 2024)



- **50** reported measures address **energy efficiency** of buildings, out of which 29 strongly or exclusively target LIH.
- There are less than 15 **informational measures** as well as **programs for RES**, each listing merely **3 programs with exclusive targeting**.
- In addition of a lack in **comprehensive policy mixes**, **target group design** seems to be an **untapped lever** in the energy poverty combat.





*Thank you for your attention!*



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