



# Energy Poverty: Current situation, Measures and Institutions

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# Energy Community Contracting Parties Membership in the Energy Charter

<b>Energy Community Contracting Parties</b>	<b>Membership in Energy Charter</b>
Albania	MEMBER
Bosnia and Herzegovina	MEMBER
Georgia	MEMBER
Kosovo	NOT A MEMBER
North Macedonia	MEMBER
Moldova	MEMBER
Montenegro	MEMBER
Serbia	OBSERVER
Ukraine	MEMBER

# Understanding the problem

## **Definition at national level or EU/EnC?**

Official/legal recognition of energy poverty in policy documents (Winter energy package).

Energy poverty is mentioned in the :

- new Energy Efficiency Directive (2018/2002),
- the new Energy Performance in Buildings Directive (2018/844)
- the Governance Regulation (2018/1999)
- the Electricity Directive (2009/72) refers to energy poverty,

- It is widely acknowledged in the literature that there are three main components at the basis of energy poverty:
  - low household income;
  - high/growing energy prices;
  - inefficient energy performance of buildings concerning thermal insulation, heating systems and equipment.

# What is Energy Poverty

## **Choice of the key indicators for energy poverty analysis:**

- Income
- Energy consumption
- Energy Prices
- Tenants vs owner status and housing characteristics
- Proxy indicators (material well-being)

## **Who are Vulnerable consumers**

- Definition of energy vulnerability: very important for targeting measures
- Linked to energy poverty, but yet a distinctive problem
- Limitation of the 3<sup>rd</sup> Package to energy markets – other fuels and heating are not included

## **Analysis of the energy poverty in the Energy Community**

- Numerous studies in the EU
  - Needs a study for the Energy Community
- COM Energy Poverty Observatory includes only SERBIA  
<https://www.energypoverty.eu/indicator>

# Measures to tackle the problem (EU experience, % number of MS which have adopted these measures)

## Financial interventions (40%)

- Short term protection of vulnerable consumers
- Use social welfare system to identify recipients and distribute payments
- Type of interventions:
  - Social support (housing and energy cost – 36%)
  - Energy costs subsidies/payments (32%)
  - Energy costs subsidies/payments –elderly (7%)
  - Social tariffs (20%)
  - Negotiated tariffs with utilities (5%)

## Energy efficiency interventions

### (e.g targeted retrofit programme (30%))

- Retrofit grants (targeted) 21 %
- Retrofit grants, loans or tax incentives (non-targeted) 42 %
- Legislation (7%)
- Energy efficiency advice (6%)
- Appliance grants (non-targeted) (8%); targeted (4%)
- Social housing improvement (8%)

## Additional consumer protection measures (20%)

- Disconnections Safeguards in general (14%), or in winter (10%), or targeted (16%)
- Debt protection (switching) 7%.
- Consumer complaints (11%)
- Utility code of conduct (8%)
- Reporting on and register of vulnerable consumers (11%)

## Information and awareness (10%)

- Price comparison and transparent billings (liberalised markets)
- Awareness raising campaigns
- Greater use of smart meters

# INSTITUTIONS ROLE

## **Governments:**

- Recognition of energy poverty and vulnerable consumers in legal terms
- Financial interventions
- National targeted programmes to alleviate energy poverty

## **Statistical Offices**

- Household surveys
- Data on household energy consumption
- Indicators for energy poverty

## **Regulatory authorities**

- Tariffs
- Additional protection
- Reporting on vulnerable consumers

## **Utility companies**

- Billing information and advice
- Implementation of energy efficiency measures in buildings under the Energy Efficiency Obligation Schemes

## **COM and ECS:**

- Support to introduce energy efficiency programmes targeting vulnerable consumers.
- Support to unify definitions
- Including the Energy Community CPs in the data base of the Energy Poverty Observatory (currently only Serbia is included)



Thank You