



EUROPEAN UNION BACKGROUND AND GOVERNANCE

BACKGROUND

Early 2000's: energy poverty-relevant challenges acknowledged in European Union's debates.

2009: first legal recognition in the [Third Energy Package](#) also highlighting the protection of vulnerable customers.

2010-2020: increased attention with multiple studies and reports funded by the European Commission and the European Parliament, and various European projects investigating energy poverty and measures to tackle it (including the [EU Energy Poverty Observatory](#)).

2018-2019: tackling energy poverty becomes a policy priority at the EU level with the '[Clean Energy for all Europeans](#)' Package, requiring Member States to assess the extent of energy poverty in their National Energy and Climate Plans.

2020: [Recommendation on energy poverty \(EU\) 2020/1563](#) published as part of the European Commission's communication on the [Renovation Wave](#), with [guidelines](#) for Member States to assess energy poverty and take actions. Renovating the least energy efficient dwellings is set as a clear priority.

There is no EU's legal definition of energy poverty. However, European legislations include the following statements:

"Energy poverty is a situation in which households are unable to access essential energy services" ([Recommendation on energy poverty \(EU\) 2020/1563, recital 1](#)).

"Member States should assess the number of households in energy poverty, taking into account the necessary domestic energy services needed to guarantee basic standards of living in the relevant national context" ([Governance Regulation of the Energy Union \(EU\) 2018/1999, recital 26](#)).

"Low income, high expenditure on energy, and poor energy efficiency of homes are relevant factors in establishing criteria for the measurement of energy poverty" ([Electricity Directive \(EU\) 2019/944, recital 60](#)).

The Renovation Wave commits to the mobilization of renovation strategies as a mechanism to address energy poverty and improve housing conditions for all households. This approach has increased the focus on housing improvement in EU energy poverty policy, giving additional prominence to bodies in related sectors, such as the [Building Stock Observatory](#), the [Horizon Europe Mission on Cities](#) and the [EU Covenant of Mayors Office](#).



Objectives

EPOV (EU Energy Poverty Observatory) was a decision-support service for 2016-2020. From 2021, it becomes the Energy Poverty Advisory Hub (EPAH), aiming at:

- Providing direct support, online training, and research to local authorities and civil society organisations;
- Developing a network of stakeholders interested in taking action to combat energy poverty in Europe.

Working scheme

- Funded by the European Commission;
- **2016-2020, EPOV:** 13 partners coordinated by the University of Manchester, including think tanks, businesses, advocacy groups and practitioners;
- **From 2021, EPAH:** 5 partner organisations coordinated by Climate Alliance, plus 7 national organisations acting as local antennas in Bulgaria, Croatia, Cyprus, Greece, Ireland, Poland and Romania;
- EPAH adopts an **action-based approach**: it is a space for collaboration and exchange for local and regional authorities planning a variety of measures to tackle energy poverty;
- EPAH is part of a wider project aimed at providing technical assistance for regional and local authorities to achieve the transition to carbon neutrality.

Activities and production

From the first phase (2016-2020):

- [EPOV's web portal](#): large public database on the topic, with over 590 relevant publications, 296 energy poverty-relevant measures, 59 training resources, an open and self-updateable directory of more than 100 organizations and over 150 experts from 60 countries.
- Public engagement, dissemination and decision-support activities.
- Three [pan-EU energy poverty reports](#) and two sets of [reports for each EU Member State](#).

ROLE OF THE EU INSTITUTIONS

The main organizations relevant to the development of energy poverty policies at the EU level have been the [European Commission](#) (EC) (particularly DG ENER) and the [European Parliament](#). [Eurostat](#) have played an important role in generating energy poverty-relevant statistics. The [European Economic and Social Committee](#), as well as the [Committee of the Regions](#), have often provided an impetus for public policy action and discussion on energy poverty.

STATISTICS

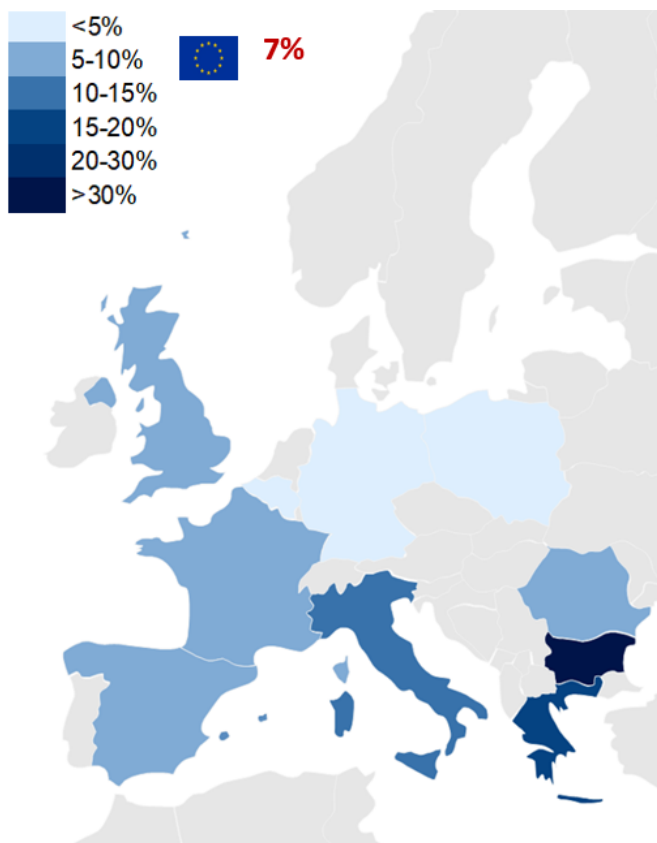


EUROPEAN UNION

- EU27 Population: **447 million** (2019)
- EU27 median equivalised income: **€17 365/year** (in current prices, 2019)
- Number of people living below the poverty line in the EU27: **74 million** (16.5%) (2019)
- Climate: more than **15 different climates** gathered in 4 prevailing climate zones, max. average temperature in Malta (>20°C), min. average temperature in Finland (~-2°C).
- EU27 average annual expenses for « electricity, gas and other fuels » per inhabitant (consumption related to the dwelling): **€670 /year** (in current prices, 2019)

OVERVIEW OF KEY INDICATORS IN 2019 FOR COUNTRIES AND EU-27

Share of population unable to keep home adequately warm



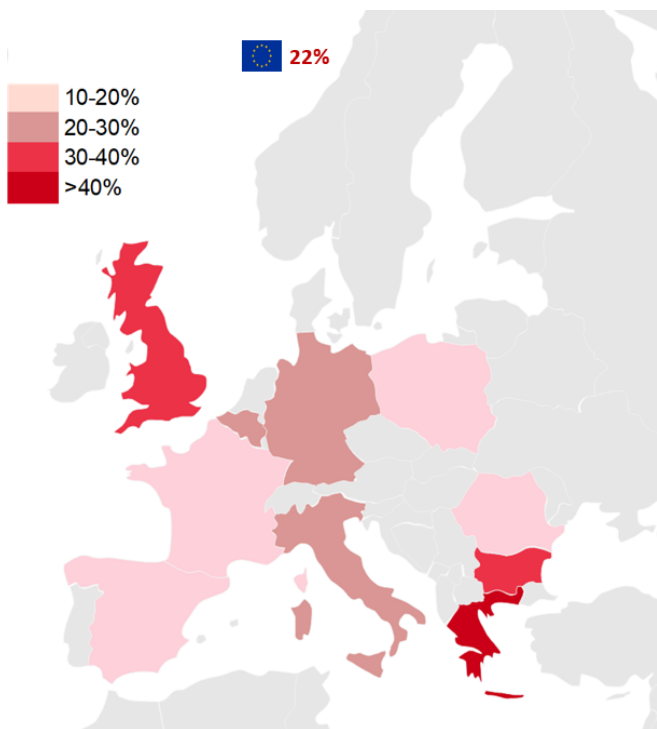
As of 2019, all energy poverty indicators show a **slight improvement at the EU-27 level** compared to previous years. Especially, indicators related to housing expenses have improved significantly: the share of population with arrears on utility bills has decreased by 2.5 points and the share of households with low income but high housing expenses was down by 2 points (in 2019 vs. 2010). Yet nearly 75 million Europeans were at risk of poverty within the EU-27 (+ 8 million vs. 2010).

The **performance per indicator of the 10 countries** analysed in the brochure are **very disparate**: for example, the share of population with low income and high housing expenses reaches as high as 67% in Greece, vs. a minimum of 12% in France (EU average: 22%).

Overall, **France and Poland perform the best** with top scores in each of the five indicators selected for the factsheets. The financial crisis in **Greece** has **strongly impacted** the country, whose energy poverty indicators remain much more deteriorated than other EU Member States and despite an improvement since 2014-2016.

Some countries like Germany or Bulgaria perform among the best for some indicators, and among the worst out of the 10 studies countries for other indicators, reflecting the diversity of issues as regards energy poverty. This underlines the **necessity of transversal but targeted policies** to tackle energy poverty among vulnerable households.

Share of low-income households with high housing expenses



Over 2010-2019, **housing-related indicators** (unhealthy housing, inability to keep home adequately warm) have been evolving positively and faster than other indicators. Yet, meanwhile, the share of low-income households with high energy expenses has nearly tripled.

The **strongest changes** over time can be noted for the share of Bulgarians unable to keep their home adequately warm with a decrease of 36 points ; and a 25 points increase in the share of Greek people with low income and high housing expenses.

Data for each country can be found in the respective factsheets, including the data for 2019, the trend over 2010-2019 and a selection of national data bringing a view complementary to the Eurostat indicators.

Source: Eurostat / EU-SILC

EU POLICIES

POLICIES RELATED TO TACKLING ENERGY POVERTY AND PROTECTING VULNERABLE CONSUMERS

The **Governance Regulation** of the Energy Union ([\(EU\)2018/1999](#)) sets the **umbrella framework** to integrate the supply- and demand-side energy policies. About energy poverty, it requires Member States to identify the number of households in energy poverty at the national level, and to report on energy poverty in their [National Energy & Climate Plans](#). Where this number is “significant”, Member States shall set a target to reduce energy poverty together with measures to tackle energy poverty.

	LEGISLATION	HOW ENERGY POVERTY IS ADDRESSED	Other information
Legislations on the SUPPLY-SIDE of energy	Directive on common rules for the internal market for electricity (EU)2019/944 .	Article 28: Member States shall take appropriate measures to protect vulnerable customers , which may refer to energy poverty. These measures can include providing benefits by means of social security systems, or support for energy efficiency improvements. Recital 60 and Article 29: Member States shall publish the set of criteria used to assess the number of households in energy poverty, reminding the importance to take measures to tackle energy poverty .	Also provisions about price regulation and consumer protection, pointing that lower supply tariffs can help alleviate energy poverty.
	Renewable Energy Directive (EU)2018/2001 .	Recital 67: Renewable Energy Sources (RES) for self-consumption recognised as a way to tackle energy poverty Article 22: Support schemes for RES and renewable energy communities shall be accessible to all households, including low-income and vulnerable households.	Provisions about the information on support schemes (Article 18) and frameworks for self-consumption (Article 21).
Legislations on the DEMAND-SIDE of energy	Energy Efficiency Directive (EU)2018/2002 .	Recitals 1, 23 and 24: energy efficiency recognised as central to alleviate energy poverty , and need for energy efficiency policies to be inclusive and to benefit to vulnerable and energy poor households, especially for building renovations. Article 7(11): Member States shall take into account the need to alleviate energy poverty, when designing the policy measures to fulfil their energy savings target . When relevant, they should require a share of energy efficiency measures to be implemented as a priority among vulnerable or energy poor households. The related results shall be included in the Member States’ bi-annual integrated national energy and climate progress reports (cf. reporting required by the Governance Regulation (EU) 2018/1999).	Directive under revision, with a proposal released by the European Commission in July 2021 including reinforced provisions to tackle energy poverty (e.g., obligation to set a share of energy savings to be achieved in vulnerable or energy poor households).
	Energy Performance of Buildings Directive (EU)2018/844 .	Recital 9: Member States should promote equal access to financing for building renovations, including for energy-poor households. Article 2a: Member States’ Long-Term Renovation Strategies shall report about policies and actions to target the worst performing buildings and contributing to alleviate energy poverty.	Flexibility for Member States to establish what they consider to be relevant actions.

COMPLEMENTARY INITIATIVES

[Just Transition Mechanism](#), 2021-2027, over €150 billion

Consists of three pillars, including a Just Transition Fund and the InvestEU facility, tackling energy poverty in the context of decarbonization initiatives through a variety of instruments focused on vulnerable regions in particular.

[Horizon 2020 programme](#) (now in [Horizon Europe](#) and [Life](#) programmes)

The programme has funded European projects developing approaches to tackle energy poverty, that can be found in the [CORDIS](#) database.

EC Recommendation on energy poverty

This recommendation ([\(EU\) 2020/1563](#)), and its annex ([\(SWD\(2020\) 960 final](#)), provide guidance on the indicators for measuring energy poverty, and clarifies how Member States shall assess whether the number of households in energy poverty is “significant”.

It also contributes to sharing best practices between Member States and to the identification of funding sources to tackle energy poverty.

GOOD PRACTICES

STEP: Solutions to Tackle Energy Poverty (2019-2022; Horizon 2020)

Led by BEUC (the European Consumer Organization)



STEP synthesizes the **experience and knowledge of consumer organizations**

across Europe, as well as frontline practitioners working with vulnerable consumers.

Objective: to develop a **replicable model** to address energy poverty, based on proven approaches.

Approach: **tailored advice** provided directly to consumers in, or at risk of, energy poverty, together with **low-cost energy efficiency** solutions in energy poor households.

Scope: **9 target countries** (Lithuania, Slovakia, Bulgaria, Poland, Latvia, Czech Republic, Portugal, Cyprus and the UK).

The reports include a review of best practices and policy recommendations.

ENGAGER: Energy Poverty Action - Agenda Co-Creation and Knowledge Innovation (2017-2021 ; COST)

Network of more than 60 organisations chaired by the University of Manchester



Objective: to establish **multidisciplinary collaborations** and methods for knowledge exchange among academics, public policy officials, civil society and representatives of vulnerable households.

Approach: **unified platform** to harness the analytical insights and resources produced by multiple ongoing and past energy poverty research and action projects in Europe and beyond.

Scope: more than 200 members from **41 countries** (European countries, United States, Australia, New Zealand and South Africa).

ENGAGER has been mentioned in World Bank documents connected to the achievement of Sustainable Development Goals, as well as the European Commission's Joint Research Centre as one of only five pan-EU research projects explicitly devoted to energy poverty.

POWERTY: Renewable energies for vulnerable groups (2019-2023 ; Interreg)

Coordinated by the Andalusian Energy Agency



Objective: to foster the co-operation among regional energy agencies and public authorities to tackle energy poverty, by **assisting vulnerable households** with adequate energy supplies **through renewable energy generation**.

Approach: learning process to facilitate the effective transfer of knowledge among regions, counting on 6 partners with different complementary expertise and different levels of competences. Social innovation measures will be promoted, based on integration and empowerment of vulnerable groups.

Scope: 6 countries (Bulgaria, France, Lithuania, Poland, Spain, UK).

More than 50 best practices and almost 50 events involving 60 stakeholders will establish 5 Regional Action Plans covering a population of more than 25 million inhabitants.

Citizens' Energy Forum (annual meeting, since 2008)

Organised by the European Commission in collaboration with the Commission for Regulation of Utilities (CRU)



Objective: to examine the **perspective and role of consumers in the EU energy market**, so as to achieve the low-carbon energy transition.

Approach: annual meeting whose **conclusions directly feed into the work of the European Commission** in the energy and consumer policy areas. Energy poverty debates have feature extensively in the Forum's programme.

Scope: **EU27**. The forum serves to structure the debate and channel **consumers', regulators' and industry's views**.

For example, the conclusions from the 2020 Forum emphasized the need to address energy poverty across multiple policy domains.

STEP IN: Using Living Labs to roll out Sustainable Strategies for Energy Poor Individuals (2018-2021 ; Horizon 2020)

13 partners coordinated by the Luxembourg Institute of Science and Technology



Objective: to develop a global methodology for the effective analysis and tackling of energy poverty, to improve quality of life and overall comfort levels.

Approach: working in highly challenging locations and focusing on **'hard to reach'** households in particular, STEP-IN implemented a unique approach of **Living Labs**, i.e. projects involving local stakeholders and citizen, where the methodology is refined by those who take part in the projects.

Scope: 3 Living Labs in a mountainous region in **Greece**, a rural area in **Hungary** and an urban area in the **UK** with low quality housing.

The implementation of the Living Labs occurred during the COVID19 pandemic, testing alternative approaches to provide support (e.g., phone-based consultation services).

EmpowerMed: Empowering Women to Take Action Against Energy Poverty (2019-2023 ; Horizon 2020)

8 partners coordinated by Focus (Slovenian NGO)



Objective: to **tackle energy poverty**, with a particular **focus on gender and health aspects**.

Approach: Implementation of practical solutions (visits, low-cost actions, do-it-together workshops) tailored to empower households affected by energy poverty, especially by involving **health and social practitioners** (training and capacity building) and targeting **women**. Formulation of local, national and EU **policy recommendations**, collective assemblies on energy and health, advocacy campaigns on gender-just policy solutions.

Scope: focus on the **coastal areas of 5 Mediterranean countries** (Albania, Croatia, France, Italy, Spain)

The project will reach more than 10 000 people in 6 pilot areas, aiming at saving 780 000 euros on energy bills.

Information sources (see also the documentation annex)

- European Commission's [webpage on energy poverty](#)
- EU Energy Poverty Advisory Hub (formerly Energy Poverty Observatory)'s [website](#)
- European Commission's **EU Guidance on Energy Poverty:** [SWD\(2020\) 960 final](#).
- [CORDIS database](#) of EU-funded projects
- Member States' [National Energy and Climate Plans](#)
- Member States' [Long-Term Renovation Strategies](#)