



## ENERGY POVERTY: WHAT ARE THE FOUNDATIONS FOR A GREEN AND SOCIAL PACT FOR EUROPE?

OVERVIEW OF THE EUROPEAN FRAMEWORK AND  
NATIONAL TOOLS FOR COMBATING ENERGY POVERTY

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## INTRODUCTION

Can the 'Green Deal', one of the European Commission's priorities for 2019-2024, manage to support the poorest households and to respond to the challenge of energy poverty, even though there is no common definition of 'energy poverty' in Europe?

European Union Member States have adopted a variety of definitions for energy poverty based on household spending or on living conditions.

In **France**, the Grenelle 2 law (2010) defines 'energy poverty' as the situation of a person 'who feels a particular difficulty in providing the energy required in their housing for the satisfaction of their basic needs, due to lack of resources or housing conditions'. From this definition, the French Environment and Energy Management Agency (ADEME) puts the number of households experiencing energy poverty at 3.8 million (14% of households nationally), calculated on the basis of households spending more than 10% of their income on energy for the home.<sup>1</sup> However, this definition does not include those households that under-consume energy for financial reasons.

**England**, a pioneer in recognising this problem,<sup>2</sup> has since 2012 been working off the definition of 'low income, high cost' and includes households with both a lower-than-average income and higher-than-average energy expenditure, which represented about 10.9%

of the population in 2017 (2.53 million households). The government is re-examining this definition and working towards developing a new broader definition to include all low-income households living in cold conditions (the 'low income, low energy efficiency' indicator). Consultation on a national strategy for 'fuel poverty' (the term more commonly used in the UK) and the proposal of this new definition took place between July and September 2019.<sup>3</sup> The results of the consultation are expected soon. The Committee on Fuel poverty<sup>4</sup> (a consultation committee advising the government on fuel poverty) supports the adoption of a new definition and measurement method based on 'low income, low energy efficiency' and emphasises the need to focus on those households that are most affected by fuel poverty.

**Spain** adopted a new definition in April 2019. According to its energy poverty strategy, 'energy poverty' occurs when 'a household's basic needs for energy supply cannot be satisfied due to inadequate income and, in certain cases, may be worsened by energy-inefficient housing'. On this basis, the number of people living in energy poverty in Spain is estimated at between 5.1 and 8.1 million (depending on whether the estimate takes into account the proportion on income spent on fuel, difficulty in maintaining an adequate household temperature or arrears in energy bills).<sup>5</sup>

<sup>1</sup> <https://www.ademe.fr/expertises/batiment/quoi-parle-t/precarite-energetique>

<sup>2</sup> England has since 2001 considered any household that spends more than 10% of their income on energy as being in a situation of fuel poverty. The situation changed in 2012 with the John Hills reform.

<sup>3</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/819606/fuel-poverty-strategy-england-consultation.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/819606/fuel-poverty-strategy-england-consultation.pdf)

<sup>4</sup> Fuel Poverty Committee's response to the Consultation on Fuel Poverty Strategy for England: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/831704/CFP\\_response\\_to\\_Consultation\\_Fuel\\_Poverty\\_strategy\\_Sept\\_2019.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/831704/CFP_response_to_Consultation_Fuel_Poverty_strategy_Sept_2019.pdf)

<sup>5</sup> <https://www.lamoncloa.gob.es/lang/en/gobierno/councilministers/Paginas/2019/20190405council.aspx>

While the European Commission lists the main elements of energy poverty<sup>6</sup> in its legislative packet on 'Clean Energy for All Europeans', it does not state any precise definition.

The Energy Poverty Observatory,<sup>7</sup> launched by the European Commission in January 2018, has chosen the following main principles to determine situations of energy poverty:

1. The proportion of household income spent on energy;
2. The proportion of the population whose absolute energy expenditure is lower than half the national median;
3. Inability to keep home adequately warm in winter (self-reported thermal discomfort);
4. Arrears on energy bills (household's reported inability to pay energy bills on time over the last 12 months).

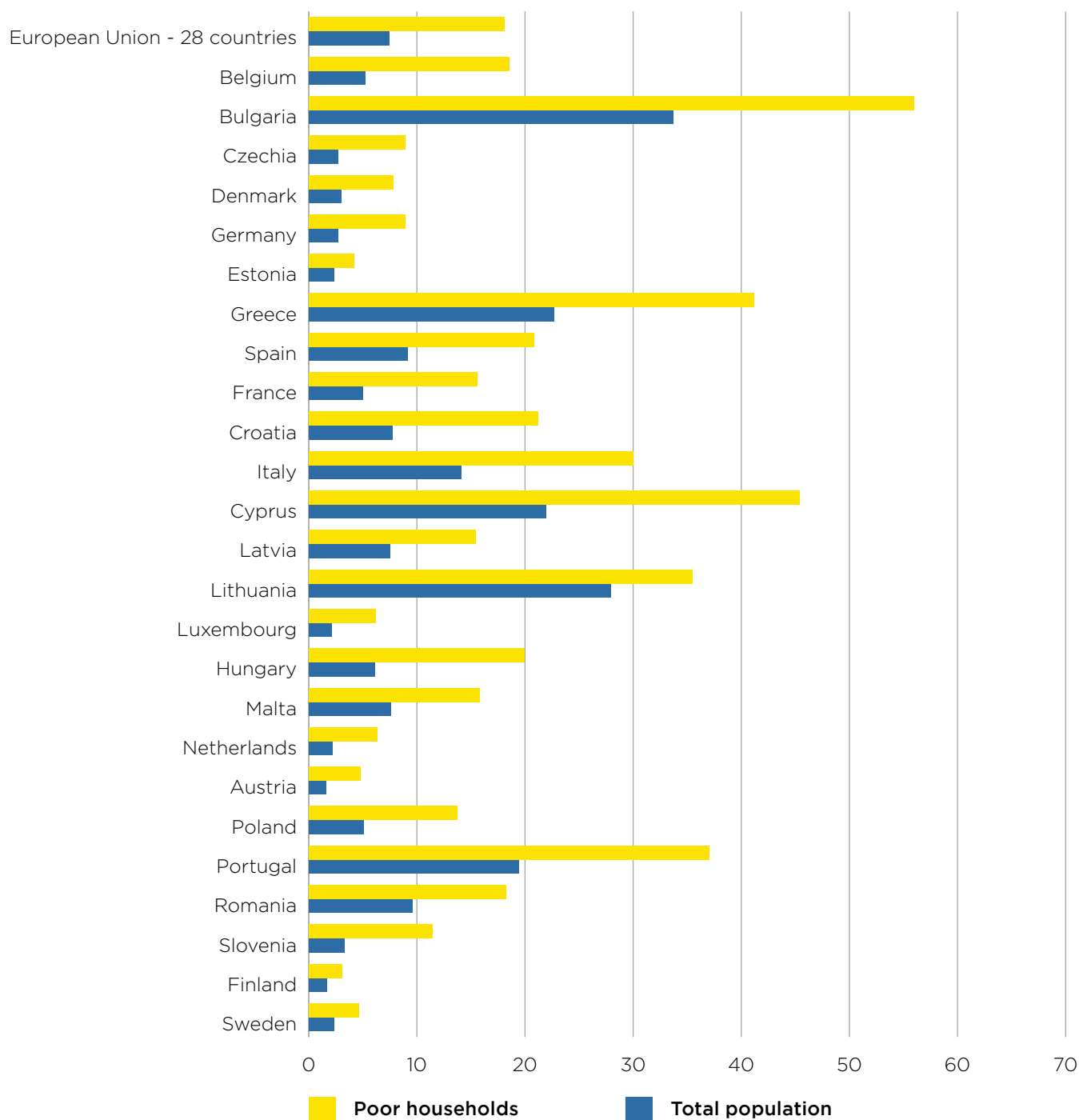
It estimates that 50 million people are affected by energy poverty, defined as a situation where, 'individuals or households are not in a position to heat their home adequately or have access to other necessary services at an affordable price'.<sup>8</sup> However, these indicators fail to grasp the concept of energy poverty in a comprehensive manner. Essentially, they do not highlight a key factor: the fact that low-income households are disproportionately vulnerable. In fact, Eurostat data reveals that in 2017, 8% of the EU population declared that they could not adequately heat their homes. When the same question was put to poor households (income lower than 60% of the median income), the figure was much higher at 19.5%.

<sup>6</sup> Article 29, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32019L0944>: 'When assessing the number of households in energy poverty pursuant to point (d) of Article 3(3) of Regulation (EU) 2018/1999, Member States shall establish and publish a set of criteria, which may include low income, high expenditure of disposable income on energy and poor energy efficiency.'

<sup>7</sup> The EU Energy Poverty Observatory was founded in January 2018 to help Member States combat energy poverty by improving the measurement, monitoring and sharing of knowledge and best practice on the issue. <https://www.energypoverty.eu>

<sup>8</sup> Addressing Energy Poverty in the European Union: State of Play and Action. Harriet and Stefan Bouzarovski; August 2018. [https://www.energypoverty.eu/sites/default/files/downloads/publications/18-08/paneureport2018\\_final\\_v3.pdf](https://www.energypoverty.eu/sites/default/files/downloads/publications/18-08/paneureport2018_final_v3.pdf)

## Inability to keep home adequately warm - EU-SILC survey[ilc\_mdcs01] Last update: 29-11-2019\*



\* [https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ilc\\_mdcs01&lang=en](https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ilc_mdcs01&lang=en)



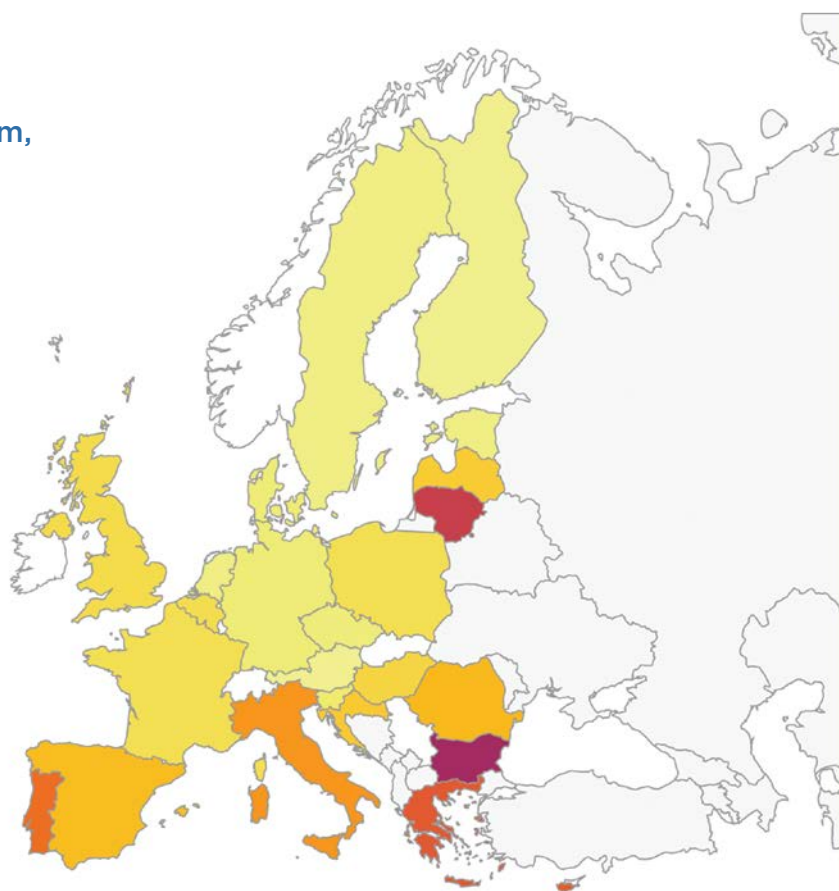
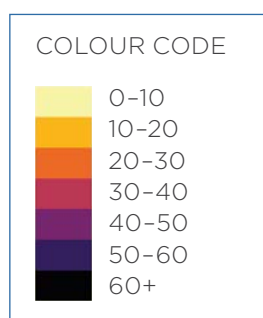
### **Broad spectrum of realities across Europe**

Eurostat data highlights another aspect: the large contrasts in realities across Europe. Energy poverty, defined here as the inability to maintain an adequate temperature in the home, is particularly widespread in the Southern and Eastern Member States of the European Union. The European Energy Poverty Index,<sup>9</sup> based on EDEPI (the EU Domestic Energy Poverty Index) corroborates these significant contrasts in certain States (particularly Bulgaria, Hungary, Romania, Portugal, Latvia, and Lithuania) with regard to four key indicators: damp and leaking homes, high energy costs for households, inability to maintain warmth in winter and inability to maintain cool in summer. At the other end of the scale are Sweden, Finland and Denmark who count among the highest performing countries.<sup>10</sup>

### **A social issue worth prioritising**

Energy poverty impacts a country's economic and health situation, not to mention its social cohesion. The development of policy instruments in this area must take place at both national and European level. At national level, because it is after all a state competency related to social policy and frequently linked to indicators identifying vulnerable consumers. At European level, because it is closely linked to energy policy, on which EU Member States have decided to work together (article 194 of the Treaty on the Functioning of the European Union). This report will present firstly the European framework (I) and then some of the national interventions undertaken to help households financially (II). Finally, it will lay out the mechanisms aiming to encourage renovation of energy inefficient housing (III), before presenting recommendations for improving the living conditions of poor households experiencing energy poverty, particularly within the framework of the upcoming 'Green Deal' (IV).

### **Inability to keep home adequately warm, SILC, HS050\*\***



\*\* <https://www.energypoverty.eu/indicator?primaryId=1461&type=map&from=2018&to=2018&countries=EU,AT,BE,BG,CH,CY,CZ,DE,DK,EE,EL,ES,FI,FR,HU,HR,IE,IS,IT,LT,LU,LV,MT,NL,NO,PL,PT,RO,RS,SE,SI,SK,UK&disaggregation=none>

<sup>9</sup> This index is based on EDEPI (the EU Domestic Energy Poverty Index) which is calculated as a mean of the measures evaluating the causes and symptoms of domestic energy poverty, i.e. the proportion of total expenditure on energy costs, the proportion of the population unable to maintain warm homes in winter/cool homes in summer, the proportion of the population living in housing with leaking roofs, damp walls and decaying windows.

<sup>10</sup> [https://www.openexp.eu/sites/default/files/publication/files/european\\_energy\\_poverty\\_index-eeepi\\_en.pdf](https://www.openexp.eu/sites/default/files/publication/files/european_energy_poverty_index-eeepi_en.pdf)

## THE EUROPEAN FRAMEWORK: OBJECTIVES AND SUBSIDIARITY

The European Union has stipulated several provisions on energy and energy poverty. It has recognised many times (primarily due to article 194 of the Treaty on the Functioning of the European Union), the need for concerted community action to deal with energy-related issues.

The Energy Package revised in 2018, on communal rules for the internal electricity and gas markets, has recognised since 2009<sup>11</sup> the existence of energy poverty and the responsibility of Member States in this area. It explicitly requires them to adopt 'appropriate measures [...] to combat energy poverty'. In the same article, it is clarified that these measures must not be an obstacle to opening the market up to competition.

Several directives address the issue of energy poverty. As such, the Energy Efficiency Directive, revised in December 2018 along with the rest of the Energy Package<sup>12</sup>, demands that Member States establish indicative national objectives on energy efficiency and establish a stock of carbon-neutral housing. This framework is supplemented by a new objective, established as part of the Clean Energy for All Europeans package in 2018: reduce energy consumption by 32.5% by 2030 at EU level.

The Directive on the Energy Performance of Buildings<sup>13</sup> (adopted in 2002 then revised in 2010 and modified in 2018<sup>14</sup>) falls within this framework and requires Member States to, in particular:

- Establish energy performance certificates (since 2002, European Directive on the Energy Performance of Buildings 2002/91);
- Have certain energy performance requirements for new builds;
- Develop<sup>15</sup> a long-term strategy for renovating existing buildings. The objective is to have an entirely low-emission or energy-neutral housing stock in the EU by 2050.

### What is the Energy Package? '

The 'Energy Package' or 'Climate and Energy Package' is the framework adopted in 2008, then again in 2014 and 2018, regarding EU level action on climate and energy. It includes key targets on an EU scale and requires Member States to set themselves specific objectives.

The new framework is for the period 2021-2030 but was set in 2014 and the renewable energy and energy efficiency objectives were revised upwards in 2018.

This package requires Member States to adopt national strategies that take into account people experiencing energy poverty.

[https://ec.europa.eu/clima/policies/strategies/2030\\_en](https://ec.europa.eu/clima/policies/strategies/2030_en)

The European Union's policy has two pillars: it is setting objectives for taking vulnerable consumers into account (within the limits of developing competition) and, it is reducing energy consumption. It is up to Member States to adopt suitable national policies to reach these objectives, in accordance with the principle of subsidiarity.

The Green Pact for Europe, proposed by Ursula von der Leyen, highlights the need to support the people and regions that are most badly affected through a new Just Transition Fund. However, it remains to be seen whether this ambition for social and environmental justice will be supported with the legislative, political and financial tools necessary for real change.

<sup>11</sup> Article 3.8 Directive 2009/72/EU of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in electricity and repealing Directive 2003/54/EC (Text with EEA relevance).

<sup>12</sup> [Revised Energy Efficiency Directive](#) amending Directive 2012/27/EU on energy efficiency. This directive requires Member States to state their contribution to the European objectives (particularly the objective to improve energy efficiency by 32.5% by 2030 and indicate the measures they are planning to adopt, all of which must be defined in their national action plan on energy efficiency.

<sup>13</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=LEGISUM%3Aen0021>

<sup>14</sup> [https://ec.europa.eu/commission/presscorner/detail/en/IP\\_18\\_3374](https://ec.europa.eu/commission/presscorner/detail/en/IP_18_3374)

<sup>15</sup> Article 2a in line with article 4 of Directive 2012/27/EU on energy efficiency.



## NATIONAL INTERVENTION MECHANISMS: SUPPORTING HOUSEHOLDS EXPERIENCING ENERGY POVERTY

Since the 2008 financial crisis, Europe has been facing a disconnect between the increased cost of housing and household purchasing power. Energy expenditure represents a growing proportion of household budgets. To deal with this issue, Member States sometimes provide public funds for energy (targeted to varying degrees), and encourage different types of initiatives to get the private sector involved. These national mechanisms very often fail to reach poor households due to inadequate funding or lack of accessibility (the issue of 'non-take-up').

### Specific financial aid for energy

The authorities have developed specific social payments in the majority of European countries, in the form of ongoing or occasional financial aid.

Tools for minimum incomes and income substitution are in some cases based on energy expenditure. This is the case in **Germany**, where the Social Code devised for beneficiaries of the minimum subsistence allowance (known as Hartz IV) states that in addition to the welfare payment (EUR424 in 2019), housing costs and heating costs are also covered, on condition that the rental amount is in line with the rental index as defined at local level. All of these procedures are carried out by the employment agencies ('Jobcenters').

In **France**, certain payments in the Housing Solidarity Fund are specifically intended for paying electricity and gas bills. In addition, to assist households pre-emptively, the energy cheque, paid by the State, has replaced the social tariffs on energy that existed previously. The cheque is automatically sent each year to eligible households (means-tested) to help them pay their energy bills and certain expenditure related to making their housing more energy efficient. It can also

be paid directly to the energy supplier and deducted from the bills if the household chooses this option. The amount given is between EUR48 and EUR277 per year.

In **Belgium**, the energy fund enables CPAS (Belgium's Public Centre for Social Assistance) to provide **financial assistance** to households having difficulty paying their energy bills, by using the gas-electricity fund. Any person (whether tenant or homeowner) who is facing difficulties paying their energy bills can benefit from the gas-electricity fund. In 2017, more than 120,000 households received this support. However, according to the Platform Against Energy Poverty (managed by the King Baudouin Foundation), the cap of EUR53 million on this fund (in place since 2012) means the fund is no longer adequate to address needs.<sup>16</sup>

In **Spain**, the 'social bonus'<sup>17</sup> is a deduction applied directly to energy bills. For eligibility and to determine the size of the discount, households are means tested and further assessed in terms of family composition and the presence in the household of people who have a disability or loss of autonomy. It is made up of an 'electricity social bonus', which provides a 25%-40% reduction depending on how vulnerable the household is, and a 'heating rates subsidy'. To benefit from this, households must apply to their electricity supplier who is obliged to apply the discount and, in the event of arrears, to continue providing electricity for up to four months. The most vulnerable households who are receiving support from social services (consumers at risk of social exclusion) are totally exempt from electricity bills and the energy supply cannot be cut off.<sup>18</sup> In this case, payment for energy is co-financed by the public authorities and the private sector. Beneficiaries of the social bonus have an annual consumption limit, beyond which normal tariffs apply.<sup>19</sup> Similar provisions exist in other countries, such as Italy for water,<sup>20</sup> gas,<sup>21</sup> and electricity.<sup>22</sup>

<sup>16</sup> <https://www.kbs-frb.be/fr/Activities/Publications/2019/20191010NT1>

<sup>17</sup> <https://www.bonosocial.gob.es/>

<sup>18</sup> Real Decreto 897/2017, de 6 de octubre, por el que se regula la figura del consumidor vulnerable, el bono social y otras medidas de protección para los consumidores domésticos de energía eléctrica.  
<https://www.boe.es/buscar/act.php?id=BOE-A-2017-11505>

<sup>19</sup> The limit is 115 KWH monthly (1380 KWH annually) for a family without children and 345 KWH monthly (4140 annually) for a large family <https://energia.gob.es/bono-social/Paginas/preguntas-frecuentes-bono-social.aspx>

<sup>20</sup> <https://www.arera.it/it/consumatori/idr/bonusidr.htm>

<sup>21</sup> [https://www.arera.it/it/bonus\\_gas.htm](https://www.arera.it/it/bonus_gas.htm)

<sup>22</sup> [https://www.arera.it/it/bonus\\_sociale.htm](https://www.arera.it/it/bonus_sociale.htm)

Several countries have established 'heating allowances' in winter. The income criteria are defined at national level and the amounts and conditions for eligibility are the responsibility of local governments, which as a result leads to significant disparities between the different regions.<sup>23</sup> In Poland, ad hoc support for the payment of heating bills (wood and coal based) is provided by communes to homes eligible for social welfare. The amount of the payment is decided on a case-by-case basis by social workers and often proves to be inadequate despite the existence of a supplement for the most vulnerable households.<sup>24</sup>

Alongside the on-demand supports, the authorities have another type of leverage for intervening on the energy market: regulating supply.

## Managing supply to protect users

Managing supply enables states to ensure that their entire territory is covered and that there is continuity of the network so that no household is excluded. They can also put in place social tariffs, as is the case in several European countries.

This principle of Member State intervention for the protection of vulnerable consumers was emphasised by the European Parliament on 26 March 2019<sup>25</sup> through the adoption of four new pieces of legislation on the European electricity market, thus concluding the package 'Clean Energy for All Europeans'. The text is a reminder to Member States of their responsibility to take the necessary measures to protect vulnerable consumers experiencing poverty. It also invites Member States to develop action plans to combat energy poverty.

Measures to **prevent disconnection** help households in difficulty avoid being cut off from the network. In **Finland**, there is a winter suspension on electricity being cut off - that lasts from October to April - for households dependant on electricity for heating. In **France**, it is forbidden to cut off gas, water and electricity during the winter, even in cases of very significant arrears. The energy supplier can however reduce the power of the meter to 3 kilowatts/hour (except to beneficiaries of the **energy cheque**), which will significantly limit consumption. What's more, the debts can be demanded once the winter suspension has finished. For the most vulnerable users, a ban on cutting electricity supply can apply for the entire year, as is the case in several countries<sup>26</sup> for people with serious illnesses.

Preventing disconnections is also achieved through obligations on suppliers who must undertake a series of **preventive measures** before proceeding to cut off a consumer from the network. In Italy (and in France during the winter suspension), some suppliers as a first step reduce the power of the energy provided, rather than cutting off access to the supply directly.<sup>27</sup> In **Hungary**, consumers have the right to demand a payment delay so that they can pay their bills. It is also possible to choose installation of a prepaid meter if they prefer.

The role of prepaid meters, like those that exist in the **United Kingdom** and in **Belgium**, where many households have prepaid contracts for energy provision, is to enable the user to manage their budget as they can track their expenditure and their available credit at any time through using a prepaid card. As soon as they run out of credit, an emergency credit<sup>28</sup> can be activated

<sup>23</sup> In Austria (<https://www.help.gv.at/Portal.Node/hlpd/public/content/138/Seite.1380002.html>), eligibility conditions for financial support varies from region to region. These types of support exist in the majority of countries but are often insufficient to avoid energy poverty: in Croatia, just 2-3% of households receive financial support (Bežovan, 2019).

<sup>24</sup> The EU Energy Observatory maintains a directory of the national policies for combating energy poverty <https://www.energypoverty.eu/policies-measures>

<sup>25</sup> European Parliament opinion in light of the adoption of the Directive on common rules for the internal market in electricity and amending Directive 2012/27/EU [http://www.europarl.europa.eu/doceo/document/TA-8-2019-0226\\_EN.html](http://www.europarl.europa.eu/doceo/document/TA-8-2019-0226_EN.html)

<sup>26</sup> Cyprus, Estonia, Spain, Finland, Greece, Hungary, Ireland, Netherlands, Sweden and Slovenia, according to the Insight report (2016).

<sup>27</sup> [https://www.arera.it/atlane/it/eletricita/capitolo\\_6/paragrafo\\_4/domanda\\_2e.htm](https://www.arera.it/atlane/it/eletricita/capitolo_6/paragrafo_4/domanda_2e.htm)

<sup>28</sup> For example, in Belgium (Wallonia): EUR12 for an electricity meter, EUR15 for a gas meter <https://www.ores.be/particuliers-et-professionnels/recharger-votre-carte>

before the energy supply is cut off (except for 'protected clients'<sup>29</sup> who have access to a reduced-power service, for a limited time). Ongoing consumption and the emergency credit used constitute debts in the eyes of the service supplier. In **Austria**, indebted households can receive a prepaid meter for electricity and gas; the idea being to enable these households to better control their expenditure.<sup>30</sup> While they offer guarantees to suppliers and can facilitate the repayment of arrears, prepaid meters do not prevent consumers from being cut off when households do not have the means to recharge their accounts. Furthermore, the price per unit is often higher than that offered through regular contracts, which guarantees future income to suppliers.

## Social tariffs

The costing of energy is a very complex matter. Opening up the European markets to competition did not lead to the lowering of prices, as had been hoped. Since the liberalisation that was part of the Electricity and Gas Directives of 1996 and 1998,<sup>31</sup> prices have increased.<sup>32</sup> In the **United Kingdom**, the state has pushed for liberalisation in order to disengage from the management of tariffs, which has led to an increase in regional inequalities due to price increases varying from one region to another.<sup>33</sup> Energy prices vary according to region for reasons such as the number of clients that the energy company has in a region, or the charges the energy supplier must pay to the regional distribution network. For example, the cost of electricity distribution is among the highest in Europe in the north of Scotland.

The level of tax on energy is also an issue, in the sense that taxes impact all final users equally. In **France**, tax on energy amounts to about 30% of the bill. In **Denmark**, tax on electricity amounts to 70% of the final price, which is the highest rate in Europe.<sup>34</sup> In **Germany** and **Portugal**, taxes and duties amount to more than 50% of the price of energy. A report carried out by the European Commission highlights the fact that financing the energy transition has led to a clear increase in the cost of electricity for the majority of consumers.<sup>35</sup> The mechanisms determining prices are nonetheless complex, insofar as the taxes are used to finance subsidies to energy producers which in turn allows the price level to be contained and social tariffs to be introduced.

The so-called social tariffs are preferential tariffs that the state obliges energy suppliers to use for the benefit of certain means-tested households. In **Portugal** since 2016, a social tariff is automatically granted to households in receipt of certain social payments and to low-income households. For the household to be eligible, electricity and natural gas consumption cannot go beyond a certain limit. About 14% of Portuguese households are in receipt of this tariff. This amounts to 786,000 households benefiting from the social tariff for electricity and 34,000 for natural gas.<sup>36</sup> In Belgium,<sup>37</sup> the social tariff is a federal measure which is also applied to certain categories such as tenants in social housing.

In Hamburg, **Germany**, the supplier Care-Energy established a social tariff in 2012 for the poorest households, which was the first tariff of this type. For this measure, the amount billed was limited to

<sup>29</sup> Criteria for qualifying as a 'protected client' by the federal and regional authorities in Belgium: <https://www.cwape.be/?dir=2.4.01>

<sup>30</sup> <https://www.energypoverity.eu/measure-policy/electricity-help-fund>

<sup>31</sup> [https://www.europarl.europa.eu/ftu/pdf/en/FTU\\_2.1.9.pdf](https://www.europarl.europa.eu/ftu/pdf/en/FTU_2.1.9.pdf)

<sup>32</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52019DC0001&from=EN>  
[https://ec.europa.eu/energy/sites/ener/files/documents/energy\\_prices\\_and\\_costs\\_final\\_report-v12.3.pdf](https://ec.europa.eu/energy/sites/ener/files/documents/energy_prices_and_costs_final_report-v12.3.pdf)

<sup>33</sup> <https://www.uswitch.com/gas-electricity/guides/regional-energy-prices/#step1>

<sup>34</sup> [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=File:%C3%89lectricit%C3%A9\\_%E2%80%944\\_part\\_des\\_taxes\\_et\\_imp%C3%B4ts\\_pay%C3%A9s\\_par\\_les\\_m%C3%A9nages,\\_second\\_semestre\\_2017\\_\(en\\_%25\)\\_FP18-FR.png](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=File:%C3%89lectricit%C3%A9_%E2%80%944_part_des_taxes_et_imp%C3%B4ts_pay%C3%A9s_par_les_m%C3%A9nages,_second_semestre_2017_(en_%25)_FP18-FR.png)

<sup>35</sup> [https://ec.europa.eu/energy/sites/ener/files/documents/energy\\_prices\\_and\\_costs\\_final\\_report-v12.3.pdf](https://ec.europa.eu/energy/sites/ener/files/documents/energy_prices_and_costs_final_report-v12.3.pdf)

<sup>36</sup> <http://www.erse.pt/consumidor/tarifasocial/Paginas/TarifaSocial.aspx>

<sup>37</sup> <http://www.socialenergie.be/fr/mesures-sociales/mesures-sociales-gazelec/le-tarif-social-specifique-tss/>

4% of the income<sup>38</sup> of these households (no payment beyond this). This amounts to tariffs that are about 30% lower, with monthly savings of up to EUR80. This solidarity mechanism was indirectly financed by other consumers. However, the supplier has since gone bankrupt.

In **Romania**, the government intervened in the energy market by imposing price regulations. In December 2018, there was a governmental decree to freeze electricity and gas tariffs for the subsequent three years (emergency order 114/2018). The emergency order stipulates in particular that electricity prices for residential consumers be capped for the subsequent three years (i.e. from 1 March 2019 to 28 February 2022). This measure, which goes against European regulations on liberalising markets, led the European Commission to start infringement proceedings against Romania.

While social tariffs do in effect reduce financial pressure related to energy expenditure for the most vulnerable households, the discounts are generally too small to enable recipient households to sustainably move beyond energy poverty. Households therefore continue to suffer from price rises. In **Bulgaria** in 2013, the prime minister was forced to resign in response to protests against the increase in electricity tariffs.

Since energy markets were liberalised, **France** has regulated tariffs for the sale of energy with the TRV (Regulated Tariffs for Sale of Electricity), established at the proposal of the *Commission de Régulation de l'Energie* (Energy Regulation Commission), an independent public body. In this way, France has contained electricity price hikes (in Belgium, Italy and Spain, electricity is at least 15% more expensive than in France and it is 75% more expensive for German consumers<sup>39</sup>). The regulated tariff (known as the 'blue tariff') has however come in for some criticism at European Union level as it is seen as anti-competitive. Price regulation had long been threatened with removal but was provisionally agreed in the framework of adopting the Clean Energy for All Europeans package, in December 2018,<sup>40</sup> which confirms that Member States regulating tariffs applied to households can continue to do so. They will have to present an assessment report of the progress made to end price regulation and by 2025, the Commission itself will have to present an EU-wide report on the overall progress made towards phasing out regulation of tariffs.<sup>41</sup>

The question of electricity price hikes and the gradual removal of regulated tariffs is of concern to several countries and was one of the key issues in the negotiation of the Energy Package.

<sup>38</sup> <https://www.energypoverty.eu/measure-policy/care-energy-social-tariff-hamburg>

<sup>39</sup> <https://www.ecologique-solidaire.gouv.fr/tarifs-reglementes-vente-lelectricite-gouvernement-prend-acte-deliberation-cre-et-confirme-qu'il>

<sup>40</sup> <https://www.hopenergie.com/actu-energie/politique-energetique/tarifs-reglementes-electricite-bruxelles>

<sup>41</sup> <https://www.europarl.europa.eu/news/en/press-room/20181217IPR21949/eu-deal-on-electricity-market-rules-to-benefit-both-consumers-and-environment>

## THE NON-TAKE-UP OF FINANCIAL SUPPORTS AND THE EFFECTIVENESS OF SOCIAL POLICIES

Why do people living in poverty not apply for the financial aid they are entitled to? This issue of non-take-up is generally linked to three obstacles: 1) Knowledge about the aid and thus how informed the target audience are, 2) accessibility of the aid i.e. complexity of the application and 3) administrative efficiency in granting the aid.<sup>42</sup> To address these obstacles, two opposing approaches are possible: targeting those who are most vulnerable, or the universalist approach which aims to offer everyone the same aid. Some examples below highlight the necessity of targeting and the advantages and disadvantages of the alternative (universalist policies).

**-> Targeting people at risk?** In **Belgium**, the King Baudouin Foundation carries out an annual energy poverty barometer to identify those who are most vulnerable to this problem.<sup>43</sup> It shows that the most affected households are one-person households and single-parent families. In **Ireland**, the St. Vincent De Paul charity has reached the same conclusions, identifying single-parent families as those most at risk.<sup>44</sup> Eurostat data supports this:<sup>45</sup> in 2018, 11.3% of single-parent families were unable to heat their homes adequately (the figure was 7.4% for the population in general).

However, all vulnerable households facing energy poverty are not visible. It is easy to identify those households in social housing, receiving social welfare or other social supports. But some do not take up social welfare, others limit their energy consumption or other expenditure even though being cut off from the network is a way that authorities can identify them as being in difficulty. In *La Précarité énergétique en Europe* ('Energy poverty in Europe'), The Institut Paris Région highlights the need to innovate and to involve all stakeholders who can participate in identifying households in difficulty. The report suggests for example rallying technical professionals who carry out work in residential homes (plumbers, heating specialists, home appliance installers) to train them in identifying those who are vulnerable.<sup>46</sup>

A report by the European agency responsible for improving living and working conditions (Eurofound, 2015)<sup>47</sup> identifies the reasons for non-take-up of financial aid. The main causes of aid not being taken up are the stigma associated with receiving financial aid and the administrative complexity (which leads to poor understanding of the existing provisions). This study lists a series of good practices for combating the non-take-up of aid, such as automating distribution of financial aid, for example by connecting it to a life event: the birth of a child, the signing of a social housing lease, or as in **the Netherlands**, with the information essential for health insurance that is automatically sent to young people on their 18th birthday. Automating payment of aid significantly limits the risk of non-take-up but does not guarantee that all eligible households will benefit from it, nor that all beneficiaries are, in fact, energy poor. Several examples are also given on the role of networks in disseminating information: schools, churches, sports clubs, etc. Finally, the example of the one-stop shop integrated into mainstream support services to inform citizens about existing aid for energy poverty could be a solution for reaching a greater number of vulnerable households, but this also has its limits.



<sup>42</sup> Philippe Warin, <https://journals.openedition.org/lectures/22062>

<sup>43</sup> <https://www.kbs-frb.be/fr/Activities/Publications/2019/20180315NT>

<sup>44</sup> <https://www.svp.ie/getattachment/b4943724-b62c-41b8-be64-cd19c76a1cf0/Policy-Links-Energy-Poverty.aspx>

<sup>45</sup> Eurostat - Inability to keep home adequately warm - EU SILC by household type [ilc\_mdcs01]

<sup>46</sup> Institut Paris Région, *La précarité énergétique en Europe*, March 2019

<sup>47</sup> [https://www.eurofound.europa.eu/sites/default/files/ef\\_publication/field\\_ef\\_document/ef1536en.pdf](https://www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef1536en.pdf)



In the **United Kingdom**, the city of Liverpool has a mobile team meeting the most vulnerable households to facilitate their access to social entitlements. This team, 'Benefits Maximisation Liverpool', works in collaboration with different public services, such as schools and health services who make their professionals available to the service. For four years, it collaborated with the service 'Healthy Homes'<sup>48</sup> in the area of energy poverty and established door-to-door teams and free home visits to help households who have difficulty paying their bills or heating their homes to activate entitlements and access emergency financial aid. The programme also included a targeting of the geographic areas where buildings are the least energy efficient. In France, there is an equivalent with SLIME (Local intervention services for energy management).<sup>49</sup>

**-> A universal approach, expensive but effective?** In the **United Kingdom**, the Cold Weather Payment and the Winter Fuel Payment have come in for a lot of criticism due to their cost and their low level of effectiveness. For example, the Winter Fuel Payment is paid to everyone in receipt of the state pension, regardless of their income levels or whether or not they are experiencing energy poverty: only 10% of these pensioners are reported to be actually experiencing energy poverty.<sup>50</sup> Better targeting could lead to more optimal use of public funds, by for example enabling the most vulnerable households to receive higher amounts of financial aid.

In **France**,<sup>51</sup> in 2013, the energy ombudsman stated that of consumers who could benefit from social tariffs for energy, half of them do not through lack of information or because they feel too embarrassed to apply. The government therefore decided to end social tariffs, and move instead to energy cheques. Before this measure, social tariffs for energy were automatically applied to the bills of households under contract with the two main energy suppliers who offered regulated tariffs. These tariffs automatically protected them from having their energy supply cut off and many households benefited from social tariffs for energy without even knowing it. However, this system was criticised because many people who were entitled to social tariffs did not in fact benefit from them, and because these social tariffs only cover gas and electricity. The energy cheque was thus created to better reach those who are entitled to benefit, and these households were identified through cross-comparison of income declarations and the housing tax register. Yet a report carried out following a trial run of the energy cheque system highlights the problem of non-take-up and its causes: lack of tax declaration, housing or tenant not subject to housing tax (sublet), non-receipt of the cheque, post not being opened, cheque being lost by the household or by the supplier, poor understanding of the measure, forgetting to send the cheque, etc. The French Court of Auditors noted that in 2018, 25% of households did not use their cheque before the expiry date.<sup>52</sup> Lastly, the energy cheque does not seem to address needs any better than the social tariffs, which were automatically applied and thus protected vulnerable households from having their energy supply cut off. The value of the energy cheque is still too low to truly impact the size of bills.

<sup>48</sup> <https://liverpool.gov.uk/healthyhomes>

<sup>49</sup> <https://cler.org/association/nos-actions/les-slime/>

<sup>50</sup> Institut Paris Région, La précarité énergétique en Europe, March 2019.

<sup>51</sup> <https://www.revue-projet.com/articles/les-tarifs-sociaux-ne-suffisent-plus/7733>

<sup>52</sup> [https://www.ccomptes.fr/system/files/2019-05/NEB-2018-Ecologie-developpement-mobilite-durables\\_0.pdf](https://www.ccomptes.fr/system/files/2019-05/NEB-2018-Ecologie-developpement-mobilite-durables_0.pdf) p.55



## COMBATING ENERGY POVERTY THROUGH RENOVATING THE HOUSING STOCK

While immediate interventions for households experiencing energy poverty are necessary, they are however insufficient and must go alongside long-term change through transforming the housing stock. As we know, the traditional funding mechanisms (equity, public debt or public financing) are often inadequate or unsuitable,<sup>53</sup> so how can a socially just transformation of the housing stock take place? How can we ensure that renovating old or unsuitable housing does not become a mechanism for social exclusion, making housing even less affordable and less accessible to vulnerable people? The investment required for such a transition is significant<sup>54</sup> and there is a big gap between private interests and public interests. So how can we avoid a situation where the costs incurred fall on tenants?

### Supporting citizens for long-term change

State intervention is necessary for low-income households living in energy inefficient homes, whether they are tenants or homeowners, so that they can undertake the necessary renovation work. This state intervention can take many forms and is divided into interventions at local, regional and national level.

### Financial aid

In **France**, Anah's (the French National Housing Agency) 'Habiter Mieux' programme is the main source of financial aid for renovation works aimed at low-income households. This programme, worth over EUR700 million in 2018, is accessed on a means-tested basis. The rate of financial aid from Anah varies according to whether the household has 'modest' or 'very modest' resources, and this is evaluated based on a national scale.<sup>55</sup>

In 2018, EUR624.3 million was granted to property owners for financing their renovation works and EUR13 million was used for slum clearance operations. In total, 94,081 housing units were renovated.

In **Estonia**, the national housing policy is linked to the energy-climate plan, and includes the specific goal of creating a stock of high-quality residential buildings that are energy efficient and sustainable. To achieve this, the government is using the 'KredEX Fund', a foundation created by the Ministry of Economic Affairs in 2001 to provide financial solutions. The KredEX Fund encourages apartment building owners to reduce energy consumption and increase the energy efficiency of their housing by at least 20% and to use renewable energy; it does this by providing access to preferential loans and grants subject to certain conditions.

One of the measures was providing grants for changing boilers, with EUR1.7 million being allocated to update the boiler in 586 homes between 2014 and 2018. Financial aid for purchasing, building and renovating that is available to large families on low incomes is another key measure of the plan. The state covers 90-100% of the costs for renovation projects.<sup>56</sup> Financial aid can be allocated to a family in two stages. The maximum grant amount is EUR8,000 for the first application, then EUR5,000 for the second. Between 2008 and 2018, KredEX financed 3,348 applications amounting to EUR29.7 million.<sup>57</sup>

In **Belgium**,<sup>58</sup> a system of 'energy subsidies' was established in 2004 for old and new buildings. Allocated by the IBGE-BIM (the administration for the environment and energy in the Brussels-Capital Region), these benefits are aimed at property owners or their representatives. Tenants are also eligible with

<sup>53</sup> E.g. Brussels Strategic Platform on Housing retrofit IRHiS project.

<sup>54</sup> A report by the King Baudouin Foundation estimates that the necessary investment in Belgium will be EUR3 billion to EUR6 billion, of which EUR1.5 to EUR2.85 billion is for the Regions; this does not take into account investment requirements for new social housing [https://www.kbs-frb.be/fr/~/\\_media/Files/Bib/Publications/PUB2018\\_3541\\_RenovationLogementsSociaux\\_Fpdf](https://www.kbs-frb.be/fr/~/_media/Files/Bib/Publications/PUB2018_3541_RenovationLogementsSociaux_Fpdf)

<sup>55</sup> <https://www.anah.fr/proprietaires/proprietaires-occupants/les-conditions-de-ressources/>

<sup>56</sup> <https://www.kredex.ee/en/services/elamistingimuste-parandamiseks/home-support-families-many-children>

<sup>57</sup> KredEX Annual Report 2018, [https://issuu.com/sihtasutus\\_kredex/docs/fund\\_kredex\\_annual\\_report\\_2018](https://issuu.com/sihtasutus_kredex/docs/fund_kredex_annual_report_2018)

<sup>58</sup> Brussels Strategic Platform on housing retrofit, IRHiS project, Integrated approach to support and develop economic activities in the Brussels Renovation sector of Housing including Socio-economic concerns, D4 Analysis of the different existing/potential financial solutions for a housing retrofit project and suggestions to improve the current situation, Sandrine Meyer, CEESE-ULB, March 2015.

the agreement of their landlord. The subsidies are financed by a contribution taken from a tax on gas and electricity consumption, collected by the regional distributor (Sibelga). The money is collected by energy suppliers, through the energy bills, and redistributed to a regional fund for energy. These benefits require pre-financing from the property owner. Since 2011, low-income households have been able to access higher subsidies. The subsidies are also higher when certain renewable materials are used (for example, for insulation). Lastly, the benefit can only be received if it leads to a minimum standard in energy efficiency and if the work is carried out by licensed professionals, although in effect no checks have taken place.

In **Ireland**, a similar tool exists known as the 'Better Energy Homes' programme.<sup>59</sup> It offers grants to property owners (up to EUR3,500, not means tested) to improve the energy efficiency of their homes. Some targeted groups (unemployed people with a child under seven years, single-parent families, beneficiaries of allowances for energy bills, etc.) can be entitled to a full free renovation, for example to insulate the attic and walls, updating the heating controls, solar panels, solar water heating systems, and heat pumps. The programme has thus far led to 135,000 homes receiving grants for renovations since 2011.

## Tax incentives

Tax incentives can be for example, tax credits or a reduction in value-added tax (VAT). These incentives exist in several countries but do not particularly benefit the most vulnerable households.

In **France**, the tax credit for energy transition (CITE) is a deduction on the income tax of an individual for eligible expenditure on certain renovations that

improve the energy performance of their housing. The CITE is accessible, up to a maximum amount, to owner-occupiers, renters and tenants in free accommodation, on condition that the housing in question is their principal residence. A reduced VAT rate of 5.5% is also applicable on renovation works eligible for the CITE<sup>60</sup> (installation of materials and equipment such as condensation boilers, thermal insulation, heating control apparatuses, renewable energy materials, etc.) and this is not means tested. However, this type of tax credit, and policies for reducing tax that particularly target low-income households, are very rare in Member States.<sup>61</sup> For example, the CITE is currently more of benefit to well-off households although it will be partly replaced in 2020 by a flat-rate bonus for lower income households.<sup>62</sup>

In **Belgium**, owners or tenants of a home occupied for at least 15 years can benefit from a reduced VAT rate on renovation works (6% instead of 21%) if the works are carried out by a registered professional. The 30% tax reduction for insulating a residential roof is another example of a Belgian tax incentive.<sup>63</sup>

## Examples of low-interest or zero-interest loans

In **France**, zero-interest eco-loans (éco-PTZ),<sup>64</sup> amended by the finance law of 28 December 2018, can be used to finance renovations that increase the energy efficiency of housing (principal residences). These loans can be given to landlords or occupants of old housing, as well as to syndicates of co-owners. It is very rarely used by banks in France. Since 19 August 2019, the conditions for granting the loan have been simplified and the expenditure limit has risen to up to EUR15,000 for some works.<sup>65</sup>

<sup>59</sup> [https://www.citizensinformation.ie/en/housing/housing\\_grants\\_and\\_schemes/home\\_energy\\_saving\\_scheme.html](https://www.citizensinformation.ie/en/housing/housing_grants_and_schemes/home_energy_saving_scheme.html)

<sup>60</sup> <https://www.economie.gouv.fr/particuliers/credit-impot-transition-energetique-cite>

<sup>61</sup> [http://www.europarl.europa.eu/RegData/etudes/STUD/2016/595339/IPOL\\_STU\(2016\)595339\\_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/STUD/2016/595339/IPOL_STU(2016)595339_EN.pdf)

<sup>62</sup> <https://www.actu-environnement.com/ae/news/reforme-credit-impot-transition-energetique-cite-2020-prime-menages-modestes-anah-33928.php4>

<sup>63</sup> This tax reduction was removed in the Brussels-Capital Region and in Flanders but remains operational in Wallonia [https://finances.belgium.be/fr/particuliers/avantages\\_fiscaux/fiscalite\\_verte/economie\\_energie/isolation\\_toit/avantage\\_fiscal](https://finances.belgium.be/fr/particuliers/avantages_fiscaux/fiscalite_verte/economie_energie/isolation_toit/avantage_fiscal)

<sup>64</sup> <https://www.service-public.fr/particuliers/vosdroits/F19905>  
<https://www.economie.gouv.fr/particuliers/eco-pret-a-taux-zero-ptz-renovation-performance-energetique>

<sup>65</sup> <https://www.actu-environnement.com/ae/news/renovation-energetique-simplification-octroi-ecoptz-proprietaires-ecopret-banques-anah-33958.php4>

In **Italy**, the municipality of Parma has developed a system for financing low-interest loans in cooperation with a local bank (Cassa Cariparma) in order to provide technical support and to offer complementary financing solutions to citizens. The loans are offered to homeowners of individual properties or in co-ownership. This project was established in partnership with the Parma Energy Agency, whose role is to raise awareness and to provide technical assistance to homeowners with their renovations.

In **Belgium**, several systems for loans already exist. The Brussels 'green loan',<sup>66</sup> established by the housing fund, means citizens can access financing with interest rates of between 0% and 2% for renovations to improve energy efficiency. It is the result of a partnership between the Maison de l'Energie, Brussels Environment, Crédal (a financing cooperative) and

the housing fund. It finances landlords and owner occupiers as well as tenants (with the agreement of the landlord) for insulation and ventilation works, energy-efficient heating and renewable energy. This loan is accessible on a means-tested basis (the 2018 ceiling was EUR73,890 for a two-income household).

The housing fund for large families in Wallonia (FLW) grants financial aid to landlords who want to renovate or overhaul properties, on condition that they entrust the housing to a social organisation like a social housing agency (AIS) or a housing promotion association (APL).<sup>67</sup> The FLW grants 0% loans as well as subsidies to large families to renovate their homes. This 'rénopack' is granted in the form of either a mortgage or an instalment loan. The 'rénoprêt' is equivalent but without access to the subsidy.<sup>68</sup>

## MOBILISING THE PRIVATE SECTOR

In addition to interventions via public funds, another source of financing for renovations or equipment for better energy efficiency is, of course, the private sector.

### Third-party financing

The private sector can finance renovations for better energy performance and support property owners in the preparation and management of renovations. Third-party financing means that the private sector, which has capital to invest, can finance renovations. Repayment of the financing is ensured by future energy savings, which come about due to the initial investment. The concept is that a private institution or a bank gives loans to consumers at preferential interest rates, which reduces the barrier to entry for these energy efficiency improvements. Clients in turn benefit from energy saving measures enabling them to repay the initial investment.



<sup>66</sup> [https://www.fondsdulogement.be/sites/default/files/files/FOLD\\_20180531\\_PVB\\_FR.pdf](https://www.fondsdulogement.be/sites/default/files/files/FOLD_20180531_PVB_FR.pdf)

<sup>67</sup> <https://www.flw.be/wp-content/uploads/PRETS-ET-SUBVENTIONS-FLW.pdf>

<sup>68</sup> <https://www.flw.be/credits-aux-familles-nombreuses/>

The most well-known example of third-party financing is undoubtedly the **United Kingdom's** 'Green Deal', established by the government in January 2013 to enable consumers improve the energy efficiency of their homes. Repayment took place through 'on-bill financing', i.e. clients repaid the investment for the renovations by continuing to pay their energy bills as before. The advantage of this system is the low rate of arrears as users pay their energy bills so that their supply is not cut off. The programme was ended in 2015. The reason for its failure was the high cost of interest rates, which at 7% to 10% APR were even higher than the rates available to the public in general.<sup>69</sup> Furthermore, the measure was only effective if the renovations brought about substantial energy savings and therefore a return on the costs invested.

This system of third-party financing can also be used by private companies. In **Denmark** in 2017, the pension fund PKA created an energy renovation fund called 'Sustain Solutions'. PKA finances energy efficiency renovations for Danish associations, municipalities and companies and is financed through savings on energy bills as well as through interest on the loans granted. A partner, Smith Innovation, provides experts to design the renovation project.<sup>70</sup> Sustain Solutions thus offers financing of up to 100% for renovations (for example, changing boiler), without contribution from the beneficiaries while the investment can be recouped through the savings on energy bills. While it is certainly an interesting model, the main drawback is that the private sector only invests if the investment is guaranteed.

The third-party financing tool<sup>71</sup> has taken a long time to set up in **France** and is still not widely used there. As the 2018 report from the CGEDD-JGF (General Council for Environment and Sustainable Development of the Inspectorate General of Finance) notes, the mechanism enables low-income households to access loans by offering very long repayment periods (20-25 years) and integrating the savings made into the evaluation of repayment capacity. In 2018, several regions got authorisation for third-party financing to give loans directly to individuals.<sup>72</sup> It is too early to evaluate the effectiveness of this instrument in France but it is interesting to note that the European Investment Bank (EIB) has committed to financing the first French third-party financed projects with up to EUR400 million, while hoping to get overall financing of EUR800 million through leveraging (i.e. about 20,000 projects financed in the years to come).

In **Germany**, KfW or *Kreditanstalt für Wiederaufbau* (Germany's Reconstruction Loan Corporation) combines low-interest loans and public financing to fund various renovation programmes aimed at energy efficiency in homes. The KfW is a public bank that enjoys a German state guarantee as well as public subsidies that enable it to carry out its mission for public good, including financing improvements in the energy performance of buildings.<sup>73</sup> In practice, the loans are accessible to all (companies, municipalities, social housing, private individuals) through commercial banks that distribute the KfW's financial products. It is these banks that act as intermediaries and evaluate the feasibility of the projects and their performance. To be eligible, the projects must bring about a level of energy efficiency that is almost equivalent to a new build.



<sup>69</sup> <https://energypost.eu/uk-green-deal-failed-needs-replacement/>

<sup>70</sup> <https://www.euractiv.com/section/energy/interview/pension-fund-eu-should-promote-one-stop-shop-for-housing-renovation/>

<sup>71</sup> Established by the Alur law and by the decrees of 17 March and 25 November 2015, as well as by the order of 8 February 2016, which were intended to regulate its implementation.

<sup>72</sup> <https://www.actu-environnement.com/ae/news/tiers-financement-travaux-renovation-energetique-30606.php4>

<sup>73</sup> [http://www.levarne.fr/wp-content/uploads/2013/11/Instruments-financement-dans-la-transition-allemande\\_F%C3%A9v.-2013\\_AR.pdf](http://www.levarne.fr/wp-content/uploads/2013/11/Instruments-financement-dans-la-transition-allemande_F%C3%A9v.-2013_AR.pdf)

## Energy savings certificates

Energy savings certificates (ESCs), also known as 'white certificates', are an important example of the role that can be played by the private sector in financing the fight against energy poverty. Establishment of ESCs came about in response to the Directive on Energy Efficiency that calls on Member States to introduce 'an energy efficiency obligation scheme' (article 7.1 Directive 2012/27/EU).

These have existed in France since 2005 where they are particularly well developed but they are also present in the United Kingdom, Italy, Denmark, Ireland, Poland, etc. In total, 14 countries have committed to an energy efficiency obligation system.<sup>74</sup>

In **France**, ESCs are based on state-mandated obligations on the energy suppliers to make energy savings and this constitutes one of the main instruments of controlling demand for energy.<sup>75</sup> Energy suppliers have to promote energy efficiency among consumers and to reach objectives on energy savings. To this end, they encourage their clients to reduce energy expenditure by offering bonuses, for example on renovations or deals such as 'buy a boiler for €1'. Energy providers can also buy certificates or pay a fine in the event that they do not meet their stated goals. Other stakeholders (like social landlords) can also be issued with these energy certificates, without being under any obligation.

Since 1 October 2015, ESCs have contained a 'fuel poverty obligation'<sup>76</sup> in addition to the 'classic obligation'. The fuel poverty ESCs aim to create direct energy savings for the most vulnerable households. They are combined with a bonus, i.e. ESCs for energy savings in the most vulnerable households are doubled. The Foundation Abbé Pierre' programme, 'Toits d'Abord' offers financial aid for investment in homes, that can be up to 10% of the total cost of operations. Since 2012, the 'Toits d'Abord' programme has been used to support more than 1,000 operations, costing EUR30 million to create 3,800 housing units. Average financing was EUR7,900 per housing unit. Through 'Toits d'Abord', the aim of the Foundation is to help in the scaling up of housing for people who are facing long-term exclusion or are alienated from the rental market. 'Toits d'Abord' was recognised in France by the interministerial decree of 28 March 2012, thereby making it eligible for ESCs. This paved the way for a strengthened partnership with EDF (the energy provider) which has financially supported the programme since 2012 with a long-term commitment to recognising the certificates produced.

However, the ESC system has come under some criticism in France for its cost and lack of effectiveness. Some even see it as a hidden tax as the cost of the grants ultimately falls on consumers.

In **Italy**, the equivalent system of '*Titoli di Efficienza Energetica*' (TEE) is seen as particularly effective as it enables substantial energy savings to be made (estimated at about 1.92 million tonnes of oil equivalent in 2017). The TEE puts state-mandated obligations on electricity and natural gas distributors, combined with various benefits for those who implement measures to reduce energy consumption. The TEE system determines an objective for annual energy savings, which is divided up among energy providers. These providers can either purchase certificates on the market or directly implement programmes to bring about better energy efficiency.

<sup>74</sup> [http://atee.fr/sites/default/files/1-snapshot\\_of\\_energy\\_efficiency\\_obligations\\_schemes\\_in\\_europe\\_27-5-2015.pdf](http://atee.fr/sites/default/files/1-snapshot_of_energy_efficiency_obligations_schemes_in_europe_27-5-2015.pdf)

<sup>75</sup> <https://www.ecologique-solidaire.gouv.fr/dispositif-des-certificats-deconomies-denergie>

<sup>76</sup> [https://www.achat-gaz.fr/images/fiche\\_CEE\\_precarite\\_oct2018\\_sans\\_prix.pdf](https://www.achat-gaz.fr/images/fiche_CEE_precarite_oct2018_sans_prix.pdf)

## Personal guidance for designing and managing the project

The financial tools presented above generally go hand-in-hand with supports that are not simply financial but that relate to the overall design of the project and to applying for various support initiatives. Advice, information, mediation, legal/technical/financial support, along with the measures that need to be in place for works to proceed are all as important as financial aid.

The **European** ACHIEVE<sup>77</sup> programme recruits and trains the long-term unemployed, volunteers and students to develop an advice service for energy issues aimed at low-income households who are experiencing difficulty with their energy bills. The service is based on home visits whose main objectives are understanding the energy consumption of vulnerable consumers, checking their appliances, distributing and installing a number of energy-saving devices, advising households on how to reduce their energy consumption, analysing potential long-term solutions to households' energy situation and getting local stakeholders involved in bringing this about.

In **Luxembourg**,<sup>78</sup> *'Assistance aux ménages en situation de précarité énergétique'* (Assistance for households experiencing energy poverty) aims to better support low-income households experiencing energy poverty to manage their daily energy consumption. A service is offered to these households so that they can benefit from tailored advice on energy ('myenergy') and a subsidy to replace one or more energy-inefficient appliances (fridge, freezer, dishwasher, washing machine). The subsidy, financed by the climate and energy fund,

can cover up to 75% of the price of the appliance (incl. tax) and cannot be more than EUR750 per appliance. Luxembourg's social welfare office selects the eligible households, prefinances the grants and the Ministry of Energy and Spatial Planning agrees to reimbursing the subsidies.

This type of support mechanism exists in different forms in several countries. However, these instruments must be established on the basis of respect to the individual and their freedom, and must not demand that poor people be 'exemplary' in the use of their homes when these expectations are not made of other households. It is therefore necessary that these models be developed in consultation with users.

Finally, it is interesting to note that non-financial incentives can also play a significant role in convincing property owners and tenants to invest in new equipment. Arguments such as comfort and safety also encourage households to invest in a change enabling a reduction of energy costs and an increase in thermal comfort. This is the case for example with the improvement in air quality due to changing the windows or better security from changing doors.

Instruments bringing together financial and human support exist in almost all EU Member States, organised at both national and local level. However, nowhere have they managed to eradicate energy poverty. The inadequacy of state-level action is often compensated for with interventions from associations and foundations, financed by private funds which deliver financial support in addition to that provided by the authorities.

<sup>77</sup> <https://ec.europa.eu/energy/intelligent/projects/en/projects/achieve#results>

<sup>78</sup> <https://guichet.public.lu/en/citoyens/famille/mesures-action-sociale/aide-menages-revenus-modestes/assistance-precarite-energetique.html>



### COMMITMENT FROM THE NOT-FOR-PROFIT SECTOR

All over Europe, civil society supports those who, despite the existing mechanisms, remain at risk of energy poverty and provides them with direct financial aid, access to information and, especially, ongoing support:

In **Slovenia**, the NGO Karitas organises fundraising (*Pomagajmo preživeti*) to help households with their living costs, including their heating bills. In 2017, the NGO collected EUR150,000 in donations, which was used to help 12,000 people pay their bills (rent, heating, electricity, etc.).

In **the Netherlands**, the Energiebank Foundation provides short-term financial support to households for their energy bills. All of the Energiebank's income comes from donations. Savings per household is between EUR56 and EUR113 per year. Through this 'energy bank', individuals can make a gift of energy by giving money or energy in the form of kWh (they can also give energy-saving products, or their time and expertise as volunteers). Another Dutch initiative, the TELI project (Temporary subsidy scheme on energy savings for low-income households) finances small-scale projects to inform low-income households about energy savings.

In **Austria**, the fund '*Stromhilfefonds de Caritas*' supports 400 to 500 households per year. The citizens concerned can attend one of 30 Caritas advice centres where their individual situation is analysed by specially trained professionals to support them and decide on the most appropriate solutions. They provide both emergency financial aid to avoid energy supply being cut off and advice to improve the household's energy consumption (for example by financing the replacement of appliances).

In **Germany**, the *Caritas-Stromsparcheck* programme provides easy-to-use energy-saving devices, with no installation costs, that help households save energy. A detailed energy-saving programme is also provided to the household with important information on how to save energy. In practice, the project involves an average investment of EUR70 per household and estimates potential savings at 16% of the annual electricity consumption (about EUR98/year), 17% of the annual water consumption (about EUR31/year) and 216 kWh saved on heating (about EUR11/year).

### Instruments for large-scale renovation of the housing stock

Supporting private individuals is necessary but not enough to bring about comprehensive renovation of the housing stock. This is why efforts are also being focused on developing the mandatory standards or on supporting the transformation of the social housing stock which represents up to 20% of the total housing stock in some Member States.

### National approaches to mandatory standards

Having established energy performance standards in construction, some Member States have introduced an obligation to renovate energy-inefficient housing before renting or selling.

In the **United Kingdom**, 19.4% of tenants in the private sector are experiencing energy poverty.<sup>79</sup> Since April 2018, the new minimum energy efficiency standard requires that any housing unit for rent must have an energy performance certificate of E or higher.<sup>80</sup>

Buildings that are very energy inefficient have to be improved, through public co-financing if necessary. While the legislation has only applied to new leases since it came into force in 2018, the requirement will be applied to all existing rentals from 1 April 2020. At this point, it will become illegal to rent out a property that does not meet the minimum standard (excluding exemptions) and failing to meet this will lead to fines (of up to GBP4,000).

There are however important exceptions. Firstly, the obligation is only binding if the costs for renovation are either less than GBP3,500, or covered by public funds. If a landlord wants to rent out a property with an energy performance of F or G, the landlord must prove that the energy performance cannot be improved for £3,500 or less, and he/she must submit quotes from three different installers each providing evidence that the cost of the requisite energy efficiency measure is greater than the GBP3,500 spending cap.<sup>81</sup>

There is another exception which is that of housing with an energy performance lower than E, despite the fact that all possible improvements have been made. Another exception exists when the landlord can prove that he/she could not get the necessary third-party agreement (for example, planning permission) or that the property would lose at least 5% of its value as a result of the renovations.

In these two cases, the exception is permitted for five years, but the landlord has to try again to get the property up to standard or to get the necessary permission after five years. New landlords have an exemption for six months after purchasing the property.

Implementing this legislation is difficult as the authorities responsible for enforcing it do not have the required resources (either financial or legal).

In **the Netherlands**, the government supports the '*Energie Akkoord*' (Energy Agreement for Sustainable Growth) and the 'Energy Agenda' with for example the initiative, '*Energiesprong*'<sup>82</sup> (Energy Jump). This initiative aims to transform existing housing stock (private and social) to 100% carbon neutral housing, where each housing unit will generate the energy it requires. The programme claims to be able to effectively renovate a home in one week thanks to new technologies (for example high-performing heating systems, insulated roofs, solar panels, prefabricated façades). The renovation comes with a 30-year guarantee on the energy production and energy performance of the build. The initiative has been replicated in France, Germany, the United Kingdom, and the United States. It is based on the principle of industrialising renovations and thus gaining in economies of scale. The idea is also considered a win-win as property owners benefit from cheaper renovations, financed via instalments on a low-interest loan, with repayments taken from their energy bills (payment based on the energy savings generated by the renovations). *Energiesprong* has renovated and built more than 2,000 properties since 2010 and has agreed to modernise 111,000 houses in the Netherlands by 2020.<sup>83</sup>

<sup>79</sup> [https://beisgovuk.citizenspace.com/home-local-energy/prs-minimum-energy-efficiency-standards/supporting\\_documents/PRS\\_workshop\\_slides.pdf](https://beisgovuk.citizenspace.com/home-local-energy/prs-minimum-energy-efficiency-standards/supporting_documents/PRS_workshop_slides.pdf)

<sup>80</sup> So far, the method for calculating the energy performance of buildings has not been harmonised at European level. It is established at regional and national level, according to a general communal framework established in the annex of Directive 2010/31 of 19 May 2010 on the Energy Performance of Buildings. Directive 2018/844/EU proposes a common indicator of 'how prepared buildings are for intelligent technologies', but this would be voluntary

<sup>81</sup> <https://www.ricsfirms.com/glossary/minimum-energy-efficiency-standard/>  
<https://www.gov.uk/guidance/domestic-private-rented-property-minimum-energy-efficiency-standard-landlord-guidance>

<sup>82</sup> <https://energiesprong.org/>

<sup>83</sup> For more information: <http://www.nweurope.eu/media/3509/2018-03-european-construction-sector-observatory-policybrief.pdf>

In **Belgium (Flanders)**, a new standard was introduced<sup>84</sup> establishing a minimum performance level for the insulation of rented residential buildings of at least 0.75 m<sup>2</sup> K/W (low specific insulating material of 3-4cm). An energy efficiency certificate is required in order to rent out an existing property.<sup>85</sup> If the building does not meet the required energy performance standard, it will be subject to penalty points. Above a certain number of points, a building cannot be rented out.<sup>86</sup>

### The case of social housing: a comprehensive and strategic approach

The challenge of the transformation of social housing to the energy transition is extensively documented<sup>87</sup> by specialist organisations. However, it is important to briefly note the role of social housing in the transitioning of the housing stock and the associated issues.

The increasing standards and an environment of reduced financial aid for social housing have put several social housing stakeholders in a difficult situation, as important criteria such as technical feasibility or financial viability are disregarded. For energy performance objectives to be achievable, public authorities need to assist social landlords. It is worth noting that in **France**, there are a certain number of subsidised loans and financial tools available to encourage social landlords to renovate their stock. Several other examples of good practice deserve highlighting.

The 'guide to improving energy efficiency in the social housing stock'<sup>88</sup> lists some key examples to facilitate the process for large-scale transformation of the housing stock, such as the need for social landlords to adopt a comprehensive and strategic approach. This strategy

is particularly well illustrated by the 'ACER Ferrara' project in **Italy**. Its aim is to identify types of renovation that bring the most immediate benefits financially. This type of measure, aiming to prioritise the most economical renovations is controversial, particularly from an environmental perspective. In practice, it often prevents renovations from being fully completed as the latter renovations tend to be the most costly. However, from a purely social perspective, it allows for fast and low-cost adaptation of buildings. The risk however is of creating a second tier of housing stock for vulnerable people.

In **the Netherlands**, the mandatory measures on renovating buildings for better energy efficiency were put in place after a major national consultation which in 2013 led to the *Energie Akkoord* ('Energy Agreement for Sustainable Growth'). This consultation involved about 40 public and private entities and established ambitious objectives. Among which was that social housing providers set themselves the goal of bringing the housing stock's energy performance to, on average, the equivalent of a B rating by 2020. This would mean about 30% of the housing in the Netherlands.<sup>89</sup> At the end of 2016, new requirements were set for 2050 via the 'Energy Agenda' with the particular aim of all buildings achieving an A rating by 2030.

Finally, in **Belgium (Flanders)**, the main social housing body has committed to not passing on the costs of housing renovations to the most vulnerable tenants. It thus keeps a low social rent rate for people on the lowest incomes: after the renovations, the rent rate of the most vulnerable people does not increase. The other side of this is that the rent rates for other categories are increased to compensate for the cost of the renovations.

<sup>84</sup> <https://www.wonenvlaanderen.be/woningkwaliteitsbewaking/de-minimale-dakisolatienorm>  
<https://docplayer.net/45333990-Roof-insulation-requirements-in-the-rental-sector-in-flanders.html>

<sup>85</sup> [https://www.immoweb.be/en/Page.cfm?Page=Energy\\_standards.htm](https://www.immoweb.be/en/Page.cfm?Page=Energy_standards.htm)

<sup>86</sup> Points can also be gained for other problems that affect the technical quality of the housing unit or that put the health and safety of the residents at risk.

<sup>87</sup> [http://www.housingeurope.eu/section-10/energy?current\\_page=2&nb\\_items\\_per\\_page=15](http://www.housingeurope.eu/section-10/energy?current_page=2&nb_items_per_page=15)

<sup>88</sup> [https://ec.europa.eu/energy/intelligent/projects/sites/iee-projects/files/projects/documents/finsh\\_affordable\\_warmth\\_for\\_all\\_en.pdf](https://ec.europa.eu/energy/intelligent/projects/sites/iee-projects/files/projects/documents/finsh_affordable_warmth_for_all_en.pdf)

<sup>89</sup> <http://epbd-ca.eu/wp-content/uploads/2018/08/CA-EPBD-IV-The-Netherlands-2018.pdf>

### **European financing of social housing**

Reducing energy consumption through increasing the energy efficiency of the housing stock is an increasingly important issue for the European Union. This is why a large number of European financing instruments have been established to support Member States and to facilitate the transition.

The most well-known European programme for housing renovations is undoubtedly the JESSICA programme (Joint European Support for Sustainable Investment in City Areas). This is an initiative from the European Commission, the EIB, and the CEB (Council of Europe Development Bank) created to give 'support to sustainable urban development and regeneration through financial engineering mechanisms' and in particular aiming to finance improvements in the area of energy efficiency. Through JESSICA, Member States can invest a part of the European Union structural funds into renewable funds, to stimulate investment. In Lithuania,<sup>90</sup> for example, the government and the EIB have created the JESSICA holding fund for building renovations. The fund offers long-term loans at a fixed interest rate (3%) to improve energy efficiency in buildings. For low-income families, the loan can be converted to a grant. Up until 2015, the renovation of 1,055 buildings (about 29,500 apartments) was financed through JESSICA. Since May 2015, 3,300 apartments (133 buildings) have been renovated through JESSICA II mechanisms (9,300 other apartments are in the process of being renovated).

### **What is a revolving fund?**

A revolving fund is a lending facility, continually being replenished by projects reimbursing their loans, which enables the fund to lend again to other projects. The funds lent out to improve energy performance generate energy savings, which are then used to replenish the fund in order to create a sustainable financing cycle.

Social housing stakeholders have also benefited from European financing to support the preparation and leveraging of financing for sustainable energy projects and to cover the costs of any necessary technical assistance, via for example Horizon2020 and project development funding. In this framework, feasibility studies and market research, programme structuring, business plans, energy audits and preparing tendering procedures have all been supported by European funds.<sup>91</sup> The LEMON<sup>92</sup> programme generated more than EUR15 million for investment in more than 600 private and social housing units in order to generate energy savings of 40% by bringing together national funds, European financing (FEDER), the Italian incentive scheme 'Conto Termico', as well as loans that get repaid. This programme offers technical assistance to public and private entities for preparing tenders aiming to modernise social housing in terms of energy efficiency<sup>93</sup>.

<sup>90</sup> [http://bpie.eu/wp-content/uploads/2017/04/Factsheet\\_A-170420v4.compressed.pdf](http://bpie.eu/wp-content/uploads/2017/04/Factsheet_A-170420v4.compressed.pdf)

<sup>91</sup> <https://ec.europa.eu/easme/en/news/energy-efficiency-projects-tackle-energy-poverty-support-most-vulnerable-consumers>

<sup>92</sup> Horizon 2020 programme - call-EE-20-2015: Project development assistance for innovative bankable and aggregated sustainable energy investment schemes and projects

<sup>93</sup> The LEMON project, using EPC in Social Housing – October 18th 2017 Claudia Carani – AESS Modena  
<https://e3p.jrc.ec.europa.eu/file/1786/download?token=wwfvaxcW>

## ISSUES WHEN RENOVATING PRIVATE CO-OWNED PROPERTIES

Co-owned properties are an essential element in the renovation chain both from an environmental and a social point of view. Still, one of the challenges related to renovating co-owned properties is the amount of money required for the investment, particularly for small-scale owner-occupiers. The sums invested will only bring a return in the long or very long term (with savings on the utilities) and the renovations will often not be highly visible (compared to investment in the apartment itself).

Several European funds finance solutions for co-ownership (such as establishing an audit system, developing ideas to finance the renovation, etc.). For example, ACE Retrofitting coordinated by Energy Cities (the European association of cities in energy transition) received European Union financial support (from the Interreg programme) to 'introduce and promote a governance tool to overcome legal, human and financial obstacles to renovating co-owned properties for energy efficiency'. Nevertheless, this type of mechanism does not actually finance the renovation of private buildings as such, although there are some rare exceptions on the use of certain programmes (ELENA or FEDER) for this purpose, mainly in the new Member States. The Juncker Plan (the Investment Plan for Europe) has provided guarantees but only to large private companies, and not to private co-ownership or property owners.

Private co-owners must therefore look to national tax incentive tools. Unfortunately, these tools are often difficult for small-scale owners to access, due to difficulty in accessing information, legal obstacles in some countries where co-owners cannot as a group take a loan, or due to the complexity of standards.

The European Commission has identified as an example of good practice the 'one-stop-shops' for energy renovations, particularly when they are provided at local level. These one-stop-shops aim to accelerate building renovations by supporting building owners as they invest in energy efficiency, from the beginning to the end of the project. For these one-stop-shops to be truly successful, emphasis is put on the need for support to be available right throughout the renovation process.

The REELIH (Residential Energy Efficiency for Low-Income Households) programme, established primarily by Habitats for Humanity in the Balkans, aims to improve the living conditions of owner occupiers so that they can live in decent housing. This programme focuses on unfit housing that is very energy inefficient, and in which vulnerable households spend a large proportion of their income on energy and heating. Within this project, Habitat for Humanity works to unite all the owners in a building so that they can agree on renovations. It also plays an intermediary role between the owners and the banks (who provide the loans) as well as with the authorities to get financial aid for vulnerable owners on low incomes.

## CONCLUSION

The policies established at national and transnational level are proof of the increasing interest in reducing the number of people experiencing energy poverty. This problem is being recognised more and more. All across Europe, mechanisms are being developed to support households facing energy poverty on a daily basis, while other instruments exist to support long-term change via renovations. These policies are often inadequate due to lack of ambition and lack of resources allocated. The instruments are particularly bad at targeting and impacting the poorest households.

Furthermore, there is an ongoing risk that these renovation policies, if poorly conducted, could contribute to further excluding the most vulnerable households from the housing market instead of contributing to improving their living conditions. The risk of renovations for better energy efficiency transforming into a green gentrification movement or 'renoviction'<sup>94</sup> has been documented and studied in Canada and Sweden. There are some examples where attempts have been made to avoid this pitfall but they are rare and their effectiveness is disputed. In the Canadian province of British Columbia (New Westminster), landlords of rented buildings can be fined up to CAD1,000/day since February 2019, if they evict tenants without notice or do not give them the right to return to their apartment at the same rent after the renovations.

These interventions also raise the issue of mobilising the private sector. If there is to be a large-scale renovation movement to improve the energy efficiency of buildings, and thus the quality of life of residents, change cannot be carried by the public sector alone and must be bolstered by private sector engagement: companies, the financial sector and even individual homeowners. The tenant-landlord dilemma is at the heart of policies to combat energy poverty: 'The investment burden lies with the owner of the property, while it is the occupant (the tenant) who will mainly benefit from the operation, namely through increased comfort and reduced energy bills. On the other hand, in cases where rent includes the energy bills, the occupant has no incentive to adopt energy saving habits or to invest in energy-efficient appliances as the overall cost to them will not change.'<sup>95</sup> To address this, public funding measures are too often oriented towards landlords and rarely towards the most vulnerable people. Political change is required so that poor households, which are disproportionately affected by energy poverty, are put at the centre of public policies to improve the energy performance of buildings.

<sup>94</sup> See for example: "Low-Carbon Gentrification: When Climate Change Encounters Residential Displacement", Stefan Bouzarovski, Jan Frankowski, Sergio Tirado Herrero, 19 June 2018. International Journal of Urban and Regional Research Published by John Wiley & Sons Ltd Under license by Urban Research Publications Limited  
<https://onlinelibrary.wiley.com/doi/full/10.1111/1468-2427.12634>

'Renoviction' - or the forced displacement of renters is the result of renovations - [...] motivated by the desire to increase profit and extract more value from existing stock (Skanby, 2014).'

There is limited knowledge of instances where gentrification has occurred as a result of renovations driven by environmental arguments. The broader literature on energy-efficiency retrofits has been preoccupied with technical and financial perspectives, often neglecting the human dimensions of residential change (Bouzarovski, 2015, Hodson et Marvin, 2015). A rare example of work that integrates the human dimension of retrofits with issues of gentrification can be found in Grossmann and Hunings's (2015) ground-breaking contribution on the topic. The authors find that the social and environmental benefits of building renovation are compromised by the effect of energy-efficient retrofitting on socio-spatial urban structures and segregation patterns. Holm (2011) has coined the term 'eco-social paradox' to describe the dynamic. But the connection between 'green buildings' and gentrification is not limited to the residential sector (Chegut et al., 2014; Knuth, 2016).

<sup>95</sup> Meyer & Kevin Maréchal, 2016. « Split incentive(s) et rénovation énergétique des logements, » Policy Papers CEB 16-001, ULB -- Université Libre de Bruxelles  
<https://ideas.repec.org/p/sol/ppaper/2013-239157.html>



## Recommendations

It is clear to FEANTSA and the Foundation Abbé Pierre that there is a need for major political effort so that poor households can benefit from the renovation movement for improving the energy performance of buildings. We consider it necessary for public policies, at national and European level, to integrate energy performance standards into a comprehensive housing quality strategy and to provide adequate tools so that this transformation is primarily of benefit to poor households, tenants and individual homeowners. To achieve this, we recommend vigilance on the following points, at national and European level:

### 1. Ambitious public policies to improve the living conditions of poor households

- a. Ensure a regulatory framework is set up, locally or nationally, to curtail soaring property prices and to guarantee the availability of high-quality and affordable housing for the most vulnerable households; maintain the rent levels after renovation works are completed
- b. Put in place locally a system for monitoring the impact of renovation policies on poor households
- c. Ensure that the European regulatory framework does not run counter to the mechanisms for protecting poor households, by guaranteeing in particular social tariffs
- d. Establish simple and accessible systems of public funding to enable households facing energy poverty to live in adequate housing through immediate financial aid and support to improve the home.

### 2. A green deal for Europe based on a policy of large-scale investment in renovations for energy efficiency of the housing stock that is socially just

- a. Free up investment by implementing regulatory measures at national level so that third-party financing practices can become more widespread across Europe
- b. Enable investment from private funds that aim to invest in reducing energy poverty and facilitate access to high-quality affordable housing, particularly for vulnerable households
- c. Develop incentive programmes, particularly for poor households, through zero-interest loans and grants for renovating
- d. Apply the energy performance standards not just to construction but to the rental market. Provide support for individual homeowners and poor homeowners in this transition.

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[https://beisgovuk.citizenspace.com/home-local-energy/prs-minimum-energy-efficiency-standards/supporting\\_documents/PRS\\_workshop\\_slides.pdf](https://beisgovuk.citizenspace.com/home-local-energy/prs-minimum-energy-efficiency-standards/supporting_documents/PRS_workshop_slides.pdf)

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<https://www.gov.uk/guidance/domestic-private-rented-property-minimum-energy-efficiency-standard-landlord-guidance>

RICS - Minimum Energy Efficiency Standard

<https://www.ricsfirms.com/glossary/minimum-energy-efficiency-standard/>





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