



ENERGY POVERTY: A just energy transition of European regions means energy poverty eradication

Access to energy is directly related to the well-being of society and people. Actions as basic as heating your home, cooking, preserving food, access to hot water, lighting, etc. require access to energy which, unfortunately, is not always guaranteed for everyone equally.

Since the creation of the European Union, energy has been considered a decisive aspect within the European integration process, to the point that two of the three founding Treaties revolve around the energy sector. More than half a century later, the EU does not have a consensual definition of what 'energy poverty' means and has confined energy policies within the logic of market rules. It is thus considered as a 'good or service'. In many EU countries energy is not considered a common good and a basic right to be guaranteed, and energy has been controlled by monopolies and oligopolies, to the benefit of the few companies that dominate the markets.

Energy poverty can be defined as the situation in which a household is unable to pay for sufficient access to energy services to satisfy its domestic needs and/or when it is forced to allocate an excessive part of its income to pay the energy bill. According to data from the Energy Poverty Observatory (EOPV), it is estimated that more than 34 million people in the EU suffer from the effects of energy poverty. In 2019, 7.4% of Europeans were unable to pay for basic energy services; 6.6% delayed the payment of their bills; 16.2% used an excessive part of their income to pay energy bills; and 14.6% of households were unable to fully satisfy their energy needs. Energy poverty is also a social justice issue: although present all over Europe, it does not affect all regions and people equally. Moreover, it has important negative impacts on health conditions, leading for example to increased deaths, respiratory problems, increased hospitalisations and a greater incidences of mental diseases; as well as negative effects on social life, relationships and education of children. Urgent action is therefore required in all EU Member States, with an emphasis on most affected regions through measures such as building insulation and retrofitting. This action shall also take into account the specific difficulties of vulnerable households and groups most at risk of energy poverty, including retired and unemployed people, working poor, elderly, disabled people and single-parents, especially female-single parents.

During the year 2021, wholesale market prices have increased exponentially in a few EU countries reaching during some days over EUR 200/MWh. Add to this the high unemployment rates in some countries and with this we can expect millions of households falling into energy poverty, with many of them at risk of eviction, disconnection or reduced power.

In October 2021, the European Commission released a "toolbox" for Member States and their local and regional authorities to address energy poverty. However, its "tools" are insufficient.

Therefore, energy poverty must be tackled urgently. Governments and the EU must act now so that this winter the right to basic energy services, especially for heating, is guaranteed to all and investments in energy efficiency and renewable energy are boosted across Europe.

Based on the above, the European Greens are asking the EU and/or Member States to fight energy poverty by implementing the following actions:

1. Define a common definition of energy poverty at EU level, also recognising energy as a common good and helping to improve EU and Member States' actions to fight energy poverty.
2. Allocate funding to be disbursed by local, regional or national authorities in order to provide emergency income support to cover utility costs for energy poor citizens. In line with EU law, this funding should mitigate the effects of price volatility for current and future energy poor citizens. The EU should ensure a minimum level of affordable energy services in the Member States.

The transformation of the energy sector must comply with the objectives of the Paris Agreement (to limit global heating to 1.5° Celsius) which implies ensuring at least a 65% emission reduction for 2030. The energy transition must take place across Europe and follow the International Energy Agency net-zero pathway: we must reach a production level of at least 50% renewable energy in 2030, a fully decarbonised energy system by 2035 and a highly energy efficient and fully renewable energy system by 2040. This should be an obligation throughout the EU

3. Support EU and national programmes to assist vulnerable households and those suffering from energy poverty to become self-producers of renewable energy or members of energy communities. In this sense, two initial steps are foreseen. First, solar-rooftops shall be added to every house renovated under the European Renovation Wave. Second, all Member States shall implement the "enabling frameworks" required by the Renewable Energy Directive II, in order to facilitate vulnerable groups participation in energy communities
4. Install a European-wide ban on disconnections and evictions for energy customers in financial distress, in order to ensure access to energy for all. This measure should be further complemented by Member States with a deferment plan for households with difficulties to pay their utility bills to prevent a further increase of energy poverty
5. Start with energy efficiency and deep renovation policies for public social housing and those homes inhabited by recipients of social benefits to reduce the need for heating and cooling to lower energy consumption. Introduce sufficient support to enable investments in sustainable heat and power production in these housing units. Adequate legislation and supportive funding would lead to better cost predictability, support to climate neutrality objectives and would secure the basic needs of residents in this housing.

6. Carry out an audit of real energy costs and the surplus profits generated by actual high energy market prices.
7. Instigate preferential energy rehabilitation policies in those homes inhabited by beneficiaries of the social bonus from public administrations in order to achieve the maximum energy rating, thereby simultaneously lowering energy demand.
8. Advance towards a system that, through regulations and tax incentives, favours energy efficiency and distributed renewable energy sources, and strongly promotes energy communities. Regulation and taxation must enable energy communities, including by making it more attractive to both use the self-produced electricity within the communities and sell surpluses outside.
9. Adapt energy taxation in each country to incentivise energy efficiency and savings in a socially fair way by, for example, taxing a subsistence level of consumption at 0% and increasing the tax rate progressively with consumption.
10. Determine the amount of social benefits required to eradicate energy poverty, considering the income level and the special circumstances of each household, including the climate zone (need for heating and cooling energy due to the climate crisis and associated extreme thermal events).
11. Simplify the procedures and identification of compliance with the requirements of the beneficiaries, allowing the data to be exchanged between the competent administrations electronically.
12. Support Member States in developing and promoting free and accessible energy consultancy services for local communities, especially where most vulnerable groups are present.
13. Develop assistance programmes for the acquisition of high-energy-efficient appliances, with particular attention to the recipients of social benefits, in order to reduce the intensive use of energy. In addition, develop assistance programmes for the acquisition of house-insulation systems and improvements in energy-saving materials in homes.