Energy poverty in Europe:
Policy context and SWOT analysis

Professor Stefan Bouzarovski
Manon Burbidge

University of Manchester (Manchester Urban Institute)

November 2020

POWERTY
Interreg Europe

EU ENERGY POVERTY Observatory

European Commission

MANCHESTER 1824
The University of Manchester

Defining and addressing energy poverty

POWERTY
Interreg Europe

Energy poverty is

- the inability of a household to secure socially- and materially- needed levels of energy services in the home (Bouzarovski and Petrova 2015)
- not a subset of income poverty
- intersectoral and systemic
- central to the ’just transition’

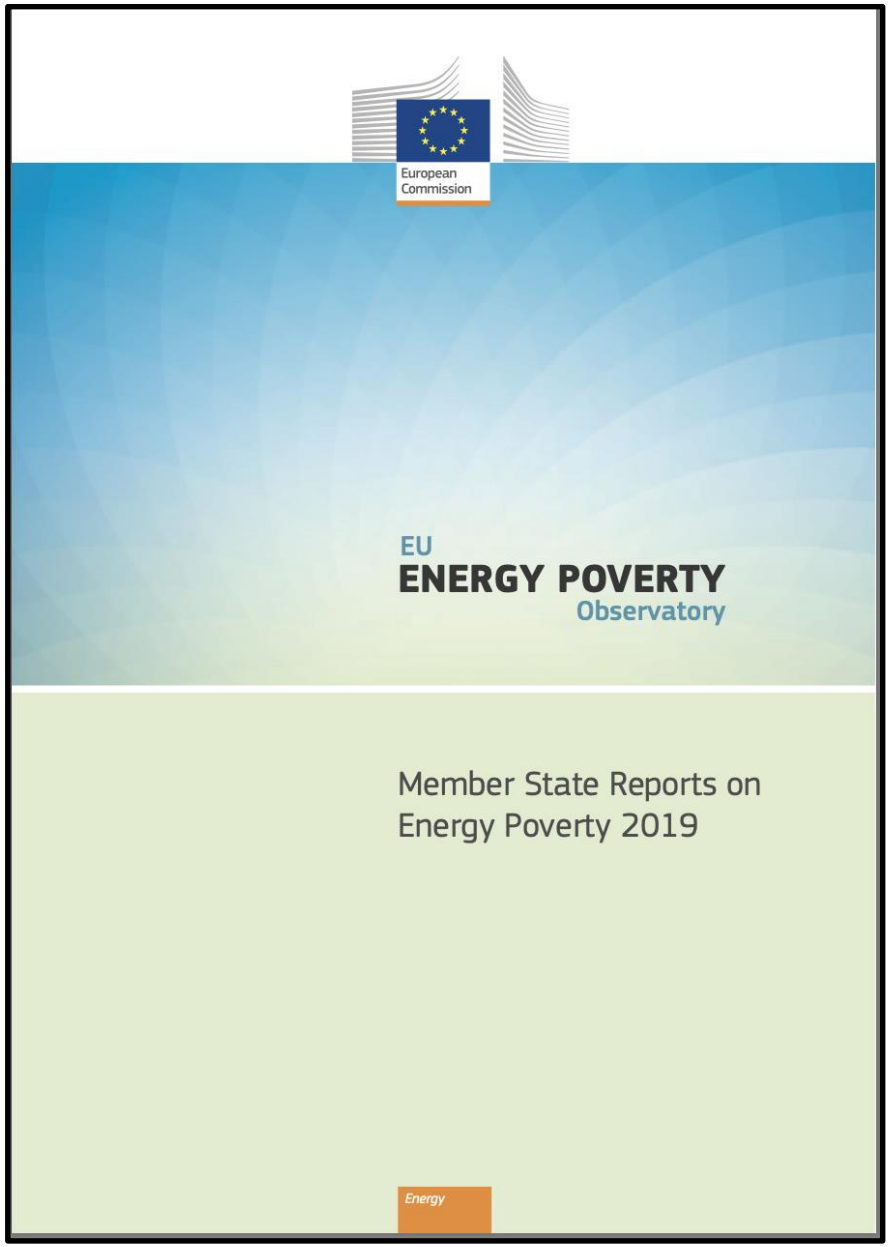
Energy poverty requires

- Comprehensive, overlapping, multi-level policies
- Inclusive dialogue and extensive stakeholder representation

EU energy poverty policy: developments

- First mention of energy poverty: Third energy package in 2009
- EESC first called for an Observatory in 2013
- Growing recognition and integration of energy poverty policy in the activities of EU institutions
- Extensive network of stakeholders active on the subject
- Improved monitoring, reporting and understanding
- EU Energy Poverty Observatory
- Clean Energy Package -> Renovation Wave
- Commission Recommendation on energy poverty

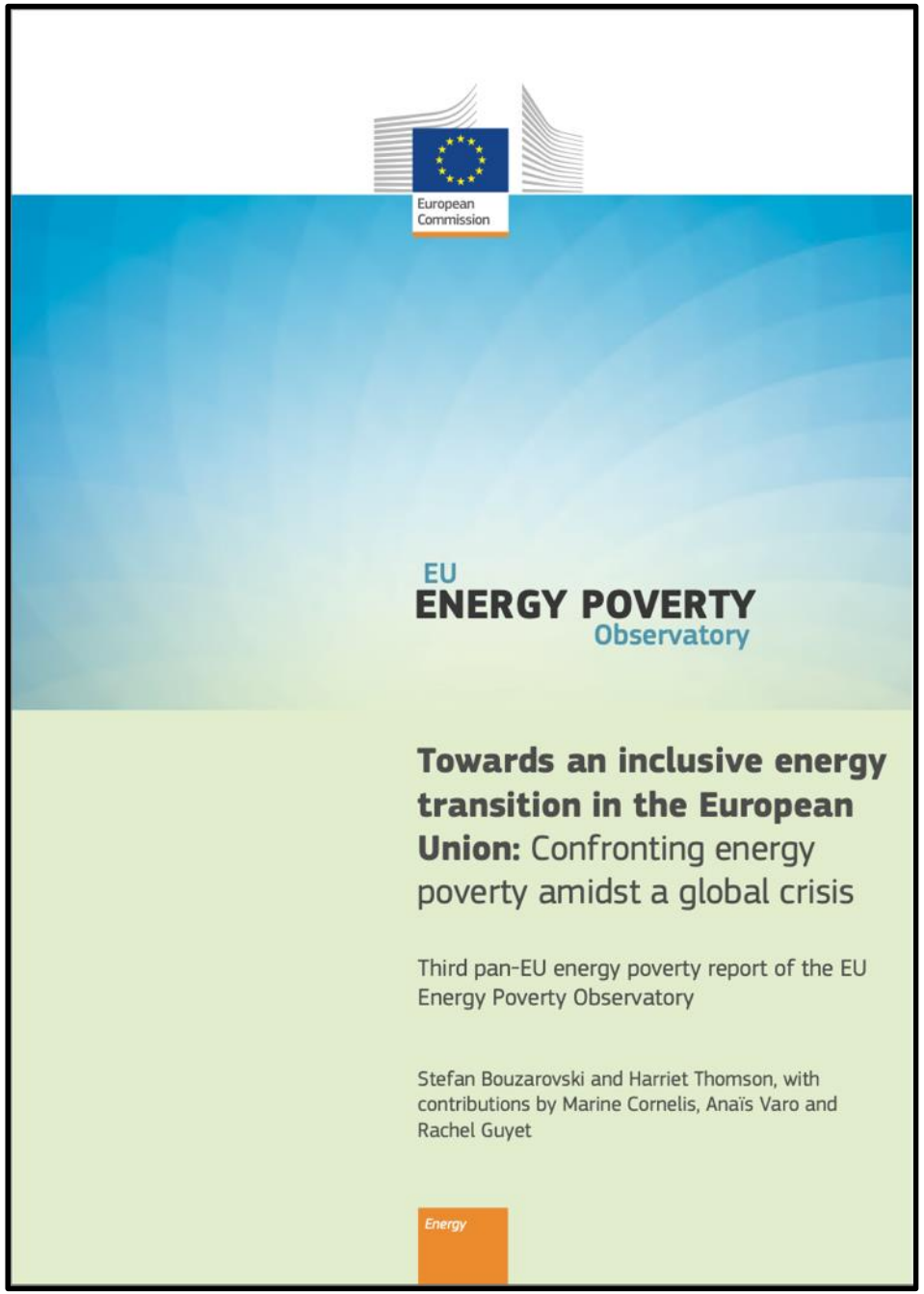
POWERTY
Interreg Europe



Member state reports

- Headline statistics for each MS
- Policy measures
- Relevant organisations
- Best practices

Available at:
https://op.europa.eu/s/omqW



Third pan-EU energy poverty report

Bouzarovski et al. 2020

- Overview of EU policy developments
- New analyses of NECPs
- COVID19 measures
- Energy poverty stats at the European level

Available at:
https://op.europa.eu/s/olWn

Criterion	BE	ES	FR	LT	BG	GR	IT	MT	HR	CY	PL	RO	AT	HU	FI	PT	SK	CZ	LV	DE	EE	NL	DK	SI	LU	SE
EP recognised	2	2	2	2	2	2	2		2	2	2	2	2	2		2	2	2	2					2		
EP defined		2		2			1	1		2			2		2											
Explicit EP indicator(s)	2	2	2	2			2	2		2		2	2	2				2	2		2	2				
Direct EP policies	2	2	2		2	2	2	2	2	2		2		2						2	1					
Tariff bill EP measures	2	2	2	2	2	2	2	2	2	2		2				2	1						2			
EE for EP	1	2	2	2	2	2	2	2	2	2	2		2	2	1	2	1				1		1			
Market regulation	2			2	2		2				2			2			1					1				
Infra. investment	2	2	2	2	2	2		2			2	2					1					1				
New financing	1		2			2					2															
EU funding for EP	1			2	2	2	1		2		2								2							
National BPs for EP	2	2	2					2							2					2						
Local/regional BPs	2														2			2								
Engagement mechanisms		2	1	1					2			2	2		2	2	2			1						
Summative score	**19**	**18**	**17**	**17**	**14**	**14**	**14**	**13**	**12**	**12**	**12**	**12**	**10**	**10**	**9**	**8**	**8**	**6**	**6**	**5**	**4**	**4**	**3**	**2**	**0**	**0**

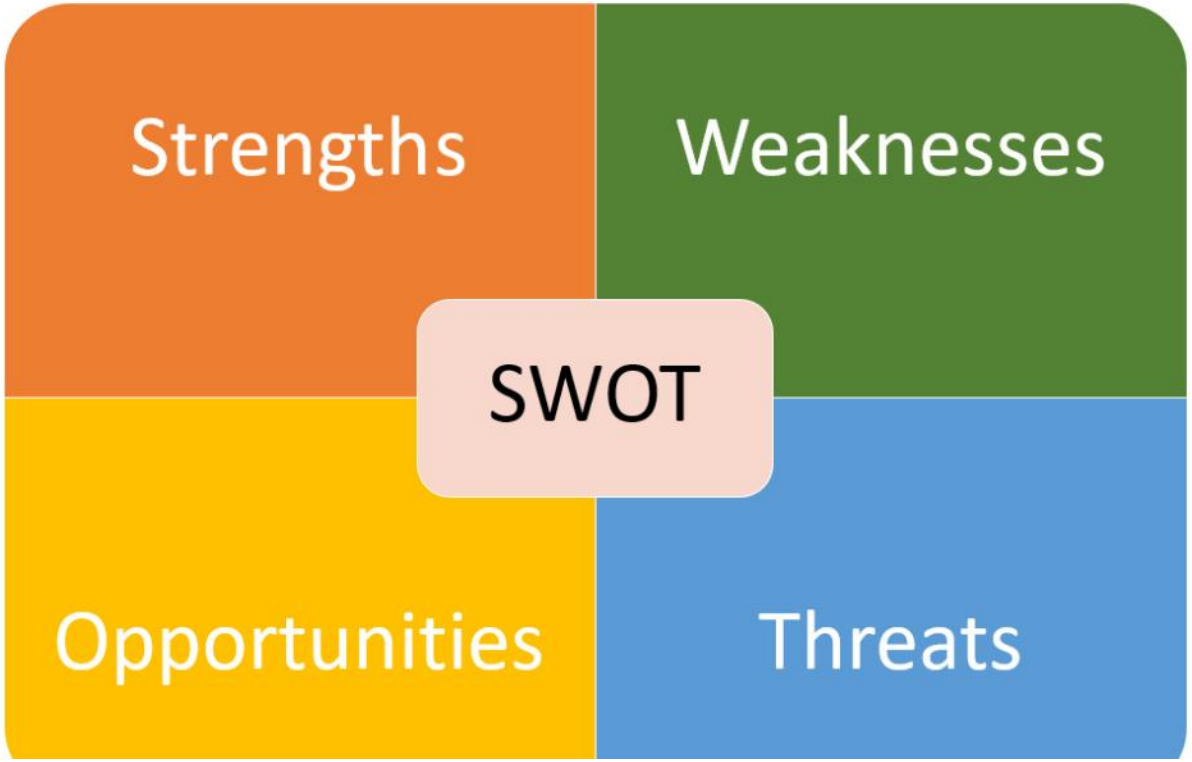
A summative assessment of energy poverty considerations across the NECPs.

Continuing challenges

POWERTY
Interreg Europe

- Lack of binding targets in most recent policies
- Formulation of energy poverty as a general income or vulnerability challenge rather than an infrastructural or housing issue
- Best practice evaluation, promotion and dissemination
- Widely varying responses across Member States, regions and cities – often as a result of limited resources, awareness and capacity

SWOT analysis: purpose



- Identify strengths and needs in the topics considered
- Good practices pinpointed and adopted.
- Compiled by each region
- Advisory partner to add good practices developed in other EU regions

A best practice is a process, technique, technology, policy or method that is widely accepted as "*superior to alternatives because it produces results that are superior to those achieved by other means*".

Strengths

- What are the specific advantages that the technology possesses?
- What is done well?
- Which resources are available?
- How are the technology's strengths perceived externally?

Specific examples:

- Existing approaches and policies for the implementation of this technology are using appropriate and clear definitions and understandings of energy poverty;
- A variety of technologies and associated instruments are available to poor and vulnerable citizens;
- There are dedicated technologies to support renewable energy deployment targeted at poor and vulnerable consumers;
- There are clear models for promoting renewable energy technologies in the context of energy poverty amelioration;
- There are good models for civic participation for using the technology at the renewable energy – energy poverty nexus.

Weaknesses

- What can be improved?
- What should be avoided?
- How are the technology's weaknesses perceived externally?

Specific examples:

- Lack of targeted policies for renewable energy technology implementation among vulnerable groups;
- Regulatory and policy frameworks for this technology lead to further disadvantage and exclusion of vulnerable groups;
- Lack of data and scientific research surrounding this technology;
- Lack of transferable knowledge and customised policy approaches for the use of this technology

Opportunities

- Where do internal or external development possibilities exist for this technology?
- How might existing activities extend beyond the local level and/or one type of technology to involve more comprehensive and multi-sited results?

Specific examples:

- Changes in technology, markets and industry
- Changes in government policy with regards to a technology's implementation or subsidies etc (from EU to the local level)
- New forms of social participation and innovation

Threats

- Which obstacles are in the way of the technology's desired objectives?
- Are there external changes in standards or other regulatory expectations?
- Are there any financial or organisational challenges?

Specific examples:

- Practices related to the technology are vulnerable to political changes in government
- Practices related to the technology suffer from difficulties in the implementation process
- Applicability, working against the grain of established power structures and forms of economic regulation

AEA, Spain

POWERTY
Interreg Europe

Strengths:

Versatility and flexibility of renewable energies allows adaptation to different environments and characteristics

Price of renewable installations is decreasing

Weaknesses:

Vulnerable groups often unaware of installations and equipment

Type and size of housholds makes it hard to install certain RES equipment

Investments are high for groups that have little economic savings

Concern over large number of illegal connections

Opportunities:

High RES opportunities, existence of clusters

Companies and entities in the energy sector that are sensitive to the issue

Growing concern for climate change has fuelled research and technological innovation

Potential for other forms of non-electric self-consumption e.g. aerothermal

Extensive stock of public housing which could house RES facilities.

Threats:

Companies perceive vulnerable groups as economically unattractive, discouraging innovation

No technological developments adapted to vulnerable groups in the region

Little experience tackling EP through RES

Energy installations are not usually collective, so no experience in the region

VIPA, Lithuania

POWERTY
Interreg Europe

Strengths:

Political support and strategic focus on climate change at national and EU level

Experience from previously implemented instruments

Support from vital stakeholders

Weaknesses:

Heavy dependence on energy imports with non-competitive local energy generation

High investment needed in RES, no special incentives for vulnerable groups

Technical challenges with RES installation

Focus on vulnerable groups is to satisfy more immediate basic needs.

Opportunities:

Possibility to diversify energy sources

Possibility to combine grants and financial instruments

Technological excellence created in Lithuania can strengthen the economy.

Threats:

Periodically changing technical requirements for RES

Low interest of the population

Insufficient quality control over RES installers

Rapid development of technologies discourages investment in RES now

Increasing investment in irregular RES technologies increases stress on grid balancing capacity

Growing number of cyber incidents in energy system.

AURA-EE, France

POWERTY
Interreg Europe

Strengths:

Several interesting initiatives in the region

e.g. SOL Solidaire

Weaknesses:

Lack of data

Tackles energy retrofit but not RES

Opportunities:

Wood-derived energy sources widely accessible in the region; population acculturated to this energy source.

Third-party investment by citizen cooperatives

Threats:

Scattered populations in rural areas

EAP, Bulgaria

POWERTY
Interreg Europe

Strengths:

National energy and climate policies in the context of EU legislation and aim to ensure affordable energy

Innovative RES and services at household level are widely available on the market

Several active NGOs in this domain

Weaknesses:

Innovative technologies not competitive given current prices

Prices are still regulated and thus kept low due to non-liberalised energy market

Opportunities:

Ambitious energy and climate targets in Bulgaria

New forms of social participation and innovation launched, available for 28 municipalities.

Threats:

No clear models for promoting RES in context of poverty alleviation

Vulnerable groups consume low cost fuels

AOT, Poland

POWERTY
Interreg Europe

Strengths:

Strong infrastructural base

Existing technological knowledge and regulation

Knowledge context (skills, competences) for technological development

Weaknesses:

Lack of national regulation and support

Lack of investment funds

Insufficient political will to invest in technology

Opportunities:

Emerging new forms or RES investment

Growing interest among public and private actors

Threats:

Perpetuation of carbon-based economy among vulnerable groups

Poor take up of RES due to lack of state support




THANK YOU

Stefan Bouzarovski / Manon Burbidge

@stefanbuzar