

FUEL POVERTY IN EUROPE: OPPORTUNITIES, ACTIVITIES AND SOLUTIONS

UN Foundation – Rexel Foundation
Clean Energy Solutions Center Webinar

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European Climate Foundation

A major philanthropic initiative to help Europe foster the development of a low-carbon society and play an even stronger international leadership role to mitigate climate change

Sector Programmes



Cross-cutting Initiatives

Governance & Law
Finance & Economics
Innovation & Industrial Policy
Carbon Pricing

Geographic Focus

EU-Brussels

Germany

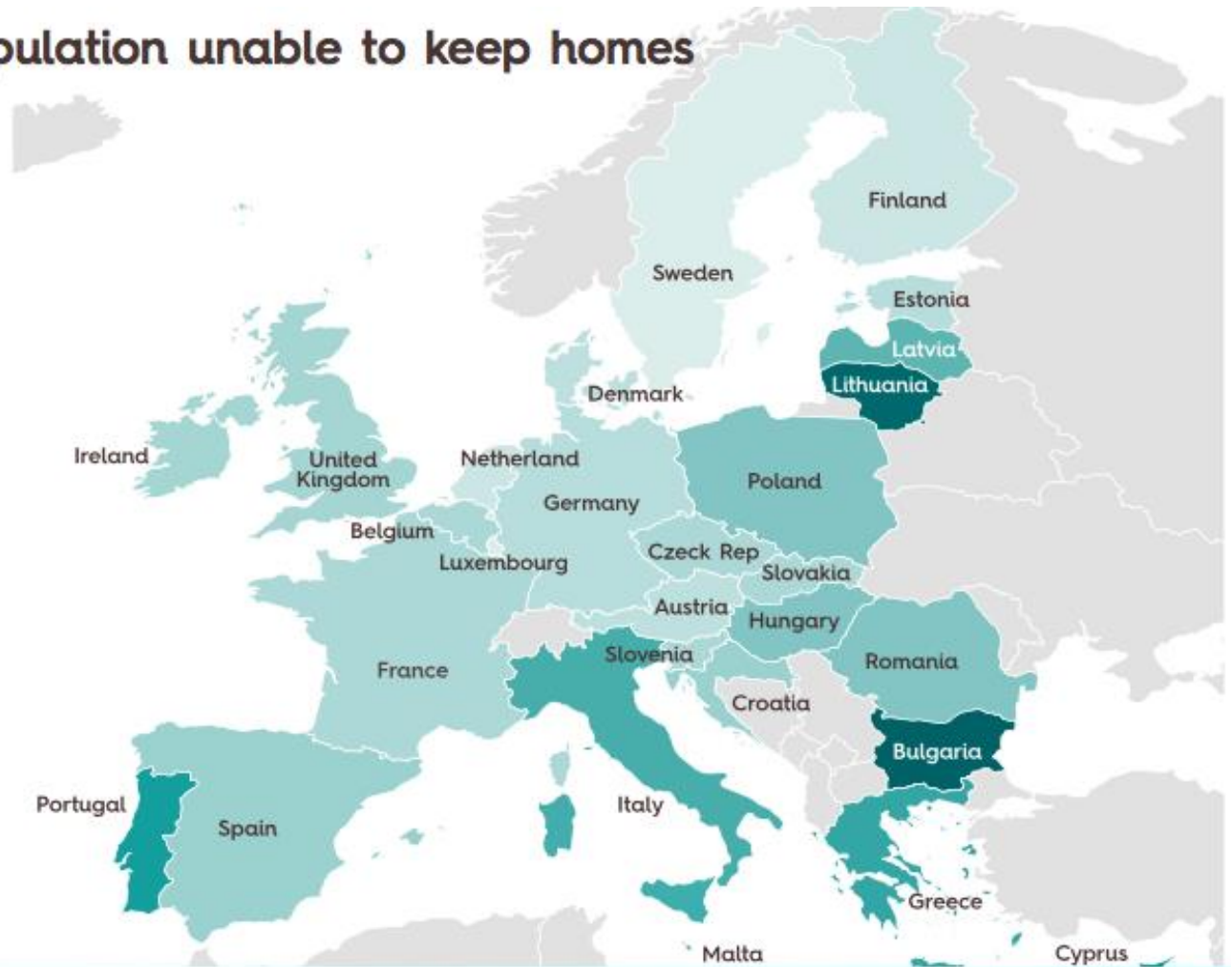
UK

France

Poland

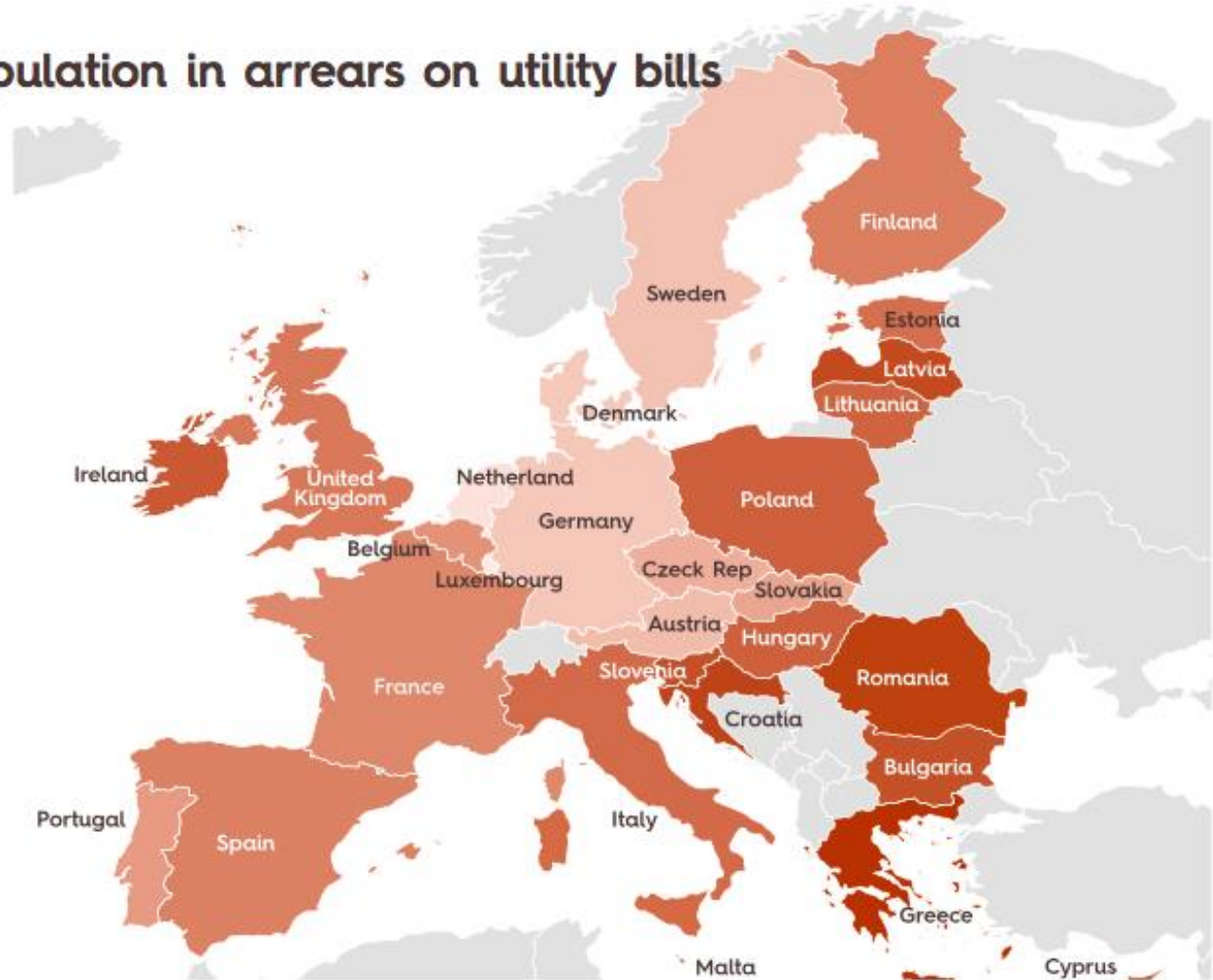
Where does fuel poverty exist in Europe?

Share of total population unable to keep homes adequately warm



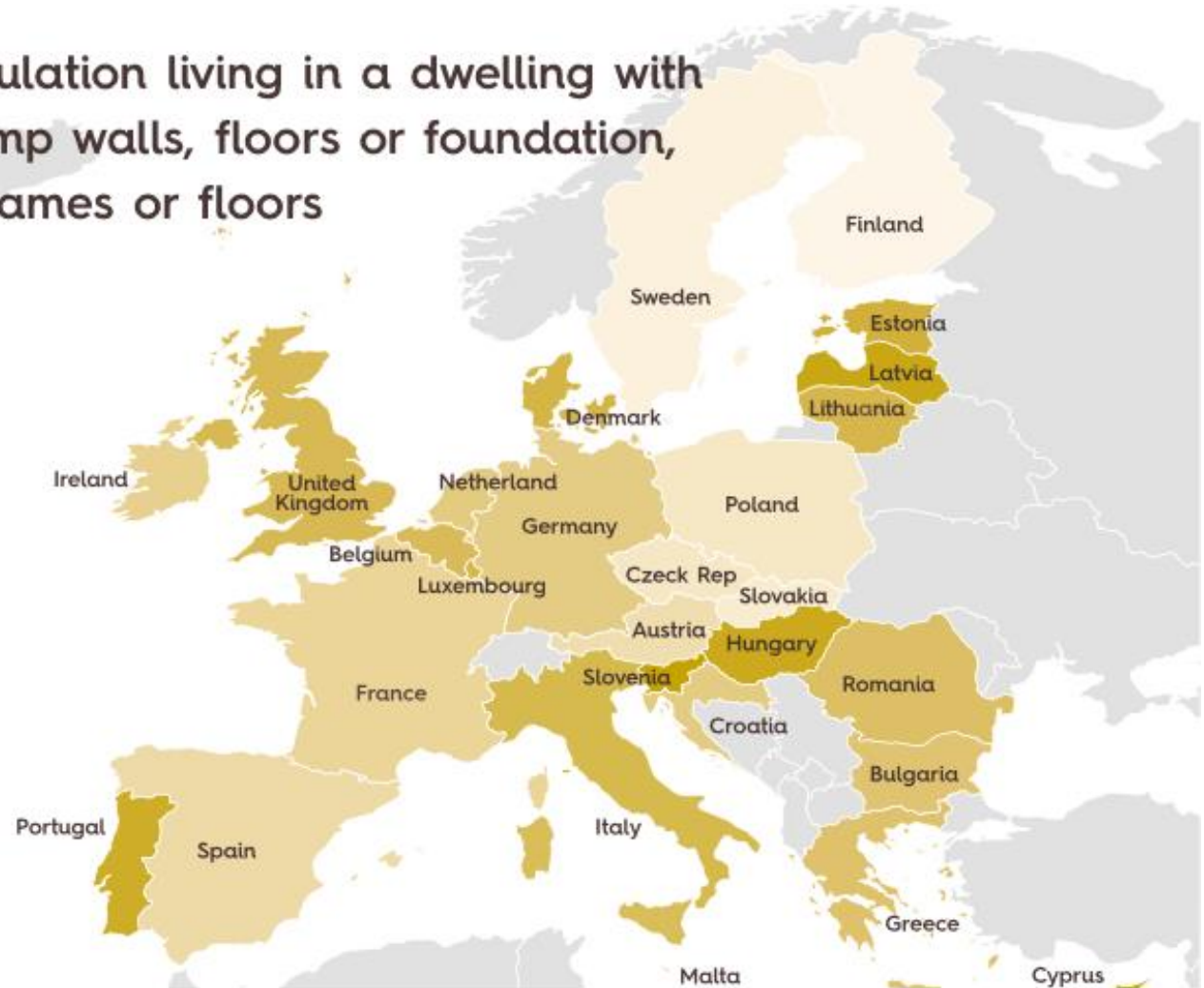
Where does fuel poverty exist in Europe?

Share of total population in arrears on utility bills



Where does fuel poverty exist in Europe?

Share of total population living in a dwelling with a leaking roof, damp walls, floors or foundation, or rot in window frames or floors



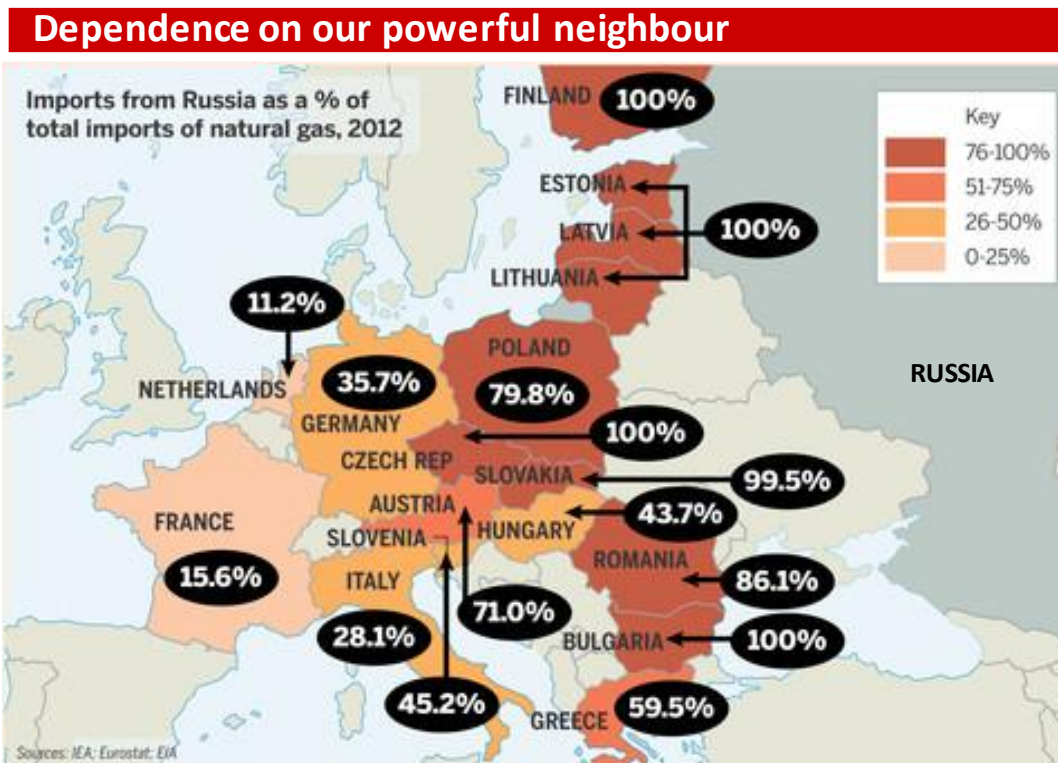
Dual challenge of fuel poverty & import dependence

Countries that suffer most from fuel poverty are highly dependent on gas imports for heating and the most energy intensive in Europe

Top 12 poorest member states:

Bulgaria
Romania
Croatia
Poland
Hungary
Latvia
Lithuania
Slovakia
Estonia
Czech Republic
Greece
Portugal

GDP per capita, 2015



Source: FT

Energy efficiency upgrade most sustainable solution

Causes

Low household income
High cost of energy
Inefficient 'leaky' building

Solutions

Income support schemes

Fuel subsidies/price caps

Deep energy renovation

Temporary solution

Sustainable solution
with multiple benefits

How you promote deep energy renovation of buildings depends on your starting point...

UK: among highest levels of fuel poverty in W Europe



- The UK has one of the least energy efficient housing stocks in Western Europe — one of the main underlying causes for the UK's high level of fuel poverty
- Illnesses caused by cold homes cost the NHS £1.3 billion a year (*Age UK*)
- 4x more people died due to living in cold homes than on British roads in 2011
- 2.23 million children in England were living in fuel poverty in 2014
- 1 in 4 families have had to choose between heating and eating (*Netmums*)

Build multi-stakeholder alliance and political support



- Biggest fuel poverty alliance ever assembled:
 - 100,000 supporters, 200 alliance members, 200 Parliamentarians
 - 100 pieces of national media coverage + 200 pieces of local media
- Key policy objectives:
 - Home energy efficiency a UK infrastructure investment priority
 - Grants to make 2 million 'low income' homes energy efficient by 2020 (EPC Band C) and all 6 million UK low income homes energy efficient by 2025
 - Delivery program for low-income homes in partnership with local authorities
 - 0% energy efficiency loans for 'able to pay' households
- Current government have rolled back on energy efficiency legislation and cut public funding to energy efficiency measures in buildings

Poland: 60% households burn coal for indoor heating

More than half of households in Krakow — Poland's 2nd largest city — burn coal indoors to save on winter energy bills

- One of the most polluted cities in Europe, its air quality is equivalent to smoking **2,500 cigarettes** every year

fot. Paweł Krzan

krakow4u.pl

Air quality not fuel poverty: Krakow Smog Alert



- Fuel poverty neither defined nor acknowledged in Poland
- Starting in 2012 in Krakow campaign has spread across the country
- In 2015 President Duda signed first anti-smog law
- Law paves the way for regional efforts to ban the use of solid fuel (coal) for heating
- Promoting use of public funds for heating stove replacement combined with energy efficiency measures

Netherlands: net-zero renovations in social housing



Five-year government-funded market development programme to drive energy efficiency in buildings

- **Result?** Net-zero energy renovation without subsidies and with a 30-year energy performance guarantee
- **Why net-zero?** More attractive proposition for occupants and easier to provide energy performance guarantee
- **Why social housing?** Aggregated demand under limited number of owners, homogenous typology in need of structural upgrades

111,000 homes (27 housing associations) will be renovated to net-zero standard



Scale thru facilitation, innovation and industrialization

Key factors for success:

- Non-profit, independent facilitator simultaneously lifts regulatory barriers, helps create financing conditions, organizes demand and steers construction sector
- Scale of demand inspires builders and manufacturers to innovate, prototype and refine packaged solutions
- Four largest construction companies developed industrialised prefabricated concepts — renovation time reduced to < 1 week, costs reduced by half



More info at
<http://energiesprong.nl/transitionzero/>

Way forward

- Promote EU and national fuel poverty strategies, including shifting public budgets from income and heating subsidies to effective renovation measures
- Baseline the problem and support effective program design with a more accurate and common definition of fuel poverty and better data
- Increase affordability and accessibility of energy renovation through innovative, industrialized approaches based on a customer service perspective
- Make highly efficient household appliances and services more accessible and affordable through leasing services (ie, circular economy-based business models)
- Establish minimum efficiency standards for buildings and products as a basic human right and a sustainable solution for the economy
 - UK: From April 2018 private landlords will not be able to rent F and G rated properties. This affects an estimated 682,000 domestic properties, most of which are inhabited by the fuel poor. (from April 2016, landlords will not be able to refuse reasonable requests from tenants to improve their buildings energy performance.)
 - France: By 2025, all homes consuming more than than 330kWh/m² (F/G label) must be renovated; by 2030 all buildings which change of owner or tenant must be renovated