

## **Welcome to the Vulnerable Consumer Working Group Survey!**

Thank you for agreeing to take part in this survey.

In this survey we ask you about the **concept** of energy poverty (or fuel poverty as it is referred in some Member States), possible **indicators** to measure energy poverty and the **policies** to tackle energy poverty.

Your input on these **three themes** is really valuable for us. This survey should only take 15 minutes to complete. Be assured that all answers you provide will be kept strictly confidential.

Please return the survey to [ENER-B3-VULNERABLE-CONSUMER-WG@ec.europa.eu](mailto:ENER-B3-VULNERABLE-CONSUMER-WG@ec.europa.eu) no later than the 14 January 2016.

**Name: Sian Jones**

**Organisation: European Anti Poverty Network (EAPN)**

**Member State: EU – Brussels based with national networks in 31 Countries.**

### **The concept of Energy Poverty**

Energy poverty is a problem across many Member States due to a combination of factors such as low income, rising energy prices, and poor energy performance of homes.

Energy poverty has been defined *i.a.* as the **lack of access** or **lack of affordability** to modern energy services. While lack of access is more prevalent in developing countries, some households also in the EU may lack access to modern energy services such as electricity and clean cooking facilities. In the majority of the EU Member States, however, energy poverty refers to the lack of affordability, which is generally understood as the difficulty for households to pay for domestic energy services.

In this section we would like to hear your views on the attributes or features the concept of energy poverty shall include and to rank possible definitions of energy poverty.

1. Please indicate with an X whether you *strongly agree, agree, neither agree nor disagree, disagree, strongly disagree* that the features or attributes below should be part of a concept of energy poverty.

	Strongly Agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree
The (in)ability to pay the energy bill	x				
Access to domestic energy services	x				
An adequate level of energy use which allows households to live comfortably in their homes	x				
Domestic energy costs which are deemed reasonable	x				
The cost of heating	x				
The cost of cooling	x				
The cost of other household needs such as lighting, cooking and powering electrical appliances	x				
Reference to low income	x				
Reference to general poverty	x				
Eligibility for social policy benefits	x				
Household demographic criteria (e.g. family size)			x		

If you have comments in relation to the features or attributes of energy poverty listed above or you would like to add another features or attribute please add them below

**Comment**

**3 key elements are crucial in defining and developing adequate strategies to fight energy poverty: ensuring adequate income, fair pricing and reduced consumption – related to energy efficiency. Whilst there is a relationship to general poverty, it depends which indicator for poverty is used ie at risk of poverty ( below median 60% disposable household income), no reference is made to access related to goods and services only income, whilst severe material deprivation indicator does.**

**2. Academic and policy literature have proposed a number of definitions for the concept of energy poverty; please rank the following definitions in order of preference. 1 – Most Preferred definition; 3 – Least preferred definition.**

Definition	Ranking (1 – Most preferred / 3 – Least preferred)
Energy poverty refers to households lack of access and/or inability to afford adequate energy services in their homes.	2
Energy poverty refers to the lack of access and/or inability of a household to afford the most basic levels of energy for adequate heating, cooling, cooking, lighting and use of appliances in the home.	3
Energy poverty refers to the inability to ensure adequate heating in the dwelling at a reasonable cost.	1

**If you have comments in relation to the definitions above or you would like to add another definition please add it below**

**Comment**  
*The first two definitions make access to affordable energy only an option – ie access and/or and thereby reduce the priority given to acceptable pricing for adequate energy provision. We think that both issues are vital. So would support the first definition if it was not stated as optional, but both issues of access and inability to afford adequate energy services. With the current definitions offered we prefer 3.*

**3. GENERAL COMMENT. If you have any other comment in relation to the concept of energy poverty, please add it below**

**Comment**

## Measuring energy poverty

The academic and policy literature identifies a number of indicators to measure energy poverty. Some of these indicators have been used to measure the level of energy poverty, its drivers such as household income, energy costs or the energy efficiency of the housing stock, as well as, the impact of energy poverty on people's well-being.

**4. Please indicate with an X whether you *strongly agree, agree, neither agree nor disagree, disagree, strongly disagree* that the indicators below are useful measures of energy poverty.**

	Strongly Agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree
Fixed thresholds (for example, percentage of households spending more than 10% of their income on energy)	X				
Relative metrics (for example, percentage of households spending twice the average expenditure on energy)			x		
Residual income (for example, percentage of households which after deducting the energy cost fall below the poverty line)	X				
Proxy indicators (for example, percentage of households reporting that they are unable to keep their homes sufficiently warm/cool, or number of households been disconnected from their energy supply due to arrears).	X				
<b>A combination of the above or another metric. Please specify.</b>	Combination Proxy with Fixed threshold or Residual Income				

If you have comments in relation to the question above or you would like to add another type of indicator please add it below

### **Comment**

*Proxy indicators are very useful and easily collected through EU SILC for example, however they don't provide a benchmark for acceptable levels of expenditure on energy/fuel. Specific indicator would be better – inability to afford adequate heating/cooking/lighting. A relative benchmark like the fixed threshold is useful to give general parameters on how much of a household income should be spent on energy bills – this could be done for different household types. Another important indicator would be to be in energy debt due to difficulties in affording*

5. Please rank below the indicators to measure energy poverty, its drivers and consequences according to their relevance starting with 1 for the most relevant.

**Indicators to measure energy poverty**

Indicator – to measure the level of energy poverty <i>Percentage of households that:</i>	Ranking (1 – Most relevant / 8 – Least relevant)
Spend more than 10% of their income on energy	1
Spend more than 10% of their income on energy and their income is below the poverty line	5
Spend more than 20% of their income on energy	6
Spend more than 20% of their income on energy and their income is below the poverty line	8
Spend more than twice the national average spending on energy	4
After paying their energy bill fall below the national poverty line (for example below 60% of the median household income)	3
Unable to keep their homes sufficiently warm during winter	2
Unable to keep their homes sufficiently cool during summer	7

**If you know of other relevant indicator or have any other comment please add below**

<p><b><i>Comment</i></b>  <b><i>Airconditioning is not an essential item in all countries, whereas heating is. However, energy also means being able to pay for cooking and other electric facilities.</i></b></p>
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**Proxy indicators to measure the drivers of energy poverty – Driver: Energy Efficiency of the housing stock and metering**

Indicator - Energy Efficiency of the housing stock and metering	Ranking (1 – Most relevant / 9 – Least relevant)
Energy Performance of the housings stock (for example percentage of dwellings with an Energy Performance Certificate equal to G, F, E, D, C, B, A)	5
Energy performance of buildings across tenures (social housing, private rented sector and owner-occupier)	6
Percentage of households living in a house with a serious disrepair such as leakages and damp walls	1
Percentage of houses undergoing renovation	4
Percentage of households receiving subsidies for energy efficiency investments	3
Percentage of low-income and vulnerable households receiving subsidies for energy efficiency investments	2
Investment in energy efficiency in domestic buildings as a percentage of Member States GDP	7
Percentage of households with a meter for their individual dwelling	8
Percentage of households with a smart-meter	9

**If you know of other relevant indicator or have any other comment please add below**

***Comment***

Energy efficiency indicators are very important. However, if they are to be used as part of a strategy to fight energy poverty, they should focus on the households with most need – ie with bad quality housing (eg damp, low energy efficiency), ensuring that subsidies and investment in re-fit conversions and new-build are being targeted on these households. Investment in affordable quality, energy efficient social housing is a particular priority, if it's to have a real impact on energy poverty.

**Proxy indicators to measure the drivers of energy poverty – Driver: Energy markets, prices and energy consumption**

Indicator – Energy markets, prices and energy consumption	Ranking (1 – Most relevant / 7 – Least relevant)
Percentage change in retail energy prices	4
Percentage of households who have never switched their energy supplier	7
Level of Public Sector support in monetary terms received by households to pay for their energy bill	3
Household energy demand measured in units of energy consumed	5
Estimated amount of energy necessary to keep a home at the WHO recommended heating regime	1
Percentage of households with no access to the gas or electricity grid	2
Level of consumer choice of different energy suppliers or contracts	6

**If you know of other relevant indicator or have any other comment please add below**

***Comment***

***The impact of privatisation/liberalization of the energy market on prices and access should be measured, particularly for low-income and excluded groups. Experience from our membership indicates that liberalization has often resulted in increased prices. Increasing the amount of choice is only relevant if it can be proven that it results in better access to affordable energy. It would be important to compare prices in regulated, public and non-regulated markets in relation to WHO indicators of adequacy of heating.***

**Proxy indicators to measure the drivers of energy poverty – Driver: Household income**

Indicator - Household income	Ranking (1 – Most relevant / 5 – Least relevant)
Percentage change in the average household income	5
Percentage change in household income for different quintiles of the income distribution	4
Percentage change in household income for the poorest households (for example 20% of households with the lowest income)	3
Difference between the rate of growth of retail energy prices and the rate of growth of household income	2
Percentage of households in poverty (for example percentage of households with an income below 60% of the median household income)	1

**If you know of other relevant indicator or have any other comment please add below**

**Comment**  
*60% indicator is the 'at risk of poverty' threshold. An alternative indicator is severe material deprivation, used in the AROPE indicators by the EU.*  
 It is important to assess the relationship between changes in household income in relation to growth of retail prices in different countries, for the different quintiles – ie how far price rises are beyond rises in household income, particularly in relation to low income groups.

**Proxy indicators to measure the consequences and impacts of energy poverty**

Indicator - Consequences and impacts of energy poverty	Ranking (1 – Most relevant / 6 – Least relevant)
Percentage of households in arrears on their energy bill	4
Percentage of households unable to switch supplier due to energy bill debts	5
Percentage of households which have been disconnected due to arrears in their bills	2
Percentage of households suffering from illnesses associated with inadequate heating	3
Percentage of winter deaths due to inability to heat the home and	1
Percentage of summer deaths due to inability to cool the home	6

**If you know of other relevant indicator please add below**

**Comment**  
*The indicator on arrears on energy bill, should have a sub-indicator on reasons for arrears, ie inability to afford to heat home adequately.*

**6. GENERAL COMMENT.** If you have any other comment in relation to the measuring of energy poverty, please add it below

***Comment***

***As above – important to measure the 3 criteria and the co-relations between them – ie adequacy of household income in relation to expenditure – ie fair pricing/affordable levels to heat their home adequately, and how far energy efficiency can reduce consumption.***

***The installation of pre-paid meters can be useful, if combined with other approaches, but on their own they can merely mean that people self-disconnect – ie decide not to heat their homes because they can't afford them.***

## Policies to tackle energy poverty

Member States have the responsibility to protect vulnerable consumers and address energy poverty. Governments have put in place a number of policies to address this problem. In this section we would like you to consider policies to tackle energy poverty.

**7. Please rank the policy measures below according to their effectiveness to tackle energy poverty starting with 1 for the most effective policy**

Policies	Ranking (1 – Most effective / 10 – Least effective)
Prohibition of disconnection in critical times	2
Social tariff for a targeted group	10
Independent and free energy advice	7
Direct payments to households to compensate for the cost of their energy consumption	1
Transparent and clear information on energy bills	9
Stronger provisions on consumer protection	4
General price regulation	3
Energy efficiency investment for the houses of those households with lower income or in a vulnerable situation	5
Minimum energy efficiency standards in old buildings	6
Information campaigns and home visits to inform households about ways to reduce their energy bills through energy efficiency improvements, access to better deals, collective switching, etc.	7

**8. GENERAL COMMENT.** If you have any other comment in relation to the policies to tackle energy poverty, please add it below

**Comment**

*A combination of policies is needed. Social Tariffs are not seen as the answer. It needs an integrated energy poverty strategy which develops coordinated policies on the 3 pillars – adequate income, fair pricing and reducing consumption with indicators and effective monitoring. Independent regulation, advise and redress with representation from stakeholders including low income consumers/households is vital. The assumption should not be made that the market automatically delivers access/affordable energy.*

**9. If this questionnaire has triggered any ideas or thoughts, please add them below**

**Comment**

It would be important to give more emphasis to independent regulation, monitoring, and redress – ie the need for regulators to have a clear mission to defend the consumer, and to ensure fair, affordable and accessible energy to all. Civil Society and trade union stakeholders should be part of the regulation structure and resourced to produce independent reports. Independent advise and redress are also important.