

STUDY VISIT & EXPERT
MEETING

ENERGY PRICES & ENERGY POVERTY IN SOUTHERN EUROPE:

Realities & Perspectives



15 & 16 September 2022



Madrid, Spain



ecodes
tiempo de actuar





FEANTSA & Energy poverty





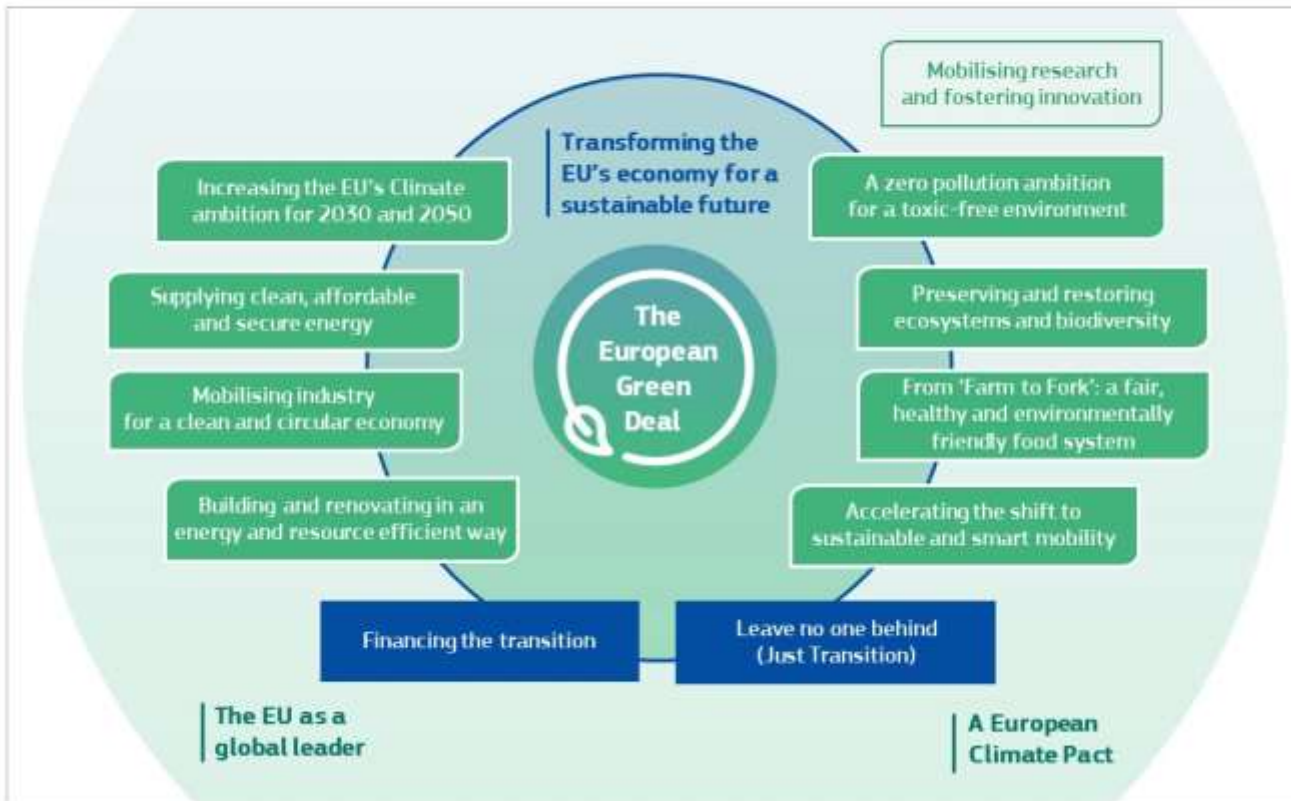
Housing Solutions Platform

Identifying, debating and promoting
innovative solutions for affordable housing in Europe



EU Climate Ambition

Green Deal goals (2020)



EU Climate law (July 2021)

- an 2030 climate target of at least 55% reduction of net emissions of greenhouse gases as compared to 1990,
- a legal objective for the Union to reach climate neutrality by 2050





Policy areas in the EGD climate action plan



Supplying clean, affordable and secure energy



Increasing the EU's climate ambition for 2030 and 2050



A zero pollution ambition for a toxic-free environment



Preserving and restoring ecosystems and biodiversity



Accelerating the shift to sustainable and smart mobility (90 percent reduction of GHG by 2050 in comparison with 1990)



Mobilizing industry for a clean and circular economy



From Farm to Fork: a fair, healthy and environmentally friendly food system



Leave no one behind — Just Transition Mechanism

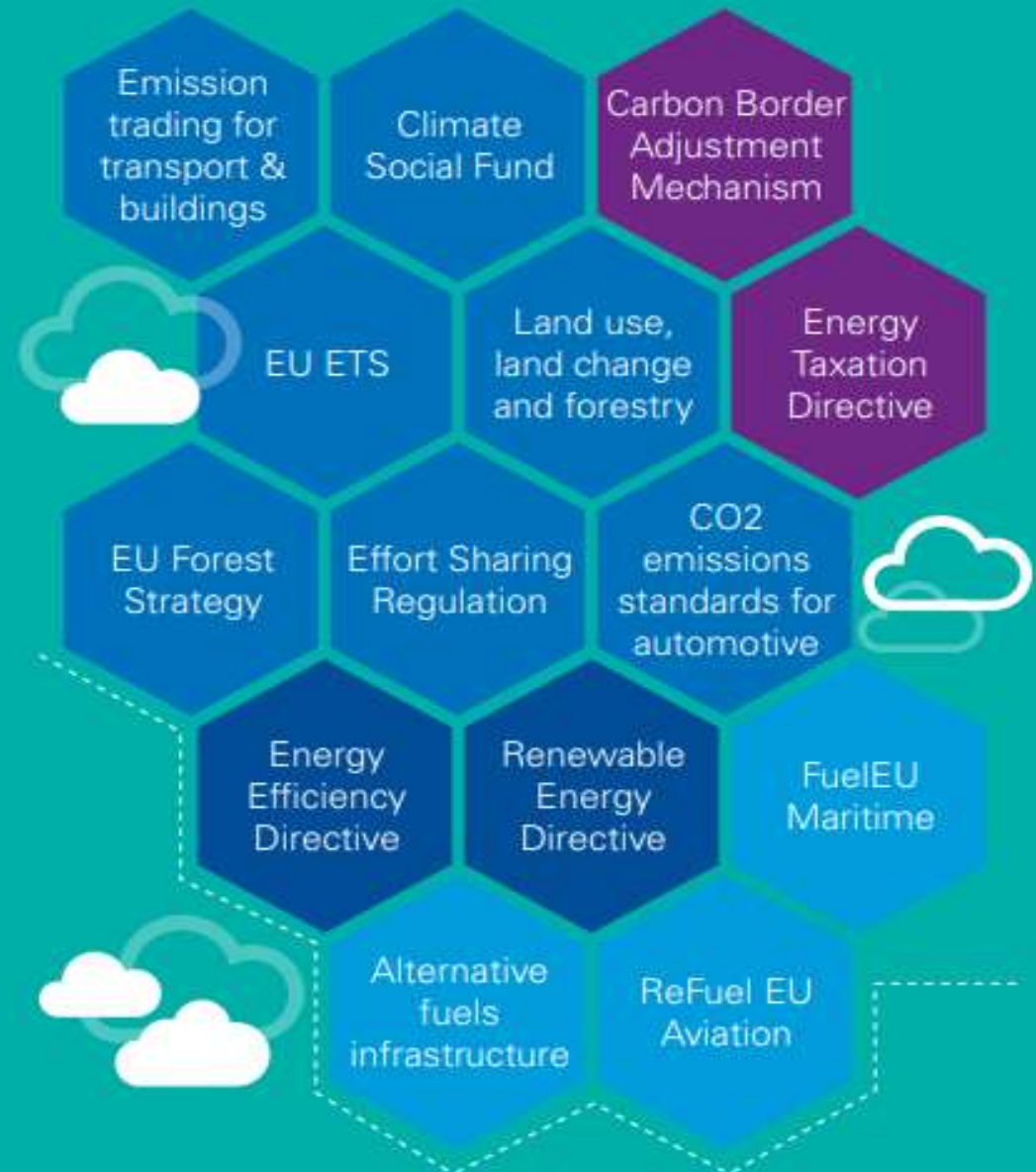


Building and renovating in an energy- and resource-efficient way



Fit for 55 package

- Emission Trading Scheme extension to buildings & road transport
- Energy efficiency Directive review
- Energy performance of building directive recast
- Social Climate Fund





Social implications: synergies & risks



Synergies

- *the interaction or cooperation of two or more organizations, or other agents to produce a combined effect greater than the sum of their separate effects.*
- Social & Environmental: synergies & trade off.



Deep energy efficiency in buildings :

Improved thermal comfort

Lower energy use & therefore costs

Reducing health risks – cold or damp homes

Reducing carbon emissions



Trade-off

- trade-off: energy prices

ETS 2

- Flemish study: ETS extension could lead to an increase of 460 euros in energy expenditure for Flemish households
- Polish Economic Institute estimates an extension of the EU emissions trading system to road transport and buildings would mean an average annual increase in energy expenditure for the EU's poorest households of 44 % (EUR 373) for transport and 50 % (EUR 429) for housing .

Electricity price / gas price



Impact on lowest-income groups

- Higher share of their total income to housing, heating, transport and food
- Already limiting consumption to the minimum necessary, their demand is therefore less price elastic
- wealthier households are able to afford the upfront costs of undertaking energy retrofits, change car or have the funds to cope with rising food prices





Fit for 55 and energy poverty



EPBD

- Introduction of minimum energy performance standards (MEPS)
 - for new buildings,
 - Existing buildings undergoing major renovations,
 - for the replacement or retrofit of central building elements like heating and cooling systems



What impact on prices?

- Research Ghent university (Flanders) on the ability of households to finance renovation: half of homeowners cannot finance renovations.
- *Research Germany & Sweden*
 - Rising rents & “Green gentrification”
 - Upfront costs
- For instance when financing is based on rent increase based on expected energy savings ... but
 - Not accurate estimations
 - Consumers take some of benefits in increased comfort
 - may go from heating one room to all home



FEANTSA European Federation of National Organisations Working with the Homeless



Recommendations

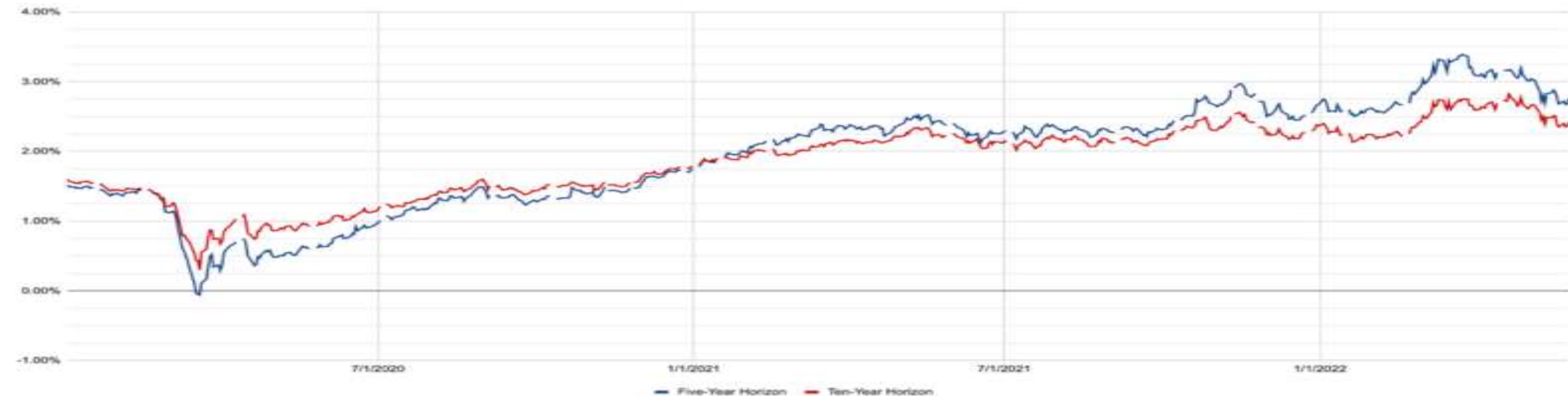


Netherlands to ban fossil heating from 2026, make heat pumps mandatory

By Nikolaus J. Kurmayer | EURACTIV.com

📅 May 17, 2022 (updated: 📅 May 19, 2022)

- Unstable context (energy prices + all commodities)
- Matching social & environmental objectives



Social situation – exacerbated urgency

- Ireland (The Economic and Social Research Institute) – now estimate of 29,4% of people in energy poverty (from 13.2 per cent in 2015/16).

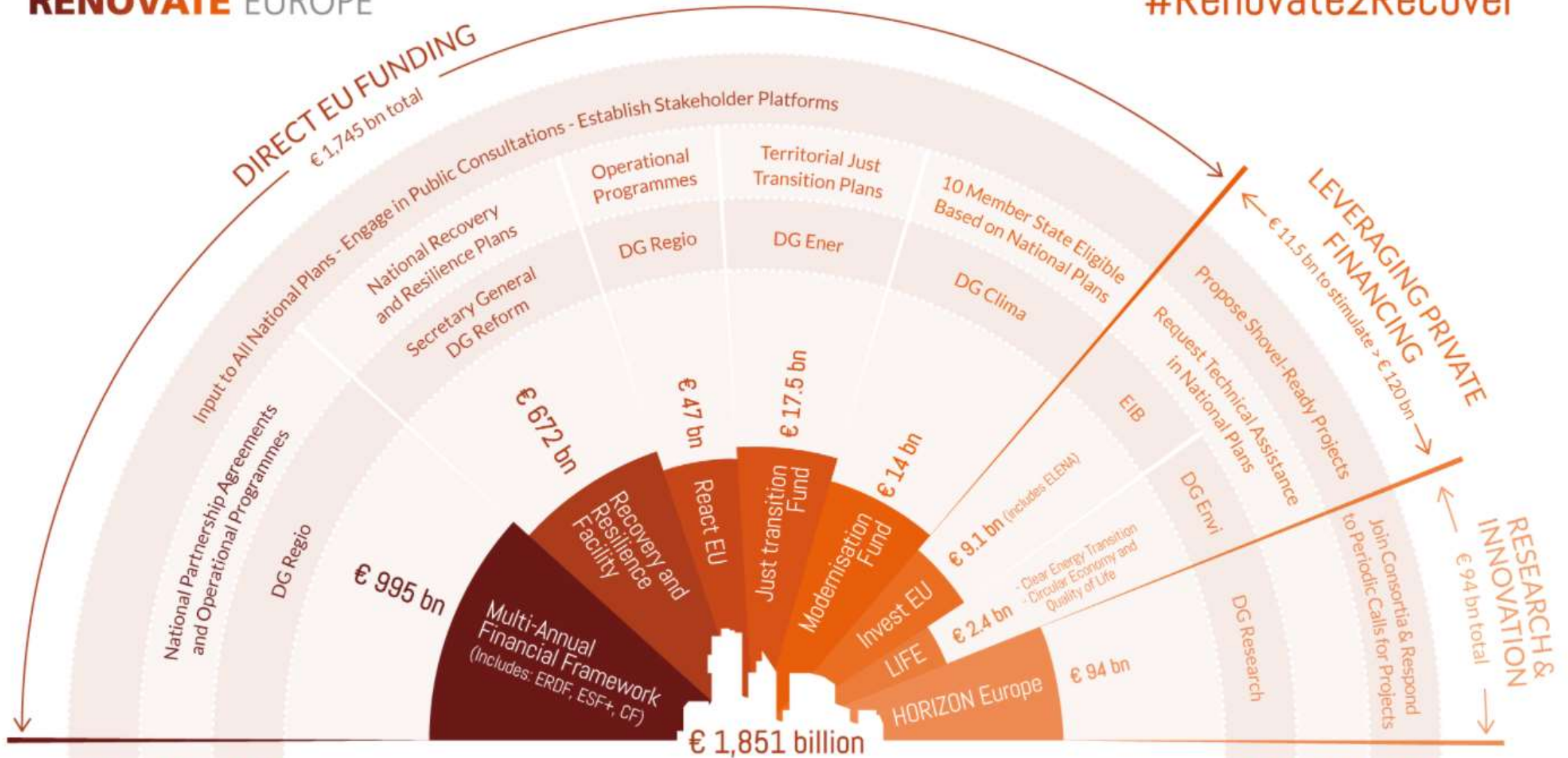
Reported increase in call to support services:

+20% to St Vincent de Paul,
+15% Money Advisory and Budgeting Service
(May 2022 to May 2021)

- FEANTSA members e.g. Barka Foundation (Poland):
cost of electricity is on a scale not seen in decades.
March 2022, electricity price +220% compared to 2021
- Middle income groups are also at risk
 - Over indebtedness
 - mortgage arrears , evictions
 - utility disconnections

What do we do? How can we ensure a socially fair energy transition?

- A Legislative framework: housing as a right
 - Rent caps
 - Ban on renoviction
- FUNDING



Visualisation of EU funding that is available to Member States for expenditure on energy renovation
About € 610 bn (33%) is required to be spent on climate actions

EU Funding for Energy Renovation of Buildings

Opportunity 1. target funding to low-income cold homes

Prioritize retrofitting of low-income cold homes with high potential to deliver warmer homes: comprehensive package: financing + advice & guidance

Opportunity 2. Transformation of inadequate collective housing

- Toward housing first!



How?

Dedicated funding: earmarked funding or a new fund

- Social climate fund
- An opportunity, a need for social acceptability of the green deal

Thank you!

Questions, feedback?

@ClotildeClark1

clotilde.clark-foulquier@feantsa.org

SoU

- a grab on energy companies' profits to measures to curb demand. She said the bloc aimed to raise more than 140 billion euros (\$140 billion) from a swoop on the revenues of low-cost power producers and a temporary levy on fossil-fuel producers.
- => will trigger discussions between member states, which have different priorities and vulnerabilities. The aim is to get a deal in place by the start of October -- when the heating season starts.
- Von der Leyen has already had to park the idea of imposing a price cap on imported Russian gas amid opposition and divisions. But gas prices are easing from their highs -- partly on the back of the bloc's willingness to act.
- A mandatory curb on peak power consumption

Q & A



1. Is climate change a priority for the homeless sector in your context?
2. What action are your organisation and others taking in relation to climate change?
3. What do you know and what do you need to know about climate change and homelessness?
4. What opportunities and risks regarding homelessness in the context of the energy transition?
5. How are your services affected by energy prices? What can be done about it?
6. Can FEANTSA support you in this area? What would be useful?

Small group discussion