

9 November 2016

Energy Efficiency for Low-Income Households

Analytical study for the ITRE Committee, European Parliament

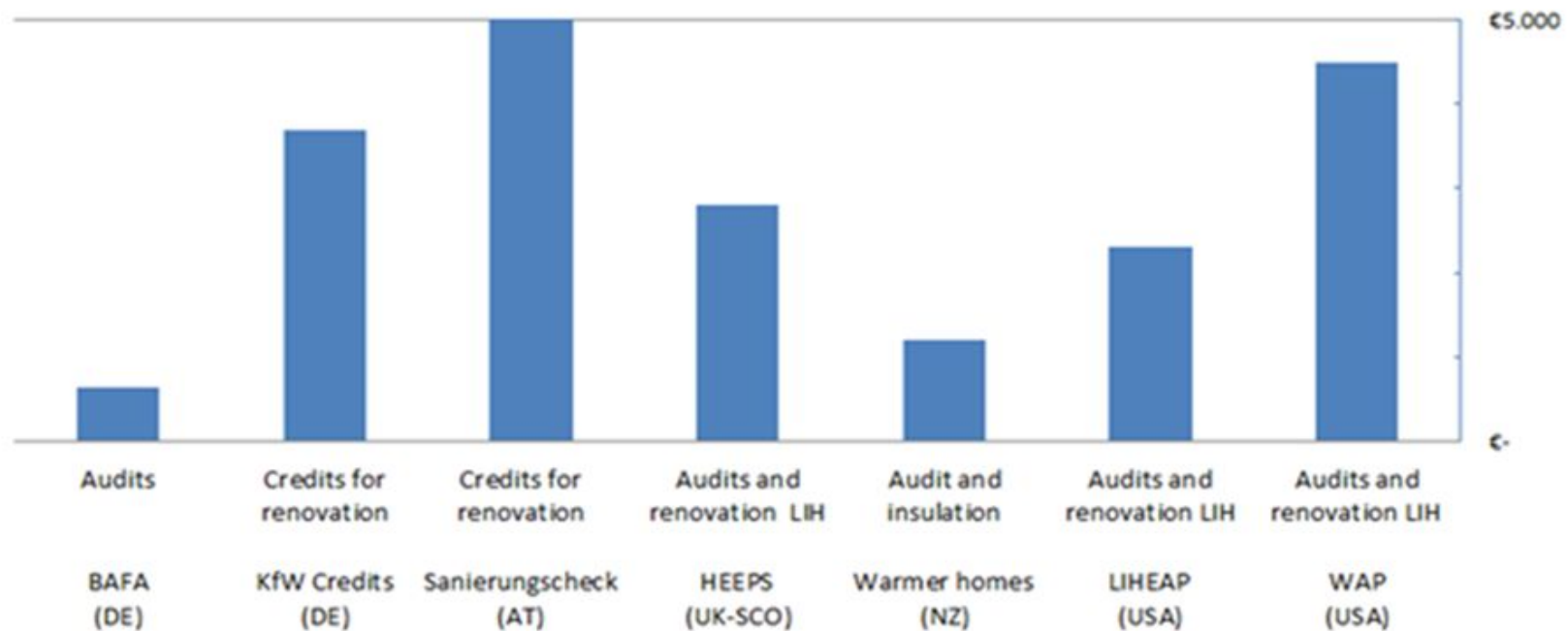
Presented by:

Dr. Sergio Ugarte – SQ Consult B.V.

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Estimated average investment



Most relevant barriers:

- Informational barriers
- Lack of access to capital
- Split-incentives barrier (landlord-tenant dilemma)

Recommended policy options

1. Define common definitions at EU level to facilitate the design of effective energy efficiency policies and facilitate their monitoring
 - Clear definitions of energy poverty and vulnerable consumers in the EED and EPBD.
2. Target achievement requires addressing all households, including vulnerable ones. Member States to report whether and to what extent all groups of end users are addressed
 - Reporting requirements in the EED and EPBD addressing all household segments and specifying barriers that hamper policies.
 - EED to require MS to include sub-targets in energy efficiency obligation targets.
 - EPBD to increase requirements of minimum energy performance.

Recommended policy options

3. Design energy efficiency policies to support additional (social or economic) benefits and limit rebound and counterproductive effects

- EED, EPBD and Labelling Directive request MS to take the multiple benefits of energy efficiency into account in training and education.
- Member States can pro-actively communicate multi-benefits of energy efficiency and share the lessons learned with other MS.

4. Policy framework to integrate measures that address specific barriers or monitoring requirements for vulnerable households

- EED and EPBD to address the issue of barriers in its preambles and request MS to include such considerations in their strategy plans for building renovation.
- EPBD could include limits to rental rates for buildings with low energy label.
- EED could address informational barriers by requiring energy suppliers to include specific energy efficiency options in end users' energy bills.
- EED to request MS to communicate benefits of advanced energy improvements to stakeholders (banks, health insurance companies) that may provide access capital.

Recommended policy options

5. The choice of additional targeted policies is best left to MS

- MS implement structural programmes to improve energy efficiency with a long term focus in reducing energy poverty. Good examples found in USA and New Zealand.
- MS policy strategies for renovations to combine energy audits with financial instruments.
- Implementation of specific measures to be left to the level of local or regional governments.

6. MS to use infrastructure funds from other sectors benefiting from impacts of energy efficiency. MS to tie EE policies to European social or investment funds to enhance policy implementation

- EED and EPBD to recommend the use of funds related to additional benefits.
- MS to support development of innovative financing mechanism such as on-bill repayment.
- MS policies to be tied to European social/investment funds. EC to strengthen streamlining and blending the use of these funds linked to MS strategies.

Our contact info:

Sergio Ugarte – s.ugarte@sqconsult.com

SQ Consult B.V. | W: www.SQConsult.com
PO Box 8239 | 3503 RE Utrecht | The Netherlands

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