

Context and schemes to tackle energy poverty in Europe



BELGIUM BACKGROUND AND GOVERNANCE

BACKGROUND

1994: The Belgian Constitution recognises a 'right to decent housing' in its <u>article 23</u>.

2007: The concept of energy poverty emerged with the liberalisation of the energy markets. It is addressed at federal level from the angle of seeking accessible and affordable energy for all, through consumer protection. Articles 3 and 4 of the programme-law of 27 April 2007 define two statutes:

- Protected customer: households with a low income or in a precarious situation;
- Vulnerable customer: any protected customer or final customer considered as vulnerable by the Belgian Regions.

2009: First "Federal Plan against Poverty", one of the objectives of which is to guarantee access to energy and to strengthen the purchasing power of the population by controlling energy costs.

2015: Establishment of the Platform for Tackling Energy Poverty and the "Energy and Water Poverty Barometer". **Three indicators of energy poverty** are defined:

- Measured energy poverty (Pem): households with high energy bills in relation to their income;
- Hidden energy poverty (**Pec**): households with particularly low energy expenditure;
- Perceived energy poverty (Per): households unable to heat their home adequately.

The Regions have developed complementary approaches to the federal measures with measures on energy subsidies, energy efficiency in housing, awareness raising and household support:

- The **Flemish Action Plan against Poverty** (<u>VAPA</u>, 2016) (which includes 34 actions against energy poverty):
- The Walloon Plan against poverty and precariousness (<u>PLCP</u>, 2018);
- The Regional Air-Climate-Energy Plan (PACE, 2016) of the Brussels Region.

The Platform for Tackling Energy Poverty

Created in 2015, the platform produces reports dedicated to energy poverty, acting *de facto* as an observatory. To date, the platform does not have its own website.

Objectives:

- To measure the extent and impact of energy poverty and identify its causes;
- Identify and disseminate good practices in Belgium and abroad;
- Carry out at least one coordinated action per year with concrete and visible results by stimulating dialogue between all stakeholders;
- To carry out a prospective thinking on new developments;
- Formulate recommendations for public authorities and other actors.

Operation:

- Independent working groups, coordinated by the King Baudouin Foundation;
- Brings together the various relevant stakeholders: energy suppliers and distributors, the federation of CPAS (Public Centres for Social Action), consumer and anti-poverty organisations, regulators and academics;
- A committee of experts defines priority actions and formulates concrete recommendations for decisionmakers.

Activities and productions:

- Annual Energy and Water Poverty barometer, launched in 2015, (cf. <u>Barometer 2020</u>), with federal and regional data;
- <u>Recommendations</u> to federal and regional governments and stakeholders.

STAKEHOLDERS AND SCHEMES

The **federal government** and the **three Regions** (Brussels-Capital, Flanders, Wallonia) share the competences in the fight against energy poverty.

At federal level, the **regulator** (<u>CREG</u>) sets the amount of the social tariff for electricity and gas every three months. At the regional level, the Regions' energy departments initiate the regional energy poverty plans while the regulators manage the regional electricity and gas markets (the Walloon Energy Commission CWaPE, the Flemish VREG, and BRUGEL in Brussels-Capital). The **Public Centres for Social Action** (<u>CPAS/OCMW</u>), present in each municipality, support the lowest-income households.

The **local advisory commissions for energy** (CLE in Wallonia, LAC in Flanders) bring together representatives of social services and energy distribution networks and deal with requests for electricity and gas cuts. **Energy suppliers and distributors**, the energy mediation service, numerous **associations** and **consumer information centres** are key actors on the ground to identify and support households in difficult situation.

STATISTICS



- Population: **11.5 millions** (2019)
- National median equivalised income: **€24,610 /year** (in current prices, 2019)
- Number of people living below the poverty line: **1.7 million** (15%) (2019)
- Climate: oceanic
- Average annual expenses for « electricity, gas and other fuels » per inhabitant (related to the dwelling): €980 /year (in current prices, 2019)

COMPARISON WITH THE EUROPEAN AVERAGE IN 2019

Share of pop. INABLE TO KEEP HOMEADEQUATELY WARM

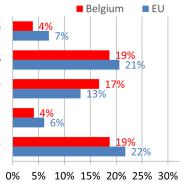
Share of NECESSARY EXPENSES related to housing

Share of pop. living in UNHEALTHY HOUSING

Share of pop. with ARREARS ON UTILITY BILLS

Share of pop. with LOW INCOME and HIGH HOUSING EXPENSES

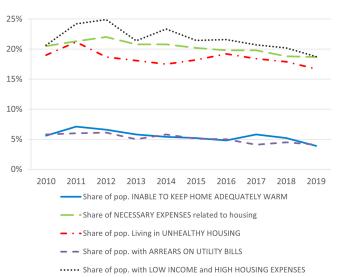
Source: Eurostat / EU-SILC



Most of the energy poverty indicators, whether related to housing or household expenditure, are **better in Belgium than the European average** (2 to 3 points). The country has introduced many measures, particularly in the form of financial assistance, to support the poorest households.

Nevertheless, the share of the population declaring to live in **substandard housing is slightly higher than the EU average**: 17% against 14%. Indeed, the **share of dwellings built before 1946** is **higher** in the Belgian housing stock (37%) than at the European level (22%) (Eurostat).

TRENDS OVER 2010-2019



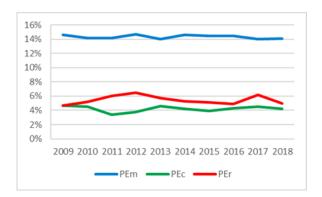
Source: Eurostat / EU-SILC

The **at-risk-of-poverty** rate and the number of people living below the poverty line in Belgium is **fairly stable**: almost 1.7 million people in 2019.

There is an **improving trend over 2010-2019 in other indicators related to energy poverty**. The share of housing-related expenditure of Belgian households has decreased by almost 2 points since 2010, partly due to the downward trend in the price of gas and heating oil, which are the main energy sources consumed in the residential sector (41% and 30% respectively in 2019). The price of electricity for households (20% of the residential consumption mix) has, on the contrary, continued to rise (+5%/year on average since 2010) (Enerdata).

Energy poverty affects tenants (35%) more than owners (14%) (<u>Barometer, 2020</u>), due to lower average incomes of tenants, and the constant rise in rents especially in small, low-cost housing (<u>EPOV, 2020</u>).

NATIONAL DATA



Source: data from the <u>Energy and Water Poverty barometer</u>

PEm: Measured energy poverty (too high energy bills);

PEc: Hidden energy poverty (too low energy expenses);

PEr: Perceived energy poverty (unability to heat adequately the dwelling)

According to the latest <u>Energy and Water Poverty</u> <u>Barometer</u> of the King Baudouin Foundation, **20.8% of households in Belgium** were in energy poverty in 2018 (all forms combined, not exclusive).

This figure has not increased since 2009.

The barometer highlights **strong disparities** between Regions: Flanders has 15% of households in energy poverty, compared to 25.6% in Brussels-Capital and 27.6% in Wallonia.

This is explained by higher disposable incomes, a milder climate and a generally more energy efficient housing in Flanders (housing stock on average more recent than in the other Regions).

NATIONAL POLICIES

POLICIES FOR ENERGY ACCESS, BUILDING RENOVATION AND ENERGY EFFICIENCY

SCHEME		TARGET (RESULTS)	Other information
Energy access	Federal social tarriff (since 2004): aid at national level for paying electricity and natural gas bills. The social tariffs are about 30% lower than the average market prices.	Any household receiving certain benefits (or social housing tenants (for gas)). In 2019: 456,000 beneficiary households (electricity) and 272,000 (gas), i.e. about 15% of the whole Belgian households.	Set as the lowest market tarif observed, calculated every quarter.
	Gas-electricity fund (since 2001 / 2002; also called Energy fund): bill clearance assistance.	Any household that has difficulty paying its energy bills can apply to the CPAS. 120,000 beneficiary households in 2017.	Managed by CREG, intervention by CPAS (municipal level).
	Regional "protected customer" status (Bruxelles-Capitale).	Social tariff granted by the supplier (gas and/or electricity) to vulnerable customers in debt or in precariousness, and guaranteed winter supply.	Prohibition of disconnection without a decision of justice.
Renovation and energy efficiency	Rénopack (Wallonia, since 2016): 0% loan to finance the the remaining costs of renovation or energy-saving works in dwellings.	The loan comes in complement to a <u>Housing grant</u> (the amount of which depends on the income level, with a factor of 1 to 6) to help finance the remaining costs. In 2018: 3,675 loans awarded for a total of €59.8 million.	Loan managed by two social credit institutions, ensuring access to credit for low-income households.
	Energy grants (Brussels-Capital, since 2004): grants for renovations and sustainable investments in buildings (studies and works).	For tenants or owners. Amount depending on income categories and action types (up to 70% of the eligible costs).	These grants cover insulation, ventilation and heating actions, and energy audits.
	Obligation of actions on electricity. distributors (Flanders since 2012): includes actions dedicated to vulnerable households.	Electricity distributors must offer free energy advice to vulnerable households being "protected customers", as well as grants for insulation or boiler replacement (€1800 grant).	Also annual vouchers for energy efficient appliances (€150 vouchers).

Other measures are implemented by Regions for energy access or energy savings.

COMPLEMENTARY INITIATIVES

TYPE OF INITIATIVE	EXAMPLE(S)	ZOOM SUR	
Targeted training to empower energy poor households	The "Eco Watchers" project offers training in sustainable management for housing and energy, for professionals and households. The Vigilance Network and the social energy support centre in Brussels-Capital offer training and support to social workers about access to energy and water.	Aids specific to face the Covid-19 crisis The Regions have put in place several specific aids linked to the loss of income caused by the Covid-19 crisis, including: Brussels-Capital Covid-19 bonus of €215 per household for tenants who have lost income as a result of the crisis. Extension of the	
Cooperation initiative between social bodies and manufacturers to provide efficient appliances for vulnerable households	" <u>Papillon Project</u> " under experimentation in Flanders, involving social bodies and manufacturers such as Bosch.	winter period in 2020 about the ban on cuts. Widening and relaxation of the criteria for getting the protected customer status. Flanders Those made unemployed as a result of the crisis received a Covid allowance of €203 to pay water and electricity bills. Wallonia	
Support initiatives to help tenants in the private rented sector	Project " <u>Insulation and rent bonus</u> ", for roof insulation (mandatory from 2020), replacing windows and heating systems (grants and free support).	0% loan to pay the rent (Locaprêt) on a 6-month period, suspension of electricity/gas cuts during lockdown and a bonus of €100 (electricity) and €75 (gas) for households with prepaid meters (meters with prepayment of energy).	

GOOD PRACTICES

Green loan (Brussels-Capital, since 2008)

Partnership between Homegrade, Brussels Environment, the financial cooperative Crédal and the Housing Fund.

Objective: Provide a financing solution according to the financial capacities of

the households (e.g. for the remaining costs for works benefiting from a grant).

Approach: Guaranteed loan at a rate between 0 and 2% for owners or tenants (in agreement with their landlord) for energy improvement works (insulation, ventilation, heating system, PV panels, solar water heating). The rate depends on the income: 0% if income is less than €30,000 (single person) or €60,000 for couples / cohabitants.

Results: more than 3,000 loans between 2008 and 2017.

Preventive Energy Action Plan (Wallonia, since 2004)

Scheme of the Wallonia's Region, run by CPAS (Public centres of social action).



Objective: Helping households in difficulty

to improve their energy management and reduce their bills.

Approach: Regional aids to the CPAS to initiate Preventive Energy Action Plans (PAPE), including (1) individualised support to households in precarious situations, whether or not they are beneficiaries of the CPAS (energy assessment, advice and information, support for action, home visits, etc.) and (2) information and awareness-raising sessions (on the rational use of energy, energy management, available aids and grants, etc.).

Budget of **€200/household** advanced by the CPAS, then reimbursed by the households according to their income.

<u>Samenlevingsopbouw</u> (Flanders, since 2008; network)

Network funded by the Flemish government.



Objective: Increase the chances of people in situations of vulnerability (poverty, unemployment, social tenants, etc.) to **live in decent and energy-efficient housing**.

Approach: Samenlevingsopbouw ("community development") gathers **eight Flemish not-for-profit organisations**. Among other tasks, the network provides support to local initiatives in the field of **housing**. It does **small-scale projects** that improve the availability of good-quality affordable housing.

MEBAR II (Wallonia, since 1993; aids for work)

Scheme of the Wallonia's Region, run by CPAS (Public centres of social action).

Objective: Help low-income

households to do energy saving works. **Approach**: **Grants** (up to €1,365) to

low-income households (social integration

income plus 20%, i.e. about €1,597 per month for a household), owner-occupiers or tenants, for energy saving works (e.g., insulation, heating system, replacement of windows or external doors). Possibility of getting a grant again after a period of 5 years.

Results: Average new annual energy savings of **2GWh/year**, from new projects each year.

Benoveren (Flanders, since 2018; support scheme)

Campaign of the Flanders' Region, led by the Flemish Energy Agency.



Objective: Renovate all obsolete houses in Flanders by 2050, making them as energy-efficient as new ones.

Approach: Support scheme for the planning of renovation steps to achieve high performance renovation, in a sequence that allows subsequent work to remain feasible

The scheme links up with available financial incentives (notably from the Region and energy distributors). This renovation plan makes it possible to **anticipate future regulations on housing**.

Walloon network for sustainable access to energy (RWADE, since 2004)

Network of 11 social bodies, trade unions and associations for environment, lifelong education or fighting poverty.



Objective: Defend the right of access to energy for all. Approach: The network's activities aim to (1) ensure the proper application of the legislative framework, (2) structure and voice the opinions and concerns of citizens, associations and trade unions, (3) provide a link between citizens, political representatives and public authorities, (4) inform the general public about energy issues.

Information sources (see also the documentation annex)

- Aids of Wallonia's Department of Energy
- Brussels Environment (<u>page on access to energy</u>)
- Flemish statistics about difficulties to afford energy
- <u>Proposal</u> of Flemish programme to tackle energy poverty
- Belgium's Energy and Water Poverty Barometers