



GERMANY

BACKGROUND AND GOVERNANCE

BACKGROUND

There is no official definition for energy poverty in Germany. The policies in place are focused on **poverty in a broad sense, without acknowledgment of a targeted energy component**. They provide aid to the most precarious households with a **minimum living wage (Hartz IV law, 2005)** including flat-rate payment for electricity and actual prices for heating costs. They do not include measures specifically dedicated to energy poverty.

2006: emergence of the notion of energy poverty with a [report on the social impacts of energy prices increase](#).

From 2010: the energy transition ("Energiewende") raises the issue of financing electricity produced from renewables (EEG Law) and has significant repercussions on energy prices. This stresses the energy poverty issue that is seen mainly through the prism of electricity prices. The stated objective of the government is thus to [ensure affordable energy prices](#).

Consequently, the measures implemented at the federal level are mainly focused on **access to energy**. Among others, they include the establishment of support and loans for households with bill arrears and threatened with energy cuts. Electricity and/or gas **disconnections and cuts ("Strom- und Gas-sperren")** are themselves strictly regulated by law (**StromGKV** for electricity, **GasGKV** for gas). Their development is monitored by the Ministry of Economy and Energy (BMWi) and the Federal Network Agency (Bundesnetzagentur - BNetzA) through an [annual monitoring report](#).

Germany also put in place numerous financial support mechanisms for energy savings (mainly housing renovation), but these rarely focus on the most vulnerable households.

STAKEHOLDERS AND SCHEMES

At the federal level, the **Ministry of Economy and Energy (BMWi)** oversees energy reforms and ensures reasonable energy prices. In the fight against energy poverty, it finances the **energy check** program with the Ministry of Environment (**BMU**). The regulator (**BNetzA**) is responsible for upholding consumer rights in the electricity and gas markets.

The **regions and municipalities** have developed complementary approaches.

At the local level, **numerous regional consumer associations** ([Verbraucherzentrale VZ](#), [Bund der Energieverbraucher](#), etc.) and **charitable organizations** ([Caritas](#), etc.) also play a key role: they advise and support households on energy issues (supplier change, tariffs, consumer rights and management of power cuts, financial support) or provide financial assistance to the most vulnerable households threatened by electricity or gas outages, in partnership with energy **suppliers and distributors, employment centres or social services**.

The Energy Advisory Service of Regional Consumer Associations («[Verbraucherzentrale](#)»).

The consumer associations (Verbraucherzentrale, VZ) are **non-profit organizations** which, on a mandate from the State, devote themselves to consumer protection and provide **advisory services** on given topics.

In terms of energy consulting and energy savings, these centres act, among other things, as the operational relay for the Ministry of Economy and Energy (BMWi), which subsidizes energy consulting services through a **national program of "checks"** (see below).

The services are completely free for the poorest households.

Objectives :

- Optimizing household energy consumption through **personalized energy consulting services**:
 - Reduction of electricity and heating bills;
 - Thermal performance of dwellings under renovation and construction.

Operation :

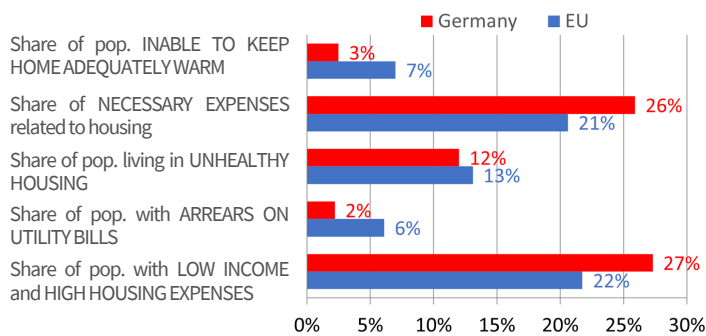
- More than 600 energy advisors, and 900 advisory centres across the country, since 1978.
- Around 140,000 consumers supported per year, in the centres or at their homes (on-site visits).
- Different types of state-subsidized benefits:
 - The **basic check** (Basis-Check), **free for all**, includes an analysis of household electricity and heat consumption, housing equipment and simple savings actions.
 - **Thematic checks**: heating check (Heiz-Check), solar thermal check (Solarwärme-Check), building check (Gebäude-Check), individual intervention check (Detail-Check): technical analysis of equipment, and energy savings opportunities identified by an energy advisor during an on-site visit. **Subsidies** allow to limit the cost of thematic check to €30 for all households, and to make them **free for low-income households**.

STATISTICS



- Population: **83 million** (2019)
- National median equivalized income: **€ 23 505/year** (in current prices 2019)
- Number of people living under poverty line: **12.3 million** (15%) (2019)
- Climate: **continental**
- Average annual expenses for « electricity, gas and other fuels » per inhabitant (related to the dwelling): **€ 820/year** (in current prices 2019)

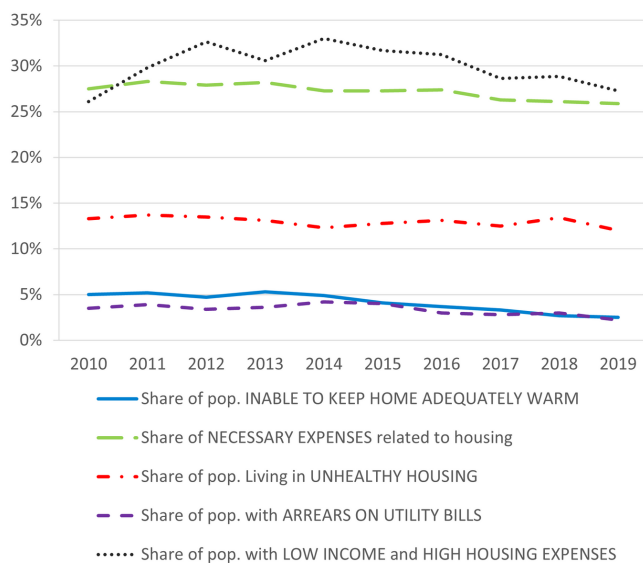
COMPARISON WITH THE EUROPEAN AVERAGE IN 2019



Source: Eurostat / EU-SILC

Compared to the EU average, Germany's performance in terms of energy poverty is **mixed**. **Housing-related indicators are slightly better**: only 3% of the German population reports suffering from thermal discomfort (compared to 7% at the European level), while 12% live in unsanitary housing (EU: 13%). The situation is however contrasted since the **lowest-income households are more severely affected**: among the households whose income is lower than 60% of the median threshold, 8% cannot heat their housing adequately (EU: 5%). **Indicators related to household spending are worse than the EU average**: necessary energy spending related to housing represents 26% of German household income, compared to 21% in the EU. The share of low-income households with high housing energy expenditures is 27% (EU: 22%). This gap widens if we consider households with the lowest incomes (1st quintile): nearly 42%, against 34% in the EU. A notable exception: **the share of the population with current bill arrears remains one of the lowest in Europe**: 2%, against 6% for the EU average.

TRENDS OVER 2010-2019



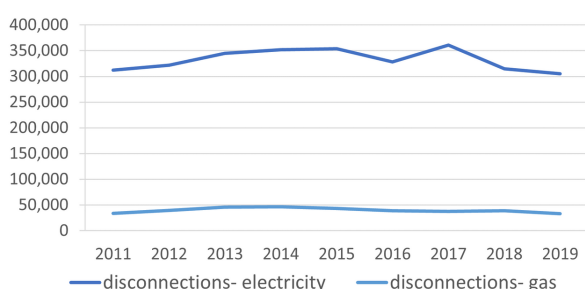
Source: Eurostat / EU-SILC

Compared with 2010, the indicators show a very **gradual improvement**: notably, **the rate of population unable to properly heat their homes has been halved**. Since 2014, the share of the lowest-income households with high housing expenditures tended to decrease, partly due to the **fall in gas prices**, gas being cheaper on average than in the rest of the EU.

Since 2015, the number of people living below the poverty line has gradually decreased: in 2019, 12.3 million people were affected. Energy poverty stronger affects tenants and households living in apartments ([EPOV, 2020](#)).

In general, the progress made since 2000 in **energy efficiency in residential dwellings** has been more significant in Germany than in the EU ([ODYSSEE](#)), probably due to the several German policies in place fostering thermal renovation or construction of energy-efficient housings, which however are **not focused on vulnerable households**.

NATIONAL DATA



Source: [Bundesnetzagentur](#). Note: change in statistical scope in 2015.

300,000 to 360,000 **electricity supply disconnections** take place each year. This reached a **peak in 2017** and has **fallen sharply** since then (-8%/year). There are 33,000 to 46,000 **gas disconnections** per year on average, with a **strong improvement in 2019** (-14%), its lowest historical level (similar to 2011).

With the **Covid-19 pandemic**, the regulatory conditions for authorizing electricity or gas cuts have changed, and many energy providers have announced the **suspension of disconnections**. A drop in these indicators in 2020 can thus be expected, which will not necessarily reflect an improvement in the situation of households in energy poverty in view of the particular context.

NATIONAL AND REGIONAL POLICIES

POLICIES FOR ENERGY ACCESS, BUILDING RENOVATION AND ENERGY EFFICIENCY

	SCHEME	TARGET (RESULTS)	Other information
Energy access	Loans for the payment of electricity or gas arrears (<i>Darlehen für Strom- und Gasrückstände</i>) (2014-): financial support from federal and regional governments.	All households benefiting from social assistance or unemployment can apply for the measure. Support in the field by local employment centres or social centres.	Reimbursement by monthly deduction of 10% of the total aid on the energy bill.
	Housing allowance (<i>Wohngeld</i>) (2009-): social benefit covering heating costs.	All low-income households are targeted. Around 1 million beneficiaries in 2010, around 500,000 in 2019.	Since 2020, new criteria for heating aid according to household size (€14.4 to €29.4 /m ²).
Renovation and energy efficiency	Consulting services in energy saving programs (<i>Basis-Check, Solarwärme-Check, Eignungs-Check Solar, Detail-Check, ...</i>) (1978-).	About 100,000 beneficiary households per year. Available to all households, free services for low-income households since 2019. (Value of the "Basis-check" for basic visit: €180).	Funded by the Ministry of Economy and Energy (BMWi), and implemented by the local consumer associations.
	Affordable Housing Act (<i>WoFG, Wohnraumförderungsgesetz</i>) (2002): regional construction/renovation funding programs for low-income households and large families.	Grants under the form of cheaper loans or financial subsidy for the construction/renovation of energy-efficient housing. The aim is to keep net rents (paid or charged) at a socially acceptable rate despite incurred costs.	Criteria of access and support vary according to region (loans at preferential rates, grants, etc.).
	Climate Bonus (2007-): based on the "Bielefeld model", promotes access to energy efficient housing for low-income households.	Premium for energy-efficient housing through the consideration of the energy quality of the rented housing in the calculation of the maximum rent reimbursed to welfare recipients.	System in place in Bielefeld (2007-2019), then developed around the country: Solingen, Berlin, etc.

COMPLEMENTARY INITIATIVES

TYPE OF INITIATIVE	EXAMPLE(S)
Local energy access initiatives	Support for the payment of energy bills by multiple consumer associations (e.g., "Energycity Härtefonds Hannover"), power limiters (e.g., "1.000 Watt Lösung für Köln"), prepaid meters of EnergieRevolte GmbH .
Local energy saving consultancy programs	Advice provided by many regional consumer associations (e.g., in North Rhine-Westphalia, energy debt prevention in Nuremberg).
Initiatives targeted at specific audiences	Energy consultancy services in foreign languages for migrants in Hanover , training on energy savings for building caretakers in Bremen by real estate developer Gewoba . (see Ecuba).

ZOOM ON: North Rhine-Westphalia tackles energy poverty ("NRW Bekämpft Energiearmut")

verbraucherzentrale *Nordrhein-Westfalen*

The consumer association of North Rhine-Westphalia (Verbraucherzentrale, VZ NRW) is the regional advice centre for consumers.

In 2012, it launched a programme to tackle energy poverty. VZ NRW provides free legal and budget services to households at risk of power outages, and works in partnership with local energy providers and organizations such as Caritas. The programme takes place in more than 10 different cities (Aachen, Bielefeld, Bochum, Dortmund, Duisburg, Gelsenkirchen, Cologne, Krefeld, Mönchengladbach, Velbert or Wuppertal).

More than 7,700 households have received assistance since 2012 to find alternatives (mediation with the supplier, advice on budget management, etc.).

This programme is funded by the regional Ministry of the Environment (3 million euros over 2012-2018). In 2017, the project was voted best "Social Innovation Project" at the European level.

GOOD PRACTICES

Caritas Electricity Saving Check (“StromsparCheck Aktiv”, on-site visits for energy savings ; since 2008)

Developed by Caritas Germany in partnership with the Federal Association of Energy and Climate Protection Agencies, coordinated by Berlin Energy Agency and funded by the Federal Ministry for the Environment as part of the National Climate Protection Initiative.



Objectives: reducing the energy costs of low-income households, and favouring professional insertion of long-term unemployed.

Approach: Free on-site visits to measure and analyse energy usage (1st visit); provide an **energy saving plan** (tailored advice) and install **low-cost devices saving energy or water** such as LED lamps, water-saving shower heads or switchable power strips (2nd visit); and monitor the effects after one year (3rd visit, optional). The participants can also benefit from a **€100 coupon for buying an efficient fridge** or a combined fridge/freezer (energy class A+++), when their refrigerator is older than 10 years and that a new A+++ one would save at least 200 kWh/year compared to the old one. The scheme is focused on **low-income households who receive social benefits** (e.g., unemployment, child or housing allowance, aid for basic needs).

Another key component is the **training for long-term unemployed to be energy advisors** of the scheme.

Results: the initiative started in 2008 with local projects and has expanded progressively across the country, with now **more than 1,000 advisers in more than 150 cities**. Over 2009-2019, around **350 000 low-income households** have benefited from these electricity saving checks. On average, participants can save from €150 to €300/year. 20% of the trained energy advisors have found a job.

SoKo Energiewende (research programme ; 2013-2016)

Coordinated by the Centre for European Economic Research (ZEW), and funded by the Federal Ministry of Education and Research.



Objectives: study the socio-political consequences of the energy transition in Germany, and identify possible critical interactions between energy and social policies.

Approach: set of studies including analyses of the distributional effects from energy transition policies, connections between material deprivation and energy consumption; set up of an interdisciplinary research network focusing on social, energy and climate policies against the background of aspects of justice.

Results: the programme showed that the energy transition and the resulting increase in energy prices had markedly differentiated distributional effects, to the detriment of the most vulnerable households.

The analyses made it possible to identify the behaviour of different categories of households confronting rising energy prices.

The programme also estimated that about 10% of German households were experiencing energy deprivation, and found that the German welfare state makes a considerable contribution to tackling energy poverty.

EnergieRevolte Düren (prepaid green energy , since 2018)

Subsidiary of Düren's municipal utility.



Objective: providing a flexible energy offer enabling households to manage their electricity budget and afford green electricity.

Approach: subsidiary offering green electricity via prepaid electricity meters that can be recharged via the internet or a mobile application, and therefore with full flexibility. The offer requires to replace the electricity meter.

Users can choose the amounts to be credited and view their consumption in real time. They receive notifications when their credit comes closer to expiration. They can pay with PayPal, credit card, direct debit or bank transfer. Relatives or donors can also more easily help them with their electricity costs.

Results: the offer was tested in Düren district in 2018 before being available in other cities (Aachen, Heinsberg, etc.) from 2019, with the plan for a nationwide expansion. By June 2021, EnergieRevolte supplies about 1,000 customers.

EnergieRevolte did an internal survey assessing that their customers would have reduced their electricity consumption by 14 to 19% in their first year with this service.

Information sources (see also the documentation annex)

- **Ministry of Economy and Energy** (BMWi)
- Germany's **National Energy and Climate Plan** (see sections 2.4.4 and 3.4.4)
- Germany's **Long Term Renovation Strategy** (see section 2.4.4)
- **Monitoring reports** of the Federal Agency for Networks (BundesNetzagentur)
- **Pages on energy** on the website of the **umbrella organization of the consumer associations** (Verbraucherzentrale, VZ)
- Caritas **Electricity Saving Check**