



**European Committee  
of the Regions**

**ENVE-VI/038**

**135th plenary session, 26-27 June 2019**

## **OPINION**

### **Multilevel governance and cross-sectoral cooperation to fight energy poverty**

#### THE EUROPEAN COMMITTEE OF THE REGIONS

- points out that since energy poverty is already a well-known problem and is now being increasingly recognised in the EU's legislative framework with explicit obligations on Member States, nobody will be able to claim in the future that they were unaware of the issue: policies and specific measures are needed; notes, however, that the precise definition of the different aspects and effects of energy poverty as well as the necessary indicators to measure them need to be developed with full attention to the diversity of regional and local circumstances in order to ensure that policy measures can be targeted and implemented effectively;
- calls on the European Commission to propose specific objectives for reducing energy poverty by 2030 and eradicating it by 2050;
- considers improving the energy efficiency of the housing stock to be one of the main areas of work for local and regional authorities and urges them to avoid focusing exclusively on social housing, particularly in Member States with low rates of social housing;
- highlights the need to allocate as large a share of EU funds as possible to an overall renovation of the building stock which takes account of energy poverty, in order to specifically avoid a delay in the energy upgrading of the homes of the poorest tenants and owners, which would increase energy poverty and hamper the achievement of climate objectives;
- calls on the European Commission to look at the conditions for extending the activity of the Energy Poverty Observatory, to extend its purpose and work as far as is necessary, and to develop possibilities for data collection and evaluation, given that the information collected by the Observatory will continue to be essential for the proper development of public policies in the future.

Rapporteur

Kata Tüttö (HU/PES), Representative of Local Government of District 12 of Budapest

Reference documents

Own-initiative opinion

## **Opinion of the Committee of the Regions – Multilevel governance and cross-sectoral cooperation to fight energy poverty**

### **I. POLICY RECOMMENDATIONS**

#### **THE EUROPEAN COMMITTEE OF THE REGIONS,**

##### *Introductory remarks*

1. notes that it has already stressed the importance of taking energy poverty into account when designing different policies in a number of previous opinions and considers the explicit recognition of the need to consider the social consequences when shaping climate and energy policy, now and in the future, to be one of the most important political developments in recent years. Thus, combatting energy poverty should be comprehensively taken on board by all relevant national and EU legislation;
2. emphasises that with regard to these social consequences, one of the main problems is energy poverty, which is closely linked to the Committee of the Region's current priorities;
3. believes that taking into account both the general EU view and local and regional specificities when managing the fight against energy poverty can help to boost citizens' trust in the EU and to bring Europe closer to its citizens, but can also contribute to implementing the Paris Agreement and the Energy Union;
4. welcomes the fact that the European Commission legislative framework "Clean Energy for All Europeans" acknowledges the importance of eradicating energy poverty and refers to it explicitly many times;
5. highlights the fact that following the establishment of an EU framework, the next challenge is to translate the general provisions of the clean energy package into adaptations of the different specific elements of the legislation, taking full account of the needs of different regions. This will involve both maintaining compliance with the general EU framework and setting out the necessary frameworks and measures based on knowledge and recognition of the various aspects of energy poverty;
6. welcomes the progress made in the legislative process on important elements of the clean energy package, in particular the European Parliament's position on the common rules for the internal electricity market and its explicit recognition of the need for comprehensive data collection on energy poverty by Member States, the suggested flexibility for Member States to intervene in the market to address energy poverty, and the widening of the definition of "vulnerable consumers" (art 28)<sup>1</sup>;
7. supports in particular the EP's demand for guidance by the European Commission on the criteria to be used to define a "significant number of households in energy poverty" (also in the context

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1 [P8\\_TA-PROV\(2019\)0226 adopted on 26.03.2019](#)

of Art 3.3.d of Regulation 2018/1999 on the INECs) and fully endorses the EP's premise that "any proportion of households in energy poverty can be considered to be significant";

8. points out that since energy poverty is already a well-known problem and is now being increasingly recognised in the EU's legislative framework with explicit obligations on Member States, nobody will be able to claim in the future that they were unaware of the issue: policies and specific measures are needed; notes, however, that the precise definition of the different aspects and effects of energy poverty as well as the necessary indicators to measure them need to be developed with full attention to the diversity of regional and local circumstances in order to ensure that policy measures can be targeted and implemented effectively;
9. stresses, however, that pioneering experience in tackling energy poverty has already been gained at local and regional level, including the valuable work produced by the partnership on housing under the EU Urban Agenda;
10. notes that one of the best ways to eradicate energy poverty on a European level is through investments in energy efficiency and having a properly-functioning and competitive single market that delivers low prices;
11. welcomes the fact that the new Regulation on Governance of the Energy Union provides the framework for local and regional authorities to have their voices heard and to prioritise dealing with energy poverty;
12. recognises that energy poverty is a major societal challenge, with social, economic and environmental consequences that must be addressed urgently at all levels of governance and which call for a holistic, cross-cutting approach that takes account of the relationship between social and environmental objectives and instruments;

*What do we essentially mean by energy poverty?*

13. notes that the Covenant of Mayors for Climate and Energy defines energy poverty as "a situation where a household or an individual is unable to afford basic energy services (heating, cooling, lighting, mobility and power) to guarantee a decent standard of living due to a combination of low income, high energy expenditure and low energy efficiency of their homes";
14. points out that one in ten Europeans cannot heat their homes properly in winter, one in five EU citizens cannot afford air-conditioning in the summer and that more than 80 million Europeans live in damp housing which contains traces of mould. The latter is also linked to the difficulties they experience heating and cooling their homes properly;
15. notes that – as is the case for many other forms of poverty and in combination with them – women are more severely threatened and affected to a greater extent by energy poverty. More specifically, this is due to income inequality and the unequal division of domestic and family tasks between men and women and to the fact that a higher proportion of single parents and elderly people living alone are women;

*The need for a comprehensive approach*

16. recognises that energy poverty is an extremely complex issue, which can only be resolved by taking a joint and coordinated approach to the different social, technical, economic and budgetary aspects;
17. notes that in order to take stock of energy poverty and work towards solutions, a wide range of information must be collected and a detailed analysis of it carried out; stresses in this context in particular, as noted by the CoR's own territorial impact assessment, the need for additional information broken down to the NUTS 3 level and below where appropriate, for a further development of appropriate indicators to measure the different aspects and effects of energy poverty at the local level, and for a more effective collection/processing of already available information in order to make it accessible to policy makers;
18. underlines that tackling energy poverty requires the use of various public policy instruments which take into account both energy efficiency and social protection issues;
19. insists, however, that a comprehensive, cross-cutting approach may under no circumstances be used as a pretext for pursuing political objectives and sectoral or commercial interests that have nothing to do with tackling energy poverty;
20. draws the attention of European local and regional authorities to the fact that the implementation of such a comprehensive approach is particularly important, but relatively simple to achieve at local and regional level. However, for this approach to be possible, it is essential to exchange experiences and make use of other forms of cooperation;
21. stresses that situations encountered by households affected by energy poverty are very diverse and each case has its own specific features. Those affected may be tenants or owners who live in urban or rural areas and who generally also face other difficulties that call for a fair, innovative, open and inclusive approach, in which all parties concerned must work together;
22. points out that energy poverty is not only about the state of housing, it also has a direct impact on the physical and mental health of those concerned and hinders their social relations, learning, their opportunity to do business and many other activities;

*Support not only for monitoring energy poverty - but for eradicating it too!*

23. takes the view that the success of public policies at EU level is generally achieved by setting objectives that are ambitious, specific and measurable enough;
24. stresses that, while the only possible goal for a policy aiming to wipe out energy poverty is the complete eradication of the problem, more short-term objectives are needed to ensure the effectiveness of the policy process;
25. calls on the European Commission to propose specific objectives for reducing energy poverty by 2030 and eradicating it by 2050;

*Action to be taken at EU level*

26. welcomes the fact that guaranteed access to energy is not only one of the UN's Sustainable Development Goals, but that the European Pillar of Social Rights, launched in November 2017, also puts special emphasis on the question of social protection. Energy poverty is a typical case where action is required also at EU level;
27. warmly welcomes the strategic vision "A Clean Planet for all", adopted by the European Commission in 2018, which aims to establish a climate-neutral Europe by 2050, while ensuring not only greater prosperity and job creation but also social justice for a fair transition;
28. calls on the EU institutions and the Member States to ensure that everyone can effectively enjoy the right to affordable energy and, to this end, to consider the possibility of a moratorium on the termination or suspension of public services due to a failure to pay, so that no household is left without supply of basic heating or cooling;
29. takes the view that limiting excessive energy costs cannot be left to the sole discretion of competition and market self-regulation and that the EU must therefore put in place legal frameworks providing Member States and local authorities with the right tools to ensure affordable energy. To keep energy prices low, the EU and other authorities must first ensure that there is sufficient supply on the energy market, that monopoly pricing is resisted, and that methods of promoting energy transition are cost-effective and do not drive up prices excessively;
30. stresses the need for appropriate measures to prevent or off-set possible negative repercussions of energy efficiency renovations, such as increased housing costs; in this context, it is crucial to guarantee a fair distribution of costs and benefits of energy efficiency between homeowners and tenants;
31. considers that local and regional authorities should facilitate the provision of free and independent advice to the public and support the more active involvement of households in generating energy;
32. is of the view that European legislation could be much more ambitious and national governments need to cooperate openly and actively with local and regional authorities to ensure effective multi-level governance;
33. considers it essential to simplify and widen access to EU funds, as the limited means of action for people and groups affected by energy poverty and their reduced access to services offered by public administrations often plays a role in bringing about or aggravating this problem; Furthermore, points out that renovation and energy efficiency measures may be limited by the financial situation of occupants, and by rent regulations that make it difficult to recover costs; stresses therefore the need to ensure appropriate incentives to invest in energy efficiency improvements for both tenants and house-owners, and the protection of vulnerable consumers;

34. calls for closer cooperation between the European Energy Poverty Observatory, the Covenant of Mayors for Climate and Energy and Eurostat;
35. stresses that it is essential to include transforming energy consumers into "prosumers" as an instrument for eradicating energy poverty. To this end, initiatives should be encouraged at all levels to enable energy-poor consumers to become energy producers;

#### *The role of local and regional authorities*

36. notes that local and regional authorities are on the front line in the complex fight against energy poverty, as they can identify the people affected and pinpoint the specific causes of the problem and provide directly practical advice and guidance to citizens. Moreover, many of the measures to combat energy poverty can be implemented at local level;
37. given that energy poverty is an extremely complex problem, emphasises that it is not possible to apply the same solutions to the different regions of the EU. Local and regional authorities also need to adopt a new comprehensive approach to finding appropriate means, by involving relevant local government offices with expertise in various fields in order to find the best remedy. Local and regional levels of government have certain key powers in relation to energy efficiency and energy production policy, through their own energy companies, housing associations, cooperation with the private sector, project funding, guidance, etc.;
38. draws attention to the possibility that policies to manage energy poverty may bring other benefits for these local authorities, for example, by boosting the success of other policy objectives and supporting policies such as those aimed at energy efficiency, reducing greenhouse gas emissions, improving citizens health, social inclusion and social protection and thus overall their quality of life and sustainability;
39. highlights that tackling energy poverty effectively could help local and regional authorities to further extend the social base for climate change action by involving social groups that have thus far been less active and have received less attention;
40. insists, however, all of this will only be possible if the local and regional authorities' legal and financial instruments are sufficiently strengthened;

#### *Housing stock and energy efficiency*

41. stresses that energy efficiency is an important link between climate neutrality objectives and those relating to a fair energy transition, including the management of energy poverty;
42. considers improving the energy efficiency of the housing stock to be one of the main areas of work for local and regional authorities and urges them to avoid focusing exclusively on social housing, particularly in Member States with low rates of social housing;
43. emphasises that the obligation to renovate 3% of buildings belonging to Member States' central governments annually with a view to improving their energy efficiency should be followed by

ambitious investment and support to also accelerate renovation in other parts of the housing stock, otherwise efforts to eradicate energy poverty will have no chance of succeeding in the foreseeable future, let alone of achieving climate objectives;

44. highlights the need to allocate as large a share of EU funds as possible to an overall renovation of the building stock which takes account of energy poverty, in order to specifically avoid a delay in the energy upgrading of the homes of the poorest tenants and owners, which would increase energy poverty and hamper the achievement of climate objectives;
45. urges Member States to transpose into national laws the updated EPBD<sup>2</sup> as soon as possible and latest by March 2020, as the improvement of the energy performance of the existing building stock in the EU is directly linked to the full implementation of the existing legislative framework;

#### *The importance of the Covenant of Mayors*

46. welcomes the fact that the Covenant of Mayors for Climate and Energy has established the issue of energy poverty in the third pillar, playing a leading role in keeping this issue on the agenda and finding solutions; highlights the valuable role played by the Covenant of Mayors in sharing knowledge and experience and in supporting methodological guidelines provided to European local and regional authorities and other key players;
47. stresses that the Covenant of Mayors can continue to count on its support, given the great value brought to European citizens by its active role and its deep social roots;
48. calls on European local and regional authorities and their leaders to sign up to the Covenant of Mayors and other climate action networks and to actively participate in their activities, with particular focus on exchanging local good practices;
49. notes that a group of CoR members act as ambassadors for the Covenant of Mayors, with the aim of publicising its activities and encouraging the greatest possible number of signatories. The Committee is of the view that the efforts of these ambassadors should be properly supported;

#### *The Energy Poverty Observatory*

50. emphasises that a precise definition and measurements of energy poverty are essential for planning and implementing appropriate public policy solutions and measures;
51. regrets that two thirds of Member States are not monitoring the development of energy poverty using quantitative metrics;
52. notes that, up to now, the Energy Poverty Observatory set up by the European Commission has operated fully in line with the objectives set when it was established;

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2 Energy Performance of Buildings Directive (EU) 2018/844.



53. as the Observatory's scheduled lifespan is approaching an end, calls on the European Commission to look at the conditions for extending its activity, to extend its purpose and work as far as is necessary, and to develop possibilities for data collection and evaluation, given that the information collected by the Observatory will continue to be essential for the proper development of public policies in the future.

Brussels, 27 June 2019

The President  
of the European Committee of the Regions

Karl-Heinz Lambertz

The Secretary-General  
of the European Committee of the Regions

Jiří Buriánek

## II. PROCEDURE

<b>Title</b>	Multilevel governance and cross-sectoral cooperation to fight energy poverty
<b>Reference(s)</b>	Own-initiative opinion
<b>Legal basis</b>	Article 307(4) TFEU
<b>Procedural basis</b>	Rule 41(b)(ii)
<b>Date of Council/EP referral/Date of Commission letter</b>	–
<b>Date of Bureau/President's decision</b>	
<b>Commission responsible</b>	Commission for the Environment, Climate Change and Energy (ENVE)
<b>Rapporteur</b>	Kata Tüttö (HU/PES) Local Government Representative of District 12 of Budapest
<b>Analysis</b>	
<b>Discussion in commission</b>	28 January 2019
<b>Date adopted by commission</b>	4 April 2019
<b>Result of the commission vote (majority, unanimity)</b>	Unanimity
<b>Date adopted in plenary</b>	27 June 2019
<b>Previous Committee opinions</b>	
<b>Date of subsidiarity monitoring consultation</b>	–