



PKEE

Polski Komitet Energii Elektrycznej
Polish Electricity Association

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Energy poverty: how to reduce inequalities?

Discussing the matters relating to high energy prices for the final consumer was the main objective of the debate organised by Euractiv in cooperation with the Polish Electricity Association (PKEE). The meeting, attended by the European Union officials and the representatives of Brussels-based associations, took place on December 8, 2021.

Paweł Cioch, Vice-President for Corporate Affairs, PGE Group and member of the PKEE Management Board who opened the event, emphasised that energy poverty is a very complex issue because many factors have a great impact on it, such as energy prices, economic situation of citizens, energy efficiency as well as weather conditions. - *In the case of Poland, long and quite severe winters and relatively high share of people with low income who live in buildings with poor energy performance make this issue very significant. But rising energy prices are a common problem for the entire European Union, and the level of challenges varies across Member States. To alleviate social impacts of increasing energy prices, governments are introducing various mechanisms dedicated mostly to vulnerable households. However, we need European solutions as well - he noted.*

CEO Cioch also mentioned that high energy prices for the final consumer play a big role when it comes to energy poverty. - *This is why the "Fit for 55" package should not only enable the achievement of new European climate targets, but also mitigate the negative effect that the proposed changes will have on consumers' bills. In the case of the Czech Republic and Slovakia, energy expenditure already exceeds 20% of the household budgets, and in the case of Romania, Hungary and Bulgaria it is around 15%. The solutions adopted must not drive energy consumers into poverty - he added.*

According to Vice-President Cioch, especially now, when electricity and gas prices in the EU are very high, additional burdens cannot be imposed in an unbalanced manner. At the end of the day, the costs are borne by consumers. The social acceptance for a transition and respect for the rule "no one is left behind" is now crucial as never before. - *Therefore, the members of the Polish Electricity Association are concerned about some proposals of the "Fit for 55" package, which in our opinion do not reflect properly the different starting points of various Member States towards climate neutrality. I will refer to two examples. Firstly, the EU ETS Directive, which does not resolve the lasting issue of imbalances in some Member States which not receive revenues that are equivalent to the costs borne by the installations subject to the EU ETS. Secondly, new very strict rules for efficient district heating systems proposed without a reasonable period to adjust the investments plans, as well as the exclusion of natural gas-fired high-efficiency cogeneration plants from the scope of the Modernisation Fund may in practice impede the transformation of the heating sector in countries like Poland - he clarified.*



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During the high-level panel, its participants – Adela Tesarova, Head of Unit, Consumers, Local Initiatives and Just Transition, DG Energy, European Commission; Niels Fuglsang MEP, Member ITRE Committee, Shadow Rapporteur for "Maximising the energy efficiency potential of the EU building stock", European Parliament; Baiba Miltovica, President of the TEN section, rapporteur for TEN/723 A Renovation Wave for Europe, European Economic and Social Committee; Dimitri Vergne, Team leader, Sustainability, BEUC and Masha Smirnova, Campaign Manager European Green Deal, EUROCITIES discussed how addressing energy poverty can help reduce inequalities in the European Union. Moreover, the debate focused on the role that the Member States should play in protecting vulnerable citizens.

Adela Tesarova, Head of Unit, Consumers, Local Initiatives and Just Transition in DG ENER, in her speech indicated that energy poverty is of course an important topic for the Commission - *It made it very clear that any impact on energy-poor households needs to be addressed at all levels: EU level, Member States' level and local level* - she pointed out.

In the opinion of MEP Niels Fuglsang, Europe needs to do a green transformation, but we need to do it in a socially just way. - *I also believe, as a social democrat, that if we do not do it in a socially just way, we will not have any green transition at all. We have seen examples of that in Europe, in France, most prominently, where you had the Yellow Vests protesting against climate policies because they had a socially unjust profile* – he stressed out.

Commenting on this statement, Baiba Miltovica, President of the TEN section in European Economic and Social Committee, has stressed that coordinated action can help raise societal awareness and understanding, which we are clearly lacking. - *There is a big gap between perception and reality* - she explained.

Following the discussion, Masha Smirnova, Campaign Manager European Green Deal in EUROCITIES, noted that energy poverty is a multidimensional phenomenon, and it cannot be tackled in isolation. - *It is clear that energy transition represents a key opportunity to improve access to better quality housing, if, and this is a big 'if', renovation costs are balanced as much as possible with energy savings* - she said.

Event page: <https://events.euractiv.com/event/info/energy-poverty-how-to-reduce-inequalities>

Video: https://www.youtube.com/watch?v=1mTE_OhTQmw

Special report: https://www.euractiv.com/section/energy-environment/special_report/energy-poverty/