

Vice-President Šefčovič at the launch of the EU Energy Poverty Observatory

Speech by Vice-President Šefčovič, in charge of Energy Union, at the launch of the EU Energy Poverty Observatory, in Brussels.

Thank you Dominik for your introduction.

President Buzek,

MEP Griffin,

Deputy Minister Stankov,

Ladies and Gentlemen,

Today is an important day. The launch of the Energy poverty Observatory marks an important milestone in our struggle for a more just, solidary, and inclusive Europe.

I often say that society is not measured only by its most successful; be them researchers or entrepreneurs. Yes, we do want Europe to be at the forefront of innovation, especially in the field of energy. But a society is also measured by its ability to care for its weakest and most vulnerable. And that is why all throughout our efforts to grow the economy, transform our technologies, and smarten our systems – we must constantly stop, look back and see if anyone was left behind.

Let us be honest. In 2018, energy poverty is a visible problem across the EU. It has reached an unacceptable level – not only in the poorer countries of the EU but also in the richer ones. This is a critical issue because it does not stand alone; it creates social exclusion, health concerns, and hinders the further integration of our countries. It is therefore a problem we cannot afford to ignore.

Let me also stress that I don't look at energy poverty only through the prism of numbers in studies and reports. Given that this topic is very close to my heart, I have visited cities which are afflicted by this problem in order to see it with my own eyes.

One of the ways in which we will aggregate the definitions and best practices is the Energy Poverty Observatory which we are launching today. The Observatory will develop indicators measuring energy poverty across the EU. This will provide, for the first time, a comprehensive overview of the situation based on comparable data.

We live at a time when 'alternative facts' or 'fake news' are popular. But we must make sure our policy making is based on sound and well researched facts and data.

These data will therefore be useful for national and regional governments, for cities, for civil society and even for entrepreneurs pitching their solutions.

But it is very important for me that the observatory will not only provide data and information. It must engage with Member States, national, regional and local stakeholders. It must contribute its expertise and assistance to encourage them to fight energy poverty.

Our current legislation already requires Member States to act on energy poverty once it is identified. The problem is that two out of three Member States do not define or measure energy poverty. This means that energy poor households are not identified nor catered for. But looking the other way won't make this problem disappear.

Our new proposals (of the revised Electricity Directive and the Energy Union Governance Regulation) therefore take the requirement a step further. For example, it requires Member States to clearly define and measure energy poverty; to monitor its levels and report on measures taken to prevent it every two years.

Of course we recognise that the context in which energy poverty occurs varies greatly among our Member States. That is why we do not attempt to create a universal definition of energy poverty. We rather opted for a description of the term. This will allow us to continue working together, addressing energy poverty across borders and learn from each other's experience – based on a common understanding that we all share.

At the same time, Member States will be the ones to define the criteria for measurement, and cost-effective solutions. We leave flexibility and leeway for each country to fine-tune it.

Ladies and Gentlemen,

Our responsibility as EU legislators must not stop at the level of definitions. Nor should we be throwing the ball back to the Member States' court. That is why we proposed EU legislation for directly tackling energy poverty.

For example, as part of the general consumer protection policy, we propose procedural safeguards against disconnections. With the new proposal, consumers will be informed on alternatives to disconnection. They will receive this critical information well ahead of the planned disconnection. This seems obvious and we have excellent examples in many Member States how this can work. But it is not obvious everywhere. Therefore, I would like all Member States to have such safeguards. Some Member States have shown that it can be done; so others should be able to do it as well.

These are all ex-post solutions for those who are already in dire difficulty to pay the bills. Equally important in treating the problem is preventing it altogether. Energy efficiency is the best answer to energy poverty.

This notion is the backbone of a wide range of concrete measures we put in

place. We are committed to the 'energy efficiency first' principle as part of our climate and energy targets. We even proposed to increase this target to a binding level of 30%. But energy efficiency is not only about decarbonisation, air quality, innovation, or jobs. It is also a remedy to help those whose houses are not ready for winter, whose roof is leaking, and windows let in the cold. By improving their physical living conditions we can also help reduce their bills.

That is precisely why we propose to require Member States to target energy-poor households and social housing in their energy efficiency measures (revised Energy Efficiency Directive). The same applies to the long term building renovation strategies (revised Energy Performance of Buildings Directive).

Finally, we need to promote investment. The Smart Finance for Smart Buildings Initiative of the Clean Energy for All package has identified several measures to unblock the necessary investment into building renovations. Smart financing solutions do exist but in sufficient number and they do not always reach those in need.

That is why we are working with the European Investment Bank, the EBRD, national promotional banks and with local retail banks on new solutions. It is still not enough but we have some concrete examples from the UK, Ireland, France or Poland where billions of Euros have been invested in building renovations, especially in vulnerable communities.

Ladies and Gentlemen,

The legislative measures and financial solutions are not hypothetical; they touch the lives of real people. What we have proposed to the Parliament and the Council could lift between half a million and 3 million households out of poverty! We are well into our negotiations with the Council and the Parliament on this precise topic. As expected, there are some intense discussions in the Council and not every Member State seems convinced yet that energy poverty is a topic for EU policies. But I am optimistic that we will have constructive discussions which will in the end reflect the importance of the issue.

I know that many in the Parliament share this view and want EU policies to address energy poverty. I'm sure President Buzek and MEP Griffin will tell us more about the political climate on this topic in the Parliament.

I'd like to conclude by saying that if there was ever a good time to make your voices heard about addressing energy poverty – it is now. This is when we are negotiating and finalising our legislation and try to build momentum for more investment into energy efficiency. This is when your input can be highly useful.

I would therefore like to thank you all organisations sitting here for your engagement and input. Please continue helping us keeping energy poverty high on the agenda until all the relevant legislation is adopted.

Thank you very much.