

HOW TO REDUCE ENERGY POVERTY IN POLAND?

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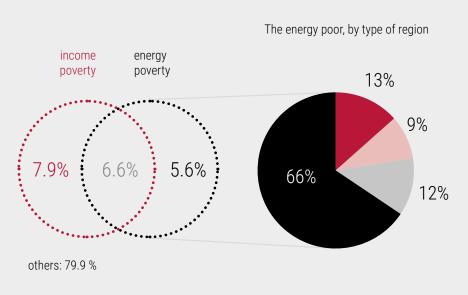
Abstract

Energy poverty only partly overlaps with income poverty. There is a significant group of people who are not able to meet their energy needs, even though their income is higher than the official poverty threshold. Energy poverty can be measured in various ways. According to the frequently used "Low Income - High Costs" indicator, 12% of Poles are energy poor. They usually live in rural areas and small towns, and as a rule do not have access to the heating network. We propose three new instruments to reduce energy poverty in Poland. First, targeted fuel allowance, which aims to alleviate the symptoms of energy poverty. Second, advisory services and energy-saving improvements. Third, thermal retrofit coupled with professional energy counselling. The latter two instruments are meant to eliminate the causes of energy poverty. Thermal retrofit is the most expensive, but the most effective tool. Developing a mechanism for practical identification of energy poor households is a big challenge. It is to be tackled by local governments, especially social assistance centres. To this end they need additional resources, both human and financial.

Key facts

- 12,2% of Poles, i.e. 4.6 million people (1.3 million households), live in energy poverty
- 5,6% of Poles, i.e. 2.1 million people, are energy poor, but not income poor
- 6,6% of Poles, i.e. 2.5 million people, are energy and income poor at the same time
- 20% of people living in rural areas are energy poor; in total they represent 2/3 of all the energy poor
- 25% of people living in energy poverty are old-age and disability pensioners

Energy poverty vs income poverty



city of more than 100,000
town of 20,000–99,000
town below 20,000
village

Source: Own calculations based on data from PHBS 2016.