

Measures and policies alleviating fuel poverty – solutions for Poland

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*ESPAnet Poland
Warsaw, 24 September 2016*

Fuel poverty

difficulties in satisfying minimum energy consumption needs for a reasonable price in the place of living

- *adequate heating standard*
- *other energy sources necessary for biological and social functioning at minimum level*

(Owczarek, Miazga 2015)

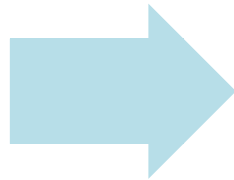
Causes

(Węglarz, Kubalski, Owczarek 2014)

Technical

Economic

*Attitudes towards energy
consumption*



Consequences

(Liddell i Morris 2010)

Physical health among children:
reduced immunity, respiratory disorders,
weight gain disorders

***Well-being of adolescents and
adults:*** stress, anxiety, depressed
mood

In extreme cases – death from
hypothermia

Fuel poverty measures

- 10% definition (Kurowski, 2012) **40%**
- 13% definition (Miazga, Owczarek, 2015) **32%**
- LIHC (Owczarek, Miazga, 2015) **17%**
- LIHC modified (Lis, Sałach, Święcicka, 2016) **10%**
- Cluster analysis (Lis, Sałach, Święcicka, 2016)

All studies based on Household Budgets Survey (2013/2014)

Fuel poverty measures

10% (or 13%) definition

Energy expenditures > 10% (13%) income

Low Income High Costs (LIHC)

Income (AHC) < 60% median



Energy expenditures > median

(Annual Report on Fuel Poverty Statistics, 2015)

| | |
|--|-------|
| - <i>Disabled pensioners:</i> | 29,1% |
| - <i>HH living on social benefits:</i> | 23,8% |
| - <i>Multigenerational HH:</i> | 22,4% |
| - <i>HH with 5 and more persons:</i> | 21,9% |
| | |
| - <i>Single-family houses:</i> | 34,5% |
| - <i>HH in rural areas:</i> | 32% |
| - Buildings constructed in 1946-60 r.: | 31,9% |
| - Buildings 91-120 m ² : | 30,5% |
| | |
| - Average: | 17,1% |

Fuel poverty measures



INSTYTUT
NA RZECZ
EKOROZWOJU



instytut
badań
strukturalnych

(Owczarek, Miazga 2015)



33%

66%

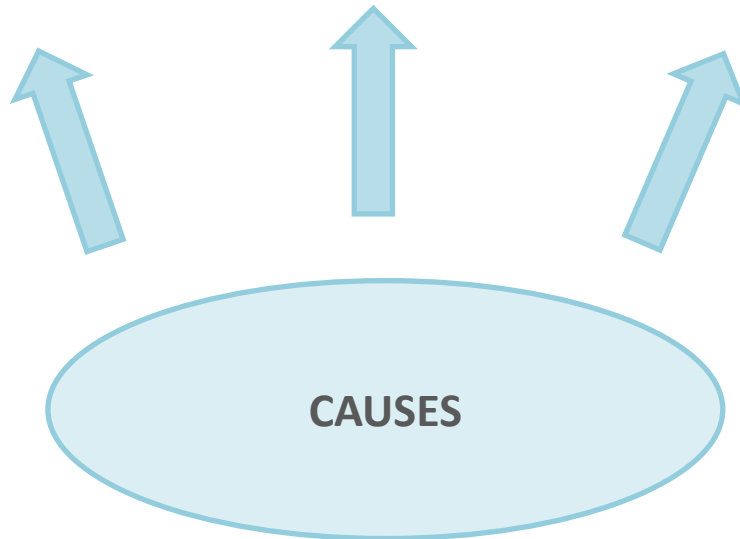
**Fuel poverty and
monetary poverty**

Fuel poverty

ECONOMIC

TECHNICAL

ATTITUDES



(Miazga, Owczarek 2015)

Fuel poverty measures

- *Women: 3.58 mln, men: 3.25 mln*
- *Fuel poverty 4 times higher in women-only households*
- *vulnerable groups:*
 - *cities over 500 thousand (W: 11.1%, M: 9.9%)*
 - *single households (W: 18.2%, M: 11.1%)*
 - *pensioners (W: 19%, M: 17.7%)*
- *Differences at the level of particular households (Tarkowska, 2012)*

(Owczarek, 2016)

Fuel poverty measures

Impact of family benefit 500+ on fuel poverty

17.1% (6.44 mln persons) → 14.4% (5.41 mln persons)

Over 1 mln less (16% decrease)

Especially among:

single parents - 33% decrease

parents with two and more children – 39% decrease

(Owczarek, 2016)

Fuel poverty measures

Initial stage of study

Diverse measures / diverse methodologies

Insufficient qualitative studies

Problems with definition: fuel poverty / vulnerable customer

Fuel poverty measures

BUT

- *Overlap of main results (groups, areas, etc.)*
 - *Current knowledge is sufficient to introduce policy measures alleviating negative consequences of fuel poverty*
 - *Further studies (PL and international)*
 - *Evaluation of policy measures / modification*
-

Fuel poverty policies

Time to start now

**SOCIAL
POLICY**

**ENERGY
POLICY**

**HOUSING
POLICY**

**RESPONSIBLE
ENTITY?**

FUEL POVERTY



VULNERABLE CUSTOMER

- Gas Directive 2009/73/WE,
- Electroenergetic Directive 2009/72/WE
- PL – Energy Law 2013:

vulnerable customer of electricity
vulnerable customer of gas



**ENERGY
ALLOWANCE**

**Lump-sum for
purchase of fuel**

VULNERABLE CUSTOMERS



FUEL POVERTY SOLUTIONS FOR POLAND

33%

66%

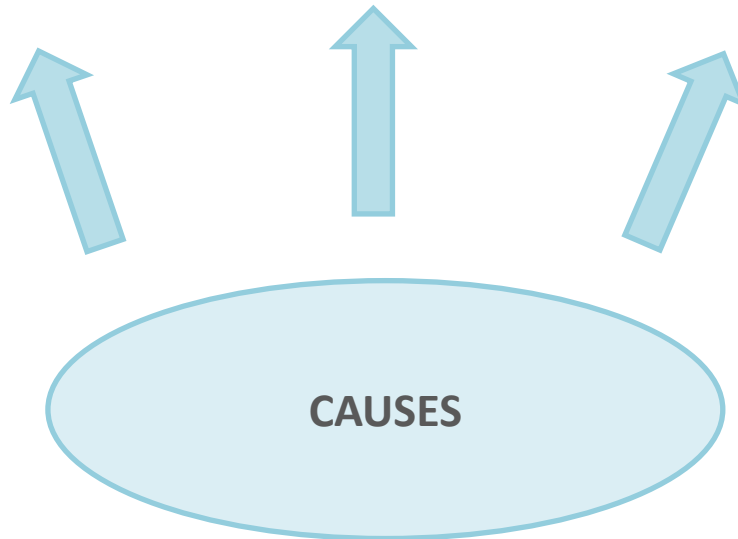
**Fuel poverty and
income poverty**

Fuel poverty

ECONOMIC

TECHNICAL

ATTITUDES



(Miazga, Owczarek 2015)

FUEL POVERTY – POLICY MEASURES TECHNICAL CAUSES

Modification of thermomodernisation premium

*higher premium if more fuel poor HH
own contribution (credit) covered from public funds
suspension of credit obligation*

Grants for thermomodernisation of social housing

*own contribution obligation
Savings used for further thermomodernisation (revolving fund)*

Thermomodernisation grants operated by NGOs

investment and educational (advisory) component

(Węglarz, Kubalski, Owczarek, 2014)



FUEL POVERTY – POLICY MEASURES ECONOMIC CAUSES

- ***direct instruments of social policy***

 - Targeted social benefits*

 - Energy allowance + Lump-sum for purchase of fuel - 7%*

 - NEED FOR A NEW INTEGRATED INSTRUMENT*

- ***indirect instruments of social policy***

 - social benefits*

 - social reintegration and employment policies*

- ***repayment of overdue bills – programmes of energy companies***

FUEL POVERTY – POLICY MEASURES ECONOMIC CAUSES

Energy allowance – 18 mln zł



*Lump-sum for purchase of fuel
< 900 mln zł*



*Targeted social benefits
< 700 mln zł*



720 thousand household
(circa 2.15 mln persons)

***Energy benefit
welfare centres***



200 mln zł – 23 zł / month
300 mln zł – 34 zł / month

Currently: 11,29 – 18,81 zł / month

FUEL POVERTY – POLICY MEASURES **ATTITUDES**

- *Education at schools*
- *Information action in media*
- *Information brochures for individual investors*
- *Energy efficiency advisory*

Stakeholders – public institutions, media, NGO

(Węglarz, Kubalski, Owczarek, 2014)

THANK YOU

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