

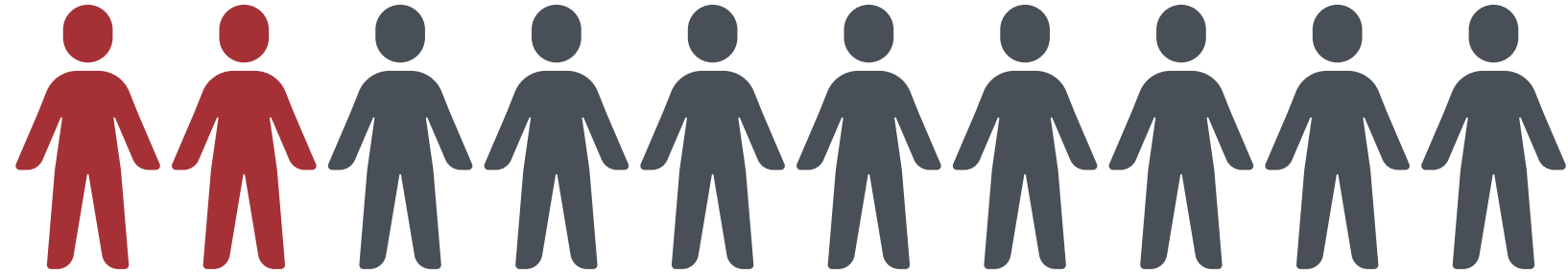


Energy poverty in Spain

Energy prices & energy poverty in Southern Europe:
realities & perspectives

September 16th, 2022

Definition in Spain



More than 3 million households are in energy poverty situation according to the indicator of disproportionate expenditure on energy supplies.

Energy poverty is defined as the situation in which a household finds itself unable to meet its basic energy supply needs, as a result of an insufficient level of income, and which may be aggravated by the fact of having an energy inefficient dwelling.

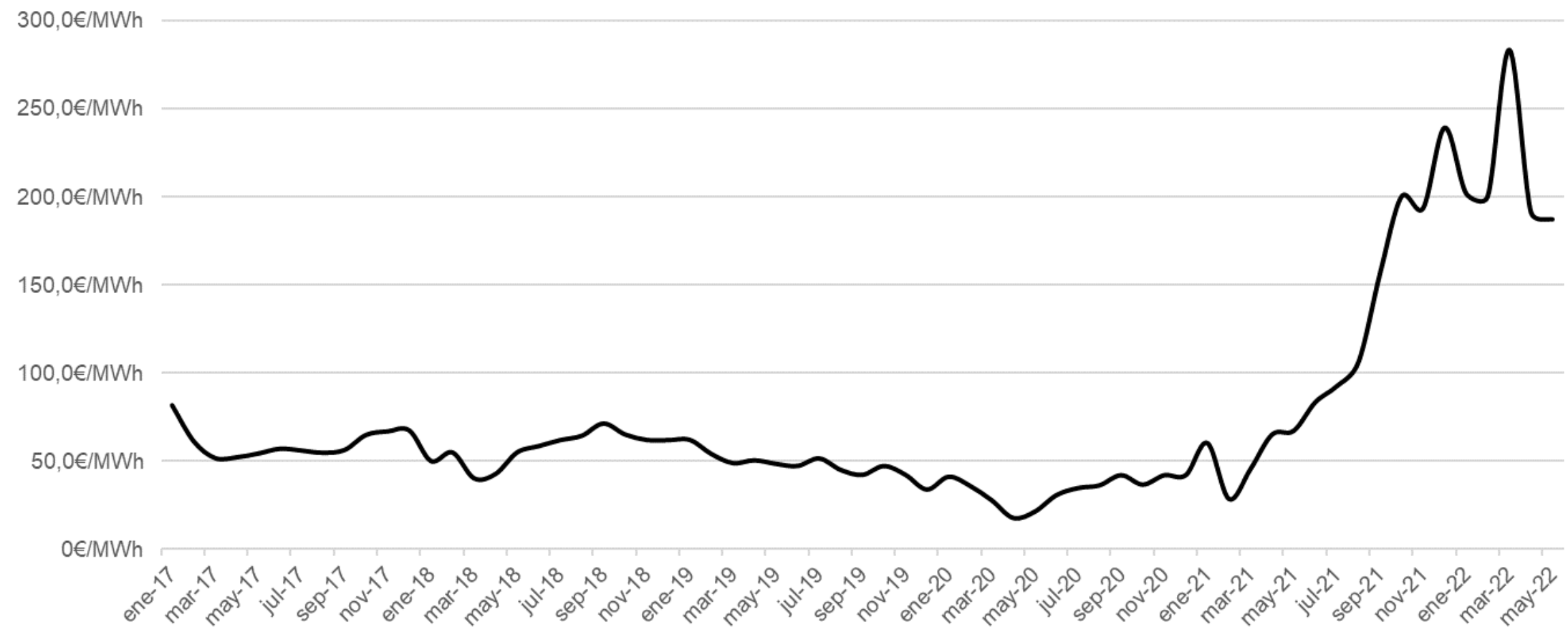


This definition forgets one of the causes: **Energy Prices.**

Causes

Energy Prices

Average final price National demand
(€/MWh)



Causes

Inefficient dwellings

- 55% of the Spanish building stock was built before 1980 and approximately 21% is more than 50 years old. Almost 58% of our buildings were built before the first regulation introducing energy efficiency criteria
- 81% of the buildings in the Spanish building stock are in the E, F or G class in terms of emissions, rising to 84.5% in the case of energy consumption



Causes

Low income

- In many cases, people living in energy poverty are those on social benefits, working part-time, unemployed and/or in debt.
- People in this situation often cannot afford to live in adequate housing, and live in buildings that require renovation and energy efficiency improvements. In many cases they also lack heating systems.
- People with an average standard of living who lost their job, and have been unemployed for years. Their unemployment runs out and they have no income. In many cases, they live this problem in silence, as they do not want their family or friends to know their situation.
- Elderly people with low pensions cannot afford to pay their bills due to the rising cost of these.



Causes:

Measures to tackle energy poverty do not arrive vulnerable groups who most need them

- 50 % of the families that meet the requirements to be beneficiaries of the **Electric social Bonus** are not receiving it.

Social Bonus a discount in electricity bills:

- Vulnerable Consumer - 25% - > 60% (till 31/12/2022)
- Severely Vulnerable Consumer - 40% -> 70% (till 31/12/2022)
- Consumer at risk of exclusion - 100%

- **Household renovation subsidies do not reach people in energy poverty.**
 - Information does not reach them,
 - Inability to carry out the procedures,
 - Insufficient subsidies



Energy Poverty indicators

Energy poverty increased by almost 22% in 2020.

The population unable to keep their homes at an adequate temperature in winter and with arrear on utility bills increased by almost 45%.

Indicator (%)	2014	2015	2016	2017	2018	2019	2020	2021
2M: Share of energy expenditure above twice the national median	16.6	16.6	16.7	17.3	16.9	16.7	16.8	
M/2: Absolute energy expenditure below half the national median (HEP)	13.2	12.2	12.6	11.5	11	10.6	10.3	
Ability to keep home adequately warm in winter	11.1	10.6	10.1	8.0	9.1	7.6	10.9	14.3
Arrears on utility bills	9.2	8.8	7.8	7.4	7.2	6.6	9.6	

Current Spanish measures to tackle Energy Poverty

- **National Energy Poverty Strategy 2019-2024.** An ambitious document with right measures . Unfortunately, only a 50 % of measures have started when the equator is already past
- Emergency plan to tackle the energy crisis.
 - Increase discounts for the Bono Social
 - Automatic granting of the social bonus. It was annouced in March but it si not implemented yet
 - Reduction of VAT to 5 % until 31/12/2022
 - Taxes reduction
 - Gas price cap
 - Reform of the electricity pricing system



50 % of the families that meet the requirements to be beneficiaries of the Electric social Bonus are not receiving it.

Therefore is urgent implemented measures as soon as posible

Perspectives: Next Winter, but also in Spain, Next Summer

- More people in Energy Poverty situation
- But also new groups and facilities where vulnerable groups spend more time :
 - NGOs,
 - Schools and educational facilities,
 - Health centres
 - Civic centres
 - Elderly Centres
- Energy Poverty in Summer



Recommendations on what should be done

- A **ban of disconnections** to effectively ensure the right to energy;
- **Super-reduced VAT of 4 % for a "minimum vital power and consumption", taking into account the consideration of electricity as a basic necessity**, guaranteeing the right and basic access to electricity. For higher consumption and power, the normal VAT rate of 21% would be maintained.
- Automation of the Social Bonus by income criteria as soon as possible.
- New mechanism to establish electricity prices
- Develop programmes to **detect** people in energy poverty situation, to **advise** them on how to save money and energy and to improve the comfort of their home and to **support** in the procedures, implementation of measures and application for subsidies
 - Resources to create **one-stop shops to inform, advice and accompany**
 - Increase resources and capacities of municipal social services and NGOs

Recommendations on what should be done

- **Ringfencing 20% of the budget of building deep renovation** programmes for housing whose owners or tenants are **people in a situation of vulnerability**
- **Social safeguards like rental price caps** when housing with vulnerable households as tenants is **renovated with public incentives**
- Urgent activation of an **express renovation plan for dwellings** that can be undertaken individually, quickly and low cost to cushion the impact of this winter's energy price rises, which do not prevent subsequent depth renovation.
- **Mechanisms to facilitate the participation of families in energy poverty in collective self-consumption and energy communities** in collaboration with local administrations. For example, by transforming part of the emergency aid for the payment of energy bills into aid for the payment of the participation fee in collective self-consumption projects or by increasing the intensity of aid for collective self-consumption projects that reserve energy for families living in energy poverty.

Good Practices



Best practices to tackle energy poverty from Italy, France and Spain



Good Practices in Spain



Good Practices in France



Good Practices in Italy

Tackling energy poverty and enhancing energy efficiency in households Toolkit for social organizations

Tackling energy poverty and enhancing energy efficiency in Non Profit Organizations Toolkit for social organization



Energy Poverty in Spain: Perspectives



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THANK YOU!

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