

RIGHT TO ENERGY COALITION, FEANTSA

Press release

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EU'S AFFORDABLE ENERGY ACTION PLAN FAILS HOUSEHOLDS

Lack of support shuts the door on vulnerable households and undermines plan's effectiveness

Brussels, 26 February 2025 – The set of policies on affordable energy announced today by the European Commission puts industry over people, warn environmental, social, and energy poverty groups – critically missing a key opportunity to support the people who need it most.

The EU Commission's 'Affordable Energy Action Plan' includes significant measures to tackle price volatility, accelerate the energy transition, promote electrification and modernise electricity grids to enhance the connection between Europe's clean energy systems.

However, the proposed action plan falls short in providing affordable energy for all EU citizens and does not live up to the promises of Dan Jørgensen, the EU's energy and housing Commissioner, made earlier in the year regarding tackling energy poverty. Instead, it includes worrying proposals to establish longer-term contracts with LNG suppliers and even invest EU money into 'foreign' LNG export infrastructure, which goes against the EU's climate commitments whilst undermining the transition at the same time.

Reacting on behalf of the Right to Energy Coalition, Maria Trotonda, Coalition Coordinator, stated:

While the plan is supposed to include benefits for households, it lacks significant, directed measures for them. Solutions for people will apparently have to wait until the Citizen's Energy Package is revealed. We can only hope this package will do better. If the EU wants to get serious about tackling the root causes of Europe's energy poverty crisis, it must focus on households to ensure every European has access to affordable renewable energy.

Also on behalf of the Coalition, Dr. Anna Zsófia Bajomi, Energy Poverty Policy Officer at FEANTSA, said:

The transition will particularly hit millions of vulnerable households relying solely on firewood, as they lack access to other heating options. With firewood classified as renewable, ETS2 [1] will likely drive up demand and further increase prices, worsening energy poverty and air quality. To prevent this, priority must be given to price monitoring, home renovations, and cleaner, still affordable, heating options for firewood-dependent households.

A comprehensive plan to make energy affordable for all

To ensure energy affordability for all, the EU must promote social tariffs across the block that automatically apply to vulnerable households based on income or social benefits, and are designed with simplified application processes.

Alternatively, rising block tariffs - offering a basic amount of electricity at below-market rates while progressively increasing costs for higher consumption - can ensure energy affordability whilst encouraging households to invest in energy efficiency and reducing excessive consumption. Vulnerable households must be protected from falling into debt through effective safeguards and measures such as disconnection bans.

The current plan relies solely on market-based solutions for energy efficiency, which do nothing at all for the lowest-income households. To truly reduce energy costs for vulnerable households, efficiency upgrades must be publicly funded and cover upfront costs - an essential investment that will yield rapid returns in health and social benefits.

The Right to Energy Coalition calls on the EU to provide guidance, technical support and earmarked funding for renovating the unfit and least efficient homes and to ensure coordination and compliance monitoring among member states. This is essential to ensure that every citizen can benefit from the energy transition.

Additional public support is needed to decarbonise and electrify the energy use of energy-poor households by ensuring access to local heat networks, energy communities and energy sharing, among others. These measures will increase acceptance and accessibility of renewable energy sources and their benefits, reduce reliance on traditional suppliers and protect vulnerable consumers from market fluctuations.

We also urge the EU to establish a concrete plan to phase out fossil fuels entirely—a crucial step that is currently missing for a successful transition.

Only an approach that incorporates all of these elements will align with the EU's goals of reducing energy poverty, promoting sustainability, and achieving climate neutrality.

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[1]https://climate.ec.europa.eu/eu-action/eu-emissions-trading-system-eu-ets/ets2-buildings-road-transport-and-additional-sectors_en

