



Towards a social Energy Union: Tackling energy poverty in Europe

Declaration of PES Energy Ministers adopted in June 2016

Approximately 1 in 10 Europeans – more than 50 million people – are unable to afford proper heating of their homes, with severe health and social consequences. A number of households are also subject to heat stress due to their inability to afford proper cooling. For us Energy Ministers belonging to the Party of European Socialists (PES), Energy poverty, the inability of a household to pay for gas and electricity so as to guarantee basic levels of comfort and health, is unacceptable. **No one in Europe should be forced to choose between heating and eating.** We are determined to tackle energy poverty in Europe as part of our aim to render growth on our continent smarter, more sustainable and more inclusive by 2020.

Our political family is aware of this enormous problem and has put it high on its political agenda. We recall our commitment as Party of European Socialists to address ‘energy poverty, consumer protection and energy efficiency [...] effectively in all relevant EU legislation’ as a ‘means to **contributing to sustainable and inclusive growth**’¹, as well as **to demonstrate that safe and clean energy can be affordable for everyone** and that climate protection and social development go hand in hand². Moreover the manifesto ‘Fighting Energy Poverty’³ by the Group of the Progressive Alliance of Socialists & Democrats in the European Parliament offers valuable input to the discussions on the future of European energy policies with regard to the protection of vulnerable consumers.

The inability of households to afford adequate levels of power is strongly linked with more general experience of poverty. This confirms the **importance of wider economic and social policy in addressing energy poverty and poverty more general**. The strengthening of our economy to the benefit of all, and its mechanisms of social support must continue to be complemented by energy policies that adequately support those who have difficulties heating, cooling and lighting their homes.

As PES Energy Ministers we call for taking all reviews and revisions of relevant Energy Union legislation, as well as all upcoming new and relevant energy-related legislative proposals as an opportunity to **establish an EU framework dedicated to the fight against energy poverty.**

¹ Declaration ‘PES Roadmap for a Progressive Europe’, adopted at PES Congress in June 2015.

² Declaration ‘21 Progressive Proposals for COP21’, adopted at PES Leaders’ Meeting in October 2015.

³ S&D manifesto ‘Fighting Energy Poverty’. Online:
http://www.socialistsanddemocrats.eu/sites/default/files/SD_Manifesto_Fighting_Energy_Poverty_en_160318.pdf

While markets play an important role in today's energy framework, the only way to ensure that this market-driven reality contributes to combating energy poverty is to **install clear and strong rules within the Energy Union** to enable those markets to perform.

In the context of upcoming and ongoing EU energy legislation, we call for:

- a broad **European definition of energy poverty**, that should be refined by Member States according to their own national circumstances and recognises that access to energy services is a basic social right. Such a definition could ensure a common understanding of the problem, lead to agreement on the measures needed to tackle energy poverty and to better mainstream policies. It would also – in combination with **better Europe-wide data** – allow for better targeting of people in need.
- targeting **energy efficiency measures** on energy poor households as a core vehicle to tackle energy poverty. Renovation programs tailor-made for energy poor dwellings address one of the root causes of energy poverty and thus offer sustainable long-term solutions. At the same time they contribute greatly to local job-creation. The revisions of the Energy Efficiency of Buildings Directive, and the Energy Efficiency Directive offer the opportunity to prioritise retrofitting measures of existing buildings among the most vulnerable consumers and to set better European standards for energy efficiency in energy poor homes.
- the **empowerment of energy consumers to take control of their energy bills** themselves through **improved information** and through **strengthening of consumer rights**. Revisions within the Energy Efficiency Directive and the Third Energy Package could enforce provisions that allow consumers to be better and more easily informed about their energy consumption, their rights as energy consumers and possibilities to save energy. Smart meter roll-outs should benefit low-income households, for example by providing advice, practical help and accessible feedback on their energy consumption. Moreover, prepaid solutions could support households to manage their energy consumption. Common minimum standards for price comparison tools, sales, individual and collective purchasing and switching free of charges, unified communications, information on real-time consumption with smart meters, easily understandable bills, and complaint procedures, including low-barrier out-of-court procedures would strengthen the position of energy consumers in the energy market.
- the **enhancement of energy consumers' ability to switch energy provider**. Tariffs and bills should be transparent, comparable, clearly explained and easily understandable. Energy providers should notify consumers alongside energy bills about the most suitable and advantageous tariff for them based on historic consumption patterns, and enable free switching of tariff. Also collective and individual switching of energy suppliers should be free of charge. The development of utility business models should be supported which align interests of utilities and consumers in using energy in the most efficient way. Arrangements that tie the consumer with a specific provider, thereby hampering consumers' ability to switch supplier, should be avoided.
- **EU funds for energy efficiency and support for self-generation** to specifically target energy-poor citizens that often cannot afford the upfront investment needed for energy efficiency and self-generation measures.

We PES Energy Ministers stand for a **progressive energy transition that puts social justice, environmental and economic sustainability centre-stage**. We stand for the **creation of a social Energy Union** that serves the needs of all citizens, including vulnerable energy consumers.

We will not allow anyone to be left in the cold.

Alex White, Chairman of the PES Energy Ministers' Network, former Minister of Communication, Energy and Natural Resources, Republic of Ireland

Sigmar Gabriel, Vice-Chancellor and Minister for Economy and Energy, Germany

Konrad Mizzi, Minister within the Office of the Prime Minister, Malta

Jan Mladek, Minister of Industry and Trade, Czech Republic

Jorge Seguro Sanches, Secretary of State for Energy, Portugal

Peter Ziga, Minister of Economy, Slovakia

Sergei Stanishev, President Party of European Socialists