

### Energy poverty:

Results and evaluation of a series of policy instruments implemented by the Flemish authorities in order to fight against energy poverty.

(October 2018)

Energy poverty



Energy poverty refers to a situation where a person/household encounters difficulties in his home to provide himself with the energy needed to satisfy his basic needs (electricity,

heating)

There are ± 2.7 million households in Flanders.

At least 400.000 of them (14,8%) live in conditions of energy poverty.









































#### SDG<sub>7</sub>

#### Goal 7:

Ensure access to affordable, reliable, sustainable and modern energy for all.



### Scope of the audit



- A series of policy instruments implemented by the Flemish authorities in order to fight against energy poverty.
- Mainly developed and evaluated by the Flemish Energy Agency and anchored in the Energy Decrees 2009 and 2010.
- Also addressed in government agreements, policy notes and the Flemish report on energy vision which focus on a structural approach to the problem at the source, by providing for preventive and curative measures and targeted communication.

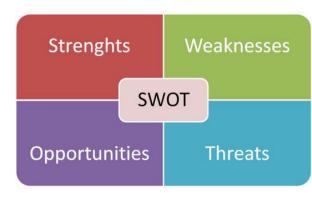
### **Audit questions**



- Does Flanders have a clear policy on energy poverty?
- What are the results of the policy?
- Is there adaptation of the policy (follow-up, monitoring)?

### Clear policy?

- Flemish Energy Decree (2009): no objective for the development of a social policy on energy; allows the Flemish government to impose social obligations on network operators (protection in the event of non-payment – no shutdown of supply)
- Flemish programme to fight against energy poverty (2016) 34 instruments
  - Large number of instruments
  - **Strong involvement of stakeholders**
  - Difficulty of reaching most vulnerable people
  - Insufficient exchange of information between actors involved
  - Definition of target groups is complex and not similar



### Results of policy?

- Investigation of important policy instruments:
  - Free energy scans
  - Social grants for roof or cavity wall insulation or the installation of highperformance glazing
  - Higher grants for energy-saving investments and discount vouchers for the
    - purchase of an energy-efficient household appliance
  - Budget meters
  - Minimum supply of natural gas
  - Energy lending

### Investigation of policy instruments – main findings

- Energy scans (investigation of energy consumption):
  - Successful, but transition to more energy saving instruments is limited
  - Some categories of people in poverty excluded (social housing companies)
- Social grants for roof or cavity wall insulation or the installation of high-performance glazing: split incentive (landlords pay major part of costs, tenants have advantages)

 Higher grants for energy-saving investments: amount too small for heavy investments

• Voucher for the purchase of an energy-efficient household appliance: effective (increase in use)

 Minimum supply of natural gas: implementation by social welfare services (municipalities): Flemish government has no overview of implementation

• In general: communication to target groups too complex

### Monitoring /follow-up?



- Flemish Energy Agency: "monitoring notes" on implementation Flemish programme to fight against energy poverty
  - Lack of quantifiable objectives ('a sensitive increase of....')
  - Monitoring of individual instruments, no overarching monitoring of Flemish programme

# Audit findings



- √ The Flemish policy is well supported.
- √ The Flemish programme to fight against energy poverty consists of an extensive range of policy instruments and
- √ was conceived with the strong involvement of stakeholders.

# Audit findings



- In the absence of a clear definition and accurate figures on the phenomenon (which would affect between 70,000 and more than 400,000 households depending on the information source), energy poverty is difficult to understand.
- It is unclear how the strategic texts relate to one another.

- Many optional targets that are difficult to monitor.

- The measures only partially reach vulnerable households

- and lead too rarely to energy saving works, in particular because landlords have to bear their cost to a large extent, while it is the tenants who benefit ("split incentive").

- Shortcomings in the communication of measures aimed at target groups, which are generally difficult to reach.

- And also budgetary limitations, insufficient exchange of data between distribution system operators, public social welfare agencies and policy makers, as well as lack of quantifiable objectives.

### Audit recommandations

- Structure, calculate and monitor objectives
- Reach out to the right target group
- Maximize harmonisation of target groups
- Combine measures
- Intensify involvement of local actors
- Encourage the transition to more drastic energy saving measures
- Eliminate disadvantages of the split incentive
- Communicate in an easy language through accessible, local actors



## Follow up report

• The report was presented by the auditors in - and well received by - the Committee on Environment, Nature, Spatial Planning, Energy and Animal Welfare of the Flemish Parliament on 28 November 2018.

Several members of parliament asked a question and/or formulated comments during the discussion. One member of parliament noted that the Court of Audit's remarks lead to very interesting

recommendations for the next legislature.

28-11-2018 - ochtendvergadering (LEE)

• In the written response to the audit report, the Minister concurred with the recommendations in the report.

• The report was also picked up by the media (newspapers and online).

• At the request of Society Building Antwerp Province, the audit team gave a presentation of the audit report to an audience of some 15 experience experts and some professionals involved. This experience was very instructive and wide-ranging for all parties involved.

• The Fact Finding Mission of the European Commission asked a number of pertinent questions in writing about the Energy Poverty Survey and, at its request, received a brief explanation of the audit report at the visitation in October 2019.

 Colleagues from the French Court of Audit contacted us about an ongoing audit on the distribution of natural gas. In their search for potentially relevant investigations abroad, they paid attention to the Energy Poverty Report; they expect to be able to find elements in it that might be of interest to them. The Honorary general director XIOS University of Applied Sciences
 Limburg contacted the audit team as part of the organisation of a
 "round table" on sustainable and social energy in December 2019.
 Participation in this panel discussion did not seem opportune to the
 audit team; however, a powerpoint presentation of the audit report
 was made available.

