

Energy justice in a changing market:
an inter-disciplinary workshop

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ENERGY POVERTY ACTION



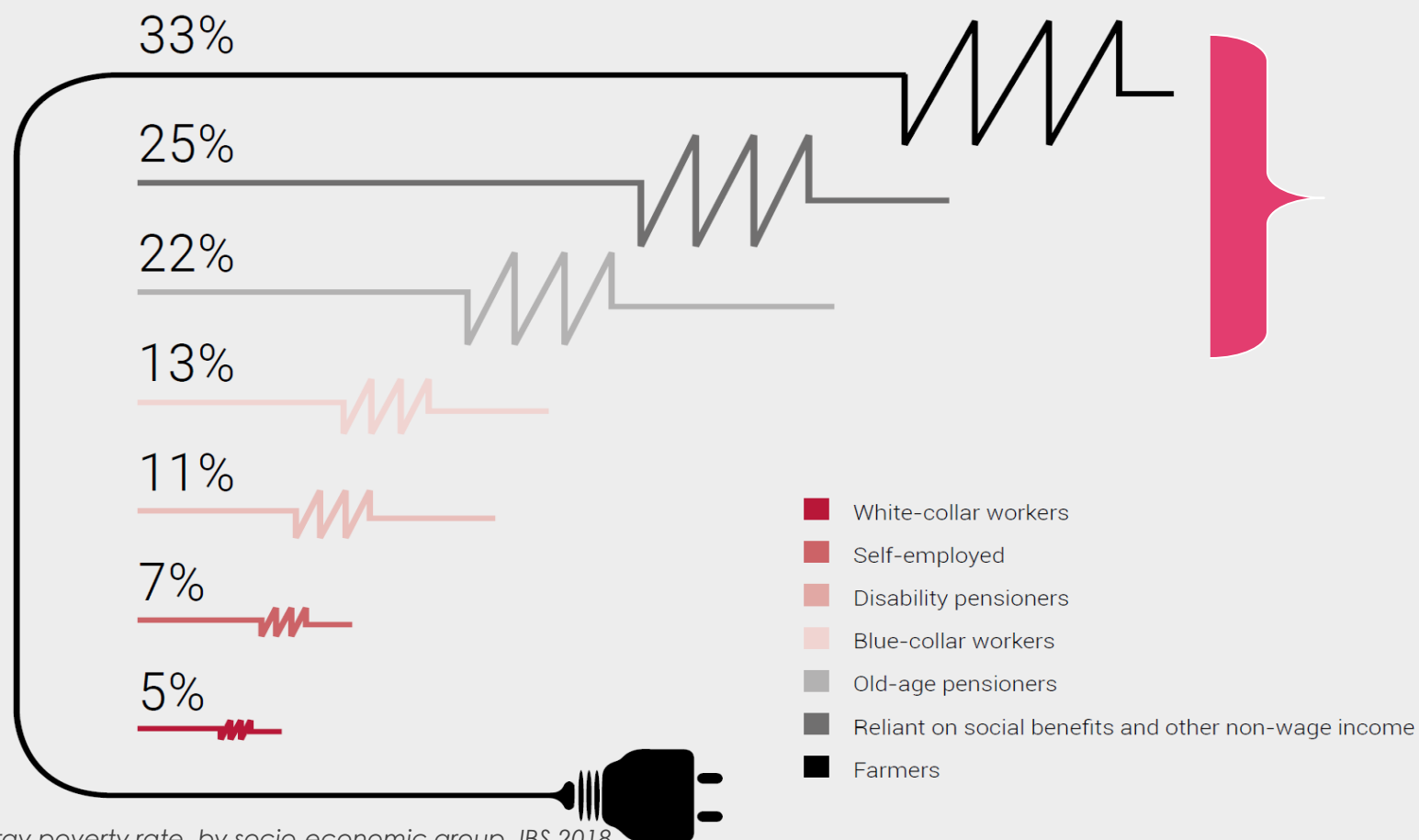
Policies to tackle Energy Poverty: Poland and Beyond

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Energy poverty in Poland



- Energy poverty affects 12% of people in Poland - 1.3 million households (IBS 2018).
- Energy poverty in rural areas – i.e. affecting largely farmers – is linked to living in detached houses. The often low energy efficiency of houses (uninsulated walls and roofs, leaking windows, old boilers) and large floor areas are conducive to energy poverty (IBS 2018).
- Another group largely affected by this problem are old-age and disability pensioners i.e. older people (IBS 2018).

Regulatory tools

Types of instruments

Instruments in Poland (nationwide)

Alleviation of symptoms	Benefits	Targeted fuel allowance, energy allowance, housing allowance, energy lump sum
	Social tariff	–
	Protection against energy cut-offs	–
Removal of causes	Counselling and shaping behaviours	Energy consulting by the National Fund for Environmental Protection (NFEP)
	Energy-saving improvements	–
	Thermal-retrofit investments	Revitalization
Prevention	Preferential loans	BGK thermal retrofit bonus
	Tax reliefs for thermal retrofit	–
	Development of the heating network	Revitalization

Housing and energy allowances

- ❑ Vulnerable energy customer, as defined in Polish law (Act on housing allowances from June 21, 2001) is a person who has been granted a housing allowance who is a party to a comprehensive agreement or contract for the sale of electricity concluded with an energy company and resides in the place where electricity is supplied.
- ❑ 3 elements:
 - granted right to a housing allowance;
 - having a comprehensive contract or electricity sales contract;
 - residing in the place where electricity is supplied.
- ❑ A lump sum allowance.

Housing and energy allowances

- ❑ The energy allowance **per year amounts to no more than 30%** of the product of the **electricity consumption limit** and the **average price of electricity** for a household consumer.

- ❑ **Average price of electricity for a household consumer** taking into account the fee for the electricity distribution services, calculated on the basis of prices included in comprehensive contracts in **2017 amounted to PLN 0.5046 / kWh (EUR 0.12 / kWh)**. The price includes excise tax and does not include VAT.

- ❑ **Electricity consumption limit:**
 - ❑ 900 kWh per year - for a household run by a single person;
 - ❑ 1250 kWh per year - for a household consisting of 2 to 4 people;
 - ❑ 1500 kWh per year - for a household consisting of at least 5 people.

Housing and energy allowances

- ❑ The amount of the energy allowances is announced by the minister competent for energy (Minister of Energy), by 30 April each year for the next 12 months.
- ❑ The amount of the benefit depends on the number of people in the household.
- ❑ From May 1, 2018, the amount of energy supplement is:
 - PLN 11.35 (EUR 2.62*) per month for a household run by a single person;
 - PLN 15.77 (EUR 3.64*) per month for a household consisting of 2 to 4 people;
 - PLN 18.92 (EUR 4.37*) per month for a household consisting of at least 5 people.

* EUR 1 = 4,33 PLN, May, 30, 2018

Housing and energy allowances

- ❑ The energy allowance is granted by a head of the commune, mayor or city president, by way of a decision, at the request of the vulnerable consumer. The application shall be accompanied by a copy of a comprehensive agreement or contract for the sale of electricity.
- ❑ The energy allowance shall be paid to the vulnerable consumer by the 10th day of each month in advance, except for January, in which the energy allowance shall be paid by 30 January of a given year.

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Housing and energy allowances

- ❑ The payment of an energy allowances is a task of governmental administration, but the energy allowances are paid by local communes.
- ❑ Communes receive earmarked subsidies from the state budget to finance the payment of the energy allowances, within the limits set for this purpose in the state's budget. Regional governors transfer subsidies to communes these limits.
- ❑ The commune submits the grant application to the regional governor every quarter, by the 15th day of the month preceding the given quarter.

* EUR 1 = 4,33 PLN, May, 30, 2018

Clean Air Programme

- ❑ *People affected by "energy poverty" should be financed 100% of the cost of thermo-refurbishment said Plenipotentiary of the Prime Minister for the Clean Air Programme Piotr Woźny. There are about one million such people in Poland, and the cost of their thermo-refurbishment would amount to about PLN 50 billion - he said.*
- ❑ Among tasks of the Plenipotentiary is to review and develop proposals for optimisation of spending of all the public funds available under the 2014-2020 budgetary perspective.
- ❑ These funds must be spent under a common framework and according to common rules, so that the funds available from the Thermomodernisation and Renovation Fund, Regional Operational Programmes, Operational Programme Infrastructure and Environment, and provided by the National Fund for Environmental Protection and Water Management and by regional environmental protection funds work for the benefit of an integrated programme for the improvement of air quality in Poland.

Comprehensive public policy?

Has "a comprehensive public policy ensuring optimal protection of vulnerable social groups against energy poverty" been developed [in Poland]?

- a) If so, please send it to this e-mail address.*
- b) If not, please let us know what measures have been taken to implement this policy.*
- c) Please also send materials and documents related to the elaboration of this policy, in particular any drafts and assumptions of such policy, if any have been developed.*

Comprehensive public policy?

- ❑ *The Economic Committee of the Council of Ministers recommended a package necessary to take action in order to significantly improve the air quality in the country under the name "Clean Air Programme".*
- ❑ *According to the ECCM recommendation, the schedule of the Programme implementation requires, in the scope of action No. 8, the Minister of Energy, the Minister of Family and Social Policy and the Minister of Infrastructure and Construction to develop in 2017 the assumptions of a comprehensive public policy ensuring optimal protection of vulnerable social groups against energy poverty.*

Comprehensive public policy?

- ❑ *Due to the interdisciplinary nature of the task, the Minister of Energy appointed an advisory panel composed of representatives of ministries and institutions with competence in the field.*
- ❑ *The panel's meeting will be devoted in particular to drawing up a cooperation framework and exchanging experiences between individual ministries and institutions in the area of activities that have an impact on poverty, including energy poverty and social exclusion in Poland.*

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- ❑ *It is planned that as part of the panel's work an analysis of the functioning of previously implemented activities, programs and support systems addressed to households in the areas of poverty - including energy, energy efficiency of buildings and heating devices, environmental protection - will be made.*

Comprehensive public policy?

- ❑ *The next stage of the work will be the coordination of activities aimed at elaborating the definition of legal energy poverty, as well as a uniform methodology for diagnosing this problem and determining the statistical model necessary to monitor the energy poverty in Poland.*
- ❑ *To reduce energy poverty it is important to strengthen public awareness of the effective use of energy in households through coordinated educational campaigns.*
- ❑ *The final goal of the panel's work, in accordance with the obligation resulting from the Clean Air Program, is to develop a draft assumptions for a comprehensive public policy, ensuring optimal protection of vulnerable social groups against energy poverty.*

References

J. Rutkowski, K. Sałach, A. Szpor, K. Ziółkowska, *How to Reduce Energy Poverty in Poland, IBS Policy Paper, 2018*

Thank you / Dziękuję

dr Maciej M. Sokołowski

A strong message about energy

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"I'm fascinated by watching how much we owe to electricity. How much we owe to Tesla, Edison and many other precursors of its use"



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