



Austria

BACKGROUND

- › **No national binding definition** of energy poverty in Austria. The National Energy & Climate Plan ([NECP](#)) used the following definition from ([E-control 2013](#)): “A household is considered energy poor if its income is below the at-risk-of-poverty threshold and, at the same time, it has to cover above-average energy costs”
- › **Official figures** set a scope and provide an order of magnitude. Every two years, Statistics Austria produces a [report on behalf of E-Control](#), the national regulator for the liberalised energy market: this estimated that 250'000 persons (123'800 households) were affected by energy poverty in 2021 (i.e. **2.8% of the population**).
- › A **national roadmap** for energy poverty has been elaborated but has **not yet been published**.
- › **No social tariff**, but financial support for poorer households, which must also cover the energy costs: a household receives entitlements under the energy poverty designation if it is granted the 'broadcasting fee' exemption (upon application, depending on the household income and size), then giving right to an **exemption from certain cost shares of energy fees** or a **heating cost subsidy** (about €120).
- › Also rules regarding the **security of supply for households**. For example, an energy supplier cannot refuse to provide a customer with the basic supply even if the customer has bill arrears. The supplier is then also not free to choose the tariff at which it supplies the household.
- › **Well-regulated procedure in case of late payment** and associated termination procedures: energy suppliers have to comply with deadlines and procedures before electricity or heat is switched off.
- › Energy suppliers are also obliged to offer **energy advice**.
- › Assistance that goes beyond state support is most often provided by church or social institutions. The largest programme in this regard is the [Electricity Assistance Fund](#) handled by Caritas Austria: numerous energy suppliers cooperate with the local Caritas or give a large donation for their work. These organisations then also support the households in their contacts with the energy supplier.



MAIN RECENT MEASURES TO HELP HOUSEHOLDS FACE THE ENERGY CRISIS

Measures focused on vulnerable households

- › **Extra cost subsidy for vulnerable groups** (€ 200) to compensate the increase in grid fees.
- › **Specific measures taken by energy suppliers:** some energy suppliers have an extra social pot to provide support in case of payment difficulties. However, this is not actively communicated, and little information is available about this.
- › **Clean heating for everyone** (2022-2025): subsidy up to 100% of the eligible costs, with cost caps per technology, to support low-income households for replacing fossil-fuel heating system (see more details in the table about energy efficiency measures below).
- › **Climate-friendly buildings for those in need of protection** (2022-2025): Increased subsidy for renovation of large housing buildings occupied by poor households (see more details in the table about energy efficiency measures below).
- › **Complement to the electricity price brake** (January 2023 and June 2024): in addition to the electricity price brake applicable to all households (see below), low-income households (i.e. eligible to the exemption of broadcasting fees) can receive a network cost subsidy of 75% between the 1st of January 2023 and the 30th of June 2024. The annual amount is to be limited to €200. This may benefit to about 300 000 persons.

Measures for all households

- › **Energy cost compensation** (decided in January 2022): one-time payment (€150) related to electricity bills for most households (up to an income of €55000 per year). Households with 5 or more persons can apply for an additional subsidy. There is additional support for all households from the regions (Länder) (which is to be seen with local elections taking place in 2023).
- › **Climate bonus and anti-inflation bonus** (2022, to be renewed): bonus paid to all people living in Austria. In 2022, this was € 500 per adult (over 18), and €250 per younger person. This will be renewed in 2023, with an amount depending on the local public transport infrastructure (€100 for inhabitants of Vienna; €250 for remote areas).
- › **Mandatory RES levy on electricity** was **suspended** in 2022 (for all customers, no targeting)
- › **Electricity price brake** (December 2022 to June 2024): the estimated basic electricity consumption (up to 2900 kWh per year, i.e. **80% of the average electricity consumption** of households) is subsidised to **cap the price to 10 cents/kWh** without VAT (i.e. average pre-crisis price). This is applied automatically by the electricity supplier if the electricity price exceeds the 10 cents threshold, covering the price difference until market prices of 40 cents/kWh (to prevent excessive increases in market prices). This means that in practice, the subsidy **cannot cover more than a price difference of 30 cents/kWh**. Consumption beyond 2900 kWh per year is not subsidised. The cost to the State budget could amount to about 2.7 billion euros in 2023 and 1.1 billion euro in 2024.



MAIN NATIONAL ENERGY EFFICIENCY MEASURES TACKLING ENERGY POVERTY

<p>Caritas Stromhilfefond (2010 – on-going)</p>	<ul style="list-style-type: none"> › The project aims to alleviate energy poverty by focusing on three key areas: (1) financial aid, (2) in-person visits by energy advisors for tailored information on energy saving measures, and (3) free replacement of broken or old household appliances. › The target group are energy poor and at risk households, which can be reached via the social counselling centres of Caritas in Austria. During the counselling sessions of up to an hour, a number of topics are discussed, energy related struggles among them. The social counsellor helps households sort through finances and possible support measures and then direct them towards the appropriate contact points. › It was initially fully sponsored by VERBUND AG, an energy utility in Austria, and conducted by Caritas Austria in 6 participating dioceses. This has been a major success for energy poor households and the advocacy surrounding this best practice project. The cooperation was the first of its kind at the time and has since inspired other utilities to follow suit. › Most recently, the Austrian government has decided to fund energy counselling and the exchange of household appliances with 120 million euros from 2023 to 2026, enabling Caritas and other organisations as well to offer the services of VERBUND-Stromhilfefonds throughout the whole country. › There is also an additional energy fund about to be launched, which will financially aid households struggling to pay the currently extremely inflated electricity and gas bills. › Since 2009 the scheme has supported more than 15,800 people in over 6,100 households and saved 8,500 MWh and their equivalent of 1,200 tonnes in CO₂ emissions. Over 4,800 energy counselling sessions were conducted and 3,300 household appliances were switched to new, energy efficient ones.
<p>Ombudsstelle Wien Energie (2011 – on-going)</p>	<ul style="list-style-type: none"> › The Energy Poverty Outreach and Counselling Centre of the utility Wien Energie serves private clients as well as clients of social institutions who find themselves in difficult life situations and are thus unable to pay their energy bills. It is an own Departement within “Wien Energie”. The service and support services include, but are not limited to: <ul style="list-style-type: none"> ○ Advice and assistance with life support equipment, payment difficulties and reinstating energy supplies. ○ Simple energy advice services ○ Information on social benefit entitlements and applications ○ Contact with public and private social services and debt counselling. › The counsellors work closely with social institutions to defuse the conflict situation through their professional expertise and specific training. › The internal department consists of 6 experts who supported about 3,100 clients in the year (2021). It is fully funded by the energy provider.

<p>Clean heating for everyone (2022-2025)</p>	<ul style="list-style-type: none"> › Funding up to 100% of the eligible costs¹ to support low-income households for replacing fossil-fuel heating systems with 'climate-friendly' systems (priority to local/district heating, or if not possible, wood-fired central heating or heat pump), for one- or two-family houses or terraced houses. Eligible costs are capped (cap between €22,000 and 32,500 according to the technology). › The application process includes an energy consultation (coordinated by the Länder' agencies), that will check the eligibility conditions and then provide support in obtaining quotes and completing the application. › Budget of 140 million euros in 2022, and 190 million euros decided for the years 2023 to 2025 (Klima:aktiv website). The scheme is financed by the federal government and implemented together with the federal states (Länder).
<p>Climate-friendly buildings for those in need of protection (2022- 2025)</p>	<ul style="list-style-type: none"> › Specific programmes for listed charities, NGOs or municipalities owning or operating² buildings larger than 300 m², older than 20 years and inhabited by low-income or vulnerable people (for more than 50% of the heated area). This also includes accommodation for refugees or the homeless, women's shelters, children's homes. › Supported actions: primarily thermal renovation measures (building envelope), and heating systems (connection to district heating, wood central heating or heat pumps) if jointly done with thermal renovation (or if thermal renovation was already done). › Funding up to 100 % of the net costs incurred, with a flat-rate up to €300 or €360/m² (depending on the energy performance achieved) for building renovation³, and €150/m² for heating systems. Total budget of 45 million euros (renovation projects must be completed by June 2025). › Scheme co-funded by the Federal Ministry for Climate Protection, Environment, Energy, Mobility, Innovation and NextGenerationEU (under Austria's Recovery and Resilience Plan) through Austria's Environmental Promotion Fund in Austria, and operated by Kommunalkredit Public Consulting › Further discussion on-going on how poor households living in large buildings can be helped in a more targeted way when retrofitting the building, by adapting the law.
<p>Energy Efficiency Obligation Scheme (EEOS) (2015-2020)</p>	<ul style="list-style-type: none"> › As part of the EEOS, a bonus factor was meant to incentivise energy efficiency actions done for low-income households: they were rewarded with a bonus factor of 1.5 (i.e. 50% more energy savings counted towards the achievement of obligated parties' targets). › However, this bonus proved insufficient: only 0.66% of the savings reported to the EEOS have been achieved in the scope covered by this bonus (Austrian Energy Agency, 2020). › The EEOS has not been renewed after 2020 (see below).

¹ The dismantling and disposal costs for decommissioned boilers and tank systems are also eligible.

² The operation of the building must serve as a "service of general economic interest". For-profit facilities (e.g., old people's homes, nursing homes, holiday homes) are not eligible.

³ This flat-rate is increased by €30/m² if at least 25 % of the insulation material is made of renewable raw materials.

The table above is focused on national EE policy measures tackling energy poverty. More initiatives exist at regional or local level, or led by stakeholders such as energy companies. As illustrated by the [schemes developed as part of SocialWatt](#). In Austria, the Regions (Länder) have a major role in the implementation of energy efficiency programmes (including for the renovation of buildings). Some of the regional schemes may include provisions related to energy poverty alleviation.

FOCUS ON ARTICLE 7 EED AND THE ROLE OF ENERGY COMPANIES

In the period **2014-2020**, the only measure reported by Austria that had a provision related to energy poverty was the **Energy Efficiency Obligation Scheme (EEOS)**, with the **bonus factor** of 1.5 for actions for low-income households. Therefore the energy suppliers had an incentive to implement energy efficiency actions for low-income households. However, this bonus was **little used** by the energy suppliers (see above).

The NECP was not clear about possible policy measures reported to Article 7 EED for the period 2021-2030 that could include provisions related to tackling energy poverty. The **new Energy Efficiency law (EEff-RefG 2023)** proposed by the Austrian government on 1st of February 2023 clarified that Austria will not report an EEOS for the period 2021-2030: **Austria will rely only on alternative measures**. The proposed new law also set that at least 34% of Austria's energy savings target should be achieved among households, with **3% among “priority households”** (which can be considered as an ‘energy poverty’ ringfence, anticipating the recast of the Energy Efficiency Directive). It is however not specified yet how the policy measures will be designed to target these priority households.

Energy companies will remain involved in the energy efficiency strategy, with a new type of obligation: **energy suppliers** with energy sales to end customers of more than 35 GWh **have to set up advice centres for households**, and report about this to the new monitoring authority e-Control. These advice centres should also address issues related to energy poverty. Moreover, as illustrated above with the Caritas scheme, energy companies can also be involved in partnerships with NGOs or local authorities.

The general role of energy companies in energy efficiency for the energy poor is particularly contested and controversial since a) energy efficiency clashes with core business interests of energy companies, that is, selling energy by volume, and b) energy companies face competitive short-term pressure at energy markets, which externalize more social aspects of affordability and energy poverty by design.

INTERVIEW WITH FLORIAN PICHLER (e-control)

› Do you expect an increase in the number of households at risk of energy poverty due to the current energy crisis?

Yes, rising energy prices and costs most obviously put additional stress on already tight budgets of households at risk of energy poverty. This is already evidenced by a significantly larger share of the Austrian population stating that they have difficulties to keep their homes warm (8.4% in Q2 2022 v. 1.7% in Q2 in 2021). It remains to be seen to what extent, short-term state aid succeeds in assisting households to cope with this situation, especially the energy poor with higher levels of consumption.

› Have there been recent changes in the policy measures to tackle energy poverty?

Yes, from the second half of 2021 onwards a series of short-term policy measures have provided financial assistance to Austrian households, where most of these policy measures are available to all households but only a few additional policy measures target low income (energy poor) households specifically. Generally speaking, it is unlikely that such short-term measures tackle energy poverty in a more sustainable sense. Much needed long-term instruments are still in the making.

Are energy efficiency schemes an important part of the national strategy or approach to tackle energy poverty?

Yes, according to the latest NECP from 2019, energy efficiency measures especially in the heating sector (space heating and domestic hot water) are seen as key to tackle energy poverty. However,

the devil may be in the detail with regard to how to fight energy poverty with energy efficiency because of the many constraints regarding the practical implementation of effective energy efficiency measures for lower income households.

› What is or should be the role of energy companies in the schemes to tackle energy poverty?

This question touches upon the organizational principles of energy markets, what to internalize and externalize and where to locate energy companies therein. Currently, energy companies must abide by restrictions preventing premature disconnections and provide information. Some energy companies do more CSR (Corporate Social Responsibility) than others – maybe also they are publicly owned to a greater extent. My impression is, however, that there is a strong feeling that energy poverty is more of a “social” than “energy” kind and thus better targeted via social security (and the State) in Austria. Be that as it may, the roles of energy companies in schemes tackling energy poverty, or energy efficiency for that matter, too, need to be better clarified to guarantee an effective handling, including sufficiently funded policy measures, of such challenges in the future.

› Could an “energy poverty” ringfence or sub-target in Article 7 EED change the way energy poverty is tackled? (or could it make that energy efficiency measures would better include a social dimension?)

I am not convinced that it is that



straightforward. Energy efficiency and energy poverty have long been on the political agenda, but when it comes to action, we see a lot of procrastination. What is needed is being much clearer on the promises of energy efficiency especially among the low-income population.

› **Would you like to add a comment on the topic of energy efficiency measures to tackle energy poverty?**

I often asked myself where the vast potentials for energy savings, demand reduction and energy efficiency improvements really are? I am now convinced that it is not among the low-

income households since income and energy consumption are (strongly) positively correlated. We need to make sure that energy efficiency is not simply an “option” for those who can afford higher energy prices based on fossil fuel combustion. A too strong focus on energy poverty in energy efficiency distracts from the real problem in my opinion. But obviously, measures to provide much required energy and energy efficiency for the energy poor need to be always implemented. Yet, these measures need to go beyond information and funding, they need to assist low income and energy poor populations in implementing them in practice, providing hands-on support and representation.

INTERVIEW WITH MARIE ELISABETH BRUCKL (Caritas Austria)

› **Do you expect an increase in the number of households at risk of energy poverty due to the current energy crisis?**

Yes, in the social counselling centres of Caritas in Austria an increased number of people inquiring about assistance in regards to energy bills can already be seen. It is additionally worrying that the financial pressure on poor households has increased in all other areas as well (food, rent, items of daily necessity). Further, the amounts energy utilities expect households to pay in the coming year is often double with or triple what they used to pay before. Poor households, but increasingly also lower middle-class households, are unable to afford this increase.

› **Have there been recent changes in the policy measures to tackle energy**

poverty?

Yes, the Austrian government has decided to fund energy counselling and the exchange of household appliances with a total of 15 million euros, enabling Caritas to offer the services of VERBUND-Stromhilfefonds throughout the whole country. There is also an additional energy fund about to be launched, which will financially aid households struggling to pay the currently extremely inflated electricity and gas bills. This will come as a big relief for energy poor households in Austria, but it is not a long-term solution.

› **Are energy efficiency schemes an important part of the national strategy or approach to tackle energy poverty?**

The topic of energy poverty has certainly gained visibility in the last months, and a



number of measures are in the works by the government to aid people in need. A more long-term concept will have to be discussed though, as the energy prices will likely stay inflated for a longer period of time. It is not a problem that can be solved with one-time financial support.

› **What is or should be the role of energy companies in the schemes to tackle energy poverty?**

All but one of the energy companies in Austria lacks a proper contact centre for energy poor customers to find support. Both the utilities and the customers would benefit from the implementation of such a centre. In general, the cooperation of energy companies and NGOs has increased over the last years, to the benefit of the energy poor households. This engagement, whether it be shorter contact points in case of an issue, support of the NGOs in their work, should be increased and continued.

› **Could an “energy poverty” ringfence or sub-target in Article 7 EED change the way energy poverty is tackled? (or could it make that energy efficiency measures would better include a social**

dimension?)

The explicit inclusion of energy poverty into these targets can help to increase visibility of the issue and highlight the importance of combatting it alongside energy efficiency targets. Energy efficiency cannot be achieved in a sustainable way without considering and being mindful of the social dimensions of energy supply and usage.

› **Would you like to add a comment on the topic of energy efficiency measures to tackle energy poverty?**

To reach energy poor households and include them successfully into energy efficiency measures, there need to be services in place that support these households along the way. This can be a sustainability guide who helps such a household in regards to changing their heating system, from applying for grants to getting the new system installed. These processes are incredibly complex and can be impossible to tackle for households who are already struggling. Additionally, upfront costs cannot be expected from these households, because that would raise the threshold for accessibility too high.



SOCIALWATT

CONNECTING

OBLIGATED PARTIES

TO ADOPT INNOVATIVE

SCHEMES TOWARDS

ENERGY POVERTY

ALLEVIATION

SocialWatt is a Horizon 2020 project that develops and provides **utilities** and **energy suppliers** with appropriate **tools** for effectively engaging with their customers and working together towards **alleviating energy poverty**.

SocialWatt also enables obligated parties under **Article 7** of the Energy Efficiency Directive across Europe to develop, adopt, test and spread **innovative energy poverty schemes**.

SocialWatt contribute to the following three main pillars:

- 1 Supporting utilities and energy suppliers contribute to the fight against energy poverty through the use of **decision support tools**.
- 2 Bridging the gap between energy companies and social services by promoting collaboration and implementing **knowledge transfer** and **capacity building activities** that focus on the development of schemes that invest in Renewable Energy Sources / Energy Efficiency and alleviate energy poverty.
- 3 **Implementing** and **replicating** innovative schemes to alleviate energy poverty.



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