

Political Recommendations for Action to Combat Energy Poverty

English Version

November 2022

Georg Benke

Prepared as part of the EU project "SocialWatt - Connecting Obligated Parties to Adopt Innovative Schemes towards Energy Poverty Alleviation ", Grant agreement ID: 845905 under the H2020 program of the European Union (Call for tender: LC-SC3-EC-2-2018-2019-2020 - Mitigating household energy poverty)

Impressum

e7 Energie Markt Analyse GmbH

Georg Benke

Walcherstraße 11/42

1020 Vienna

Austria

Telephone +43-1-907 80 26

Fax +43-1-907 80 26-10

office@e-sieben.at

<http://www.e-sieben.at>

Table of Contents

1	Introduction	3
1.1	What is meant by the term "Energy Poverty"?	3
1.2	Basic remark on combating energy poverty.....	4
1.3	Emergence of these political recommendations for action	5
2	Preliminary remarks on the political recommendations for action.....	6
3	Policy Area	7
3.1	Responsibility of the energy supply companies	7
3.2	"Round table" on energy poverty	7
3.3	Increased subject support.....	8
3.4	ELWOG amendment.....	8
3.5	Allocation: Occupancy of the apartment	10
3.6	Models for warm rent	10
3.7	Consumption information	11
3.8	Timely energy billing	11
3.9	Accompanying measures / avoidance of energy shutdowns	13
3.10	Priority for energy advice	13
3.11	Fighting electricity heating	13
3.12	Tariff control for district heating.....	14
3.13	Removal of barriers to access the liberalized electricity market	14
3.14	Promotion of thermal building refurbishment	15
3.15	Evaluation of Energy Poverty activities.....	15
3.16	Consideration of mobility needs.....	16
4	Energy Supply Companies	17
4.1	Contact point at energy supply companies	17
4.2	Transparent energy bill	17
4.3	Native language energy bill.....	18
4.4	Basic supply tariff.....	18
4.5	Procedure for initial classification of consumption quantity.....	19
4.6	Energy efficiency fund.....	19
4.7	Use of electricity meter with power limiter.....	20

4.8	Use of Pre-Paid Meters	20
4.9	Tariff structure / social tariffs	21
5	Consulting	22
5.1	Training	22
5.2	Contact point at social institutions	22
5.3	Expansion of information.....	23
5.4	On-site energy consulting	23
6	Funding	24
6.1	Regional responsibilities	24
6.2	Quality requirements for subsidized devices.....	24
6.3	Quality standards for heating installations	24
6.4	Subsidy scheme for white goods	25
6.5	Promotion of boiler, thermal and furnace maintenance	26
6.6	Subsidy scheme for Pellets-stoves	26
6.7	Individual funding	26

1 Introduction

1.1 What is meant by the term "Energy Poverty"?

Energy poverty is a widespread phenomenon in developed countries. A household is defined as energy poor if it has to spend more than 10% of its household income on heating and electricity¹. These households have access to modern energy services, but do not have sufficient financial resources to afford adequate comfort. Current studies estimate that 150 million people are affected in Europe alone². In Austria, it is estimated that up to 145,000 homes (equivalent to 4% of Austrian households) were directly affected by energy poverty in 2021³.

According to the International Energy Agency, energy poverty has three causes that must coincide:

- a low household income,
- associated with high energy prices and
- poor housing quality from an energy perspective.

In this context, people with a low household income typically live in old, unrenovated buildings with above-average energy requirements, especially for heating. Accordingly, public funding programs can address the following three factors: Cost subsidies that increase household income, social tariffs with energy service providers, or grants to improve the energy efficiency of homes⁴.

¹ Bird, J., Campbell, R. & Lawton, K. (2010). The Long Cold Winter: Beating fuel poverty. London: Institute for Public Policy Research and National Energy Action. Downloaded on 28 April 2011, from the address: http://www.vhscotland.org.uk/library/misc/The_Long_Cold_Winter.pdf.

² See above

³ Source: Statistik Austria, e-control: DIMENSIONEN DER ENERGIEARMUT IN ÖSTERREICH - Hohe Energiekosten bzw. Nicht-Leistbarkeit von Energie für Wohnen; Wien 2022; ISBN 978-3-9033-93-28-8

⁴ Heffner, G. & Campbell, N. (in prep.). Evaluating the co-benefits of low-income energy efficiency programmes. Results of the January 27-28 workshop. International Energy Agency.

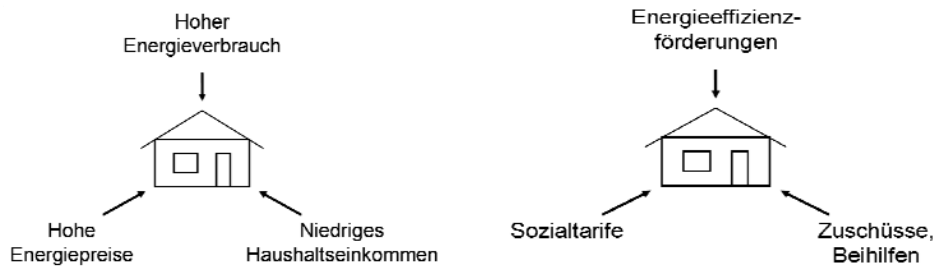


Figure 1: Energy poverty: causes and possible solutions (from: Heffner & Campbell, in prep.).

Cost subsidies and social tariffs are effective, but cannot solve the problem permanently. Energy efficiency subsidies, on the other hand, are often designed in such a way that they are not compatible with the needs of low-income households. However, there are promising examples both in Austria and in other European countries that show that energy consulting and energy efficiency promotion are also possible for this target group.

1.2 Basic remark on combating energy poverty

The topic of "combating energy poverty" has been on the agenda in Austria for a long time and there is broad experience about the approaches and the problems involved.

The situation on the energy market in 2022 puts the situation on a completely new footing, as energy prices will soon have tripled. This specific situation will not be alleviated with the accesses, which was used during the last years. Also, the social institutions, which have often stepped in for those affected in case of payment difficulties, do not have the financial room for manoeuvre to provide extensive assistance here.

The fight against energy poverty should be guided basically by the following four principles:

- Acute assistance
- Measures to increase energy efficiency
- Improvement of the quality of life
- Climate and resource protection

Ad acute assistance: Measures in the area of energy poverty are intended to help avoid payment arrears in order to secure the energy supply in such a way that there is no disconnection of the energy supply. In most cases, this will be a financial subsidy. However, it must be clearly conveyed that this is a one-time support, not perpetual subsidies.

Ad energy efficiency: Under this point, measures are to be set with the people concerned that reduce the cause of high energy consumption. In most cases, this can involve the

provision of energy-efficient white goods such as refrigerators, which are up to 75% more efficient. At the same time, this includes recommendations regarding changes in user behavior.

Improvement of the quality of life: Measures that improve the quality of life should also be promoted. This can be, for example, the new installation of an energy-efficient therme, which supplies sufficient hot water, in contrast to the often existing "therme", which supplies only a small amount of hot water ("drip shower"). Likewise, drafts can be prevented by window and door seals, or the quality of light can be improved by using good energy-saving light bulbs.

Ad climate and resource protection: It goes without saying that all measures should serve the corresponding climate policy goals.

In summary, it should be emphasized that energy poverty counseling is not about eliminating energy debt, but must be about preventing it.

Even if it is not always possible to eliminate the cause of energy poverty as a specific manifestation of poverty per se, it is a sociopolitical mandate to address the effects of energy poverty. In doing so, it is very much a matter of minimizing the effects for those affected, also by dealing with this issue differently.

1.3 Emergence of these political recommendations for action

Within the framework of the EU project Social Watt, the measures that can be taken on the part of the energy suppliers in order to provide them with assistance in this matter were investigated in the period from 2019 to 2023. To make this possible, numerous discussions were held with various stakeholders and a project was launched with an energy supplier to provide assistance. The insights gained from these discussions and from the project have been integrated into this guide, which is intended to show how one or the other measure can be taken to minimize the effects of energy poverty.

2 Preliminary remarks on the political recommendations for action

This compilation of recommendations for action is aimed at all those who wish to take active action against energy poverty. A differentiation is made between the following chapters, although there may be overlaps or additions with regard to responsibilities:

- Policy area
- Energy supply companies
- Consulting
- Funding

3 Policy Area

3.1 Responsibility of the energy supply companies

Recommendation: Energy suppliers have a relevant share of responsibility with regard to energy poverty. A payment into a legally prescribed efficiency pot or comparable payments should not be a carte blanche. The focus of responsibility is primarily then to be seen in dealing with energy poverty.

Justification: In the case of energy poverty, it is not only a matter of providing prompt and efficient help through measures, but above all of ensuring that an appreciative culture exists at the conflict interface - between vulnerable consumers and the suppliers - even in the event of a crisis, which represents an important contribution to resolving the situation.

Explanation: The payment to social institutions or legally prescribed efficiency pots must not lead to the energy supplier not maintaining solution-oriented contact with customers with payment problems. In such cases, problems should not be shifted to social institutions, but should be solved directly. The responsibility here lies with the respective supplier despite a payment.

3.2 "Round table" on energy poverty

Recommendation: Policymakers or the relevant administrative bodies should set accents such as round tables on the topic of energy poverty, to which both social institutions and energy supply companies are invited.

Justification: The relationship between energy supply companies and social institutions or the individual consultants is not always free of friction. A regular meeting or even a round table helps to establish personal contacts or to break down barriers in this regard, and to gain understanding for each other's point of view. Accordingly, the "round table" has to take place on the level of the respective mutual contact persons.

Explanation: Numerous discussions have unfortunately shown that there are reservations on both sides about cooperation. In the case of energy poverty and the individual cases relevant to it, however, this reservation is counterproductive. From the point of view of those affected, the most important thing is to start talks with the respective energy supply company as soon as possible in order to reach a solution. It has been shown that "antisocial" solutions occur primarily when the conversation does not take place or takes place too late. The task of politics or relevant administrative bodies would be to create a space of "encounter" for this.

3.3 Increased subject support

Recommendation: Transfer payments for people and households affected by poverty must ensure adequate heating and electricity supply, therefore require regular evaluation and must be provided with legal certainty.

Justification: Social transfer payments are intended to ensure that people and households have the basic supply in the most important areas of existence (housing, heating, food, health) if they are temporarily or permanently unable to meet these needs on their own.

Explanation: The inclusion of a fictitious percentage rate for energy costs in the means-tested minimum income or the decision to be taken annually by the provincial governments on heating cost subsidies, which are also not measured against current energy price developments, does not do justice to the financing of basic heating and electricity in the area of low household incomes or households with multiple burdens (debt, low income, poor or changing housing conditions). As the interviews with advisors and those affected revealed, the scope for energy savings and energy efficiency in households affected by poverty is minimal.

3.4 ELWOG amendment

Recommendation: The responsibility for customers of last resort invoking the basic supply should not lie with all electricity traders, but with the local energy supply company.

Justification: Currently, the relevant law (BGBL. I No. 110/2010) provides that the basic supply for electricity lies with each electricity trader. Thus, every electricity trader is obliged to accept customers worthy of protection, who demand the basic supply, as customers. In practice, it is usually the case that the local electricity supply company seeks out these customers. A change in the ELWOG would be tantamount to an adjustment to reality.

Explanation: With the BGBL. I No. 110/2010 of 23.12.2010 entitled "Federal Act enacting the Electricity Industry and Organization Act 2010 and the Energy Control Act⁵", relevant points regarding energy poverty are also regulated⁶. Here, § 77, (supplier of last resort) regulates how to deal with the basic supply.

§ 77. (Principal statement)⁷

(1) Electricity traders and other suppliers whose activities include the supply of electricity to household customers shall publish their general tariff

⁵ This content is taken from Austrian law and has been translated without guaranteeing legal correctness.

⁶ http://www.ris.bka.gv.at/Dokumente/BgblAuth/BGBLA_2010_I_110/BGBLA_2010_I_110.pdf

⁷ This content is taken from Austrian law and has been translated without guaranteeing legal correctness.

for the supply of last resort to household customers in an appropriate manner (e.g. Internet). They shall be obliged to supply electrical energy to consumers within the meaning of Section 1(1)(2) of the Consumer Protection Act and to small enterprises which invoke universal service vis-à-vis them on the basis of their applicable general terms and conditions and on the basis of this tariff (obligation to provide universal service). The implementing laws shall provide for more detailed provisions on consumers within the meaning of Section 1(1)(2) of the Consumer Protection Act for the supply of last resort.

(2) The general tariff for universal service for consumers within the meaning of section 1(1)(2) of the Consumer Protection Act shall not be higher than the tariff at which the largest number of their customers who are consumers within the meaning of section 1(1)(2) of the Consumer Protection Act are supplied. The general tariff for universal service for entrepreneurs within the meaning of section 1(1)(1) of the Consumer Protection Act shall not be higher than the tariff applicable to comparable groups of customers. Consumers within the meaning of Section 1 (1) (2) of the Consumer Protection Act who invoke universal service may not be required to provide a security deposit or make an advance payment in connection with the commencement of supply that exceeds the amount of a partial payment for one month.

However, it corresponds to the reality that the local energy supply company or the local network operator takes care of the "customers worthy of protection" and not the electricity trader who does not have its headquarters in the local area.

For institutions such as social welfare offices or socio-politically engaged NGOs, this would provide a clearly defined point of contact with which regional programs and projects could be more easily implemented if necessary.

In this context, it should be noted that Germany already has regulations in place in line with this recommendation⁸.

§ 36 Basic supply obligation pursuant to law on energy management' (Gesetz über die Elektrizitäts- und Gasversorgung)⁹

(1) Energy supply companies shall publicly announce and publish on the Internet general terms and conditions and general prices for low-voltage or

⁸ Energy Industry Act (Electricity and Gas Supply Act); dated 07.07.2005 (BGBl. I p. 1970, amended 3621), entered into force on 13.07.2005 last amended by Act dated 22.12.2011 (BGBl. I p. 3034) effective from 30.12.2011

⁹ This content is taken from Austrian law and has been translated without guaranteeing legal correctness.

low-pressure supply for network areas in which they provide basic supply to household customers and shall supply every household customer at these terms and conditions and prices. The obligation to provide basic supply does not apply if the supply is unreasonable for the energy supply company for economic reasons.

3.5 Allocation: Occupancy of the apartment

Recommendation: A legal framework should be created to ensure that in social housing, housing is allocated to low-income households taking into account operating (incl. energy) and rental costs.

Justification: Low operating and energy costs are an essential aspect in preventing energy poverty. This can be helped by providing relevant groups of people with housing where operating and energy costs will be low according to comprehensible criteria.

Explanation: This specification would be a design scope in the specification of the apartments under the aspect of the costs to be paid. As a first approximation, the energy certificate could be used for this purpose, but it must be taken into account that the location of the apartments in the building also has a considerable influence on the energy costs. However, in order to have the appropriate success here, it is necessary to define how the proof is provided that the allocation is guaranteed in accordance with these targets.

Attention is expressly drawn to the fact that mobility needs must also be taken into account. For example, the reachability of a public stop and the frequency of the timetable there could be an important additional criterion.

3.6 Models for warm rent

Recommendation: Studies should be carried out to determine the extent to which warm rent models could be implemented in Austria and what effects this would have on those affected.

Justification: Low-income households mainly live in buildings that have poor thermal quality. A warm rent model would mean that it is increasingly in the interest and responsibility of the building owner to provide apartments or houses that can be thermally operated at low cost.

Explanation: With regard to the design of a warm rent, this is an issue that is not without controversy, as it may work against the efficient and economical use of energy. The authors are currently not aware of a model that meets these requirements, which is why the recommendation also refers to the creation of a framework for such options and the

development of a basis that describes the possibilities and options for such an approach. One option could be that in apartments a certain amount of energy for heating is included in the rent, and only the additional consumption has to be paid extra. This amount of energy must make it possible to keep at least part of the apartment sufficiently warm.

3.7 Consumption information

Recommendation: Information on current energy consumption and associated costs should be made available to customers on a regular basis (several times a year) in an easily accessible form.

Justification: In general, it is common for customers to receive a consumption bill once a year, in which the previous partial payments (monthly or quarterly) are offset against the actual consumption. This results in either a repayment or an additional payment. Particularly in the event of rising energy prices, this can result in additional burdens for households requiring protection that are not provided for in the planned budget. This effect can be exacerbated by the fact that meters are currently only read every three years in some cases. This can result in significant costs accumulating for additional payments.

Explanation: With the introduction of smart meters, which are currently being rolled out widely, it is possible to record and display current energy consumption. This makes it possible to detect deviations from previous consumption more quickly and also to communicate them. With this information, energy suppliers should be able to provide a cost forecast of their customers' energy costs.

3.8 Timely energy billing

Recommendation: Information on current energy consumption and associated costs should be made available to customers on a regular basis (several times a year) in an easily accessible form.

Justification: In general, it is common for customers to receive a consumption bill once a year, in which the previous partial payments (monthly or quarterly) are offset against the actual consumption. This results in either a repayment or an additional payment. Particularly in the event of rising energy prices, this can result in additional burdens for households requiring protection that are not provided for in the planned budget. This effect can be exacerbated by the fact that meters are currently only read every three years in some cases. This can result in significant costs accumulating for additional payments.

Explanation: This is a recommendation based on EU Directive 2009/72/EC of 13 July 2009 concerning common rules for the internal market in electricity. There is specified as follows in Annex 1:

ANNEX I¹⁰

MEASURES FOR THE PROTECTION OF CUSTOMERS(1)

Without prejudice to Community consumer protection legislation, in particular Directives 97/7/EC of the European Parliament and of the Council of 20 May 1997 on the protection of consumers in respect of distance contracts and 93/13/EEC of the Council of 5 April 1993 on unfair terms in consumer contracts, the measures referred to in Article 3 are intended to ensure that customers,

.....

- (h) have their consumption data at their disposal and may, by explicit consent and free of charge, grant any registered supplier access to their metering data. The entity responsible for data management shall be obliged to share this data with the company concerned. Member States shall establish a format for collecting the data and a procedure for providing suppliers and customers with access to the data. Customers shall not be charged additional costs for;*
- be informed frequently enough, in an appropriate form, of their actual electricity consumption and costs in order to be able to regulate their own electricity consumption. The information shall be provided in a time frame sufficient to accommodate the capacity of the customer's metering equipment and the electricity product involved. Due consideration shall be given to the cost-effectiveness of these measures. Customers shall not be charged any additional costs for this;....*

When implementing this measure, it should be noted that not all households have the possibility of Internet access.

In this context, it is pointed out that it is already possible to pay the energy bill monthly upon request. However, this is only possible if an account is available and payment is made by standing order. However, it should be possible for low-income households to pay monthly without being linked to a direct debit order.

¹⁰ This content is taken from EU law and has been translated without guaranteeing legal correctness.

3.9 Accompanying measures / avoidance of energy shutdowns

Recommendation: In the run-up to an energy disconnection, the energy supply company has the obligation to offer customers on-site energy consulting.

Justification: It is important to create discussion levels and to find out the causes of the high energy consumption, which can only be done through on-site energy consulting. Direct contact also makes it easier to find a solution strategy for reducing consumption or arrears.

Explanation: The risk of disconnection indicates that the customer is not in a position to pay the energy costs. However, it is also in the interest of the energy supplier and also the grid operator that this customer does not drop out. In that case, the supplier (or grid operator) is forced to actively approach the customer and create a contribution to the reduction.

3.10 Priority for energy advice

Recommendation: As soon as an energy consultation defined by the process takes place with a customer, an energy disconnection is not possible for a period of time.

Justification: As soon as the process of the defined consultation takes place, one is in dialogue with the customer to solve the situation. The client shows clear signals that he will contribute to solving the situation.

Explanation: Energy supply can certainly be seen as basic supply and it is also in the interest of the energy supplier or the grid operator to come to a solution. However, the manner of this defined energy consultation still needs to be clarified, whereby the integration of the SmartMeter through the ongoing data collection is presumably an important component.

3.11 Fighting electricity heating

Recommendation: Specific programs should be run to replace direct electricity heating with other forms of heating or energy sources.

Justification: Contacts with low-income households have shown that the share of households using electricity for heating and/or hot water is higher (22%) than the Austrian average (7%). However, since electricity is the most expensive form of energy for heat use, this results in much higher energy costs.

Explanation: For the owner (usually landlord) of an object it represents the most economical form of the heat supply, if an apartment is equipped with electrical radiators. As a consequence, the tenant is responsible for the resulting high energy costs.

While there is a broad consensus to phase out oil for space heating, this awareness is not yet present for electric heating, which ultimately also causes considerably more CO₂ per kWh.

3.12 Tariff control for district heating

Recommendation: For social reasons, a tariff control for district heating should be established.

Justification: Costs for district heating connections are currently to be borne in any case, even if households do not (want to) use the service at all. At the same time, there are tariff structures for district heating that can be considered quite problematic, with no possibility for the affected households to avoid these costs.

Explanation: During the interviews with social consultants and clients, the tariff structure and level of district heating was repeatedly mentioned as a problem. Even in the case where the households consume no heat or only very little heat as far as possible, the amount of costs for district heating is hardly reduced. Causes are on the one hand the billing over the living space, and/or the generally high basic costs. With regard to the tariff structure, it must be explicitly mentioned that we are not dealing here with district heating in urban areas, where there is usually increased visibility as well as (political) control. Rather, we are dealing here with district and local heating networks for which there is probably no control with regard to the tariff structure. Here, the price escalator clauses are a relevant problem for many.

3.13 Removal of barriers to access the liberalized electricity market

Recommendation: Barriers that hinder the access of certain customer groups to the liberalized electricity market should be removed.

Justification: The liberalized energy market allows customers to purchase their energy from the supplier of their choice. However, the market appearance of individual suppliers raises the question of how far access is made possible for all customers.

Explanation: For certain consumer groups, the Internet and toll customer numbers (e.g., max. € 88 ct/min) represent an access barrier. Thus, these energy supply companies discourage customers worthy of protection from purchasing energy from them. These are providers who offer the lowest energy tariffs. In addition, in the interviews with affected

persons, the aspect of "security of supply" is at the top of the list when choosing their energy supplier. Concerns that low-cost providers could soon disappear from the market again, that they offer poor customer service and limited legal certainty, prevent people from switching energy suppliers and consolidate the position of the large providers.

3.14 Promotion of thermal building refurbishment

Recommendation: The thermal refurbishment of buildings should be accelerated, with greater consideration being given to social aspects when targeting subsidies.

Justification: The thermal refurbishment of buildings - in the case of the focus of this project in smaller municipalities and in rural areas also the refurbishment of single-family houses - is of great importance because this is where the greatest potential for savings lies. However, it has been shown that especially in the context of renovations, rents can increase or, in the case of homeowners, credit burdens can be added, which can have negative effects for those affected. Therefore, the social aspect should increasingly be taken into account.

Explanation: This is a demand that is not specific to the issue of energy poverty, but rather a general recommendation to reduce expenditure on energy. However, the refurbishment of buildings poses a problem for low-income households in that while energy costs are reduced, rents or housing and financing costs increase. As a result, the reality is that people are moving back into unrenovated and thus mostly uninsulated buildings.

3.15 Evaluation of Energy Poverty activities

Recommendation: Ongoing Energy Poverty activities should be evaluated on an ongoing basis to optimize use of funds and outcomes¹¹.

Justification: Austria has years of experience and many programmes and projects have been implemented in recent years. However, no tools and measures have been developed yet and no long-term experience is available to optimise the effectiveness of the individual activities. Therefore, the current activities should be evaluated with regard to their success in order to be able to optimise the measures at an early stage.

Explanation: On the one hand, an evaluation of the measures provides documentation of the ongoing activities, which promotes the exchange of experience.

¹¹ Es soll hier erwähnt werden, dass im Jahr 2022 hier durchaus relevante Aktivitäten gesetzt wurden. Einerseits stehen ca. € 36 Millionen für die Sanierung von großvolumigen Gebäuden mit Bewohner, die von der Energieramut betroffen sind sowie weitere e 15 Millionen für Gerätetausch und Energieberatung zur Verfügung.

3.16 Consideration of mobility needs

Recommendation: Energy Poverty activities must not exclude basic mobility needs of those affected.

Justification: While it is relatively easy to meet required mobility needs in urban areas due to better public transport structure, this can be a significant difficulty in rural areas. In order to get in touch with the energy supply company (e.g.: direct payments, payment arrangements, etc.) a basic need for mobility is given.

Explanation: This recommendation incorporates the project's finding that energy poverty has a different manifestation in rural areas than in urban areas. Although housing costs are lower (in some cases, buildings are in poorer condition), the cost of the necessary mobility is often higher.

4 Energy Supply Companies

4.1 Contact point at energy supply companies

Recommendation: Each energy supply company has to nominate and announce a contact person for energy poverty and this position has to be filled with a social expert if possible.

Justification: Most energy supply companies do not have a central contact person or point of contact for customers with payment problems. As a result, the problem is perceived very differently at the energy supply companies and no signal is sent that energy poverty is a relevant problem for the company.

Explanation: By establishing a contact point, the problem is centralized within the respective energy suppliers and there is a clearly defined contact person for social institutions and NGOs, but also within the energy supply companies, with whom a relationship can be built up over time and solutions are facilitated.

In larger cities, it is also advisable to establish native-speaking contact persons for customer contact for larger migrant groups.

For the same reasons, it is advisable to have such offices or central contact persons or facilities at social institutions.

4.2 Transparent energy bill

Recommendation: The energy bills are to be designed in such a way that the fixed and consumption-dependent costs are each presented in the form of a cost item.

Justification: In order to be able to accept and understand costs in terms of their amount, a simple presentation is necessary. At the time of payment, consumers are primarily interested in what fixed and consumption-dependent costs are, regardless of whether they are charges, surcharges, fees or taxes. Relevant are primarily what the kWh of energy cost the consumer in the last billing period and how large the total consumption is.

Explanation: Due to liberalization, bills are currently so complex that even experts may find it difficult to identify the various cost structures. The effect can even be compounded if tariff adjustments are made several times during the year.

There have been some developments here recently, but in most cases it is still the case that the specific variable costs (including taxes) do not show up on any invoice.

This recommendation does not contradict ELWOG §81 Abs 1 - Minimum requirements for invoices and information and advertising material, but includes the addition of showing the total price (incl. taxes and all allowances) for basic costs and energy price additionally for transparency reasons.

ELWOG § 81. ¹²(1) Information and advertising material addressed to end consumers as well as bills shall be designed in a transparent and consumer-friendly manner. Where information on the system usage charge and the price for electrical energy are provided jointly, where they are advertised jointly or where the conclusion of a joint contract is offered or is to be billed, the components of the system usage charge, the surcharges for taxes and levies and the price for electrical energy shall be shown separately in a transparent manner. The energy price shall in any case be stated in cents/kWh and shall include any basic price. Electronic transmission of invoices is permissible at the customer's request, but the customer's right to paper invoicing may not be excluded by contract. The customer may not be charged any additional costs for paper invoicing.

4.3 Native language energy bill

Recommendation: The energy bills as well as the additional information and reminders are to be offered as a sample bill also in the usual native languages of the migrants.

Justification: Energy bills are currently so complex that it is difficult for consumers to fully understand them. If it is then in a language that is not fully understood, this difficulty increases.

Explanation: It is assumed that energy bills and various additional information, such as reminders, are standard letters. These should be translated once and offered at least at the customer service centers or on the website. It would be ideal if the invoices were sent to the clients in the desired language in addition to the German-language invoice.

In larger cities, it is also advisable to establish native-speaker contact persons for larger migrant groups for client contact.

4.4 Basic supply tariff

Recommendation: The tariff for basic supply must not exceed the cheapest tariff by more than 20%.

Justification: Every electricity customer is entitled to a basic supply from any electricity trader, which cannot be denied.

¹² This content is taken from Austrian law and has been translated without guaranteeing legal correctness.

Explanation: Surveys have shown that in individual cases the tariff for basic supply can be up to 50% higher than the cheapest tariff. This is ultimately an extreme disadvantage for socially disadvantaged groups, for whom it can mean problems finding a supplier at all in the event of payment difficulties.

4.5 Procedure for initial classification of consumption quantity

Recommendation: The real consumption quantity or costs are to be checked at the request of the customer at the latest 6 months after the initial classification.

Justification: Consumption for the first six months can be highly misleading, as energy consumption over the winter months can differ greatly from that over the summer months. This consistently causes payment problems, especially for low-income customers.

Explanation: Reclassification of consumption levels is always a problem. For example, low-income households increasingly have electric heaters, which always cause extreme costs during the winter months. The "classification" after 6 months can in principle also take place by telephone by the energy supply company.

4.6 Energy efficiency fund

Recommendation: Each energy supply company for grid-bound energy sources has to implement measures comparable to the electricity aid fund set up by Verbund and Caritas Austria or they should participate directly in this fund.

Justification: The current electricity aid fund represents a source of funding that makes it possible in an uncomplicated manner to support households with energy-efficient appliances (i.e. white goods) or to set up immediate measures.

Explanation: Such energy efficiency funds should aim to replace outdated and thus inefficient white goods or heating systems and to finance other small-investment measures for low-income households that would otherwise go undone (thermostatic valve, window seals, etc.). This should be handled in the context of energy consultations, so that a combination of advice and financial assistance is made possible.

In the case of the electricity aid fund set up by Verbund, Verbund pays in around one euro per customer per year. If all energy supply companies participate in such an energy assistance fund, a comprehensive financing pot is available for unbureaucratic assistance.

Care must be taken to ensure that such an energy aid fund does not take the form of an "indulgence trade". Regardless of whether such an energy aid fund exists now, the

respective energy supply company should document how the topic of energy poverty is dealt with in customer contact.

4.7 Use of electricity meter with power limiter

Recommendation: In dialogue with social institutions, consumer protection organizations and energy supply companies, the possibility of using smart meters with the option of limiting the power should be examined.

Justification: Through an electricity meter that can limit the power, it is possible to strongly limit the energy-intensive heat production with electricity - which causes a lot of costs - and thus to limit a cost explosion at least to some extent.

Explanation: The use of electricity meters with power limiters is intended to avoid power cuts or to be used instead of power cuts. In Belgium, smart meters are being used with great success, where it is technically possible for the energy supply company to reduce the current to about 6 amps, which corresponds to a maximum power of 1320 watts. This enables consumers to continue to have light, to operate the refrigerator and, if necessary, to watch TV or work on the PC. At the same time, electricity-intensive heat consumption (such as electric heating or cooking) is very much reduced.

Since heat generation with electricity is very cost-intensive, but a minimum power is needed for it, this method is very limited or even prevented. The use of electricity meters with power limiters is primarily intended to prevent power cuts.

However, since this is a very directing intervention in the everyday life of households, this measure should be evaluated and set up in the context of a dialogue between social institutions, consumer protection organizations and power supply companies.

4.8 Use of Pre-Paid Meters

Recommendation: The energy supply companies should increasingly use pre-paid meters, which can prevent users from falling into the debt trap. The minimum payment amount should be as low as possible¹³.

Justification: Payment problems for many vulnerable households are not so much caused by costs per se, but rather by the fact that in most cases no reserves are built up to finance irregularly occurring higher costs (see also, for example, additional payments for electricity

¹³ E-Control - KONSUMENTENSCHUTZBERICHT 2020: According to this report, there were only 1,662 advance meters in 2020. However, it is expected that with the smart - meter the number will increase.

bills). With pre-paid meters, consumption is financed in advance, which means that no debt is incurred.

Explanation: The problem of pre-paid meters is seen as highly controversial, as it represents unequal treatment of consumers. However, interviews with both social counselors and those affected have shown that this option is viewed quite positively by these groups of people. However, the pre-paid meter should only be used with the consent of the person concerned and at no extra cost.

With regard to the payment options, however, options must be created that do not lead to a burden on households. For example, both coin meters and advance payment using a payment slip are considered unsuitable due to the payment slip fee. While direct payment or payment by pre-paid card should not be a problem in urban areas due to the proximity to a customer office of the energy supply companies, this may well be a problem in rural areas due to greater distances. For such cases, new forms of payment (e.g., payment via pre-paid phone cards) may need to be used. This would also enable a low minimum deposit.

Legally, however, there are likely to be problems, as it is not always clear whether implementation falls within the scope of the network or the energy supplier.

4.9 Tariff structure / social tariffs

Recommendation: The share of non-consumption-based costs should be reduced, or could be subsidized in its amount up to 100%.

Justification: In the context of energy market liberalization, consumption-independent costs for gas and electricity have increased disproportionately more than consumption-dependent costs. The result is that for consumption below 3,500 kWh, electricity costs have risen more than shown in the consumer price index.

Explanation: Social tariffs are a contentious issue and some studies show a thoroughly critical approach. At the same time, however, it should be emphasized that social tariffs are very common in other European countries such as the United Kingdom, Belgium or France. Consumption-independent costs have increased disproportionately more than consumption-dependent costs since liberalization. Thus, the specific cost burden for low consumers is disproportionately higher than for high consumers. If only the share of consumption-independent costs is subsidized, each kWh will cost each consumer the same and the argument that this encourages waste will no longer apply.

There have already been approaches in Austria to offer social tariffs. However, the approach chosen (e.g. "Freitage") is problematic for the reason that it can also be regarded as a customer loyalty program and at the same time competing offers ("change of supplier") were cheaper.

5 Consulting

5.1 Training

Recommendation: Staff of energy consulting institutions should be trained specifically for the target group of energy-poor households.

Justification: In the case of energy-poor / poverty-stricken households or households at risk of poverty, it is a matter of rather short-term measures that must be achieved at low financial cost. For the consultation, knowledge about social infrastructures as well as energy-related knowledge is required, and in general, social competence of the consultants must be present.

Explanation: Energy poverty counseling can be provided by social counselors and debt counselors as well as by energy counselors. In the case of social and debt counselors, there is a need to obtain energy technology knowledge, which can be additionally used in the context of their client contacts. The energy counseling currently used in Austria is not geared by its training to counseling low-income households. The well-developed and established energy consulting in Austria is geared towards the house builder, who learns in the course of the consultation how to optimize the subsidies or which insulation thicknesses should be used in the renovation or which biomass boiler is best suited for the building. However, energy consulting on energy poverty requires not only social competence but also knowledge about socio-political framework conditions in Austria.

5.2 Contact point at social institutions

Recommendation: Every social institution and energy advice center that specifically deals with the issue of energy poverty should nominate and announce a contact person for energy poverty.

Justification: In order to optimize the cooperation with the energy supply companies, it is not only necessary that contact persons are available at the energy supply companies, but also that these companies find clearly defined contact persons at the mentioned institutions.

Explanation: By establishing a contact point, the problem is centralized within the respective institution and there are clearly defined contact persons for the energy supply companies but also for the social institutions, with whom a relationship can be built up over time and solutions are facilitated.

5.3 Expansion of information

Recommendation: Information for both social advisors and energy advisors on energy poverty should be expanded.

Justification: Expanding information would raise awareness of the potential for cost reductions through specific energy advice for households affected by poverty or at risk of poverty.

Explanation: The establishment of energy poverty counseling is not only directed at energy counseling and social counselors, but must be integrated into the entire infrastructure. Among other things, it is helpful if social services are aware of the consulting options (how does the information about the consulting options reach the clients), but are also able to assess the consumption situation, to what extent the respective consumption indicates the need for consulting. In addition, documentation must also be provided to enable assessments to be made.

It must be emphasized that in Austria there is still little experience with energy consulting for households affected by poverty or at risk of poverty. Therefore, it is also necessary to focus on the exchange of information and experience in order to know as quickly as possible which instruments are effective.

5.4 On-site energy consulting

Recommendation: For households affected by poverty or at risk of poverty, an energy consulting service should be established or expanded, which on the one hand can take place directly on-site at the affected person's home, and on the other hand enables longer support in this issue.

Justification: In order to better grasp the respective situation of energy poverty, it is optimal to conduct an assessment in cooperation with the affected person in their respective environment.

Explanation: The energy poverty counseling focuses mainly on changing the usage habits and on the other hand on small energy saving helpers in order to minimize the energy consumption costs. Since the situation in each household is different, it is purposeful to carry out the consultation in the usual environment. In some interviews very positive experiences with this energy consulting "on-site" were reported - this is all the more gratifying, as due to changed framework conditions in the field of social work and also in the field of delogation prevention, home visits are not possible, not provided for and often not desired by the clients. Energy consulting seems to have a different "image" here.

6 Funding

6.1 Regional responsibilities

Recommendation: The responsibility for approaching households for certain support programmes should not lie with the energy supplier but with the local grid operator.

Justification: Local accessibility in funding issues is easier at the local level through the grid operator and not so much through different energy suppliers. For vulnerable households, it makes no difference whether the subsidies or the contact comes via the local grid operator or the energy supplier. However, organisational accessibility is easier via the local grid operator.

Explanation: In connection with the high energy prices, there were direct subsidies that were distributed via the energy supplier. For each customer, it had to be recorded which energy supplier was supplying him/her, which involved a lot of effort. It can be assumed that the vulnerable population group (e.g. older people) in particular are only partially in a position to become active here. If the subsidies are provided by the grid operator, the allocation is already given by the location alone. For the consumer, it makes no difference from whom the money comes or which part is subsidised.

6.2 Quality requirements for subsidized devices

Recommendation: Guidelines should be drawn up on the qualitative conditions under which energy-saving appliances are subsidized.

Justification: Only appliances that meet certain quality and energy efficiency criteria should be subsidized or made available to households in need of protection. These lists are to be updated on an ongoing basis.

Explanation: The aim is to ensure that optimum energy savings are achieved when small appliances are subsidized. The quality requirements relate not only to energy efficiency but also to equipment criteria such as the length of the connection cable in the case of switchable power strips.

6.3 Quality standards for heating installations

Recommendation: Quality standards for the installation of heating systems should be developed under which subsidized heating systems are to be installed.

Justification: The efficiency of a heating system is based not only on the quality of the heating system chosen, but also in what way it was installed. In individual cases, this can influence the annual energy consumption by up to 10%. If quality is "forgotten" when installing new heating systems, energy savings that are easy to achieve will not be realized.

Explanation: There is currently a subsidy program that enables households affected by energy poverty to obtain a climate-friendly heating alternative in place of an existing oil heating system. Even though the primary goal is to reduce the use of heating oil in our society, this reduces the heating costs for the households while at the same time increasing comfort. Currently, there is no requirement for the quality of the installation, which means that easily achievable savings may not be addressed.

6.4 Subsidy scheme for white goods

Recommendation: A separate subsidy scheme should be developed for low-income households to allow them easier access to high-efficiency white goods such as washing machines or refrigerators and freezers.

Justification: White goods account for a relevant share of electricity costs for customers worthy of protection. Traditional housing subsidy systems do not reach this stratum due to lack of funding. A separate subsidy scheme for white goods that specifically targets customers worthy of protection would, on the one hand, provide incentives to purchase energy-efficient appliances and thus save energy, and, on the other hand, would also provide subsidy equity.

Explanation: Energy efficiency has improved enormously in recent years for refrigerators and freezers, among others. The replacement of an approx. 15 year old appliance, which is probably still in operation especially in low-income households, reduces the energy consumption for this performance by about 75%. In the case of a free-standing refrigerator (< 85 cm in height), this reduces energy costs¹⁴ by around € 60. At the same time, there may be an improvement in comfort for those affected, as the noise emission is greater, especially with older appliances,.

¹⁴ The annual CO₂ reduction is around 250 to 300 kg.

6.5 Promotion of boiler, thermal and furnace maintenance

Recommendation: A funding opportunity should be introduced that specifically promotes boiler, thermal and furnace service and maintenance.

Justification: It is likely that low-income households cannot afford regular furnace and boiler service and meaningful maintenance. Regular boiler service can ensure efficient operation of the system, saving energy costs.

Explanation: Funding for this service could be financed by a lower cost rate to the companies performing the service. On the one hand, it represents additional business for the company that would otherwise not come about at all, and on the other hand, the funding in itself is an advertising signal that boiler services are useful. This leads to an additional stimulation of business.

Regular servicing of all boilers and furnaces would also be an important contribution to reducing accidents involving carbon monoxide.

6.6 Subsidy scheme for Pellets-stoves

Recommendation: Funding options for Pellet-stoves should be made available specifically for low-income households.

Justification: Stoves that have only a small heating capacity are an economical way to provide at least basic heat for one or two rooms. At the same time, such a subsidy scheme is a supplement to the existing subsidy culture, which is primarily aimed at the middle class.

Explanation: Explanation: Insofar as a chimney connection is available in the flat, a stove can provide an infrastructure that makes it possible to keep at least one room warm. Tests with pellet stoves have achieved positive results with regard to acceptance and realisation.

Another advantage is that the customer has to purchase the energy in advance and therefore does not get into debt due to a sudden large payment. In addition, there is an adjustment of behaviour to consumption, because the customer is more easily able to control energy costs through consumption behaviour.

6.7 Individual funding

Recommendation: Individual subsidies that take social aspects into account should be promoted.

Justification: At present, the political focus is strongly on the overall thermal refurbishment of the building. Due to their financial situation, low-income households are not able to take advantage of this politically forced subsidy structure.

Explanation: Analyses have shown that considerable energy savings and thus cost reductions can be achieved with little financial outlay. The measures mentioned include window replacement, insulation of the top floor ceiling and boiler renovation. In the case of window replacement, cases are to be covered where only one or two windows are replaced in order to enable comfort in one or two rooms. With regard to boiler renovation, there is a conflict situation in that only heating systems for renewable energy are subsidized. These cost, however, disproportionately more, so that a strong load is given in the short term, and therefore the reorganization is renounced and/or, in the case of the damage event, no efficient solution is aimed at. In the case of renovation, it would be advisable to deviate from the previously enforced procedure for biomass in order to achieve any energy savings at all.