



trece

Training for Energy Consumers Empowerment Project

Energy poverty – Romania

C.Tantareanu
Nicoleta Ion

TRECE Conference 21 December 2021



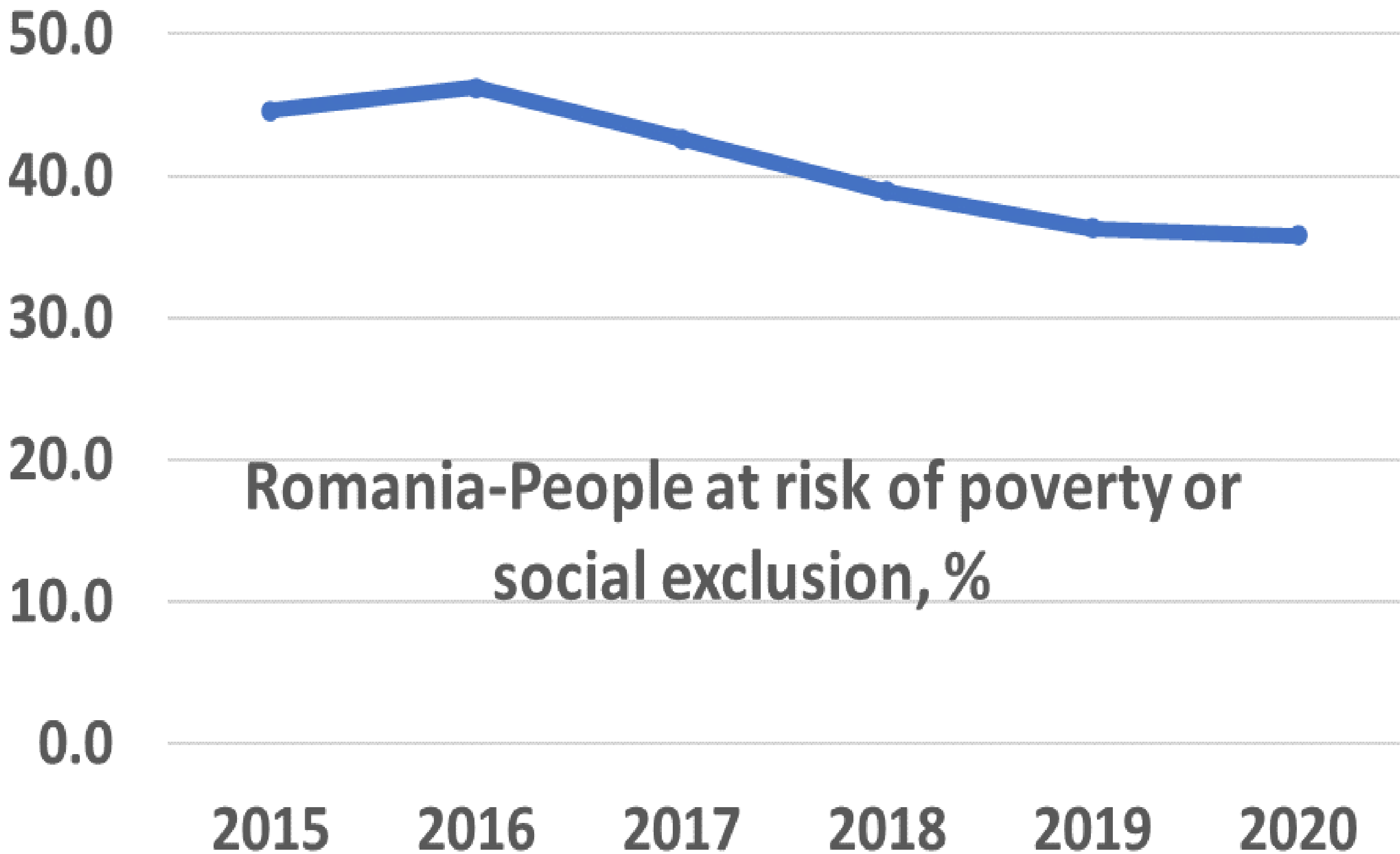
Status of energy poverty – indicators

The new Law on vulnerable consumer

Other financial mechanisms

General comments

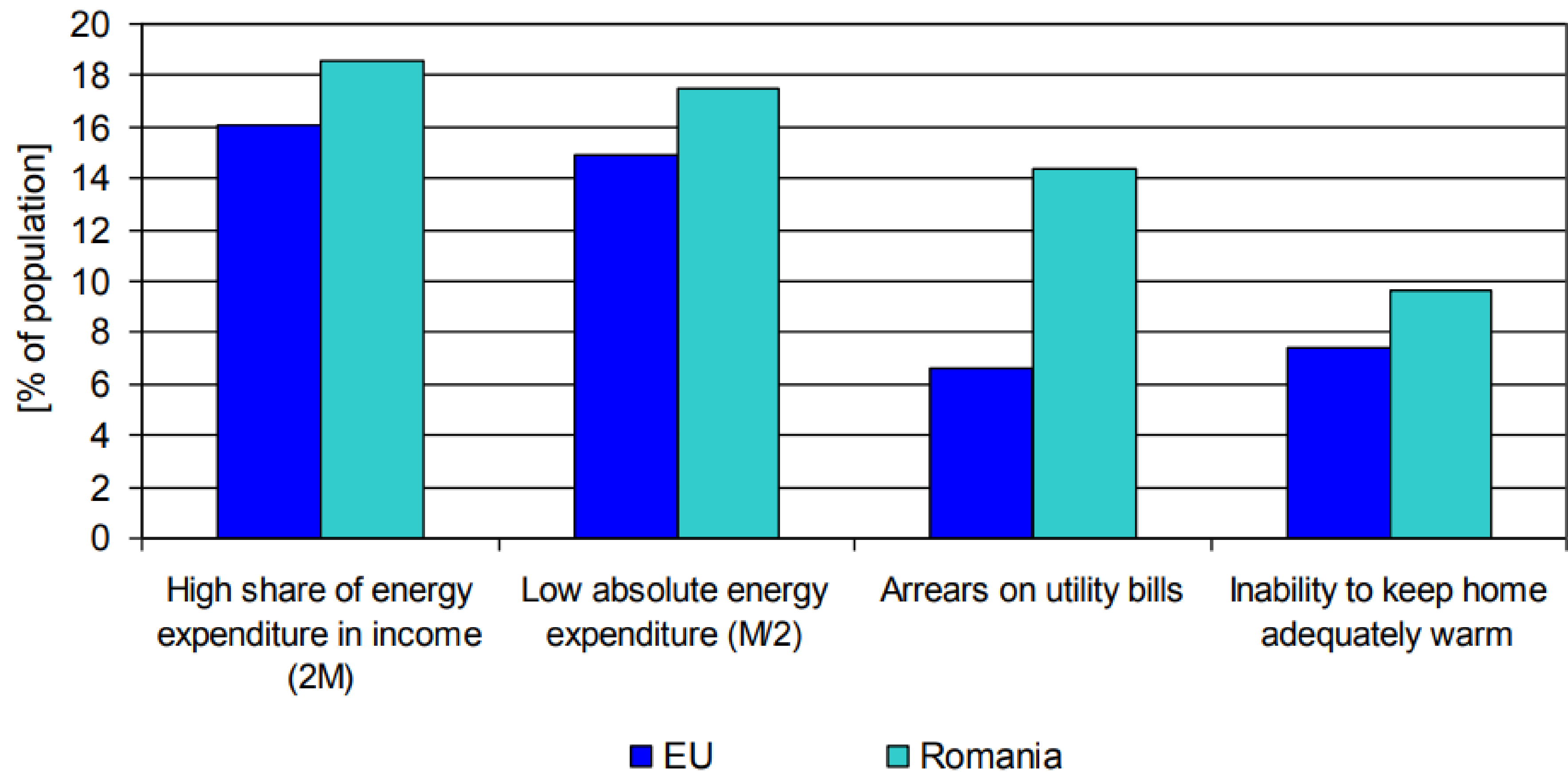
Indicators



Romania-People at risk of poverty or social exclusion, %

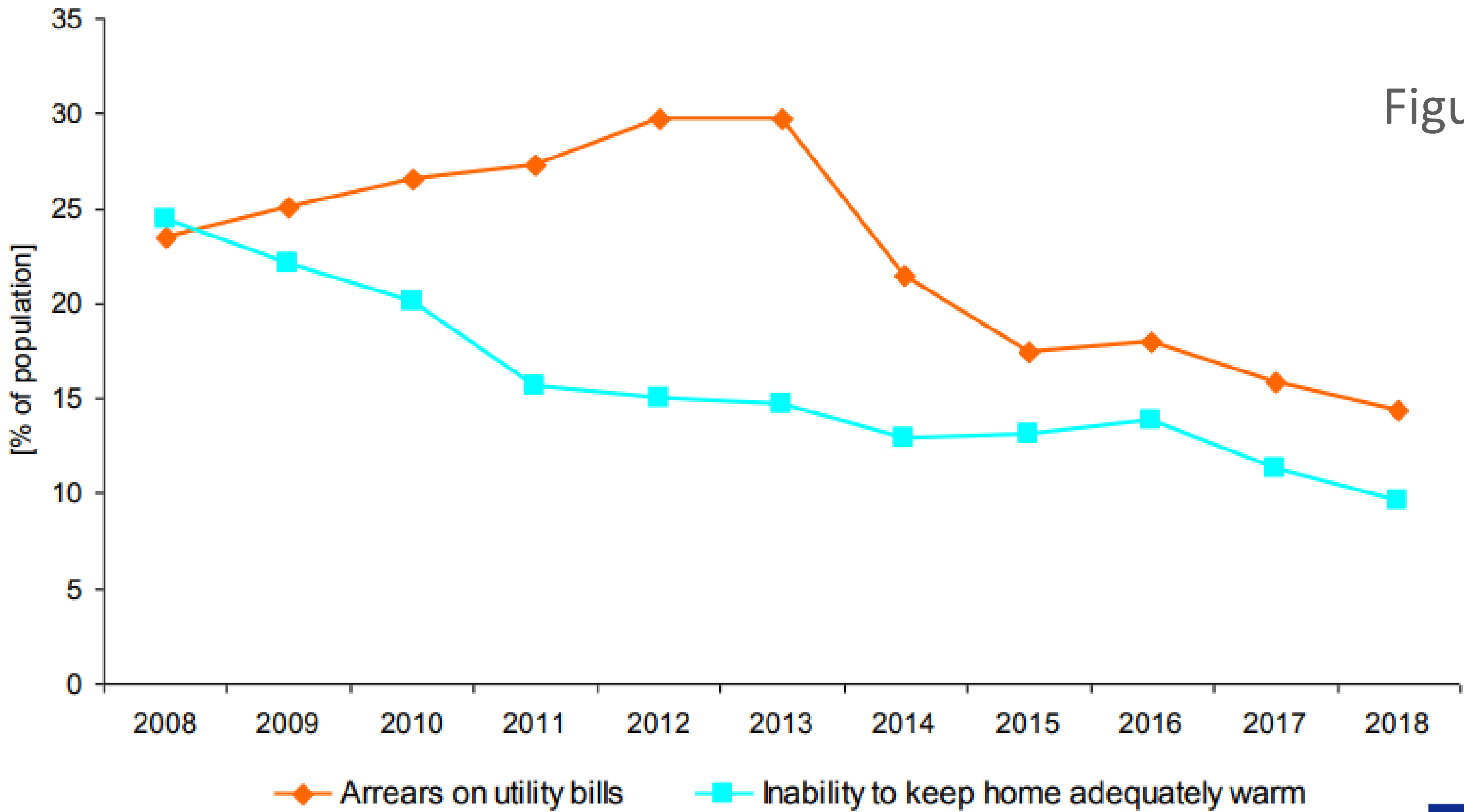
21.9% is the average in EU-27

Indicators

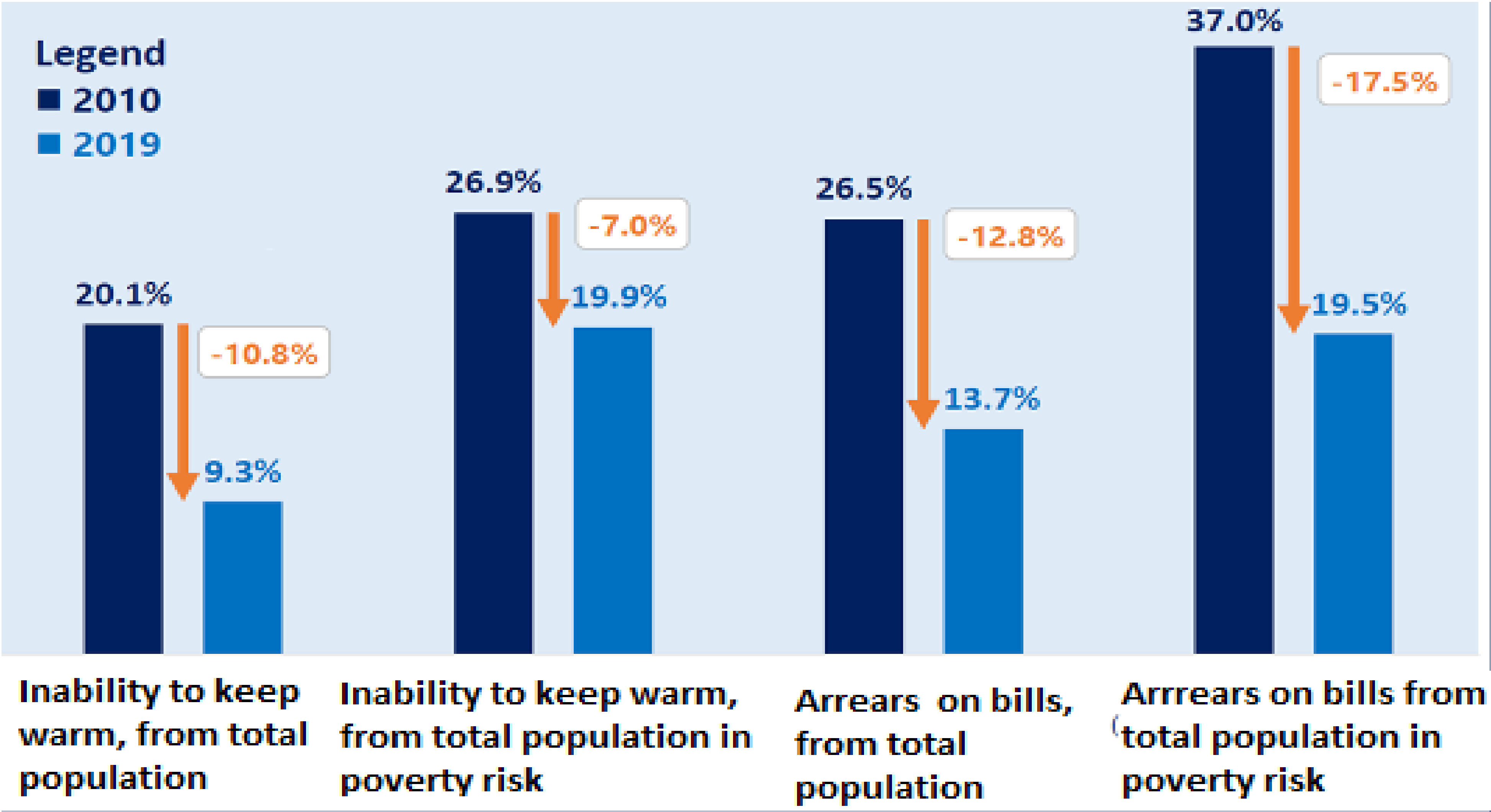


Results of EPOV primary indicators, 2018

Indicators



Indicators



Evolution of the indicators (Source Association for Intelligent Energy)

Other indicators

The Center for the Study of Democracy, using several alternative indicators to measure energy poverty and the available, estimated the current level of energy-related vulnerabilities to at least 32%.

Regarding the power consumption, out of the 8,700,000 Romanian households, 50% of the total are households with an average consumption of 55 kWh /month (according to the Regulatory body report related to the first semester of 2020), which can be classified as a consumption specific to vulnerable consumers.

.

Indicators



A specific approach appears in the rural area.

In Romania, almost half of the country's population (45 %) live in rural areas, especially in single-family houses, built of brick, wood and other natural materials. Moreover, almost 80% of the rural population uses wood for heating, in obsolete and energy-efficient stoves with low heating power and polluting emissions.

The Law on vulnerable consumer

The Law no. 226 of September 16, 2021 on social protection measures for vulnerable energy consumers applies from November 1, 2021.

The law gives the definitions for

- **Vulnerable energy consumer**, - a single person / family who, due to health, age, insufficient income or isolation from energy sources, needs social protection measures and additional services to ensure at least minimum energy requirements;
- **Energy poverty** - the inability of the vulnerable consumer, as defined above, to meet the minimum energy needs, *namely the minimum energy consumption of the individual / family for lighting, optimal cooling and heating of the home, support for cooking facilities and hot water in the home, use of means of communication, use of energy or power for medical devices to support life or to improve human health.*

The Law on vulnerable consumer

The law addresses the family or the single person who does not have other significant properties or goods and who obtains an average monthly net income of

- up to approx. 280 Euro/person in the case of the family and
- up to approx.. 410 euro, in the case of the single person.

Other financial schemes

Subsidizing the price of thermal energy

This is paid by local authorities of cca 50 municipalities, including Bucharest, regardless of whether they are vulnerable clients or citizens with incomes above average.

For example, in Bucharest, the total cost of hot water and heat, supplied by the DH is 400 RON (approx.. 80 €) /Gcal. From this price, the entire population, rich or poor, pays only 163 RON (approx. 33 €). The rest is a subsidy paid by the municipality.

For example, heating aid and subsidies for thermal energy (2018) were

- . Aid for heating for vulnerable consumers RON 193 million (around 43.2 mil €)
- . Subsidies in price for thermal energy RON 1,100 million (around 246.4 mil €)

Total 1,293 mil. RON (around 289.6 mil €)

Other programmes addressing all consumers

Programs to increase the energy efficiency of multi-family homes

There are several programs that fund these works:

- The national program on increasing the energy performance of apartment buildings
- Thermal rehabilitation program of residential buildings financed by bank loans with government guarantee
- Thermal rehabilitation programs with funding from the Regional Operational Program

The Program to increase the energy efficiency in single-family homes (Energy Efficient House Program)

, Environment Fund Administration reimburses 60% of the investment, after an energy audit of the house.



Other programmes addressing all consumers

Program for the installation of photovoltaic systems for isolated households

The non-reimbursable financing granted by AFM is maximum (around 5.000 €), r a power of at least 1 kWp

National program for the replacement of used electrical and electronic equipment with more energy efficient ones



Comments

Energy poverty means more than lack of financial resources (high bills-low income). There is also a knowledge poverty on energy related issues

- energy efficiency
- ability for internet communication and information ,
- use of ITC equipments and tools

The vicious circuit of *direct financial aids- energy poverty* should be broken by empowering the vulnerable customer to get out of the paradigm of energy vulnerability. This is a still missing pillar in the Romanian approach on alleviating energy poverty.

Comments

The experience with electricity social tariffs for low-income households is a lesson.

The social lower tariffs are provided for households with average income per capita below the national minimum wage. Consumption is also limited to a certain amount.

But,

- consumption limits for electricity had not been updated,
- many consumed over the limit (as heating on electricity is particularly intensive);
- suppliers did not warn about overpassing the consumption limit.

At the end many consumers paid rates higher than the regular consumers.

Comments

The new Law on vulnerable consumer is again a more a financial aid for heating the house during the cold season than a law to empower the vulnerable consumer to fight energy poverty.

- Energy poverty measurement indicators are based exclusively on household income
- Measures to protect vulnerable customers completely ignore non-financial measures or the increase of energy efficiency (e.g. replacement of inefficient boilers or stoves).
- The identification of persons with low incomes relies on declarations on one's own responsibility.

Other programmes promoting the energy efficiency as the Green House are addressing all consumers, and in practice are accessible to the households far from energy poverty.

Single family houses are neglected in the buildings rehabilitation programmes.

Comments

Romania, as other countries, has a historic chance to face the problem of vulnerable consumers and energy poverty by starting a wave of building renovation and other energy efficiency measures with the funds available through the National Recovery and Resilience Plan.

Of the total value of the NRRP, 29.1 billion euros, the funds dedicated to the energy efficiency and seismic buildings rehabilitation are 2.7 billion euros.

