

Member State Report

Definition of terms and explanations

The Member State Reports of the EU Energy Poverty Observatory (EPOV) provide an overview of the energy poverty situation in all Member States. This document defines the terms used in these reports and provides further explanations.

EPOV provides **four different primary indicators** for energy poverty, of which two are based on self-reported experiences of limited access to energy services (based on EU-SILC data) and the other two are calculated using household income and/or energy expenditure data (based on HBS data). These four different indicators are shown in the graph *Performance relative to EU Average* in each Member State Report, while the graph *Performance over time* shows the timeseries for the indicators *Inability to keep home adequately warm* and *Arrears on utility bills*.

- **Inability to keep home adequately warm:** Share of (sub-) population not able to keep their home adequately warm, based on the question "Can your household afford to keep its home adequately warm?"
- **Arrears on utility bills:** Share of (sub-) population having arrears on utility bills, based on the question "In the last twelve months, has the household been in arrears, i.e. has been unable to pay on time due to financial difficulties for utility bills (heating, electricity, gas, water, etc.) for the main dwelling?"
- **High share of energy expenditure in income (2M):** The 2M indicator presents the proportion of population whose share of energy expenditure in income is more than twice the national median share. Note: where income distributions are more equal, variance in energy expenditure translates to higher 2M shares. High variance in energy/income shares can occur due to structural differences in energy expenditure between household groups, as well as in situations where energy is often, but not exclusively, included in rent.
- **Low share of energy expenditure in income (M/2):** The M/2 indicator presents the share of households whose absolute energy expenditure is below half the national median, or in other words abnormally low. This could be due to high energy efficiency standards, but may also be indicative of households dangerously under-consuming energy. M/2 is a relatively new indicator that has been used in Belgium to complement other expenditure and self-reported indicators. Note: this indicator is influenced by the underlying distribution of absolute energy expenses in the lower half of households. If the median is relatively high and the distribution below very unequal, the M/2 indicator is high.

For the indicator *Inability to keep home adequately warm*, the Member State Reports show a further disaggregation. On the website of the EU Energy Poverty Observatory, the following disaggregations are possible: Income deciles, Tenure type, Urbanisation density and Dwelling type. The most relevant disaggregation was chosen for specific Member States. Compared to the EPOV website, the following nomenclature was used for Tenure type and Urbanisation density:

Tenure type

EPOV website	MS Report
Owner	Home-owners
Market rent	Private tenants
Reduced/free rent	Social housing

Urbanisation density

EPOV website	MS Report
Densely populated	Urban areas
Intermediate urbanization	Suburban areas
Thinly populated	Rural areas

About the EU Energy Poverty Observatory

The EU Energy Poverty Observatory (EPOV) is an initiative by the European Commission to help Member States in their efforts to combat energy poverty. It exists to improve the measuring, monitoring and sharing of knowledge and best practice on energy poverty. EPOV has been developed by a consortium of 13 organisations. This report was authored by Navigant.

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The lists with *Selected measures* and *Selected Publications* were selected based on expert judgment of the relative importance of the items within the Member State. The typology used within the table of Selected measures follows the nomenclature in the Policies & Measures section on the EU Energy Poverty Observatory:

The most common **type of measures**:

- *Building insulation/Cooling system/Heating system/Household appliances/Renewable energy*: these are measures that directly facilitate the implementation of improved building insulation/cooling systems/heating systems/household appliances/renewable energy, for example through financial assistance.
- *Disconnection protection*: these are measures that aim to avoid the disconnection of households.
- *Energy audits*: this is where a professional goes to the household to provide direct advice on how to improve their specific situation, often also giving specific advice based on observations at the house.
- *Energy bill support*: this measure provides financial assistance to households to pay their energy bills.
- *Information and awareness*: these are measures that indirectly facilitate households to improve their situation by providing advice, information or education.
- *Social support*: these measures provide general income support for households to cover more general expenses, such as housing or living costs.
- *Social tariff*: a social tariff reduces the tariff that needs to be paid by certain households

The possible **organisations** that are involved with the measure:

- *National government*: the national government of a country
- *Regional government*: larger sub-national governments, which could be called provinces, regions or states depending on the country
- *Local government*: these are municipalities
- *Energy suppliers*: these are actors that sell energy to consumers.
- *Grid operator*: these are the entities that are in charge of the electricity/gas/heating grid operation. In the liberalized model, these entities are not allowed to be energy suppliers.
- *Regulator*: the regulator is the entity that regulates the energy markets, primarily the electricity and gas markets.
- *NGOs*: non-profit organisations
- *Business/Industry*: all kinds of commercial private actors

The possible **target groups** that are targeted with the measure:

Socio-economic group:

- *Chronically/severely diseased*: these are households with a person that has a chronic or severe illness.
- *Disabled*: these are households with a person that has a disability.
- *Households on social benefits*: these are households that receive certain kinds of social benefits, including unemployment benefits, child benefits, long-term illness benefits or disability benefits.
- *Households with children*: these are households with children.
- *Indebted households*: these are households that have arrears on their energy bills.
- *Low income households*: these are households that are below a certain income.
- *No specific target group*: this means that the policy or measure is not targeted to a specific socio-economic group
- *Pensioners*: these are households with persons that either (1) receive pension benefits (2) are above a certain older age (e.g. 60 years old).
- *Rural households*: these are households that live in rural areas
- *Unemployed*: these are households with a person that is unemployed.
- *Vulnerable households*: vulnerable households are households that fall under a 'vulnerable' category that is explicitly defined in regulation.

Housing situation

- *Apartment buildings*: these are buildings where there are apartments that are separately owned, but there is also a common area that is shared.
- *Landlords*: person that owns the house, but does not live in it
- *Owner-occupants*: persons that own the house they live in
- *Private tenants*: persons that rent their housing: they do not own the house they live in. The house is rented on the private market (i.e. landlord is a commercial entity or natural person, not social housing).
- *Social housing*: housing that is owned by public organisations that aim to provide lower-cost housing

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