



Member State Report Estonia

DATA & STATISTICS

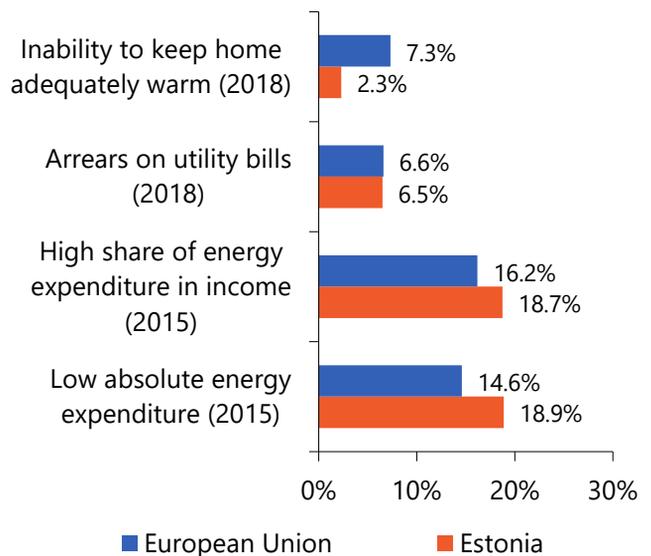
This Member State Report of the EU Energy Poverty Observatory (EPOV) provides an overview of the energy poverty situation in Estonia at a glance. With key indicators, policies, and publications, it offers an understanding of the key aspects of energy poverty in Estonia.

In 2018, about as many people in Estonia (6.5%) as in the EU as a whole (6.6%) report that they have arrears on utility bills. Notably the fraction of the Estonian population that state that they are unable to keep their home warm is only about a third of the EU average. This can likely be explained by strong disconnection protections that are in place in Estonia (see p. 3).

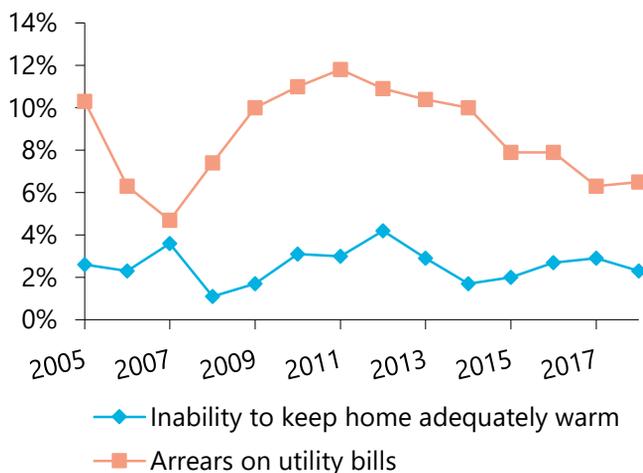
Estonia's performance in the expenditure-based indicators is slightly worse than the EU average. 18.7% of households spend an unusually high share of their income on energy expenditure. This is higher than the EU-average. The high energy expenditure is likely to put a strain on the household budget.

Moreover, at 18.9% Estonia has a slightly higher number of households that have an unusually low energy expenditure. These households might restrict their energy spending below what is necessary to meet their needs.

Performance relative to EU average*



Performance over time*



In Estonia, the number of people with arrears on utility bills shows an increase between 2007 (4.7%) and 2011 (11.8%) followed by a decline (6.5% in 2018).

The indicator on the inability to keep the home adequately warm shows less of a clear trend. It fluctuated between 2005 and 2018 with a minimum at 1.1% in 2008, and a consequent rise to a maximum at 4.2% in 2012. Since then the value has stabilized around 2% to 3%.

Both developments might be attributed to the financial crisis. From 2008 onwards more people were unable to pay their utility bills. Likely due to the disconnection protection the effects on the inability to keep the home adequately warm was less pronounced and delayed by a year.

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.

*Population-reported indicators taken from Eurostat [here](#) and [here](#) on November 19, 2019. Expenditure-based indicators calculated by EPOV based on HBS data. Disaggregated data of population-reported indicators calculated by EPOV based on Eurostat provided data.

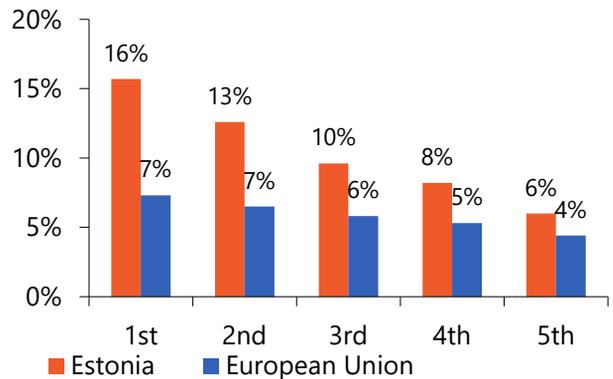


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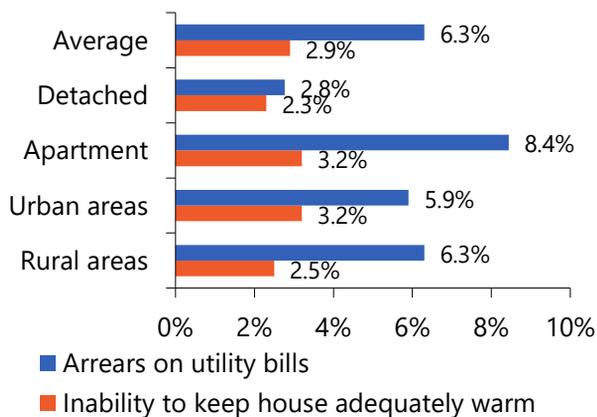
DATA & STATISTICS

Due to its cold climate, Estonians have a high energy usage for heating. Combined with a median income that is well below the EU median (less than half the EU median in 2015), this typically leads to a much larger share of energy expenditure of income in Estonia than in the EU average. In 2015, the poorest quintile spent 16% of their income on energy expenditure, compared to 7% in the European Union as a whole. This indicates that a relatively high share of the Estonian population is at risk of being energy poor.

Share of energy expenditure of income by quintile (2015)*



Inability to keep home warm and Arrears on utility bills disaggregated by urban density and housing type (2017)*



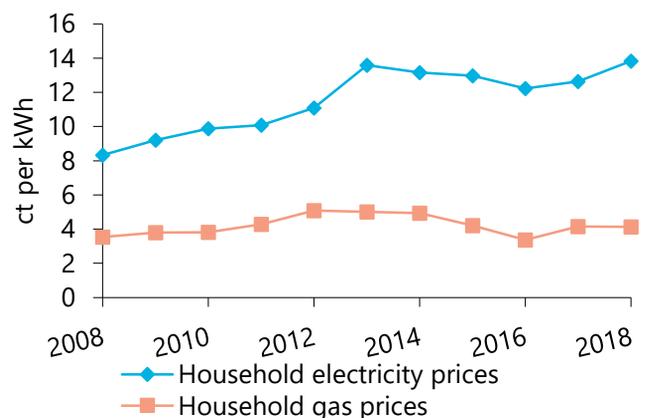
The disaggregated data shows that energy poverty affects particularly the 62% of the Estonian population who live in an apartment. The 33% of the Estonian population that live in a detached house are less likely to have arrears on utility bills and to be unable to keep their home adequately warm.

The disaggregated data paints a complicated picture on the question if the 41% of people living in rural areas are more or less strongly affected than the 44% of the population living in urban areas. While the inability to keep the home adequately warm is higher in urban areas, arrears on utility bills are higher in rural areas.

One of the factors that lowers the risk of energy poverty in Estonia are the relatively low energy costs. In 2018, the household cost for electricity were 34% and for gas 35% lower than the EU average. After an increase in the electricity prices from 7.9 ct per kWh in 2007 to 13.6 ct in 2013 the electricity prices have been stable since 2013. This can be mainly attributed to new electricity power links from the Baltic region to Finland, Sweden and Poland in 2014 and 2015.

The gas prices have decreased from a value of about 5 ct per kWh in 2012 to 2014 to values around 4 ct per kWh in 2015 to 2018.

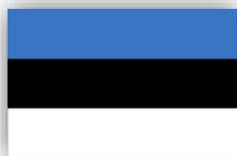
Household energy costs over time*



*Population-reported indicators taken from Eurostat [here](#) and [here](#) on November 19, 2019. Expenditure-based indicators calculated by EPOV based on HBS data. Disaggregated data of population-reported indicators calculated by EPOV based on Eurostat provided data.

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POLICIES & MEASURES

The topic of energy poverty has not been widely discussed in Estonia. So far, research on energy poverty is limited and there are no NGOs active on the energy poverty topic. To address this, the Ministry of Economic Affairs and Communications is commissioning a study to analyse potential state level measures to tackle energy poverty. Together with the Ministry of Social Affairs it will use the study results to reduce energy poverty more effectively.

In Estonia, energy poverty is mainly addressed through social policies. People whose income is below a threshold can apply for subsistence benefits (so called financial assistance) to meet their living costs. The calculation of the subsistence benefits considers the household's energy costs. The goals to address poverty in general are included in the welfare development plan 2016 – 2023 and includes a commitment to decrease the absolute poverty rate to 5.8%.

A policy that particularly targets energy poverty is a *disconnection protection* during the heating period. Between October and April utilities can only interrupt the energy supply to a household 90 days after they have issued a notice that the household is in arrears.

Estonia has programmes that aim to improve energy efficiency in households, but except for certain support measures for low income households these do not target specifically the energy poor households. From 2018 to 2021 the total volume support schemes for increasing the energy efficiency of residential buildings and modernising the heating sector is 80.9 million Euros and 60.9 million Euros respectively.

The *Reconstruction Support* programme is aimed at the renovation of apartment buildings. In another programme, financial support is provided for the replacement of liquid fuel boilers with heating equipment that uses renewable energy sources. Also, a *renewable energy subsidy* is provided to households for the production of electricity using renewable energy sources.

The *Scenery programme* targets one potentially vulnerable group, namely rural households. It provides financial assistance to households not connected to the electricity grid so that they can install decentralised power sources, such as solar panels and energy storage.

Selected measures	Type of measure	Organisation	Target groups	Start year	Result
Reconstruction support	Building insulation, Energy audits, Heating system, Renewable energy	National government	Landlords, Social housing	2015	From 2018 to 2021 a total volume of 80.9 million Euros will be spend for measures increasing household energy efficiency.
Support for renovation of heating systems for small houses	Heating system	National government	Owner-occupants, Landlords	2014	From 2018 to 2021 a total volume of 60.0 million Euros will be spent.
Renewable energy subsidy	Renewable energy	National government	No specific target group		Housholds receive a subsidy if they produce renewable electricity.
Scenery programme	Renewable energy	National government	Rural households		Rural households that are not connected to the electricity grid are supported to install renewable energies.
Social support	Social support	National government	Disabled, Households with children, Pensioners		19 320 households received subsistence benefits In 2017.
Disconnection protection	Disconnection protection	National government	No specific target group		Between October and April households can only be disconnected, 90 days after receiving a notice.

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Estonia

PUBLICATIONS & ORGANISATIONS

This page gives an overview of the most relevant organisations working on energy poverty in Estonia and presents publications on energy poverty in Estonia.

Organisation

Name: Ministry of Social Affairs
Organisation type: National government
Description:

The objective of the Ministry of Social Affairs (Sotsiaalministeerium) is to increase social security. Currently it does not have a focus on measures that combat energy poverty, but is in charge of organising financial support to households in need.

Organisation

Name: SA Kredex
Organisation type: National government
Description:

SA Kredex is a financing institution set up in 2001 by the Ministry of Economic Affairs and Communications. It offers grants and loans to improve the energy situation in households, including renovations targeted at energy efficiency and replacing inefficient heating systems.

Publication

Title: [Energy Union Factsheet Estonia](#)
Authors: European Commission
Year: 2017

Description:
The Energy Union Factsheets are written for each of the 28 member states and give an overview of the countries' energy markets and policies. The factsheet for Estonia touches on energy poverty aspects when discussing energy affordability for people living at risk of poverty, household energy prices and energy efficiency.

Publication

Title: [National Development Plan of the Energy Sector until 2030 \(NDPES 2030\)](#)
Authors: Estonian Ministry of Economic Affairs
Year: 2017

Description:
The NDPES 2030 gives an overview over the planned activities in the energy sector, and discusses the results from past policies. While it does not discuss energy poverty explicitly, it does discuss policies that address energy poverty as part of plans on energy efficiency measures in the housing sector.

Other selected publications

- Buildings Performance Institute (2015) [Renovation in practice](#)
- Recalde, M. et al. (2019) [Structural energy poverty vulnerability and excess winter mortality in the European Union: Exploring the association between structural determinants and health](#)
- Ecoserveis Association (2018), [Atlas of Initiatives of Energy Poverty in Europe. State-by-state Review](#)
- Agency for the Cooperation of Energy Regulators, Council of European Energy Regulators (2019) [Annual Report on the Results of Monitoring the Internal Electricity and Natural Gas Markets in 2018 – Consumer Empowerment Volume](#)

For definitions of the terms used in this report [click here](#). The EPOV website provides an extensive collection of Knowledge & Resources. [Click here](#) for more information and to contribute additional policies, publications and other resources.

This report was completed in February 2020.