



# Member State Report Finland

## DATA & STATISTICS

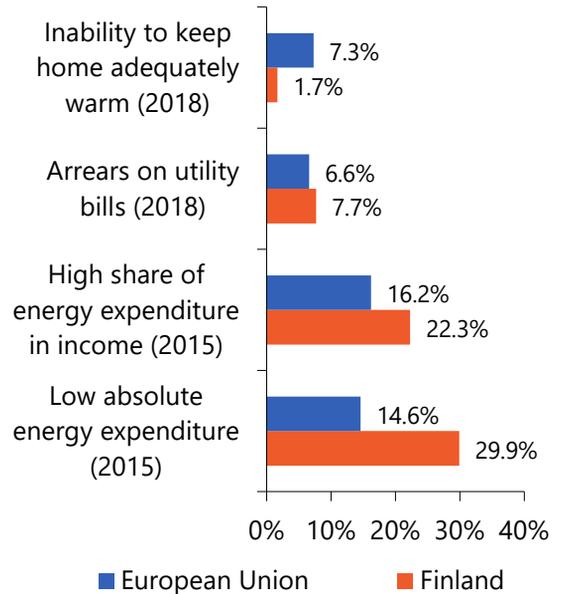
This Member State Report of the EU Energy Poverty Observatory (EPOV) provides an overview of the energy poverty situation in Finland at a glance. With key indicators, policies, and publications, it offers an understanding of the key aspects of energy poverty in Finland.

Finland has few people who report to be unable to keep their home warm, but performs below EU-average on the other three indicators.

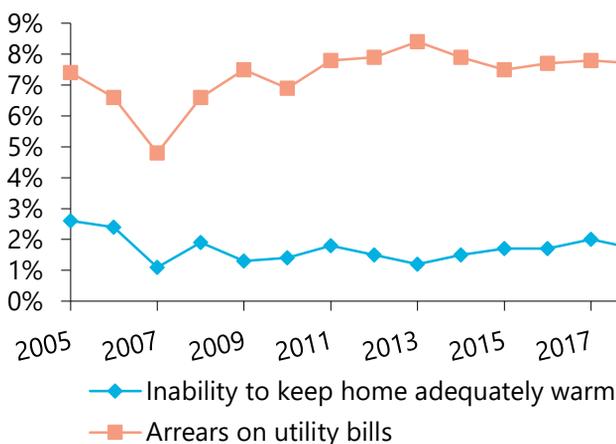
In 2018, 7.7 % of the Finnish population was unable to pay their utility bills on time due to financial difficulties, while only 1.7 % of Finns reported that they were unable to keep the home adequately warm. This huge difference can be explained by the disconnection protection in place that ensures that a missed payment does not automatically end up with a disconnection to the supply (see p. 3).

The share of households that spend an unusually high share of their income on energy expenditure is 22.3% which is higher than the EU average. The high energy expenditure is likely to put a strain on the household budget and might indicate a poor energy efficiency of the building. Moreover, at 29.9% the proportion of households that have an unusually low energy expenditure in Finland is twice the EU-average. These households might restrict their energy spending below what is necessary to meet their needs. The reason for Finland's poor performance in these indicators might partly be explained by structural differences in energy expenditure between households (see discussion on page 2).

### Performance relative to EU average\*



### Performance over time\*



In Finland, the percentage of people who are unable to keep the home adequately warm stayed fairly constant at a low level between 1.1 % and 2.6 %.

The number of people who live in households with areas on utility bills have also stayed fairly constant at values between 6.6 % and 8.4 % with a notable exception of 4.8 % in 2007. As can be seen on page 2, this decrease is driven by the decrease of energy poverty among people who rent their homes.

### 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.



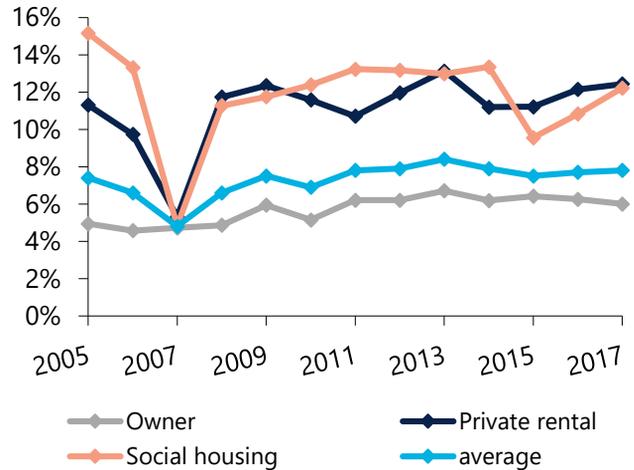
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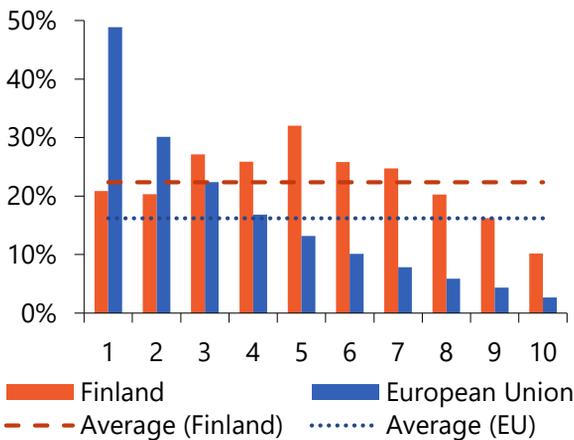
Disaggregated data of the population-reported indicators suggest that energy poverty in Finland is mostly a problem for tenants as opposed to the 71% of Finns who own their home. However, there are no clear dwelling types or urbanisation densities in which energy poverty is most prominent.

The fraction of people with arrears on utility bills for people who own their home has stayed fairly constant since 2005 at values between 4.6 % and 6.7 %. At the same time there were stronger variations for people who rent their homes, and it can be seen that they drive the development of the average around 2007. At the minimum at 2007 around 5% of people who rent their homes privately or through social housing had arrears on utility bills, while in all other years the value was above 10%.

### Arrears on utility bills by tenure type\*



### High share of energy expenditure in income by income deciles (2010)\*

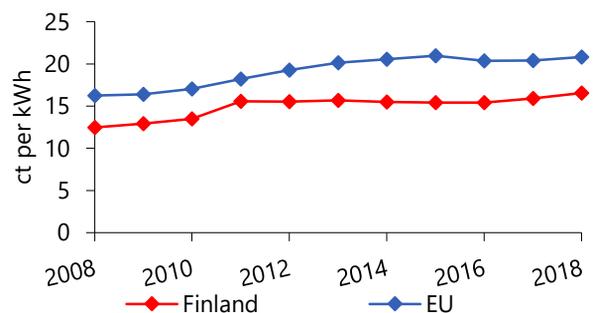


In 2015, the energy expenditure of 22.3% of households in Finland is unusually high compared to the national median. The EU average for this indicator is significantly lower at 16.2%. The distribution amongst income groups gives an insight to the cause of this.

In Finland the poorer income deciles are not more likely to have a high share of energy expenditure. In fact, the peak can be observed by the fifth income group.

This points to structural differences in the energy bills, where households do not pay separate energy bills, as they are included in rents, which lowers the median share of energy expenditure. In countries that are in such a situation, the expenditure-based indicators do not appropriately reflect energy poverty.

### household electricity costs over time\*



The household electricity cost in Finland has been below the EU average since 2008. It increased up to 2013 and since then has been fairly stable around 15 ct per kWh. More than half of the household electricity costs are grid charges. Stakeholders fear that these will increase in the near future due to the cost of a transition to a smart grid.

\*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

Energy poverty has been researched extensively in Finland in the past years. The Finnish government has commissioned two studies on energy poverty that were published in 2013 and 2015. Additionally, as part of the ASSIST project further studies on energy poverty in Finland were carried out in 2018 and 2019.

Based on these studies, the government concluded that it does not need a specific strategy to address energy poverty, but that the comprehensive social support system in Finland sufficiently addresses the issue of energy poverty.

The social support system includes a *basic income support* that is provided to low income households to cover their necessary daily expenses such as food and clothing, as well as with housing-related expenses such as heating and electricity costs. In addition, low-income households are eligible for a *general housing allowance* to help with their housing costs, which include heating costs.

A measure that specifically addresses energy poverty is the *disconnection protection* that is in place between 1 October and 30 April. During this period households that have accumulated debt and that rely on electricity or natural gas to heat their homes cannot be disconnected from the supply.

The project *Support Network for Household Energy Saving (ASSIST)*, that is funded by the European Union, is implemented in multiple European countries including Finland. ASSIST tackles energy poverty by creating specialised services through energy advisors. Selected energy advisors receive training, so that they can provide vulnerable consumers with advice and guidance on household energy efficiency, including efficient behavioural changes. 750 vulnerable consumers will be addressed in Finland with specific actions to reduce their energy consumption, and a number of additional vulnerable consumers will be given specific energy efficiency advice through the network's ICT platform. The project runs until 2020.

Additionally, there is an *energy subsidy* available for low-income households, that provides grants and tax credits for renovation measures increasing the efficiency measure of the building and for the replacement of the heating system with a renewable one.

Selected measures	Type of measure	Organisation	Target groups	Start year	Result
<a href="#">Disconnection prohibition in winter</a>	Disconnection protection	Energy suppliers	Indebted households		Households are protected from loosing their heat supply during the winter months.
<a href="#">Support Network for Household Energy Saving (ASSIST)</a>	Information and awareness, Energy audits	European Union	Vulnerable households		750 households will be addressed with actions to reduce their energy consumption.
<a href="#">Basic income support</a>	Social support	National government	Low-income households		All households are able to cover their basic needs including energy needs.
<a href="#">General housing allowance</a>	Social support	National government	Low-income households		Households are able to get a tax credit for renovation measures.
<a href="#">Energy Subsidy by Households</a>	Building insulation, Heating system	National government	Low-income households	2013	Energy savings are expected to reach 1.300 GWh annually by 2020.

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# Member State Report Finland

## PUBLICATIONS & ORGANISATIONS

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

### Organisation

**Name:** Support Network for Household Energy Saving (ASSIST)

**Organisation type:** Research & Consultancy

**Description:**

ASSIST is a project funded by the EU that is active in six Member States. It carries out research on energy poverty in these Member States. Furthermore it tackles energy poverty by creating specialised services through energy advisors. Selected energy advisors are given training, so that they can provide vulnerable consumers with advice and guidance on household energy efficiency, including efficient behavioural changes.

### Organisation

**Name:** Ministry of Environment (Ympäristöministeriö)

**Organisation type:** National Government

**Description:**

The Ministry of the Environment has engaged in the debate on energy poverty by commissioned two studies on energy poverty. The result was that energy poverty can be sufficiently addressed through social policies. Nevertheless the Ministry of Environment is active in the field by financing the Energy Subsidies that support low income households to improve the energy efficiency of their homes and thus lower their energy bills.

### Publication

**Title:** [Draft of Finland's Integrated National Energy and Climate Plan \(NECP\)](#)

**Authors:** Finnish Government

**Year:** 2018

**Description:**

Finland's NECP has a section on energy poverty that provides a good overview of research results on the situation of energy poverty in Finland. The Finnish government argues that energy poverty is appropriately addressed by Finland's social support system and a specific strategy for addressing energy poverty is unnecessary. The NECP gives examples of measures that can also be considered to address energy poverty (e.g. basic income support).

### Publication

**Title:** [Vulnerable Consumers and Fuel Poverty Report](#)

**Authors:** ASSIST Consortium

**Year:** 2019

**Description:**

This study address the situation of energy poverty in six EU Member States including Finland. It analyses existing policies to battle energy poverty and support vulnerable consumers and presents the results from a survey on vulnerable consumers in each of the six Member States. The study discusses best practices for financial measures to support energy poverty. The study concludes that there is a comprehensive social support system in place in Finland.

### Other selected publications

- Karjalainen, S. (2007) [Gender differences in thermal comfort and use of thermostats in everyday thermal environments](#)
- Laura Oja, Anu Vaahtera, Iivo Vehviläinen, Sanna Ahvenharju, Laura Hakala (2013) [Report on energy poverty \(in Finnish\)](#)
- Runsten, S., et al. (2015) [Energy poverty of low-income home owners \(in Finnish\)](#)
- Ecoserveis Association (2018) [Atlas of Initiatives of Energy Poverty in Europe. State-by-state Review](#)
- ASSIST Consortium (2018) [European market survey on vulnerable consumer needs](#)
- ASSIST Consortium (2018) [Vulnerable Consumers Market Segmentation Report](#)

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.

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