

A People-Powered Plan to Exit Europe's Energy Price Crisis:

- ⚡ Tax Profits
- ⚡ Empower People
- ⚡ End Energy Poverty



Right to Energy
Coalition



We believe access to clean, affordable energy is a basic right.

We can't live healthy, safe and dignified lives without it. Everyone, no matter where you live, or where you come from, deserves a decent, safe, warm home this winter.

Last winter, we saw tens of millions of people across Europe fall into energy poverty with 9.3% of the EU population unable to keep their homes adequately warm in 2022, up from 6.9% the year before. Many households routinely went without daily basic needs like light or warmth, many people reported worsening mental and physical health, or being unable to meet their bills on time - or at all.

In 2023, millions of people across Europe face another winter of disconnections, debts and despair.

Households, families and communities are in a much more precarious starting point than last year:

From the Covid-19 pandemic to the economic fallout, exacerbated by war, many people, families and communities across Europe have paid the cost of crisis after overlapping crisis. Household resilience and savings have been eaten up by rising bills, cost of living and inflation. Rising inequality has been re-entrenched by Europe's gas price crisis, with a huge upwards transfer of wealth from households to energy companies. The increase in wholesale electricity prices for Europe in 2022, saw prices double, on average, from 2021. Even though prices have reduced from the peak of the crisis, they remain high compared to earlier years.

We know Europe's energy poverty, cost of living, and climate crises are driven by the same causes:

Our leaky, unsafe, energy inefficient housing, our fossil gas-dominated, profit-driven energy system, and our lack of say over how our energy is produced and priced.

68,000

Europeans may have died due to the increase in energy bills in the Winter of 2022-2023.

61,000

Europeans may have died in Summer 2022's heatwaves.



Last winter exposed how Europe's energy system is rigged in favour of profit, over people and planet. Energy corporations' profits skyrocketed at the expense of people's well being. Globally, 45 energy corporations reaped super profits of \$237 billion a year over 2021 and 2022.

In response to the crisis, we saw €651 billion allocated across Europe, since September 2021, to shield households from the energy price crisis. While a bigger safety net was deployed to catch those falling through the structural cracks, **it wasn't enough to stop energy poverty rates from rising.** Furthermore, only one third of government fiscal interventions were targeted at the most vulnerable. The EU and national governments also failed to adequately invest in long-term structural solutions to drive down energy bills and carbon emissions to meet the needs of people and planet.

As temperatures drop again, millions remain locked into unsafe and energy inefficient housing stock and reliance on fossil gas heating that contributes to exposure to volatile energy bills, large carbon emissions, ill health and excess deaths (with at least 75% of EU building stock classed as inefficient).

Our energy system is impoverishing us, ensuring we face bitter winters and boiling summers. Collectively the governments of EU member states spent over half a trillion euros bailing out private profit. This year we must reinvest in energy as a source of our common wealth, not collective woe; with access to clean, affordable energy a basic right for all. Even though the costs involved in exiting our crises may seem high at first, they are small compared to the profits and wealth accumulated during the crisis by a few. Given Europe's energy system's extraordinary amounts of waste (whether through leaking gas pipelines, luxury consumption, military expenditure or planned obsolescence), we should redefine who pays for a real exit from Europe's energy price crisis.

The Right to Energy Coalition has outlined a people-powered plan for a permanent exit to Europe's Winter energy poverty crisis:

The way out is clear, we need to **tax profit, empower people and end energy poverty.**



This Winter

Right now, millions of people face extreme uncertainty and rising energy poverty. There is no excuse for the EU and national governments to allow colossal profits and wealth to be accumulated when our most vulnerable communities have already paid the social cost of underinvestment. When billions of euros are being extracted from Europe's energy system to boost bottom lines, it's unacceptable to ask our communities to accept further cuts and deepening austerity. At this critical time, EU and national

government politicians need to focus on the things that matter to households and communities struggling in the face of another winter of rising debts, disconnections and despair. They must also be aware that, in a general cost of living crisis, even simply maintaining the support made available to households may not shield them from energy poverty.

This winter, the Right to Energy Coalition calls on EU and member state governments to ensure:

1. Immediate emergency support for those most in need of energy
2. A ban on disconnections
3. No one is forced into debt to access the energy they need for a dignified life
4. Measures like social tariffs are expanded using utility provider profit
5. Wider social protections to shield vulnerable renters and home owners
6. Communities and social actors are brought in to design any crisis response
7. Energy providers are regulated for fair and transparent pricing and practices
8. Energy and utility profits are redirected into urgently needed household support and investment into fixing the long-term causes of energy poverty
9. A relaunched renovation wave this winter to deliver decent, affordable and energy efficient homes for all
10. Energy For All



1. Immediate emergency support for those most in need of energy

No one should die, or fall into energy poverty, for lack of support they need. That's why it's vital that this winter, we see adequate targeted emergency support going to those who need it most.

As those in power across the EU, its member states and beyond, debate tapering out household energy support, this is likely to plunge many previously shielded households into crisis. Millions of people still face huge cost of living pressures driven by high energy and food prices, especially impacting those facing additional injustices on the basis of their class, race, age, gender, residence status, or disability. Children are considered especially vulnerable to energy poverty, with negative impacts on childhood development. Emergency measures and shielding provided to citizens and businesses must be well targeted.

⚡ EU and national governments must ensure the systematic inclusion of a social dimension in the measures adopted to avoid benefitting mostly and disproportionately high income and middle class households. This means also taking into account families in vulnerable situations (with disabilities, single parents, large families).

⚡ Targeted support must prioritise the needs of those in social housing, in the private rental sector, as well as poorer regions and neighbourhoods (such as vulnerable homeowners in single-family or multi-apartment buildings in Central and Eastern Europe) and low-income households.

⚡ Disaggregated data recording the impact on households and communities in terms of (but not limited to) race, class, age, fuel type, gender and disability must be collected.

⚡ Alongside this, we need an expansion in investment for long-term solutions for tackling the root causes of our joint energy poverty, cost of living and climate crises. We must ensure emergency support this Winter is used to bail out households in need, not to bail out a system of fossil greed. Long term energy savings measures can help reduce energy bills and must be urgently directed to benefit the poorest households.



2. A ban on disconnections

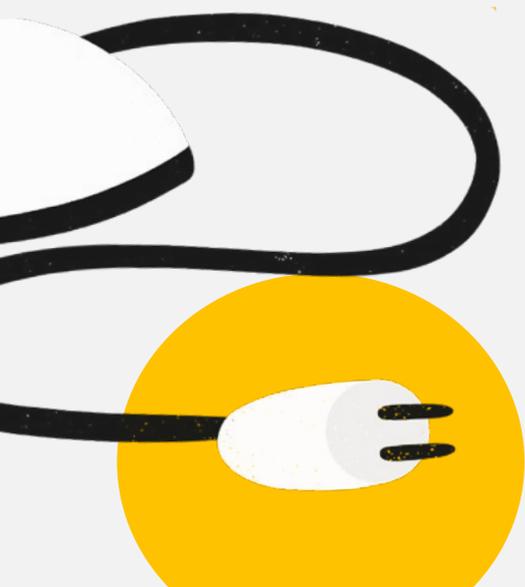
Energy is a fundamental right, aligning with the principles of the European Pillar of Social Rights on essential services access. An EU-wide Ban on Disconnections is the first step to making it a lived reality. 2022 saw conservative estimates of 1% of recorded final household consumers across the EU suffering disconnection from the electricity, or warmth, they needed.

Now as Europe faces yet another uncertain winter, we cannot accept the coexistence of record fossil fuel profits and the threat of disconnections due to unaffordable energy bills.

We know a real ban on disconnections can be done, as in response to the Covid-19 pandemic, widespread disconnection bans and minimum energy service guarantees were put in place. An early response to the EU energy price crisis in 2021 saw French energy provider EDF decided to end disconnections after unpaid bills, opting instead to provide a guaranteed minimum level of electricity; It's now up to the French government to ensure no company can disconnect anyone in need of energy.

This should include a ban on self-disconnections, via prohibition of Prepayment Meters.

Where such meters (which effectively force people to disconnect from their supply) exist, careful measures must ensure that users have enough money or credit to meet their basic needs until they are phased out.



3. No one is forced into debt to access the energy they need for a dignified life

We call on the EU and member states to ensure that utility provider profits cover outstanding debts of vulnerable households, while preventing the transfer of costs from vulnerable households to those slightly better off, which could push some households into poverty.

For instance, national and regional governments should consider implementing agreements with energy providers, similar to what followed the implementation of Catalonia's Law 24/2015, for negotiated debt cancellation and/or a shared payment fund to be established between the government and utility provider to cover the costs of unpayable debts directly from their profits.



4. Measures like social tariffs are expanded using utility provider profit

A social tariff is a system of reduced and regulated energy prices for vulnerable and low-income households.

In countries where data gaps prohibit effective targeting, block tariffs (where consumption below a certain threshold has its price capped at below-market rates) can be much simpler to administer and implement to guarantee that nobody is left behind. They also maintain clear incentives for upper and middle classes to invest in energy efficiency and reduce luxury consumption, if the pricing above the block tariff consumption cap is strongly progressive.

The Right to Energy Coalition warns against the pre-emptive dismantling of existing social tariffs by member states which may force many households who had been previously protected into energy poverty or precarity. Instead they should be expanded, and

the costs covered by the regulated utility provider's profits. This should be pursued over measures such as cuts in VAT which takes tax money out of the public purse. The EU and member states should ensure maximum coverage by making enrolment automatic or easily accessible, as bureaucratic hurdles still mean those in need often do not get access to it.



5. Wider social protections to shield vulnerable renters and homeowners

We face an explosion in housing injustice with a rising lack of availability of affordable rental homes and chronic underinvestment in social housing across Europe. This impacts energy poverty because households, especially in the private rental sector or owner-occupiers in multi-apartment buildings in regions like Central and Eastern Europe, still lack the ability or resources to invest in energy efficiency, decarbonisation, or access to renewables - and lack recognition within EU legislation.

Across much of Europe, renters are disproportionately at risk of energy poverty. They often have no way to influence the choice of heating system; for example, they are often locked-in to artificially cheap, subsidised fossil gas heating infrastructure. They have few options to alter their level of energy efficiency, and are often only able to reduce bills by under-using the energy they need.

As the cost of living places further pressures on households, it's vital to implement measures that incentivise landlords to take up the cost of home renovations without those costs being passed onto renters.

For instance, the Flemish Parliament passed an emergency decree, under which the rent indexation for certain houses below a certain Energy Performance Certificate (EPC) rating was frozen, from 1 October 2022 to 1 October 2023. This measure must become permanent and extended to all Member States to buffer vulnerable households in energy inefficient housing from the threat of rising rents alongside their higher expenditure on energy.

Making progress on Europe's housing crisis will also improve Europe's energy poverty crisis. In the long-term we need to see the building of millions of truly affordable and energy efficient social housing units. In the short-term, policy makers must urgently address housing costs including consideration of regulated and capped rents.



6. Communities and social actors are brought in to design any crisis response

We need to ensure the voice and perspective of those experiencing energy poverty, or precarity, and their representative organisations, are at the core of any crisis response or energy policy making. Last Winter, in Belgium's Brussels-Capital Region, the government created a taskforce covering stakeholders from regulators, suppliers, operators to trusted social actors. EU, national, regional and municipal governments should build on this example.



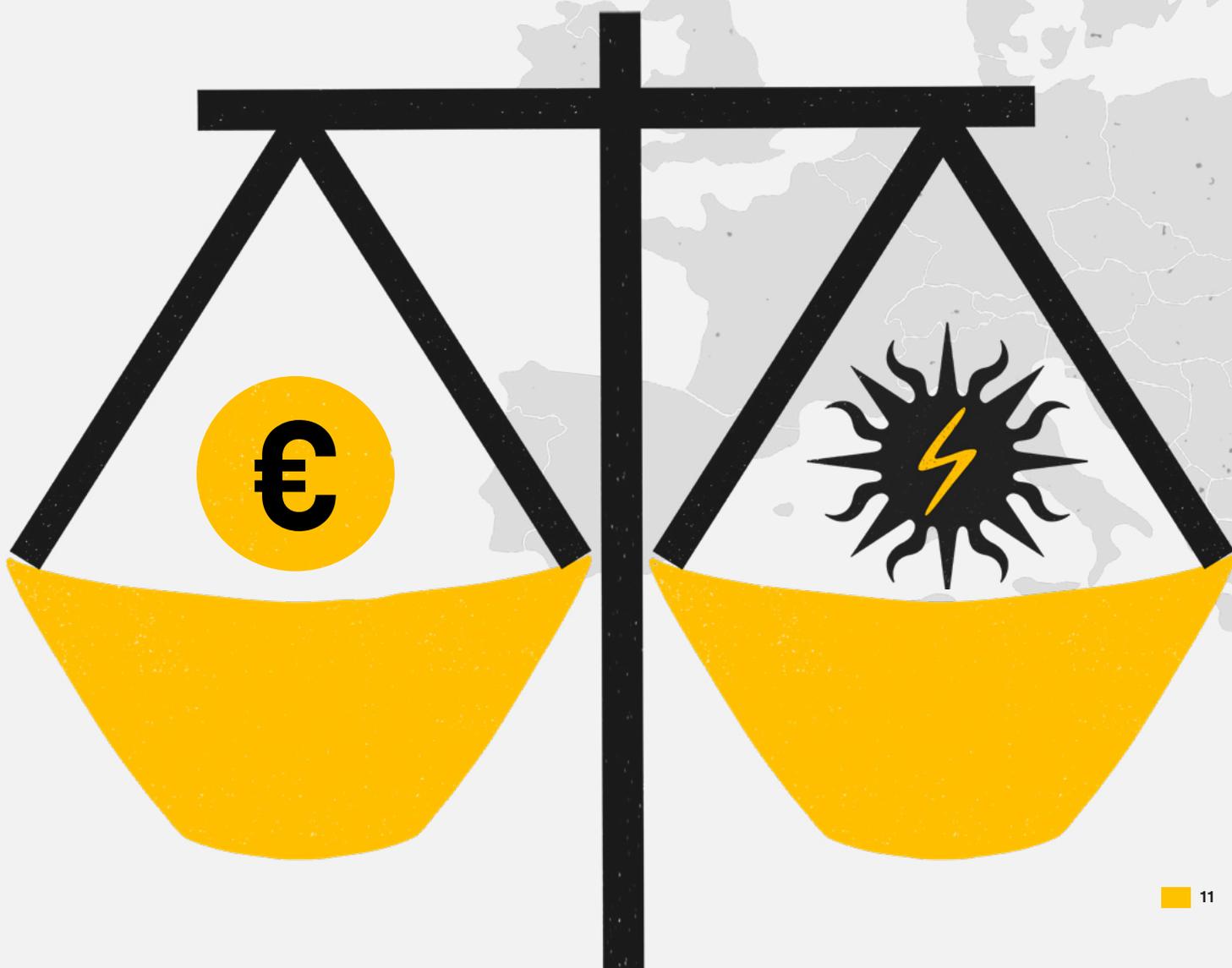
7. Energy providers are regulated for fair and transparent pricing and practices

We must eliminate unfair and untransparent regressive energy prices, fixed charges and business practices:

The EU and European governments must examine the various ways in which low energy users and low-income households are disadvantaged in current pricing systems, including discounts for direct debits, higher tariffs for users of prepayment meters, punitive debt repayment requirements, punitive standing charges, and inability to switch suppliers.

Regulators must ensure transparency in energy pricing, including profit margins of wholesalers as well as retail suppliers, costs of the grid, administration and billing.

This means urgent action on any unethical selling practices and behaviours of utility companies as they adapt to a changing market landscape.



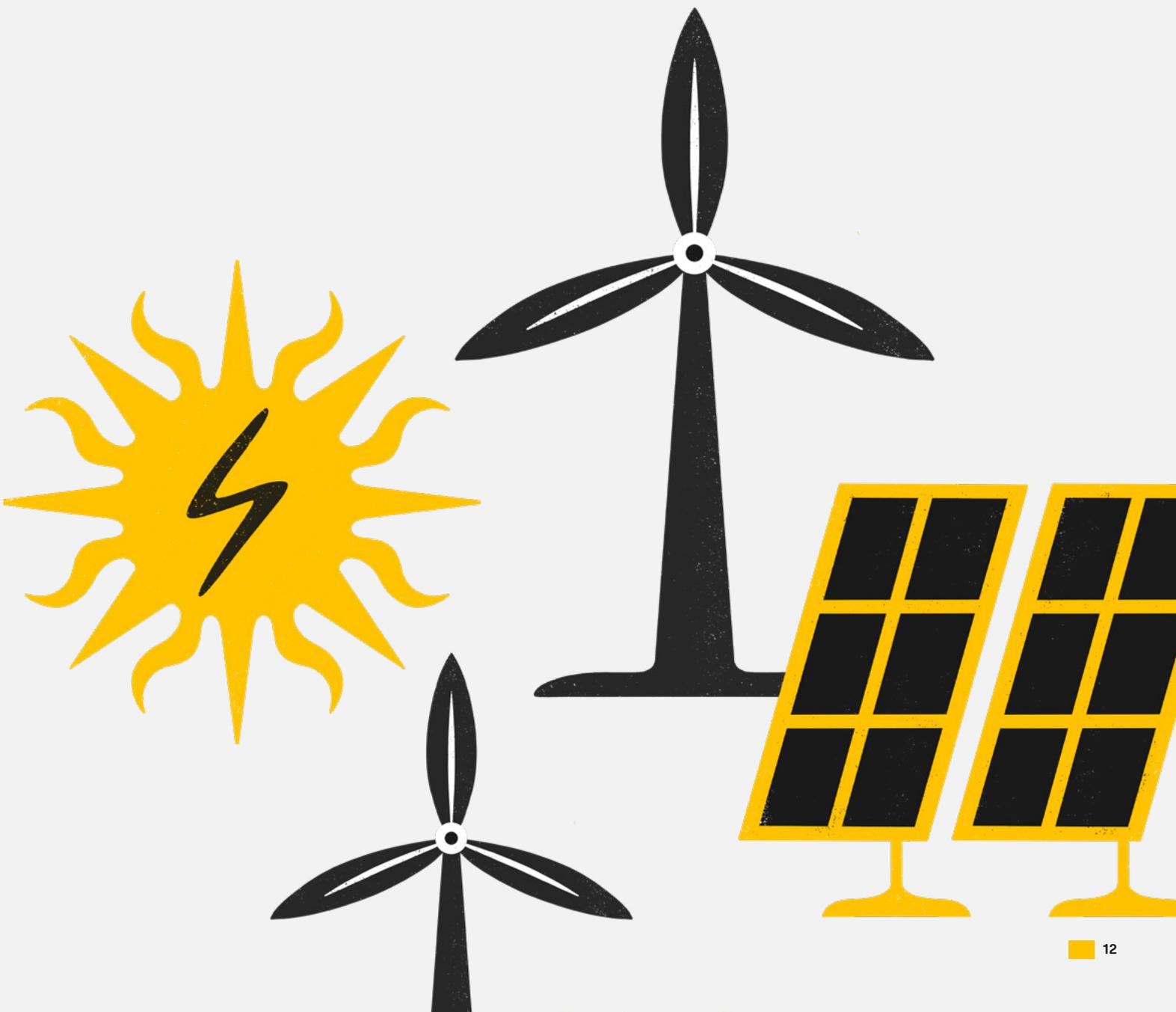
8.

Energy and utility profits are redirected into urgently needed household support and investment into fixing the long-term causes of energy poverty

It's time for profit, and wealth, to pay their fair share: 722 mega-corporations reported \$1 trillion a year in windfall profits in 2021 and 2022. While the IMF highlights the role of corporate profits in driving inflation, workers and consumers - many of them already experiencing extreme vulnerability from austerity, underinvestment, poor quality housing and falling wages and working conditions - are being asked to pay for an economic crisis they did not cause, with wage constraint and punitive interest rate rises adding to already crushing cost of living pressure.

Globally, 45 energy corporations reaped profits of \$237 billion a year over 2021 and 2022. Instead of privatising record energy industry profits and passing on the costs to the people in the form of rising bills, we need coordinated EU and national windfall taxes on the extortionate fossil fuel profits from still inflated prices.

Beyond this Winter, profits should be used to address the root causes of energy poverty which include inefficient, unsafe housing, and the need to invest in a just, swiftly accelerated transition to renewables.



9. A relaunched renovation wave this winter to deliver decent, affordable and energy efficient homes for all

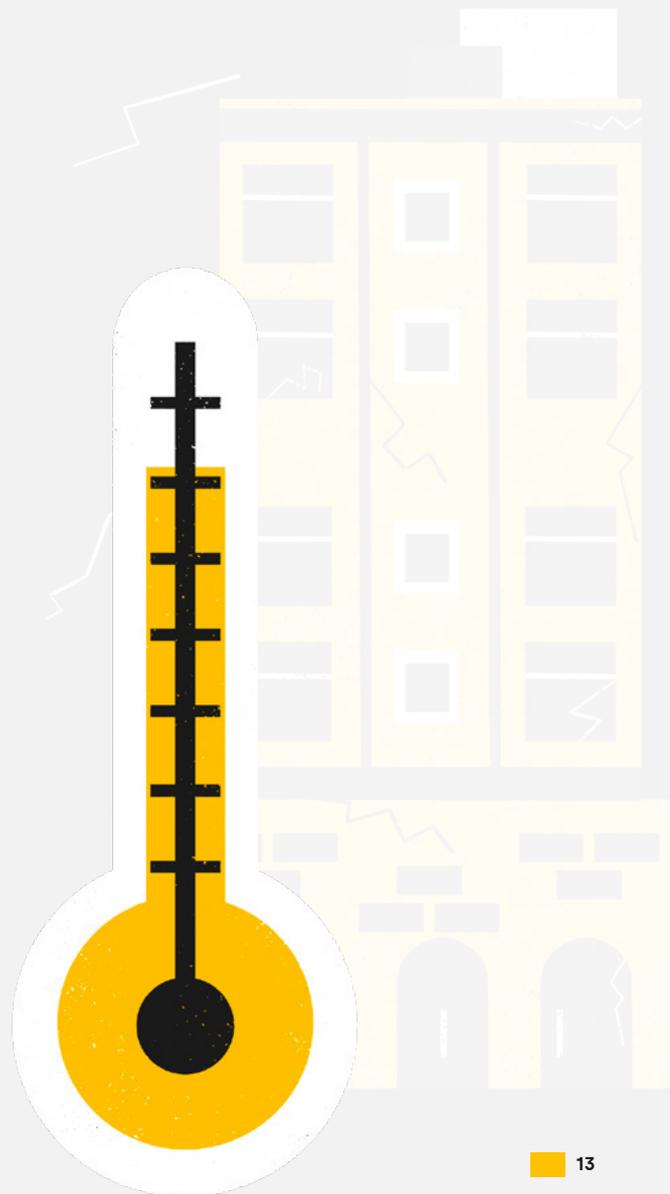
With tens of millions of Europeans living in energy poverty, Europe's housing stock is not fit for purpose. Europe needs a massive expansion of investment in long-term solutions to energy poverty, and delivering energy efficient homes is a cost-effective long-term solution by tackling inefficient housing, one of its main structural causes of energy poverty.

The revision of the Energy Performance of Buildings Directive, being concluded this winter, offers the opportunity to deliver a large-scale renovation of Europe's homes with a focus on the leakiest houses and apartments and ensure that no-one has to live in a home which is impossible to heat. EU decision makers must:

We need urgently accelerated action on subsidised deep home renovations, access to renewables and decarbonisation of heating to tackle the root causes of our energy price crisis.

Subsidising home renovations for low-income and vulnerable households lacking upfront resources is essential. Although upfront financing might seem costly, the resulting energy cost savings will far outweigh the investment costs. At the same time, these households will require less compensation over time and be more resilient to future energy crises.

- ⚡ **Prioritise the worst performing housing stock**
- ⚡ **Ensure that EU governments implement social safeguards to protect vulnerable households and ensure they benefit from the renovation wave**
- ⚡ **Make better use of existing public funding, guaranteeing the ringfencing of substantial existing EU funds to deliver renovations prioritising those in energy poverty, particularly low-income households, and those living in unfit housing.**



10. Ensure Energy For All

Beyond means tested support, which inevitably excludes some people in great need, national governments should consider Energy For All: A free band of energy to cover basic needs. Provision of a band of energy as a universal basic service, available to all, would ensure that low users pay less per kWh than high energy users, instead of, as at present, paying more. It can be funded through windfall taxes, an end to fossil fuel subsidies, and/or a rising block tariff on wealthy high-use customers.

Now is the time to invest in a permanent exit to our winter energy crisis and, with it, a long-term vision for an end to energy poverty in Europe.

Whether worrying about making it to the end of the month, or anxious over making it through the collapse of our climate, we want to see Europeans freed from worry over energy prices, this Winter and beyond. We can ensure a permanent way out of our Winter Crises by ensuring a right to clean, affordable energy:

By investing in fully subsidised deep renovation programmes across the EU for those that need them most we can put an end to indecent housing. This would generate decent jobs, prevent 100,000 premature deaths a year and a wider public health cost of over €194 billion across the EU, and drastically cut our carbon emissions alongside our energy bills.

Through large investment in renewable programmes for vulnerable groups, as well as addressing the upfront cost of community energy ownership models, we can ensure access to clean affordable energy as a basic right.

Investing in climate action can no longer be considered separate from investing in a fairer society: Through investing in decarbonisation of vulnerable households' heating and cooling, and phasing out fossil fuel infrastructure in our homes, we can offer those facing volatile and erratic energy bills an escape from being locked into increasingly expensive fossil energy.

Finally we must give people a say over how their power is produced and priced.

From renewable energy communities to democratic, public control of our energy system itself, it's time for people across Europe - and across the globe - to redistribute power to ourselves, literally.

These solutions must be rolled out in the places that need it most and benefit the communities longest denied.

Anything else falls short.

This crisis has exposed how access to clean affordable energy is just as vital as access to clean air and water.

Let's guarantee it for all, ahead of further sky-high profits for the few.

Signed by these members and supporters of the



Right to Energy
Coalition



...and many others

Authored by: Kieran Pradeep
(Friends of the Earth Europe) and supporting
members of the Right to Energy Coalition
Creative direction: Laura Hieber
Illustrations: Maggie Stephenson
Layout: Serena Gravili

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