



ENERGY POVERTY NEXUS

SUPPORTING MEMBER STATES TO COMBAT ENERGY POVERTY

**THE EU ENERGY POVERTY FRAMEWORK
UNDERSTANDING THE PROVISIONS
AND HOW MEMBER STATES
CAN IMPLEMENT THESE COHERENTLY**

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1 Introduction

Energy poverty remains a widespread challenge across the EU, where many households struggle to heat, cool or power their homes at an affordable cost. It is shaped by multiple factors, including inefficiency of buildings, low income, volatile energy prices, limited access to clean technologies, and uneven consumer protections.

Recent EU legislation requires Member States to address energy poverty not as a niche social concern but as a structural component of the energy transition. These obligations span from building renovation, energy efficiency, carbon-pricing compensation, to consumer rights, making coordination essential for effective national implementation.

This brief provides national policymakers and implementing authorities with a concise guide to the EU's provisions on energy poverty and how these requirements interact across legislation. It highlights what the Directives expect in practice and outlines how Member States can implement these obligations in a coherent and coordinated way.

The brief focuses only on the provisions relevant to energy poverty within four key legislative instruments:

- the recast Energy Efficiency Directive (Directive EU/2023/1791),
- the recast Energy Performance of Buildings Directive (Directive EU/2024/1275),
- the Social Climate Fund regulation (Regulation EU/2023/955), and
- the Electricity Market Design reform (Directive EU/2024/1711).¹

This document is developed within the framework of the Energy Poverty Nexus project, co-funded by the EU's LIFE programme, which aims to empower Member States to address the pressing issue of energy poverty. The project actively works to alleviate energy poverty by enhancing national capacities, facilitating policy alignment with EU legislation, and creating a sustainable framework for monitoring and mitigating it.

2 How energy poverty became more central in the Fit for 55 reforms

Although the EU did not expressly define “energy poverty” until recent years, the formalisation of vulnerability in energy law began with the Third Energy Package (2009). As part of the package, the [Electricity Directive](#) (Directive EU/2009/72) and the [Gas Directive](#) (Directive EU/2009/73) introduced, for the first time, the legal concept of

¹ While this brief focuses on the four instruments most directly shaping the EU's approach to energy poverty, other Fit for 55 measures also play a supporting role. The [recast Gas Directive](#) (Directive [EU] 2024/1788) introduces consumer-protection provisions relevant to the phase-out of fossil gas in buildings, and the extension of the [Emissions Trading System \[ETS2\]](#) generates the revenues that finance the Social Climate Fund, linking carbon pricing to social-compensation mechanisms.



“vulnerable customers”, establishing consumer protection requirements and the foundations for later energy poverty-related obligations. These early provisions introduced binding requirements for the protection of vulnerable customers but granted Member States wide flexibility in determining the concrete safeguards to be applied. Energy poverty was thus addressed indirectly, through vulnerability-based protections, rather than being explicitly or structurally embedded across policy instruments.

A decade later, the [Governance Regulation \(EU\) 2018/1999](#) required Member States to assess and report the number of households in energy poverty and to outline relevant policies in their National Energy and Climate Plans (NECPs). These provisions represented an important step towards recognising and monitoring energy poverty at the EU level. However, while the obligation to assess and report was binding, the framework did not establish targets, minimum standards, or specific requirements for the scale or design of policy responses. As a result, energy poverty remained unevenly addressed across Member States, with implementation largely dependent on national political priorities rather than enforceable EU-level expectations.

Three developments during the Fit for 55 cycle shifted energy poverty from a peripheral concern to a structural priority:

- The 2021–2022 energy price crisis exposed deep inequalities in household energy resilience, making visible gaps in consumer protection, renovation support and access to clean heating.
- The decision to extend carbon pricing to buildings and transport requires explicit measures to mitigate distributional impacts, leading to the creation of the Social Climate Fund – the first EU-wide instrument dedicated to energy and transport poverty.
- The European Green Deal’s emphasis on a fair and socially inclusive transition pushed legislators to embed social safeguards and targeting rules more systematically into energy legislation.

The final Fit for 55 package introduced the strongest EU framework to date on energy poverty. Across the new legislative instruments, the EU now:

- requires **prioritisation** of people affected by energy poverty and low-income households;
- introduces **social safeguards** to prevent displacement or hardship linked to renovation;
- mandates stronger **consumer protections**, including disconnection bans;
- links **carbon revenues** and EU funding streams to targeted support.

Together, these reforms signal a structural shift: **addressing energy poverty is now integral to achieving the EU’s climate and energy objectives**, not a social afterthought.

3 How the new EU framework fits together

The Fit for 55 reforms introduced a set of mutually reinforcing provisions across four major legislative instruments – the [recast Energy Efficiency Directive \(EED\)](#), the [recast Energy Performance of Buildings Directive \(EPBD\)](#), the [Social Climate Fund Regulation \(SCF\)](#) and the [Electricity Market Design reform \(EMD\)](#). Although each legislative act serves a different purpose, they share a common logic: identifying households at risk, prioritising them in efficiency and renovation, protecting them in markets, and supporting them financially throughout the transition.

This section first outlines the **four cross-cutting dimensions** that now define the EU’s approach to energy poverty and then summarises how each directive contributes to energy poverty alleviation, showing how the framework functions as a whole.²

3.1 Mapping the dimensions of the provisions

The new provisions can be mapped around four core dimensions that shape how Member States should approach energy poverty.



How EU Fit for 55 Legislation Addresses Energy Poverty

	Definition & Policy Priority	Protections	Participation	Funding & Support
Electricity Market Design Directive	<ul style="list-style-type: none"> Recognition of customers affected by energy poverty. Obligation to identify vulnerable customers for the purpose of applying protection measures. 	<ul style="list-style-type: none"> Disconnection bans for vulnerable and energy-poor customers. Supplier-of-last-resort guarantees. Early intervention and debt-prevention measures. 	<ul style="list-style-type: none"> Cooperation between energy suppliers, regulators and social welfare authorities. 	<ul style="list-style-type: none"> Possibility of regulated tariffs or crisis measures in exceptional market circumstances.
Energy Efficiency Directive	<ul style="list-style-type: none"> Narrative definition of energy poverty. Binding prioritisation of people affected by energy poverty and low-income households across efficiency measures. 	<ul style="list-style-type: none"> Consumer information and empowerment measures. Accessible information, billing and complaints procedures. 	<ul style="list-style-type: none"> Requirement to establish networks of experts on energy poverty. Support for civil society organisations and local intermediaries. 	<ul style="list-style-type: none"> Energy efficiency funding targeted at low-income households. One-stop shops (OSSs) providing technical, administrative and financial assistance.
Energy Performance of Buildings Directive	<ul style="list-style-type: none"> Requirement for National Building Renovation Plans (NBRPs) to address energy poverty. Priority targeting of worst-performing buildings and vulnerable households. 	<ul style="list-style-type: none"> Safeguards against eviction and disproportionate rent increases following renovation. Principle of housing cost neutrality. 	<ul style="list-style-type: none"> Public consultation in the preparation of Buildings Renovation Plans (BRPs). Involvement of vulnerable groups and civil society. 	<ul style="list-style-type: none"> Priority financial, technical and administrative support for low-income households. Technical assistance facilities/inclusive OSSs for renovation advice.
Social Climate Fund	<ul style="list-style-type: none"> Identification of energy poor and vulnerable households and transport users in Social Climate Plans. Alignment with NECPs and renovation strategies. 	<ul style="list-style-type: none"> Temporary income support mitigating short-term impacts. 	<ul style="list-style-type: none"> Consultation with social partners, local and regional authorities and civil society in SCP preparation. 	<ul style="list-style-type: none"> Dedicated EU funding for tackling energy poverty and transport poverty. Financing for renovation, clean heating, mobility and enabling measures.

² A detailed, article-based overview of each directive is included in Annex I



[1] Definition and policy priority

Member States are required to **identify households affected by energy poverty**, define national concepts, assess scale, and prioritise these groups in national planning cycles. This includes National Energy and Climate Plans (NECPs), National Building Renovation Plans (NBRPs) and Social Climate Plans. The principle is simple: energy poverty must be recognised upfront and systematically integrated across policy instruments.

[2] Protection

The new EU framework reinforces **consumer, tenant and basic-service protections**. This includes safeguards against disconnection, rent increases after renovation, and involuntary evictions, as well as requirements for transparent contracts and accessible complaint procedures. Protection now extends across both housing and energy markets.

[3] Participation

The revised legislation strengthens the role of **consultation and expert networks**, ensuring structured involvement of civil society, social actors, consumer organisations and local authorities. Participation is no longer optional but a core governance condition for designing, delivering and monitoring measures.

[4] Funding and support

The new framework introduces **targeted financial mechanisms** and requires Member States to ensure accessible, socially targeted support. This includes prioritising low-income households in efficiency and renovation funding, mobilising EU funds, and providing technical assistance through one-stop shops (OSSs) and local intermediaries.

These four dimensions function together: prioritisation identifies the target groups; protection ensures they are not placed at risk; participation ensures interventions reflect lived realities; and funding makes implementation possible.³

3.2 How the directives interact in practice

Rather than operating in silos, the four directives are designed to reinforce each other across the policy cycle. It is important to note that, while the four directives share a common objective of strengthening the social dimension of the energy transition, they address energy poverty through distinct policy logics and intervention points. Some instruments address energy poverty explicitly, while others reach energy poor households indirectly through operational proxy categories used for targeting. For example, besides targeting energy poor households, measures under the EPBD and

³ The categorisation used here draws on [analytical work](#) developed by the Regulatory Assistance Project (RAP)

EED prioritise vulnerable households, low-income households or occupants of worst-performing buildings – groups that are statistically more likely to experience energy poverty. This approach allows policies to act on underlying drivers (such as poor housing quality or limited income) while still capturing energy poor households in practice. Other instruments, such as the EMD, focus on consumer status (e.g. customers affected by energy poverty or vulnerable customers) to trigger protections related to affordability and continuity of supply.

Understanding the differences is essential for national authorities seeking to implement the framework coherently and avoid fragmented or duplicative approaches.

[1] Definition and policy priority

Although energy poverty is a cross-cutting concern, each directive approaches it from a different angle. Across the framework, EU legislation does not use a single operational definition: some instruments define energy poverty explicitly, while others more broadly, through related concepts such as vulnerability, leaving Member States responsible for setting concrete eligibility criteria.

The EED provides the most explicit conceptual framing. It introduces a narrative definition of energy poverty centred on the lack of access to essential energy services due to a combination of low-income, high-energy expenditure and poor housing efficiency.

Crucially, the recast EED goes beyond definition by elevating energy poverty to a binding policy priority. It requires Member States to prioritise people affected by energy poverty, vulnerable customers and low-income households in the design and implementation of energy efficiency measures, including through energy savings obligation schemes and alternative policy measures. This prioritisation requirement effectively ring-fences a share of efficiency efforts for those most in need, positioning energy poverty as a structural efficiency challenge to be addressed through targeted and preferential policy action. In particular, under the energy savings obligation, Member States are responsible for achieving a share of their energy savings among vulnerable customers and those affected by energy poverty.

The EPBD does not introduce a standalone definition of energy poverty, but explicitly references the definition set out in the EED. It primarily operates through the concept of vulnerable households, which includes households affected by energy poverty as well as those particularly exposed to high energy costs and with limited capacity to improve the energy performance of their dwellings. The EPBD addresses energy poverty's housing-related dimensions by requiring priority support for vulnerable households and for the worst-performing buildings. In doing so, it frames energy poverty as a challenge closely connected to housing quality, renovation affordability and tenure-related risks, while recognising that these factors interact with – but do not solely determine – energy poverty.



The SCF defines energy poverty, transport poverty and the categories of vulnerable households, vulnerable micro-enterprises and vulnerable transport users at the EU level. It approaches energy poverty through a distributional and compensatory lens, recognising it as a risk arising from the extension of carbon pricing to buildings and transport. The regulation requires Member States to identify energy-poor and vulnerable households and groups exposed to carbon pricing impacts and to design measures accordingly. In this framework, energy poverty is framed as an energy transition risk – one that must be mitigated through a combination of temporary income support and longer-term structural investment.

The EMD considers energy poverty within consumer protection and market regulation. Rather than defining it anew, it refers to “energy poor and vulnerable household customers” and introduces customer protections such as disconnection bans, supplier-of-last-resort arrangements and crisis measures. This frames energy poverty as a risk of exclusion from essential services, particularly during price shocks.

Complementary EU Policy Entry Points for Addressing Energy Poverty



[2] Protections

While all four instruments aim to protect households affected by energy poverty, they do so through different protection logics, operating at different moments of risk – before, during and after policy intervention.

The EPBD introduces protection at the point of renovation. Its safeguards are designed to prevent renovation-driven harm, notably rent increases and evictions that could disproportionately affect low-income tenants. This represents a shift from treating

renovation as a purely technical intervention to recognising it as a socially sensitive process that can generate new vulnerabilities if not carefully managed.

The EMD focuses on market-related protection, ensuring continuity of electricity supply for vulnerable customers and customers affected by energy poverty. Disconnection bans, early-intervention mechanisms and supplier-of-last-resort provisions aim to prevent loss of access to essential energy services, particularly during periods of price volatility or crisis. Protection here is preventive and reactive, addressing affordability shocks and payment difficulties before they lead to exclusion.

The SCF introduces protection through financial cushioning, allowing Member States to provide temporary direct income support and investments to households affected by the EU Emissions Trading System for buildings and road transport (ETS2)-related price impacts. Unlike the EPBD or EMD, which embed safeguards into sectoral regulation, the SCF operates as a macroeconomic stabiliser, mitigating short-term social impacts while structural investments take effect.

The EED contributes indirectly to protection by strengthening consumer rights to accessible information, advice and support services. One-stop shops and consumer assistance mechanisms help households navigate efficiency measures, funding options and administrative processes, reducing the risk of exclusion from the energy transition and its opportunities. Protection here is procedural, ensuring that vulnerable households are not left behind due to capacity constraints.

Layered EU Protections for Households at Risk of Energy Poverty



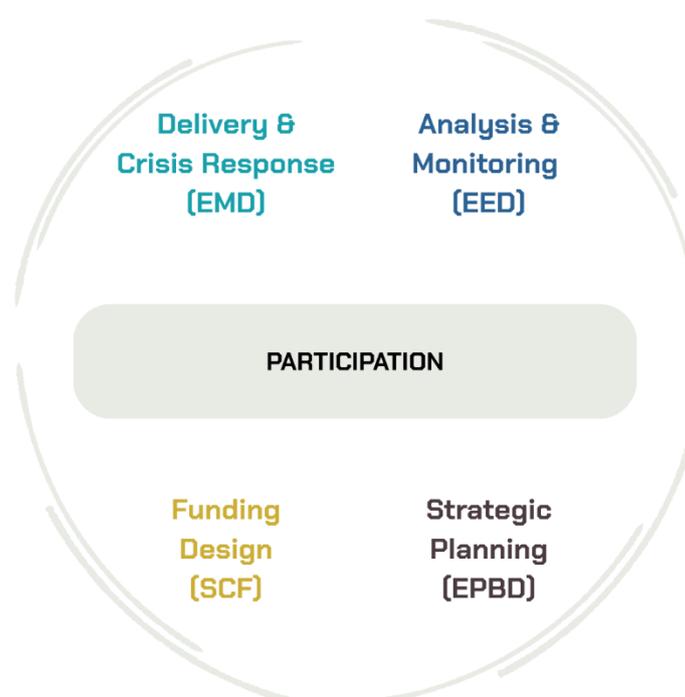


For national authorities, the challenge is to ensure that these protections are coordinated rather than siloed, with clear referral pathways between housing policy, social services and energy regulators.

[3] Participation

Across the Fit for 55 framework, participation emerges as a governance requirement rather than an optional add-on. The legislation progressively expands who must be involved in policy design, implementation and monitoring, recognising that effective energy poverty action depends on coordination among energy, housing and social actors and on the inclusion of those directly affected.

How EU Legislation Embeds Participation across the Policy Cycle



The EED introduces participation through expert-based governance. It requires Member States to support the establishment of a network of experts responsible for improving the understanding of energy poverty, developing indicators, advising on policy design and supporting policy evaluation. While the Directive does not prescribe a specific stakeholder composition, this requirement creates a formal entry point for social actors, researchers and civil society to shape how energy poverty is defined, monitored and addressed over time.

The EPBD embeds participation in planning and decision-making processes. Member States must involve stakeholders – including representatives of vulnerable groups – in the preparation of National Building Renovation Plans. Participation here is linked to territorial and housing governance, ensuring that renovation strategies reflect lived

conditions, social risks and local implementation constraints, rather than being driven solely by technical performance metrics.

The SCF establishes participation as a condition for access to funding. Member States are required to consult local and regional authorities, social partners and civil society organisations when drafting Social Climate Plans. This consultation obligation is intended to improve targeting, legitimacy and coherence, particularly where measures intersect with social protection systems, housing policy and transport services.

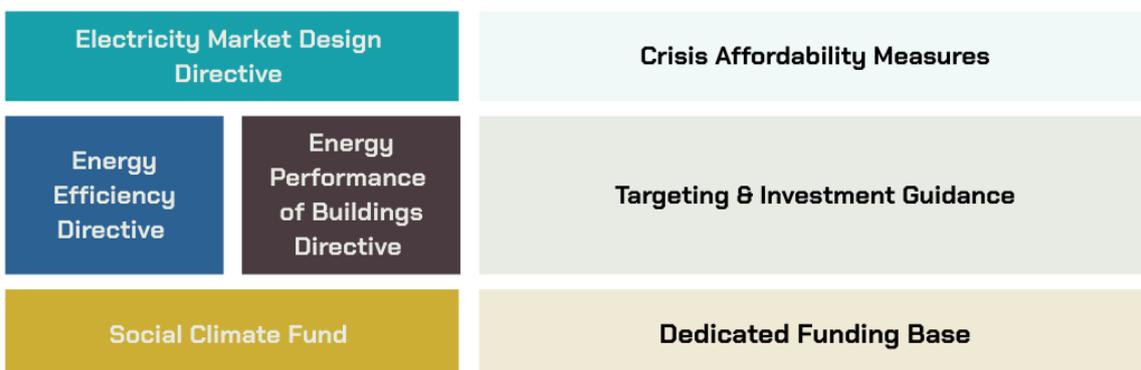
The EMD promotes participation through institutional cooperation rather than formal consultation. It encourages structured collaboration between energy suppliers, regulators and social welfare bodies to identify households at risk and intervene early. Participation here is operational and service-oriented, aimed at improving coordination in day-to-day market functioning and consumer protection.

This creates the foundations for cross-sectoral governance models in which energy poverty is addressed jointly by energy, housing and social authorities, supported by civil society and expert input. For national policymakers, the key task is to ensure these participatory requirements are aligned and institutionalised, rather than treated as isolated compliance exercises.

(4) Funding and support

The Fit for 55 framework significantly strengthens the EU’s capacity to support households affected by energy poverty by combining dedicated funding, targeted investment rules, and market-based affordability measures. Rather than relying on a single instrument, the framework distributes financial responsibilities across multiple instruments, each addressing a different layer of the transition.

EU Instruments Contributing to Funding & Support for Energy Poverty Measures





The SCF provides the financial backbone of the EU's social response to the energy transition. It is the first EU-level fund explicitly designed to mitigate energy and transport poverty, financed through ETS2 revenues. Member States may use the SCF both for temporary income support and for structural investments, notably building renovation and clean heating for vulnerable households. Crucially, SCFs must be aligned with NECPs and NBRPs, positioning the SCF as a coordinating instrument rather than a standalone funding stream.

The EPBD sets clear social targeting rules for renovation finance. Member States must prioritise vulnerable households, people affected by energy poverty and social housing when allocating public financial support, and must direct higher support levels to the worst-performing buildings. By restricting public funding for fossil fuel technologies and linking support to measurable performance improvements, the EPBD ensures that social investment contributes to long-term affordability and decarbonisation.

The EED complements this framework by requiring that energy efficiency measures – including those financed through energy saving obligation schemes or alternative policy measures – prioritise people affected by energy poverty and low-income households. It also foresees enabling measures, such as one-stop shops and technical assistance, which are essential for translating financial support into real uptake among vulnerable groups.

The EMD addresses affordability through market and regulatory tools, rather than investment funding. It allows Member States to deploy targeted price interventions, social tariffs or crisis measures in exceptional circumstances, while maintaining safeguards against market distortion. These provisions are particularly relevant in periods of price volatility, complementing structural investments financed through the SCF, EED and EPBD.

In practice, this means that Member States should move beyond fragmented schemes and towards integrated funding pathways, where investment support, technical assistance and affordability measures reinforce each other across the policy cycle.

4 Policy recommendations for national authorities

Effective implementation of the new EU provisions requires Member States to align governance, data, funding and protection measures into a coherent national approach. The recommendations below focus on the most actionable steps national authorities can take to ensure the framework works in practice.

[1] Build coordinated national structures

Establish a single national coordination structure for energy poverty implementation

The new provisions span from energy efficiency, renovation, consumer protection, to social support. A central coordination mechanism – for example, an inter-ministerial working group or a designated national coordinator – can ensure alignment between ministries (energy, social affairs, housing), regulators, national agencies, as well as regional and local authorities.

In practice, this structure can:

- ensure that national schemes, funding programmes and other measures are aligned with the EED, EPBD and SCF;
- ensure protection measures under the EPBD and EMD are linked with social-welfare services;
- harmonise communication to local delivery bodies, OSSs and social services.

EXAMPLE OF COORDINATED NATIONAL GOVERNANCE: UK COMMITTEE ON FUEL POVERTY

The UK Committee on Fuel Poverty is a statutory, independent advisory body supporting fuel poverty policy in England within a devolved governance framework.

It advises the government on the fuel poverty strategy, monitors progress against statutory targets, and provides evidence-based recommendations on how energy efficiency, housing policy, and social support measures should interact. It also serves as a central coordination point, linking data, policy design and implementation oversight across sectors.

Although its remit is limited to England, the Committee illustrates how a single national coordination structure can:

- provide strategic oversight across policy domains;
- improve coherence between energy efficiency, housing and social protection;
- translate statutory objectives into measurable targets; and
- strengthen accountability beyond individual programmes or funding cycles.

Source: UK Government – Committee on Fuel Poverty [official page](#)

Align NECPs, NBRPs and Social Climate Plans

These planning cycles increasingly contain overlapping requirements. Member States should use a single set of indicators and consistent definitions of low-income, vulnerable and energy-poor households across all plans. Joint drafting workshops and shared analytical teams are practical ways to improve coherence.

[2] Build interoperable, long-term systems

Create or strengthen a permanent national observatory or expert network

The EED requires Member States to establish a network of experts to advise on definitions, indicators and monitoring. While not obligatory, developing this into a permanent observatory offers clear added value. In particular, it ensures:



- continuity beyond electoral cycles;
- the availability of centralised, high-quality datasets;
- long-term analytical capacity;
- a single reference point for ministries, regulators, social services and research institutes that enables evidence-based decision-making.

While national coordination structures focus on aligning policy design and implementation across institutions, observatories or expert networks play a complementary role by providing data, indicators and long-term analytical capacity to inform those decisions. Together, they form the backbone of governance and evidence for effective energy poverty policy.

EXAMPLE OF A NATIONAL OBSERVATORY: THE FRENCH NATIONAL ENERGY POVERTY OBSERVATORY (ONPE)

The French National Energy Poverty Observatory (ONPE) is a permanent national structure established by national law in 2011 to monitor and analyse energy poverty in France. It is hosted and chaired by ADEME and funded by a consortium of public and private partners, including ministries, public agencies and energy companies.

ONPE operates as a multi-stakeholder platform bringing together national authorities, researchers, academics, energy providers, social organisations and statistical bodies. It collects, harmonises and analyses data from multiple sources across the country, including national statistics, administrative datasets and sectoral actors, develops energy poverty indicators and tracks trends over time.

By providing a trusted evidence base, ONPE supports policy design, targeting and evaluation, helping authorities understand who is affected, where, and why, and enabling continuous policy learning and adjustment.

Source: [ONPE website](#)

Develop interoperable datasets linking social, building and energy indicators

Implementing the new provisions depends on accurately identifying and prioritising households. Member States should enable responsible data sharing – for example, between building registries, energy suppliers, social welfare databases and income support systems – under clear governance and privacy safeguards. This allows early intervention before arrears or disconnection risks materialise.

[3] Target support effectively and make access simple

Align the Social Climate Fund with existing renovation and efficiency programmes

Member States should ensure SCF investments complement, rather than duplicate, measures under the EPBD and EED. This means using SCF strategically to:

- fill gaps in existing schemes (e.g., non-repayable grants for low-income households);
- fund enabling measures (e.g., OSSs and trusted local intermediaries);
- target worst-performing buildings in line with NBRP priorities.

Simplify access for low-income households and ensure continuity in local delivery

Complex application processes remain a key barrier for low-income households. Member States should streamline eligibility checks, allow delegated applications through social services or OSSs, and reduce documentation requirements wherever possible.

SOCIALLY DELIVERED ENERGY ADVICE AND SIMPLIFIED ACCESS TO SUPPORT: EXAMPLES FROM GERMANY AND AUSTRIA

In Germany, the Stromspar-Check programme provides tailored energy-saving advice to low-income households through home visits delivered by trained advisers from social organisations, in cooperation with municipalities and federal institutions. The programme helps households reduce energy bills through behavioural advice, small efficiency measures, and facilitated access to public support schemes. Eligibility checks and application processes are often handled with support from social services, significantly reducing administrative barriers for vulnerable households.

Austria operates functionally similar models, notably through Caritas Austria and regional energy-advice services. These schemes focus on personalised guidance from trusted intermediaries working closely with social welfare services, helping households navigate efficiency measures, renovation processes and available financial assistance.

Source: Stromspar-Check [website](#)

Support multi-year mandates for one-stop shops (OSSs) and local intermediaries

Short-term or project-based OSS funding creates fragmentation and undermines trust. Providing multi-year mandates (e.g., 3-5 years) enables OSSs and local intermediaries to:

- operate as stable entry points for households across multiple funding programmes;
- maintain trained staff and specialised expertise to support vulnerable groups better;
- support households continuously and across the full renovation or efficiency journey, rather than for isolated interventions.

Encourage complementary financial tools and alternative financial instruments

Complementary financial tools and alternative financial instruments (such as on-tax schemes, on-bill repayment mechanisms or revolving funds) should be encouraged. Member States should ensure appropriate safeguards – including public guarantees or grant components – so that these instruments remain accessible to low-income, vulnerable and energy poor households.

Where energy efficiency obligation schemes (EEOs) are used, Member States should recognise that direct control over utility delivery is limited. This is why it is especially important for Member States to introduce safeguards, for instance through public guarantees or grant components, to ensure that low-income, vulnerable and energy poor households can benefit from these schemes.



EXAMPLE OF AN ENERGY EFFICIENCY SCHEME: POLAND'S CLEAN AIR PROGRAMME (REVISED 2024)

Poland's Clean Air Programme, particularly in its revised version introduced in March 2024, provides a strong national example of targeted support for energy-poor households within the heating and air-quality policy domain. The programme combines income-based eligibility thresholds with heating systems performance, recognising the link between inefficient heating, high energy costs and poor living conditions.

The scheme offers pre-financing for low-income households and allows funding of up to 100% of eligible costs for the most vulnerable beneficiaries, primarily for the replacement of inefficient and high-emission heating systems and related thermal improvements, such as insulation of heating pipes, replacement of windows and doors, and basic building envelope improvements directly linked to heating efficiency.

A key innovation of the revised programme is the appointment of municipal operators, funded by the national environmental fund (NFOŚiGW) and remunerated per delivery stage, ensuring hands-on support from first contact through project completion, who guide beneficiaries step by step through the application and implementation process.

Source: Official Clean Air Programme guidance for municipal operators [website in Polish](#)

[4] Ensure households are shielded throughout the transition

Enforce EPBD social safeguards

Member States should establish clear operational guidelines for:

- rent caps and housing cost neutrality after renovation;
- anti-renoviction rules and monitoring;
- support for landlords who house vulnerable tenants.

Implement EMD disconnection rules with early intervention protocols

Member States should adopt uniform national procedures requiring suppliers and social-welfare services to intervene before arrears accumulate, including:

- mandatory contact attempts;
- referral to social services;
- payment-plan options and hardship funds.

This ensures disconnection becomes a measure of last resort.

EXAMPLE OF EARLY INTERVENTION AND PREVENTIVE CONSUMER PROTECTION: PORTUGAL'S ESPAÇO ENERGIA

Espaço Energia is a national network of local energy advice centres launched by the Portuguese government to support households facing energy poverty throughout the energy transition. The network is coordinated at national level and delivered locally through partnerships with municipalities, consumer organisations and civil society actors. Centres are publicly funded and embedded within existing local support structures, ensuring accessibility for vulnerable households.

Espaço Energia centres provide free, in-person support on energy bills, tariffs and debt management; access to social energy tariffs and consumer protection measures; and guidance on energy efficiency improvements and available public support schemes. Acting as a first point of contact, the centres combine energy advice with social support and referral to relevant authorities where needed.

Source: Espaço Energia Network [website](#)

5 Conclusion

The Fit for 55 reforms have created the strongest EU framework to date for addressing energy poverty. For the first time, obligations on targeting, protection, participation and funding are embedded across multiple pieces of legislation, giving Member States a coherent set of tools to identify vulnerable households, protect them in the market, and support renovation and efficiency improvements.

The central challenge now is implementation. The effectiveness of the new provisions will depend not on additional legislation, but on how well national authorities align governance structures, data systems, funding streams and protection measures. Fragmented responsibilities, limited interoperability of datasets and short-term programme cycles remain key barriers that can dilute the impact of even well-designed EU-wide obligations.

In this context, national observatories or expert networks are becoming the backbone of effective implementation. They offer a permanent structure for defining and updating indicators, analysing data, designing actions, monitoring progress, and supporting coordination between ministries, regulators, social services and local actors. Strengthening these bodies – whether through formal observatories or an expanded expert network as foreseen in the EED – will be essential to ensuring continuity, building analytical capacity and improving accountability over time.

By using the new EU provisions in a coordinated and strategic way, Member States can move beyond treating energy poverty as a residual social issue and instead integrate it into the core of their energy, housing and social policy planning. A coherent national approach, supported by stable institutions and evidence-based decision making, will be critical to ensuring that the clean energy transition is both fast and fair.



Annex: Overview of key EU provisions relevant to energy poverty

This annex provides an expanded analysis of the provisions in the Fit for 55 legislative package that are most relevant to energy poverty. It is intended as a reference tool for national authorities, implementers and analysts who require a clear overview of the legal obligations arising from recent EU directives and regulations.

Energy Efficiency Directive (Directive EU/2023/1791)

The recast Energy Efficiency Directive (EED) establishes clearer, more explicit obligations for Member States to address energy poverty as part of their energy efficiency policies.⁴ While earlier EU legislation – particularly the Governance Regulation – already required Member States to assess and report on energy poverty, the recast EED strengthens the framework by linking energy efficiency actions to the needs of people affected by energy poverty and vulnerable customers. It reframes energy efficiency not only as a tool for decarbonisation but also for social equity, requiring Member States to ensure that efficiency measures effectively reach households most in need.⁵

Prioritisation and social targeting

The EED introduces a narrative definition of energy poverty, describing it as a “household’s lack of access to essential energy services, where such services provide basic levels and decent standards of living and health, including adequate heating, hot water, cooling, lighting, and energy to power appliances, in the relevant national context, existing national social policy and other relevant national policies, caused by a combination of factors, including at least non-affordability, insufficient disposable income, high energy expenditure and poor energy efficiency of homes”.⁶ This definition guides the Directive’s provisions but does not replace Member States’ responsibility to establish their own operational definitions.

The Directive states that Member States shall implement energy efficiency improvement measures and related consumer information or protection actions as a priority for people affected by energy poverty, vulnerable customers, people in low-income households, and, where applicable, people living in social housing.⁷ This requirement applies to both energy saving obligation schemes⁸ and alternative policy measures, strengthening social targeting obligations compared to the previous EED, which required Member States to quantify the number of households affected and,

⁴ Directive (EU) 2023/1791 of the European Parliament and of the Council of 13 September 2023 on energy efficiency and amending Regulation (EU) 2023/955 ([recast](#)).

⁵ EED Articles 8, 21-24

⁶ EED Article 2(52)

⁷ EED Article 24(2); see also Article 8(3)

⁸ EED Articles 8 and 9

where relevant, set indicative targets in their National Energy and Climate Plans (NECPs).⁹ The recast EED further builds on this framework by requiring Member States to report, as part of their integrated reporting cycles, how their energy efficiency measures contribute to reducing energy poverty. The European Commission has recently published guidance interpreting the consumer-related provisions of the recast EED, including Articles 21–24. The guidance encourages Member States to align prioritisation with forward-looking investment measures and to make coherent use of EU and national funding streams (such as the SCF, ERDF and RRF) to mitigate distributional impacts.¹⁰

Consumer empowerment and access to services

The EED strengthens consumer rights by requiring Member States to ensure accessible, transparent, and comprehensible billing information, contract conditions, and complaint procedures.¹¹

It also states that Member States shall ensure the establishment of one-stop shops (OSSs) or similar mechanisms to provide technical, administrative, and financial advice for efficiency improvements, with dedicated services for people affected by energy poverty, vulnerable customers, and low-income households.¹²

In practice, OSSs are intended to function as single points of contact, helping households navigate financial support, access technical advice and energy audits, and obtain information in accessible formats.

Governance and coordination

The EED states that Member States shall support the establishment or designation of a network of experts, responsible for gathering data, developing indicators and improving understanding of energy poverty.¹³ This network of experts may advise on defining indicators, developing data-sharing protocols, and improving coordination among energy, housing, and social authorities.¹⁴

Member States are also encouraged to provide technical assistance for civil society organisations and local intermediaries to promote participation of vulnerable groups in energy efficiency activities.¹⁵

⁹ Governance Regulation (EU) 2018/1999, Art. 3, 17 and 24

¹⁰ European Commission (2024). [Guidance on consumer-related provisions \(Articles 20–24\) of the Energy Efficiency Directive \[Directive \(EU\) 2023/1791\]](#)

¹¹ EED Articles 21 and 22

¹² EED Article 22(3)-(6)

¹³ EED Article 24(4)

¹⁴ EED Article 24(4)(a)-(d)

¹⁵ EED Article 24(3)



Energy Performance of Buildings Directive (Directive EU/2024/1275)

The recast Energy Performance of Buildings Directive (EPBD) strengthens the link between the EU's renovation agenda and social inclusion.¹⁶ It requires Member States to integrate affordability, consumer protection and the needs of vulnerable groups into renovation policy, ensuring that improvements to the building stock support both decarbonisation and social wellbeing.

Prioritising vulnerable groups in renovation support

Member States shall ensure that financial incentives for building renovation target, as a priority, vulnerable households, people affected by energy poverty and people living in social housing.¹⁷

Member States shall promote deep and staged renovations by offering higher rates of financial, administrative and technical support for the worst-performing buildings.¹⁸ The Directive highlights the importance of prioritising the worst-performing buildings, as these typically offer the greatest potential for energy savings and improved living conditions.

Public financial support shall be linked to measurable improvements in energy performance and aligned with national energy and climate objectives, while avoiding fossil-fuel lock-in. From 1 January 2025, Member States shall not grant public support for the installation of stand-alone fossil-fuel boilers.¹⁹

Safeguards against rent increases and eviction

The EPBD introduces social safeguards to prevent households from facing hardship as a result of renovation. Member States shall address evictions of vulnerable households resulting from disproportionate rent increases after renovation and ensure that financial schemes benefit both landlords and tenants.²⁰

Member States may complement these safeguards with measures such as rent-support schemes or caps on rent increases, and may promote financial mechanisms that lower upfront costs, such as on-bill financing, pay-as-you-save schemes, or energy performance contracting.

These provisions promote the principle of housing cost neutrality, meaning that overall housing costs – rent plus energy bills – should not increase as a result of energy renovation.

¹⁶ Directive [EU] 2024/1275 of the European Parliament and of the Council of 24 April 2024 on the energy performance of buildings [\[recast\]](#).

¹⁷ EPBD Article 17(18)

¹⁸ EPBD Article 17(16)

¹⁹ EPBD Article 17(14)-(15)

²⁰ EPBD Article 17(17)-(19)

One-stop shops and technical assistance

Member States shall ensure the availability of one-stop shops (OSSs) to support building renovation. These shall provide inclusive technical assistance to homeowners, tenants, SMEs, and financial intermediaries.²¹

To ensure accessibility, Member States shall ensure that OSS are geographically available, with at least one OSS per 80,000 inhabitants, or per region, or within a 90-minute travel distance.²²

Member States may designate or expand existing OSSs established under the EED (Art. 22) to fulfil these EPBD functions, supporting coordination between energy efficiency and building renovation policies.

Data and planning requirements

National Building Renovation Plans (NBRPs)²³ shall include strategies to tackle energy poverty, address the needs of vulnerable households and improve the condition of the worst-performing buildings.²⁴

Member States shall carry out a public consultation on the draft National Building Renovation Plan prior to its submission to the Commission, involving, in particular, local and regional authorities, socioeconomic partners, civil society organisations, and bodies working with vulnerable households.

Member States shall annex to the final National Building Renovation Plan a summary of the results of the public consultation.

This integration of social considerations into renovation planning strengthens the link between building policy, energy efficiency and social protection, ensuring that renovation strategies contribute to broader inclusion and affordability goals.

Social Climate Fund (Regulation EU/2023/955)

The Social Climate Fund (SCF) establishes the EU's first dedicated instrument to address the social impacts of carbon pricing in the buildings and transport sectors. It links the introduction of the new EU Emissions Trading System (ETS2) to a permanent mechanism for social compensation and structural investment, ensuring a share of the ETS2 revenues finances measures for vulnerable households, vulnerable micro-enterprises and vulnerable transport users.²⁵

²¹ EPBD Article 18(1)

²² Article 18(1)(a)-(e)

²³ Under the recast Directive, National Building Renovation Plans (NBRPs) become the main strategic tool for coordinating renovation policy across Member States. These plans replace the earlier long-term renovation strategies and set out national pathways to achieve a zero emission building stock by 2050

²⁴ EPBD Article 3(1)(c); Annex II

²⁵ Regulation (EU) 2023/955 of the European Parliament and of the Council of 10 May 2023 establishing a [Social Climate Fund and amending Regulation \(EU\) 2021/1060](#).



Objectives and scope

The SCF's general objective is to contribute to a socially fair transition towards climate neutrality by supporting those most affected by the inclusion of buildings and road transport in the ETS.²⁶

Its specific objectives are to:

- provide temporary direct income support to vulnerable households and transport users to mitigate short-term price effects; and
- finance structural measures and investments that reduce fossil fuel use, such as building renovation, heating and cooling, and access to zero- and low-emission mobility.²⁷

By embedding these social measures within the ETS architecture, the SCF aims to ensure that climate revenues support inclusion and resilience.

Social Climate Plans and policy coherence

Each Member State shall prepare a Social Climate Plan [SCP] setting out measures and investments to address the impacts of carbon pricing on vulnerable households, vulnerable micro-enterprises and vulnerable transport users.²⁸

A SCP shall:

- be consistent with the updated NECPs and relevant national strategies such as Building Renovation Plans and Energy Efficiency Programmes;
- identify target groups, funding priorities, and expected outcomes; and
- be submitted to the Commission following a consultation process with local and regional authorities, representatives of economic and social partners, relevant civil society organisations, youth organisations and other stakeholders, conducted in accordance with Article 10 of Regulation (EU) 2018/1999 and national legal frameworks.²⁹

Member States shall include in their SCP a summary of the consultation process and how stakeholder input is reflected in the Plan. The Commission will assess whether the Plan has been developed in consultation with stakeholders and may support Member States by providing examples of good consultation practices.³⁰

²⁶ SCF Article 3(1)

²⁷ SCF Article 3(2)

²⁸ SCF Article 4

²⁹ SCF Articles 4(2), 5 and 6(3)

³⁰ SCF Annex V

Financing and allocation

The SCF is financed through ETS2 revenues. Up to €65 billion will be available for 2026–2032, rising to approximately €86.7 billion if ETS2 starts in 2027.³¹

As clarified by the Commission in October 2024, Member States may request up to 13% of their national SCF allocation as pre-financing in 2026, enabling early roll-out of Social Climate Plan measures ahead of ETS2 revenues and ensuring a stable transition into the new carbon-pricing regime.³²

National allocations are calculated according to indicators such as income levels, energy poverty and transport poverty rates, and dependence on fossil fuels.³³ Member States shall provide at least 25% national co-financing, ensuring shared responsibility for delivery.³⁴

Eligible expenditures include:

- building renovation for vulnerable households and social housing;
- decarbonisation of heating and cooling, including renewable integration;
- access to sustainable and affordable transport;
- temporary direct income support (capped at 37.5 % of Plan costs); and
- technical assistance and capacity-building (up to 2.5 %).³⁵

Governance and monitoring

Member States shall report on SCP implementation every two years through progress reports.³⁶

Monitoring relies on common indicators capturing energy and transport poverty outcomes, including the number of vulnerable households receiving support or benefiting from renovations.³⁷ The Commission reviews Member States' progress, may request amendments and can reallocate funds after 2030 in cases of persistent underperformance.³⁸

A structured social climate dialogue between the European Parliament and Commission accompanies the Fund's implementation, enhancing transparency and stakeholder engagement.³⁹

³¹ SCF Recital 18; Article 10

³² European Commission (2024). "[Ensuring a stable start to Europe's new carbon market for buildings and road transport.](#)" 21 October 2024.

³³ SCF Annex II

³⁴ SCF Article 11(1)

³⁵ SCF Article 8 and 9; Annex I

³⁶ SCF Article 24

³⁷ SCF Annex IV

³⁸ SCF Articles 22-24

³⁹ SCF Article 26



Electricity Market Design (Directive EU/2024/1711)

The reform of the EU Electricity Market Design introduces substantial changes to strengthen affordability, consumer protection and crisis-response mechanisms in the internal electricity market. Through amendments to the Electricity Directive [2019/944] and the Electricity Regulation [2019/943] – adopted in Directive [EU] 2024/1711 and Regulation [EU] 2024/1747 respectively – the new framework reinforces safeguards for vulnerable customers and customers affected by energy poverty, clarifies the conditions for public intervention and promotes more inclusive participation in energy sharing.⁴⁰

Consumer protection and basic supply guarantees

Member States shall ensure that all final consumers, including vulnerable customers and customers affected by energy poverty, have access to basic electricity supply under transparent, comparable and non-discriminatory conditions.

The new Article 27a sets out rules for a supplier of last resort, requiring Member States to guarantee continuity of supply when a supplier exits the market or when a household encounters temporary payment difficulties.⁴¹ These provisions strengthen the universal service framework, ensuring uninterrupted access to electricity for households at risk.

Disconnection bans and debt prevention measures

Article 28a states that Member States shall ensure that vulnerable customers and customers affected by energy poverty are protected from disconnections, particularly during extreme weather events or other emergencies.⁴² Member States shall also establish early intervention mechanisms, such as debt-management services, payment plans and cooperation between suppliers and social services, to address payment difficulty before disconnection occurs.

These obligations reinforce the shift from short-term crisis relief to preventive consumer protection.

Public intervention and crisis response

The Directive clarifies the circumstances under which Member States may intervene in retail prices to protect consumers during an electricity price crisis.⁴³ Temporary regulated tariffs, targeted subsidies or equivalent mechanisms may be introduced for

⁴⁰ Directive [EU] 2024/1711 of the European Parliament and of the Council of 13 June 2024 amending [Directive \[EU\] 2018/2001](#) and [Directive \[EU\] 2019/944](#) as regards improving the Union's electricity market design, [OJ L 2024/1711](#), 16 July 2024.

⁴¹ Article 27a and Article 28 of Directive 2019/944 as amended by Directive 2024/1711

⁴² New Article 28a and Article 29

⁴³ EMD Articles 5 and 66a

households and SMEs, provided that such interventions are proportionate, transparent and time-limited.

The new Article 66a further clarifies the criteria for defining an electricity price crisis, enabling Member States to deploy temporary emergency measures while maintaining market functioning and long-term investment signals.

Energy sharing and active customer participation

The revised Directive explicitly recognises the right of final customers – including vulnerable customers and customers affected by energy poverty – to participate in energy sharing schemes, such as collective self-consumption or renewable energy communities.⁴⁴

Member States shall remove unjustified barriers and ensure that such customers can benefit from these schemes on fair and equal terms.

For energy sharing schemes owned by public authorities, Article 15a(8) requires Member States to ensure that the shared electricity is made accessible to vulnerable or energy-poor customers or citizens. Member States shall also “do their utmost” to promote that, on average, at least 10% of the shared energy benefits these groups. This provision introduces a concrete social-inclusion benchmark for publicly run energy-sharing arrangements.

Cooperation between energy and social actors

The reform encourages structured cooperation between energy suppliers, national regulatory authorities and social welfare bodies. Member States may establish data-sharing protocols and joint support mechanisms to identify consumers at risk of energy poverty and provide coordinated assistance.⁴⁵

This coordination complements the preventive protection measures introduced in the EED and EPBD, strengthening links between energy regulation and social policy.

⁴⁴ EMD Article 15a

⁴⁵ EMD Article 26



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