

# CA EED Info Session 1.5 Stockholm 2022



Vlaanderen  
is energie en klimaat

## Tackling energy poverty

Good practice Flanders  
(Belgium)



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# Emergency Buyers Fund

Revolving loans for poor owners in Flanders



# What it is

- ▶ **Bullet loans** for renovations = no monthly installments
- ▶ Targeted at “**emergency buyers**”
  - Forced to buy houses in a bad condition because of high rental prices
  - Insufficient funds/lending capacity to renovate the house
  - 4% of owners (120.000 houses)
- ▶ **Payback: after sale or after 20 years**
  - Even then periodic repayment is possible over 25 years with zero interest
- ▶ **Financed with EU ETS-revenues**

# How it works

Project call to public centers for social welfare

- Screening of the houses and households
- Follow-up of renovation



Zero interest loans through Energy houses

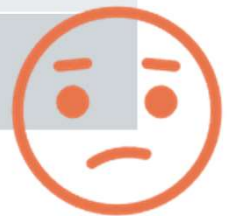
- Back office for the loans
- Renovation advice



Direct payments to the renovation contractor

# Evolution of the fund

Year	2020	2021
Budget (in million euros)	15,5	20
Budget/house	25k	30k
Operational fee	0	332
Participants	18	4
Planned renovations	308	125



# What went wrong?

- ▶ 2022: survey to several welfare actors
- ▶ main answers:
  - Insufficient budget for deep renovations
  - Budget for social and technical support of the households = too low
  - High workload for the PCSW
  - Financial risks for PCSW
  - Not enough information and support, both for the actors and households

# Changes based on the survey

- ▶ **New project call (until November 2022)**
  - Budget: 36,25 million euro
    - × Raise of budget/house: 25 → 50.000 euro
    - × Operational fee: 332 → 3.000 euro
  - Remission of debt in case of non-payment
  - Increased effort on information and promotion
  
- ▶ **More calls in 2023**

# Minimal energy supply

Financial support for heating during winter





# Context

- ▶ Grid operator = emergency supplier in Flanders after contract is terminated because of payment default
- ▶ In case of non-payment the grid operator activates a prepayment system in the energy meter of the customer.
  - Prepayment of energy consumption
  - Repayment of energy debt
- ▶ Risk of being cut off the energy supply if customer stops paying.

# What is it?

- ▶ **Bi-monthly allowance for customers who are at risk of being cut off from gas supply between November and April.**
  - 60% of the mean consumption during winter months
  - On average an allowance for the whole winter period covers more or less 30% of the annual energy cost
- ▶ **Local welfare actors are responsible for contacting the families and for prefinancing the allowance.**
  - After the winter period they are partially reimbursed by the government budget (before: cost included in grid tariff)

# Recent evolutions

In the context of the energy crisis 2022:

- ▶ Higher reimbursement (70 < 90%)
- ▶ Extended to certain customers with electric heating
- ▶ Raise of the budget: 2 < 45 million euro next winter

# Evolution of the uptake

	Winter 2010-2011	Winter 2011-2012	Winter 2012-2013	Winter 2013-2014	Winter 2014-2015	Winter 2015-2016	Winter 2016-2017	Winter 2017-2018	Winter 2018-2019	Winter 2019-2020	Winter 2020-2021
<b>N households in prepayment</b>	18190	24220	27116	27514	28313	27733	27814	28059	27693	26319	24460
<b>N beneficiaries</b>	1377	2562	3183	2899	3457	3695	5127	5408	5753	5315	5498
<b>% households in prepayment</b>	7,57%	10,58%	11,74%	10,54%	12,21%	13,32%	18,43%	19,27%	20,77%	20,19%	22,48%

# Reasons for non-take up

- ▶ Not obligatory for public centers for social welfare
  - 20% doesn't participate
- ▶ Only for customers in high need
  - Not everyone applies
  - Not every application is approved
- ▶ Stigma for approaching welfare actors
- ▶ No knowledge of the possibility to apply
  - High workload makes it impossible to contact everyone

# Possible solution: automatic allocation

## ► Advantages:

- No geographic restrictions
- Minimal effort for the customers
- Lower workload for the public centers for social welfare
- Bypasses stigma
- (possibly) faster repayment of debt

## ► Barriers:

- Selection of the target group
- Less incentives to return to the commercial market
- Costs of the measure



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