

Ladies and gentlemen,  
Distinguished guests,

I gather from my colleagues that you have had a stimulating afternoon discussion and it is my pleasure to close and conclude today's conference. It has clearly demonstrated that we face a very significant challenge. In the European Union today energy poverty could affect a population of 40-45 million people. That's around 9% of the European population. These different estimates actually highlight one of the main reasons why we need this European Union Energy Poverty Observatory; because our knowledge of this visible and growing problem needs to be improved and proper statistics are still missing today.

But we do know that the problem is on the rise. At a time when European society is more advanced than it has ever been, up to one person out of ten has trouble paying their bills or keeping their house warm. Many of them, caught in a vicious circle of unpaid bills and wasteful energy use caused by poor housing conditions they have no means to improve.

This is a significant challenge in many Members States and I share the sense of urgency to provide a political reply that has been expressed today by the members of the different groups in the European Parliament, the Bulgarian Presidency as well as the representatives of the Economic and Social Committee and the Committee of the Regions.

Your discussions this afternoon have displayed the scale and complexity of the challenge of protecting the most vulnerable in the European Union. The discussions also provide clear evidence that Europe can and must address it; and that by pooling resources, information and expertise, we can be more effective.

The energy sector and energy systems are in the midst of the most important transition in a century. The clean energy transition is a change of paradigm - from a system based on fossil fuels, towards a more efficient, more sustainable clean energy sector. And it is our duty to make sure that no one is left behind.

With this in mind allow me to conclude this conference by briefly highlighting how as Commission we have proposed to tackle this issue on two levels.

Firstly, I will take a broader look at the changes to the regulatory framework that we have proposed and a few words about how those negotiations are going. Secondly, I will look at non-regulatory issues and where the energy poverty observatory fits in.

As regards the first dimension I want to cover the regulatory framework. It is the role of policy and decision-makers to see what we can do to shape and facilitate the clean energy transition – towards a more secure, competitive and sustainable energy sector. A stable and performant regulatory framework is a precondition for the necessary private and public investment to achieve our objectives - and meet our commitments under the Paris Agreement.

With the Clean Energy for all Europeans package, we have presented in November 2016 an advanced regulatory framework for energy. Our aims are to reach a deal which is:

**good for the planet** in terms of more renewables and more efficient consumption – and lower emissions,

**good for business** not only in terms of more competitive prices, but for spurring investment, growth and jobs related to energy efficiency, construction, steel, renewables equipment, and

**good for consumers** – in terms of better service and fairer pricing, and the possibility to participate in the system, without leaving any consumer behind.

With this spirit in mind, we have drafted provisions, which would oblige **Member States to define, measure and periodically report on energy poverty**. We also proposed that **energy efficiency measures**, including those related to buildings, would have to contribute to energy poverty alleviation. I cannot highlight often enough that in the **EU housing stock**, today 85% of buildings are not energy efficient. For me, this is at the core of energy poverty. This is why we are looking to raise the rate of renovation. Here we stated that the energy poor should be the first beneficiaries of such policies. This not only contributes to our energy and climate objectives, but it directly improves **people's comfort and quality of life**. We want well-functioning, flexible markets with all consumers being able to directly benefit from it. They should be able to **switch suppliers** without penalties, offer the flexibility of their consumption or sell the

energy they produce individually or collectively through local energy communities.

It is often the poorest who are stuck with unfair tariffs because they are unaware of cheaper alternatives and improving information for all costumers is therefore crucial.

The Package promotes the removal of price regulation. But this is not an aim per se, because general price regulation is a hurdle for competition and energy savings.

By generally regulating prices for all consumers, countries end up subsidising not only the energy poor, but swimming pools, luxury houses as well. This is why I remain convinced that regulated prices should only be allowed in the form of social tariffs and only for the really vulnerable consumers until their situation is addressed. Furthermore, Member States should explore more effective tools such as direct support, such as for energy efficiency improvements like better insulation or for example in the form of energy cheques. These do not distort the market and can be used not only to pay the bill, but also to improve the energy efficiency of the house.

In short, I am also confident that our Clean Energy Package will be instrumental in protecting the vulnerable consumers and that the clean energy transition will not leave anyone behind.

As you have heard, we have made good progress on the dossiers – in both the Council and the European Parliament. And in this respect, I would like to pay tribute to the work of Jerzy Buzek and Theresa Griffin and Claude Thurnes, who spoke here earlier today, as well as all rapporteurs in recent months in ensuring that the Parliament maintains or even raises the level of ambition.

The Parliament position was already decisive for the **Energy Performance in Building Directive** – where the political agreement ensured ambitious measures including for the benefit of the energy poor.

I am confident that we can ensure a similarly good result also for the energy poverty provisions in the other proposals and the Commission will support and facilitate the process.

That brings me to the second element that I wanted to address namely the **non-regulatory issues, and where the Energy Poverty Observatory fits in.**

Let me thank again the European Parliament for all the support, including the financing for the Energy Poverty Observatory.

At EU level, we have put forward the necessary legal framework to encourage more targeted support to the energy poor and we have also proposed to provide the appropriate means that would allow investment in more efficient energy use where this is most urgent but also most difficult.

In this sense, the smart finance for the smart buildings initiative we have proposed together with the clean energy package proposed to target in particular launch of renovation in the private household sector through the de-risking aggregation and blending of public funds.

For successful action on energy poverty, **local action** will also be needed. This is why we call today for involvement from municipalities and NGOs operating in cities, villages.

Cities and municipal administrations have a long-running partnership with the European Commission on EU energy and climate objectives. This engagement has been happening under the umbrella of the European **Covenant of Mayors**, where cities and towns made voluntary commitments to reduce emissions, to save energy and to promote the use of renewables.

I am pleased to confirm that the EU Covenant of Mayors will work with the EU Energy Poverty Observatory on a joint pilot project on buildings and insulation. The aim is to develop solutions for municipalities, which can be replicated and successfully applied in localities experiencing similar challenges.

And this brings me on to the Observatory. Any effective response to the growing problem of energy poverty will encompass solutions from different areas. We need to spread rapidly good practices across the EU. It is my belief that the EU Energy Poverty Observatory can become a central platform in addressing energy poverty – providing a vibrant, community for addressing this important challenge.

As you have seen, the Observatory will offer comprehensive assistance to all those engaged in energy poverty alleviation. It can provide:

- reliable statistics,
- a catalogue of tried and tested policy measures, and
- an online repository of energy poverty research available to those designing policy responses in their municipality or other administrative levels.

The Observatory can also be helpful to Member States directly in providing advice and expertise – both ad hoc and via its extensive Advisory Board, comprising experienced experts in all the different aspects of energy poverty.

To conclude, let me stress that it is not by chance that we have call our big legislative package clean energy for all Europeans. Ultimately the success of the energy union project will depend on whether all citizens including the poorest will have access to affordable, sustainable and uninterrupted energy supply. I am looking forward to continue the work with the Bulgarian presidency and the European Parliament to make that happen.

Let me now thank you for your attention and invite all of you, ladies and gentlemen, to a networking cocktail, where we can carry on the discussion.

Thank you to all of you.

