



# ***ENERGY POVERTY IN DEVELOPED COUNTRIES: EUROPEAN LESSONS FOR US, US LESSONS FOR EUROPE?***

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Democracy And Regulation

International Association for Energy Economics:  
Energy challenge and environmental sustainability

Venice

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# Rising and volatile prices

Domestic*	Electricity price incr.		2011-1992 hi/low	Gas price incr.			Energy tax incr. 2009/1995
	2011/1992	2011/2005		2011/1992	2011/2005	hi/low	
EU 27		26.5%			41.5%		6.8%
Bulgaria		28.1%	28.1%		70.3%		277.8%
Germany	19.0%	5.4%	21.2%	95.9%	18.9%	126.5%	13.6%
France	3.5%	9.8%	16.2%	79.3%	49.2%	92.1%	-11.3%
Hungary	301.2%	57.0%	307.6%	463.3%	180.9%	480.1%	5.2%
United Kingdom	30.0%	63.3%	67.3%	66.9%	62.6%	104.3%	26.5%
US**	40.6%	22.1%	40.6%	83.5%	-14.9%	106.1%	
* Most Europe increases understated: exclude taxes, charges.							
** Electricity to 2010.							
Sources: Eurostat, US DOE EIA.							

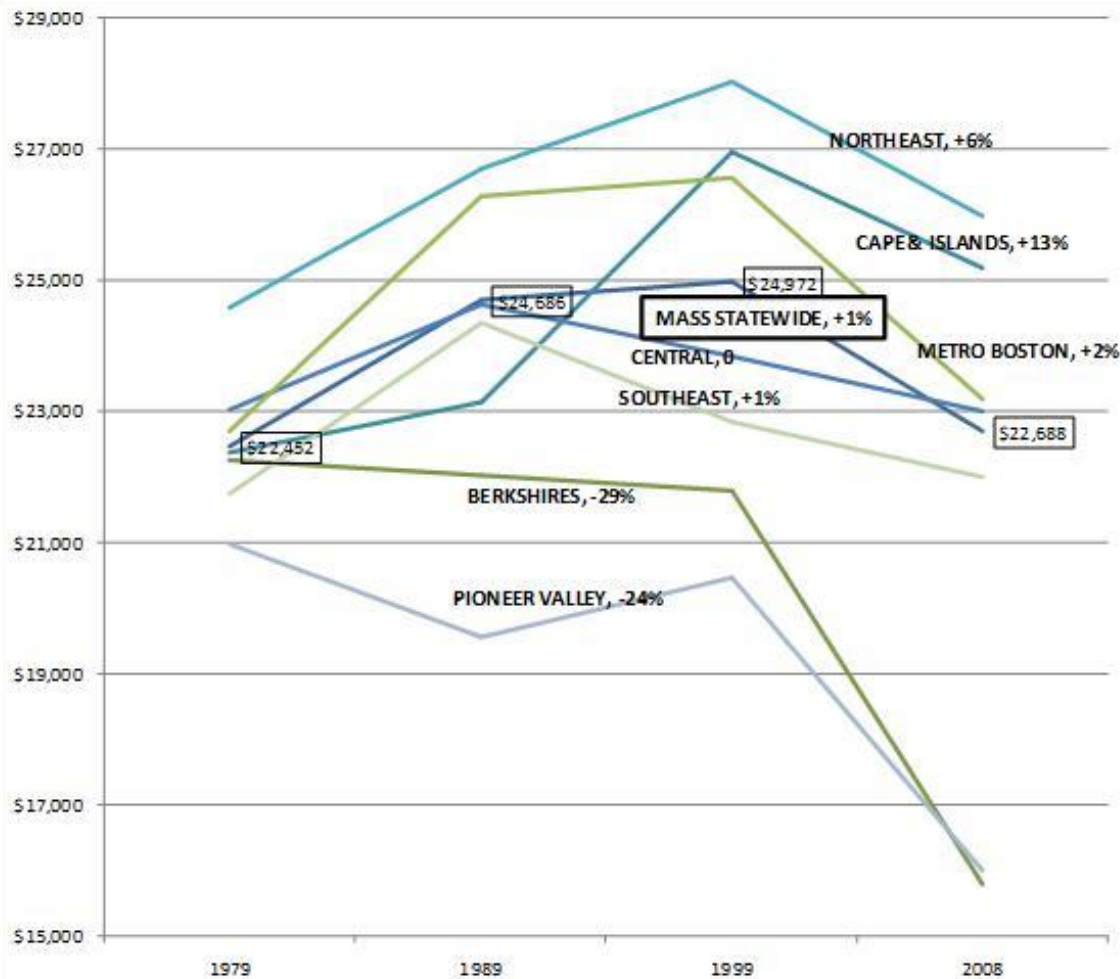


# Broad poverty

2010	At-risk-of-poverty rate		% decline in %	income threshold (single person)	
	before transfers	after			
<b>EU 27</b>	26.7%	16.4%	-38.6%		
<b>Bulgaria</b>	27.1%	20.7%	-23.6%	€ 1,810	
<b>Germany</b>	24.2%	15.6%	-35.5%	€ 11,278	
<b>France</b>	25.0%	13.5%	-46.0%	€ 12,027	
<b>Hungary</b>	28.4%	12.3%	-56.7%	€ 2,544	
<b>United Kingdom</b>	31.0%	17.1%	-44.8%	€ 10,263	
<b>US*</b>	34.0%	47.9%		€ 17,137	
* Poverty rates not comparable; US at 200% FPL. See text. USD 1.30 = 1 Euro.					
Sources: Eurostat, US Census.					



# Income not keeping pace





# Building blocks

- Weatherization and efficiency
  - Low-income-specific
- Cash assistance
- Termination restrictions and other protections





# Wealthy not always the most generous





# Benefits of low-income energy efficiency

<b>Category</b>	<b>Value (\$/participant/year unless noted)</b>		
<b>UTILITY (avoided costs)</b>			
Arrears	\$2.61		
Write-offs	\$3.74		
Termination, reconnection	\$0.43		
Avoided discount	varies by utility		
Collection: calls	\$0.58		
Collection: notices	\$0.34		
Insurance	per WAP evaluation when done		
<b>PARTICIPANT (benefits)</b>			
Comfort	\$101.00		
Reduced forced mobility	could be quantified		
Reduced noise	\$30.00		
Increased light quality and life (O&M)	\$56.00		
Price hedge value (one-time)	\$0.76/MMBTU; \$0.005/kWh		
Property value increase* (one-time)	\$949.00		
Reduced home maintenance	\$35.00		
Appliance & equipment maintenance	\$54.00		
Improved health**	\$19.00		
Increased safety (fire, CO)	\$38.67		
Refrigerator recycling (one-time)	\$172.53		
Early replacement of refrigerator	could be quantified		
Window air conditioner	\$49.50		
Economic development for low-income	\$0.51/therm ~ \$124; \$0.042/kWh ~65		
<b>OWNERS OF RENTAL PROPERTY (per unit; in addition to above when applicable and not duplicative)</b>			
Reduced tenant complaints	\$19.61		
Increased ease of finding tenants	\$0.96		
Reduced maintenance	\$66.73		
Property value increase	\$17.03		
Increased durability	\$36.85		
Appliance & equipment maintenance	\$3.91		
<b>NOTES</b>			
*Better research available; see footnote.			
** Further research needed.			
<b>Total per participant per year</b>	<b>\$390.87</b>		
<b>plus Total per participant one-time (gas)</b>	<b>\$1,258.00</b>		
(ex discount, insurance, landlord benefits)			



# Lessons for US

- Pay attention to the dangers of poverty
- Cross-border aid yields benefits to all
  - Differences in wealth
  - Differences re: Carbon
- Short-term economic focus misses climate





# Poverty





# Disparities





# Climate





# Climate







# Lessons for Europe

- Poverty, not fuel poverty
- Cross-border aid yields benefits to all
  - Differences in wealth
  - Differences re: Carbon, efficiency
- Climate focus misses injury to poor
  - Low-income-specific efficiency and benefits





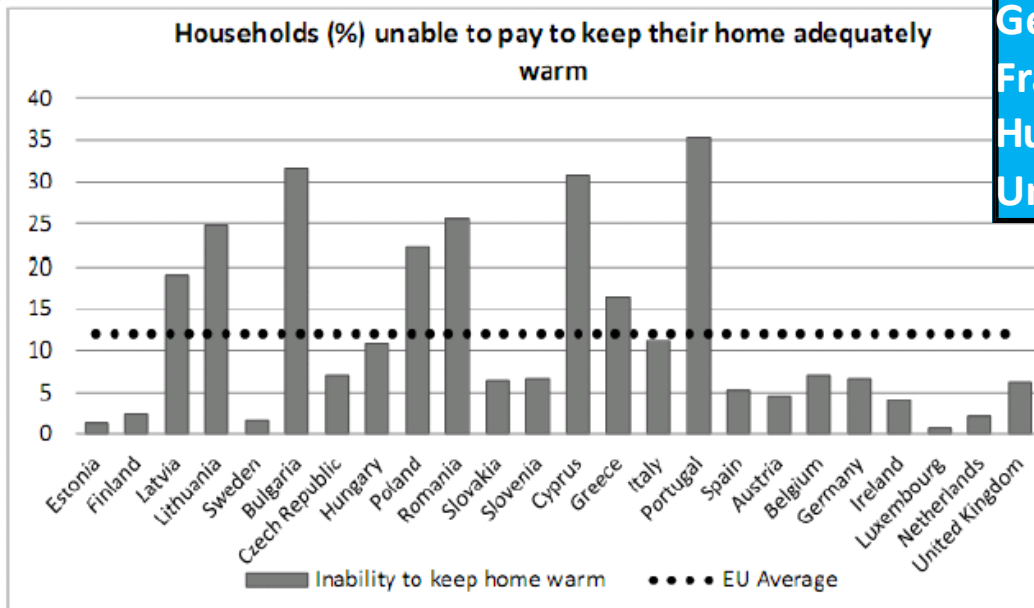
# Poverty





# Fuel poverty $\neq$ poverty

## Energy poverty in Europe



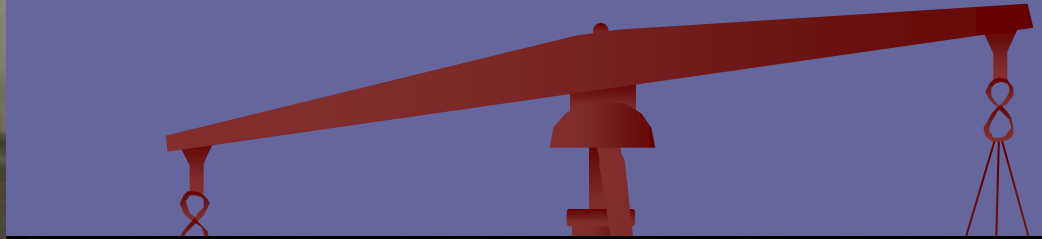
2010	At-risk-of-poverty rate after transfers
EU 27	16%
Bulgaria	21%
Germany	16%
France	14%
Hungary	12%
United Kingdom	17%

- EPEE: 50m – 125m energy poor in Europe

William Baker, Consumer Focus,  
 "Evaluating impact of energy efficiency on fuel poverty,"  
 presentation to IEA Workshop, March 2012



# Disparities

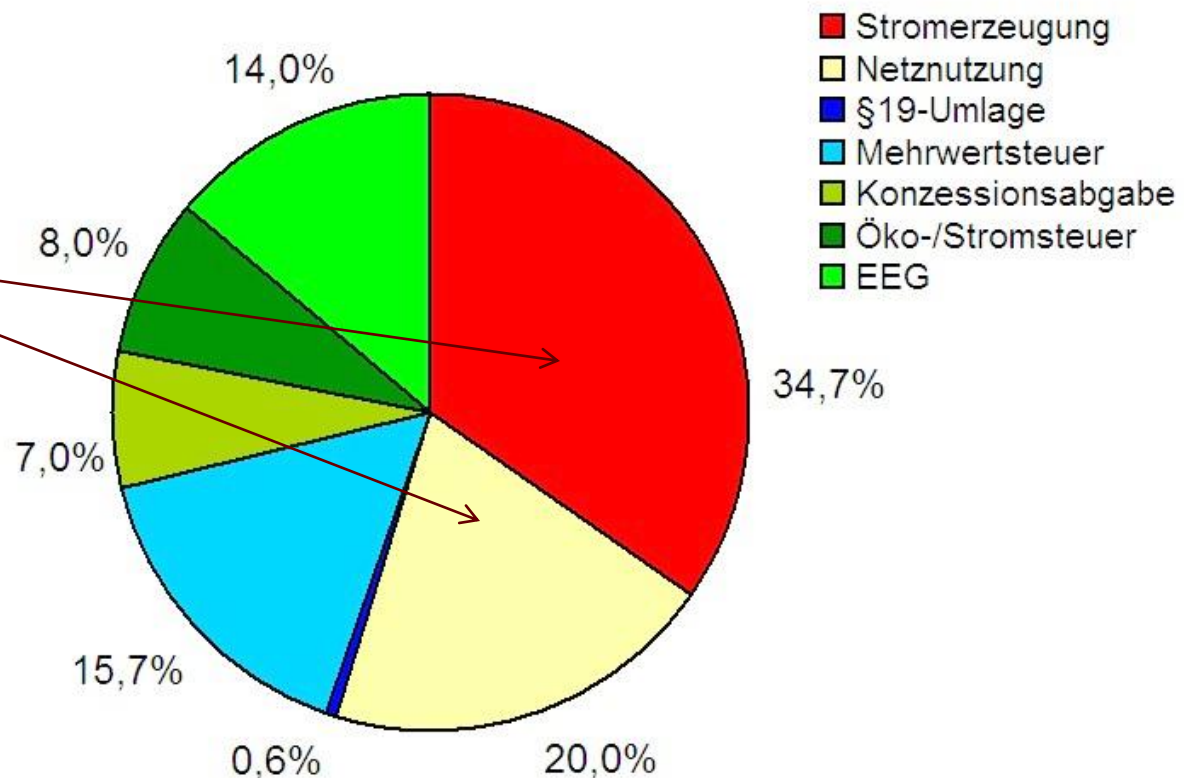




# Energy price and tax policy vs. poor

G, T, & D  
54.7%

Zusammensetzung des Strompreises in Deutschland 2012







# Target low-income

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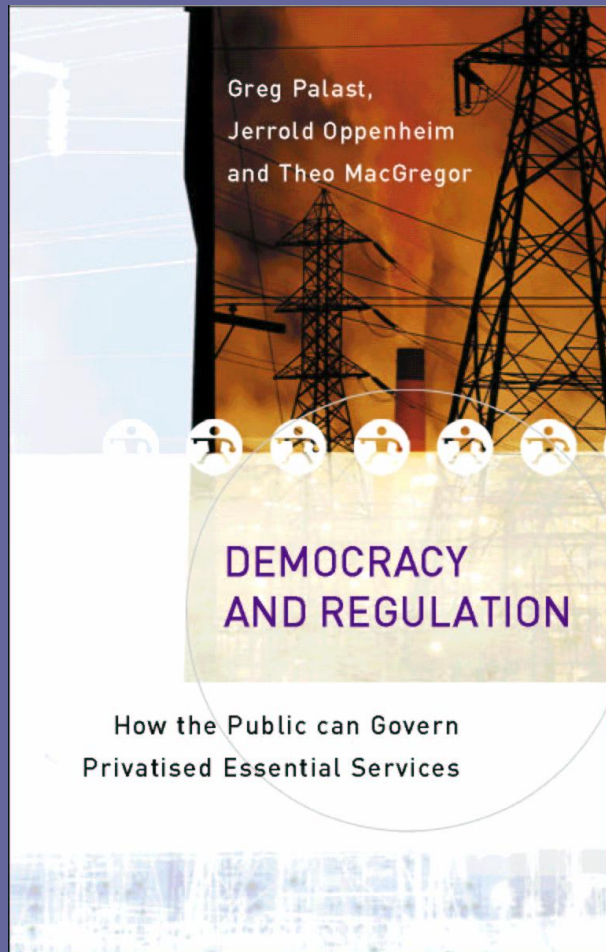


# US South & Southeastern Europe

- Much more difficult to address poverty
- Scale of cross-border funding
- EE as economic development



# Democratic debate



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# About the Speaker

**Jerrold Oppenheim** is an independent consultant and attorney who has advised and represented low-income and other utility consumer advocates, government agencies, labor, and utilities across the country for more than 40 years. A graduate of Harvard College and Boston College Law School, he led utility litigation and argued precedent-setting cases for four Attorneys General in New York State and Massachusetts; for Legal Services in Boston, Chicago and New York City; and for the National Consumer Law Center. He founded the Renewable Energy Technology Analysis project at Pace University Law School and is now a member of the Center for Public Utilities Advisory Council, New Mexico State University. He has spoken and published on four continents, including *Democracy And Regulation* with Theo MacGregor and Greg Palast, published by Pluto Press (London) and winner of the ACLU Upton Sinclair Award.



# ABOUT THE CO-AUTHOR

**Theo MacGregor served more than ten years with the Electric Power Division of the Massachusetts Department of Public Utilities. She is currently the sole proprietor of MacGregor Energy Consultancy, specializing in low-income, consumer protection, and energy efficiency issues for government agencies, low-income advocates, attorneys general, utility companies, consumer advocates, and others.**