



# **Key Policy Recommendations for Energy Efficiency Policies**



These policy recommendations are elaborated in detail with concrete steps in ENPOR's [Policy recommendations paper on setting up energy efficiency policies](#).

[Recommendations for replicating best practices for energy poverty in the private rented sector](#) and an [Overview of key findings and inspiring cases](#) support the successful implementation of the policy recommendations. **Download them all from [www.enpor.eu](http://www.enpor.eu)**

The findings of ENPOR research are laid out in:

[Report on energy poverty in the PRS – overview and framework](#);

[Structural factors impacting energy policies](#);

[Analysis and assessment of existing policies in the PRS](#);  
[the Energy Poverty Dashboard](#).

The policy recommendations are based on the findings of the:

[Pilot Outcome fiches – Analysis of the policies' outcome](#)  
the [Key findings and inspiring cases](#).

The detailed account of successful policy measures enhanced throughout the ENPOR project, along with insights into the collaborative co-creation process, is comprehensively documented in the

[Report on the implementation of the ENPOR policies](#).

The ENPOR co-creation process is described in:

[Replication Plan on the possible ways of upscaling best practices](#).

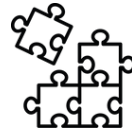


**Energy poverty** The inability to access affordable, reliable, and clean energy services. It is a critical factor for a socially just energy transition. Energy efficiency policies must address it adequately.



01

Energy efficiency in buildings coupled with strong communication and advisory measures should be considered as the structural solution to alleviate energy poverty: a process that intercepts human lives and stories.



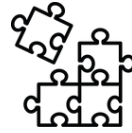
02

Both landlords and tenants are the crucial stakeholders to address, when it comes to successful design and implementation of energy efficiency and renovation of building policies.



04

Energy poverty should be defined in national legislations, with a single definition adopted.



03

All Member states should set up a framework that diagnoses energy poverty, as well as monitor their progress adjusting their existing policy framework and adding new measures.

The recommendations are based on the findings of the Horizon 2020 project ENPOR, aimed at alleviating energy poverty in the PRS, improving living conditions, and reducing greenhouse gas emissions. An ENPOR analysis established the state-of-the-art in knowledge of PRS-specific energy poverty challenges and provided a detailed overview of specific challenges and potential solutions to current policy measures in this area. Some recommendations does not necessarily reflect the views of UIPI.



## 05

Increasing building energy efficiency in the private rental sector should be part of energy poverty alleviation strategies. Such strategies should support landlords with long term monetary incentive to invest in energy efficiency and protect energy poor tenants from disproportionate total rent increase and renovation.



## 06

Financial support should be always coupled with professional or technical advice, one-stop-shops and renovation campaigns in cooperation with municipalities as technical support.



## 07

Linked to technical advice, it is key to fund training and information measures for social and health workers to identify and support vulnerable people at risk of energy poverty.



## 08

Supportive and continuous framework for municipalities should be set up to implement relevant measures and provide long-term funding as well as monitoring gathering continuous data.

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## 09

Match energy advice (materials), outreach channels and messaging to the diverse realities of energy poor households in the PRS. Policies must be inclusive of all gender identities, accounting for gender differentiated needs of women and families, and be based on sex-disaggregated data that is systematically collected on a regular basis.



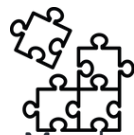
## 10

Member States should put in place support and information measures on access to renewable energy and renewable energy communities that enable new business models or dedicated subsidies that target the energy poor.



## 11

Establish policy measures in close collaboration with different stakeholders involved in the rental sector.



## 12

Member states that have not transposed the EED 2018/2002, ED 2019/944 and RED 2018/2001 in national law yet, should do it urgently. All member states should consider enshrining in national law a public intervention model and set prices for the energy supply to energy poor households in crisis and oblige energy suppliers to provide adequate information on alternative measures to disconnection in advance.

The recommendations are based on the findings of the Horizon 2020 project ENPOR, aimed at alleviating energy poverty in the PRS, improving living conditions, and reducing greenhouse gas emissions. An ENPOR analysis established the state-of-the-art in knowledge of PRS-specific energy poverty challenges and provided a detailed overview of specific challenges and potential solutions to current policy measures in this area. Some recommendations does not necessarily reflect the views of UIPI.

# Introduction

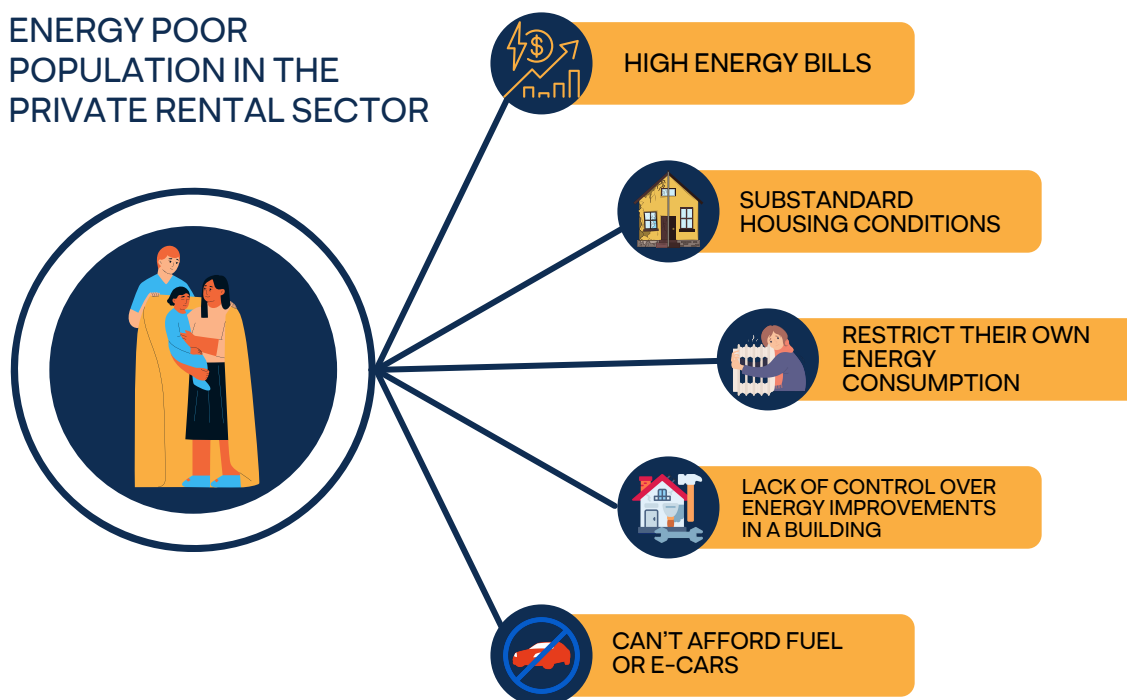
**Urgent further investments in the renewable energy transition and in energy efficiency in buildings are more important than ever due to the accelerating rate of climate change impacts.**

Energy poverty is a pressing concern in the Private Rented Sector (PRS) in the EU. Low-income, high-energy costs and poor or inadequate housing conditions, lack of control over energy improvements in a building, regulatory gaps and affordability issues disproportionately affect vulnerable populations, leading to increased social inequality and health disparities. These policy recommendations address energy poverty in the PRS, emphasizing the importance of access to affordable and appropriate energy efficiency improvements, tenant empowerment, and regulatory measures.

Energy poverty in the rental sector depends, amongst others, on **access to energy, efficiency, pricing and empowerment**. It affects vulnerable and low-income households who often face **high energy bills and live in substandard housing conditions while restrict their own energy consumption to avoid high costs**.

Despite the kick-off of the green energy transition in Europe with a complex set of EU legislations under the Fit-for-55, the rising number of energy poor citizens is alarming following the COVID global pandemic and the energy crisis. The required investments and policies must however keep the social costs of the transformation low to avoid social reactions and mistrust towards energy transition. ENPOR's main recommendation to national policy makers is to establish these policy measures in close collaboration with different stakeholders involved in the PRS. Co-operation, co-creation and the need for considering the specific challenges faced by low-income households is of central importance to gain broad political support and public acceptance in the targeted policies. At the core of our approach lies the proposition that energy efficiency in buildings coupled with strong communication and advisory measures should be considered as the structural solution to alleviate energy poverty. It is a process that intercepts human lives and stories.

## ENERGY POOR POPULATION IN THE PRIVATE RENTAL SECTOR



# Energy Poverty in the Private Rented Sector

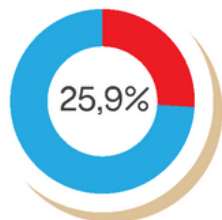
## The Case

Approximately 40 million people are affected by energy poverty in 2022. The size of the rental sector in the EU is 25,9%. **Low-income, high-energy expenditure and low level of energy efficiency in housing are the cornerstones of energy poverty.** This is confirmed by the fact that between 2012 and 2015, low-income households in Northern, Southern and Western Europe spent more on rent than the EU average, with a high share of low-income tenants who are overburdened by market rate rent spending 35% of their income on rent. Landlords and tenants are the crucial stakeholders to address, when it comes to successful design and implementation of energy efficiency policies.

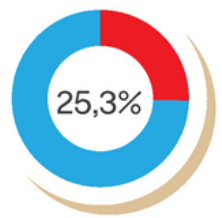
## The Goal

In the PRS, for which as many as 25,9% of EU citizens rely on for housing, access to affordable renewable energy and energy efficiency renovations as well as required accompanying regulatory changes are key to alleviating energy poverty.

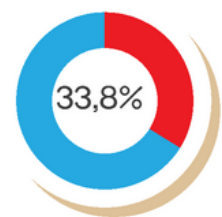
The PRS must be considered when designing energy efficiency policy measures on the national scale, with specific conditions to include when energy poor households are involved.



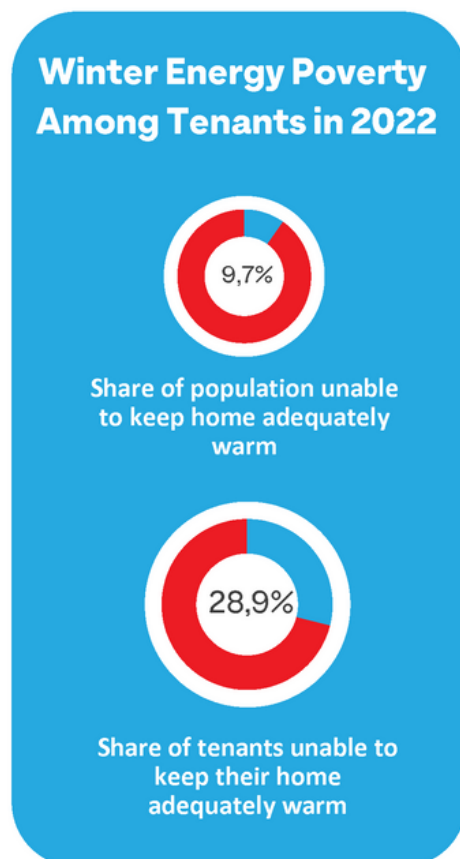
Size of the EU rental sector in 2022



Share of population at risk of poverty in 2022



Share of tenants in the energy poor population in 2022



Key figures extracted from the Energy Poverty Dashboard (EPD). Source: ENPOR

# The Facts

## 1

**Many countries' policy measures do not distinguish income poverty from energy poverty in the absence of national energy poverty definitions.**

Income poverty and energy poverty are interconnected but they remain two different issues. Income poverty refers to a lack of resources, including food, shelter, and clothing, necessary to sustain a livelihood. Several approaches are used to define and measure energy poverty, considering both demand and supply of alternative energy sources. Particularly comprehensive approaches have been developed by the Energy Poverty Advisory Hub for local authorities via its technical assistance, online course and handbooks, as well as for national authorities via their set of national indicators, making use of the elaborate set of energy poverty indicators of the Covenant of Mayors.

An EU wide definition of energy poverty is enshrined in the revised [Energy Efficiency Directive](#) (EU/2023/1791). The EU legal framework requires Member States to identify and tackle energy poverty in their National Energy and Climate Plans (NECPs). **ENPOR research found that currently 85% of the existing energy efficiency policies implemented since 2010 are not targeted at the rental sector.** Only 28% of these policies were targeted at low-income groups and only 6 policies were aimed at tenants.

## 2

**The ENPOR research found, that energy poverty is poorly understood in relation to the PRS and that in Europe, PRS tenants are more likely to be suffering from this condition than the general population. PRS housing is the least energy efficient and least well-maintained in Europe.**

The PRS is viewed by many EU states as a crucial element in housing provision, providing long-term alternatives to social housing and homeownership for a broader gamut of society. The size of the rental sector in ENPOR countries can be checked at the Energy Poverty Dashboard, fed by various data sources. The most recent data from 2022 shows a big variety among ENPOR countries.

The complexity of the sector has been recently analyzed in detail by a group of experts in the ENPOR project. This detailed analysis grasps the advantages and shortcomings of a 114 policy measures across Europe combined with a detailed study on the structural barriers preventing investment in energy efficiency measures in Europe's PRS housing stock.

**A core outcome is that most measures are not sufficient to tackle energy poverty, particularly low income or vulnerable PRS tenants are disregarded, and do not bring together landlords and tenants to address the split incentive.**



# 3

Many energy poverty policies do not target adequately the groups that should benefit from the envisaged actions. Energy efficiency policies are often extended only to those living in moderate energy poverty, hence not capturing the low-income groups that cannot invest in a renovation, requiring a full investment cost coverage

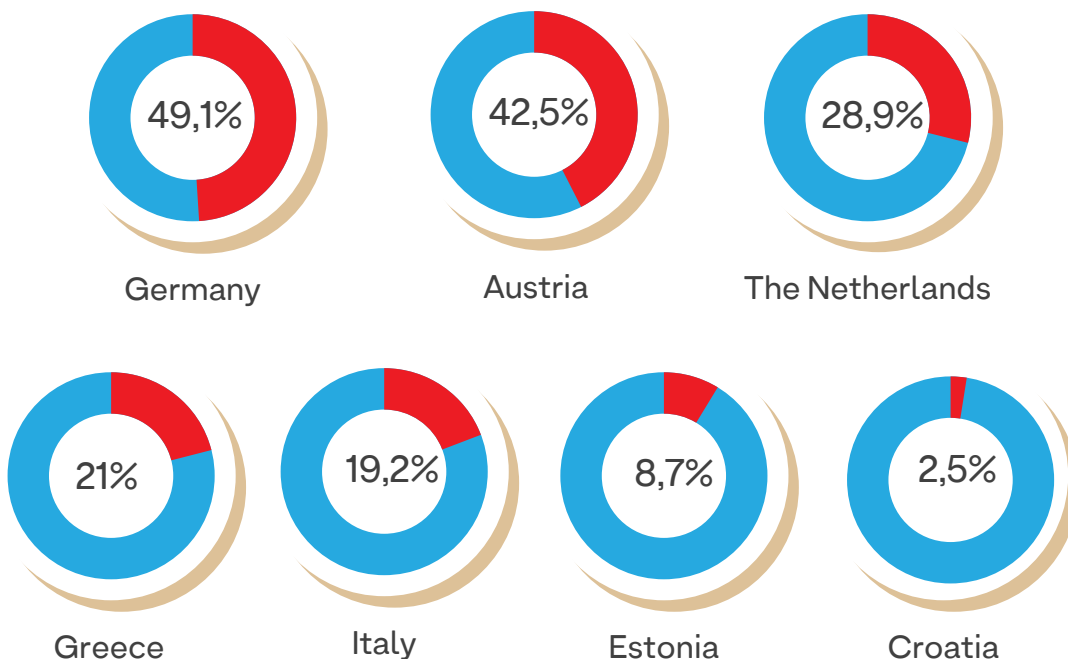
Given the rising living costs and the energy crisis, and the associated stagnation of wages in the face of inflation, there is an urgent need for systematic, continuous, and well-funded public support policies that are not just emergency measures.

# 4

The ENPOR survey showed that financial barriers are addressed as the most critical among all the different stakeholder groups. Issues surrounding renovations in multi-family buildings and homes in multiple occupancy where conflict may arise is widespread barrier to carry out renovation measures

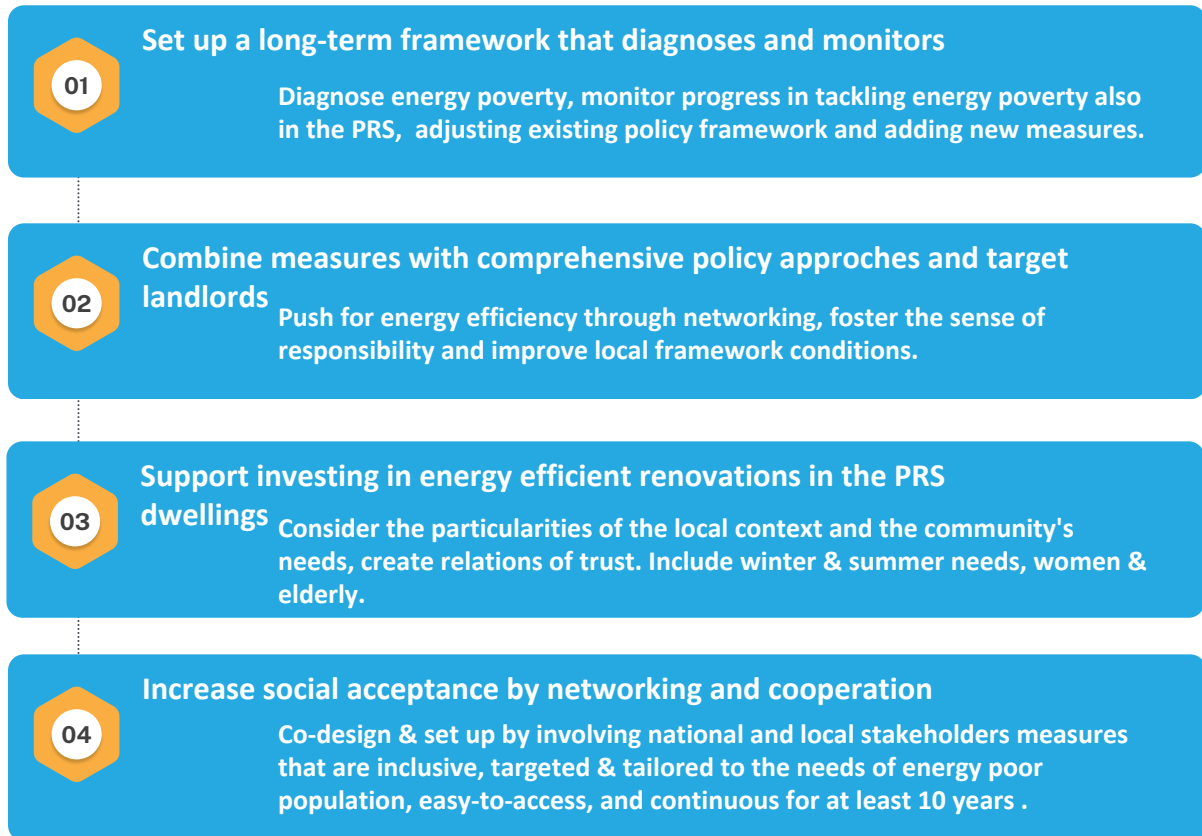
Many current retrofit financing schemes are targeted at owner-occupiers only and are not open to landlords or tenants, or do not adequately cover the specificities of the PRS. At the same time, financial barriers were consistently rated as the most important category of barriers to implementing energy efficiency measures. The problem is the quality of such schemes: tailored, accessible and targeted funding for landlords with energy-poor tenants in the PRS is often lacking.

## The Rental Sector in the Population (2022)



Source: [Energy Poverty Dashboard](#)

# What should we do?



**All Member states in collaboration with municipalities should set up a framework that diagnoses energy poverty, as well as monitor their progress in tackling energy poverty adjusting their existing policy framework and adding new measures.** Municipalities' local framework should be able to communicate with the national and regional framework.

Member states should establish revolving funds that support investing in energy efficient renovations in the PRS dwellings with low-income households as inhabitants. To ensure the success of the investments, these programmes' spatial targeting must consider the particularities of the local context and the community's needs, creating relations of trust.

ENPOR developed a matrix to highlight the multiple pathways for energy poverty alleviation in the PRS, including regulatory, financial, and social measures. The representation of and cooperation with different stakeholders involved in the PRS is of key importance to increase social acceptance of the energy efficiency policies in place. **This framework is recommended to be co-designed and set up by involving national and local stakeholders, where all participants should aim to co-create and subsequently implement the agreed measures for the PRS.**

**Such measures should be:**

- **Inclusive,**
- **Targeted and tailored to the needs of energy poor population,**
- **Easy-to-access,**
- **Long-term and continuous.**

# The long-term alleviation of the energy poverty should be achieved through the energy efficient renovation of buildings.

The landlord-tenant dilemma is one of the main reasons for energy efficiency investments facing challenges, alongside a variety of other financial concerns like high costs and lack of information. An ideal policy would be one that equally considers both landlords and tenants, and it is based on financial incentives and models. Such financial and fiscal incentives refer to provisions by governments, energy suppliers, and other sources that intend to overcome upfront costs, but are designed in a way to meet the special challenges that rented properties face. A methodology to quantify and share the benefits among landlords and tenants is considered as the most effective approach to address the split incentives.





# Solutions

## Energy Efficiency Improvement Grants

## Financial Incentives to Renovate

The structural causes of energy poverty disproportionately affect socially and economically vulnerable households as well as energy poor households in rental situation. To address this challenge, more investment in building renovation is needed in these homes. The design of such measures with active stakeholder involvement is essential for the effective alleviation of energy poverty in the PRS.

Renovation grants should give priority to **holistic improvements** of energy efficiency in buildings, instead of single measures and they should include energy poverty target groups in both ownership and rental setting with a framework that evaluates its impact to energy poverty.

Run renovation grants for **at least 10 years** and include **eligibility criteria** that capture different social, economic and energy related aspects of energy poverty including tenure status.

Offer additional **financial incentives to landlords who invest also in renewable energy sources**.

Make grants **easily accessible**.

Support **cluster renovations, district-wide multi-building renovation** with the necessary simplifications for joint procurement and measures to improve the capacity of associations.

Provide adequate incentives for the full renovation of **historic buildings**.

Introduce enabling regulations and financial support that allow to technical implementation of **renewable energy communities that support energy poor households also as tenants**.

**Simplify** grant, subsidy and tax reduction landscape, application procedure and reduce bureaucracy.

Support packages for landlords to effectively and efficiently finance renovations is a key mechanism to target the investment cost barrier.

According to the landlord survey, the three most attractive incentives for renovation would be grants, subsidies and tax relief, in the form of income tax, property tax or VAT reductions. Collaboration with local banks to develop tailored services with nationally mandated ESCOs to offer innovative financing solutions, can accompany national measures.

Another approach identified would entail the government to make **direct investments in the renovation of buildings and homes of vulnerable citizens and buildings with identified energy poor tenants**. This would increase the value of the landlords' assets, so the investment should take the form of a **subsidy with the conditionality to not increase rents**. Should the assets be sold or rented out at a higher price in the future, the landlords should be obliged to either partially or fully repay the state.

Financing energy efficient renovations for landlords in energy poverty or building owners with energy poor tenants in the building could be a very expensive measure, depending on how broad the objective is. Current funding for renovations and refurbishments could be **reallocated using the Split Incentive Quantification Tool with more targeted funding to vulnerable and energy poor households, while other fiscal measures, such as tax incentives could be used for higher income groups**. This tool identifies the share of the benefits of energy efficient upgrade of buildings between landlords and tenants.



# **Recommendations from Practitioners** **For Energy Efficiency Improvement Grants**

## **Inclusive Eligibility Criteria**

Develop a shared definition on energy poverty to be able to identify energy poor households. Design the grants with eligibility criteria that consider various aspects of energy poverty, such as social, economic, and energy-related factors, including tenure status. Evaluate the impact of these criteria on energy poverty. Make the process of programmes design more transparent and open to the public and relevant stakeholders, particularly landlords and tenant representatives. They should also be easy to implement and apply for, to avoid complex and bureaucratic processes.

## **Financial Support**

Finance the state renovation grant for at least 10 years. Employ and/or further develop the split incentives tool to increase transparency of shared benefits of energy efficiency renovations between landlords and tenants and tailor public subsidy programmes to differing constellations. Provide increased funding for rented buildings, coupled with regulations providing protection from disproportionate total rent increase, to overcome split incentives. Acknowledge the challenges in introducing regulatory measures to avoid market distortions and involve all responsible public authorities.

## **Develop a comprehensive energy poverty regulatory and policy framework**

Connect individual measures and strategies to the national policy landscape to address the absence of broader organizational and legal strategies.

## **Create one-stop shops or dedicated energy agencies to offer comprehensive guidance and ongoing support to landlords and tenants**

Address the complexities of implementing energy efficiency measures and low awareness in the PRS. Collaborate and support municipalities in this task.

## **Measure and Monitor**

Develop effective measurement and monitoring systems to gather data on energy poverty and policy impacts. Use suitable indicators and enhance cross-sectoral collaboration for informative evaluations. For this, a shared definition on energy poverty should be established.

## **Encourage Tenants' participation in Decision-Making Processes**

Include input from tenants in the renovation process, involving them in decision-making as a consultative role alongside the owner or representative of the rental apartment.

## **Support for Building Associations**

Support the full renovation of apartment buildings using the national renovation grant. Create additional measures to aid building associations lacking renovation capacity in the full renovation process. Promote the wider use of digital tools in the housing association participation process.

## Information and training tools

Long-term campaigns and training programmes should be designed and financed to support energy efficiency improvements in energy-poor dwellings and provide information to building owners on how to finance such improvements without worsening the living conditions of the tenants. A successful design involves integrating social actors to facilitate interdisciplinary capacity building, linking campaigns and trainings with structural improvement measures like renovation grants.

### Design Decentralised Consulting Services

Establish decentralised consulting services at the local level, supporting existing institutions, and providing sustainable financial resources to enhance support for energy-poor households. For raising awareness and knowledge, make use of a diverse pool of energy experts / coaches, who are trained to communicate effectively with different target groups in the PRS.

### Implement Social Energy Advice and Enhance Trainings

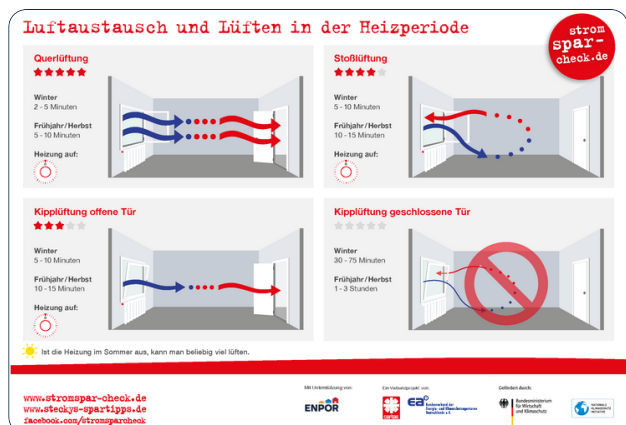
Trained social advisors offer low-threshold energy advice to vulnerable households, focusing on reducing energy consumption without significant investments and assisting with energy bill payments. Social workers and energy advisors need specialised training for effective care of energy-poor households. Integrate actors in the social domain to facilitate and increase outreach to energy poor tenants and promote interdisciplinary capacity building across different sectors relevant for addressing the different dimensions of energy poverty. Tailored courses at different qualification levels, involving representatives from the target groups, can enhance the authenticity and effectiveness of support. Involving individuals familiar with the cultures and languages of the target groups, especially women with migration backgrounds, can empower communities and improve advisory roles.

### Integrate Approach to Energy Saving Measures

Combining energy-saving measures with coaching, installation, and repeat visits proves most effective. Tailoring communication channels such as flyers, posters, emails, door-to-door visits, events, and collaboration with social networks is crucial. Make sure to understand the target group. Match energy advice (materials), outreach channels and messaging to the diverse realities of energy poor households in the PRS. Create targeted informative material that make use of visualisations and multiple languages, and that highlight connected benefits to energy saving, such as increased health, comfort and safety.

### Collect Data and Monitor Continuously

Establish a monitoring system with suitable indicators and collaborate with statistical institutes. Make use of [The Energy Poverty Dashboard \(EPD\)](#) to assess policies, exchange knowledge, and facilitate dialogue between stakeholders. Continuous data collection supports the long-term evaluation of energy poverty and implemented measures.



**Luftaustausch und Lüften in der Heizperiode**

**Querlüftung** ★★★★★  
Winter: 2-3 Minuten  
Frühjahr/Herbst: 5-10 Minuten  
Heizung auf:

**Stoßlüftung** ★★★★  
Winter: 5-10 Minuten  
Frühjahr/Herbst: 10-15 Minuten  
Heizung auf:

**Kipplüftung offene Tür** ★★★  
Winter: 5-10 Minuten  
Frühjahr/Herbst: 10-15 Minuten  
Heizung auf:

**Kipplüftung geschlossene Tür** ★★  
Winter: 30-75 Minuten  
Frühjahr/Herbst: 1-3 Stunden  
Heizung auf:

Ist die Heizung im Sommer aus, kann man beliebig viel Lüften.

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## Recommendations from Practitioners For Information and Training Tools

### Close cooperation with relevant local and national politicians and public administrations is strategic

They ensure recognition of the materials and their inclusion in the nationwide advisory services. Involve property management associations in REACT groups. They are important to reach energy-poor tenants.

**Involve local actors:** co-operation between energy coaches/advisors and social sector representatives with the right expertise is necessary. They will properly guide and help energy poor households to reduce their energy bills. The willingness to accept support services is also based on trust: people fear stigmatisation if they use support services and may refuse direct financial support. Collaborate with civil society organisations that work with migrant groups and recruit multilingual energy coaches/advisers.

### Adjust materials, outreach channels and messaging to the diverse realities of energy poor households in the PRS

Involve energy-poor households in the pilot phase to test the materials. Provide professionally designed and printed materials in all languages and make them available free of charge. Translate materials into other languages identified as particularly relevant for advising energy-poor households with a migrant background. In particular, organisations supporting households in the PRS, such as tenants' associations, should be prioritised. Use visual aids to convey advice and gamified self-experience activities to learn how to use energy-efficient appliances properly in the home. Emphasise comfort and health benefits in communication materials, as these are often secondary to cost savings.

### The role of the intermediary organisation (e.g. energy advisors or social support organisations, etc.) plays a central role in implementation.

Direct transfer of material developed for energy poor tenants is not always possible because of the difficulty in identifying and then approaching them. Involve them in the co-creation process. Students have shown a high level of interest in energy efficiency issues. Reach out to schools and universities to enable them to learn about energy efficient behaviours that can be implemented at home.

**>> CORRECT VENTILATION**

When it's hotter outside than inside – only use cross-ventilation briefly

Ideally, cool down at night

**>> AVOID USING AIR CONDITIONERS**

1 split air conditioner consumes as much electricity as 66 fans

Fans provide cooling and are the cheapest option

Mobile air conditioners increase the electricity consumption of a family by 10 – 15%

Why keep electrical devices switched off as much as possible?

They create heat

Information and tips for a more comfortable interior climate can be found at: [www.topprodukte.at/services](http://www.topprodukte.at/services)

The energy information centres will be happy to advise you at: [www.klimaaktiv.at/energieberatung](http://www.klimaaktiv.at/energieberatung)

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Responsible for concept of this publication:  
Eva Suba, Climate Alliance