

Energy Affordability: Sharing Lessons from the EU and Australia's Low Carbon Transitions

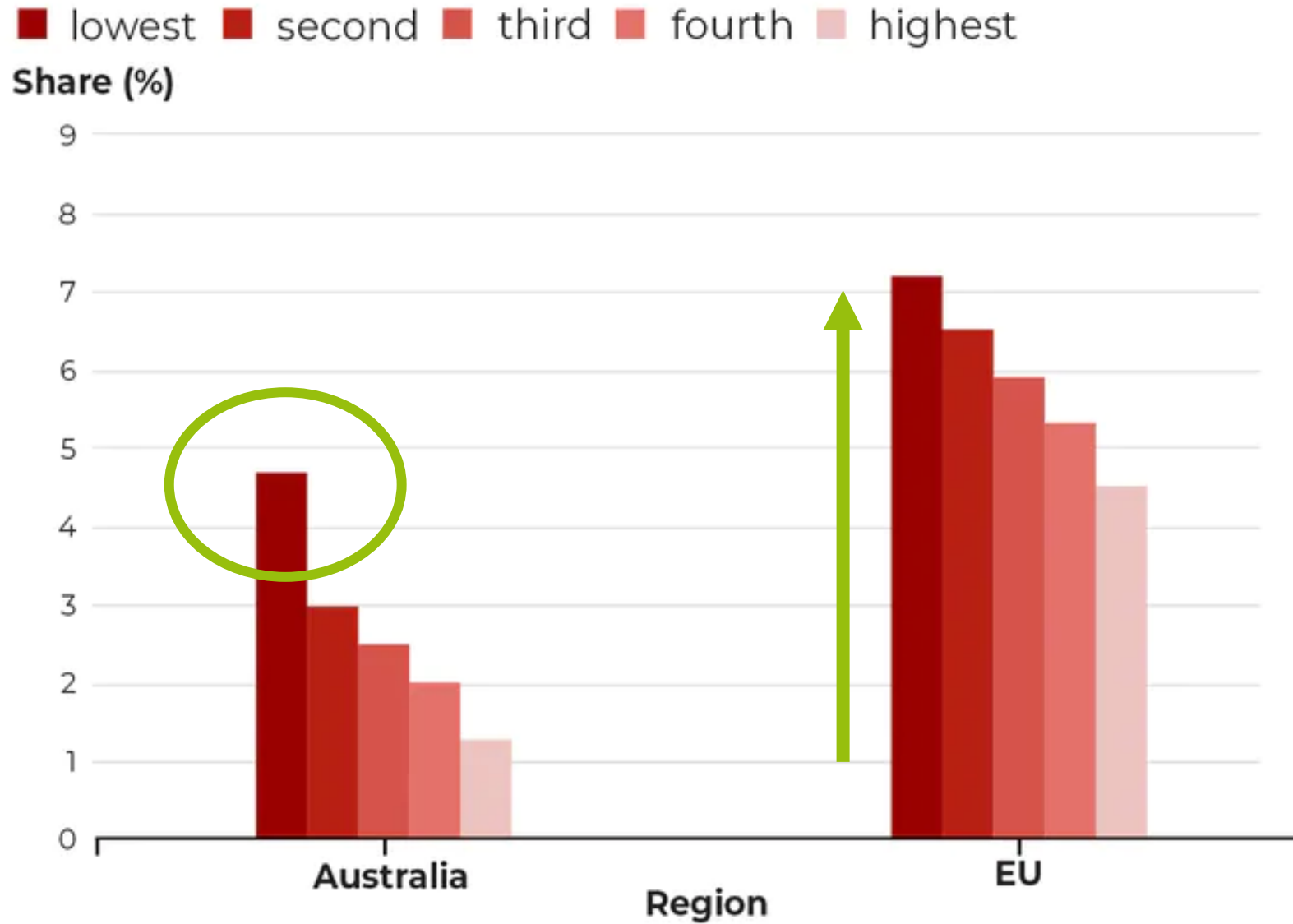
Viktorija Noka | Paris, 29th September 2022

Introduction

- Joint EU-Australia project
- Analyses of energy prices and impacts on vulnerable groups
 - [Working Paper: Energy Vulnerability and Energy Poverty](#)
 - [Energy Affordability: Sharing Lessons from the EU and Australia's Low Carbon Transitions](#)
- Comparative perspective for mutual learning
 - Does a cleaner, greener electricity system necessarily mean rising costs for consumers?
 - Or can electricity decarbonisation lead to improvements in affordability?
- Project was completed in February 2022 -> Significant changes since then

Price & cost structure comparison

- Influx of renewables is more market-driven (Australia) vs more policy-driven (EU).
- Interconnectivity of the market has direct impacts
 - uncoordinated coal closures in small and weakly interconnected markets may cause volatile price dynamics (Australia)
 - In a larger market and with a higher level of interconnectivity such as in the EU it is easier to absorb shocks such as a loss in capacity
- An increase in supply of renewables is likely to see a shift towards more fixed costs in both the EU and Australia
- Alternatives to environmental taxes and levies in discussion in the EU



Addressing energy poverty in the EU

- Strong foundation to recognising and tackle energy poverty
 - Just Transition Principle „no one left behind“
- Working towards **definitions** of energy poverty
 - Energy Poverty Recommendation & Social Climate Fund
- Develop **indicators** and collect data to identify energy poverty
- Designated **institutions** working towards alleviating energy poverty
 - Energy Poverty Observatory & Energy Poverty Advisory Hub
- Measures and instruments focus heavily on **energy efficiency**

Addressing energy hardship in AUS

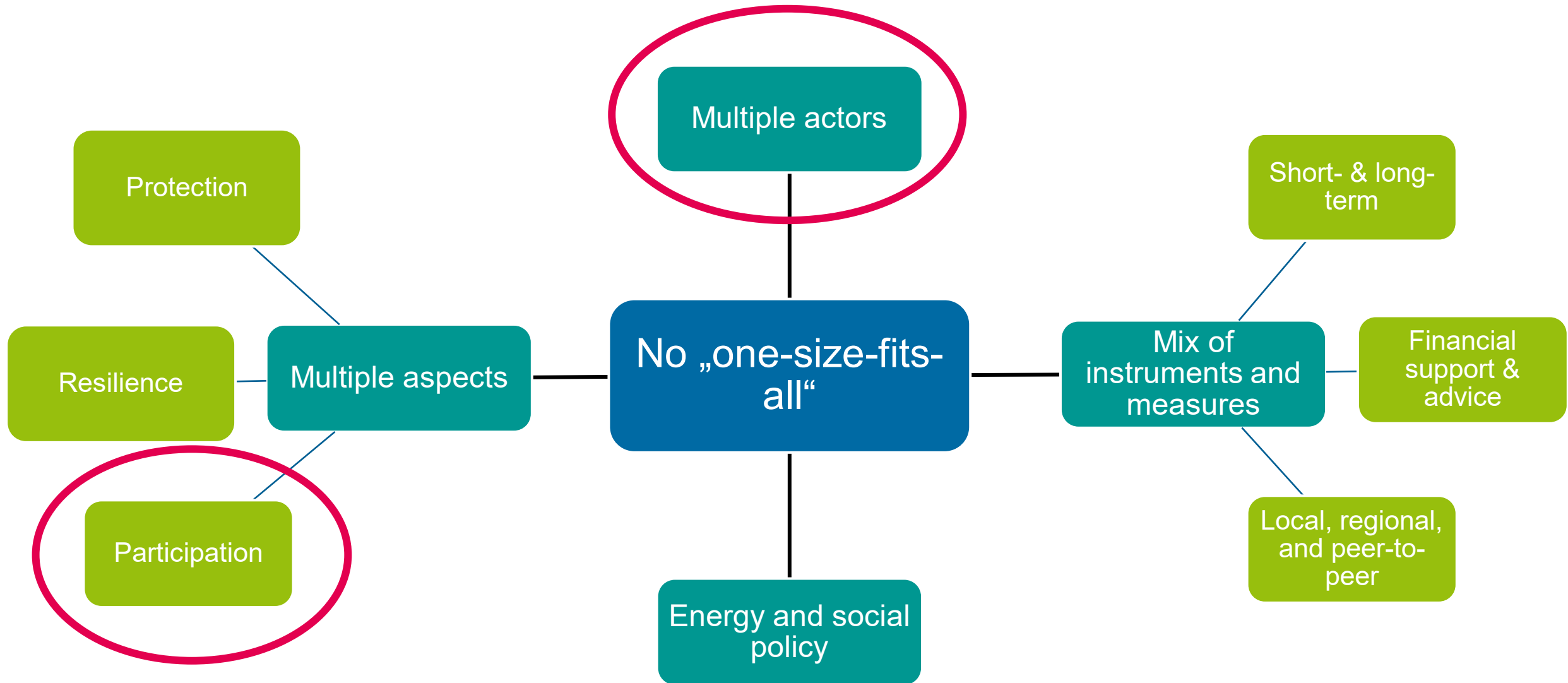
- **Consumer protections** and complementary measures
- Emphasis on consumer choice & agency and **market participation**
- Limited focus at national-scale on energy efficiency for LIHs
- **No overarching framework** for energy transition that includes equity principles
- Terminology different: energy hardship, stress
- No clear definition, measurement, reporting

Performance & implementation of framework in the EU

- Implementation of measures & instruments happens on **Member State** level
 - National Energy and Climate Plans
- Some adoption and analysis of data & indicators
 - What is a „**significant**“ number of households in energy poverty?
- **Energy efficiency** and housing renovation policies dominate
 - Direct financial support & social tariffs
 - Little focus beyond building sector
- Energy/Climate policy vs **social policy**?
- Overall, very **differentiated** despite strong EU framework

Top down and bottom up approaches in AU

- Solar, batteries, EVs etc involve more providers and complex cost allocations
 - How do you apply customer protections and ensure access and affordability?
- **Smart meter deployment** quite advanced in Australia – benefits for LIH?
- Industry can lead **cultural change** – Energy Charter
- People and communities should be at the centre of change - OurPower
- Need both top down and bottom up approaches



Lessons learned – Energy poverty in Australia

1. Question of Indicators (and Data)

- Single vs multiple vs compound indicators
- Income, price, and energy efficiency or consumption patterns

2. Question of Governance

- Role of overarching organisational bodies (EPOV and EPAH)
- Different responsibilities and different scales

3. Question of Policy

- Role of energy efficiency / Enhancing consumer participation
- Responses to price development in recent months

Designfarben

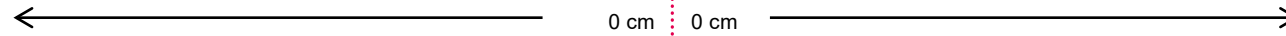
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0 106 164	0 190 225	151 191 13	220 219 31	101 134 195	0 151 145

Benutzerdefinierte Farben

134 134 134	227 0 79
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Linienfarbe Auszeichnungen

8,6 cm 14,2 cm



0 cm

Gestaltungsraster

6,4 cm

5,4 cm

Inhaltsbereich 12,6 cm x 30,0 cm



0 cm

0 cm



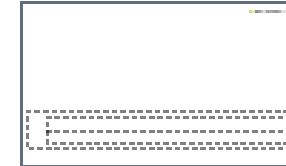
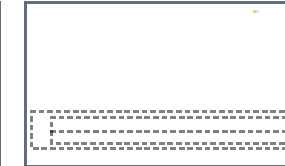

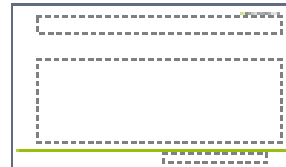
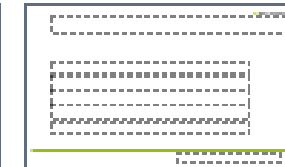





7,2 cm

7,8 cm

8,2 cm Vortragstitel | Referentename | Ort | Datum

Integrierte Layouts

Öko-Institut 2020 | 16:9

						
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2 Inhalte	Text	Text Hintergrundbild 1	Text Hintergrundbild 2	Text Hintergrundbild 5	Text Hintergrundbild 6	Text Bildplatzhalter 1
						
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