



***Conference on 'Tackling energy poverty at the heart of the ecological and energy transition'***

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**of the**

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**Speech**

**(English version)**

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## Speaking points

Ladies and Gentlemen,

Energy poverty has gradually emerged as a central policy issue in the last years. The more recent evolution of the global context, together with its socio-economic consequences, is having a huge impact on the most vulnerable. Our efforts must be increased to address this pressing problem.

What we are now facing is a geopolitical crisis, yet another crisis (after the Covid pandemic, the refugee crisis, the financial crisis and the disruption that followed the attacks of September 11).

Although this series of events may appear overwhelming, we must seize opportunities to act, react and impact.

In particular, the rise of inequalities cannot be addressed with a piecemeal approach or with an apology of the status quo. A real vision is needed.

The EU is committed to develop a strategy for affordable, secure and sustainable energy that empowers its people and ensures fairness for the more fragile

This is the ambition that inspires us today and I am pleased to welcome all of you dear Members, dear guests and distinguished speakers.

### **Current situation and expected trends (energy prices, Ukraine crisis)**

- The dramatic events in Ukraine have been shocking all Europeans; it is urgent to help the people who flee and who are in need.
  - At the same time, significant strains are present in the global oil market, compounding difficulties in natural gas markets and creating a looming emergency for global energy security.
  - Retail GAS prices have increased of +66% year-on-year at the end February 2022.<sup>1</sup>
  - Regarding electricity, retail prices went up of +30% year-on-year (data of Jan 2022).<sup>2</sup>
  - Oil prices have swung violently since the Russian invasion, putting the still fragile and uneven global economic recovery at risk. A prolonged period of volatility for markets appears likely.
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- A careful approach is thus required to ensure that volatility does not harm the weaker in our society.
- Furthermore, immediate actions are warranted to mitigate the impact of higher prices households, farmers, businesses and industry.

## **Energy dependencies and impact on the EU**

- On 24 March the EESC Plenary adopted a Resolution on the War in Ukraine. We have underlined the importance of reducing the EU's energy dependency on third parties, in particular on Russia.
- In the same resolution the EESC stressed that the impacts of the war should not come to the detriment of climate action and sustainability, as provided for in the UN Agenda 2030.
- European sanctions are taking decisive steps to make Russia understand that this dependency cannot brake the EU ability to stand by Ukraine.
- The sooner and more decisively we diversify our supply, accelerate the roll out of green energy technologies and reduce our demand of energy, the earlier we can succeed in fostering our sustainable development, while substituting Russian imports.

## **Energy poverty for citizens and for businesses**

- Energy poverty is a distressing problem affecting different categories of people in Europe.
- A combination of higher energy, transport and higher food prices exacerbates the pressure on low income households, with increased risks of poverty.
- Rising fossil fuel prices hit particularly hard the most vulnerable household consumers, since these spend a high share of their total income on energy bills.
- Continued high energy prices are likely to increase poverty and affect business competitiveness. Energy-intensive industries, in particular, have faced higher manufacturing costs. High energy prices also mean higher prices for other commodities, notably food.

## **Impact on the recovery and on the green energy transition**

- It is an illusion to think that a linear growth model based on the depletion of earth resources can support the recovery of the European and World economies.
- Following the invasion of Ukraine by Russia, the case for a rapid clean energy transition has never been stronger and clearer.

- Furthermore, the occupation and attacks on Ukrainian nuclear plants has generated serious concerns in the European public opinion.
- Developments in energy markets in recent months, and especially the dramatic change in our security situation in recent weeks, require to increase Europe's energy independence.
- The European Green Deal and the European Pillar of Social Rights are key tools for achieving a just and green transition which leaves no one behind.
- Tackling energy poverty needs to be a priority under the National Recovery and Resilience Plans (NRRPs).
- Therefore, I would like to really underline that the green and digital transition must foster conditions for job creation that are fair and socially just, going hand in hand with the full implementation of the European Pillar of Social Rights.

### **Actions taken and call for more action**

- The current geopolitical context reminds us that the notion of strategic autonomy is strongly related to the security of our energy supplies.
- One way to do so is to increase supply. Another way to help balance the market and reduce the pain caused by high oil prices is to manage demand in a more efficient way.

- A number of EU initiatives going this direction. To make just few examples:
  - A significant part of the Fit for 55 measures focus on improving energy efficiency as this is one of the most effective solutions to reduce energy poverty and to decrease energy costs.
  - The revision of the Energy Efficiency Directive (EED) aims to increase energy efficiency and in particular to help the most vulnerable households.
  - The revision of the Energy Performance of Buildings Directive (EPBD) complements other measures by setting the EU legal framework fit for the Renovation Wave objectives.
- All these actions and options must be implemented bearing in mind that solidarity with the most vulnerable is and shall remain a priority!

### **Past and future commitment**

- The aim should be to achieve the greatest possible reduction of greenhouse gas emissions at the lowest possible socio-economic cost.
- This is why in the EESC we have supported the creation of the Social Climate Fund, calling for compliance with the "just transition" principle.

- As underlined in the conclusions of the 2021 EESC conference on Energy Poverty, the energy transition is not just a technological matter – it is also a profoundly social and political challenge.
- The Green Deal must be also a Social Deal, as part of an overarching EU sustainable development strategy.
- How these measures are implemented is subject to each country's own circumstances, but, to be successful, the EU and Member States have to work together. This is a unique moment to take coordinated action.
- The shocking scenes of the massacres perpetrated against the civilians in Ukraine together with the huge movements of refugees are animating European solidarity and integration.
- This includes also stronger cooperation in the field of Energy, as shown by the recent proposal for a EU Regulation on Gas Storage presented by the European Commission, which all institutions, including the EESC are supporting and improving.

### **Link to the three conference panels**

- Energy poverty reduction cannot be achieved without the active involvement of organised civil society.

- The Conference on "Tackling energy poverty at the heart of the ecological and energy transition", organised with the support of the French Presidency of the EU, is putting the focus on how to tackle energy poverty in the perspective of a socially fair and just transition towards a climate-neutral Union by 2050.
- Throughout the panels, we will first discuss how to protect Vulnerable Citizens in the Storm of Energy Prices.
- Secondly we will look at Empowering Citizens as a promising Solution to Alleviating Energy Poverty.
- Furthermore, we will consider How "Fit For 55" Can also be Fit for a Fair Energy Transition.

Ladies and Gentlemen,

The EESC is committed to foster a sustainable, prosperous and socially just future to all European citizens, economic actors and consumers.

In this spirit, I wish you fruitful discussions dealing with a subject which is at the heart of our endeavours.