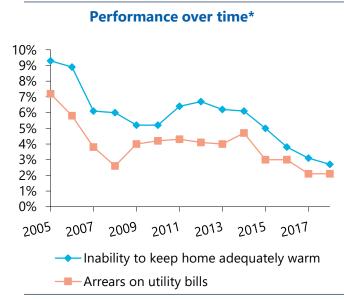


This Member State Report of the EU Energy Poverty Observatory (EPOV) provides an overview of the energy poverty situation in the Czech Republic at a glance. With key indicators, policies, and publications, it offers an understanding of the key aspects of energy poverty in the Czech Republic.

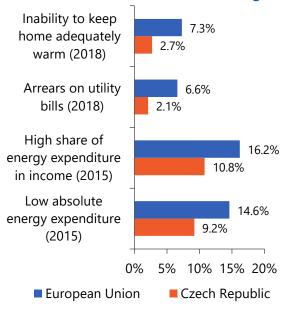
The Czech Republic has a higher performance than the EU average on the population-reported indicators. In 2018, 2.7% of the Czech people reported that they were unable to keep the home adequately warm while the corresponding EU average is 7.3%. Similarly for 2018, 2.1% of the population was unable to pay their utility bills on time due to financial difficulties, while the respective EU average is 6.6%.

The Czech Republic's performance in the expenditurebased indicators is better compared to the EU average. The share of households that spend more than twice the median share of their income on energy expenditure is 10.8% which is lower than the EU average. These households are likely to live in a dwelling with poor thermal and energy efficiency.

Moreover, at 9.2% the Czech Republic has a lower number of households that spend less than half of the median value. These households might restrict their energy spending below what is necessary to meet their needs.



## Performance relative to EU average\*



In the Czech Republic, the percentage of households that are unable to keep the home adequately warm gradually decreased from 9% in 2005 to 3% in 2018. The notable increase between 2010 and 2012 may be attributed to the financial crisis. Afterwards a gradual descent was visible until 2018.

Meanwhile households in arrears on utility bills follow a similar trajectory and decreased notably between 2005 and 2018 from 7% to 2%. It increased from 2008 to 2009.

A spike is visible in 2014 at 5% which, given the trend, might be explained by variations in the sample population.

## About the EU Energy Poverty Observatory

The EU Energy Poverty Observatory (EPOV) is an initiative by the European Commission to help Member States in their efforts to combat energy poverty. It exists to improve the measuring, monitoring and sharing of knowledge and best practice on energy poverty. EPOV has been developed by a consortium of 13 organisations. This report was authored by Navigant.

\*Population-reported indicators taken from Eurostat <u>here</u> and <u>here</u> on November 19, 2019. Expenditure-based indicators calculated by EPOV based on HBS data. Disaggregated data of population-reported indicators calculated by EPOV based on Eurostat provided data.

Contact us: www.energypoverty.eu contact@energypoverty.eu Twitter at @EPOV\_EU





European Commission

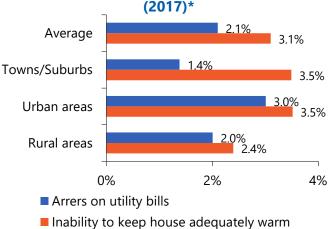


## **DATA & STATISTICS**

The disaggregated data of the householdreported indicators suggest that energy poverty in the Czech Republic is highest for the private tenants sector in 2017, at 6.3% for inability to keep the house warm and 6.4% for arrears on utility bills. The private tenants sector, which is most vulnerable to these indicators, accounts for 16% of the population in the Czech Republic.

The data also indicates that apartment and semi-detached type dwellings are the most vulnerable to these indicators, noting that 61% of the population live in these dwelling types.

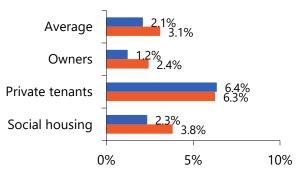
#### Inability to keep home warm and Arrears on utility bills disaggregated by urban density (2017)\*



The household energy cost over time in the Czech Republic has gradually increased to reach a peak in 2012 with electricity at 16.7  $\epsilon$ t/kWh and gas at 6.60  $\epsilon$ t/kWh.

These increases were offset by a two year decline to reach the lowest points after the turn of the decade in 2014. In 2018, household energy costs had increased again to 15.8 ct/kWh for electricity and 5.72 ct/kWh for gas.

#### Inability to keep home warm and Arrears on utility bills disaggregated by tenure type (2017)\*

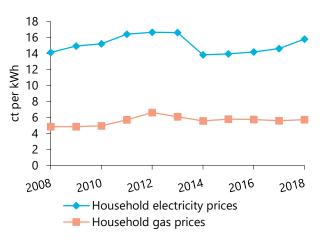


- Arrears on utility bills
- Inability to keep house adequately warm

In the Czech Republic, urban areas and towns/suburbs have the lowest performance for ability to keep the house adequately warm and having arrears on utility bills, closely followed by rural areas. This may be due to the higher costs of living in urban areas and the relatively high proportion of poor populations living in cities. Urban areas and towns/suburbs account for 65% of the Czech population.

Urban areas are notably unable to keep their house adequately warm with values similar to towns/suburbs, often due to higher heat dissipation triggered by lower building density. Moreover, urban areas tend to have the oldest building stock. Urban areas show the highest arrear on utility bills, due to the relatively large poor population living in cities.

## Czech household energy costs over time



\*Population-reported indicators taken from Eurostat <u>here</u> and <u>here</u> on November 19, 2019. Expenditure-based indicators calculated by EPOV based on HBS data. Disaggregated data of population-reported indicators calculated by EPOV based on Eurostat provided data.

Contact us: www.energypoverty.eu contact@energypoverty.eu Twitter at @EPOV\_EU





European Commission



## POLICIES & MEASURES

Interest in energy poverty in the Czech Republic has grown recently. The Czech Republic was included in a regional analysis of energy poverty in Eastern Europe in 2007 (Buzar 2007), but additional research focused on the Czech Republic was only published in 2018. This research specifically addresses energy poverty, its drivers and possible solutions for further improvement of the studied indicators (Karásek & Pojar 2018). Furthermore, there is little activity by NGOs on the topic of energy poverty.

This is also the case in regards to policies and measures that address energy poverty. Long-running energy efficiency programmes are generally targeted at all households instead of specific vulnerable households. These programmes, such as the *Integrated Regional Operational Programme*, the *New Green Savings*, and the *Operational Programme Environment*, provide financial assistance to households for energy savings, renovations and improved heating systems. Some of the programmes are financed by the European Union through, for example, the Fund for Regional Development.

Energy poverty in the Czech Republic is primarily addressed through social policies. The *Living Allowance* provides financial assistance to low-income households to cover their living expenses. The *Housing Allowance* and the *Housing Supplement* provide (additional) financial assistance to low-income households to cover their housing expenses, including energy and heating costs.

There are also some general information campaigns and support mechanisms in the Czech Republic that could potentially benefit energy poor households. The *EFEKT programme* aims to promote energy efficiency in the Czech Republic, mainly through raising awareness and providing education on energy savings. The Czech Energy Regulatory Office provides links to energy price comparison tools.

Czechia's National Energy and Climate Plan contains plans and targets for the reduction of energy poverty. After addressing energy poverty via social welfare policies, the Czech Republic now has put plans into place to target specific vulnerable consumer groups.

Selected measures	Type of measure	Organisation	Target groups	Start year	Result
New Green Savings	Building insulation, Heating system, Renewable energy	National government	No specific target group	2009	Between 2014 and 2016, the programme approved 18,357 projects with a total amount of 4.16 billion CZK
<u>EFEKT</u>	Energy audits, information and awareness	National government	No specific target group	2000	This policy aims to promote energy efficiency in the Czech Republic, mainly through raising awareness and providing education on energy savings. The first EFEKT program started in 2000
<u>Operational</u> <u>Programme</u> <u>Environment</u>	Heating system, Renewable energy	National government, Regional government	No specific target group	2015	The goal is to exchange 100,000 solid fuel boilers until 2020
Housing Supplement	Social support	National government	Low-income households, Households on social benefits, Vulnerable households	Unknown	This measure provides additional financial assistance to low- income households to cover their housing expenses, including energy and heating expenses, which are not sufficiently covered under the basic Housing Allowance measure
Living Allowance	Social support	National government	Low-income households	Unknown	This measure provides financial assistance to low-income households to cover their living expenses
Housing Allowance	Social support	National government	Low-income households	Unknown	This measure provides financial assistance to low-income households to cover their housing expenses, including energy and heating expenses





European Commission



# PUBLICATIONS & ORGANISATIONS

This page gives an overview of publications on energy poverty in the Czech Republic and presents organisations working on energy poverty in the Czech Republic.

Organisation

Measure

Name: Solutions to Tackle Energy Poverty (STEP)

**Organization type:** Research & Consultancy **Description:** STEP provides training resources and publications to address energy poverty in various EU Member States, including the Czech Republic. STEP's overall objective is to alleviate energy poverty by encouraging behavioural change and low-cost energy efficiency solutions among consumers in or at risk of energy poverty through trusted, tailored advice.

**Title:** Programme to reduce energy poverty in the Czech Republic

Authors: Karásek, J. and Pojar, J.

#### Year: 2018

**Description:** The main goal of the paper is to examine existing approaches to energy poverty including energy poverty indicators and to compare system of support for energy poor households in the Czech Republic and in the United Kingdom. Another goal is to describe the most endangered types of households needing government support and to draft possible measures and programme to minimise the impact of energy poverty.

Existing support programmes were examined to determine their potential use. The main conclusion of the paper involves appropriate next steps and future programmes designed to reduce energy poverty in the Czech Republic.

#### Name:

**Organization type:** National Government **Description:** This measure provides financial assistance for energy savings in the housing sector. The programme has been running for a longer time (currently at call nr. 37). The measure applies for the whole Czech Republic except Prague, where specific support is run through the New Green Savings programme. The measure is partly financed through the EU Fund for Regional Development.

Name: Calculators for price offer comparisons of electricity and gas suppliers Organisation: Regulator

**Description:** The calculators for price offer comparisons of electricity and gas suppliers offers a comparison website and tool for all energy consumers in the Czech Republic. With this tool they can compare energy costs and providers and thereby opt for the lowest cost electricity and gas. This helps to reduce energy poverty by enhancing the information availability and level of choice.

## **Other selected publications**

- Buzar, S. (2007) <u>The 'hidden' geographies of energy poverty in post-socialism: between institutions and households</u>
- Buzar, S. (2007) Energy Poverty in Eastern Europe: Hidden Geographies of Deprivation
- Karásek, J. and Pojar, J. (2018) Programme to reduce energy poverty in the Czech Republic

For definitions of the terms used in this report <u>click here</u>. The EPOV website provides an extensive collection of Knowledge & Resources. <u>Click here</u> for more information and to contribute additional policies, publications and other resources.

This report was completed in February 2020.

**Contact us:** www.energypoverty.eu contact@energypoverty.eu Twitter at @EPOV\_EU

EU ENERGY POVERTY Observatory



European Commission

Organisation