

Mechanisms behind energy poverty

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UK definition

- A household is in fuel poverty if it needs to spend more than 10% of its income on fuel to maintain a satisfactory heating regime and all other energy services
- 10% based on twice the median
- Same as energy poverty

Affordable warmth

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graph TD; A[Affordable warmth] --> B[10% of income for all energy services]; A --> C[Energy efficiency of the dwelling]; C --> D[24 hour mean internal temperature of 18°C (+ all other energy services)];
```

10% of
income
for all
energy
services



Energy
efficiency
of the
dwelling

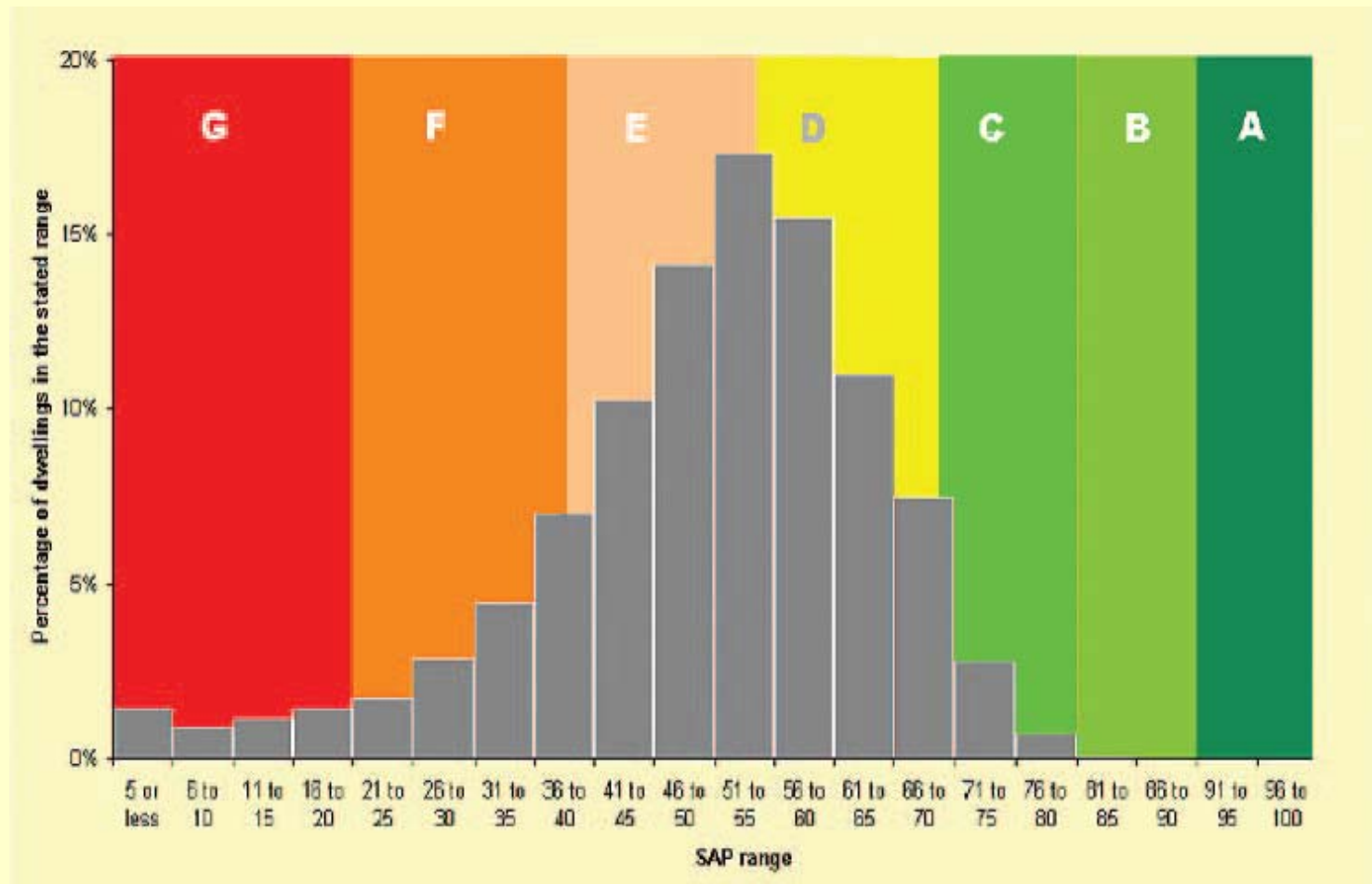


24 hour
mean
internal
temperature
of 18°C
(+ all other
energy
services)

Income + housing

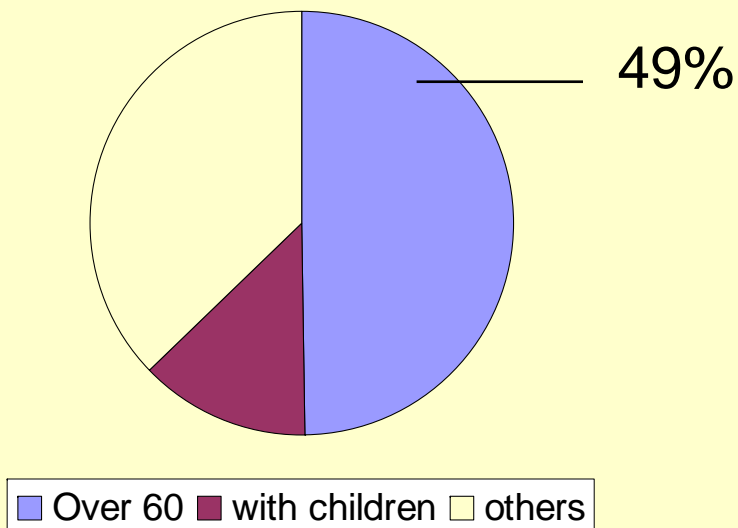
	Low income		High income		
Energy inefficient housing					
Energy efficient housing					

Distribution of energy efficiency

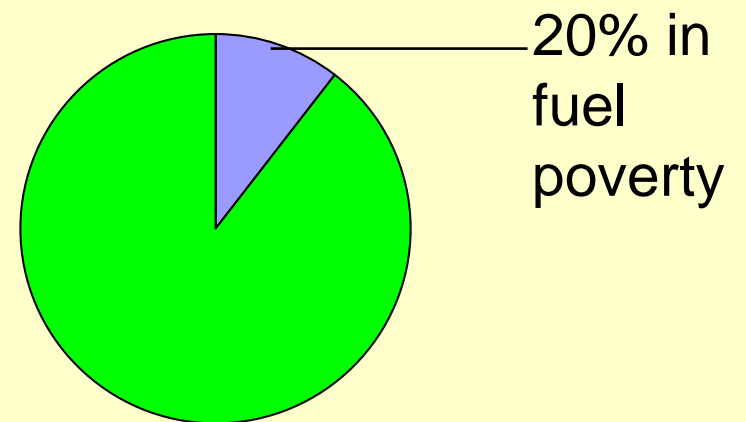


Targeting fuel poor, England 2007

Fuel poor households



Pensioner households



Characteristics

- Low income
- No savings
- Small households
- A lot of elderly people
- Under-occupation
- Energy-inefficient homes
- Different from poverty

Fuel prices

- Poor pay high prices
- Rising long-term
- Avoid taxation (eg carbon taxes)
- Should the poorest people pay the lowest price?
- Market cannot deliver – regulation might

Policy choices, fuel poverty and climate change

	COLD HOMES	WARM PLANET
Additional income	✓	x
Fuel price rise (carbon taxes)	x	✓
Direct capital investment in energy efficiency	✓	✓

Thank you

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