



2024/2481

23.9.2024

COMMISSION RECOMMENDATION (EU) 2024/2481

of 13 September 2024

setting out guidelines for the interpretation of Articles 21, 22 and 24 of Directive (EU) 2023/1791 of the European Parliament and of the Council as regards the consumer related provisions

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 292 thereof,

Whereas:

- (1) Directive 2012/27/EU of the European Parliament and of the Council ⁽¹⁾ introduced a requirement to achieve the headline target of at least 32,5 % energy savings at Union level by 2030.
- (2) Directive (EU) 2023/1791 of the European Parliament and of the Council ⁽²⁾ was adopted on 13 September 2023. It recast Directive 2012/27/EU, keeping some of its provisions unchanged while, at the same time, introducing some new requirements. It significantly raised the level of ambition for 2030 in terms of energy efficiency, including in relation to consumer empowerment and protection, information and awareness raising and alleviation of energy poverty through energy efficiency improvements.
- (3) Multiple factors impede consumers from accessing, understanding and acting upon the wide range of market information available to them. The introduction of basic contractual rights can help, among others, by facilitating a proper understanding of the quality of services offered in the contract by the supplier, including the quality and characteristics of the supplied energy. Directive (EU) 2023/1791 introduces provisions on basic contractual rights for heating, cooling and domestic hot water. Member States are required to ensure that final customers of heating, cooling and domestic hot water have the right to a contract with their supplier that provides/sets out the minimum required information, including the contact details of the supplier, the services provided, the duration of the contract and the conditions for renewal and termination of the contract and services. Final customers and final users of heating, cooling and domestic hot water should have the right to a good standard of service and complaint-handling by their suppliers.
- (4) Long-term behavioural changes in energy consumption can be achieved through the empowerment of citizens, awareness raising on energy efficiency policies and improving their acceptance by the public. Directive (EU) 2023/1791 strengthens the provisions on dissemination of information, including through the establishment of one-stop shops. Member States are to ensure the creation of one-stop shops or similar mechanisms to provide technical, administrative and financial advice on and assistance with energy efficiency improvements to final customers and final users, with a specific focus on household and small non-household ones, including SMEs and microenterprises. The contribution of one-stop shops can be very important for vulnerable customers, as they could receive reliable and accessible information about energy efficiency improvements. Therefore, the one-stop shops are to offer dedicated services for people affected by energy poverty, vulnerable customers and people in low-income households.

⁽¹⁾ Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC (OJ L 315, 14.11.2012, p. 1, ELI: <http://data.europa.eu/eli/dir/2012/27/oj>).

⁽²⁾ Directive (EU) 2023/1791 of the European Parliament and of the Council of 13 September 2023 on energy efficiency and amending Regulation (EU) 2023/955 (OJ L 231, 20.9.2023, p. 1, ELI: <http://data.europa.eu/eli/dir/2023/1791/oj>).

- (5) It is necessary to ensure that people affected by energy poverty, vulnerable customers, people in low-income households and, where applicable, people living in social housing are protected and, to that end, empowered to actively participate in the energy efficiency improvement interventions, measures and related consumer protection or information measures that Member States implement. Those who are most in (energy) need should be empowered to take an active role in the improvement of their conditions, to stop being passive receivers of interventions, and instead to be able to decide how they can improve the conditions they face. Targeted awareness-raising campaigns should be developed to illustrate the benefits of energy efficiency as well to provide information on the financial support available.
- (6) Enshrining a definition of energy poverty in national law is a first step to acknowledging and identifying a problem and its wider context. It will support all relevant players in designing the right responses to tackle energy poverty at local, regional, national, and Union level taking into account the combination of its main three causes, that is to say, low income, higher energy bills and low energy efficiency.
- (7) To empower and protect the most vulnerable groups of the population, Member States should implement energy efficiency improvement measures and related consumer protection or information measures, in particular those set out in Articles 8(3) and Article 22 of Directive (EU) 2023/1791, as a priority among people affected by energy poverty, vulnerable customers, people in low-income households and, where applicable, people living in social housing to alleviate energy poverty.
- (8) To support people affected by energy poverty, vulnerable customers, people in low-income households and, where applicable, people living in social housing, Member States should implement energy efficiency improvement measures to mitigate distributional effects from other policies and carry out early, forward-looking investments in energy efficiency improvement measures before distributional impacts from other policies and measures show their effect.

HAS ADOPTED THIS RECOMMENDATION:

Member States should follow the interpretative guidelines in the Annex to this Recommendation when transposing the requirements introduced by Articles 21, 22 and 24 of Directive (EU) 2023/1791 in their national law.

Done at Brussels, 13 September 2024.

For the Commission
Kadri SIMSON
Member of the Commission

ANNEX

1. INTRODUCTION

These guidelines provide guidance to Member States on how to interpret Articles 21, 22 and 24 of Directive (EU) 2023/1791 when transposing them into their national legislation. Nonetheless, the binding interpretation of Union legislation is the exclusive competence of the Court of Justice of the European Union. Unless otherwise stated, references to articles are to be understood as references to articles of Directive (EU) 2023/1791.

2. LEGAL AND POLICY CONTEXT

Article 21 of Directive (EU) 2023/1791 aims at strengthening the position of consumers by introducing basic contractual rights for the supply of heating, cooling and domestic hot water, in line with the rights set out in Annex I to Directive 2009/73/EC of the European Parliament and of the Council ⁽¹⁾ regarding the provision of gas services and Article 10 Directive (EU) 2019/944 of the European Parliament and of the Council ⁽²⁾ regarding the provision of electricity.

The main objective of **Article 22** of Directive (EU) 2023/1791 is to facilitate the uptake of energy efficiency measures by raising awareness, improving access of market actors to information and out-of-court dispute settlement mechanisms, and removing regulatory and non-regulatory barriers to energy efficiency. For that purpose, Directive (EU) 2023/1791 imposes obligations on Member States to do the following:

- (a) disseminate information on available energy efficiency improvement measures, individual actions and financial and legal frameworks (Article 22(1));
- (b) promote and facilitate the efficient use of energy by final customers and final users by promoting behavioural change (for example, targeted fiscal incentives, access to financial instruments, communication of information and examples, trainings, behavioural interventions known as nudges and boosts, digital tools) and by creating a supportive framework for market actors (Article 22(2) and (3));
- (c) establish dedicated one-stop shops (OSSs) (Articles 22(3) to (6));
- (d) establish appropriate conditions for market actors to provide adequate and targeted information and advice to final customers (Article 22(7));
- (e) establish out-of-court dispute settlement mechanisms (Article 22(8));
- (f) alleviate split incentives between tenants and owners (Article 22(9) and (10)).

The aim of **Article 24** of Directive (EU) 2023/1791 is to empower and protect 'people affected by energy poverty, vulnerable customers, low-income households and, where applicable, people living in social housing' ('the listed vulnerable groups'). These empowerment and protection measures are also intended to benefit final users, who have no direct or individual contract with energy suppliers, as the concept of vulnerable consumers does include also final users (Article 24(1)).

Pursuant to Article 24, Member States are required to:

- (a) prioritise energy efficiency improvement measures and related consumer protection or information measures among the listed vulnerable groups (Article 24(2));
- (b) establish or entrust an existing network of experts to support local and national decision-makers to develop strategies to alleviate energy poverty (Article 24(4)). That network may be entrusted to offer advice on a range of relevant energy poverty assessment and alleviation measures (Article 24(4), second subparagraph, points (a) to (d)).

⁽¹⁾ Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC (OJ L 211, 14.8.2009, p. 94, ELI: <http://data.europa.eu/eli/dir/2009/73/oj>).

⁽²⁾ Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019 on common rules for the internal market for electricity and amending Directive 2012/27/EU (OJ L 158, 14.6.2019, p. 125, ELI: <http://data.europa.eu/eli/dir/2019/944/oj>).

Where applicable, Member States are required to support those vulnerable groups by:

- (a) implementing energy efficiency improvement measures to mitigate distributional effects from other policies and measures;
- (b) making the best possible use of public funding at national and Union level;
- (c) carrying out early, forward-looking investments;
- (d) fostering technical assistance and roll-out of enabling funding and financial tools;
- (e) fostering technical assistance for social actors;
- (f) ensuring access to finance, grants or subsidies bound to minimum energy gains (Article 24(3)).

Article 22 relates via the focus on people affected by energy poverty, vulnerable customers, people in low-income households, and, where applicable, people living in social housing to:

- (a) Articles 8 and 9 of Directive (EU) 2023/1791: Energy savings and energy efficiency measures to be achieved amongst vulnerable customers, people affected by energy poverty, and, where applicable, people living in social housing;
- (b) Articles 21, 24 and 30 of Directive (EU) 2023/1791: Protection for those groups.

Article 22 relates via the focus on small final customers and users to:

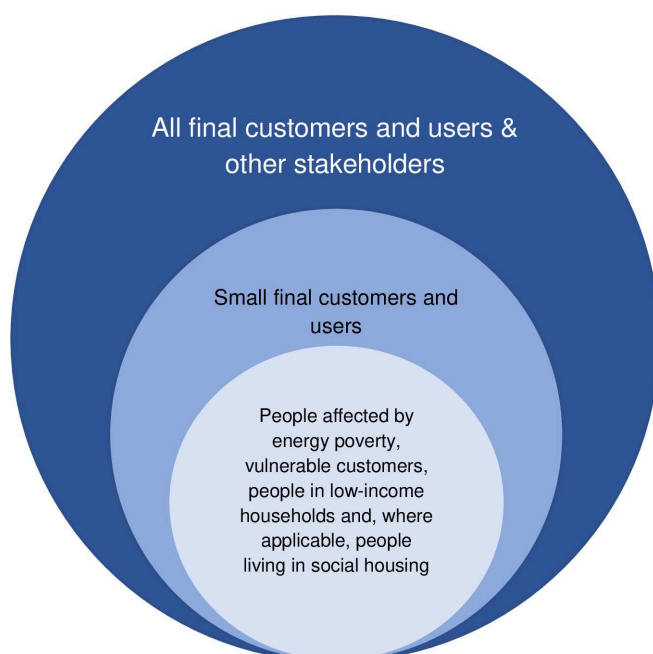
- (a) Articles 8, 9 and 10 of Directive (EU) 2023/1791: Targets for energy savings from final customers;
- (b) Articles 13, 14, 16, 17, 21, 24 and 29 of Directive (EU) 2023/1791: Rights of final customers and users or requirements to inform them about certain matters.

For that purpose, OSSs could be tasked with implementing, at least, those parts of the requirements relating to the mentioned groups. The advantage of this approach is that the bodies which have to be contacted by the relevant groups can be reduced to a single point of contact.

3. TERMS AND CONCEPTS USED IN THESE GUIDELINES AND IN DIRECTIVE (EU) 2023/1791

This section explains the terms and concepts used in these guidelines and in Articles 21, 22 and 24 of Directive (EU) 2023/1791.

3.1. Beneficiaries



The provisions of Article 21 mainly concern final customers and final users, alongside suppliers as their contractual partners. In contrast to suppliers, however, final customers and final users do not have obligations under Article 21 but should rather benefit from the new requirements imposed on suppliers.

By targeting all relevant market actors (Article 22(1)), Article 22 affects a much broader range of beneficiaries. In the figure above, these market actors are ranked based on their vulnerability, which increases from outer to inner layer. The outer circle represents all potential beneficiaries of Article 22. These include final customers, final users, consumer organisations, civil society representatives, renewable energy communities, citizen energy communities, local and regional authorities, energy agencies, social service providers, builders, architects, engineers, environmental and energy auditors, and installers of building elements. The second circle contains small final customers and users, such as households and small non-households like SMEs and microenterprises. The innermost circle consists of people affected by energy poverty, vulnerable customers and, where applicable, people living in social housing.

The principal beneficiaries of Article 24 are 'people affected by energy poverty, vulnerable customers, low-income households and, when applicable, people living in social housing'. This group is illustrated in the innermost circle of the figure.

3.2. Other key terms and concepts used in these guidelines

3.2.1. Terms defined in Directive (EU) 2023/1791

The following terms are defined in Directive (EU) 2023/1791:

'Final customer' means a natural or legal person who purchases energy for own end use (Article 2, point (28)).

'Final user' means a natural or legal person purchasing heating, cooling or domestic hot water for their own end use, or a natural or legal person occupying an individual building or a unit in a multi-apartment or multi-purpose building supplied with heating, cooling or domestic hot water from a central source, where such a person has no direct or individual contract with the energy supplier (Article 2, point (53)).

One difference worth highlighting between these two definitions is that while the final customer purchases energy for any use (including electricity), the final user is restricted to the purchase of heating, cooling and domestic hot water. Final users have no direct or individual contract with the energy supplier and can be tenants of multi-occupant buildings with collective heating, cooling or domestic hot water production systems (collective contracts), people living in social housing, inhabitants of an independent residence or long-term care unit and people living in temporary housing or shelters.

'Energy poverty' means a household's lack of access to essential energy services, where such services provide basic levels and decent standards of living and health, including adequate heating, hot water, cooling, lighting, and energy to power appliances, in the relevant national context, existing social policy and other relevant national policies, caused by a combination of factors, including at least non-affordability, insufficient disposable income, high energy expenditure and poor energy efficiency of homes (Article 2, point (52)).

'Split incentives' means the lack of fair and reasonable distribution of financial obligations and rewards relating to energy efficiency investments among the actors concerned, for example the owners and tenants or the different owners of building units, or owners and tenants or different owners of multi-apartment or multi-purpose buildings (Article 2, point (54)).

'Engagement strategy' means a strategy that sets objectives, develops techniques and establishes the process by which to involve all relevant stakeholders at national or local level, including civil society representatives such as consumer organisations, in the policy-making process, with the goal of increasing awareness, obtaining feedback on such policies and improving their public acceptance (Article 2, point (55)).

3.2.2. Terms and concepts not defined in Directive (EU) 2023/1791

The following explanations of terms and concepts used in these guidelines but not defined in Article 2 of Directive (EU) 2023/1791 are given by way of indication only as regards the Commission's interpretation of those terms and concepts:

'Supplier' refers to any natural or legal person who, acting in his or her commercial or professional capacity, provides products, services or systems related to all forms of heating, cooling and domestic hot water.

'One-stop shop (OSS)' refer to a virtual or physical place where stakeholders are supported in all questions as well as implementation stages of renovation project related to energy efficiency, ranging from advice on the topic to all information and services they need to implement an ambitious global energy efficiency/renovation project. ⁽³⁾

'Single Points of Contact (SPC)' are not defined but Article 22(3) clearly states that the aim of a single point of contact is to provide final customers and final users with all necessary information concerning their rights, the applicable law and dispute settlement mechanisms available to them in the event of a dispute. It can be understood as an advisor (that is to say, taking different forms, for example, OSS, single entity) providing stakeholders with information regarding legal issues associated to energy efficiency measures.

What is the distinction between OSS and SPC?

In essence, OSS (see dedicated section 5.3. of these guidelines) is a type of SPC for consumers willing to engage in energy efficiency. To avoid confusion, there is however a need to clarify the distinction between OSS and SPC pursuant to Article 22(3). Whereas both instruments aim at centralising information, advice and assistance services for final customers and final users, the types of services offered by each instrument differ:

- OSS provides technical, administrative and financial advice and assistance on energy efficiency.
- SPC provides advice and assistance on legal aspects related to energy efficiency, for example, on rights of customers/users, applicable law, and dispute settlement mechanisms.

Article 22(3) states that SPC could be part of general consumer information points. In consequence, OSS and SPC could work in close collaboration to ensure that the full range of services (that is to say, technical, administrative, financial and legal) is made available to stakeholders.

'Vulnerable customers'

As set out in Article 24(1) of Directive (EU) 2023/1791, the concept of vulnerable customers is to be established by Member States pursuant to Article 3(3) of Directive 2009/73/EC and Article 28(1) of Directive (EU) 2019/944. Article 24(1) further sets out that Member States are to consider the concept of final users when defining the concept of vulnerable customers:

Article 28 of Directive (EU) 2019/944 states that '[e]ach Member State shall define the concept of vulnerable customers which may refer to energy poverty and, inter alia, to the prohibition of disconnection of electricity to such customers in critical times. The concept of vulnerable customers may include income levels, the share of energy expenditure of disposable income, the energy efficiency of homes, critical dependence on electrical equipment for health reasons, age or other criteria';

Article 3 of Directive 2009/73/EC states that 'Member States shall define the concept of vulnerable customers which may refer to energy poverty and, inter alia, to the prohibition of disconnection of gas to such customers in critical times'.

Vulnerable (household) customers, have been defined in most Member States pursuant to Directive (EU) 2019/944 and Directive 2009/73/EC, with definitions most often referring to income levels and critical dependency on electricity for health reasons. ⁽⁴⁾

⁽³⁾ Energy Cities, 2020: How to set up a one-stop-shop for integrated home energy renovation? Available at: How to set up a one-stop-shop for integrated home energy renovation? - Energy Cities (energy-cities.eu) (Consulted: 3.10.2023).

⁽⁴⁾ ACER, 2022: Annual Report on the Results of Monitoring the Internal Electricity and Natural Gas Markets in 2021-Energy Retail and Consumer Protection Volume. (Consulted: 7.3.2023). A more detailed assessment of the criteria used by the different Member States (and Norway) to define the concept of vulnerable consumers in electricity and/or gas in 2018 can be found in ACER (2019). Annual Report on the Results of Monitoring the Internal Electricity and Natural Gas Markets in 2018 - Consumer Empowerment Volume. (Consulted: 7.3.2023).

'Low income'

In defining a household on a low income, widespread use is made of a threshold set at 60 % of the national median equivalised income. ⁽⁵⁾ This indicator is based on the 'at-risk-of-poverty threshold' as defined in the EU Statistics on Income and Living Conditions (EU-SILC).

'Out-of-court dispute settlement mechanism', also referred to as Alternative Dispute Resolution (ADR) is defined by Article 2 of Directive 2013/11/EU of the European Parliament and of the Council ⁽⁶⁾ as 'out-of-court resolution of domestic and cross-border disputes concerning contractual obligations stemming from sales contracts or service contracts between a trader established in the EU and a consumer resident in the EU through the intervention of an ADR entity which proposes or imposes a solution or brings the parties together with the aim of facilitating an amicable solution'.

'Energy ombudsperson' is not clearly defined in Union legislation. However, the Commission refers to it as an 'independent body for out-of-court dispute settlement'. ⁽⁷⁾ The European Ombudsman is referred to in the Treaties and is a contact point for natural and legal persons to receive complaints about maladministration and to strengthen accountability. ⁽⁸⁾ Therefore, an Energy Ombudsperson is a body which investigates, reports on, and helps settle complaints related to energy, including electricity, gas, heating, cooling and hot water.

'Social housing' is defined by the 2020 Policy Brief of the OECD ⁽⁹⁾ as 'residential rental accommodation provided at sub-market prices that is targeted and allocated according to specific rules, such as identified need or waiting lists'. Ownership, management, funding and regulatory models differ between Member States as do beneficiary populations and terminology (for instance, Housing at Moderate Rent, Common Housing, Not-for-profit housing, Housing Promotion). Commission Decision 2012/21/EU ⁽¹⁰⁾ also refers to social housing which means housing for disadvantaged citizens or socially less advantaged groups, who due to solvency constraints are unable to obtain housing at market conditions.

4. OBLIGATIONS LAID DOWN IN ARTICLE 21

This section provides Member States with elements on how the various provisions of Article 21 could be transposed and implemented.

4.1. Minimum information to be included in contracts – Article 21(2)

4.1.1. Legal framework

Article 21(2), first subparagraph, lists the minimum required information to be included in the contract between the final customer and the supplier.

Pursuant to that provision, '[f]inal customers shall have the right to a contract with their supplier that specifies:

- (a) the identity, address and contact details of the supplier;
- (b) the services provided and the service quality levels included;

⁽⁵⁾ Equivalised income is a measure of household income that takes account of the differences in a household's size and composition. Eurostat, 2021: Glossary: Equivalised disposable income. Available at: Glossary: Equivalised disposable income - Statistics Explained (europa.eu) (Consulted: 7.3.2023).

⁽⁶⁾ Directive 2013/11/EU of the European Parliament and of the Council of 21 May 2013 on alternative dispute resolution for consumer disputes and amending Regulation (EC) No 2006/2004 and Directive 2009/22/EC (Directive on consumer ADR) (OJ L 165, 18.6.2013, p. 63, ELI: <http://data.europa.eu/eli/dir/2013/11/oj>).

⁽⁷⁾ Your Europe, 2022: Complaints and dispute resolution. Available at: Complaints and dispute resolution with energy suppliers - Your Europe (europa.eu) (Consulted: 3.10.2023)

⁽⁸⁾ European Parliament, 2023: The European Ombudsman. Available at: The European Ombudsman | Fact Sheets on the European Union | European Parliament (europa.eu) (Consulted: 3.10.2023)

⁽⁹⁾ OECD, 2020: Social housing: A key part of past and future housing policy. Available at: social-housing-policy-brief-2020.pdf (oecd.org) (Consulted: 3.10.2023).

This policy brief provides an overview of the highly heterogeneous sector, summarising the distinguishing characteristics of social housing in the OECD and the EU (in section 1) and gives a selection of examples on social housing in several OECD countries (Box 1.1). (Consulted: 7.3.2023).

⁽¹⁰⁾ Commission Decision 2012/21/EU of 20 December 2011 on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest (OJ L 7, 11.1.2012, p. 3, ELI: [http://data.europa.eu/eli/dec/2012/21\(1\)/oj](http://data.europa.eu/eli/dec/2012/21(1)/oj)).

- (c) the types of maintenance service included in the contract without additional charges;
- (d) the means by which up-to-date information on all applicable tariffs, maintenance charges and bundled products or services may be obtained;
- (e) the duration of the contract, the conditions for renewal and termination of the contract and services, including products or services that are bundled with those services, and whether terminating the contract without charge is permitted;
- (f) any compensation and the refund arrangements which apply if contracted service quality levels are not met, including inaccurate or delayed billing;
- (g) the method of initiating an out-of-court dispute-settlement procedure in accordance with Article 22;
- (h) information relating to consumer rights, including information on complaint handling and all of the information referred to in this paragraph, which is clearly communicated in the bill or on the enterprise's website and includes the contact details or link to the website of the single points of contact referred to in Article 22(3), point (e);
- (i) the contact details enabling the customer to identify relevant one-stop shops as referred to in Article 22(3), point (a).'

4.1.2. *Recommendations / Guidance*

Transposing Article 21(2), first subparagraph into national law requires clear and explicit legislation to ensure the rights to that information are protected. Member States could analyse current national laws and regulations related to energy supply contracts and consumer protection to identify where adjustments or additions are needed. It is advisable for Member States to include stakeholders, such as energy suppliers, consumer advocacy groups, and regulatory bodies already at an early stage in the process of transposition. This could be done through public consultations or working groups. Those stakeholders can provide valuable insights into practical considerations, potential challenges, and solutions, in particular regarding the respective national peculiarities, and thus avoid future disputes or delays in coordination projects. To minimise ambiguity and potential disputes it should also be ensured that the legislation provides clear definitions of terms used in the national transposition of the provision.

Those definitions should be comprehensive, covering various scenarios and potential issues final customers might encounter.

The following should be taken into account with regard to each element referred to in the list in Article 21(2), first subparagraph:

- (a) the identity, address and contact details of the supplier

While the requirement to provide the supplier's identity and address is unambiguous, the term 'contact details' and what information it covers is not precisely defined. Member States have leeway here, but the aim of the provision is that final customers should be able to determine clearly and beyond doubt who their contracting party is and how to contact them.

To avoid a possible lack of clarity, Member States could impose a minimum requirement for the information that is to be provided, such as a telephone number and an email address.⁽¹¹⁾ That information should be made available to minimise barriers for final customers, taking into consideration that some final customers may not be digitally literate or do not have access to certain forms of communication.

- (b) the services provided and the service quality levels included

Quality levels in the provision of services for heating and cooling systems and domestic hot water encompass various aspects, such as the efficiency, reliability, and safety of the systems, as well as the quality of the services provided in maintaining and repairing them. The parameters to determine quality levels should be standardised by the Member States.

⁽¹¹⁾ Similar to the requirement set out in Article 5(1), point (b), of Directive 2011/83/EU of the European Parliament and of the Council of 25 October 2011 on consumer rights, amending Council Directive 93/13/EEC and Directive 1999/44/EC of the European Parliament and of the Council and repealing Council Directive 85/577/EEC and Directive 97/7/EC of the European Parliament and of the Council (OJ L 304, 22.11.2011, p. 64, ELI: <http://data.europa.eu/eli/dir/2011/83/oj>).

- (c) the types of maintenance service included in the contract without additional charges
- (d) the means by which up-to-date information on all applicable tariffs, maintenance charges and bundled products or services may be obtained

Member States should provide examples of the means commonly used in their country to obtain such information to make compliance easier for suppliers and ensure legal certainty. Usually, information should be provided via the internet, but if a large proportion of contracts are concluded offline, providing information by alternative means (for example, making it possible to request information via telephone) would be a more appropriate approach.

- (e) the duration of the contract, the conditions for renewal and termination of the contract and services, including products or services that are bundled with those services, and whether terminating the contract without charge is permitted
- (f) Beginning of the contract; Start of supply; Date of billing; Minimum contract duration (if applicable); Termination date and notice period;
- (g) any compensation and the refund arrangements which apply if contracted service quality levels are not met, including inaccurate or delayed billing

Member States could define the terms 'compensation and refund arrangements' and 'service quality levels'. Those definitions should be comprehensive, covering various scenarios and potential issues final customers might encounter. For instance, the national transposition could specify that a billing error of more than a certain percentage should entitle the customer to compensation. Member States could also set service quality benchmarks as this is typically done in Service Level Agreements. For instance, this could include specific timelines for resolving customer complaints or a certain accuracy level that should be met when billing.

When setting those benchmarks, Member States could also specify the rates or methods of calculating compensation for various types of service quality failures. For example, if the service is disrupted for a certain amount of time, the customer could be entitled to a refund of a portion of their monthly service fee.

Member States should invite input from stakeholders such as energy suppliers, consumer advocacy groups, and regulatory authorities to gain insights into potential challenges, practicalities, and innovative solutions.

- (h) the method of initiating an out-of-court dispute settlement procedure in accordance with Article 22
- (i) information relating to consumer rights, including information on complaint handling and all of the information referred to in Article 21(2), first subparagraph which is clearly communicated on the bill or the undertaking's web site and includes the contact details or link to the web site of the SPC referred to in Article 22(3) point (e)

Member States should be aware that the list in Article 21(2), first subparagraph is not exhaustive and that the term 'information relating to consumer rights' potentially covers a wide range of information. Such information may include, for example, the rights granted to consumers by Directive 2011/83/EU or those resulting from any specificities in the respective national transpositions of the Member States.

- (j) the contact details enabling the customer to identify relevant OSS referred to in Article 22(3), point (a)
- (k) These could include the address, email address, phone number and social media accounts.

4.2. Additional requirements regarding contractual information

In addition to the requirements concerning the content of the contract, Article 21(2), second, third and fourth subparagraphs, lay down further requirements.

4.2.1. *Conditions are to be 'fair and provided in advance'*

It is essential for Member States to clearly define what conditions that are 'fair and provided in advance' mean within the Member State's national legislation. This could be interpreted as ensuring terms are reasonable and communicated in an easy-to-understand manner, with no hidden clauses or conditions and provided to final customers before they are bound by a contract or a contractual declaration. Member States should undertake an analysis of the existing national laws and regulations that pertain to contract transparency and consumer rights in the energy sector as specific regulations may need to be created for intermediaries. Those rules should ensure that intermediaries are also bound to disclose information in an easy-to-access manner and under a timeframe that allows citizens' capacity to process it. In addition to this, it is crucial to empower consumers with the knowledge about their energy rights and what they should expect from energy suppliers and intermediaries during the contract process. This could be done through public campaigns or information disseminated through consumer advocacy groups or in informal spaces like energy cafés. Finally, regular reviews of national legislation should be conducted to assess their effectiveness. Based on consumer and supplier feedback, as well as technological changes and market conditions, these laws and regulations should be adapted as necessary.

4.2.2. *Summary of the key contractual conditions*

Suppliers are obliged not only to provide the information in a clear and comprehensible manner, but also to provide a summary of the key contractual conditions in concise and simple language.

In addition, Member States could develop practical guidance for suppliers. To facilitate comparability with other market competitors, the contract summary could be seen as a condition precedent to the conclusion of the contract and thus, could be provided at the beginning of the contract initiation.

4.2.3. *Provision of a copy of the contract, information on prices and tariffs and standard terms and conditions*

Member States should specify in the national provisions who is responsible for providing the information to final users.

To fulfil these responsibilities, Member States could establish regulations or guidelines outlining how information should be provided to customers. For example, Member States may require that landlords or homeowners' associations provide information on behalf of energy suppliers or may require suppliers to provide information directly to customers through other means, such as online portals or mobile applications.

4.3. **Requirement to notify final customers of intentions to modify contractual conditions – Article 21(3)**

Member States should provide clear definitions of temporal terms in the transposition, adapted to national practices, to ensure a consistent and correct application of the law in all scenarios.

The time limits for the announcement – 2 weeks in general and 1 month for household customers before the adjustment enters into force – which are set out in Article 21(3) as a minimum, should be analysed in the light of existing legislation and national case law to comply with national transparency principles.

Temporal terms such as 'reasonable notice', 'reasonable time' and 'without undue delay' could be further elaborated on an evidence-based approach, for example, 'reasonable notice, at least 3 months in advance' or similar clear delineations. Member States could also define a minimum standard for terms such as 'in a transparent and comprehensible manner', which could be done by way of providing examples. Energy suppliers, consumer organisations, energy poverty experts, social actors and regulators should be consulted.

Finally, both suppliers and consumers should be made aware of their rights and obligations under the legislation for it to be effective. This can be done through empowering trusted intermediaries, like social actors and energy advisors, and through establishing energy support desks (like OSS, energy cafés or Ombudsperson). Member States should therefore consider carrying out public information campaigns to empower the parties involved with the knowledge of their rights (and duties). This could include issuing comprehensive guidance on how to give and receive notices and explaining the reasons for the new rules and their benefits for consumers.

4.4. **Payment methods – Article 21(4)**

The transposing legislation should explicitly require suppliers to offer a choice of payment methods, while prohibiting any form of undue discrimination between customers. In addition, the transposing legislation should require that any differences in charges related to payment methods or advance payment systems are objective, non-discriminatory and proportionate. The principle of proportionality should be carefully reflected in the transposing legislation so that it is clear that charges should not exceed the direct costs incurred by the payee in using a particular payment method or prepayment system.

To facilitate this, Member States could consider defining what is meant by 'objective', 'non-discriminatory' and 'proportionate' in relation to payment methods, in accordance with the national context and the existing legal framework.

Furthermore, it is necessary to ensure that the implementation of Article 21(4) is in line with Article 62 of Directive (EU) 2015/2366 of the European Parliament and of the Council⁽¹²⁾. To this end, existing national legislation on payment services needs to be analysed by Member States to ensure consistency between such legislation and the new provision. Member States could also conduct public information campaigns to inform suppliers and consumers of their rights and obligations under the new legislation. This could include the provision of detailed guidance.

4.5. **Pre-payment systems – Article 21(5)**

When transposing Article 21(5) into national law, Member States are advised to clearly enshrine the principle of non-discrimination against customers who use prepayment systems. Vulnerable citizens are more likely to stick with the status quo (that is to say, default tariffs, suboptimal tariffs) therefore they should be even more protected and guided before entering pre-payment systems. National legislation should therefore explicitly provide that suppliers may not discriminate against household customers using prepayment systems in comparison with other customers. To this end, examples of what might constitute 'discrimination' in the context of prepayment systems could be provided in guidance documents. A Member State could consider factors such as additional charges, restricted access to services, less favorable contractual terms or any other form of unfair treatment. Clarification of the concept of 'disadvantage' would ensure that the legislation accurately reflects the objective of the provision and is relevant in the national context.

It is recommended that Member States examine existing national laws and regulations on prepayment systems in other sectors, such as telecommunications or utilities, to find useful parallels.

4.6. **Fair and transparent terms and conditions – Article 21(6)**

Pursuant to Article 21(6), '[f]inal customers and, where applicable, final users shall be offered fair and transparent general terms and conditions, which shall be provided in plain and unambiguous language and shall not include non-contractual barriers to the exercise of customers' rights, such as excessive contractual documentation. Final users shall be provided access to those general terms and conditions upon request. Final customers and final users shall be protected against unfair or misleading selling methods. Final customers with disabilities shall be provided all relevant information on their contract with their supplier in accessible formats'.

To provide the clearest possible guidance, Member States could define or provide examples of the terms used in this Article 21(6) (for example, what constitutes 'unfair' or 'misleading' selling methods in the national context). Member States could adopt an evidence-based approach and make use of real-life examples from citizens, building on their experience and on what they consider to be unfair practices. For terms such as 'in plain and unambiguous language' or 'shall not contain any non-contractual barriers to the exercise of customer rights', it is advisable to provide clarity also for suppliers through model contract clauses and to set a common minimum standard. This should be done in consultation with stakeholders (such as energy suppliers, consumer organisations and regulators) so as not to go beyond what is actually possible.

⁽¹²⁾ Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market, amending Directives 2002/65/EC, 2009/110/EC and 2013/36/EU and Regulation (EU) No 1093/2010, and repealing Directive 2007/64/EC (OJ L 337, 23.12.2015, p. 35, ELI: <http://data.europa.eu/eli/dir/2015/2366/oj>).

To ensure accessibility for customers with disabilities, the transposing legislation should, for example, require that all relevant contract-related information be provided in accessible formats. Member States should define what is meant by 'accessible formats', taking into account different types of disabilities.

Monitoring and enforcement mechanisms are crucial to the effective implementation of Article 21(6). The legislator should put in place systems to verify that suppliers are complying with these requirements. This could include reviewing contract templates and sales methods and setting up a complaints mechanism for customers who feel they have been treated unfairly.

4.7. **Good standard of service and complaint handling by suppliers – Article 21(7)**

Member States should introduce clear rules and regulations to ensure that suppliers provide a good standard of service and handle complaints effectively. In this context, they should set the benchmark and determine what constitutes a 'good standard of service' in their national context and specifically for their energy sector. This could include parameters such as timeliness of service, quality of service, responsiveness, recognition of special energy needs, etc.

With regard to complaint handling, national legislation should require energy suppliers to have a clear and accessible complaints procedure. This procedure should be easy for customers to use, and the national legislation should state that all complaints should be dealt with fairly and promptly. Member States could issue guidance documents to provide examples of what is meant by 'simple', 'fair' and 'prompt' in the national context to ensure that there are no misunderstandings between suppliers and customers. Member States could also consider deploying standardised 'sludge audits', for example, to check whether operators intentionally make the procedure too complex to handle for consumers.

In addition, Member States could introduce measures requiring suppliers to report regularly on their service standards and complaints handling. Those reports could be verified by the relevant regulatory authority to ensure compliance.

4.8. **Enforcement and monitoring of consumer protection measures – Article 21(8)**

It is recommended that Member States designate an authority or authorities responsible for enforcing the consumer protection measures provided for in Directive (EU) 2023/1791. The authority or authorities chosen should be free from competing market interests to ensure impartial enforcement. The authorities chosen may be government bodies or regulatory authorities. Member States could, for example, entrust the monitoring and enforcement of the consumer protection obligations laid down in Directive (EU) 2023/1791 to national consumer protection associations.

4.9. **Planned disconnection – Article 21(9)**

Member States should define what is meant by 'adequate information' and specify that information on alternative measures should be provided sufficiently in advance. They should also define what is meant by 'sufficiently in advance', for example, by setting a minimum period, which should be at least 1 month in accordance with Article 21(9) of Directive (EU) 2023/1791.

The national transposition could include a non-exhaustive list of 'alternative measures'. Such measures could include, but are not limited to, energy audits, energy advice, alternative payment plans, debt management advice or disconnection moratoria. It should also be made clear that this list may be updated from time to time as appropriate.

National legislation could clarify that final customers are obliged to inform final users without delay of a planned disconnection.

When transposing Article 21(9) into national law, Member States could specify the manner in which this information is to be provided to ensure that it is clear, accessible and understandable to customers. This could include the use of plain language, the availability of the information in different formats (for example, digital, printed) or the obligation to provide contact details for queries or assistance.

5. OBLIGATIONS LAID DOWN IN ARTICLE 22

This section provides Member States with elements on how the various provisions of Article 22 could be transposed and implemented.

5.1. **Transparency and dissemination of information on available energy efficiency improvement measures, individual actions, and financial and legal frameworks – Article 22(1)**

5.1.1. *Scope of the requirement*

Pursuant to Article 22(1) of Directive (EU) 2023/1791, Member States are to ensure that information on available energy efficiency improvement measures, individual actions and financial and legal frameworks is transparent, accessible, and widely disseminated. Article 22(1) contains a non-exhaustive list of potential addressees (that is to say, 'market actors').

5.1.2. *Choice of policy measures to fulfil the requirement*

Member States could gather all existing information on available energy efficiency improvement measures, individual actions and financial and legal frameworks at national, regional and local level but also by looking into best practices in other Member States. This would allow to centralise information to ensure all actors can easily access it.

5.1.2.1. How to ensure transparent, accessible, and widely disseminated information for different types of market actors?

To ensure transparent, accessible and widely disseminated information for different types of market actors, Member States could require that different actors (public bodies, energy suppliers, construction companies, etc.) engage in periodical outreach via several digital and analogue channels (see Table 1).

Table 1

Potential outreach strategies per category of market actors

Communication channel	Market actors
OSSs (see dedicated section) and similar mechanisms, SPC	— All actors but particularly vulnerable groups
National/regional format connecting actors with each other and public bodies for regular exchange	— Interest representations (consumer organisations and civil society representatives) — Active customers (renewable energy communities and citizen energy communities)
Enhanced internal communication channels of national/regional administrations	— Public bodies (local and regional authorities, energy agencies and social service providers)
Industry-wide organisations, events, and publications	— Private economic actors (builders, architects, engineers, environmental and energy auditors and installers of building elements as defined in by Article 2, point (9) of Directive 2010/31/EU of the European Parliament and of the Council ⁽¹⁾)

⁽¹⁾ Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings (OJ L 153, 18.6.2010, p. 13, ELI: <http://data.europa.eu/eli/dir/2010/31/oj>).

The market actors referred to in Article 22(1) are diverse and could in many cases be 'small' actors. Therefore, reaching out to these specific groups could present challenges. The following section provides additional examples and strategies on how to effectively engage and communicate with these consumers.

5.1.2.2. How to increase the impact of the dissemination of information on energy efficiency?

An important group for the increase of energy efficiency are actors with decision-making power over such measures. A framework providing incentives and enabling action, as well as effective communication are necessary. Such framework could take the form of practical guidelines issued by Member States for actors with decision-making power. Member States could also introduce legislation outlining specific targets for dissemination of information on energy efficiency. For example, Member States may require that providing information on energy efficiency is a condition for being eligible for public funding.

Overall, the dissemination of information could rely on the following principles ⁽¹³⁾:

- (a) transparent short and long-term targets;
- (b) a defined responsible body with sufficient resources to support companies, as well as a messenger that is trusted by the targeted group(s);
- (c) a target audience that is narrowly defined (for example, high-level management) and includes all relevant stakeholders, albeit each with tailored campaigns, focusing on their specific context;
- (d) clear messages which can be directly translated into actions, and communication that is supported by a theory of change;
- (e) information policies can be deployed alongside other measures, to exploit synergetic effects. ⁽¹⁴⁾ An example for this could be pricing policies as companies report costs savings through energy efficiency measures as a key reason for their implementation. ⁽¹⁵⁾ Therefore, a policy which increases the awareness of cost savings through energy efficiency measures, alongside further measures addressing other barriers, could be a particularly impactful informational policy.

Levers in the communication could be to highlight social, environmental and economic benefits and non-energy benefits of increased energy efficiency like increased comfort and well-being, and portraying increased energy efficiency as a success. This is important, because energy efficiency increases are often perceived as less attractive, in particular compared to more visible measures such as installing a renewable energy generation system (for instance, rooftop solar panel). ⁽¹⁶⁾ Furthermore, such a framing could offset the human tendency to discount long-term gains, which often hinders energy efficiency measures. ⁽¹⁷⁾

5.2. Measures to promote and facilitate an efficient use of energy by final customers and final users – Article 22(2) and (3)

5.2.1. Scope of the requirement

Articles 22(2) and (3) are a revision of Article 12 of Directive 2012/27/EU. The basic content of the provision (that is to say, taking appropriate measures to promote and facilitate an efficient energy use) has not been significantly changed compared to Directive 2012/27/EU. However, the scope of the provisions is broadened to include also final users and various additional examples of measures to be implemented are suggested in Directive (EU) 2023/1791.

⁽¹³⁾ Chritiano, A., & Neimand, A., 2017: Stop Raising Awareness Already. Available at: Stop Raising Awareness Already (ssir.org) (Consulted 3.10.2023).

⁽¹⁴⁾ Renders, N., & Meynaerts, E., 2019: Implementation status and effectiveness of Article 17 of the Energy Efficiency Directive. Available at: Implementation status and effectiveness of Article 17 of the Energy Efficiency Directive (ecee.org) (Consulted 3.10.2023); Labandeira et al., 2020: The impacts of energy efficiency policies: Meta-analysis. Available at: The impacts of energy efficiency policies: Meta-analysis - ScienceDirect (Consulted 3.10.2023). Alt, M., Bruns, H., Della Valle, N. and Murauskaite-Bull, L., Synergies of interventions to promote pro-environmental behaviors – A meta-analysis of experimental studies, GLOBAL ENVIRONMENTAL CHANGE-HUMAN AND POLICY DIMENSIONS, ISSN 0959-3780, 84, 2024, p. 102776, JRC130163, <https://publications.jrc.ec.europa.eu/repository/handle/JRC130163>.

⁽¹⁵⁾ Preziosi, M., Federici, A., & Merli, R., 2022: Evaluating the Impact of Public Information and Training Campaigns to Improve Energy Efficiency: Findings from the Italian Industry. Available at: Energies | Free Full-Text | Evaluating the Impact of Public Information and Training Campaigns to Improve Energy Efficiency: Findings from the Italian Industry (mdpi.com) (Consulted 3.10.2023).

⁽¹⁶⁾ Evans, S., 2014: If energy efficiency is so great, why aren't we doing more of it? Available at: If energy efficiency is so great, why aren't we doing more of it? - Carbon Brief (Consulted 3.10.2023).

⁽¹⁷⁾ Saars, L., Meyer, J., & Madsen, M., 2023: Kurzstudie Energieeffizienzmaßnahmen in der Industrie – Marktnahe und wirtschaftliche Energieeinsparpotentiale in der Industrie. Available at: HSNR-Kurzstudie-EnEffPotentiale-Industrie-2023-03-31.pdf (deneff.org) (Consulted 3.10.2023).

5.2.2. Choice of policy measures to fulfil the requirement

There are two types of measures which could promote and facilitate an efficient use of energy by final customers and final users:

- (a) instruments and policies to promote behavioural change;
- (b) creation of a supportive framework for market actors such as those referred to in Article 22(1).

Where they entail State aid, measures promoting and facilitating the efficient use of energy must be notified to the Commission before their implementation in accordance with Article 108(3) TFEU, unless they constitute de minimis aid ⁽¹⁸⁾ or are covered by a block exemption ⁽¹⁹⁾

Table 2

Instruments and policies to promote behavioural change

Type of instrument/policy	Description
Fiscal incentives	Fiscal incentives consist of using tax advantages (such as tax reductions, deductions, credits, etc.) to encourage and support energy efficient behaviour.
Access to finance, vouchers, grants, and subsidies	Financial support schemes allow to accelerate energy efficiency improvements by addressing the lack of financial resources. Member States could facilitate the access to existing Union and Member State schemes by informing stakeholders about the availability of support schemes, supporting them to identify the relevant ones and advising them on how to access and apply to each instrument.
Publicly supported energy consumption assessments and targeted advisory services and support for household consumers, in particular people affected by energy poverty, vulnerable customers and, where applicable, people living in social housing	Energy consumption assessments for households can help final customers to improve their energy consumption, increase awareness and suggest changes to promote energy savings. ⁽¹⁾ However, given their significant cost ⁽²⁾ , it may be relevant to provide public support (for example in the form of a grant or subsidy) in particular for vulnerable customers, people affected by energy poverty and, where applicable, people living in social housing.
Targeted advisory services for SMEs and microenterprises	Energy consumption assessments and advisory services can also be provided to small non-household customers such as SMEs and microenterprises.
Information provision in accessible form to people with disabilities	Member States should make information on energy efficiency measures available to all, including people with disabilities. There are tools such as the toolkit from the United Nations High Commissioner for Refugees (UNHCR) ⁽³⁾ and the guidelines from the Union-funded project 'Bridging the gap' ⁽⁴⁾ which Member States could use when developing communications on energy efficiency to make it inclusive and accessible to people with disabilities.

⁽¹⁸⁾ In accordance with Commission Regulation (EU) 2023/2831 of 13 December 2023 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid (OJ L, 2023/2831, 15.12.2023, ELI: <http://data.europa.eu/eli/reg/2023/2831/oj>).

⁽¹⁹⁾ In particular, Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (so-called General Block Exemption Regulation, or GBER).

Type of instrument/policy	Description
Exemplary projects	Sharing best practices and examples of successful energy efficiency projects is key to encourage final customers and final users to engage in energy efficiency improvements. Depending on the kind of example that is presented, this measure can be applied to all relevant groups. A promising approach is to focus the key message of such examples on cost savings through energy efficiency improvements.
Workplace activities	Activities aimed at informing final customers and final users can be organised by employers in workplaces. This makes it easier to reach a diverse range of individuals. Similarly, as for exemplary projects, depending on the content of these activities they can be applied to all relevant groups. Furthermore, exemplary projects could be presented in a workplace setting. Besides that, relevant activities could encompass training on how to save energy at the workplace, which would be particularly relevant in energy-intensive sectors.
Training activities	Training professionals and other market actors (such as households, SMEs, microenterprises, building managers, maintenance staff, local civil servants) on how to perform energy consumption assessments and properly implement energy efficiency measures is crucial to increase the uptake of energy efficiency. Such training activities have the potential to remedy crucial bottlenecks for energy efficiency measures, such as the shortage of qualified advisors and manual workers.
Digital tools	Digitalisation offers great potential to enhance the implementation and monitoring of energy efficiency through tools such as smartphone apps and online material. ⁽⁵⁾ Digital tools can be particularly valuable in fostering engagement more tailored to community needs, delivering most cost-effective energy savings, and helping to identify and address vulnerable households. This is especially the case for smart meters, which can help identify also the so-called 'hidden energy poor'. These tools can include virtual audits, smart meters for monitoring energy consumption, communication tools to provide up-to-date information on energy efficiency, etc. A collection of potential measures can be found through NUDGE. ⁽⁶⁾
Engagement strategies	Engagement strategies can be particularly effective in enhancing behavioural change as they involve various stakeholders and can encourage commitments, build trust, and share good practices. ⁽⁷⁾ Member States could consider that the success of engagement strategies is higher when: ⁽⁸⁾ <ul style="list-style-type: none"> — they are part of a wider framework, which sets clear objectives at national, regional or local level to increase energy efficiency and with additional feedback measures and/or investment strategies; — there is a pre-existing relationship between participants (for example, within a community); — there is a role model that resonated with the selected group.

⁽¹⁾ S3C, 2015: Energy audits for households. Available at: S3C (2015) Guideline: Energy audit for households (Consulted 3.10.2023).

⁽²⁾ In the EU, it is estimated to vary between EUR 180 to EUR 500 depending on the type and size of the premises (Source: S3C (2015). Energy audits for households. Available at: S3C (2015) Guideline: Energy audit for households (Consulted 3.10.2023).

⁽³⁾ UNHCR. Accessible Communication for Persons with Disabilities. Available at: AAP Operational Guidance | UNHCR https://www.unhcr.org/sites/default/files/2022-12/UNHCR_AAPTool_CT_Accessible_Communication_for_PwD.pdf (Consulted: 3.10.2023).

⁽⁴⁾ Bridging the Gap, 2018: Inclusive and accessible communication guidelines. Available at: BtG_Inclusive-and-accessible-Communication-Guidelines.pdf (bridgingthegap-project.eu) (Consulted 3.10.2023).

⁽⁵⁾ IEA, 2021: Better energy efficiency policy with digital tools. Available at: Better energy efficiency policy with digital tools – Analysis - IEA (Consulted 3.10.2023).

Type of instrument/policy	Description
(⁶)	Nudge, 2023: Homepage. Available at: Nudge • Nudging consumers towards energy efficiency through behavioural science (nudgeproject.eu) (Consulted 3.10.2023).
(⁷)	Interreg, 2018: Behaviour change for energy efficiency. Available at: https://euagenda.eu/upload/publications/untitled-192854-ea.pdf (Consulted 3.10.2023).
(⁸)	EEA, 2013: Achieving energy efficiency through behaviour change: what does it take? Available at: Achieving energy efficiency through behaviour change: what does it take? — European Environment Agency (europa.eu) (Consulted 3.10.2023).

5.2.3. *Measurement, monitoring, control, quality, and verification*

Article 22(2) requires Member States to include in their national strategies the measures taken to promote and facilitate an efficient use of energy by final customers and final users. These national strategies include the integrated national energy and climate plan (NECP) in accordance with Regulation (EU) 2018/1999 of the European Parliament and of the Council (²⁰), or the long-term renovation strategy (LTRS) established pursuant to Directive 2010/31/EU. Member States could also integrate these measures in strategies they have adopted for improving energy efficiency specifically.

5.3. **OSS for the provision of technical, administrative, and financial advice for energy efficiency – Article 22(4), (5) and (6)**

5.3.1. *Scope of the requirement*

Member States, in cooperation with relevant authorities, and, where appropriate, private stakeholders, are to establish an OSS or similar mechanisms.

5.3.2. *Choice of policy measure to fulfil the requirement*

Given the long-term nature of an OSS, it is recommended that the creation of an OSS is anchored in long-term regulatory frameworks (such as the NECP and LTRS), with a stable political commitment to achieve climate and energy ambitions, including support to the improvement of energy efficiency. (²¹)

Member States could assign a specific public or private body as the responsible authority for setting up, managing, and financing the OSS. Various configurations of OSSs are possible. (²²) Member States can select the configuration that fits best with the local context as long as its service is suitable for the beneficiaries (²³):

- (a) **100 % public** – a local, regional, or national authority owns the OSS and is responsible for its set-up, management and financing;
- (b) **100 % private** – the OSS is owned, managed and financed by a private party and can be industry-driven (manufacturer, installer which aims to extend their activities); ESCO-driven (existing ESCO already providing funding for energy efficiency measures and that chooses to extend its activities); or consultant-driven (private consultants seeking to extend their activities by matching customers with contractors and suppliers);

(²⁰) Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council (OJ L 328, 21.12.2018, p. 1, ELI: <http://data.europa.eu/eli/reg/2018/1999/oj>).

(²¹) Interreg Europe, 2019: Supporting energy renovation of private households through One-Stop Shops. Available at: Policy brief on One-Stop-Shops.pdf (interregeurope.eu) (Consulted 3.10.2023).

(²²) Interreg Europe, 2019: Supporting energy renovation of private households through One-Stop Shops. Available at: Policy brief on One-Stop-Shops.pdf (interregeurope.eu) (Consulted 3.10.2023). JRC, 2021: One-stop shops for residential building energy renovation in the EU. Available at: JRC, 2021: One-stop shops for residential building energy renovation in the EU (Consulted 3.10.2023).

(²³) When setting up OSS and choosing the preferred model, Member States should have due regard to their obligation under Article 108(3) TFEU to notify prior to their implementation any measures entailing State aid within the meaning of Article 107(1) TFEU, unless such measures are covered by a block exemption.

- (c) **public-private partnership** – public authorities and private stakeholders partner up and divide the responsibilities (for example, a publicly owned and financed OSS is managed by a private company);
- (d) **cooperative** – a group of stakeholders develop an OSS in the form of a cooperative.

Next to setting up an OSS, Member States can create similar mechanisms which provide equivalent services. Examples of such alternatives include providing advice via remote means such as a website, app or hotline. Furthermore, in-person options are also available, for example, by hosting energy efficiency workshops through members of the local community or using methods that are similar to door-to-door marketing.

5.3.2.1. Beneficiaries

An OSS could offer a general line of services to households (that is to say, single households or associations of owners) and small non-households (such as SMEs, microenterprises, and public bodies). The holistic services suggested in section 5.3.2.2 of these guidelines could be adapted and if needed, tailored to different housing typologies (with a specific attention to worst performing buildings) and consider local context. In addition, a dedicated line of services should be designed and made available for specific target populations, such as vulnerable households or accredited companies and installers providing retrofit services. It is also possible for the OSS to offer commercial services to larger non-household customers, like large enterprises, as long as it does not detract resources from the intended beneficiaries. The OSS can also help address the split incentive problem (through mediation) and the financial gap many owners face.

5.3.2.2. Services and activities

The services and activities proposed by the OSS can be structured along the full-service value chain of energy efficiency measures and taking a holistic approach. Examples of OSS services are shown in Table 3. ⁽²⁴⁾

Table 3

Examples of OSS services

Value chain	Description	Examples of services
Assessment	Services aimed at providing an assessment of the current energy efficiency and performance, to highlight the areas that need improvement and the potential effect interventions could have.	<ul style="list-style-type: none"> — One or two stage assessment: (1) initial online assessment based on basic parameters, (2) meeting with OSS (on-site or in office) — Analysis/audit on energy performance and on customer needs and behaviour
Guidance	Services which advice and assist customers in the development of their energy efficiency improvement plans, which identify the possible improvements and target the deepest renovations.	<ul style="list-style-type: none"> — Development of an energy efficiency improvement plan and/or building renovation passport ⁽¹⁾, with concrete action points and prioritization — Calculating current vs. future energy performance, including costs, benefits, savings — Set targets and identify guaranteed savings

⁽²⁴⁾ Interreg Europe, 2019: Supporting energy renovation of private households through One-Stop Shops. Available at: Policy brief on One-Stop-Shops.pdf (interregeurope.eu) (Consulted 3.10.2023). JRC, 2021: One-stop shops for residential building energy renovation in the EU. Available at: JRC, 2021: One-stop shops for residential building energy renovation in the EU (Consulted 3.10.2023).

Value chain	Description	Examples of services
Access to finance	Services aimed at providing financial advice and assistance to customers. An OSS can either provide financing solutions itself or work as an intermediary between customers and financial institutions.	<ul style="list-style-type: none"> — Development of a financial plan — Identification of the available resources: own resources, public funding schemes, financial instruments, or a combination of these.
Implementation	These services include the selection of appropriate contractors, setting up contracts, manage permitting procedures/authorisations, monitor the construction process.	<ul style="list-style-type: none"> — Identify, select, and contact adequate contractors — Launch and manage permitting procedures/authorisations — Draft and set-up contracts
Quality assurance	The OSS can provide quality assurance services related to the identification of contractors (that is to say, ensuring that contractors are qualified and certified) and the implementation of measures (that is to say, controlling the works and overseeing the process).	<ul style="list-style-type: none"> — Identify qualified energy efficiency professionals and contractors — Inspection and control of the implementation — Ensure both parties (customers and contractors) are appropriately insured
Monitoring and follow-up	Monitoring and follow-up can also include maintenance services and satisfaction reports of both contractors and consumers. This also includes the collaboration with SPC with regards to legal issues.	<ul style="list-style-type: none"> — Installation of smart meters — Follow-up energy audits — Reports on energy bills — Satisfaction survey — Provide maintenance services — Handle guarantee aspects with contractors — Reports on actual energy savings — Collaboration with SPC
Transversal	It could also include transversal activities aimed at raising awareness on the benefits of energy efficiency, dissemination of information, providing trainings, etc.	<ul style="list-style-type: none"> — Awareness raising: provide information on energy consumption behavior, available energy solutions (for example, efficient heating systems, renewable energy, energy storage) — Information dissemination: collect typology aggregated data from energy efficiency projects, share experiences and make them publicly available — Trainings

(¹) Article 12 of Directive (EU) 2024/1275 of the European Parliament and of the Council of 24 April 2024 on the energy performance of buildings (OJ L, 2024/1275, 8.5.2024, ELI: <http://data.europa.eu/eli/dir/2024/1275/oj>).

Member States should ensure that OSS offer dedicated services for people affected by energy poverty, vulnerable customers, and people in low-income households. To improve access, OSS could offer dedicated services at no cost to the householder. Training and sensitisation of OSS advisors and potentially of tradespeople engaged to undertake work in homes of vulnerable households is also important. (²⁵)

(²⁵) See for example, the STEP H2020 project on engaging energy poor households <https://www.stepenergy.eu>, the Opelanga One-stop-shop in the Basque region <https://opengela.eus/en>

5.3.2.2.1 Outreach, awareness, and information

Additional services specific to low-income and vulnerable households could include:

- (a) outreach to 'hard to reach' groups ⁽²⁶⁾ using accessible format, media, venues, and local partners to raise awareness of methods to reduce high energy bills and increase comfort and attract households to the OSS services. Outreach from an organisation embedded in the community can help to overcome trust barriers and create a culture of acceptance through peer-to-peer communications;
- (b) awareness raising of energy poverty with partners and referral networks, for example in social services, health services and consumer organisations. Developing training to be provided to existing advisors and local points of contact so that those advisors and local points of contact understand energy poverty experiences, causes and solutions;
- (c) establish a referral network to support households to overcome barriers outside of the scope of the OSS service itself. Low income or vulnerable households may be more likely to face complex housing tenure and security, income, debt, and other issues that could limit their capacity to access energy efficiency. Cross-referral arrangements with other support services such as housing, health and social care, energy ombudsperson, consumer advocate groups and legal advice can help overcome these issues;
- (d) information on rights within the energy and housing markets including accurate billing, disconnection, debt recovery and housing standards, particularly in rented housing;
- (e) support to determine individual households' specific aims in taking up energy efficiency measures – for example to reduce bills, increase internal temperatures or contribute to specific health outcomes;
- (f) post-installation/renovation support to ensure new technologies are working and are programmed appropriately, that expected, or desired results (energy savings or increased comfort) are achieved and that households are supported to make any adaptations necessary. This could include support to resolve any contractual disputes that may arise.

5.3.2.2.2 Socio-technical advice and support, and access to renovation finance

Additional services specific to low-income and vulnerable households could include:

- (a) fully funded energy audits and green doctor visits to understand both technical condition of the home and the situation and needs of household members;
- (b) assistance to vulnerable individuals to negotiate with their landlord to commit to renovating the building in a manner agreeable to all parties, understanding their rights and rented sector regulations, and to access legal advice and representation where necessary;
- (c) end-to-end support for the whole renovation process with a higher service level than for other households. This could include a dedicated renovation manager with the relevant training and protocols;
- (d) enable access to suitable grant funding (checking eligibility and completing applications, etc.) and explanation of suitable financial mechanisms to tackle the funding gap if grant funding does not cover the full costs of measures. The Guidance on Article 24 of Directive (EU) 2023/1791 provides information on financial tools suitable for low-income households.

5.3.2.2.3 Energy bill advice and support

Additional services specific to low-income and vulnerable households could include:

- (a) support to understand energy billing, check accuracy of bills and check the suitability of the energy tariff, and support to access any financial support for which they are eligible;
- (b) check households are accessing the full range of income support benefits to which they are entitled (offered either by the OSS or through referral network).

⁽²⁶⁾ UsersTCP, 2020: Hard-to-Reach Energy Users: A Literature Review. Available at: [HTR-Task-Literature-Review_EBook.pdf](https://www.userstcp.org/HTR-Task-Literature-Review_EBook.pdf) (userstcp.org) (Consulted 3.10.2023).

5.3.2.3. Economic and financial model

The operating costs of an OSS typically include human resources, office spaces, and IT tools and support. The costs can vary depending on the services provided, location, and level of support. There are different economic and financial models to finance an OSS. One approach is offering free services to customers and funding the OSS through public budgets or private funding. Alternatively, the OSS could charge fees for services, either as a fixed price per service/package or a percentage of the total energy efficiency project costs. Another option is bundling individual OSS services with transversal services, considering the OSS services as free while paying for the transversal services. Member States are free to choose the economic and financial model that suits the range of services offered and estimated operation costs ⁽²⁷⁾.

Member States could also take advantage of Union support to set up an OSS. There are various Union financing sources that provide solutions for the creation of an OSS: ⁽²⁸⁾

- (a) **European Structural Investment Funds** (ESIF) allocated EUR 18 billion to energy efficiency between 2014 and 2020. Further support is provided in the current period (2021-2027). These funds can be used to develop new financial instruments for supporting energy efficiency, including an OSS;
- (b) **European Investment Bank** (EIB) – The Smart Finance for Smart Buildings Facility is a financial instrument proposed by the EIB which provides grants that can be used as guarantee for energy efficiency projects. It aims to support development of dedicated local or regional OSS;
- (c) **Interreg Europe** – The Interreg Europe Policy Learning Platform can support regions looking to develop OSS via its tools and services, including its Good Practice database and on-demand Expert Support, which includes peer review service and helpdesk.

5.3.2.4. Practical organisation

The OSS could be nationally networked to exchange best practices and benefit from economies of scale, while having a good understanding of the local context, market, and stakeholders to identify gaps and existing offerings, to adapt the range of service to the local situation and to recognise where support is most needed. Member States should ensure that all citizens have access to an OSS by having a sufficient physical coverage of the territory and providing online and telephone access (for example, communication through a website/platform). This is especially key if the target is the vulnerable group. The OSS should be embedded in the local context and run by local members. The following details could be considered when setting up an OSS: ⁽²⁹⁾

- (a) **Define the structure of the OSS** – An OSS fulfils a diverse range of functions, making it valuable to integrate digital and in-person services. For example, an initial assessment can be carried out by a potential client answering a range of yes/no-questions on the website. The OSS can also take advantage of the vast opportunities offered by artificial intelligence such as for example sophisticated chat functions on the website. In-person services are helpful to build trust, especially for the most vulnerable, for whom an in-person channel is more effective due to trust issues and other limiting factors, such as the digital gap. In-person services also enable the provision of the complex services described above. For example, determining with a client the objectives of a renovation and a thorough assessment of the building are facilitated through physical presence. The combination of an office which potentially interested parties can visit with online services could increase the number of clients, particularly among hard-to-reach groups.

⁽²⁷⁾ When setting up OSS and choosing the preferred model, Member States should have due regard to their obligation under Article 108(3) TFEU to notify prior to their implementation any measures entailing State aid within the meaning of Article 107(1) TFEU, unless such measures are covered by a block exemption.

⁽²⁸⁾ Interreg Europe, 2019: Supporting energy renovation of private households through One-Stop Shops. Available at: Policy brief on One-Stop-Shops.pdf (interregeurope.eu) (Consulted 3.10.2023).

⁽²⁹⁾ Energy Cities, 2020: How to set up a one-stop-shop for integrated home energy renovation? Available at: How to set up a one-stop-shop for integrated home energy renovation? - Energy Cities (energy-cities.eu) (Consulted: 3.10.2023)

- (b) **Identify customer segments and their needs** – The process of setting up an OSS could start with a full mapping of national and local stakeholders (that is to say, public authorities, companies, energy companies, citizens, energy efficiency professional, decision-makers). The different stakeholder groups could be brought together to develop the OSS concept and set up its targets. This mapping could also consider the potential beneficiaries and their needs.
- (c) **Design line of service** – Based on the types of beneficiaries and their needs, an appropriate line of services can be designed. For each customer segment, the OSS could propose value, that is to say, by identifying the benefits from the proposed services and how these benefits allow to fill market gaps.
- (d) **Identify the cost structure and revenue streams** – Depending on the selected customer segments and related services provided, the OSS will be subject to fixed and variable different costs, which could be identified. The body responsible for setting up the OSS could also identify the revenue streams and define the economic and financial model of the OSS. The most vulnerable groups should always be protected. It should be made crystal clear that requests from the most vulnerable groups will not turn into unfair opportunities to gain profits. Vulnerable citizens are more vulnerable to the influence of cognitive biases that impair their decision-making due to the suboptimal conditions in which they live. This vulnerability to cognitive biases can be misused by malevolent private actors who can 'sludge' vulnerable citizens to agree with tariffs and options which are in reality suboptimal for them. Special tariffs and transparency should be ensured above all for the most vulnerable. Behavioural sciences can be used to identify when 'sludging' is in place and needs to be sanctioned.⁽³⁰⁾
- (e) **Identify the key partners and resources** – The responsible body could identify the most important partners (such as local and regional authorities, professional organisation, real estate agencies, banks, financial institutions, insurance companies, others) and clearly define their role and contribution to the OSS activities. The key physical, human, financial and intellectual resources necessary to perform the OSS activities could also be clearly identified.
- (f) **Define customer relationships and communication channels** – For each customer segment, the appropriate types of relationships (virtual vs physical OSS) and communication channels (for example, one-to-one meetings, information sessions, digital communication tools (website, newsletter, social media, etc.), key partners' channels) could be determined/specified/identified.

5.3.3. How can OSSs collect typology-aggregated data?

Article 22(5), point (b) states that, where appropriate, the OSS is to collect typology-aggregated data from energy efficiency projects, share experiences and make them publicly available. Data collection by the OSS could contribute to the creation of comprehensive, robust, representative and sound aggregated statistics and information on energy efficiency. In addition, it also makes it possible to improve the functioning of the OSS, share good practices with other Member States or national, regional and local stakeholders and inform/raise awareness of market actors on energy efficiency. The OSS has a good opportunity to also collect fine-grained data on energy efficiency. The data available to, and collected by, the OSS falls into the following main areas:

- (a) operational data, including for example, operational and service costs, enquiries received, number and type of services provided, number and type of beneficiaries;
- (b) customer satisfaction, including with the services' accessibility;
- (c) household data, particularly on household eligibility for grants dedicated to lower income or energy poor households. This should of course be subject to confidentiality and the requirements of Regulation (EU) 2016/679 of the European Parliament and of the Council⁽³¹⁾;

⁽³⁰⁾ Della Valle, N. and Sareen, S., Nudging and boosting for equity Towards a behavioural economics of energy justice, ENERGY RESEARCH and SOCIAL SCIENCE, ISSN 2214-6296, 68, 2020, p. 101589, JRC125190, <https://publications.jrc.ec.europa.eu/repository/handle/JRC125190>.

⁽³¹⁾ Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (OJ L 119, 4.5.2016, p. 1, ELI: <http://data.europa.eu/eli/reg/2016/679/oj>).

- (d) building/home energy audit data including through the database for energy performance of buildings pursuant to Article 22 of Directive (EU) 2024/1275;
- (e) impact, which can be defined as the success rate from enquiry to desired outcome, for example, energy efficiency measures installed or behaviours changed, effectiveness of each outreach activity to generate enquiries.

5.4. Out-of-court dispute settlement mechanisms – Article 22(8)

5.4.1. Scope of the requirement

Article 22(8) extends the set of rights to access 'simple, fair, transparent, independent, effective and efficient' out-of-court settlement, and the quality criteria for dispute resolution bodies, set out in Article 26 of Directive (EU) 2019/944 to:

- (a) final users. Article 22(8) links to Article 21 as it provides for out-of-court settlement for disputes related to the new rights contractual provided to final users in Article 21 (See section 4 of these guidelines);
- (b) vulnerable customers, people affected by energy poverty and, where applicable, people living in social housing.

The rights to out-of-court settlement cover disputes arising from the rights and obligations established in Directive (EU) 2023/1791. This could include not only heating, cooling and domestic hot water suppliers (mentioned expressly in Article 21) but also, for example, finance providers, energy auditors, energy service providers, professional services such as architects and engineers, under the scope of Directive (EU) 2023/1791. The specific rights afforded in Directive (EU) 2023/1791 relate to:

- (c) metering for natural gas (Article 13) and heating, cooling and domestic hot water (Article 14) and submetering (Article 15);
- (d) reliable, accurate billing based on actual consumption for natural gas (Article 17) and heating, cooling and domestic hot water (Article 18);
- (e) access to free of charge billing, billing information and consumption data for natural gas (Article 19) and heating, cooling and domestic hot water (Article 20);
- (f) basic contractual rights for the supply of district heating, cooling and hot water (Article 21) introduced in Directive (EU) 2023/1791.

5.4.2. Choice of policy measures to fulfil the requirement

Article 22(8) allows for existing out-of-court dispute resolution bodies (regulators, independent ombudspersons or consumer bodies) to extend their skills and services to cover the new requirements, provided they are equally effective. Member States should explain in legislation how access to out-of-court mechanisms is simple, fair, transparent, independent, effective and efficient.

Member States may choose to take the opportunity of reviewing and extending the out-of-court services to cover the requirements in Article 22 to improve ease of access and delivery of the services.

To adjust those services to meet the requirements in Article 22, existing services should extend advice and resolution services to final customers and their contractual counterparts, particularly those providing district heating, cooling and hot water. Mediation should cover disputes related to the new rights provided for in Article 21.

Services should also be adapted to specifically serve the needs of people affected by energy poverty, vulnerable customers and, where applicable, people living in social housing:

- (a) undertake outreach to **increase basic awareness of consumer rights**, specifically targeted to specific demographics and groups who are underrepresented in dispute resolution client bases.⁽³²⁾ Services accessed by vulnerable and energy poor households (for example, social services, housing organisations, consumer groups, energy café, Energy Ombudsperson, public health services and doctors) can play a role in increasing awareness. Proactive actions to target awareness raising activities in response to events that pose specific risks to consumers (for example, the energy price crisis) and to common complaints and offences (for example, mis selling) can also be an important tool;
- (b) **improve routes to access services**. Member States can increase the ability of consumers to access dispute resolution by ensuring there is a SPC where services related to all relevant undertakings can be found (as provided for in Article 22(3), point (e)). Streamlined and more consistent models, where a smaller number of bodies cover all relevant sectors, improve navigability for consumers and limit the risk of 'falling through the gaps'. Member States should fully enforce the existing requirements for traders to clearly inform consumers by which dispute resolution entity they are covered⁽³³⁾;
- (c) Member States can **improve outcomes** from services for vulnerable households by ensuring the independence and impartiality of service providers to increase trust. Reduced procedural burdens and a shorter time allowed for complaints to be processed and decided also improve outcomes.⁽³⁴⁾ Free access to dispute resolution, non-digital routes to access and support to make a complaint are particularly important for vulnerable customers. A good practice adopted by some resolution mechanisms is to put in place specific quality requirements to address the needs of vulnerable customers, which could include training requirements for staff and the creation and publication of procedures and elevated service levels for vulnerable customers.⁽³⁵⁾ Collective redress mechanisms can also reduce the burden and risk taken on by individual customers.

Local actors can act as intermediaries between stakeholders and partners to solve problems. They can create trust and support access for vulnerable households. Therefore, out-of-court settlement mechanisms benefit from being highly visible and the systems' design should be accessible to both end users and to intermediary organisations.

5.5. Measures to remove regulatory and non-regulatory barriers to energy efficiency as regards the split incentives issues – Article 22(9)

5.5.1. Scope of the requirement

Article 22(9) strengthens the obligation for Member States to take measures to remove barriers to energy efficiency that are posed by the so-called 'split incentives'.

5.5.2. Choice of policy measures to fulfil the requirement

Article 22(9) lists some initiatives that can be taken to tackle split incentives and that include measures that can be divided into three types of solutions:

5.5.2.1. Regulatory options

- (a) **Minimum performance standards:** Member States can introduce regulations that require rented buildings to meet a minimum standard. Such regulations are used to require landlords to undertake specific works or meet standards in their properties.

⁽³²⁾ Creutzfeldt, N. Gill, C., Cornelis, M. & McPherson, R., 2021: Access to justice for vulnerable and energy poor consumer: Just energy? Hart Publishing Chapter 4 Access to Justice for Vulnerable and Energy-Poor Consumers: Just Energy?: Naomi Creutzfeldt: Hart Publishing (bloomsbury.com) (Consulted 3.10.2023).

⁽³³⁾ [please specify] See Article(s) ... of Directive 2013/11/EU.

⁽³⁴⁾ BEUC, 2022: Alternative dispute resolution for consumers: Time to move up a gear. Available at: beuc-x-2022-062_adr_position_paper.pdf (Consulted 3.10.2023).

⁽³⁵⁾ BEUC, 2022: Alternative dispute resolution for consumers: Time to move up a gear. Available at: beuc-x-2022-062_adr_position_paper.pdf (Consulted 3.10.2023).

- (b) **Revision of rent laws and condominium laws:** Member States can introduce laws which provide for more flexibility in arrangements between tenants and owners or among owners and which establish rules and conditions for the division of costs. Such laws could detail if and how the landlord could recuperate part of the investment in an energy efficiency upgrade, for example via a fraction of the saved energy costs of the tenant or an increase of the rent. It could also clarify the conditions under which such a rent increase can be rejected by the tenant ⁽³⁶⁾. Concerning the multi-actor split incentives issue, provisions in the condominium laws could address voting rules and cost distribution in the event of energy efficiency measures and a clear description of roles between the multiple actors. ⁽³⁷⁾
- (c) **Energy labelling and building-related data:** The provision of the building's energy label at the time of sale or lease, as required by Article 12 of Directive 2010/31/EU (Issue of energy performance certificates), helps to ensure that the parties involved have the necessary information at their disposal.
- (d) **Individual metering/submetering/direct feedback:** Individual metering or submetering, as required in Article 13 (Metering for natural gas), Article 14 (Metering for heating, cooling and domestic hot water) and Article 15 (Submetering and cost allocation for heating, cooling and domestic hot water) of Directive (EU) 2023/1791, enables tenants to become more aware of their energy consumption.

5.5.2.2. Financial instruments

- (a) **Direct financial and fiscal incentives towards the target groups of tenants/landlords:** This could be done by designing support schemes or tax breaks so that only (residential) landlords can make use of them; by lowering hurdles for multi-unit buildings to apply for certain subsidies; and by setting a specific target for, or dedicating specific means to multi-apartment buildings in renovation programmes, for example.
- (b) **On-bill finance:** Member States can facilitate energy performance contracting which allows the repayment of energy efficiency measures through monthly energy bills. In this mechanism, upfront investments would be incurred by a third party, for example, the utility, a bank or an ESCO, which is also responsible for administrating the on-bill financing program and collecting payments via the energy bill or the rent. On-bill finance should be based on the specific energy profile. If a general energy consumption profile is considered then those in energy poverty may be disadvantaged if expected energy savings (based on the general profile) are not realised.

Where they entail State aid, measures promoting and facilitating the efficient use of energy must be notified to the Commission before their implementation in accordance with Article 108(3) TFEU, unless they constitute de minimis aid ⁽³⁸⁾ or are covered by a block exemption ⁽³⁹⁾.

5.5.2.3. Other actions, such as green leases or information tools

- (a) **Green lease:** Member States can facilitate the implementation of green lease agreements between tenants and landlords allowing them to align their interests around energy efficiency measures. To do so, Member States could make available practical guidance on how to set up a green lease as well as standard agreement templates which can easily be accessed and used by tenants and landlords.

⁽³⁶⁾ Economidou, M., & Bertoldi, P., 2015: Practices to overcome split incentives in the EU building stock. Available at: Practices to overcome split incentives in the EU building stock (ecee.org) (Consulted 3.10.2023).

⁽³⁷⁾ Economidou, M., & Serrenho, T., 2019: Assessment of progress made by Member States in relation to Article 19(1) of Directive 2012/27/EU - Actions taken to remove barrier of split incentives and boost green procurement. Available at: Assessment of progress made by Member States in relation to Article 19(1) of the Directive 2012/27/EU - Publications Office of the EU (europa.eu) (Consulted 3.10.2023).

⁽³⁸⁾ In accordance with Regulation (EU) 2023/2831.

⁽³⁹⁾ In particular, Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (so-called General Block Exemption Regulation, or GBER), notably Article 38b.

6. OBLIGATIONS LAID DOWN IN ARTICLE 24

This section provides Member States with guidance on how the various provisions of Article 24 could be transposed and implemented.

6.1. Establish the concept of vulnerable customers including final users – Article 24(1)

6.1.1. *Legal framework*

To ensure that the measures to empower and protect vulnerable groups reach all relevant households, Article 24(1) requires Member States not only to include customers but also **final users**, in defining the concept of vulnerable customers. That provision is complementary to other provisions in Directive (EU) 2023/1791, particularly in Article 22, that aim to extend the provisions for information on energy efficiency and the efficient use of energy, one-stop-shops and out of court mechanisms for dispute settlement to final users.

A **final user** is defined in Article 2, point (53), of Directive (EU) 2023/1791 as a ‘natural or legal person purchasing heating, cooling or domestic hot water for their own end-use, or natural or legal person occupying an individual building or a unit in a multi-apartment or multi-purpose building supplied with heating, cooling or domestic hot water from a central source who has no direct or individual contract with the energy supplier’. Examples of users having no direct or individual contract with the energy supplier include tenants of multi-occupant buildings with collective heating, cooling or domestic hot water production systems, people living in social housing, inhabitants of an independent residence or long-term care unit, and people living in temporary housing or shelters.

6.1.2. *Choice of policy measures to fulfil the requirement*

To fulfil this requirement, Member States can extend existing and proposed supports and protections to reach final users, for example by extending a social tariff to not only be available to vulnerable customers, who purchase energy for their own consumption, but also to tenants of social apartments with collective heating, who do not have a direct or individual contract with the energy supplier.

6.2. Implement energy efficiency improvements and related consumer protection as a priority among vulnerable groups – Article 24(2)

6.2.1. *Scope of the requirement*

Article 24(2) requires Member States to implement energy efficiency improvement measures and related consumer protection or information measures as a priority among people affected by energy poverty, vulnerable customers, people in low-income households and, where applicable, people living in social housing to alleviate energy poverty.

6.2.2. *Choice of policy measures to fulfil the requirement*

Approaches to identifying and prioritising eligible households include a combination of (non-exhaustive) paths: targeting households with low household income (usually self-identified), using existing social security or housing benefits as ‘passport benefits’ to the energy efficiency support, targeting households already identified as vulnerable customers eligible for support in energy markets, identifying low income or otherwise deprived geographic areas, using a combination of variables, including above all the level of energy efficiency of the home, income and energy costs, to identify households who are vulnerable to energy poverty (that is to say, who are at the risk to become energy poor).

To implement the requirement to prioritise energy efficiency improvement measures Member States can, for example, introduce energy efficiency or home renovation grants and subsidies⁽⁴⁰⁾, and white appliance replacement schemes, that are specifically dedicated to households in the vulnerable groups. Similar schemes open to the wider population can offer free measures or significantly higher levels of subsidy to eligible households. Specific support for tenants in privately rented accommodation may also be needed given the high levels of energy poverty and vulnerability of tenants in this sector in many Member States.

To operationalise information and empowerment measures as a priority amongst the listed vulnerable groups, Member States can implement, for example, energy advice points at a regional or municipal level that provide information and assistance to vulnerable consumers and in-home or personal energy consultations for low-income households. To be effective, those provisions should be specifically designed to support vulnerable groups, cognisant of their specific energy needs, housing and tenure situation and household make-up and experience. This requirement can be cross-read with the complementary requirement in Article 22 for one-stop-shops to offer dedicated services for people affected by energy poverty and vulnerable households.

Information measures can be combined with support for vulnerable groups to navigate the energy supply market, understand bills, manage debt, uphold their rights in the energy markets and ensure customer protection (including the new contractual rights for customers in the supply of district heating, cooling and hot water provided for by Article 21 of Directive (EU) 2023/1791). For example, single points of contact that provide vulnerable groups with all necessary information concerning their rights, the applicable law and dispute settlement mechanisms can support access to protection.

6.3. **Implement energy efficiency measures to mitigate distributional effects from other policies and measures – Article 24(3)(a)**

6.3.1. *Scope of the requirement*

Article 24(3), point (a) requires that Member States, where applicable, address and alleviate the adverse distributional effects, specifically related to taxation measures and the implementation of emission trading within the buildings and transport sector, as outlined in Directive 2003/87/EC of the European Parliament and of the Council⁽⁴¹⁾. This is to be accomplished through the implementation of energy efficiency measures.

Distributional impacts refer to the consequences that specific policy measures have on households belonging to different income levels within the population. Negative or regressive distributional impacts occur when such policies disproportionately affect low-income households or other vulnerable groups⁽⁴²⁾. To facilitate the evaluation of distributional impacts, the Commission issued Guidance in 2022 that offers improved methods for assessing the distributional impact of policies implemented by Member States⁽⁴³⁾.

⁽⁴⁰⁾ Guidance on State aid for energy efficiency measures in buildings is provided in the Guiding Template: Energy efficiency in buildings (available at https://competition-policy.ec.europa.eu/document/download/f38dcd94-689e-4de9-9747-765126f49438_en?filename=template_RRF_energy_efficiency_in_buildings_04042023.pdf).

The Guiding Template provides information both on the situations where measures supporting energy efficiency in buildings may not entail State aid and on suitable legal bases for compatibility of State aid.

⁽⁴¹⁾ Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32, ELI: <http://data.europa.eu/eli/dir/2003/87/oj>).

⁽⁴²⁾ Eurofound, 2021: Distributional impacts of climate policies in Europe. Available at: Distributional impacts of climate policies in Europe | European Foundation for the Improvement of Living and Working Conditions (europa.eu) (Consulted 3.10.2023); Vandyck, T., Della Valle, N., Temursho, U. and Weitzel, M., EU climate action through an energy poverty lens, SCIENTIFIC REPORTS, ISSN 2045-2322, 13 (1), 2023, p. 6040, JRC1 30057, <https://publications.jrc.ec.europa.eu/repository/handle/JRC130057>.

⁽⁴³⁾ European Commission (COM/2022/494): Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – Better assessing the distributional impact of Member States' policies.

6.3.2. *Choice of policy measures to fulfil the requirement*

Energy efficiency measures used to mitigate distributional impacts may include investments in technology or equipment at the individual/household level, or investments in public service/infrastructure to benefit groups or communities most burdened. Energy efficiency investments provide more sustainable solutions and help to address the structural inequalities that lead to the negative distributional impacts, like inefficient homes and access to only expensive, inefficient, or polluting energy sources. ⁽⁴⁴⁾

Member States can, for example, use revenues from the EU Emissions Trading Systems (ETS) and national carbon taxes to fund home renovation schemes and free energy efficiency renovations for low-income households. Ringfencing of a proportion of energy savings from an Energy Efficiency Obligation Scheme to be achieved to the benefit of low-income or vulnerable households can also help to address the impact of the costs being passed onto customer bills (see specific requirements in Article 8 of Directive (EU) 2023/1791). Energy saving measures can be promoted through these schemes to low-income, vulnerable households and those in underserved or disadvantaged communities, for example rural households.

6.4. **Make best use of public funding at national and Union level and carry out forward looking investments – Article 24(3)(b) and Article 24(3)(c)**

6.4.1. *Scope of the requirement*

In Article 24(3), point (b) Member States are encouraged to make the best possible use of public funding available at national and Union level, including where applicable, the financial contribution a Member State receives from the Social Climate Fund and revenues from allowance auctions from the ETS for investments into energy efficiency improvement measures as priority actions. In addition to the SCF and ETS revenues, there are other European programmes to fund Member States' efforts for energy efficiency improvement such as the Recovery and Resilience Facility, cohesion policy funds and the Modernisation Fund, InvestEU.

Furthermore, Article 24(3), point (c), emphasises the need for Member States to carry out forward-looking and targeted investments in energy efficiency improvements. These investments aim to shield households from the negative effects of other policies before they take effect, facilitate the scaling up and redesigning of support programs to mitigate adverse distributional impacts, and reduce the financial burden on public spending for financial assistance.

6.4.2. *Choice of policy measures to fulfil the requirement*

The establishment of appropriate funding schemes to support the uptake of energy efficiency and decarbonisation investments is described in the guidance note related to Article 30 ⁽⁴⁵⁾. There are multiple examples of Member States using public funding for energy efficiency improvement in areas with high levels of energy poverty or with higher levels of funding for lower-income households. To create a good level of funding for low-income households, Member States can bundle individual financing measures to combine public funds, White Certificates, zero-interest loans, innovative financing models, such as crowdfunding platforms, etc. Member States can, for example, combine national funds for energy efficiency and heat with top-up funding for costly measures based on the local area, along with a zero-interest loan.

⁽⁴⁴⁾ OECD, 2021: Managing the Distributional Effects of Environmental and Climate Policies: The Narrow Path for a Triple Dividend. Available at: [https://one.oecd.org/document/ENV/WKP\(2021\)20/En/pdf](https://one.oecd.org/document/ENV/WKP(2021)20/En/pdf) (Consulted 3/10/2023).

⁽⁴⁵⁾ Commission Recommendation of 12 December 2023 on transposing Article 30 on national energy efficiency funds, financing and technical support of the Directive (EU) 2023/1791 on energy efficiency ('EED recast') (OJ C, C/2023/1553, 19.12.2023, p. 1, ELI: <http://data.europa.eu/eli/C/2023/1553/oj>).

To achieve forward-looking and targeted investments, Member States can introduce a new, or scale up or redesign an existing, energy efficiency programme to target the burdened population and address their needs. For example, subsidies for insulation or clean heating technologies like heat pumps can be introduced in advance of carbon taxation on fossil fuels used for heating. Incentives for the purchase of low carbon forms of travel like bicycles and electric vehicles, and vehicle scrappage schemes, can be introduced in advance of tax reforms that increase the cost of road transport fuels, road taxation or the introduction of emissions limits in urban areas. In addition to these, ahead of the tax reform introduction, Member States could consider interventions aimed at increasing the awareness of the benefits of these new technologies. Often, individuals do not adopt the new technologies because of uncertainty, misperceptions or status quo bias. Therefore, information campaigns on these additional benefits of technologies, and explanations of how they work, and information on how many people have adopted them and their positive experience, can also be key.

When introducing new support schemes or amending or prolonging existing schemes, Member States should examine whether those measures entail State aid, in which case a prior notification to the Commission pursuant to Article 108(3) TFEU would be necessary.

6.5. **Foster technical assistance and roll-out of enabling funding and financial tools – Article 24(3)(d)**

6.5.1. *Scope of the requirement*

Article 24(3), point (d) requires Member States, where applicable, to foster technical assistance for vulnerable customers, people affected by energy poverty, low-income households, and, where applicable, people living in social housing and the roll-out of funding and financial tools that enable these vulnerable groups to benefit from energy efficiency investments. Various examples of enabling funding and financial tools may be considered when implementing Article 24, such as on-bill schemes, local loan-loss reserves, guarantee funds, funds targeting deep renovations.

6.5.2. *Choice of policy measures to fulfil the requirement*

Vulnerable customers find it more difficult to act independently in the liberalised energy market and to benefit from its opportunities. Similarly, these households are often not served well or are less able to access support services such as energy advice or switching energy tariffs, unless schemes or programmes are specifically designed and dedicated to their needs. Technical assistance, specifically relevant for vulnerable groups, can therefore be provided in the following areas, amongst others:

- (a) advice on energy tariffs and behavioural measures to reduce energy consumption in line with their needs;
- (b) advice on household appliances, such as replacement of old and insufficient electric appliances, lighting systems, hot water boilers, etc.;
- (c) deep renovation measures in the context of multi-apartment houses, including the replacement or upgrade of the energy supply system, with a focus on the technical-economic assessment of the renovation and the coordination of the different stakeholders involved;
- (d) deep renovation measures in the context of single-family houses, including exchange of the energy supply system, with a focus on the selection of the most effective technical measures and the feasibility of the funding.

The technical assistance for vulnerable groups can be provided through, for example, energy advice points and energy cafés at a regional or municipal level or in-home energy consultations. For the implementation of Article 24(3), point (d), it is important to ensure that the assistance provided actually reaches the listed vulnerable groups. This can be achieved, for example, by having advisors with competences in the energy as well as social field or involving social actors that ensure access to vulnerable households (see section 6.6 of these guidelines).

Funding and financial tools, in general terms, are described in the guidance note related to Article 30 ⁽⁴⁶⁾. Article 24(3), point (d) lists examples of finance and funding tools that may be relevant to vulnerable groups including on-bill schemes, local loan-loss reserves, guarantee funds, funds targeting (deep) renovations. Regardless of the specific models chosen, it is advised that the funding and financial tools are: ⁽⁴⁷⁾

- (a) specifically designed for the target groups so that they are accessible and suitable, as further underlined in Article 24(3), point (f);
- (b) available for the different types of investments, including investments in household appliances, such as the replacement of old and insufficient electric appliances, lighting systems, hot water boilers, as well as buildings, up to deep renovation;
- (c) addressing the different contexts of housing in an appropriate way as, for example, the investment decision in multi-family houses differs completely from that in single-family houses. The funding schemes have to contribute to positive investment decisions by vulnerable households in both circumstances, taking into consideration all different kinds of legal frameworks such as condominium law, tenancy law, etc.

Member States can, for example, introduce a funding scheme under which low-income households can rent energy-efficient appliances. The funding scheme enables access for low-income households to energy-efficient appliances without the need to bear the upfront costs, and ultimately helps to reduce energy expenses and improve the financial situation of low-income families.

6.6. Foster technical assistance for social actors – Article 24(3)(e)

6.6.1. Scope of the requirement

Article 24(3), point (e) acknowledges the valuable contribution of social actors in implementing policies and measures to fight energy poverty. Member States can foster technical assistance for social actors to increase their professional expertise and technical knowledge. This assistance is essential to enhance their capacity to promote vulnerable customers' active engagement in the energy market and foster positive changes in the way they interact with energy.

6.6.2. Choice of policy measures to fulfil the requirement

Social actors in the context of Article 24(3), point (e) may include: public, private, charity, social enterprises, and religious institutions with a social purpose. The implementation process can specifically benefit from the active involvement of social actors from housing, health, consumer protection, community cohesion and development, and social services.

Experience from practice shows that technical assistance provided to social actors may include, among others:

- (a) development of a comprehensive website providing social actors with detailed information about energy-related concepts and procedures (for instance, energy bills, legal procedures for disconnections, consumer rights);
- (b) development of various tools and publications aimed at improving the knowledge and the ability of social actors to directly act on energy-related matters (for instance, factsheets, practical guides, average consumption calculators);
- (c) provision of personalised support to social actors through continuous counselling and guidance, training sessions, or in-place visits;
- (d) organisation of general and specific trainings for social actors, ranging from a basic skills training containing legal, administrative, social and technical modules to in-depth training on for instance, the functioning of the energy market, financial literacy and digital literacy;

⁽⁴⁶⁾ Commission Recommendation of 12 December 2023 on transposing Article 30 on national energy efficiency funds, financing and technical support of the Directive (EU) 2023/1791 on energy efficiency ('EED recast') (OJ C, C/2023/1553, 19.12.2023, p. 1, ELI: <http://data.europa.eu/eli/C/2023/1553/oj>).

⁽⁴⁷⁾ For more information in the topic: European Commission, 2022: The evolution of financing practices for energy efficiency in buildings, SME's and in industry: final report. Available at: Report on the evolution of financing practices for energy efficiency in buildings, SME's and in industry - Publications Office of the EU (europa.eu) (Consulted 3.10.2023).

- (e) establishment of a network to exchange approaches and practices to tackle energy poverty and to build connections between different stakeholders in the public sector and in civil society.

6.7. Ensure access to finance, grants or subsidies – Article 24(3)(f)

6.7.1. Scope of the requirement

Article 24(3), point (f), extends the requirement of Article 24(3), point (d), emphasising the significance of ensuring that vulnerable groups have access to appropriate finance, grants or subsidies, bound to minimum energy gains, and to facilitate access to affordable bank loans or dedicated credit lines.

6.7.2. Choice of policy measures to fulfil the requirement

A general description of financial schemes and tools is included in the guidance note related to Article 30 but to be effective these funding schemes should be designed so that they are accessible and accepted by the vulnerable groups identified. Experience shows that funding schemes with the following characteristics are particularly accessible to the listed vulnerable groups: ⁽⁴⁸⁾

- (a) a share of the funding scheme is reserved for the listed vulnerable groups, that is to say, applicants who do not belong to the target group cannot access the funding. Otherwise, there is a high probability that higher-income groups will use the entire subsidy;
- (b) the subsidy conditions consider the economic circumstances of the listed vulnerable groups. Funding needs might vary significantly between households with low, medium, and high-incomes;
- (c) the low creditworthiness of vulnerable households is addressed. This can be achieved through the inclusion of a guarantee in the funding scheme or the application of an on-bill scheme. In an on-bill scheme, the refinancing of investments is covered by the energy savings, while the energy delivery invoice or monthly housing cost payment remains unchanged;
- (d) financial bottlenecks are effectively addressed by ensuring the availability of funds before the payment for work is due. This approach helps minimize potential financial obstacles. Alternatively, the subsidy payment can be directly disbursed to the installer, streamlining the payment process;
- (e) the funding scheme is adapted to the different contexts under which vulnerable groups may or may not take an investment decision. Funding schemes aiming at the replacement of electric appliances are thus designed differently than those for deep renovation;
- (f) ensuring the longevity of funding is crucial to maintain consistent access to financial support when needed. If the subsidy scheme is not continuously accessible – for example, in case of interruption when the budget funds for a certain period are used up – the negative impact on vulnerable households is more significant than on other consumer groups.

6.8. Establishment of network of experts – Article 24(4)

6.8.1. Scope of the requirement

Article 24(4) requires that Member States establish or entrust an existing network of experts to develop strategies to support local and national decision-makers in the implementation of energy efficiency improvements, technical assistance and financial tools aiming at alleviating energy poverty. Article 24(4) requires experts in the network to be from various sectors, such as the health, buildings, and social sectors and requires Member States to strive for a network composition that ensures gender balance and reflects the perspectives of all people.

⁽⁴⁸⁾ Sunderland, L., & Gibb, D., 2022: Taking the burn out of heating for low-income households. Available at Taking the burn out of heating for low-income households - Regulatory Assistance Project (raponline.org) Consulted (3.10.2023).

Article 24(4) also lists a range of activities with which the network of experts can be entrusted, which are outlined in section 6.9 of these guidelines *Advice offered by the network of experts*.

6.8.2. *Choice of policy measures to fulfil the requirement*

The network of experts can take various structural forms, including, for example, a national observatory (usually publicly funded), independent governmental advisory and scrutiny body, or a civil society-led or academia-led body that has a formalised relationship with policymakers.

To ensure the relevant sectoral representation of experts in the network, health, buildings and social sector experts should be sought. In the health sector, this can encompass governmental and non-governmental public health bodies, national health services, and civil society representatives from physical and mental health charities, foundations, associations, and disability groups. In the building sector, participation can involve housing and communities' governmental departments or agencies, national housing standards bodies, social housing providers, landlord, tenant and homeowner representative bodies, housing exclusion and homelessness associations, as well as energy efficiency and renovation programme designers and implementers. In the social sector, representatives can include consumer groups, social inclusion, and education agencies, local or regional government associations, NGOs and civil society representatives from anti-poverty networks, religious associations, and charity groups. The networks of experts can also include public administrations from other relevant sectors, such as water or transport, energy suppliers, distributors and regulators, academics, and energy ombudspersons or mediators.

Consideration of gender balance in participants is important also for the fact that female-led households have consistently been identified as at higher risk of energy poverty.⁽⁴⁹⁾ Representative organisations focusing on key groups at risk of energy poverty (such as older age groups, family and children's groups, and minority groups, including immigrant groups and refugees), researchers who can present the scale, prevalence and structural inequalities that lead to energy poverty risk, and potentially those with lived experience can help a network of experts achieve this composition. To enable people with lived experience to contribute successfully to the network, consideration might be given to solutions which would enable full participation, including payment for time and travelling, creation of an inclusive engagement environment and consideration of time commitment and timing of activities.

6.9. **Advice offered by network of experts – Article 24(4)**

Article 24(4) specifies that the network of experts may be entrusted to offer advice on a range of relevant energy poverty assessment and alleviation measures.

The network can support development of national definitions, indicators, and criteria of energy poverty, energy poor and concepts of vulnerable consumers, including final users (Article 24(4), point (a)) and the development or improvement of relevant indicators and data sets in the field of energy poverty (Article 24(4), point (b)).

Article 24(4) also provides for the possibility that the network of experts offer advice on methods and measures to ensure affordability of living costs, the promotion of housing cost neutrality or ways to ensure that public funding invested in energy efficiency improvements benefit both owners, and tenants of buildings and building units, in particular regarding vulnerable customers, people affected by energy poverty, and, where applicable, people living in social housing (Article 24(4), point (c)).

⁽⁴⁹⁾ Oliveras, L. et al., 2021: Energy poverty and health: Trends in the European Union before and during the economic crisis, 2007–2016. Available at: Energy poverty and health: Trends in the European Union before and during the economic crisis, 2007–2016 - ScienceDirect (Consulted 3.10.2023); Murauskaite-Bull, I., Feenstra, M., Creusen, A., Koukoufikis, G., Della Valle, N., Shortall, R. and Stojilovska, A., Gender and Energy: The effects of the energy transition on women, Publications Office of the European Union, Luxembourg, 2023, doi:10.2760/511412, JRC132744.

Although installing energy efficiency measures can reduce energy bills, depending on how those measures are financed they can increase living costs in other areas. This is particularly the case in social housing or rented housing, providers of which may need to partially fund renovation costs from rents. To prevent rents or other costs increasing, methods of alleviating energy poverty and reducing energy costs that promote housing cost neutrality ('where any rent increases or finance repayment costs are fully covered by energy savings') are suggested.⁽⁵⁰⁾ A central measure to ensure housing costs do not rise is to significantly subsidise energy efficiency measures through public funding, avoiding or reducing the need for finance repayments. Suitable measures are outlined in section 6.5 of these guidelines on enabling the roll-out of appropriate funding and financial tools and in section 5.5 of these guidelines on addressing the split incentive.

Finally, the network of experts can offer advice on measures to prevent situations in which particular groups are more affected or more at risk of being affected by energy poverty or more susceptible to its adverse impact, on the basis of their income, gender, demographics, health condition or membership in a minority group (Article 24(4), point (d)).

Assessment of energy poverty indicators and disaggregation of this data by income, gender, housing tenure and other overlays, undertaken by national energy poverty observatories or networks of experts, can support a more nuanced national and local understanding of who is more at risk of energy poverty and the correlation with structural and social factors. National networks of experts can also undertake research on the effectiveness and distributional impacts of energy, income, or other social policies to establish who benefits and any additional social burdens created. Forward looking projections on energy poverty rates and risks as a result of energy price changes can also highlight risks to specific groups. This can then influence the design of policies and support programmes to address or prevent energy poverty experienced by specific at-risk groups.

7. REPORTING REQUIREMENTS

7.1. Update of the integrated National Energy and Climate Plans

According to Article 14(2) of Regulation (EU) 2018/1999, Member States are required to submit by 30 June 2024, and subsequently by 1 January 2034 and every 10 years thereafter, an update of their latest notified integrated **national energy and climate plan** (NECP). Article 14(1) requires the Member States to provide a draft update of the NECP always a year prior to the submission deadline of Article 14(2).

In addition to Regulation (EU) 2018/1999, of Article 22(2) of Directive (EU) 2023/1791 requires Member States to take appropriate measures to promote and facilitate an efficient use of energy by final customers and final users and include the measures in a national strategy, such as the NECP, or the long-term renovation strategy established pursuant to Article 2a of Directive 2010/31/EU.

7.2. Progress Reporting

Article 17 of Regulation (EU) 2018/1999 requires Member States to submit their National Energy and Climate **Progress Reports** covering all five dimensions of the Energy Union, energy efficiency being one of the dimensions.

Article 24 of Regulation (EU) 2018/1999 specifies the information to be reported in relation to measures taken to address energy poverty.

In the event that a Member State finds, based on an assessment of the number of households in energy poverty, that it has a significant number of households in energy poverty, that Member State is to include in its integrated national energy and climate progress report information on progress towards the national indicative objective to reduce the number of households in energy poverty and quantitative information on the number of households in energy poverty, and, where available, information on policies and measures addressing energy poverty.

⁽⁵⁰⁾ Housing cost neutrality is a term used by both the social housing sector and the tenants representative organisations to mean ensuring that the total cost of housing (including rent/mortgage, energy bills and other bills) does not increase after renovation. The savings on the energy bill can be used to pay back some of the upfront investment into energy efficiency measures, for example through a rent increase, but only up to the point that the total housing cost is the same as before the renovation. More information at the International Union of Tenants and at the Housing Europe portal. (Consulted: 8.3.2023).

In addition, Article 24 of Directive (EU) 2023/1791 requires Member States to report the energy efficiency improvement measures and related consumer protection or information measures, in particular those set out in Article 8(3) and Article 22 of Directive (EU) 2023/1791, implemented as a priority among people affected by energy poverty, vulnerable customers, people in low-income households and, where applicable, people living in social housing to alleviate energy poverty in the framework of the existing reporting requirements set out in Article 24 of Regulation (EU) 2018/1999.
