

# Vulnerable Customers and Fuel poverty in Poland

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**The Second Market Directives (electricity 2003/54/EC and gas 2003/55/EC)**

**The Third Energy Package (electricity and gas directives)\*:**

**Member States should:**

- ensure the necessary energy supply for vulnerable customers,
- ensure that there are adequate safeguards to protect vulnerable customers,
- define the concept of vulnerable customers which may refer to energy poverty
- introduce prohibition of disconnection of electricity to such customers in critical times
- ensure that rights and obligations linked to vulnerable customers are applied.
- take measures to protect final customers in remote areas.
- develop national action plans or other appropriate frameworks to tackle energy poverty in the framework of social policy or energy efficiency improvements for housing.
- provide benefits in social security systems to ensure the necessary electricity supply to vulnerable customers,

\*Directive 2009/72/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in electricity and repealing Directive 2003/54/EC

\*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

## Who is a vulnerable customer – problems with definition in EU including Poland

- There is a lack of definition of *vulnerable customer in UE*, also in Poland
- Freedom for establishing definition in national legislation.
- Customers who are protected in relations to suppliers on the basis of national law.
- Household customers, possibly small enterprises.
- Customers who can not settle the bill for energy because of many troubles

- **But not customers**

- who do not want to settle bills or forget about the required payments.



## The increase of energy and heat prices is a social problem in Poland. It creates also poverty, especially fuel poverty

The percentage of increase of energy prices in Poland - simulation	Expenses on energy in household per month/per person in 2006 PLN	The percentage of households in fuel poverty (%)	The number of households in fuel poverty in thousands
<b>Base 1 (0%)</b>	16,24	8,57	785
<b>Variant 2 (10%)</b>	17,86	11,02	<b>1 010</b>
<b>Variant 3 (15%)</b>	18,67	12,47	1 143
<b>Variant 4 (20%)</b>	19,49	13,73	1 259
<b>Variant 5 (30%)</b>	21,11	17,40	<b>1 595</b>

Source: The research was made by The Institute of Labour and Social Studies (commissioned by Polish Regulator)

# Areas for identifying vulnerable customer in Poland



Energy  
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**PENSIONERS**  
354 thos. Families under the social care  
Est. 9 mio. pensioners

**Poverty  
SOCIAL EXCLUSION**  
934 thos. families cover by social care  
est. 3 mio. persons in these families

**DISABLED PEOPLE**  
392 thos. families  
under the social care  
2,2 mio disabled

185 thos. customers disconnected  
because of non-payment

**VULNERABLE  
CUSTOMER  
IN POLAND**

**FAMILIES WITH MANY  
CHILDREN**  
ok. 1 mio families, 4,5 mio persons in families  
188 thos. families under the social care

**REMOTE AREAS**  
14 MIO people  
810 thos. Families covered by social care  
est. 5,7 mio people in these families

**UNEMPLOYED PEOPLE**  
1,2 MIO people on the long-term  
unemployment benefit

**CHRONICALLY ILL PEOPLE**  
394 thos. people cover by social care



## Protection of customers – present solutions

### Regulation in Energy Law, secondary legislation and other documents:

- the process supply tariffs' approval for household customers (the group G);
- special causes and procedures to suspend supplies;
- possibility prepayment meters' installation;
- notification of the President of ERO concerning connection refusals;
- disputes resolving;
- controlling the quality of supply and customers' service standards;
- activities of the Spokesman for Energy Customers, who deals with complaints concerning irregularities in continuity and quality of supplied energy or requests for information constitute a reliable source of information concerning the condition of retail market.;
- free of charge switching suppliers – grid codes,

**BUT**

**Poland does not meet criteria of the Second Electricity and Gas Directives (2003/54/WE, 2003/55/WE ) in respect of protection of vulnerable customers**

**Now we are „in front of” the Third Energy Package requirements in this field**

## Activities for protection of vulnerable customers in Poland

Special initiative of the President of ERO

**30 November 2007**

the special workgroup in the framework of responsibilities  
of ERO was set up in order to deal with vulnerable  
customer problems  
and fuel poverty issues

The main aims of this workgroup were:

- to prepare a special programme for vulnerable customers' protection
- to prepare proposal of law changes for implementation the programme
- to indicate sources for financing vulnerable customers' protection system

**31 March 2008 – the final Report**

## Present forms for helping vulnerable customers in Poland

**I. Government Assistance – Communities: Social Assistance Centres - advisable allowance**

**II. Corporate Social Responsibilities (CSR):**

- company help for vulnerable customers,
- with cooperation to communities

The most common forms of help applied by companies:

- installation of pre-payment meters;
- payment in instalments,
- back interest exemption,
- shifting the terms of payment;
- desistence from the debt collection
- the special agreements with Social Help Centres





# Types of models for helping vulnerable customers

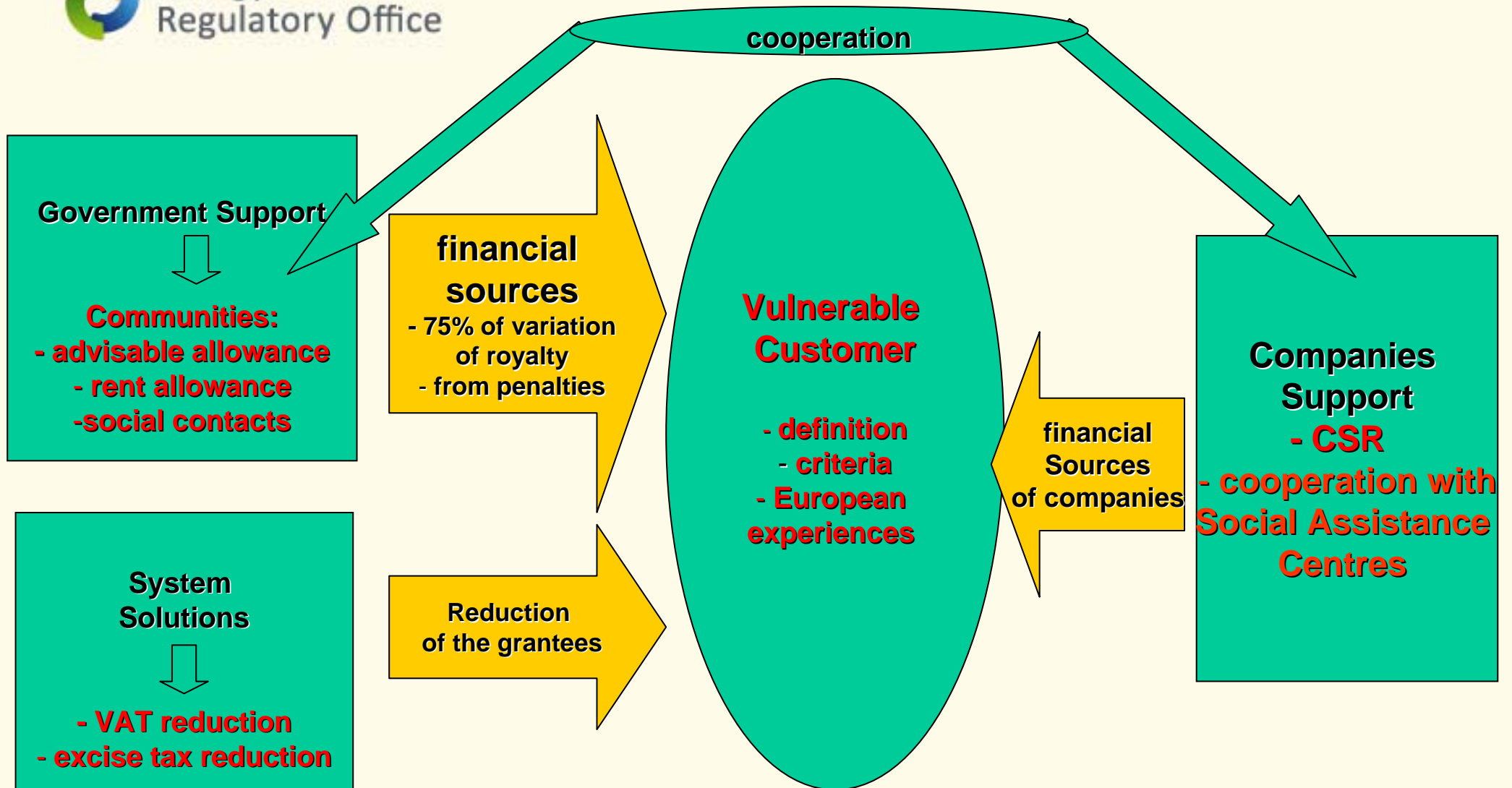
## I. Social Care

(supported by European Regulators' Group for Electricity and Gas).

## II. Corporate Social Responsibility

III. Social tariffs (not recommended by ERGEG).

## The polish model for helping vulnerable customers



## Definition of vulnerable customer in Poland – proposition of the workgroup in ERO

### Natural person entitled to:

#### I. Social support according to act on Social Assistance

- the homeless,
- the unemployed,
- the disabled and the dependent people,
- the poor,
- the elderly,
- families with many children

#### II. Rent allowance according to Rent Allowances Act

- income criteria,
- square footage

## The main advantages of the polish Model

1. **The possibility to operate in existing regulations and acts. There is no need for preparing a special act.**
2. **The assistance would be placed:**
  - in municipalities and communes – social assistance centres;
  - in poviats (districts) – poviat centres for family support;
  - in voivodships – regional social policy centres.
3. **Vulnerable customer would be supported from two kinds of sources:**
  - a) government support
  - b) company assistance

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**Thank you for your attention**