



# COVID-19 IMPACT ON EUROPEAN RESIDENTIAL ENERGY MARKET PRICES

H2 2020 (JULY-DECEMBER)

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## Executive Summary

The COVID-19 pandemic has significantly influenced our lives and the global economy over the past year. The first and second wave of the virus both took place within 2020 and the measures taken to prevent the spread of the virus resulted in a large drop in energy demand across the European markets, especially in those that underwent strict lockdown measures. A shift of demand towards residential also resulted from the increased time spent at home (including home-working). Politically, national energy affordability measures were subsequently taken. In parallel retail prices for both electricity and gas followed a substantial downward trend. But what really happened to prices and what was the impact of COVID-19?

Following the analysis of the impact of COVID-19 during the first half of 2020 (H1) conducted by VaasaETT, this article is the second in the series and looks at the electricity and natural gas market response to the pandemic during H2 2020. The analysis, which uses among other sources historical retail price data from the Household Energy Price Index (HEPI)<sup>1</sup> project, represents Europe's first extensive analysis of the impact of COVID-19 on prices households pay for their energy.

## Large Price Fluctuations

The monthly price changes that took place during 2020 – in both electricity and natural gas – were much bigger than changes that took place in the corresponding months of previous years. The influence of COVID-19 on retail residential prices seems to have started in April 2020, resulting in intense price fluctuations, which continued until the end of the year. Overall, both electricity and gas markets are characterised by a decreasing trend during Q2 2020, followed by an increasing one since Q3 2020.

In the electricity market, the April – July 2020 and November 2020 average residential retail price decreases were the largest decreases for these months during the previous five years (2015-2019), while in the gas market – apparently a more volatile market – only the April-June 2020 decreases fulfil this criterion.

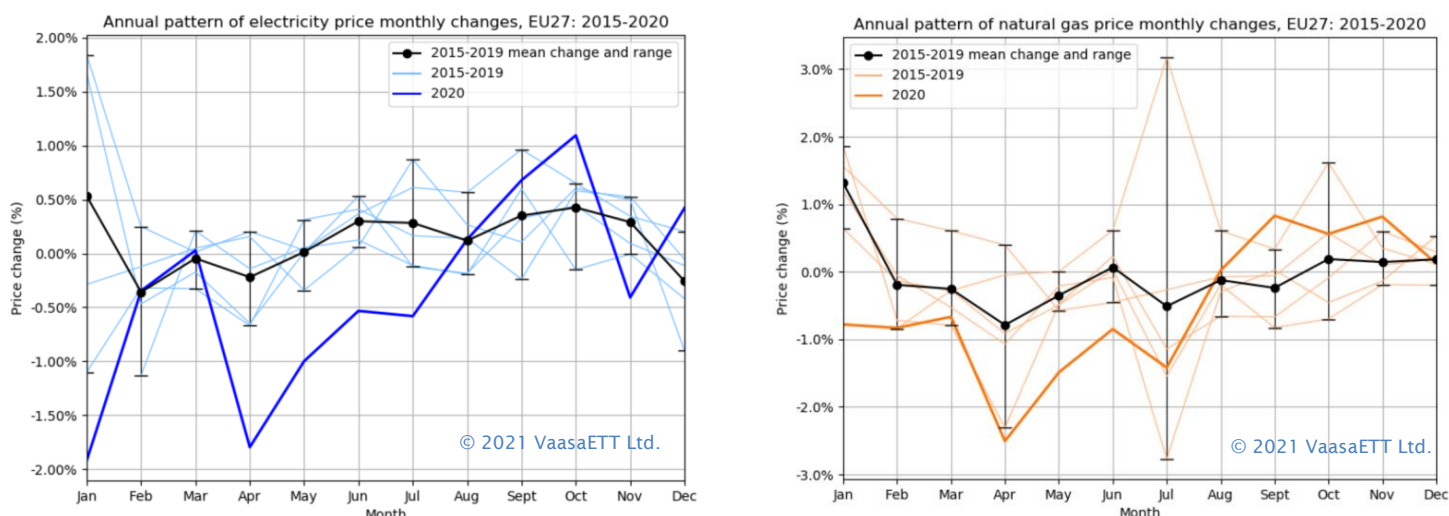


Figure 1: Annual pattern of electricity (left) and natural gas (right) price monthly changes, for EU27 average price, bold blue (electricity) and orange (natural gas) lines indicate 2020 changes

<sup>1</sup> Household Energy Price Index by Energie-Control, MEKH & VaasaETT. For more information on HEPI methodology or for getting access to latest month's prices you can visit <https://www.energypriceindex.com/>

The increased volatility of 2020 electricity prices is also confirmed when comparing the annual volatility level in 2020 with previous years; 2020 price volatility was found to be the largest of the decade (2010-2020) across the EUR15 markets and of the last five years (2016-2020) in the EU27 markets. In 2015 volatility was exceptionally higher in some EU27 markets due to post-liberalisation price adjustments.

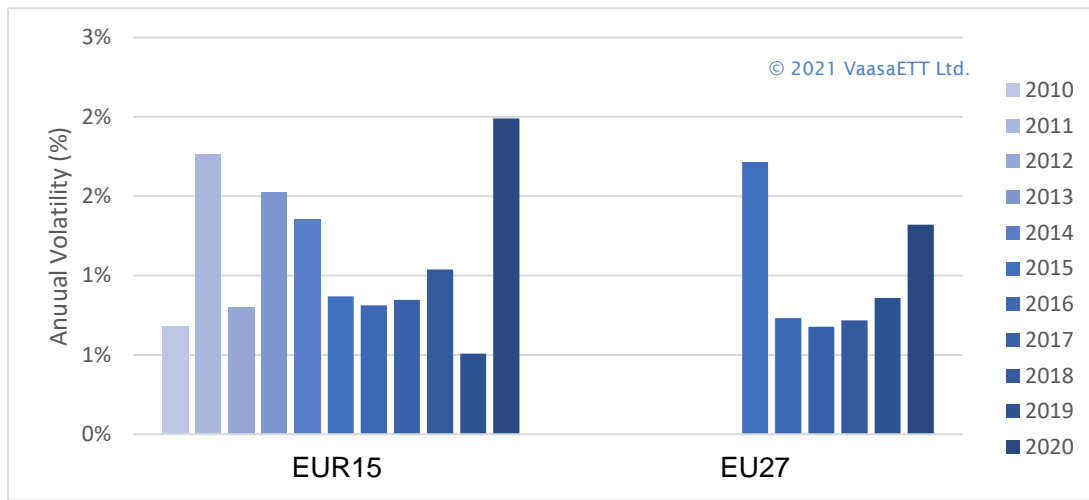


Figure 2: Annualised electricity retail price volatility over the years (left to right), for EUR15 (2010-2020) and EU27 (2015-2020)

Overall, our analysis indicates that COVID-19 seems to have influenced electricity price dynamics more than natural gas.

## Political Measures



Figure 3: Summary of supportive measures taken by the energy industry during the COVID-19 pandemic in Europe (2020, H2)

COVID-19 affordability measures were determined either by local governments, regulatory authorities or were the direct initiative of energy market players (suppliers and in some cases DSOs). Some of those measures were continued to also cover the pandemic's second wave during H2 2020 and in some cases new ones were taken. Figure 3 summarises the most commonly taken measures in various European countries<sup>2</sup> during H2 2020, while Figure 4 provides an extensive summary of all measures taken within 2020, distinguishing state/regulatory initiatives from market player initiatives. In both charts, only the retail price reduction measures and some measures in the 'Other' category, have a direct impact on retail prices.

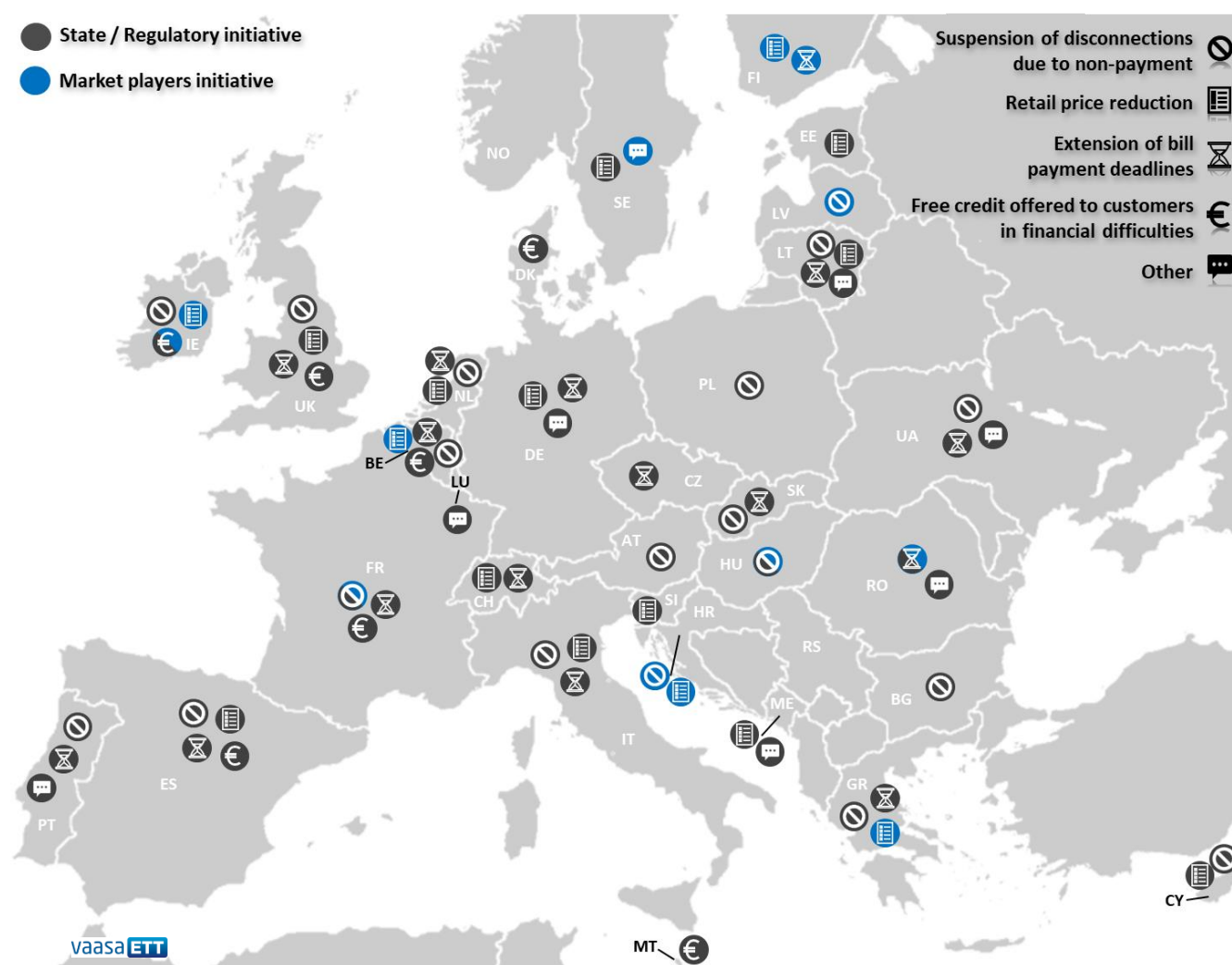


Figure 4: Extensive summary of supportive measures taken by the energy industry during the COVID-19 pandemic in European countries<sup>3</sup> in 2020

<sup>2</sup> The analysis was based in publicly available sources and public announcements as complementary material to the reports published by the European Commission (5), (6) and the Council of European Energy Regulators (CEER) (7). The country to country analysis and used sources can be found in the report's last section "Analytic presentation of measures per country".

<sup>3</sup> Only the countries where abbreviations appear in the map were checked for measures.



## Wholesale vs Political Impact

It can be clearly seen that retail prices were also impacted by reductions in wholesale prices. In fact, the comparison of the wholesale electricity price 2019-2020 changes versus changes in the energy price component of the retail electricity price (Figure 5) during the same period, shows a general decreasing trend with only a few exceptions. In a few cases (Belgium, Italy, Spain), the decrease that took place in the countries' retail market electricity price (energy component) was equal or even larger than the absolute decrease (in c€/kWh) in the wholesale electricity price, indicating that the political measures had a significant additional impact. It is important to note that in some markets retail prices are fundamentally divorced from wholesale prices (for instance due to price regulation), and in some cases affordability measures have been highly targeted on specific consumer categories, thereby not noticeably affecting the typical retail price.

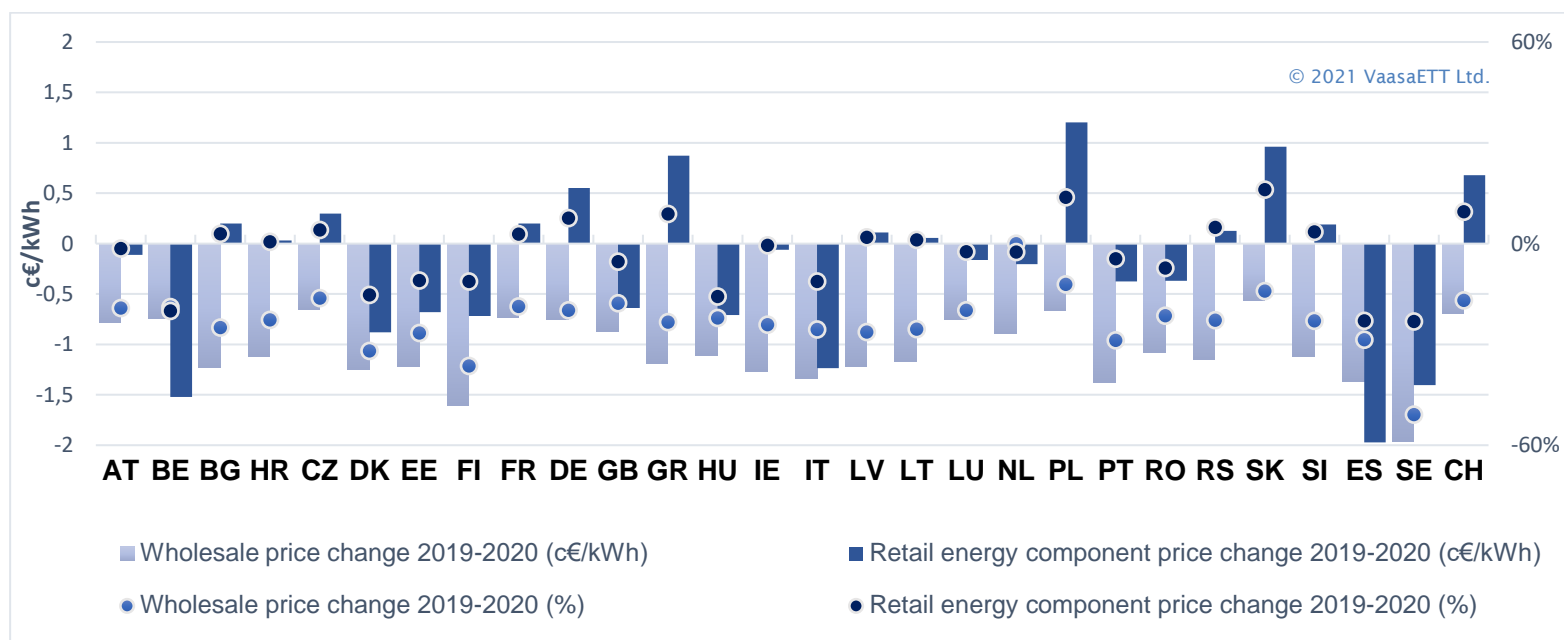


Figure 5: Wholesale vs residential energy component price change from 2019 to 2020 (annual averages) in €/kWh (left axis) and in % (right axis)

## COVID-19 vs Other Market Trends

As shown by Figure 6, which depicts the historical trend of wholesale electricity versus end-user prices in the EU27 since the beginning of 2019, average EU27 electricity wholesale prices had, prior to COVID-19, already been following a decreasing trend that became more intense after November 2019, while average end-user prices only started falling after March 2020. Wholesale prices then started increasing in June 2020 until the end of the year, while retail prices started a slightly increasing trend only after August 2020. The pattern is very similar when comparing EUR15 average retail and wholesale prices. A closer look at the averages shows that electricity wholesale prices have been following quite closely the longer-term trend of other fuels (including crude oil and European natural gas), while retail prices have – as they usually do – been following the same but more diluted and less volatile trend.

It can therefore be argued that the COVID-19 period retail price fall has been, at least in part, an overdue adjustment response to the long term prevailing market changes that had been occurring prior to COVID-19, even though there has also been a clear short term reaction to fuel price fluctuations, that all reached their six-year lowest values during the COVID-19 period - crude oil and wholesale prices (both EUR15 and EU27) in April 2020, natural gas in May 2020 and LNG in September 2020 – indicating an unusual pattern in the context of previous years' behaviour.

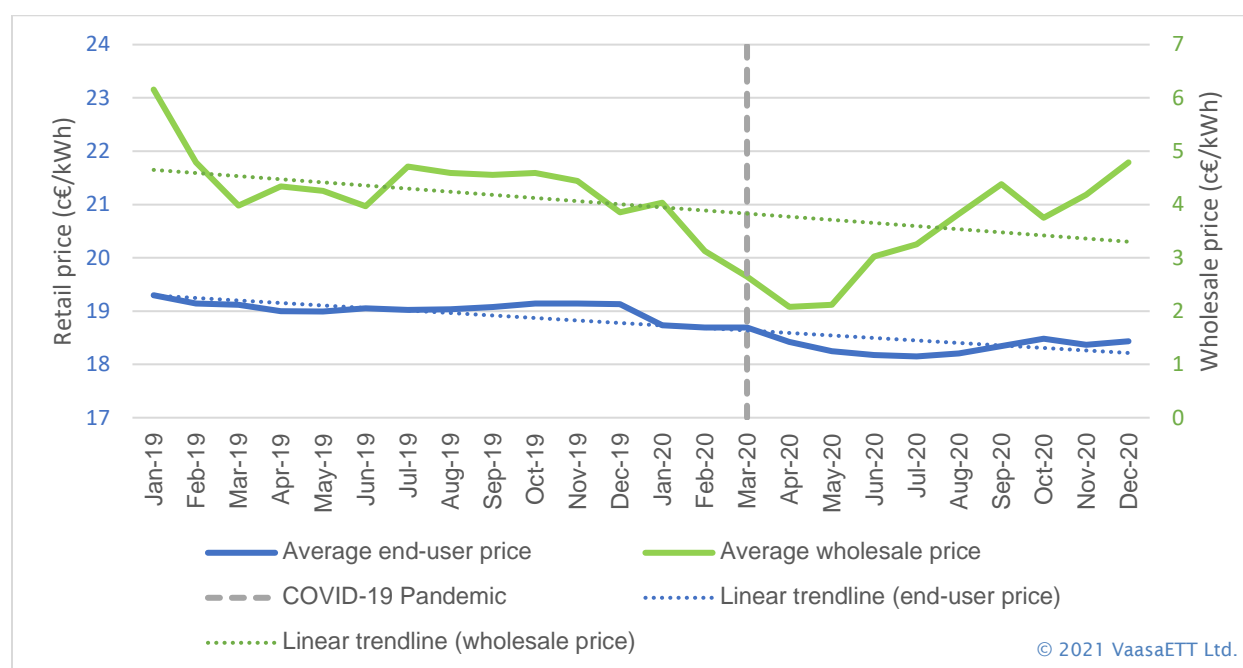


Figure 6: End-user retail versus wholesale EU27 average electricity price, Jan 2019 - Dec 2020

## The Impact of COVID-19

COVID-19 restrictions and affordability measures have both had a major observable impact on wholesale and retail electricity prices (and to a lesser extent gas prices) in most – if not all - European markets. In H2 we have seen that the second COVID-19 wave had a similar, though much more limited, impact on prices to the first. However, longer term trends and dynamics in both wholesale and retail prices are also highly influential. 2021 will provide the final pieces of this analytical jigsaw but the picture is becoming clearer. The fundamentals of energy markets have prevailed even during the exceptional events of the COVID-19 period. We look forward to presenting the final instalments of this research over the coming months.

## Introduction

2020 is undeniably a year significantly influenced by the COVID-19 pandemic. As a result of national attempts to limit the spreading of the disease people globally have been forced to change their daily routines, commercial and industrial sectors have been forced to pause their activity for several months, while home-working has been recommended and applied wherever the circumstances allowed it. Those changes resulted in big changes in the electricity and natural gas consumption patterns, especially in countries that underwent strict lockdown measures, resulting in big drops in the overall electricity demand (1) and in increased residential energy consumption, especially during the lockdown periods.

The biggest demand drop was identified during the last three months of H1 2020, when strict lockdown measures that were taken from most European countries and resulted to significant energy price decreases in the great majority of European markets (2). During H2 2020 that the lockdown measures were softer, the demand reached similar levels with 2019 with the exception of September and November, that demand drops were again detected, however much smoother in comparison with the April-June negative peak (1).

Following the H1 2020 analysis report<sup>4</sup>, this is the second report of the series, extending the analysis for H2 2020 i.e. the period between July-December 2020.

This report uses the Household Energy Price Index (HEPI) (3) historical price data in order to assess the evolution of residential electricity and natural gas prices paid by typical households in 2020 in comparison with 2019, i.e. after and before the appearance of COVID-19. HEPI is a public research covering 32 European capitals<sup>5</sup>, collecting and publishing prices with a monthly granularity. In HEPI, as well as in the current research, we are using three different types of European averages:

- EUR15: It includes the countries that used to be part of EU15 and was renamed after Great Britain left the European Union; Austria, Belgium, Denmark, Finland, France, Germany, Great Britain, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden. Even though EU15 has stopped existing, the EUR15 average is still insightful as it happens to include some of the most active energy markets in Europe.
- EU27: It includes all countries that are part of the European Union.
- EUROPE: It is calculated as the average of all countries that are included in HEPI research project, i.e. EU27 and Great Britain, Montenegro, Serbia, Switzerland and Ukraine.

HEPI prices were also analysed in relation to wholesale prices, in an attempt to identify changes associated with wholesale price drops as opposed to changes associated with support measures.

Finally, this report also contains an analytic collection of measures taken by the energy market actors (i.e. including regulators, retailers, DSOs etc.) to alleviate the burden off the energy customers who are going through economic hardships during H2 2020, distinguishing state/regulatory initiatives from market player initiatives.

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<sup>4</sup> COVID-19 IMPACT ON EUROPEAN RESIDENTIAL ENERGY MARKET PRICES, H1 2020 (JANUARY-JUNE), can be assessed at [https://www.energypriceindex.com/s/Covid-19\\_HEPI.pdf](https://www.energypriceindex.com/s/Covid-19_HEPI.pdf)

<sup>5</sup> Please note that the number of countries is reduced for natural gas analysis, as countries with underdeveloped or no gas markets are omitted from the analysis. Those are: Cyprus, Finland, Malta and Montenegro.



## Analysis of impact of COVID-19 on residential energy prices

In this section, the electricity and natural gas residential retail price behaviour has been studied, comparing the historical (pre-COVID) with 2020 pattern and aiming to identify the pandemic's impact on energy prices.

As a first step of the analysis, the annual pattern of electricity and natural gas prices have been depicted for EUR15 and EU27 for the periods of 2010-2020 and 2015-2020 respectively. Figure 7 and Figure 8 allow the comparison of 2020 price evolution in comparison with previous years' average and range. Interestingly, despite the extensive price decreases that took place in the electricity market during H1 2020, the overall average price remained higher (in the EUR15) or equal (during July, August and November 2020 in the EU27) than previous years' average (black lines). The picture is completely different in the natural gas market, where the 2020 prices clearly stand below previous years' average price for both EUR15 and EU27 averages, reaching the 6-year lowest for the months April-December 2020 for EU27 average.

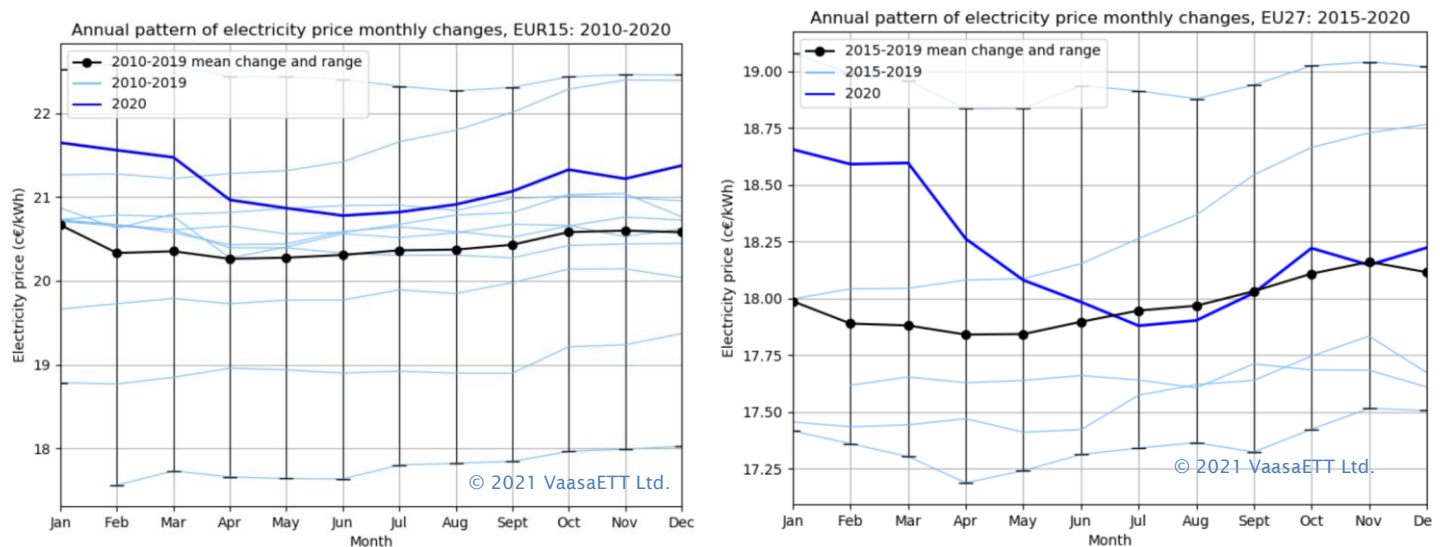


Figure 7: Annual pattern of monthly electricity retail prices for EUR15 (left, since 2010) and EU27 (right, since 2015) average price, bold blue line indicates 2020 changes

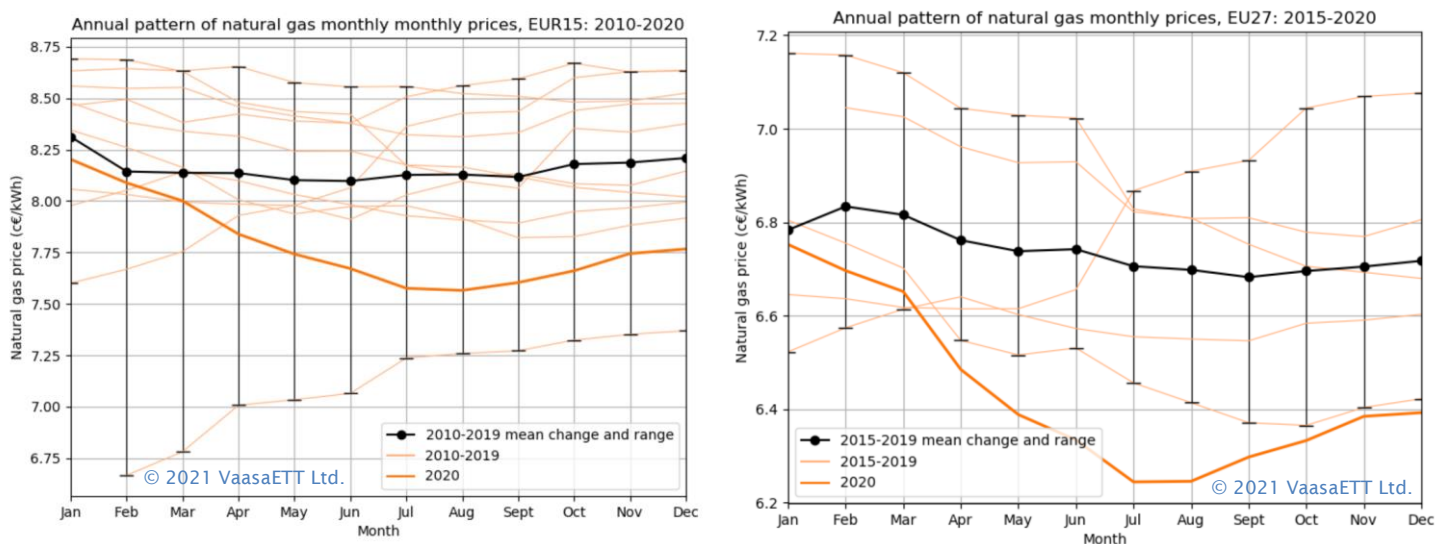


Figure 8: Annual pattern of monthly natural gas retail prices for EUR15 (left, since 2010) and EU27 (right, since 2015) average price, bold orange line indicates 2020 changes

Continuing the analysis, the monthly price change pattern of electricity and natural gas markets has been analysed. Figure 9 and Figure 10 illustrate the 2020 monthly price changes (%) versus the average monthly changes and change range for the period 2010-2019 for EUR15 and 2015-2019 for EU27 average, for electricity and natural gas respectively. In both EUR15 and EU27 averages, 2020 price has encountered big decreases during the months April-July, the blue line staying below (and in some cases far below) the lowest limit of the average historical change range. After the end of summer, both EUR15 and EU27 average prices start following an increasing trend, which the exception of November, when a negative peak is observed.

Although when comparing the average monthly change patterns (black lines) between EUR15 and EU27 average, it seems that EU27 average has smaller change range and thus shows smaller fluctuations, when it comes to the 2020 changes the picture is quite the opposite; 2020 changes stay close to the lowest range of EUR15 historical monthly changes, while in EU27 they are more than twice as low as the lowest range. This is also obvious in the October increase and November decrease.

Another observation is that EUR15 price tends to respond more quickly to external factors. The big price decrease appears in EUR15 already since March 2020 - that COVID-19 reached Europe - and the increasing trend starts already in August; on the other hand, in EU27 the decreasing trend only starts in April 2020, while the price does not start increasing before September. However, in both cases the decrease related with the second wave of COVID-19 appears in November.

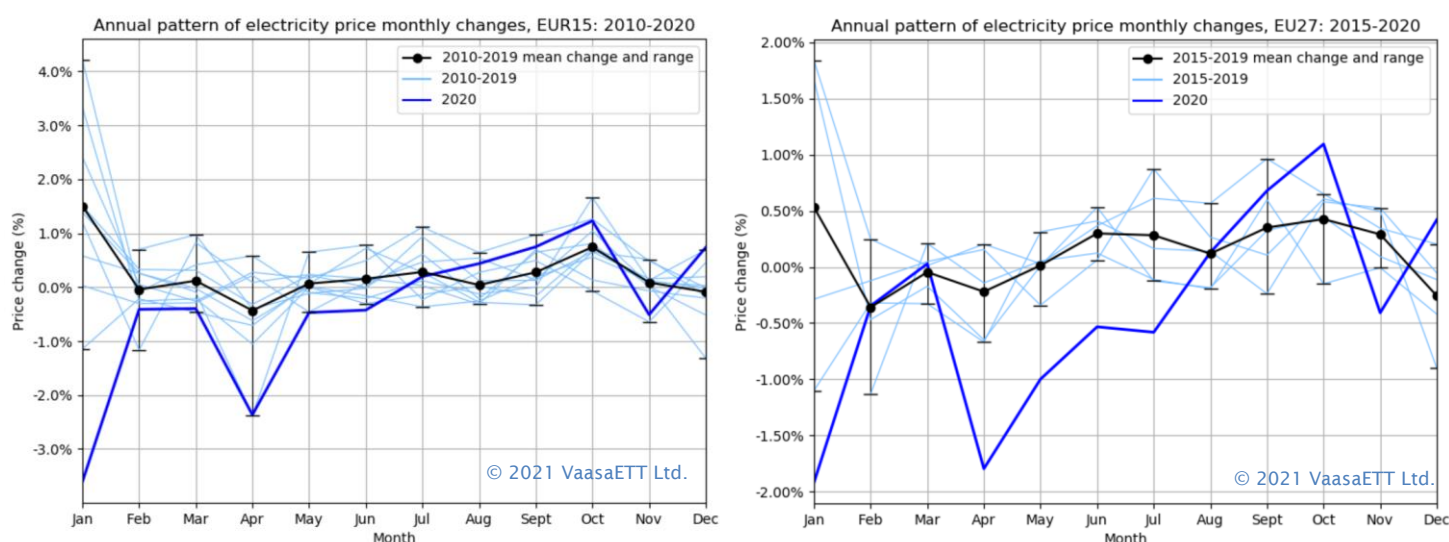


Figure 9: Annual pattern of electricity price monthly changes for EUR15 (left, since 2010) and EU27 (right, since 2015) average price, bold blue line indicates 2020 changes

The general trend is very similar when looking at the natural gas market historical change pattern; the major differences with the electricity price behaviour are related with the November 2020 price change and the observed differences between the time lag between EUR15 and EU27 2020 averages. Firstly, in both EUR15 and EU27 averages, natural gas price increased in November, as opposed to electricity prices' negative peak, showing that the impact of cold weather prevailed to the impact of the pandemic's second peak. Also, unlike electricity, EUR15 and EU27 gas price changes seem to respond simultaneously, following an intense decreasing trend during February – July 2020 and an increasing one during September – December 2020.

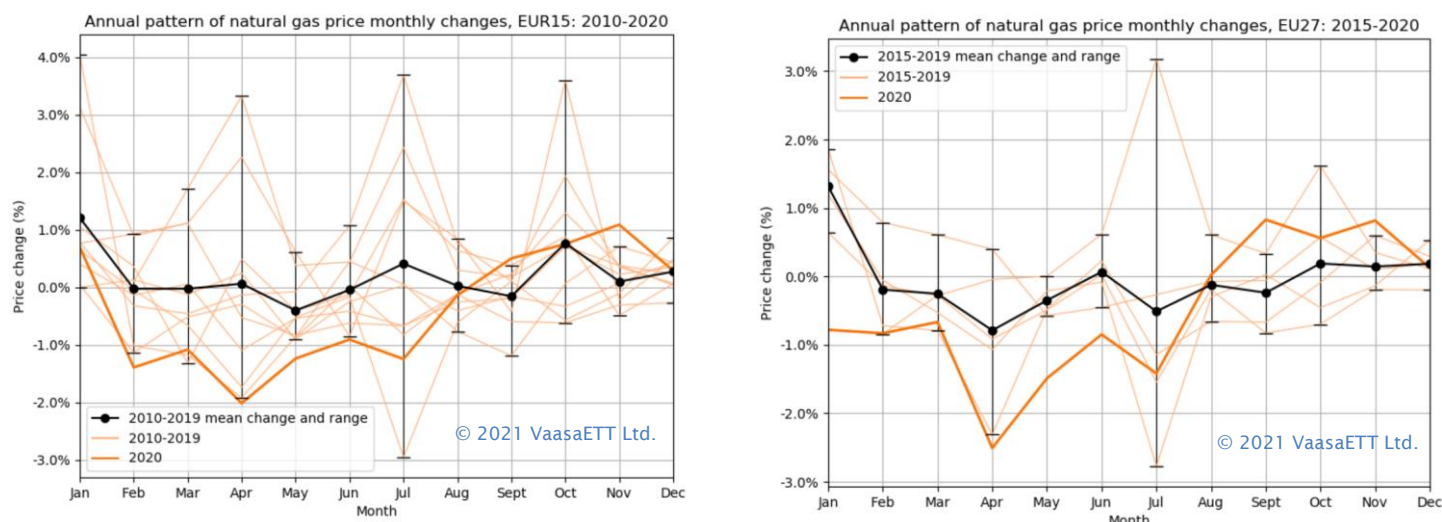


Figure 10: Annual pattern of natural gas price monthly changes, for EUR15 (left, since 2010) and EU27 (right, since 2015) average price, bold orange line indicates 2020 changes

In general, the above figures give the impression that the price increased during the second half of 2020 case to compensate for the price decreases that took place at the first half of 2020 and hence prices fluctuated more in 2020 than they used to do historically in one year's period. In order to investigate more into that, as a next step, the annualised price volatility (4) has been calculated and compared for the years 2010 – 2020; the results can be found in Figure 11 and Figure 12, for electricity and natural gas respectively.

As the figures illustrate, electricity price volatility of 2020 is the highest in the latest decade in EUR15. In EU27 and European average, it is still significantly larger than 2016-2019 but still lower than in 2015, when it seems that the electricity markets went through a lot of price changes; the fact that this phenomenon is only present in the EU27 average indicates that those changes were related to the most recently liberalised markets. On the other hand, in the gas market – apparently a more volatile market – 2020 gas price volatility does not seem to be outstanding in comparison to the previous years for neither EUR15 or EU27 average; it appears to be the highest of the latest five-year period (2015-2019) for EU27 but its value is only slightly higher than previous years.

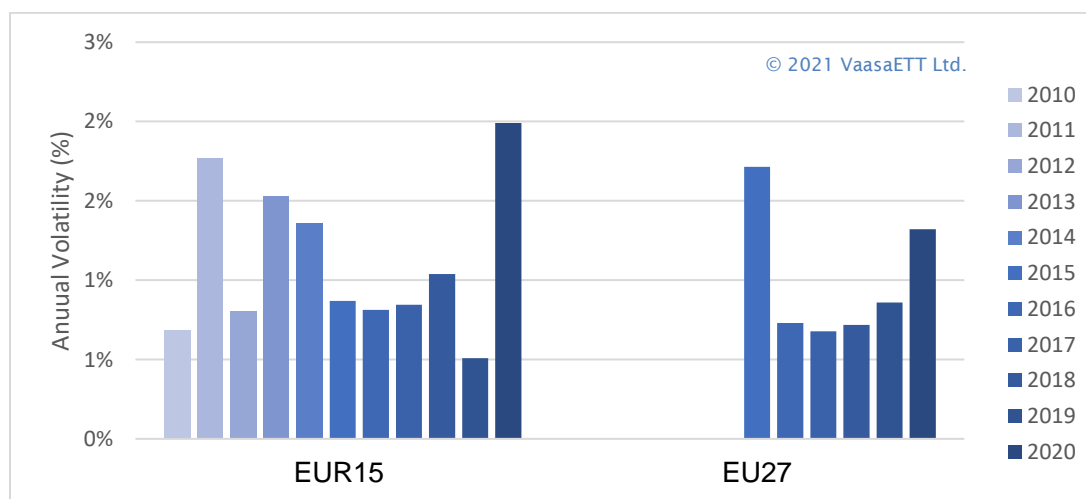


Figure 11: Annualised electricity retail price volatility over the years (left to right), for EUR15 (2010-2020) and EU27 (2015-2020)

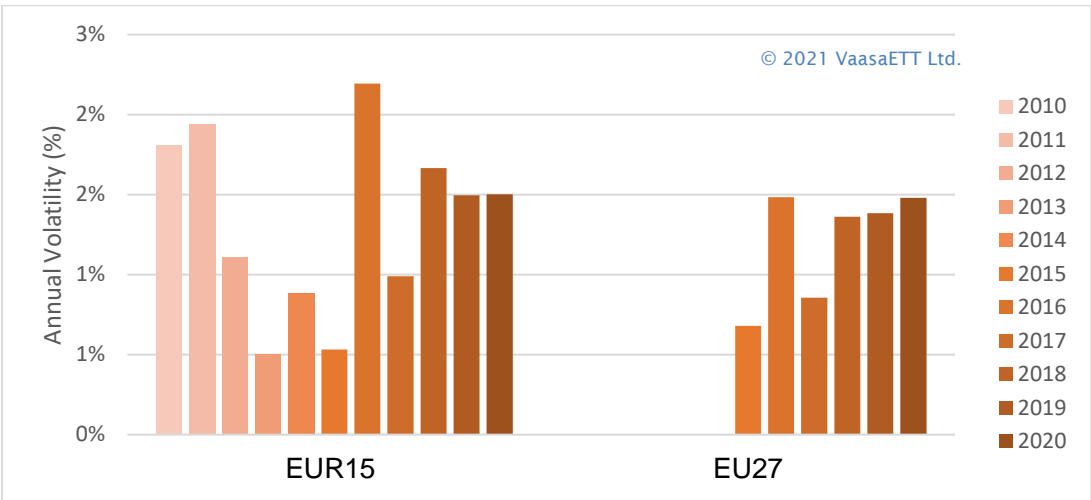


Figure 12: Annualised gas retail price volatility over the years (left to right), for EUR15 (2010-2020) and EU27 (2015-2020)

Concluding, according to the retail price analysis findings, COVID-19 seems to have influenced more the electricity than the natural gas residential market dynamics. The comparison of residential retail prices with wholesale prices and other fuel price data in the next section will help us to extract further conclusions on the extent and direction of that impact.

## Wholesale vs retail price comparison

Although the previous section clearly showed a distinctively downward trend on residential electricity and natural gas prices during April – July 2020, it is hard to tell with certainty to what extent this is associated with the decreased demand and in what extent it is the outcome of supportive measures for the end-customers. The examination of the wholesale price evolution in comparison with the retail prices that is presented in the current section can serve as a good indication of this.

In Figure 13 and Figure 14, the change between average 2019-2020 wholesale<sup>6</sup> and retail price changes per European country are compared; the comparison is both done looking at the absolute change in c€/kWh (Figure 13) and the change in % (Figure 14).

Both figures indicate a clear decreasing trend across Europe, with the exception of few countries where although wholesale price has decreased, the retail price has increased (in some cases significantly). Those – ordered by level of increase in % – are Slovakia, Poland, Switzerland, Greece, Germany, Serbia, Czech Republic, Latvia, Bulgaria and France. Apparently, in some of those markets retail prices are fundamentally divorced from wholesale prices (for instance due to price regulation). The most significant increases are explained below:

- In Poland a large electricity price increase took place during March and was a consequence of the increase of carbon dioxide emission allowances, since coal consists a big part of the country's generation mix. Nevertheless, even before COVID-19 threat, compensation measures had been already announced in early March in order to balance the increase's impact for low-income households and small companies.
- In Slovakia and Switzerland, the price usually gets updated only once a year so the price change in both countries happened in January 2020, before COVID-19 reached Europe, and most probably was the response to wholesale price fluctuations that happened within 2019.
- In Greece, the increase in the energy component of the price was followed by reduces in the distribution and energy taxes components; hence, despite the 9% increase in the energy component, the difference in the total end-user price was less than 1%.

Another interesting observation is the fact that in some countries the absolute decrease (in c€/kWh) in wholesale electricity price was equal or even lower than the decrease that took place in the countries' retail energy component price, indicating that the political measures related with price reductions had at least a significant additional impact. Such examples are Belgium, Italy, Spain and Hungary.

Nevertheless, it is important to keep in mind that cases where the wholesale price decrease has not been directly depicted in retail prices could have possibly used the higher margin to afford the application of measures targeted to specific consumer categories e.g. vulnerable consumers, business customers, etc. The extensive analysis of measures taken per country in the following section can help on the identification of those cases.

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<sup>6</sup> Countries with no wholesale market were excluded from this analysis, i.e. Cyprus and Malta.



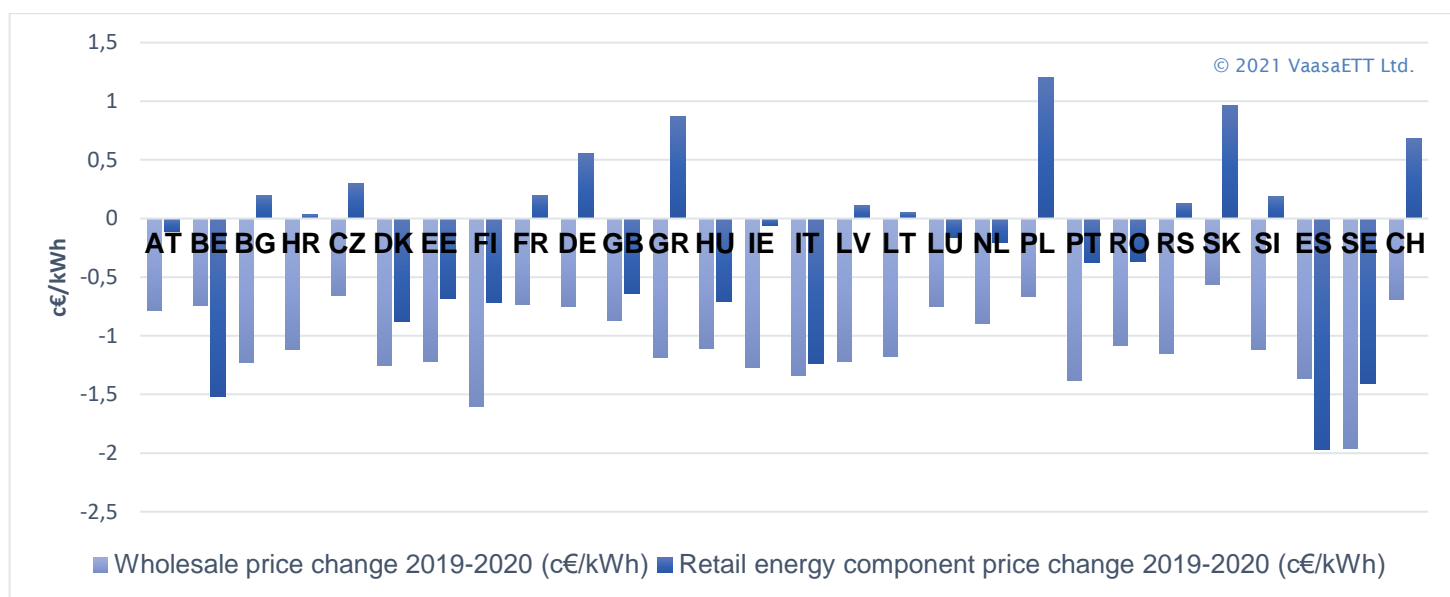


Figure 13: Wholesale vs residential energy component price change from 2019 to 2020 (annual averages) in €/kWh

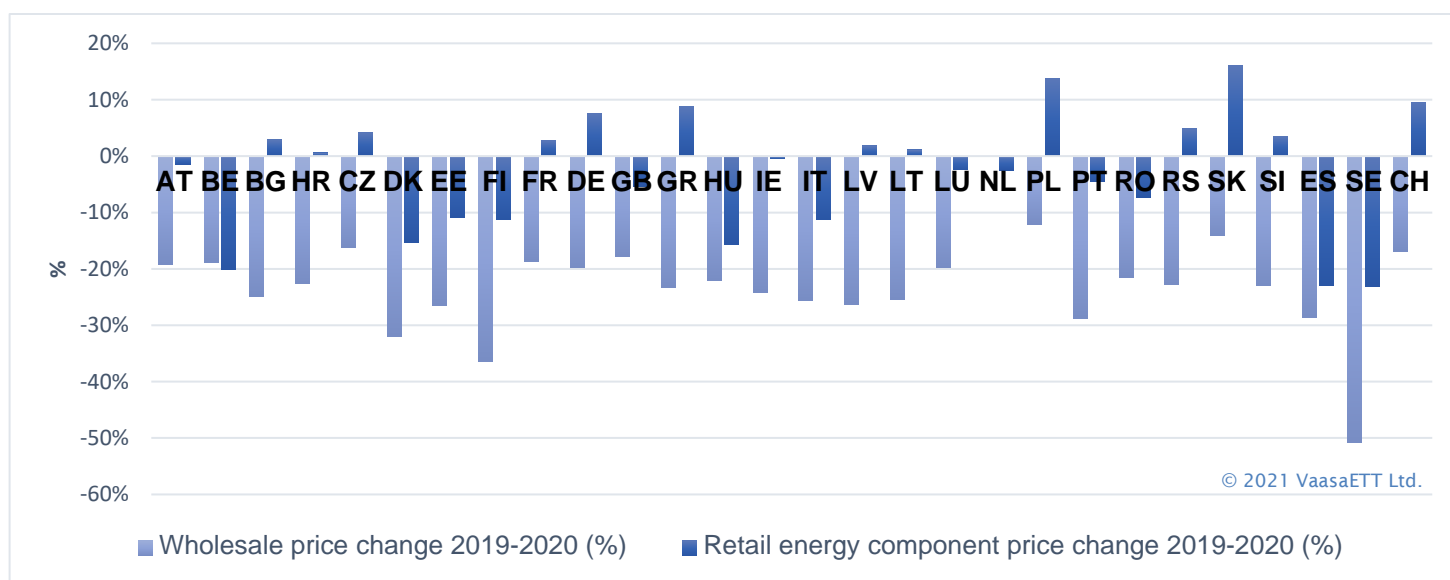


Figure 14: Wholesale vs residential energy component price change from 2019 to 2020 (annual averages) in %

Figure 15 and Figure 16 look into the historical trend of wholesale versus end-user price since the beginning of 2019, in EU27 and EUR15 respectively. The same axis range has been used in both figures to facilitate comparability. In general terms, the pattern captivated in both graphs is similar; the average wholesale price has been following a decreasing trend that becomes more intense since November 2019 and stops in June 2020, when an intense increasing trend appears. The only exception to the increasing trend is a drop in October 2020, which may be related with the second wave of COVID-19. On the other hand, the average end-user price, after a drop in January 2020, started falling again after March 2020 and continued its decreasing trend until September 2020, when it started to slightly increase. Nevertheless, the slope of the retail price increase was much smaller than the one of the wholesale price and until December 2020 the retail price remained below the 2019 level, in both EUR15 and EU27. Retail price also responded to the October 2020 wholesale price drop, cutting its increasing trend in November 2020 with a small negative peak.

A more careful comparison of the two graphs shows that the EUR15 average end-user price is following a slightly more intense decreasing trend and fluctuates more than the corresponding EU27 one, confirming the finding from the retail price analysis in the previous section. This might be related with the larger number of markets in EU27 average, making it less sensitive to big country-specific changes. Additionally, the markets within EUR15 have been proven to be amongst the most active ones and thus, more responsive to external factors.

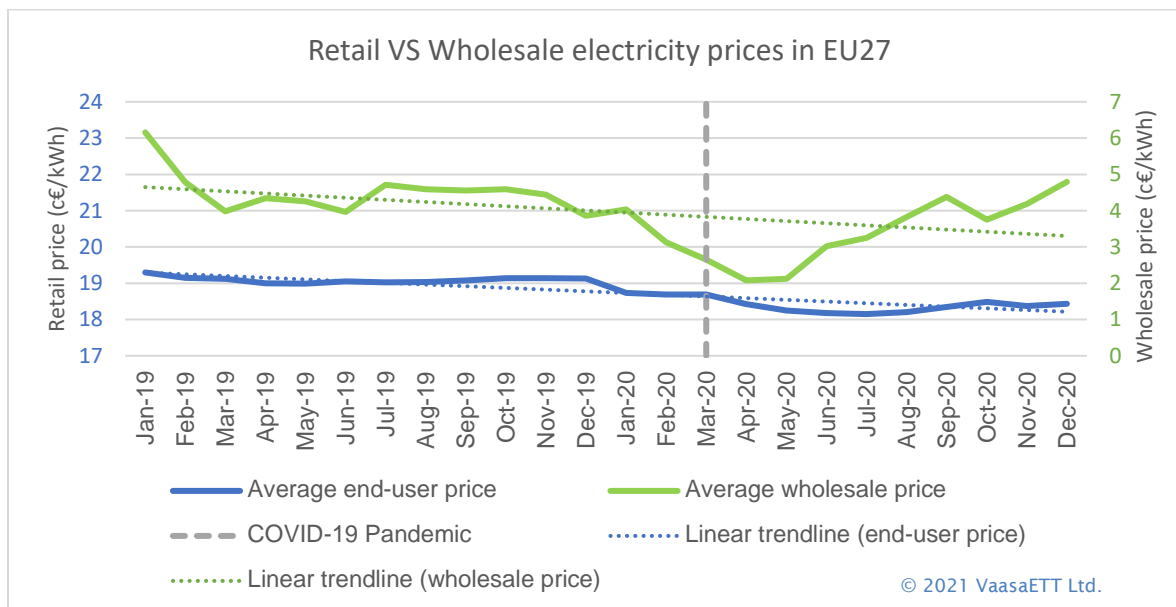


Figure 15: End-user retail versus wholesale average electricity price in EU27, Jan 2019 - Dec 2020

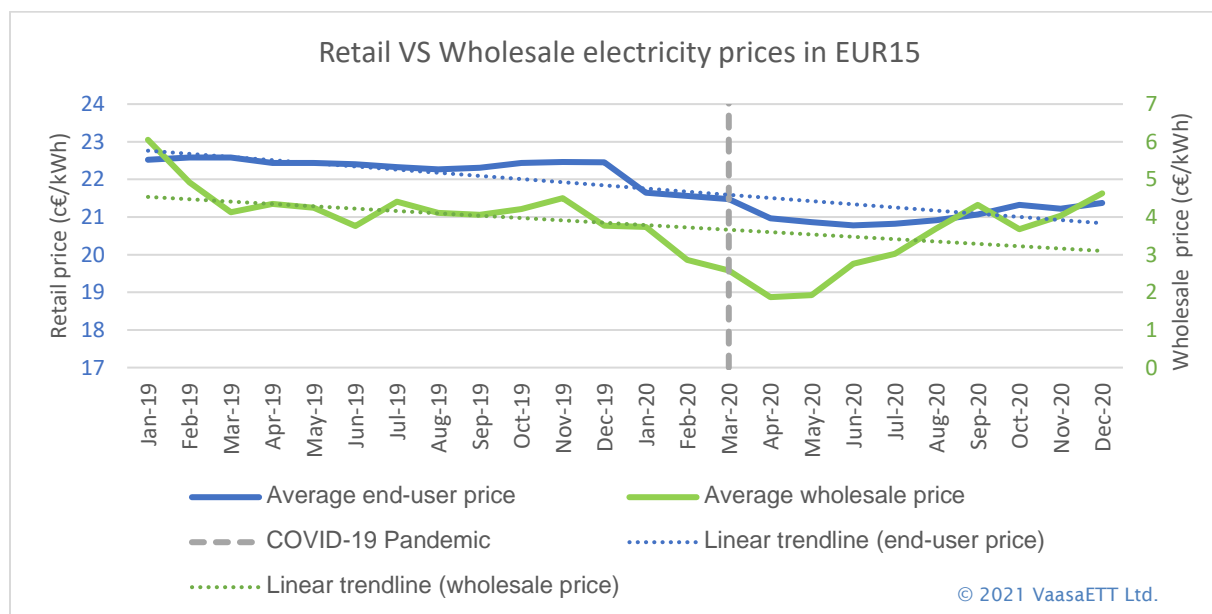


Figure 16: End-user retail versus wholesale average electricity price in EUR15, Jan 2019 - Dec 2020

Finally, Figure 17 illustrates the relationship between wholesale prices (EUR15 and EU27) and fuel prices: natural gas - Europe, liquified natural gas (LNG) – Japan and crude oil - Average. It can be seen that wholesale prices closely follow the decreasing trend of crude oil and natural gas, a trend which rapidly

accelerated from December 2019 onwards and lasted until April 2020. Since May 2020 crude oil started an increasing trend, following by EUR15 and EU27 wholesale prices since June 2020, natural gas since August 2020 and LNG since October 2020. It is important to note that all analysed fuel prices reached their six-year lowest values during the COVID-19 period: crude oil and wholesale prices (both EUR15 and EU27) in April 2020, natural gas in May 2020 and LNG in September 2020.

Looking at the decreasing trends of fuel and electricity prices it could be argued that the COVID-19 period retail price fall has been, at least in part, an overdue adjustment response to the long-term prevailing market changes that had been occurring prior to COVID-19. Nevertheless, there has also been a clear short term reaction to fuel price fluctuations, that all reached their six-year lowest values during the COVID-19 period - crude oil and wholesale prices (both EUR15 and EU27) in April 2020, natural gas in May 2020 and LNG in September 2020 – indicating an unusual pattern in the context of previous years' behaviour.

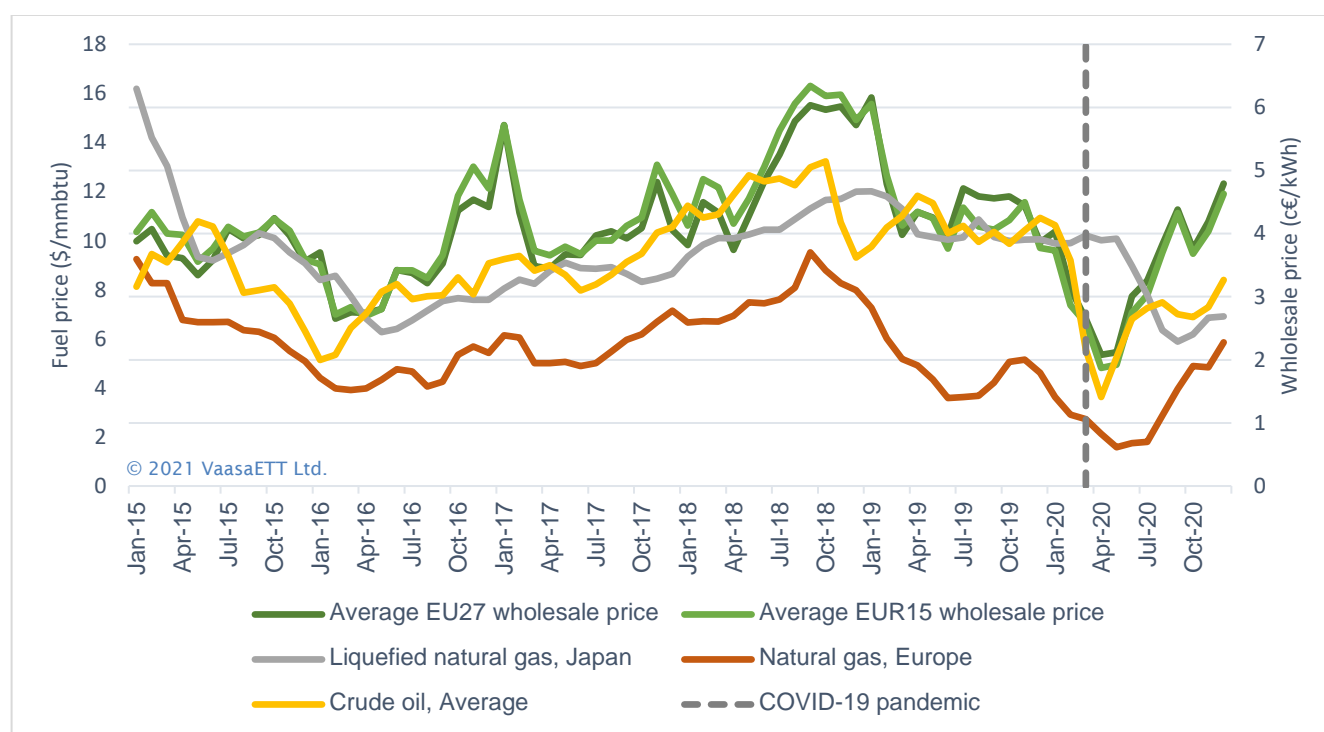


Figure 17: Wholesale electricity price (in EUR15 and EU27) versus fuel prices, 2015 – 2020

## Analytic presentation of measures per country

As we saw in the first report of the series (2), a set of measures were taken by the energy industry already since the very first months of the pandemic i.e. March 2020, to alleviate the burden experienced by energy customers suffering economic hardships. The measures were either determined by local governments, regulatory authorities or were the direct initiative of energy market players (suppliers and in some cases DSOs). Some of those measures were continued to also cover the pandemic's second wave during 2020 H2, while in some cases new ones were taken. A collection of the country-specific measures taken during 2020 H2 can be found below. European Commission's reports on policy measures (5), (6) and Council of European Energy Regulators' (CEER) analysis of the Covid-19 pandemic effects on the energy sector (7) serve as the basic sources for the collection, together with complementary material coming from local sources; the country-specific complementary sources are referenced next to each country.

- In Belgium, several regional measures were taken by the government to help consumers during the quarantine. In Brussels (8), the government extended the customer protection scheme, suspending electricity and natural gas supply cuts and at the same time supplying customers with expired contracts (through Sibelga, the distribution system operator), at social tariff prices. In Wallonia (9), starting from October 10, the government announced support measures for certain customer categories in financial difficulty:
  - Ban on the disconnections of electricity and natural gas supply for the whole winter period, while the energy supplied during this period was decided to be realized at social tariff prices.
  - Winter aid for gas, by the Energy Fund, covering automatically 70% of gas protected customers' bills.
  - Support credit of 150€ to households with gas budget meters and 50€ for electricity was provided to customers facing financial difficulties and the possibility to request an advance on their next recharge or even to deactivate their budget meter.

Finally, the Flemish government (7) moratorium on disconnections remained in force until July 17.

- In Cyprus (10), the Energy Regulatory Authority (CERA) announced in July the extension of the measure previously taken to reduce by 10% the electricity tariffs for 2 more months. The reduction was applied to all components of the end-customer price excluding the VAT and RES charges. Furthermore (11), the Electricity Authority of Cyprus (EAC) announced the suspension of electricity cuts due to non-payment for all household customers, from December 23 to January 7, to support them during Christmas time.
- In Czech Republic (12), since in many apartment units the readings of electricity, gas and water meters were not possible to be performed remotely, the billing was postponed by four months until 31 August 2020.
- In Denmark (13), the Business Authority announced a compensation scheme for businesses affected by the restrictions of the pandemic, which resulted in a turnover loss of at least 30%. Companies that encountered a turnover decrease of at least 30% can apply for a compensation of 50% of their electricity and heating costs, while the amount for businesses unable to reopen during Covid-19 pandemic accounts for 100% of their energy bills' fixed part.
- In Estonia (5) (7), the Ministry of Finance announced a significant drop in the price of excise duty for electricity and natural gas, as of 1 May (14). For gas, the decrease was about 5%, while for electricity it was as high as 78%, currently standing on the lowest possible value allowed by the European Union (1 €/MWh). The new values will be valid until the end of April 2022.

- In Finland (15), the network operator Turku Energia decided to halve its basic electricity transmission fee for 6 months, until September 30, following the initiative of several other DSOs who applied it previously. Additionally, some utilities announced a willingness to negotiate payment prolongments, if requested by customers before the due date of the invoice.
- In France (16), the winter suspension period of electricity and natural gas supply disconnections was extended twice until July 10. The validity period of the state aid “Chèque Energie” (17), an energy voucher to help low-income households pay their energy bills, was also extended until 23 of September. Additionally, (18) EDF the incumbent supplier announced relief measures for its customers (the majority of the French energy consumers) suspending supply interruptions and penalties for late payment beyond government’s prolongation, until 1 September 2020.
- In Germany (19), the government passed a stimulus package in June with the scope to alleviate household consumers and small businesses from the pandemic consequences. Among other measures, a relief in the electricity price through a reduction in the EEG surcharge and a VAT reduction, from July 1 to December 31, were included. Furthermore (20), the government announced another regulation to prevent additional electricity and network charges for companies during the Covid-19 pandemic.
- In Greece, suppliers announced new measures as well as extended several previous ones, in order to support consumers during the ongoing pandemic crisis. PPC (21), the incumbent supplier - that still supplies the great majority of residential customers in the country - announced in October (valid until the end of December): the exemption of electricity customers from the standard fixed fee and the RES fee (22), an 8% discount for households and low voltage businesses with a consumption over 2000 kWh (and additional 8% discount for vulnerable households) and a €10 discount for all customers with electronic invoices. Finally, in November (7), the disconnection of natural gas customers facing serious health issues was suspended while the debt settlement process for vulnerable customers became easier and instalments rates decreased.
- In Hungary (7), despite the absence of an official decision on moratorium on disconnections, there were some suppliers that voluntarily doubled the usual suspensions period (usually Christmas holidays period) of electricity and natural gas supply cuts, from 29 November 2020 to 8 January 2021.
- In Ireland (5) (23), the Commission for the Regulation of Utilities (CRU) has issued a 2nd disconnection moratorium for household customers unable to pay their electricity and natural gas bills, valid from October 24 to December 1, 2020. Additionally, (24) price freezes were applied from some of the major suppliers (Bord Gáis Energy, Flogas, Energia and SSE Airtricity) to alleviate customers’ bills during the colder autumn and winter period. In some cases, this even followed price reductions by some suppliers (Energia, Flogas) that took place throughout the summer. Finally, Electric Ireland (25) announced it will support its 10,000 registered vulnerable customers paying their electricity bills by providing each one with 100€ credit during Christmas time.
- In Italy, after the adoption of many support measures by the Authority for Energy, Networks and the Environment (ARERA), the government announced further provisions (26) setting a favourable repayment plan for customers located in the most affected regions. The plan includes the automatic repayment of expired invoices in 12 interest free instalments, starting from July 2020. Additionally, (27) the government announced a 10% reduction of excise duty on electricity and natural gas (relating to May-September period) and the possibility to postpone its advanced payment until March 2021, when it will be paid in 10 monthly instalments. Regarding low voltage non-household consumers, ARERA announced the decrease of energy bills for the months from May to July by reducing the fixed components of network services and general system charges.



- In Lithuania (28), the State Energy Regulatory Council (VERT) announced support measures to relief all consumers included in the list of taxpayers (published by VMI) affected by the pandemic which are accumulating debts in their electricity and natural gas bills. Therefore, the regulated part of consumers' energy debts that emerged during the quarantine period and the following 2 months will be attributed to regulated price services and relevant business units. Additionally (7), VERT decided on reducing the price cap for electricity household tariffs and recalculated the natural gas tariffs for the second half of the year, which led to a lower variable gas component (gas customers to pay 15-23% less on average). Finally, (29), it was decided to allow households and businesses to defer payment (paid later in instalments) of electricity and natural gas bills to energy supplier UAB Ignitis, during the quarantine period.
- In Luxembourg (30), the Regulatory Institute (ILR) amended a Law on the organization of the electricity and natural gas markets, extending the duration of the by-default supply and the supply of last resort during the Covid-19 crisis period.
- In Malta (5) (7), the government announced on June 8, 2020, an economy recovery plan (31) including subsidies for electricity bills. Beneficiaries, about 3280 companies and 1860 self-employed, will receive a 50% refund up to €1500 of their electricity bills for the months of July, August and September, while businesses with multiple electricity supplies will be reimbursed up to €7500.
- In the Netherlands (5), the government announced an energy tax payment deferral for businesses while suspending any fines for late payment of VAT and wage taxes (32).
- In Poland (33), the new anti-crisis shield 4.0 announced by the government in June 2020, extended the period of suspending disconnections of electricity and natural gas supplies due to non-payment, for 6 more months.
- In Portugal (5), the energy regulatory authority (ERSE) extended the suspension of interruptions of electricity and natural gas supply for vulnerable consumers (unemployed, covid-19 infected or households with income decrease of at least 20%) until September 30, 2020 (34). After the deadline, consumers of the aforementioned categories can ask their supplier for a payment plan of their debts of up to 12 interest-free instalments.
- In Romania (35), Electrica Furnizare - one of the largest electricity suppliers in the country - enables its customers, who are in financial difficulty due to the covid-19 crisis, to request a deferment or gradual payment of their energy bills, if unable to pay.
- In Slovenia (36), after the government's decision to reduce energy and network component prices during the first wave of the Covid-19 pandemic, energy supplier ECE announced it will offer a special low tariff for a limited number of electricity customers (1000 households), valid from 20 November 2020.
- In Spain (5), the government announced an extension (37) until June 30, 2021, of the social bonus (on electricity) for eligible recipients. Additionally, it decided on new criteria for determining a customer vulnerable which aims to accelerate and facilitate the process of receiving the social bonus. Electricity customers who meet the criteria of vulnerable consumer will be provided with a 25% direct electricity bill discount, including self-employed who have seen their monthly income diminished by at least 75% from the previous semester. Additionally, supply cuts for electricity and natural gas were suspended for all customers initially until September 30, 2020 (then again in December 2020) and especially household natural gas tariffs were frozen or decreased (7) for the corresponding period. Finally, according to a Royal Decree-Law, SMEs (7) were given the choice to extend their bill payment deadlines for up to 6 months (but not later than 21 December 2020),

suspend their contracts or even reduce their contracted capacity during the declared State of Alarm. The period in which those customers had to reactivate their contracts or increase their contracted capacity was set to 3 months after the end of the State of Alarm.

- In Sweden (38), the Tax Committee decided to extend the state aid for companies who experience financial difficulties during the pandemic period from 1 March 2020 to 30 June 2021 (if they were not in financial difficulty before that time frame), through reduced energy tax. Furthermore (39) (40), some suppliers claim to be open for discussion with customers facing financial problems, to help them find a solution.
- In Switzerland (41), the Federal Electricity Commission ElCom set the framework and rules for exceptional measures possibly taken by network operators, energy companies and suppliers due to the tense economic situation. Thus, every measure taken should comply to general transparency and equality rules and not to burden the network operations. Finally, according to ElCom there is the option of extending payment deadlines or defer payments for consumers in financial difficulties.
- In Ukraine (42), after the adoption of a law by the government to stabilize the financial situation in the country, the authorities announced the extension of several measures and the reduction of conditions for beneficiaries to access a number of social support measures. Specifically, they have decided to: adjust the standards for energy consumed that determine the amount of subsidy, extend the qualification of households to receive subsidies even if the criteria are not met, automatically register consumers into the heating season 2020-2021 program, extend existing social entitlements for the quarantine period and include private entrepreneurs, with children up to 10 years old, in the state support program.
- In the United Kingdom (43), after the ongoing emergency package that was decided during spring 2020 to support customers and ensure their energy supply, the national regulatory authority Ofgem introduced new emergency measures to protect consumers and facilitate them financially. The new strengthened protection measures came into effect on 15 December and required from energy suppliers to provide more support to their customers during winter. Initially, this was realized through an emergency credit to customers unable to top up their prepayment meters and even through extra prepayment credit specifically for vulnerable households. On another directive, suppliers had to offer customers sustainable repayment plans to help them settle their debts. Furthermore, in addition to the support program by the suppliers, customers benefited from Ofgem's initiative to cap the price and reduce default tariffs.

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