





P CENTRUM Praw Obywatelskich i Badań nad Demokracją



POLICY BRIEF

RESPONSES TO THE CURRENT ENERGY CRISIS: INSIGHTS FROM THE VISEGRAD GROUP

The war in Ukraine has prompted significant psychological, social, and economic responses across Europe, particularly in the energy sector, where energy security has emerged as a central challenge and prices have surged. Disruptions to natural gas and oil supplies from Russia have driven governments to revise energy policies, while citizens have adapted their behaviour, spurring grassroots initiatives for renewable energy development. These efforts, which have included prosumer investments in photovoltaic systems and the adoption of alternative heating solutions such as heat pumps, signal a shift towards more localized energy sources. Decentralized renewable energy systems empower communities to take control of their energy consumption, fostering resilience – even against military threats – and independence from external energy suppliers. This shift promises not only a sustainable energy future but also a substantial reduction in electricity costs. Nevertheless, the ongoing crisis has exacerbated energy poverty for many households.

To explore these dynamics, our <u>research</u>, supported by the International Visegrad Fund, focuses on the experiences of prosumers, heat pump users, and those facing energy poverty in the Visegrad Group (the Czech Republic, Hungary, Poland, and Slovakia). We conducted a series of focus groups and reported the results in a <u>policy report</u>. In this policy brief, we present our general findings on reactions to the current energy crisis and propose a series of recommendations for policymakers. Rather than providing information on specific issues examined in our research, this brief focuses on broader topics highlighted during our focus group meetings.

Across all topics, our respondents voiced frustration with the existing regulations and the frequent changes they have undergone. Prosumers, heat pump owners, and those affected by energy poverty agreed that the current rules do not always serve their interests and that the constant changes make them difficult to follow. This complexity hampers access to support for new energy sources (such as photovoltaic systems and heat pumps) and assistance with energy bills, whether through short-term support or long-term investments in energy-saving measures. Additionally, respondents highlighted a general lack of transparency, noting that the available information is often unclear, confusing, and imprecise.

Participants criticized state agencies for failing to provide adequate information, which they viewed as a core responsibility of such institutions. This issue affects not only those exploring options to improve their energy situation through investments in self-generated electricity, insulation, and heating system upgrades but also those who have already installed heat pumps or photovoltaic systems. Many in the latter group reported having to search for information independently and often being given inaccurate or conflicting guidance. For those experiencing energy poverty, a lack of accessible information impeded their ability to improve their energy consumption through publicly funded energy-saving measures.

Relations with energy companies were one of the major challenges identified by respondents. With the exception of a few participants from the Czech Republic, all expressed negative views towards

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their energy suppliers. Energy companies were seen as partly responsible for the current energy crisis, with some prosumers (individuals who both consume and produce energy, for instance through rooftop solar power systems) even suggesting that the former were collaborating with the state to shape technology policies to their own advantage rather than benefiting prosumers. Some Polish prosumers were particularly dissatisfied, reporting that the terms on which they ultimately sold their excess energy to companies fell short of what they had been promised. Nevertheless, solar power system owners had little choice but to work with energy companies, as the only alternative – going entirely off-grid – was seen as impractical and thus unappealing.

Interestingly, when discussing whether photovoltaic power systems (i.e. solar panels) and heat pumps provide a degree of independence, several respondents – particularly from Hungary and Poland – interpreted independence as freedom from local energy providers or state-imposed regulations rather than freedom from external suppliers such as Russia. For some, however, independence from Russian energy sources was also a motivating factor in their decision to invest in solar panels or heat pumps.

In the Czech Republic, attitudes towards energy companies differed somewhat, as Czech prosumers held a more conservative view of the energy market. Many reported feeling safer and more resilient with contracts with large energy suppliers, which they saw as guaranteeing energy security. While this may seem paradoxical from an outside perspective, it likely stems from the situation in the Czech Republic in 2021 and 2022, when several (mostly small, but also some medium-sized) energy suppliers went bankrupt, leaving hundreds of thousands of customers reliant on a supplier of last resort.

Recommendations

- Enhance the transparency, availability, accuracy, and clarity of information on energy-related matters, including support schemes, to ensure maximum public accessibility.
- Stabilize national regulations, keeping changes to a minimum, to provide a reliable foundation for investments in energy sources (such as photovoltaic systems).
- Strengthen the position of consumers in the market (including prosumers) in relation to energy suppliers, allowing them not only to consume but also to store and sell self-generated electricity, increase flexibility, and engage with energy communities.
- Introduce information strategies to improve customer trust in the functioning of the energy market.



