



Summary of the Energy Union Seminar “A new Deal for Energy Consumers”

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First panel: Consumer rights in the energy legislation: transposition and enforcement

The first panel discussed the overall situation as regards enforcement of existing consumer rights in sector specific, in particular stemming from the Third Energy Package, and horizontal legislation (i.e. Unfair Commercial Practices Directive) in different EU Member states and examples were provided as regards unfair commercial practices. The experience of merging competition, consumer and sector specific supervisory powers within the same authority was presented for the Netherlands. In addition, cross-border enforcement related aspects from the Nordic countries were presented.

The main points that emerged from the presentations and discussions with participants were:

- Bundled packages seem to raise problems in several Member states.
- There is a need for streamlining terminology and offers, in order to ensure a level playing field as well as comparability and clarity for consumers.
- Some markets are not competitive enough.
- Need for better monitoring of comparison tools. Example of Austria, where the local NRA runs a public comparison tool and checks contract terms before they are issued by companies.
- The importance of consumer feedback was also underlined, with suggestions on audits and binding requirements for companies to periodically collect and disclose consumer comments and customer ratings on their website, as is the case in other sectors.
- Getting consumers actively engaged entails improving the levels of consumer trust, which are currently rather low in the energy market across EU. In terms of trust, a delicate and emerging point to tackle is data protection in relation to smart metering systems.

- Need for better protection of vulnerable consumers in liberalized markets, e.g. against aggressive marketing techniques and doorstep selling.
- Existing regulatory rules require more clarity and awareness in terms of who is responsible for the enforcement of certain provisions to avoid gaps and overlaps (scope of competence) i.e. on unfair contract terms or bundled contracts in the energy sector and intermediaries.
- The cooperation between regulators and consumer organizations should be improved.
- A “multi-disciplinary” approach is needed, implying a closer and more systematic cooperation between consumer authorities, regulators and consumer organizations (and if necessary competition authorities).

Participants made the following recommendations:

- A coherent regulatory framework.
- Need for better implementation of the Third Energy Package provisions on ADR and independent ADR.
- Enforcement is crucial and needs to be improved/strengthened.
- Learning from other sectors could prove as a useful exercise.
- Cross-sectoral cooperation between authorities should be strengthened – for better enforcement and also rule-making (tools exist, but must be applied and coordinated).
- Inclusive comparison tools allowing the consumer to compare other offers with his current situation.

Second panel: functioning of retail energy markets for consumers in the EU

The second panel looked at how retail electricity markets function for consumers and what the situation is as regards energy poverty and protection of vulnerable consumers across EU based on interim data from three on-going studies contracted by the European Commission.

From the discussion that followed it emerged that

- Limited access to clear and reliable information is undermining consumer confidence and trust. Comparability of prices is still an issue.
- Energy poverty and vulnerability is still to be clearly defined.
- As regards energy poverty, the three main drivers were identified as being: poor energy efficiency housing, high energy costs, low income.
- Multi-lateral cooperation is needed e.g. between social services, regulators, national and local bodies.

Participants made the following recommendations:

- Improved cooperation between energy regulators, enforcement authorities and dispute settlement bodies for better enforcement and rule-making in the energy sector.
- Effective communication is needed - in terms of access to relevant info by consumers.
- Better framing vulnerability (in terms of definition, drivers, improved data collection and monitoring).
- Better targeted energy efficiency measures as the best long-term solution to energy vulnerability.

Third panel: innovation for and by consumers

This panel was dedicated to new market-based innovations and solutions for better consumer participation and engagement.

Participants identified the following points:

- Barriers to consumer participation still remain (demand response, self-generation). The main drivers for consumer engagement are availability of information and possibility of access.
- Challenges that need to be addressed: how to ensure services that are affordable, accessible, safe and sustainable
- The importance of fair allocation of system costs was underlined: local energy companies can and should facilitate access to self-generation for citizens who cannot afford it on their own.
- As regards data protection, there is a need for clarity on what kind of data is used and for what purposes since the consumer should be in control of their data.
- Energy transition (market design, new technologies, new services) should benefit consumers since they pay for it.

Participants made the following recommendations:

- It was highlighted by participants that there is a need to work at removing market barriers (through clear, non-discriminatory rules).
- Promote self-generation (e.g. priority grid access)
- Give consumers control over their data (choice, privacy, access to consumer data)
- Fair distribution of costs (households consumers should not pay for industry consumers)
- Support local initiatives
- Do not penalize consumers unable to participate in demand-response

The main findings of the energy workshop were:

1. The benefits of competition and market liberalisation are not being delivered to consumers yet - retail markets not functioning to their full potential.
2. If consumers do not understand the offers they can therefore not engage with the market - limited access to clear, reliable information is undermining consumer confidence and trust
3. Enforcement is crucial and needs to be improved/strengthened.

The main recommendations were:

1. Need to work at removing market barriers (through clear, non-discriminatory rules).
2. Effective communication is needed - in terms of access to relevant info by consumers (and new entrants) and respecting data protection & requirements.
3. Multilateral & cross-sectoral Cooperation between authorities should be strengthened - for better enforcement and also rule-making (tools exist, but must be applied and coordinated).

These aspects could be summarised under 4 C's:

Competition: for markets to deliver best value for consumers need to identify and remove barriers; ensure non-discriminatory processes and access to information; safeguard protections for the most vulnerable as well as fair commercial practices.

Clarity: of roles and responsibilities (including of ‘prosumers’); of consumer rights and protection measures (including access to ADR); of legal/regulatory obligations on companies; of consumer types and targeted policies (e.g. vulnerability, energy poverty); on consumer needs and interests.

Communication: need simple, clear, relevant and transparent information - by the authorities, industry, consumer bodies (towards consumers, between companies, and between policy-makers and authorities). More is not necessarily better. Price comparison tools need to be clear, neutral and comprehensive.

Cooperation: (crucial to enforcement) between authorities and sectoral policy jurisdictions (multilateral and cross-sectoral cooperation); between consumer organisations and regulators; between consumers and companies. Need to ensure and promote coherent rule-making and enforcement and learn from each other. Cooperation also to deliver energy transition – e.g. cooperatives, self-consumption/generation, energy efficiency, demand response - can help reduce need for large investments.