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Briefing | Council of European Energy Regulators (CEER) -Customer Conference - Let's Aspire! CEER-BEUC 2030 Vision for Energy Consumers

Dods - Debate Summary

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Documents: Meeting page | agenda | CEER/BEUC Vision 2030 for Energy Consumers

On October 20, the Council of European Energy Regulators (CEER) organised a webinar to discuss its Vision 2030 for Energy Consumers, that was drafted together with the European Consumer Organisation (BEUC). The vision outlines a future where effective policies deliver on both our climate objectives and consumer rights protection. The six principles - Affordability, Simplicity, Protection, Inclusiveness, Reliability and Empowerment - build on the original CEER-BEUC 2020 Vision. Energy and academic stakeholders were invited to shed their light on this issue as well, discussing topics such as energy poverty, the protection of consumers, energy pricing, the green and digital transformation, etc.

For a full overview of the debate, please read below.

Opening remarks

Annegret Groebel , President, CEER, welcomed the participants and said today's meeting would be interactive. In these hard times, the energy sector as a whole and the communities have proven to be resilient. First, the updated CEER-BEUC vision for energy consumers will be presented, after which this vision and the new principles will be discussed. She would like to see stakeholder input on these points, so that consumers are empowered and are future-proof to this situation, without losing the past achievements in consumer protection. This is a starting point of a consultation process, at the end of which new principles will be presented.

CEER/BEUC Vision 2030 for Energy Consumers

Moderator: **Anne Vadasz Nilsson**, Chair, Customers & Retail Markets WG, CEER, mentioned that consumers have become an integrated part in the energy vision of BEUC and CEER. She then gave the floor to Ms McCoy.

Presentation of CEER-BEUC 2030 Vision for Energy Consumers

Natalie McCoy, Vice-Chair, Customers & Retail Markets WG, CEER, focused her remarks on the future change, evolution and transition of the energy market and the role of consumers in this. In 2012, the

CEER and BEUC made an energy vision for 2020 which was about reliability, affordability, simplicity and empowerment.

Now, the future foreseen in the 2030 vision is one of sustainability, decarbonisation and a complete overhaul of society in these aspects. The 2030 vision is all about promoting a debate and awareness of consumer issues, while the transition takes place. The core principles will be maintained, and are made sure to fit for purpose. The future envisaged is a world in which provisions and frameworks ensure consumer protection, while delivering on the transition. No one should be left behind and this should be continuously taken account of, through dialogue. Inclusiveness is thus a principle, Ms McCoy explained, together with the other principles of affordability, simplicity, protection, empowerment, reliability and trust.

Anne Vadasz Nilsson said that they have heard a lot about the principles, but they should also think about how to realise these goals. In that light, she gave the floor to Ms Goyens.

How to make our Vision come true

Monique Goyens, Director General, BEUC, was pleased that BEUC was able to work together with CEER on this vision. She said they need all stakeholders on board to realise these principles, she stated. This vision builds on the previous one and adds sustainability. They need to make the sustainable option the obvious option for consumers. Energy is not just a product, because everybody needs energy to survive. An inclusive policy needs to be organised. This is a question of social justice, she underlined.

The previous vision has been achieved because the clean energy package now ensures consumer rights. However, the work is not done yet. By 2030, heating and cooling should be affordable for all consumers. Most homes are nowadays still heated by fossil fuels. 33 million Europeans are still struggling to heat their homes properly. Everybody in the EU bubble or the energy bubble is excited about the developments of smart meters, about active consumers etc. However, most consumers are not aware of their rights and the possibilities in this area. We need consumers to change their attitude and invest in renewables. How can we do this? By prioritising energy efficiency, because this is better for the environment and for people's wallets.

Reliable advice and reliable providers are needed, as well as incentivising clean investments. Making it simple, easy, and giving the right price signals are key, she stated. Externalities of fossil fuel energy need to be integrated in the price. What is the impact of the legislative measures on different sectors of consumers, from poor to rich? That is something which needs to be assessed.

Discussion panel

Maria Spyraki, MEP, Member ITRE & REGI Committees, EU Renovation Wave rapporteur, wanted to focus on information, innovation and integration. She stated that clear and reliable information is needed. She suggested to change the narrative of the energy that we consume. Integration of technological innovations should occur. Buildings can change from consumers to producers of energy. She said outlets for charging, exchange of energy inside a building block, reducing costs, are all possibilities in the future. Include the building sector in the ETS, she advised. She wanted some kind of funding within the ETS in the national system, in order to tackle energy poverty. Facilitating financing is important, especially for households who are suffering from energy poverty. The Juncker Plan has facilitated this over the last years, she informed.

She asked how we introduce the new kinds of materials in order to reduce the CO2 footprint and facilitate local jobs in regions? Including circularity in construction materials will have a positive effect, she said.

She then mentioned affordability of energy. The EU taxonomy is the main legislative framework in order to increase funding in this area. It could be used in the renovation wave. We should say to member states, regional and local authorities, to start using the financial funds available for the renovation wave. It could be the first of a series of measures to kickstart the recovery from this crisis.

In 10 years, our buildings could be more resilient, green, digital, smart and operating in a circular system, complementing the charging infrastructure.

Anne Vadasz Nilsson said the next speaker can explain how the recovery strategy can help EU citizens who are struggling in a socio-economic way during the pandemic.

Drago Pîslaru, MEP, Renew Europe Coordinator of the Employment and Social Affairs Committee, Corapporteur for the new Resilience and Recovery Fund, said amongst citizens there is fear that something is changing and that this will be disadvantageous for them. Europe needs to make some reforms. Around 1 in 4 households in Europe, around 50 million people, cannot heat there house sufficiently. This needs to be tackled. This is not just a central or eastern European phenomenon, it widespread across southern Europe and even the west of Europe as well. This should be a political priority. The Green Deal and renovation wave should be part of a broader part of a policy to include citizens. Instead of focusing on high-level projects, we need to go to the bottom and talk about the definition of a vulnerable consumer.

As for the RRF money, this has a dual focus: the reform and investment component. The reform component is the most important part that can support the energy transition. There will be plenty of funding available.

The Parliament's position underlines that social cohesion is important too. The Next Generation will have to be something that gets consumers on board. The Child Guarantee is also talking about housing, he noted.

When talking about the Green Deal, this is not an abstract concept. If we can get citizens on board, the reform will be successful, he said. There is strong will and a majority in Parliament in putting energy poverty on the agenda, he concluded.

Adélaïde Charlier, Student and climate activist, Youth for Climate, Special Adviser to EC Vice-President Frans Timmermans, reminded everyone the urgency, even though Europe has taken big steps. In 2030, the 1.5 degrees warming target will already be reached. We need to start moving faster than what is even mentioned in the Green Deal. This transition is very positive and will be a win for us. It will cost us less to pass through the transition compared to doing nothing or acting too slow.

Citizens are ready and will be actors. A conversation with policy-makers is thus needed. The role of politicians is to ensure citizens are included and that the transition is fair. Green sustainable energy cannot come at a higher price. It needs to be even cheaper than fossil fuels. Citizens need to be involved. She found it remarkable that part of the budget would still go to fossil fuels.

She then mentioned international human rights. She wanted the international aspects to be included in EU policies, such as the situation in the Amazon forest. Biodiversity and the rights of indigenous people need to be taken account of, she said.

6 ASPIRE principles of the 2030 Vision

Moderator: Anne Vadasz Nilsson, Chair, Customers & Retail Markets WG, CEER, was interested to hear from the next speaker what motivates consumers to act in a sustainable manner.

What motivates consumers to act sustainably?

Linda Steg, Professor of environmental psychology, University of Groningen, talked about what motivates people to act sustainably. Often people think it is about money or self-interest. Fortunately, there is more that motivates people. There are four motivations, categorised in two groups. The first group of motivations are the hedonic and egocentric values. This goes often against acting sustainably.

However, this is not always the case, as consumers will like energy efficiency measures if it reduces their energy bill or consumers would prefer on a sunny day to cycle instead of taking the car. However, people also care about the nature and environment, this is related to altruistic and biosphere values. This is when people care about nature and the environment. Often people in poorer regions care even more about nature than people in rich regions, she noted.

In general, people think they care more about biospheric and altruistic values than others. This is worrisome, because they think they are the only one caring about the environment. In the media, there is a lot of attention for the bad and negative things, she highlighted.

She concluded that the systems and context in which we function are not always supporting sustainable action. Besides the consumers, many other actors determine whether something sustainable actually happens.

Bruno Liebhaberg , Director General of CERRE and Chair of the EU Observatory on Online Platform Economy, stated that the 2030 vision for energy consumers is a timely contribution. The covid crisis has posed more disruption to the energy sector than any other event. The worst effects are felt amongst the most vulnerable. Energy poverty is and will continue to be a challenge. The energy system will dramatically change on the road to decarbonisation. Consensus between and among citizens needs to be built. The inclusiveness needs to be guaranteed. Consumers need to own the transition. He was convinced that a thorough impact assessment should be made for each piece of legislation and consumers need to be at the heart of this analysis, he underlined. Digitalisation should enhance consumers' confidence in the digital transition.

6 ASPIRE Principles:

Affordability

Kristian Ruby, Secretary General, Eurelectric, said the vision is future-looking and ambitious. The price is very important in the consumers' opinion on the electricity they receive. More electricity is needed in the future, thus affordability becomes even more important. A fair and cost-effective transition is needed. Retailers outlined 15 pledges to consumers earlier this year, with a special focus on vulnerable customers. Electricity has become continuously cheaper over the years. However, taxes and old-fashioned tariffs have kept prices higher than they could be. Tariffs should be future-proof and allow for modernisation of the grids, that can help a cheap and effective transition to a greener economy.

Sorcha Edwards, Secretary General, Housing Europe, said Housing Europe's core mission is the access to affordable and adequate housing. She said it is increasingly impossible to allow affordable heating, connectivity, education, health and services. Over the next few years, people will spend more time at home. We discovered during this crisis that many things can be done from home, she noted, thus expecting a higher pressure on adequate housing and energy supply. Affordable energy is at the core of Housing Europe's mission. Local energy providers are frontrunners in energy efficiency. She was happy to see this in the affordable housing initiative. Decarbonisation of the built environment is needed. Hopefully, this will not leave citizens behind.

Simplicity

Frauke Thies, Executive Director, SmartEn, said on the one hand it should be made as simple as possible for consumers to make the most of their energy consumption. Services and technology should facilitate this. Second, it should be as simple as possible for consumers to choose the right offer in the first place. Transparency and the possibility to compare are needed here. There should be a framework in which innovation can take place. The basic possibilities need to be there. Interoperability is needed, so that switching of a provider is possible. The digital passport for buildings and other ideas can make it easier for consumers, she said.

Protection

Janusz Gwiazdowski, President, National Energy Ombudsmen Network (NEON), said the means and tools should be created to reach the goals set out in the vision 2030, for example. Cooperation between different stakeholders is crucial. Consumers should be able to solve their conflicts and protect their rights. The European institutions should support the functioning of national institutions that work on this.

Petra Cakovska, Vice-President, Slovak Consumer protection society (SOS), said many consumers still do not see the importance of energy efficiency and they are not sufficiently protected. Energy poverty is a big issue in Slovakia and energy consumers were amongst the most vulnerable groups hit by the covid crisis.

Inclusiveness

Stefan Bouzarovski, Chair of the European Union Energy Poverty Observatory, said housing and health policy are important in the issue of energy poverty. He mentioned the digital divide, for which more resources are needed. A lot of people were struggling on the issue of energy divide. Technology should be made available to people.

Paul Voss, Managing Director, Euroheat & Power, said the energy transition needs to understand the local dimension. There should be a link between the top-level EU legislation and the local needs. An inclusiveness transition should be affordable. The market signals should be set in the right way.

Reliability & Trust

Kirsten Glennung, Senior Sustainability and Projects Officer, E.DSO, said energy transition starts locally and with the consumer at the centre. The relationship between DSOs and consumers has evolved quite a bit. We should safeguard this relationship and protect the consumer, empower the consumer to live up to the full potential. Enable the consumer to install solar panels, for example, and drive the energy transition, she said. We want to drive the energy transition and serve the consumer in doing so, she concluded.

James Watson, Secretary General, Eurogas, said the customer is at the heart of everything Eurogas does. The gas sector has always been committed in providing reliable and affordable energy for the consumer, he stated. He was committed to support the consumer, by increasing services and detailed billing.

Increasing volumes of renewable gases will come into the energy mix, he noted. He recommended the creation of a strong system of certificates that can be verifiable and transparent for consumers.

Empowerment

Dirk Vansintjan, President of REScoop.eu, said it is the European federation of citizen energy cooperatives. He welcomed the strategic vision of CEER and BEUC and shared the principles mentioned in this webinar. He said currently there is an interesting phase where the EU institutions have revised the energy package. For the first time, citizens are given rights to sell, share or store energy. Citizens are being made active, he underlined.

Martin Salamon, Chief Counsel, Danish Consumer Council, said it is important to allow players with new services and competitive prices on the market. Energy markets need data, because new services are built on this data. Consumers must be assured that their consent is requested for the data they share. DSOs are faced with obstacles, being the neutral facilitators. Clear divisions between monopolies and increased oversight of the regulator should be created, and privacy should be guaranteed.

Q&A

A question posed by the audience: how can families and middle-aged people get involved in the energy transition?

Sorcha Edwards stated that the climate crisis is a huge motivation for citizens and we cannot underestimate how committed people are. A key factor for a successful renovation is to involve people.

Anne Vadasz Nilsson said the most important thing is to make all the ideas more tangible and bring it into action.

Gabriel de Couëssin, Advisor - Retail & Wholesale markets, Eurelectric, talked about engaging consumers in the energy transition. Energy suppliers all throughout Europe have dedicated to empower consumers. Energy suppliers can be the key actors in this, he underlined.

James Watson mentioned the importance of reliability and trust, and he expected more renewable gases will be provided in the future. More information and options should be provided to consumers. He was keen to make sure the consumer has the right information and gets the service in a timely and efficient manner.

Kirsten Glennung noted that Horizon 2020 has played a big role in engaging consumers and bringing in new technologies.

Janusz Gwiazdowski said it is best to start from the national level and gain experience. Support from the EU is needed though, he stated.

Stefan Bouzarovski argued that particularly local authorities have a key role to play, as a lot of good practices are taking place on the local scale. There should be a better sense of what happens on different levels of authority.

Martin Salamon said that inclusiveness has become part of the vision that is presented. There should be cooperation with other sectors and other players. He wanted to see housing initiatives supported by the energy sector and the digital sector. We should treat this in an integrated manner, with all citizens on board.

Paul Voss noted that all policies should have the aim of including citizens.

Máximo Miccinilli, Energy & Climate Director, CERRE, wondered if an observatory for energy poverty should be installed that will also look at the impact of mitigation efforts.

Concluding remarks

Anne Vadasz Nilsson, Chair, Customers & Retail Markets WG, CEER, thanked the audience and panellists. She noted the particular context related to the pandemic and highlighted the need to make consumers part of the transition, as no one should be left behind. We need to know more about how consumers work and therefore she said to have taken a great interest in the presentation of Professor Steg on what motivates people.

Annegret Groebel, President, CEER, reiterated that consumers should take part in the energy transition. She also noted the point made during the discussion that there should be a good interaction between different actors and regulators. She said that this webinar offers a starting point and she was eager to continue the dialogue. We should not leave anyone behind after the crisis and the crisis made us more aware of the issue of energy poverty, she concluded.

<u>View article online</u> - <u>Back to top</u>

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