

Introduction

- Welcome to the 4th London Forum.
- Critical time for consumers – prices rising – crucial component of very difficult financial climate impacting on consumers' living standards across Europe.
- Whilst Regulators are active, it is not always obvious how that work will benefit consumers - especially smaller companies and domestic consumers.
- I want to say 3 things:
 - Consumers should be at the centre of energy policy – especially as we work towards the 2014 goals. But consumers are not the only stakeholder and balancing different interests is often challenging.
 - Regulators want to find better ways to deliver on this objective of putting consumers at the centre of energy policy– but consumer bodies must also play their part
 - We need to better use the London Forum to get consumer views established as a central part of energy policy.



Need for a new approach

- How, when making decisions between the interests of different stakeholders and the short and long term interests of energy consumers, can we ensure that we deliver what consumers want?
- CEER and ACER consult consumers along with other organisations – we are fully committed to listen when we take decisions.
- But in the end we are doing all this work in consumers' best interests in the short and long term.
- Key issue is how we can put consumers in the position of being absolutely central to the policies we are developing.
- This is a very big debate at national, EU and International level. I welcome your views on how we can do this.

The new approach

- We need to inject a consumer-focus into the technical work being undertaken on behalf of consumers, be it Network Codes, Energy Efficiency, Energy Infrastructure Regulation, or wholesale markets to make sure that consumer needs are balanced efficiently against other objectives.
- We are already trying to find ways to ensure that consumers can participate in these debates at the right time and at the right level.
- Let me give you some experience at both national and EU level.
- Ofgem: consultations are more straight-forward and shorter. We try to identify consumer impacts through consultation panels and consumer focus groups; Panel of price review; 2 of 7 Non-Executive Directors of Ofgem's Board are from consumer backgrounds.
- That's 1 NRA – look at EU level
- CEER has already begun to adopt this consumer focussed approach across horizontal areas of our work. Two concrete examples:
 - Energy Efficiency – we are examining the current draft directive on Energy Efficiency. More than half our suggested amendments are aimed at improving the lot of consumers.
 - Smart Metering and Smart Grids. We have addressed smart grids and smart metering issues from the customer perspective, by asking what benefits use/benefits should a customer be able to expect from smart metering/smart grids and asking about privacy concerns.

Role of the London Forum

- Often the issues are not easy:
 - Investment → price rises
 - Smart meter benefits → costs
 - Undergrounding → costs
 - Transformation of networks/smarter grids → costs
- Such a customer-focused approach shouldn't be confined to the once-yearly London Forum. The London Forum should be at the heart of EU policy development. Challenging questions:
 - (a) Can the Forum participants identify their priorities for the Internal Energy Market (due to be in place by 2014) so it works for consumers? I invite London Forum participants around this table to use this Forum to bounce concrete ideas (i.e. beyond generalisations) on actions to be taken.
 - (b) On narrowly focussed issues. Perhaps a thought here:
 - ~ Smart Meters and Demand Response. CEER's consultation paper, this summer, identifies seven stakeholders as the key enablers of demand response and the different roles and responsibilities each must play in order to enable a demand response. You will hear more about this later. At the LF we could 'collectively' take concrete actions to develop consumers' role in demand response.
 - ~ Customer aspects of the Energy Infrastructure Package? Another priority task could be to select a new proposal e.g. Commission's Energy Infrastructure proposals (launched on 19 October) and to examine it from the customer/public interest perspective to see what are the implications for consumers.
 - (c) 2nd area - is the Commission in delivering the right outcomes for consumers with its right of initiative and enforcement responsibilities Should the LF offer advice on how it should engage with consumers?
 - (d) Can you identify how your organization can ensure that consumer interests are centrally placed in the achievement of the 2014 target?
- I'm struck by difference between London Forum, and the Madrid (which deals with gas) and Florence (which deals with electricity) Forum now as consultation bodies.
- London Forum as an important place where consumers can influence policy:
 - Commissioners should be present to listen to Forum participants about the real issues!
 - London Forum issues should be reflected in agendas of the Madrid and Florence Fora to spell out clearly what consumers want and need from the process.
- Perhaps the Commission should invite MEPs to attend LF.
- My concrete suggestion to Jan Panek and his new retail unit in DG ENER is that he should have a profound look, across all energy technical and policy areas of the Commission to make sure that the needs of consumers are a critical element of EC proposals and that they translates into benefits for consumers.