

# Vulnerable Customers

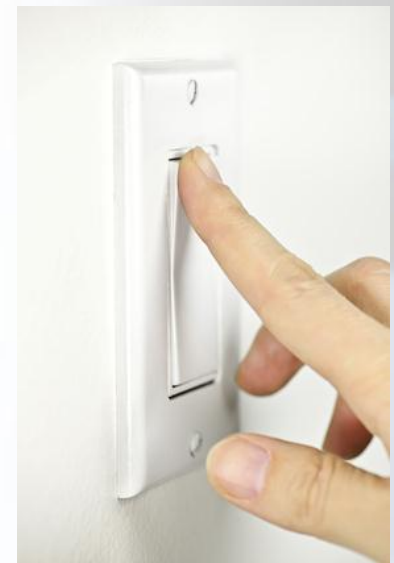
CEER Status Review of  
Customer and Retail Market Provisions  
from the 3rd Package as of 1 January 2012

Christina Veigl-Guthann  
Member of the CEER Customers and Retail Markets Working Group

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# Background

- European Energy Regulators carried out a survey on the implementation of the **customer provisions** contained in the **3<sup>rd</sup> Package**. Respondents were NRAs describing the situation in their country (as of 1 January 2012)
- An entire chapter was dedicated to **vulnerable customers**
- Other aspects covered in the survey:
  - Universal Service
  - Switching Suppliers
  - Customer Information Requirements
  - Alternative Dispute Resolution Mechanism
  - Information on Regulated End-User Prices



# 'Concept' of Vulnerable Customers (1)

According to the 3<sup>rd</sup> Package, Member States are required to develop a concept of vulnerable customers which may refer to energy poverty and, inter alia, to the prohibition of disconnection of electricity to vulnerable customers in critical times

# 'Concept' of Vulnerable Customers (2)

## Results:

- It was reported that **a majority of countries** (18 out of 26) have a **defined 'concept' of vulnerable customers** in either their *energy laws* or in *other laws* or in a combination of both
- This is true for both the electricity and the gas sector
- In most cases, the fact that NRAs reported that the Member States do not have a defined 'concept' of vulnerable customers, does not mean that the **level of protection** is less than in countries with defined 'concepts'

# 'Concept' of Vulnerable Customers (3)

The fact that a Member State does not have a defined 'concept' of vulnerable customers does not necessarily mean that the vulnerable customers in such a Member State are less well protected than vulnerable customers in Member States with a defined 'concept'





# 'Concept' of Vulnerable Customers (4)

Explanation: according to the NRAs, **Member States** interpret the requirement to establish a 'concept' of vulnerable customers *differently*

- Some countries believe they have a 'concept' in place as long as sufficient protection **through various measures** is ensured – *a concrete definition in national energy law is not required*
- Others believe a 'concept' of vulnerable customers stands for **an explicit definition** of *'vulnerable customer' in national energy law*

**What counts in the end is the level of vulnerable customer protection - not whether or not there is a definition/concept of 'Vulnerable Customer'**



# Protection of Vulnerable Customers (1)

According to the answers received from NRAs, protection of vulnerable customers is ensured in very different ways in the Member States

**In the vast majority of countries a combination of both energy specific measures and overall social security benefits is in place**





# Protection of Vulnerable Customers (2)

Range of **protective measures** in place in many Member States (1):

- General prohibition of **disconnection**;
- Prohibition of disconnection in **critical times**;
- Adequate number of warnings and **notifications before disconnection**;
- Specific protection for customers in **remote areas**;
- **Supplier of last resort** (for vulnerable customers or for customers who are unable to find a supplier);

# Protection of Vulnerable Customers (3)

Range of **protective measures** in place (2):

- **Default supplier** (for vulnerable customers or for customers who are unable to find a supplier).
- Support for **energy efficiency improvements**;
- **Social security benefits** for vulnerable customers dedicated to support the payment of energy bills;
- Other social security benefits;
- **Social tariffs**;
- **Other** assistance measures.

# Protection of Vulnerable Customers (4)

## **Who** benefits from the protective measures

- the answers to the questionnaire do not provide an exhaustive description of the customer segments that benefit from a protective measure
- Household customers are stated as number one target group, but detail on their status (elderly, unemployed, etc.) is scarce

# Conclusion

- CEER Members have different understandings of what a concept of vulnerable customers entails

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- The mere existence of a defined concept does not provide sufficient information on how well vulnerable customers are protected

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- The actual level of protection of vulnerable customers can only be assessed by examining the combination of energy specific and social security measures in place

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- Vulnerable Customers are widely recognised as a group that needs to be protected; but it was reported that MS ensure this protection in many different ways

Thank you for your attention!

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