

Energy regulators call for a greater consumer focus in implementing the Clean Energy for All Europeans Package

"Consumers at the heart of implementing the Clean Energy Package framework" was the focus of the 2019 Customer Conference of the Council of European Energy Regulators (CEER)¹. MEP Maria da Graça Carvalho opened the conference, underlining the importance of putting the consumer at the heart of Europe's upcoming Green Deal and digitalisation policies and of continuing the efforts of energy regulators and their PEER initiative of cross-authority, cross-sector dialogue to better protect consumers.

A key discussion point was how best to implement the Clean Energy Package in practice, with a focus on empowering and engaging all consumers to become fully-fledged market players. The transition towards a decarbonised energy system is changing consumer behaviour and should increase the uptake of active demand solutions and services, including collectively. This conference brought together a wide variety of stakeholders, including representatives of companies providing innovative solutions such as virtual power plants and markets for guarantees of origin that should be further enabled by future-proofed legislation and regulation.

According to CEER Vice-President, Anne Vadasz Nilsson:

"Putting consumers at the heart of the Energy Union is fundamental to the success of Europe's Internal Energy Market. This is why CEER pushes strongly for well-functioning retail markets, competition, and future-proof regulation that removes market barriers and empowers consumers. Continuous monitoring of our markets, in particular retail markets, prices and consumer rights measures, is a key tool to understanding what measures may be needed to ensure we deliver positive results for consumers."

CEER's recent work related to the Clean Energy Package implementation include:

- CEER Report "Regulatory Aspects of Self-Consumption and Energy Communities"² which seeks
 to analyse the regulatory implications for consumers and regulation of Citizen Energy Communities
 (CECs) and Renewable Energy Communities (RECs) in the Clean Energy Package.
- 2. CEER Report "Implementing Technology that Benefits Consumers in the Clean Energy for All Europeans Package" which presents case studies from several Member States on selected topics, including smart meter roll-outs, dynamic price contracts, data exchange and interoperability.
- 3. <u>CEER Report "Implementing Consumer rights of the Clean Energy for All Europeans Package"</u> which describes some national solutions already in place regarding consumer empowerment issues such as pre-contractual Information, energy contracts, billing and switching.

CEER hopes that this series of reports will contribute to a heightened awareness and understanding of the new provisions adopted in the Clean Energy Package with a view to facilitating a deeper consumer-focus in the practical implementation of the legislation.

What's next?

Consumer protection and competitive retail markets will continue to be a major focus of CEER's work to facilitate consumer empowerment and engagement. Very recent and upcoming work includes:

- Progress toward achieving well-functioning retail energy markets in 2025 (Roadmap to 2025 for Well-Functioning Retail Energy Markets <u>new Status Review</u> published on 30 October).
- New developments and trends on consumer empowerment and protection in European energy markets (joint ACER/CEER Annual Market Monitoring Report).
- Monitoring of retail markets based on CEER National Indicators (Retail Market Monitoring report).
- Dynamic price implementation (Recommendations).
- Bundled products in the framework of CEER's PEER initiative (CEER Guide on Bundled Products)
- Review and reinforcement of the CEER-BEUC 2020 Vision for Europe's energy customers



Notes for Editors:

- 1. The Council of European Energy Regulatory (CEER) is the voice of Europe's national energy regulators. Its members and observers are the independent statutory bodies responsible for energy regulation in 39 European countries. CEER, based in Brussels, deals with a broad range of energy issues including retail markets and consumers, distribution networks, smart grids, flexibility, sustainability and international cooperation. The annual CEER Customer Conference gives consumer representatives a voice in Brussels in the presence of high-level speakers from the European institutions, industry, think tanks, academics and regulators.
- 2. CEER Report "Regulatory Aspects of Self-Consumption and Energy Communities" welcomes the formal recognition of energy communities in the EU framework, provided, however, that energy communities do not become a vehicle to circumvent existing market principles, such as unbundling, consumer rights or the cost sharing principles applied to energy grids. The report concludes with several recommendations for EU Member States, to ensure that important areas of the regulatory framework are sufficiently addressed. These areas include:
 - Consumer rights Participants of energy communities should maintain their core consumer rights (e.g. around switching supplier to ensure quality of service and contractual certainty).
 - Balancing and flexibility Energy communities should be able to enhance the flexibility potential
 of customers and therefore more effectively integrate renewables and new technologies e.g. electric
 vehicles into the grid. Effective market design is essential to ensure this reduces overall system
 costs.
 - **Business model and market design** Local consumption should still respond to effective market price signals, including trading in the context of optimally sized bidding zones.
 - **Grid ownership, operation and development** Energy communities owning grid infrastructure remains optional for MS. However, if and where this approach is adopted, it should avoid duplication of assets, ensure economic efficiency, be subject to appropriate regulation in line with the regulatory framework for DSOs and ensure quality of service and supply.
- 3. CEER Report "Implementing Technology that Benefits Consumers in the Clean Energy for All Europeans Package" presents case studies from several Member States on selected topics, such as:
 - CEER has collected two case studies to illustrate the lessons learnt regarding the implementation of a system for smart meter installations on a customer request basis in Ireland and Norway.
 - Three case studies are also presented that describe the introduction of dynamic price contracts in Spain, Sweden and Norway.
 - Furthermore, three case studies illustrate different types of data management approaches in Austria, the Czech Republic and Denmark, all, in line with the goals of the recast Electricity Directive.
- 4. CEER Report "Implementing Consumer rights of the Clean Energy for All Europeans Package presents a case study to illustrate the relevant consumer protection rules, with respect to information requirements, for energy customers in the Netherlands. Two case studies are also presented that describe Norwegian and Italian solutions for a standardised energy contract. Two other case studies illustrate billing related issues in the Netherlands and Sweden. Finally, the last two case studies address how to make switching a supplier easier for customers in Great Britain and France.

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