

Commission Vice President Šefčovič welcomes CEER's initiative to enhance multi-sectoral cooperation to help deliver the Energy Union

- Energy Union of competitive, innovative retail markets with active consumers
- CEER promotes multi-sectoral, cross-authority cooperation to advance EU goals
- CEER identifies commercial barriers to supplier switching

Consumers as key energy market players were the focus of today's <u>2016 customer conference</u> of the Council of European Energy Regulators (CEER)¹. CEER announced its plans to enhance multi-sectoral, cross-authority collaboration to help protect consumers in the new energy transition.

Energy Union of competitive, innovative retail markets with active consumers

The conference highlighted that informed and active consumers are key to a successful energy transition. Pointing to the benefits to consumers, CEER President, **Lord Mogg**, said:

"Smart technologies and new services provide choice, enabling consumers to manage their energy consumption and production. But still many consumers are not switching. For consumers to actively engage it needs to be easy and rewarding, and consumers should know how to do it. This requires a true consumer focus in law, the market design and in business models."

European Commission Vice President, Mr Šefčovič said: "Europe's energy system is going through a profound transition. The Commission's upcoming initiatives on market design, energy efficiency and renewables will make sure that this transition is consumer-centred. In this context, I welcome CEER's initiative to enhance cross-sectoral, cross-authority cooperation which will help deliver the Energy Union and the Digital Single Market".

CEER promotes multi-sectoral, cross-authority cooperation to advance EU goals

Announcing CEER's partnership for the enforcement of energy rights (PEER)², Lord Mogg said:

"Cross-sectoral, cross-authority cooperation is important in the energy transition in a digital world. The multitude of arrangements and actors (some having no direct responsibility for the energy sector) reinforce the need for more inter-authority cooperation on issues such as smart meters, the Internet of Things, data privacy, data protection and Alternative Dispute Resolution. CEER stands ready to lead the way in developing cooperation with mandated authorities such as consumer protection agencies, ombudsmen and data protection authorities which will help protect consumers.

CEER identifies commercial barriers to supplier switching

CEER is at the forefront of efforts to develop competitive retail markets in which consumers can engage and exert their choice. Ahead of the event, CEER published a report on <u>commercial barriers to supplier switching</u>³. CEER will continue to work on distribution, retail market and consumer issues in 2017. We also welcome comments on the draft <u>CEER 2017 Work Programme</u> so as to follow up on our "<u>Bridge to 2025</u>⁴" commitments.



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 at national level. Visit www.ceer.eu for the customer conference presentations, speeches and much more.
- 2. CEER commits to enhancing its dialogue and collaboration with the mandated authorities responsible for supporting (and protecting) energy consumer rights (such as consumer protection agencies, ombudsmen and data protection authorities) and regulatory authorities such as in the telecommunications and financial sectors. The idea of CEER's Partnership on Enforcement and Energy Rights (PEER) initiative is to develop a (light) cross-sectoral and cross-authority form of cooperation at EU level to facilitate the exchange of information and reinforce collaboration namely by:
 - i. Raising awareness of critical issues and promoting common approaches to and understanding of energy consumer related policy.
 - ii. Exchanging best practice and sharing experience on the different measures used
 - iii. Advancing dialogue and developing common approaches to energy consumer protection policies and enforcement
 - iv. Promoting well-functioning energy markets which respect and protect consumer needs and interests
 - v. Promoting transparency among the bodies

Cross-sectoral dialogue between authorities is particularly important in the context of the energy transition in a digital world (e.g. smart meters, Internet of Things etc.) so as to properly protect consumers' interests in realising the European goals of an Energy Union and Digital Single Market.

- 3. CEER encourages customers to compare offers in order to benefit from competition in the market. Switching provides customers with the most direct way to engage in the market and potentially save money. However, in practice, many energy customers do not do so. The CEER Report on commercial barriers to supplier switching in EU retail energy markets identifies two potential barriers to switching:
 - (1) Customer perception whereby the customer perceives insufficient monetary gain, a complex switching process, or has a lack of trust in alternative suppliers; and (2) Commercial contract conditions such as unjustified termination fees and value-added services that lead to customer "lock-in" where the customer bears a cost in switching.

CEER will continue work on a roadmap towards well-functioning retail markets. Our upcoming update of the Guidelines of Good Practice on Price Comparison Tools, as well as new Guidelines of Good Practice on removing barriers to supplier entry, will provide more guidance in this area.

- 4. Regulators' <u>Bridge to 2025 proposals</u>, published 23 September 2014, identifies the trends foreseen in the ten-year period to 2025 and recommends a set of actions for regulators, the EU institutions, Members States and energy actors (including consumers) to fully implement EU legislation, including the network codes as well as the Gas and Electricity Target Models, to help establish and maintain liquid, competitive and integrated wholesale energy markets. The Bridge to 2025 proposals proposes a number of priorities for CEER in relation to consumers. Key among them:
 - Establish common criteria for a well-functioning retail market
 - Develop a roadmap aimed at a competitive, reliable and innovative retail market by 2025
 - Determine minimum standards to remove market barriers
 - Facilitate more active participation of smaller consumers in the markets
 - Prepare a roadmap to secure reliable supplier switching within 24 hours no later than 2025
 - Develop the CEER 2020 Vision into practical actions to enable market development across Member States whilst protecting and empowering consumers
 - Establish key features of retail market design to provide a level playing field
 - Develop guidance to facilitate the phasing out of regulated end-user prices
 - Simplify the comparability of offers available in the market

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