

## 7<sup>th</sup> Citizens' Energy Forum Conclusions

London, 12-13 March 2015

### 1. Implementing a consumer-centric Energy Union

#### The Forum:

- Welcomes the Energy Union Communication and its vision for an Energy Union with citizens at its core. The Forum participants expressed their commitment to take ownership of the Energy Union vision.
- Acknowledges that delivering a consumer-centric Energy Union and well-functioning retail markets with sustained consumer engagement will require integrated governance through an open and cooperative *European Energy Dialogue* at European, regional, national and local level between all actors involved in the energy sector.
- Calls on the Member States, regulators and the European Commission to prioritize a rigorous implementation of the Third Energy Package and of the Energy Efficiency Directive, and to ensure equal access to energy rights for all EU citizens, including recourse to Alternative Dispute Resolution, and inform actively citizens about these rights.
- Calls on the Commission, the Regulators and the Member States to work towards further improvements in the design and operation of energy markets, including through measures to remove entry barriers, enable an increase in system flexibility and ensure the continued effectiveness and enforcement of consumer protection, especially against unfair selling practices.
- Notes the potential difficulties in accessing finance faced by the consumers most in need of energy efficiency improvements at home. The Forum invites stakeholders to suggest innovative financing solutions for presentation at its next meeting.
- Recognizes the contribution of local and municipal initiatives, namely through the Covenant of Mayors, for citizens' engagement and targeted assistance to consumers. The Forum encourages local and municipal authorities to provide consumers easy access to information on available funding and financial engineering to implement local projects.

### 2. Retail market trends and practices from a consumer perspective

#### The Forum:

- Takes note of the ongoing Commission studies (on electricity markets, vulnerable consumers and energy poverty) and is ready to support the process notably by sharing relevant information with the contractors.
- Underlines the importance of continuous monitoring of energy markets including costs and prices as highlighted in the Energy Union Communication, as a means to ensure transparency. In this respect, the Forum encourages ACER and CEER to pursue vigorously their market monitoring work. Such monitoring can help in the light of increasing energy consumption expenditure driven up also by taxes and levies.
- Welcomes the holistic analysis and key proposals set out in the Regulator's "Energy Regulation, a bridge to 2025" in particular as regards regulators' commitment to

establishing common criteria for a well- functioning retail market and to develop a Roadmap aimed at competitive, reliable and innovative retail markets.

### **3. Establishing the appropriate framework for consumer engagement and protection**

#### **The Forum:**

- Stresses that consumers should have effective choice of truly competitive and transparent offers and innovative services with real added value for consumers. The terms and conditions of these services and products should be clear and reader-friendly.
- Calls on the Commission to establish a structured and transparent cooperation process between energy regulators and consumer authorities possibly via the Consumer Protection Cooperation network.
- Invites consumer bodies and regulators to continue their joint efforts to strengthen the consumer awareness and voice in the energy regulatory process as recommended for example in CEER's advice on how to involve and engage consumer organisations in this process and advice on customer information on sources of electricity.
- Encourages Member States and market participants to implement regulators' quality standards for customer-related distribution services, such as connection, disconnection and maintenance.
- Recommends that consumers' active participation translates into tangible benefits for them, adequate and proportionate rewards and transparent procedures for switching, provision of demand side flexibility and self-generation are essential elements. Provisions should be in place for those consumers who are not able to participate in smart energy market.
- Recommends that new and traditional market actors and sales channels be subject to adequate regulatory oversight especially in terms of transparency in order to ensure consumer trust. Similarly the distributional impacts on consumers must be considered.
- Welcomes the interim report on "Consumers as energy market actors" and looks forward to the finalisation of the report which should be presented at the next Forum. In finalising the report must consider ways to enable consumers to get involved in retail markets that are more competitive, transparent, fair and efficient; and assess the implementation and enforcement of consumer rights in the energy sector at present and with a view to the future.
- Invites the Commission to reconvene the Vulnerable Consumer Working Group to discuss the results of the vulnerability studies and explore the potential for common approaches across the EU to vulnerability and energy poverty definitions and policies. The Working Group's outcomes should be reported to the Forum.

### **4. Next steps to develop retail markets**

#### **The Forum:**

- Reminds that consumers need a competitive market to be able to get the best offer. Retail competition both within a Member State and ultimately across borders is important in this regard.
- Calls on Member States to remove regulatory and administrative barriers including unequal treatment of market actors that restricts competition and consumer choice as

well as difficult and time consuming licensing procedures and lack of access to market information.

- Calls on Member States to remove regulated prices, particularly where they are below cost, and in parallel to put in place a coherent framework for protecting vulnerable consumers in a targeted manner.
- Recalls that obtaining full benefits from smart metering systems require consumer-oriented functionalities in line with the Commission's recommendation, as well as full attention to interoperability, namely between the energy and telecom elements, and use of open standards and automated solutions.
- Recognising that the Commission benchmarking report of June 2014 shows that only 50 % of the wide-scale roll-outs in Member States follow all the recommended functionalities, the Forum invites the Commission to further assess the use of functionalities and the degree of interoperability in national roll-out plans and to report at the next Forum.
- Full benefit for consumers will require Data Management aimed at promoting efficient and safe data exchange, better retail market functioning and effective consumer protection. NRAs should follow CEER's guiding principles on consumer data management in their regulatory activities and report to the Forum on their use.
- Privacy and data security are essential to achieve customer trust. In order to guarantee protection of personal data the Commission recommended in October 2014 ex-ante impact assessment for all projects involving the processing of personal data<sup>1</sup>. A 2-year test phase is under way and should be used by the industry. Member States' authorities should support the industry in participating in the testing and in preparing the implementation of Data Protection Impact Assessment in the energy sector.
- Acknowledges Demand Side Flexibility as one of the building blocks of future wholesale and retail markets and underlines the need for further investigation of the challenges for consumer engagement..
- Highlighting the recommendations of the European Commission's Task Force Smart Grids for the deployment of flexibility the Forum calls on Commission, Member States, NRAs and stakeholders to develop the recommended actions.
- Welcomes the initiatives of the Commission and CEER to facilitate further cooperation between DSOs and TSOs. It should cover especially data exchange, developing of demand response and flexibility of and roles/responsibilities of DSOs/TSOs to avoid double efforts. In this regard, the Forum invites the Commission and CEER to report to the next Forum on the state of play of its respective work.

## **5. Managing energy costs through smart consumption and self-generation – at home or in community power initiatives**

### **The Forum:**

- Highlights that well-designed schemes for self-production and self-consumption of renewable energy can bring consumer empowerment, deferred or avoided distribution

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<sup>1</sup> Commission Recommendation 2014/724/EU on the Data Protection Impact Assessment (DPIA) Template.

investments, and higher system-efficiency. Partnering schemes, such as cooperatives, leasing constructions, and ESCOs can be helpful in this respect. The benefits can be increased with smart and integrated solutions that better match energy consumption with self-production.

- Calls on Member States to ensure that consumers neither face undue obstacles nor retroactive changes if they decide to consume the energy they produce, while contributing to the grid and system costs in a non-discriminatory and equitable way.
- Welcomes the Commission's intention to publish a EU guidance document on best practices to support the consumers and Member States in capitalizing on the potential benefits of self-production and self-consumption.