



Consumer protection in the Clean Energy Package

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Context



Provisions



Conclusions

Issues and perceptions of consumers on European energy markets –

- > Low consumer satisfaction with energy, especially gas and electricity
- > Perceived lack of competition as major culprit
- > Barriers to harness benefits of liberalisation
- > Climate challenge – decarbonisation of the energy sector

Solutions at the consumer/household level

- > More information
- > More empowerment
- > More protection



Better informed consumers ...

- > ...receive better and clearer bills,
- > ...have useful comparison tools easily at hand,
- > ...have instant access to consumption information/data via digital smart meters

Empowered consumers ...

- > ... are enabled to (more) easily switch suppliers and other service providers
- > ... find demand response schemes available for them
- > ... become active and engage collectively in energy communities

Protection is granted by...

- > ...governments taking energy poverty (more) seriously
- > ...prohibitions of undue (sur)charges for vulnerable consumers
- > ...fair(er) mechanisms of dispute resolution out-of-court



- Art 5 Market-based supply prices with possible interventions for vulnerable & energy poor households
- Art 10 Basic contractual rights
- Art 11 Dynamic electricity price contracts
- Art 12 Switching and termination fees
- Art 14 Comparison tools
- Art 15 Active consumers
- Art 16 Citizens energy consumers
- Art 18 Billing (also Annex I)
- Art 20-24 Smart meters
- Art 27-29 Universal service, vulnerable customers and energy poverty

...



- > Means an electricity supply contract ... that reflects the price variation in the spot markets, including in the day-ahead and intraday markets, at intervals at least equal to the market settlement frequency
- > Mandatory to offer for suppliers with 200,000 or more final customers
- > Suppliers to inform customers about opportunities, risks and costs
- > Customers with a smart meter can request such a product from at least one supplier

MSs or NRAs shall monitor and publish annual reports on

- > Main developments of such contracts, including offers and impact on bills
- > Level of price volatility

See also CEER (2020) for details on definition, monitoring, potentials and pitfalls



Recommendations on Dynamic Price Implementation

Innovation and Retail Markets
Work Stream

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MSs ensure that at least household customers, and microenterprises with an expected yearly consumption of below 100,000 kWh, have access, free of charge, to at least one tool comparing the offers of suppliers, including offers for dynamic electricity price contracts.

- > **Requirements:** independent, owner disclosure, objective, plain, accurate, accessible, effective, parsimonious (personal data), ...
- > At least one CT should cover **entire** market, operated by private or public authorities or bodies
- > Customers shall be informed of the availability of such tools in or together with their bills or by other means.
- > **Trust marking** by independent competent authority

First insights from ACER CEER MMR show that only very few CTs already comply with (all) criteria.

Main challenges: dynamic electricity price contract, precise definitions of requirements. For further details see the MMR.

Art 16: Citizens energy communities

New kind of „player“

- > Association, cooperative, partnership, NGO, other legal entity
- > Controlled by members or shareholders
- > Value driven, as opposed to profit maximising
- > Supply, distribution, aggregation

Activities

- > Recognised market player for generation, distribution, supply, aggregation, storage
- > Non-discriminatory, fair, proportionate and transparent treatment
- > Subject to same(ish) rules as other market players

Framework

- > Participation is voluntary and members retain rights as (active) customers
- > DSOs to facilitate electricity transfers within communities
- > Right to share electricity to members from own generation



Member States shall ensure that bills and billing information are accurate, easy to understand, clear, concise, user- friendly and presented in a manner that facilitates comparison by final customers.

- > Free of charge
- > Optionally electronic, flexible arrangements for payment
- > Clearer identification of discounts (expiry)
- > Annual bills: amount to pay, components, due date
- > Monthly or online billing information
 - Consumption, contact details, tariff name, metering point id
 - Information on switching, ADR, SPOC, CT
- > Additional information on (annual) bills and/or monthly/online billing information
 - Consumption comparisons, energy efficiency



Ambitious ideas for further integration of consumers

- > To be seen: can it ignite consumer action?

Much hinges on national implementation

- > To be seen *soon*: in what ways do EU Member States pick up EU ambitions and finetune to national contexts?

Additional roles for NRAs

- > Some new tasks in dynamic price contracts, contract exit fees, comparison tools, electricity sharing, framework for demand response and consumption data

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