



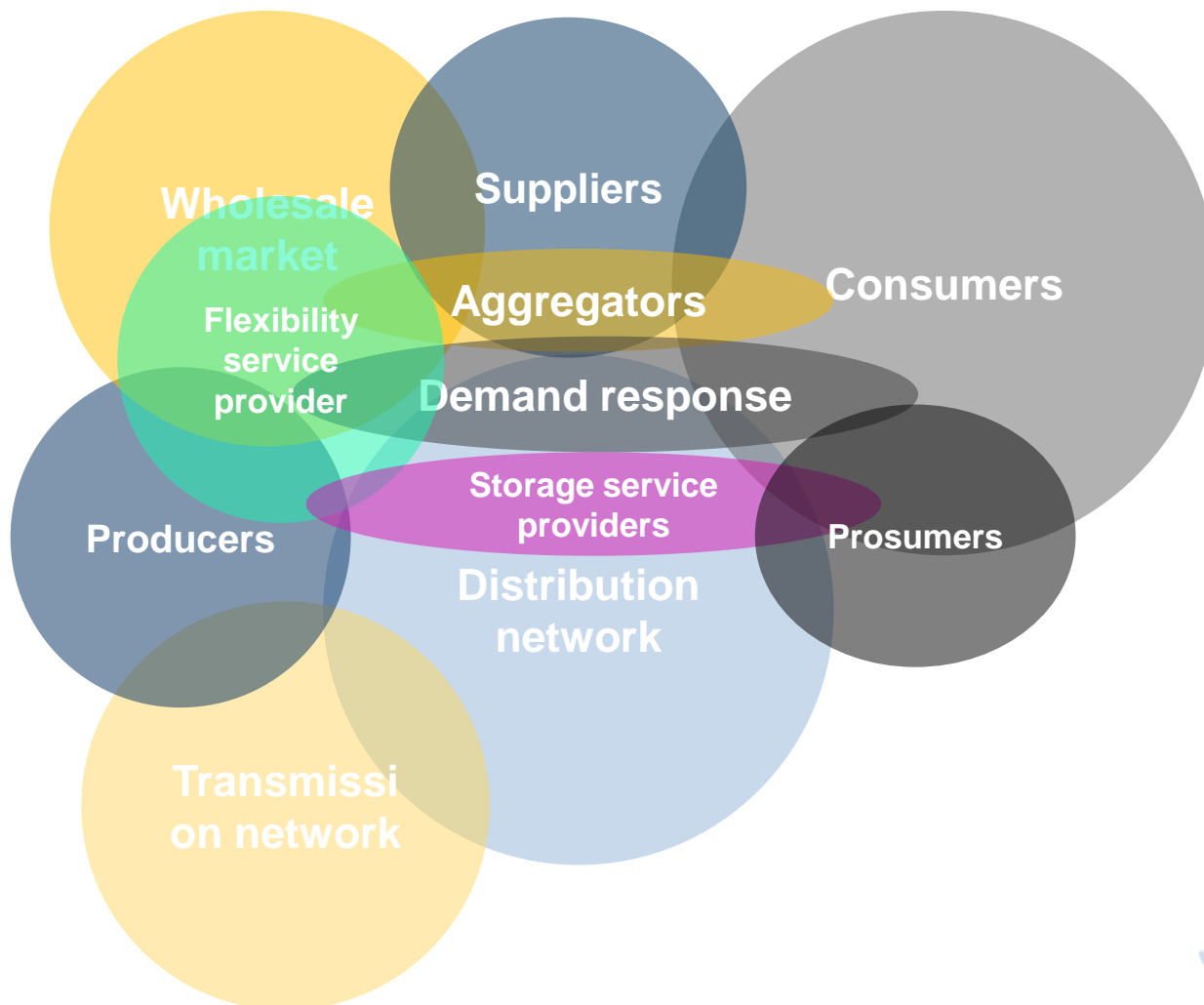
Clean Energy Package A new deal for consumers? The view of CEER

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Why do we need a New Deal?

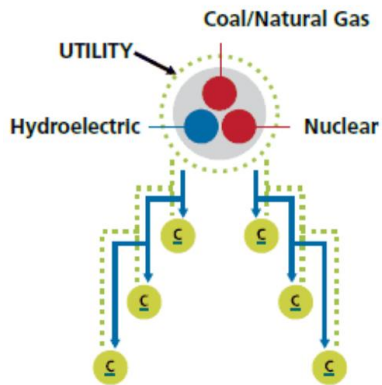


New Players....



...and a major transition in the energy system

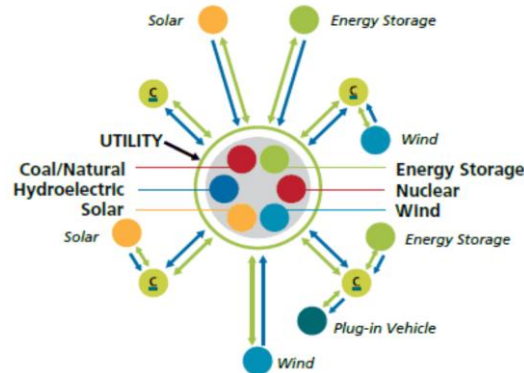
Yesterday (Centralised)



- Hierarchical
- One-way flows



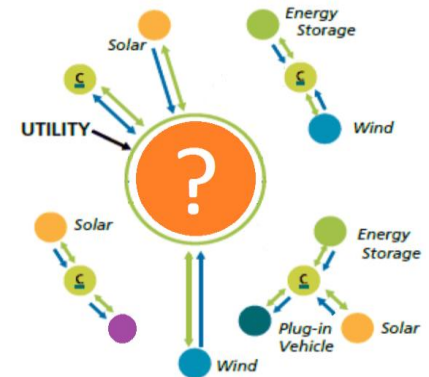
Today (Decentralised)



- Distributed resources
- Centralised control
- Two-way flows



Tomorrow (Hybrid)



- P2P energy
- Micro grids
- Multi-directional flows



With implications for consumers...

We have to ensure that change and innovation are easy to use and understand for the consumer:

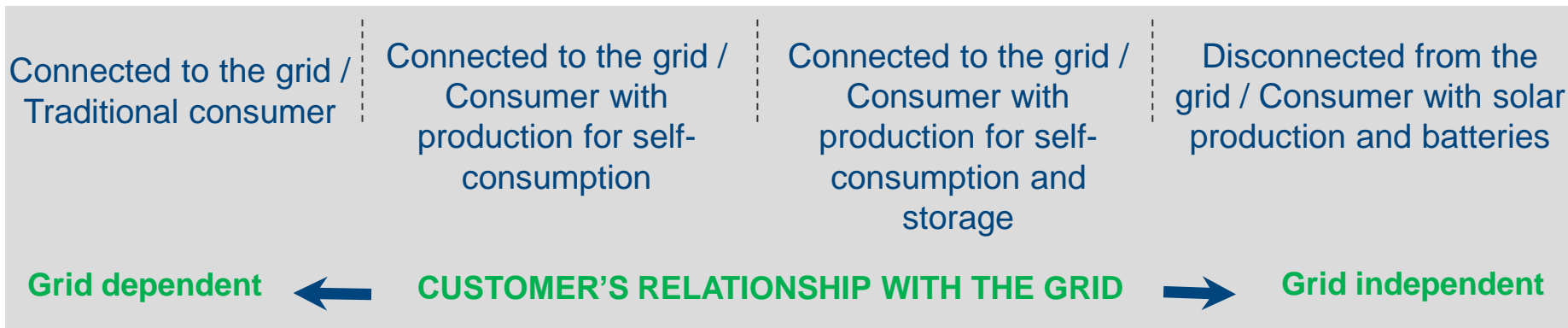
- Fluid integration of new products
- Install and Forget principle
- Intuitive and “on demand” information
- Services and products adapted to *technophiles* and *digitally-challenged* customers
- Safe and reliable artificial intelligence

- And most importantly – guarantee their rights and protections are respected.



...and for our networks

Possible evolution in the relationship between consumers and grids



If this evolution confirms itself, new challenges will appear for the energy system, which will require changes, at least, to:

- Tariff and price structures
- Business models
- Regulatory models

The Future

NEXT EXIT

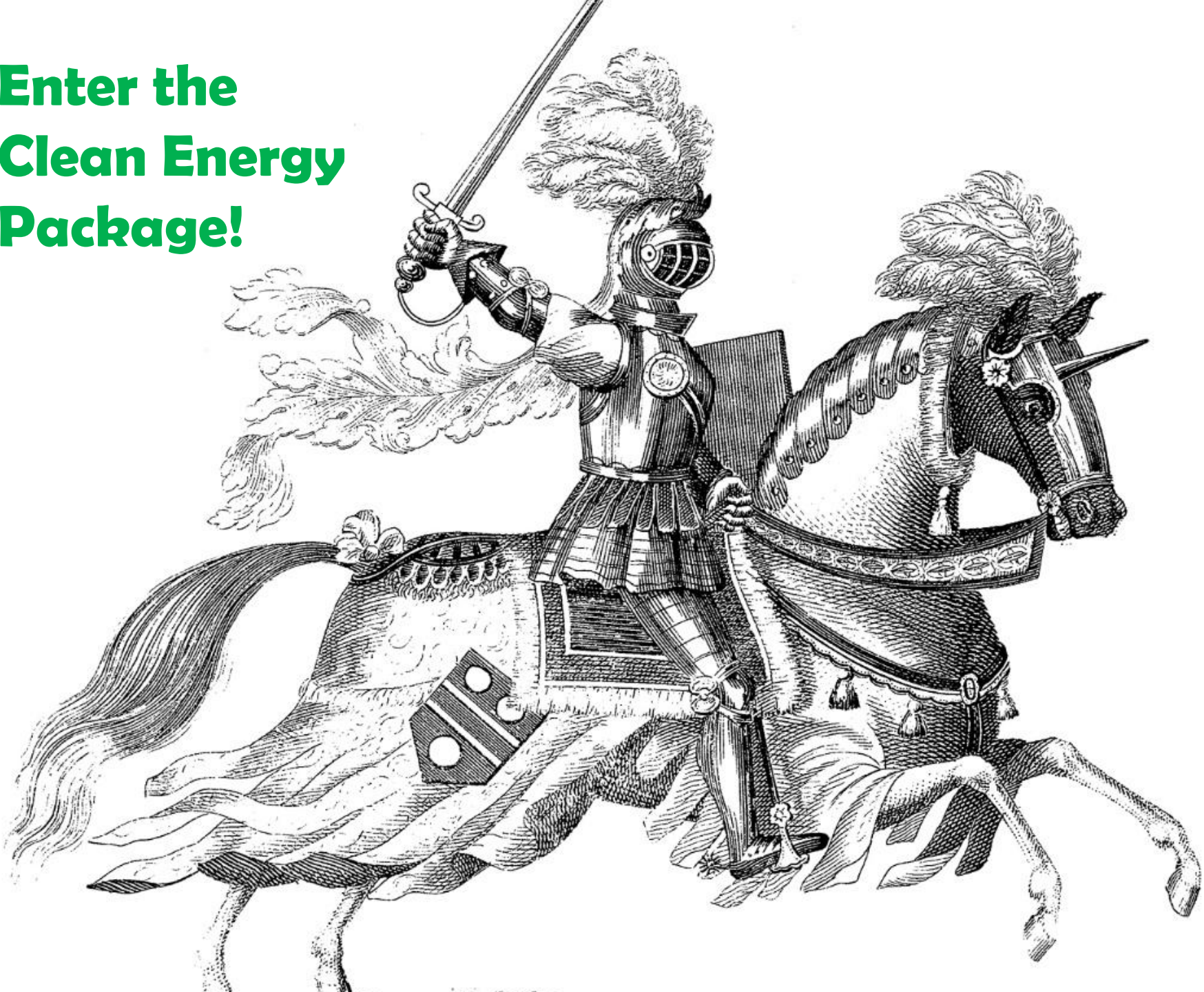


Key principles for regulation going forward

- Regulation must be technologically neutral
- Innovation is not an end in itself – only interesting in as far as it brings benefits – to the system, to consumers
- Improvements and added value of new technologies must be quantifiable, e.g.:
 - Better use of the grid
 - Less costly energy generation
 - Improvement in quality of life (more comfortable homes; somehow facilitating peoples' lives)
 - Contribution to allowing consumers to be more autonomous (self-consumption, etc.)
- At the same time, technology/innovation must not worsen situation of the most vulnerable consumers (e.g. no cross-subsidies)
- New ideas welcome, as long as they respect the market rules (e.g. market access, balancing responsibility)
- Based on these principles, regulation must accompany these changes and anticipate the needs of the sector – removing barriers as they arise



**Enter the
Clean Energy
Package!**



CEP revisions to facilitate the energy transition

Introduce new actors and activities: aggregators, active consumers, energy communities, demand response, storage

Establish rights and obligations for new market actors to participate fully in the market (removing existing barriers/ambiguity)

Reinforce neutrality of natural monopolies – as market facilitators (e.g. DSO)

Further strengthen consumer rights

Emphasise market-based model for energy sector (e.g. supply prices)

Increase attention to energy poverty and clarify measures (e.g. market intervention) to protect them

Consumer Empowerment

Supplier Switching Process

- Recommend faster supplier switching (by year 2025): **within 24 hours**, on any working day.
- **Switching fees should be prohibited.** But **early termination fees** for cancelling fix term, fix price contracts or for contracts that not only include electricity and/or gas, but also additional services and/or products (bundled offers), may be **admissible** (irrespective of whether/not there is a “demonstrable benefit” for consumers.)

Consumer Empowerment

Clear, accurate customer information and billing

- **Beware of information overload** for consumers.
- Provide only **essential information on bills**, and segment all other detailed data/ information, where possible.
- **Minimise excessive requirements which can create a barrier** for new market entrants, diminishing competition and consumer choice.
- Clarify the information provided (and its frequency) to **consumers who do not have a smart meter**.
- Ensure at least **2 years of historical data** for all customers.

Consumer Empowerment

Comparison Tools

- **No need for sector-specific legislation for reliable (electricity price) comparison tools (CTs)** nor for mandatory certification of CTs. General consumer legislation suffices.

Technology that benefits Consumers

Customer entitlement to a smart meter

- If the Member States' smart meter cost-benefit analysis is negative, individual “on-request” roll-out is not practical (e.g. no infrastructure to support it) with **disproportional additional costs**.

Technology that benefits Consumers

Consumer entitlement to a dynamic price contract

- **Suppliers should not be obliged to offer any specific kind of dynamic price contract.**
- **Member States should ensure that suppliers do not face any undue barriers** if they choose to offer dynamic price contracts.
- Focusing the Directive only on contracts that reflect the spot or day-ahead market price is unduly restrictive. Therefore, if it is retained, the **definition of a dynamic price contract should be reassessed.**
- **Final customers should be fully informed of the opportunities and risks of dynamic electricity price contracts.**

Technology that benefits Consumers

Data Format

- **A common European data format** may generate **high costs** in the **transition period** from national standards to an EU standard. Before deciding on a common data format, regulators **recommend a final analysis** on the implication on innovation and backward compatibility.
- Alternatively, the advantage of **enforcing interoperability instead of implementing a common data format** should be preferred.

Renewable Self-Consumers and Energy Communities

Definitions, obligations and criteria

- Need for **clarity about definitions, rights and responsibilities** between RES and Electricity Directives:
 - Self-consumers (vs self-generators) and active customers
 - Renewable energy communities and local energy communities
- Consumer rights (e.g. individual metering) and suppliers' obligations
- Criteria for communities to operate local networks and regulatory framework:
 - Private/public domains
 - Third party access, unbundling rules

Other Relevant CEER Positions

- RES supports, where needed, should be designed efficiently
- Fully integrate RES into the wholesale market
- Enhance network planning and TSO/DSO coordination
- DSOs should be a neutral market facilitator for competitive activities
- No EU-wide Tariffs Network Code
- Enhance EU wholesale electricity markets:
 - Day-ahead market coupling, intra-day and balancing markets
 - Reward generator flexibility: scarcity pricing reflecting electricity value
 - Robust carbon pricing
 - Facilitate more demand-side flexibility and participation

CEER analysis and views on CEP

- Publication of a series of “White Papers” on proposals by theme:

ACER-CEER Regulatory White Papers		CEER Regulatory White Papers	
Renewables in the Wholesale Market	May 2017	Distribution and Transmission Network Tariffs and Incentives	May 2017
The Role of the DSO	May 2017	Technology that Benefits Consumers	May 2017
Facilitating Flexibility	May 2017	Consumer Empowerment	May 2017
Efficient Wholesale Price Formation	May 2017	Efficient System Operation	June 2017
		The Independence of National Regulatory Authorities (NRAs)	June 2017
		Infrastructure	July 2017
		System Adequacy & Capacity Mechanisms	July 2017
		Renewable Self-Consumers and Energy Communities	July 2017
		Regional Regulatory Oversight	Oct 2017



And looking beyond the Energy Package to improve consumers' rights...



Consumer Protection Cooperation: New EU Regulation 2017/2394*

Cross-border infringements can be stopped if enforcers help each other
Mutual assistance

REINFORCED and CLARIFIED

Best placed to enforce is the Member State that is closest to the trader
Common jurisdiction basis and powers

NEW POWERS/WIDER SCOPE

Enforcement in the hands of each Member State

UNCHANGED

EU Wide - infringements require common response
Enforcement coordination

**NEW TOOLS:
COMMON ACTIONS**


Sharing of information is essential to detect and stop infringements

**Alerts
NEW SURVEILLANCE SYSTEM**

**Applicable as of 17 January 2020*

European Commission
support, assistance, coordination

Wider context - A New Deal for Consumers

- 
- *European Commission proposal: 11 April 2018*
 - *To ensure that all European consumers fully benefit from their rights under Union law.*
 - *2 Legislative proposals:*
 - *Directive on collective redress*
 - *Directive amending several existing Directive to ensure “better enforcement and modernisation of EU consumer protection rules”*

Collective redress proposals

- Covers horizontal and sector-specific EU instruments relevant for the protection of collective interests of consumers in different economic sectors such as financial services, **ENERGY**, telecommunications, health and the environment:
 - ▶ Enables 'qualified entities' designated by the Member States to bring representative actions
 - ▶ Requires Member States to ensure 'due expediency' of procedures and to avoid procedural costs becoming a financial obstacle
 - ▶ Promotes collective out-of-court settlements, subject to court or administrative authority scrutiny
 - ▶ Introduces possibility for Injunctive and compensatory redress measures



Consumer protection proposals

- Aims at strengthening the enforcement of EU consumer law amid a growing risk of EU-wide infringements:
 - ▶ More effective, proportionate and dissuasive penalties for widespread cross-border infringements
 - ▶ Right to individual remedies for consumer
 - ▶ More transparency for consumer in online marketplaces
 - ▶ Extending protection of consumers in respect of digital services
 - ▶ Removing burdens for businesses
 - ▶ Clarifying Member States' freedom to adopt rules on certain forms and aspects of off-premises sales
 - ▶ Clarifying the rules on misleading marketing of 'dual quality' products

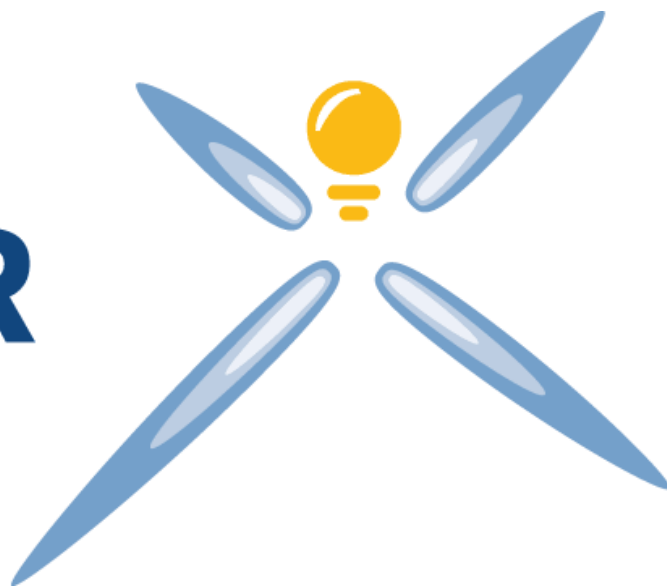




Thank you for your attention!

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