

**Conclusions of the
1st meeting of the Citizens' Energy Forum**
London, 27 – 28 October 2008

GENERAL

1. The 1st meeting of the European Citizens' Energy Forum took place in London on 27 and 28 October 2008. Commissioner Piebalgs opened the proceedings and the closing address was provided by Commissioner Kuneva. The Forum was chaired by the Commission and attended by the national and European consumer associations, representatives of the Member States, national energy regulators, representatives of the Energy Community, Norway and the electricity and gas industry. The particular focus of the forum was thus on the protection of the consumer rights and development of competitive retail markets for the benefit of all consumers.

PUTTING THE CONSUMER IN THE DRIVING SEAT

2. The Commission presented the follow up of the Energy Consumer Checklist. Following the 6 May Consumers conference, the Checklist was sent in July to all the 27 Member States in order to help inform energy consumers of their rights.
3. The Commission invited Member States to complete the Checklist at a national and regional level by March 2009 at the latest. The Commission will report to the next Forum on the progress made in this field.
4. The Commission noted that concerted efforts are essential at a national level to ensure that consumer bodies are content with not only the answers to the Checklist but also the means of communication to citizens.
5. On requests from consumer representatives for a binding charter, the Commission commented that the rights already enshrined in EU directives are binding.

**REPORT ON THE TRANSPOSITION OF ANNEX A OF THE ELECTRICITY AND GAS
INTERNAL MARKET DIRECTIVES**

6. The Forum welcomed ERGEGs report and shared their concerns regarding the lack of proper implementation of European legislation on energy consumer protection in a considerable number of Member States; even though in many cases a lack of legal implementation does not automatically mean that the related measures are not in place in Member States. There was strong support for well functioning retail markets.

7. In particular the Forum supported:
 - Greater transparency and comparability of prices and services offered to consumers.
 - Full implementation of dispute resolution procedures as outlined in Annex A (f).
 - The provision of actual consumption information to consumers.
8. The Forum called on Member States and appropriate bodies to ensure that unfair commercial practices are combated.
9. The Forum endorsed the need for a definition(s) of vulnerable consumers at a national level and recognised the interaction of protection measures under energy legislation and the social policy measures that are used in a significant number of Member States.
10. The Commission will consider the findings of ERGEG's report on the transposition of Annex A with a view to opening infringement procedures, where appropriate, and strongly requests the competent authorities in each Member state to fully implement the directives.

RESULTS OF THE PROBE BY OFGEM ON THE FUNCTIONING OF THE RETAIL MARKET IN GREAT BRITAIN (GB)

11. OFGEM presented the preliminary results of its inquiry launched in 2008 that assessed the functioning of the GB energy supply market. The Forum took note of the results of the probe in GB, which highlights the need for national regulatory authorities to actively monitor the operation of energy supply markets so as to protect the interests of consumers. The Forum endorsed the active monitoring of supply markets by the national competent authorities. An update on the results of the consultation on the Probe will be provided at the next Forum.

VULNERABLE CONSUMERS

12. The European Agency for competitiveness and innovation (EACI), an executive agency of the European Commission, presented the pilot action plan being conducted in six Member States on fuel poverty. The goal of the project is to better understand how this issue is dealt with in Member States.
13. The Forum took note of the growing concern on energy poverty and recommended that Member States develop at national level definitions of the scope of the vulnerable consumers in compliance with the Article 3 of the electricity and gas directives.
14. The Forum noted the link between the lack of energy efficiency measures and energy poverty in particular with regard to how vulnerable consumers could benefit from reduced consumption through more efficient use of energy.

15. Mrs McCarthy, chair of the Internal Market and Consumer Committee of the European Parliament (IMCO), provided a number of examples of consumer protection measures that will be further discussed in the second reading of the Third Energy Package.

SMART METERING AND ITS BENEFITS FOR CONSUMERS

16. The Forum expressed a strong interest in smart metering and welcomed the ongoing discussions in many Member States on the possibility of implementing smart metering. The Forum noted that costs and benefits of the rollout of smart metering would need to be carefully estimated at Member State level with careful consideration given to the impact on consumer.
17. The Forum requested that the Commission examines the issue of standardization of minimum functionality and reports back at the next meeting.
18. The Forum underlined the need for further work and studies by different stakeholders on developing common guidelines for minimum requirements for digital security and privacy of consumer's information.
19. The Forum invited ERGEG to present a status review of its report on smart metering at the next Forum with particular attention on minimum technical functionality and minimum system capabilities criteria for the "smart meters". The report should also provide an overview of existing cost/benefit analyses that have been undertaken in Member States and consider privacy and data protection issues associated with smart metering.
20. The Forum agreed that advanced metering systems should have functional and performance characteristics that offer the same minimum options to all customers. Minimum requirements should apply at system level rather than equipment level (to ensure information also to consumers), to render them independent from the architectures used by operators or recommended by system vendors, thereby preventing the rejection of solutions whose architectures or philosophies may be different from those currently used but which may be just as efficient.
21. The Commission will present the state of play on the implementation of the Energy Services Directive (Article 13 – Metering and informative billing of energy consumption) to the next Forum.

BILLING

22. The Forum expressed a strong interest in the topic of billing. The Commission drew the Forum's attention to its proposal in the Third Energy Package to provide bills on an actual consumption at least monthly.
23. The Forum welcomed the measures and principles that have been proposed and invited industry to develop best practice taking into account best practice solutions developed by industry. The Forum invited industry to adopt and implement best practice solutions already successfully developed by the individual companies. The Forum calls on energy companies to make their bills understandable, frequent and more based on actual consumption.
24. Based on experience in some Members states such as Spain, the Forum recommends that Member States and companies examine the feasibility of using a facilitator in order to resolve disputes between supply companies and final consumers.
25. The Forum invited the Commission (DG SANCO) to establish a working group on good practice guidance for billing consisting of four representatives of industry, four consumer organisations and one or two regulators. The group will report on results at the next meeting of the Forum.

FACILITATING ENTRY OF THE NEW SUPPLIERS INTO THE MARKET - INFORMATION FOR MARKET PARTICIPANTS

26. The Distribution System Operator ('DSO') has become a key actor in facilitating competition at retail level. The Forum underlined the need for a truly independent DSO that can also function on the safeguarding of consumer interests. The European Commission will pay a special attention to the full implementation of the current provisions of the directives on unbundling of DSO's in all the Member states. It was noted that there was a need for clarity with regard to the relationship between customers and both suppliers and DSOs.
27. The Forum invited ERGEG, in cooperation with industry, to establish an indicative note/guidance on independence principles for DSO and separation of customer information system/register and provision of customer data to suppliers requesting it. The Forum also invited ERGEG to provide an overview of existing definitions of default supplier, emergency/supplier of last resort. The forum invited ERGEG to present at the next forum a monitoring report on the degree of adherence to the guidelines on informational and functional unbundling for DSO's which have been adopted by ERGEG in 2008.

SWITCHING

28. ERGEG presented its report on best practice in the supplier switching process and on the obstacles to suppliers switching in the electricity and gas retail markets which are opened to all the consumers since the 1 July 2007 at Member State level.
29. The Forum invited ERGEG to develop indicators for the switching process in 2009 and to continue monitoring best practices. The Forum supported the creation of standardised switching processes at Member State level.
30. The Forum called on Member States to make sure independent advice is provided to consumers, with particular attention on vulnerable consumers, as regards switching – both in terms of procedures and advice on best offer/conditions. There was support for consumers to be presented with realistic and cost reflective prices. The Forum called on Member States to protect consumers against unfair and misleading selling practices.
31. The Commission drew attention to its work on the monitoring of through the Consumer Markets Scoreboard.
32. A consumer representative requested that Member States, or appropriate national authorities, undertake analyses on consumers' willingness to switch supplier.

THE DEMAND SIDE: CONSUMER BEHAVIOUR IN THE HOUSING SECTOR

33. The Forum took note of the importance of energy efficiency in social housing and underlined in particular the need for adequate impartial advice and improvements in energy efficiency.

NEXT MEETING

34. The Commission will present its new legislative proposals in the area of energy efficiency at the next meeting.
35. The next meeting of the Forum will be during the third quarter of 2009.