



WG Transparency in EU Retail Energy Markets Report Recommendations

5th Citizens' Energy Forum
13 November 2012

on behalf of the Working Group

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WG Mandate & Modus Operandi

- Define criteria for transparency
- Propose Recommendations
- Highlight best practice
- WG with broad membership
- Presentations, material submitted by members
- Debate and search for common ground
- Reference to existing legislation to frame discussion

Criteria

- *Improved transparency through*
 - market trust
 - choice
 - good quality
 - competition
- Consumers will *engage* and be *active* once:
 - meaningful choices with
 - demonstrable benefits
 - become available to them
- Lack of the above can result in:
 - consumers demanding political intervention to protect them against underperforming markets

Recommendations

1. Behavioural research

- Extend good national practices by NRAs regarding behavioural research and energy consumer data across Europe to other energy regulators, business and consumer organisations.

2. Smarter regulation & information provisions

- When designing, defining and enforcing legislation and other rules, policy makers and regulators should take into account that sometimes more information can be less for consumers, i.e. it should be simple

Recommendations

3.1 Understanding what is on offer: clear presentation needed

- The Working Group recommends that action is taken so that consumers are *protected* and *can feel confident* and *equipped* to participate in energy markets

Simple price presentation options:

- present a total price i.e. comparable, for similar products
- separate regulated parts of what forms the final price from competitive part
- Increase confidence; energy industry needs to deliver more consumer-oriented products for their customers, also employing behavioural research & address needs

3.2 Actions to improve consumer knowledge / understanding

- Common work by all to improve consumer *engagement & awareness*
- Focus on *areas that matter* to consumers: **energy market functioning, smart meters, price changes, green energy and better management of energy consumption**

Recommendations

4. Presentation of information

- Same **price** components in offer, contract & bill; presentation *should be aligned*
- Use plain **language** & transparent conditions; avoid exaggerated or misleading interpretation of benefits
- On **contracts**, present together a summary of the consumer's & energy provider's rights & obligations

5. Technology & price comparison

- *Verify accuracy & objectivity* of privately-run price comparison tools → 'trust mark' (by energy regulator or consumer association).
- Another option: *regulator-operated* comp. website

Recommendations

6. Action against vulnerability → ensure *access to information* to avoid adverse effects e.g. higher costs
 - *Online & offline* information e.g. telephone
 - Consider *cultural, linguistic conditions & literacy*
 - *Targeted* actions for concrete results
7. Consumer organisations
 - New & important role: innovative solutions for consumers, fostering consumer empowerment, advancing competition
 - Disseminate information about **Joint purchases, Collective switching**
8. Instruments: active enforcement and voluntary codes, competition, good practices
 - Combination of active enforcement with voluntary codes → improve the functioning of energy markets
 - If it does not work, regulate

Recommendations

9. Coordination

- Relevant public authorities to set up **national** *permanent coordination structures* dealing with cross-cutting issues.

10. The European dimension

- *Coordinate, take stock & share good practices & experience* among relevant authorities should be actively promoted at the EU level
- Citizens' Energy Forum is key

Full report available from:

http://ec.europa.eu/energy/gas_electricity/doc/forum_citizen_energy/2012111314_citizen_forum_meeting_working_group_report.pdf