



Vulnerable Consumers: Identify, Prevent, Support

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Energy

Empower all consumers in internal energy market



Access to information



**Complaint handling and
dispute resolution**

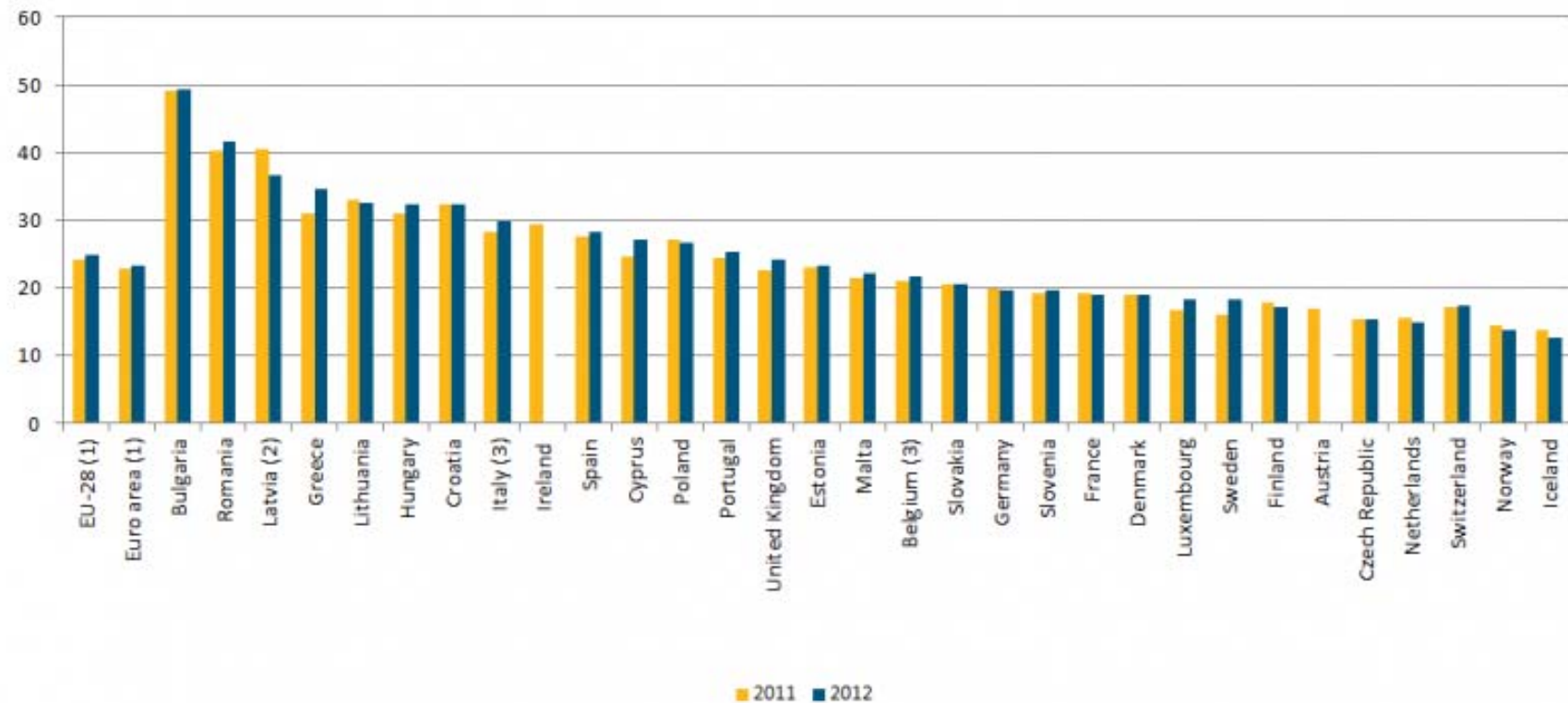


Comparing prices and offers



Switching supplier

● People at risk of poverty or social exclusion



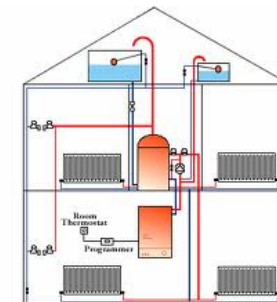
Supporting vulnerable consumers becomes crucial



Prohibition from disconnection



Heating in the winter



Energy efficiency measures

● Legislative framework provides basis

- Legal obligations in the Third Energy Package (EU Electricity and Natural Gas Markets: Directives 2009/72/EC and 2009/73/EC)
 - » Identify: Member States to *define the concept of vulnerable customers*, ensure that rights and obligations linked to vulnerable customers are applied
 - » Support and Prevent: Member States to *address energy poverty* where identified
 - » Support: Member States to protect final customers and to *ensure adequate safeguards to protect vulnerable customers*
- London Forum 2012 conclusions

"Reducing energy consumption through energy efficiency measures should be the first means of public sector action regarding energy poverty in particular"



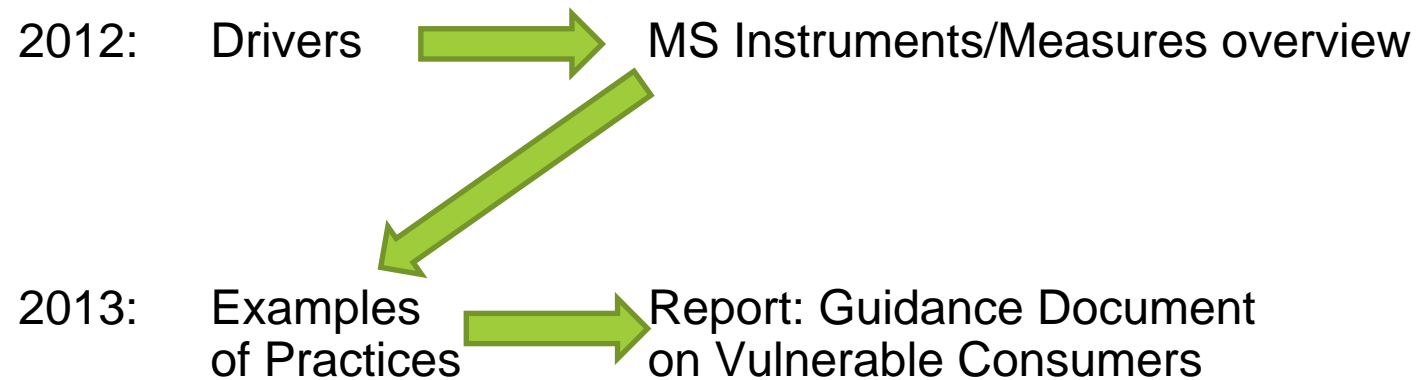
● Vulnerable Consumer Working Group

- Launched in March 2012
- Membership:
 - » NRAs/CEER + Ministry representatives
 - » Consumer associations, NGOs + ombudsmen
 - » Industry representatives
 - » Academia
- Actions
 - » Establish the drivers of vulnerability and MS measures to address it
 - » Provide guidance for Member States to define VC
 - » Share examples of Member State instruments and practices
 - » Address energy and social policy, incl. energy efficiency measures

● Drivers of vulnerability table

	Market Conditions	Individual Circumstances	Living Conditions	Social/Natural Environment
Key Drivers	<p>Final energy price levels</p> <p>Level of competition</p>	<p>Income level</p> <p>Health and disability</p> <p>IT skills/internet access</p> <p>Education: literacy/ numeracy skills</p>	<p>Under-occupancy</p> <p>Type of heating system</p> <p>Quality of housing stock</p>	<p>State of economy</p> <p>Climate</p>
Exacerbators	<p>Debt policies</p> <p>Selling and pre-contractual practices</p> <p>Bill transparency/ accessibility</p> <p>Available payment methods</p> <p>Inclusiveness of corporate system designs and service provision</p>	<p>Age</p> <p>Single-parent/ large family/ carer</p> <p>Retired/unemployed</p> <p>Immigrant or national/ethnic minority</p> <p>Prepayment meters</p>	<p>Equipment efficiency (boilers etc.)</p> <p>Location</p> <p>Tenancy</p>	<p>Governance (local/regional/ national)</p> <p>Social inclusion</p>

● Vulnerable Consumer Working Group Timeline



To assist Member States with:

- » Defining the concept of vulnerable customers
- » Sharing Member State instruments and practices
- » Designing instruments
- » Applying instruments

● **Guidance Document on Vulnerable Consumers**

● **Content**

- » Legislation: 3rd Energy Package, Energy Efficiency Directive, ADR
- » Work undertaken by DG ENER, DG SANCO and CEER
- » Mix of social and energy policy
- » Key drivers and exacerbators of vulnerability
- » Examples of Member State instruments and practices
- » Energy efficiency, heating and cooling
- » Funding mechanisms
- » Enabling demand response
- » Stakeholder recommendations

● Guidance Document on Vulnerable Consumers

● Recommendations

- » Review policy mix to ensure best combination of social, energy, housing etc. is in place for national context. Focus on long-term prevention rather than short-term support
- » Invest in energy efficiency measures to reduce bills, improve health, generate employment in the sector and meet 2020 CO₂ targets
- » Social tariffs and direct payments in preference to regulated prices for all household consumers
- » Direct payments may encourage more energy-efficient behaviour
- » Industry to provide accessible information in different formats
- » Empower consumers through demand response, information provision, etc.
- » Address and improve the role and interaction of different stakeholders: Government, regulators, industry, consumer associations, ombudsmen, etc.

● **Guidance Document on Vulnerable Consumers**

- Examples of Member State instruments and Practices
 - » Avoid (winter) disconnections
 - » Invest in energy efficiency measures
 - » Encourage landlords to invest in housing stock improvements
 - » Supplier of last resort
 - » Social tariffs and direct energy payments
 - » Support with payment planning
 - » Regulation of telephone sales and door-to-door selling
 - » Bills in different formats e.g. large print; send to friend/neighbour
 - » Fuel Poverty Observatory
 - » NRA reviews to monitor number of disconnections etc.

● Next Steps for 2014

Following endorsement of the report at London Forum:

- Publication and wider circulation of the report
- Public consultation on retail market functioning
- Price and cost report for European Council, February 2014
- DG ENER Retail Market Communication
- Ongoing compliance checks and infringement procedures
- Energy consumer days in Member States
- Shared online space for vulnerable consumer discussions
- Data collection: disconnections, bill arrears, prepayment meters, definition of the concept of vulnerable customers, household energy expenditure



**THANK YOU
FOR YOUR ATTENTION !**

Documents:

http://ec.europa.eu/energy/gas_electricity/forum_citizen_energy_en.htm