EU signs off on major reform of electricity market with consumer benefits

EU legislators have agreed to new electricity market rules which will apply for the coming decade and beyond.

In future, for example, it will be easier for consumers to switch energy providers and to upload energy they have produced to the grid. It will also be mandatory for energy providers to sign up to a dispute resolution scheme, ensuring that disputes between consumers and providers now go through an arbitration process before any possible legal action.

These rules will come in as the energy market undergoes profound transformation, with a growth in consumer-generated electricity, and smart meters and services like dynamic pricing becoming ubiquitous.

Monique Goyens, Director General of the European Consumer Organisation (BEUC), said: “Overall this is a good deal for consumers which should help make the electricity market more consumer-friendly. For example, it will improve the clarity of energy bills, something that 40% of consumers still have trouble in understanding [1].

“There will also be new rules to make supplier switching faster and smoother. While consumers nowadays need to wait weeks to switch to a better deal, in future the process will have to be limited to 24 hours. It also won’t be possible for suppliers to slap excessive charges on consumers just because they want to change providers. The smart meters installed in future roll-outs will have to meet strict security and privacy standards, while data generated by smart meters will have to be made available to a consumer’s new provider.

“Consumers who produce electricity, for example through solar panels, and want to feed it into the grid, will also benefit from streamlined and easier procedures. We are pleased that in only very few circumstances it will be possible for the grid to refuse electricity generated by consumers. This will help make the energy transition faster and increasingly consumer-oriented.”

ENDS