

The Consumer Voice in Europe

# DRAFT 2021 WORK PROGRAMME OF THE COUNCIL OF EUROPEAN ENERGY REGULATORS

BEUC response to the public consultation



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## Why it matters to consumers

The energy sector is undergoing important changes. The emergence of new types of electricity offers and smart energy technologies requires a reflection on how rules should be changed so that consumers have access to affordable energy services in increasingly decentralised and digitalised energy markets. Energy regulators therefore play vital role in ensuring that energy markets are sufficiently regulated and consumers are well protected.

## Summary

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In its draft work programme for 2021, the Council of European Energy Regulators (CEER) identifies a number of activities to support the regulation of retail energy markets at the European and national level. These regulatory activities are necessary to respond to ongoing and upcoming changes in retail energy markets, which will have significant implications for consumers.

In this changing environment, BEUC urges regulators and lawmakers to guarantee that consumer interests are protected through:

1. **The introduction of minimum binding sustainability standards for 'green' claims**, tied to measurable criteria regarding additional environmental benefits. These standards should avoid misleading advertising to consumers.
2. **A cost-efficient planning of electricity distribution networks, which takes into account consumers' active contribution through demand response.** Consumers should be rewarded for being flexible in their energy consumption and those who are unwilling or unable to do it should not be punished for their lack of engagement.
3. **Activities aimed at assessing to what extent consumers have benefitted from dynamic electricity price and aggregation contracts.**
4. **Rules protecting consumers during emergency situations**, such as the COVID-19 pandemic.
5. **The update of guidelines for comparison tools**, reflecting the introduction of dynamic price electricity contracts, aggregation contracts, peer-to-peer energy trading and energy-as-a-service. This activity should ensure that consumers are able to make an accurate comparison of all energy offers available on the market, so that they can choose the offer that is right for them.
6. **The development of rules on access to data in the energy sector**, clearly defining roles and responsibilities of energy companies when accessing consumers' data, in line with the General Data Protection Regulation (GDPR).
7. **The development of rules enhancing the cybersecurity of connected products.** Connected products on the market should be cybersecurity by design, to protect consumers and the energy system from cyberattacks.

## Priority areas

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**CEER proposes that the 2021 Work Programme should focus on these priority areas:**

- Digitalisation in the consumer interest;
- Decarbonisation at least cost;
- Dynamic regulation: European solutions for adaptive regulation in a fast-changing world;
- Clean Energy Package Implementation; and
- Significant recurring work.

Do you support that these areas should be the priorities or should some areas be deleted and others included?

BEUC, the European Consumer Organisation, welcomes the opportunity to provide its feedback to CEER's 2021 work programme. The energy sector is undergoing profound changes, new energy offers are appearing in several markets and the way consumers will interact with energy is expected to change dramatically. Consumers will be able not only to produce their own energy, but also to provide their flexibility to the electricity system and to choose among a wide range of sustainable energy offers and products. This can represent both challenges and opportunities for consumers and for this reason we welcome that CEER intends to continue working on consumer-related aspects. We particularly welcome initiatives related to energy digitalisation and to trustworthy information on green gas offers and we look forward to collaborating with CEER, providing a consumer perspective.

**Within each priority area, do you think the Work Programme focuses on the right deliverables or should some be deleted or added?**

BEUC generally agrees with the priorities and the deliverables identified. However, some activities should be better fleshed out in the work items, such as the report on pros and cons of dynamic price contracts and the work on cybersecurity and data access in the context of the PEER initiative. In the sections below we provide more detailed recommendations.

## Questions on individual work items

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### CUSTOMERS AND RETAIL MARKETS

#### **Work item 1: Self-Assessment Status Report 2019 for the Roadmap to 2025 Well Functioning Retail Energy Markets**

**Description:**

This second Status Report continues to implement the framework developed by CEER in its roadmap to well-functioning retail energy markets in Europe that are expected to deliver reliable, affordable and simple-to-use services to protect and empower consumers by the year 2025. This exercise starts for each NRA with data collecting on the basis of CEER's established 25 metrics, continues with the actual self-assessment together with a gap analysis, which leads up to national recommendations and monitoring of the implementation of those recommendations. By identifying a gap between the national data for a metric and the national objective for that metric, each NRA can target improvements and seek ways to achieve those improvements.

Do you have any specific comment on this individual deliverable?

National Regulatory Authorities (NRAs) should ensure proper monitoring of consumer aspects related to new energy services as envisaged in the Electricity Directive (for more details, please, BEUC response on work items 4 and 5). NRAs should monitor the fulfilment of legal obligations, such as the availability of pre-contractual information and compliance with horizontal and energy law, and to what extent consumers benefit from new energy offers. This work overall will be very important also to properly monitor and assess the implementation of the Clean Energy for All Europeans package.

#### **Work item 2: Advice on trustworthy information on green electricity contracts/the origin of electricity and consumer protection against misleading marketing ("greenwashing")**

**Description:**

In the context of both the related provisions in the revised renewable energy directive 2018/2001/EU and the European Commission's forthcoming legislative initiative on "Empowering the consumer for the green transition" led by DG JUST, CEER will look at how green contracts are marketed and how customers are informed about them, both at the pre-contractual as well as in the contractual phases, and which role these contracts might play in delivering the renewable penetration goal at least costs. It will also consider the relationship between Guarantees of Origin (GOs), Green Certificates (GCs) and other support schemes and whether the current governance of the GOs is fit for any new role that they might be called to play in the future.

Do you have any specific comment on this individual deliverable?

Misleading 'green' tariffs can significantly undermine consumers' confidence and trust in electricity markets. Therefore, BEUC has been advocating for clear, comparable and credible information about 'green electricity' tariffs advertised by companies. We believe that 'green' claims should be tied to measurable criteria regarding additional environmental benefits and that NRAs play an important role in setting minimum binding sustainability requirements. To avoid consumers are misled, NRAs could put in place and run pre-approval schemes for 'green' tariffs which companies offering these tariffs should follow.

For this reason, we welcome CEER's plan to prepare advice on trustworthy information on green electricity contracts. When opting for a 'green' tariff, consumers expect that their choice has a positive impact on the environment and they contribute financially to an increase in renewable electricity generation. This is only the case if consumers' decisions lead to the generation of additional green electricity and additional benefit for the environment.<sup>1</sup>

In addition, increasing quantities of green gas produced through different production processes, with different levels of sustainability, are entering into the market. There is a risk that this increasing complexity in the gas offer may lead to unclear or misleading commercial practices. Consumers should receive trustworthy and easy-to-understand information on the sustainability of the gas that they are purchasing.

### **Work item 3: Guidelines of Good Practice on future-proof comparison tools for the energy sector**

#### **Description:**

Insights gained from the PEER cross-sectoral and cross-authority Regulatory Roundtable on "Challenges for Comparison Tools of New Services and Intermediaries" (to be organised by CEER in Q3/4 2020) will inform the review of CEER 2017 "Guidelines of Good Practice for comparison tools for electricity and gas contracts" for both publicly run (e.g. by energy regulators) and privately run comparison tools, in light of the even more dynamic nature of contracts in various market places (due to digitalisation, technology developments and decentralisation). The challenge of incorporating into comparison tools the risks and benefits of dynamic offers, allowing consumers to make informed choices, will also be addressed.

Do you have any specific comment on this individual deliverable?

BEUC strongly supports CEER's plans to develop guidelines on future-proof comparison tools and is keen on co-organising the upcoming PEER regulatory roundtable on challenges for comparison tools of new services and intermediaries.

Comparison websites have become extremely important tools to help consumers navigate increasingly complex energy markets and choose the best tariff for them. While price is very often the main trigger for consumers to switch their supplier, there are also other elements that consumers consider when they sign up for an offer with another energy supplier. Elements such as sustainability of the energy supplied and whether the energy supply is bundled with other products and services should clearly be featured in comparison websites.

In addition, the introduction of dynamic price electricity contracts, aggregation contracts, peer-to-peer energy trading and energy-as-a-service requires a reflection on how to include these new offers in comparison websites and on how these should simulate the costs for consumers.

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<sup>1</sup> For further information, BEUC, [Joint statement of consumer organisations, environmental NGOs and renewable energy associations](#), 9 March 2017, BEUC-X-2017-021, and BEUC, [Trustworthy 'green electricity' tariffs](#), January 2016, BEUC-X-2016-002.

**Work item 4: Paper on digitalisation as a driver for better retail market functioning - key challenges and recommendations**

**Description:**

In considering the implications of digitalisation for the energy system, the NRAs' objective is to enable the benefits to consumers and to protect them against risks. For example, one key consideration will be how to use data in increased and more efficient forms whilst satisfying the requirements of the General Data Protection Regulation (GDPR). Following the observations made, CEER would then make recommendations on how those challenges could be overcome.

Do you have any specific comment on this individual deliverable?

BEUC has worked for years on consumer-related aspects related to energy digitalisation, including on rules on access to data. Robust compliance and enforcement of the GDPR is essential to prevent unlawful selling or sharing customers' data. In our paper 'Future of energy consumers', we recommend that data requirements should be based on 4 pillars: (1) guaranteeing well-functioning competitive energy and energy-related markets, (2) protecting consumers privacy and data protection rights, (3) promoting the public interest by enabling wider access to non-personal data and (4) ensuring consistent regulatory oversight and enforcement if consumer rights are not respected.<sup>2</sup>

DSOs will have access to more granular data. Any use of network data must be compatible with the DSO's neutral market facilitator role and should not lead to discriminatory access to certain market players. It must be clear what is meant by data needed for different services (including new ones), what is the added value for consumers, how will data be used and with whom will it be shared. To access consumers' personal data (e.g. from smart meters) for network planning, DSOs must justify why they want a certain granularity of data and what benefits they can generate from receiving that data.

Guidance on how to best manage cybersecurity risks is another matter that should be explored. It needs to be stressed that the electricity grid is as secure as its least secure part. In addition, experience from other sectors teaches us that the increasing number of connected products may lead to increased risks for the system. Tests done by several consumer organisations, including Belgian consumer organisation Test-Achats and British consumer group Which?, exposed the vulnerability of several smart-home devices.<sup>3</sup> To minimise cybersecurity risks to consumers and to the network, we recommend that rules on cybersecurity of connected products reflect the principles of 'security by design and by default' and that they ensure that consumers are informed and can react to products' vulnerabilities.

In addition, the development of the report on *pros and cons for consumers of dynamic price contracts from the customer's perspective* (mentioned on page 7 of the public consultation document) is of critical importance. As a result of the implementation of the Electricity Directive, consumers in all EU Member States will soon be able to choose dynamic price contracts. Most consumers today are used to fixed-price contracts and dynamic price ones require to manage the electricity consumption in a different way. Understanding the implications for consumers of the introduction of dynamic price contracts will help policymakers and regulators to identify those practices that are beneficial for consumers and avoid those that are detrimental.

<sup>2</sup> For further information, BEUC, [The future of energy consumers](#), October 2019, BEUC, [A European strategy for data – BEUC's response to public consultation](#), June 2020, and BEUC-X-2019-055, BEUC, [Access to consumer data in the digital economy](#), November 2019, BEUC-X-2019-068.

<sup>3</sup> For further information, Which?, [The hackable home: investigation exposes vulnerability of smart-home devices](#), June 2017, and Test Aankoop, [Je slimme woning is niet veilig voor hackers](#), May 2018.

We recently issued a report 'Fit for the consumer? Do's and don'ts of flexible electricity contracts' in which we identified some company practices that were causing a detriment to consumers and provided a set of recommendations on how to best design dynamic price and aggregation contracts.<sup>4</sup> These include recommendations to:

- provide clear and complete information on the offers, including on how the tariffs and rewards are set;
- inform consumers if flexible energy contracts are adequate for their consumption patterns;
- explain what products are necessary to benefit from the offers;
- provide consumers with tools to save money and protect them from bill shocks;
- allow consumers to pay the bills by instalments if the amount paid exceeds the average charged in the past;
- ensure full compliance with GDPR and also to promote best practices going beyond it;
- allow consumers to easily terminate the contract and switch;
- limit termination fees and set early termination fees for fixed time contracts to a level that is proportionate to the early benefit received;
- be clear about the duration of the contract and termination clauses.

In our analysis, we noticed that several considerations were valid both for dynamic price contracts and aggregation contracts. As there are efficiencies that can be exploited, we recommend CEER to extend the scope of this activity to cover not only dynamic price contracts, but also others, including aggregation and energy-as-a-service.

BEUC is keen to provide its expertise and comment on the draft paper e.g. via public consultation.

#### **Work item 5: ACER-CEER Market Monitoring Report**

##### **Description:**

This annual ACER-CEER Market Monitoring Report covers wholesale gas and electricity markets and monitors consumer empowerment and retail markets developments across Europe. The report will include deep insights into retail market developments, incl. prices, price regulations and market structures, and standing and new consumer issues such as energy poverty and active energy consumption. The primary data source of CEER inputs is CEER's national indicators and respective surveys.

Do you have any specific comment on this individual deliverable?

ACER-CEER monitoring reports provide very useful insight for consumer organisations, policymakers and many other stakeholders both at the EU and national level. We certainly welcome CEER's plans to focus more on energy poverty. As new energy offers are entering the market and more consumers are engaging in renewables by producing electricity in their homes, we recommend to also cover aspects related to these offers and schemes in this report. It would provide a great added value if the report also assessed to what extent consumers are benefitting from new energy offers, monitoring issues such as:

- the number of consumers on dynamic price and/or aggregation contracts;
- whether consumers are benefitting from lower bills, how much is the average financial benefit or whether there are consumers affected by bill shocks;
- whether cross-subsidies, differences in quality of service or in consumer protection exist between those on a dynamic or non-dynamic price contracts;

<sup>4</sup> BEUC, [Fit for the consumer? Do's and don'ts of flexible electricity contracts](#), 2019, BEUC-X-2019-016.

- whether consumers receive clear, relevant and complete information to accurately assess the risks and opportunities of entering in a dynamic price contract;
- specific risks for consumers related to the fulfilment of legal obligations, such as availability of pre-contractual obligation and compliance with horizontal and energy-specific law.

#### **Work item 6: CEER Customer Conference**

##### **Description:**

CEER's flagship event to engage directly with consumer representatives on how the Clean Energy for All Europeans legislation can be best implemented in practice, with a focus on empowering and engaging consumers to become fully-fledged market players.

Do you have any specific comment on this individual deliverable?

BEUC will be keen on collaborating with CEER on its 2021 Customer Conference, providing its contribution in terms of speakers and topic selection.

### **ELECTRICITY**

#### **Work item 7: Updated Paper on unsupported RES**

##### **Description:**

The 2019 CEER paper on unsupported RES showed how RES electricity is handled in the Member States after their financial support time ended. One of the main conclusions of that paper was that starting from 2020, the support time for more and more RES installations will end throughout Europe. Therefore, this paper aims to provide an updated overview and will include a short questionnaire to NRAs.

Do you have any specific comment on this individual deliverable?

N/A

#### **Work item 8: ACER-CEER contribution(s) on revision of TEN-E Regulation**

##### **Description:**

This paper will analyse the proposed revision (planned for Q4 2020) of the Trans-European Networks for Energy (TEN-E) Regulation and to share the views of the European energy regulators.

Do you have any specific comment on this individual deliverable?

N/A



### **Work item 9: Sector coupling - integration across sectors**

#### **Description:**

The energy transition foresees an increasingly important role for electricity because of its role in decarbonisation with a high share of renewables, a growing level of digitalisation in communication and automatisisation in industry and a shifting of energy demand through the electrification of additional areas. It is important to consider how the electricity system needs to adapt to cope with these new developments and requirements.

Do you have any specific comment on this individual deliverable?

Key for the achievement of decarbonisation at least cost will be consumers' active participation through self-generation and demand response. Adequate incentives and safeguards should be given to nudge consumers to provide these services. Ultimately, consumer participation will lead to lower system costs and lower energy bills because it will reduce the need for the reinforcement of the electricity network and for flexible power generation.

Measures to stimulate consumers' contribution to the energy system through demand response should have the priority especially when they are more cost effective than investments in energy supply infrastructure. At the same time, consumers should also receive clear price signals, nudging them to be more flexible in their consumption, and should also receive trusted advice on whether demand response schemes are beneficial for them. For instance, when offering dynamic price contract, suppliers should provide consumers with the contract terms and conditions and a summary of key contractual conditions with clear guidance and warnings on the financial risk of such dynamic price contract. This summary should include an illustrative example showing the maximum financial liability for the consumer, such as an estimate of their annual bill, when compared to their current contract. The information provided should be comparable across suppliers.

BEUC will engage in the debate on energy sector integration and is keen to explore avenues of cooperation with CEER.

### **Work item 10: Paper on the integration of offshore/hybrid grids into the electricity market design**

#### **Description:**

This CEER paper aims to address how offshore grids are to be integrated in the electricity market. Connecting markets (with interconnectors) and offshore generation (with connection lines) is complex and expensive. Synergies might exist in combining the functions, but roles and responsibilities need to be clear cut and conformity with operational requirements, and market design should be investigated.

Do you have any specific comment on this individual deliverable?

N/A

## GAS

### **Work item 11: Report on regulatory mechanisms to incentivise reductions in methane emissions in gas networks**

#### **Description:**

The reduction of methane emissions in the gas sector is an important task for the whole gas industry. Through the regulatory framework, NRAs contribute to this task by applying different mechanisms that incentivise network operators to reduce methane emissions in their networks. This report summarises the mechanisms applied. It will cover different aspects including metering actual emissions (tools existing or to be developed), the adaptation of installations to reduce leakages and regulatory incentives based on the effectiveness of operators' management of emissions reduction.

Do you have any specific comment on this individual deliverable?

N/A

### **Work item 12: Paper on long-term storage**

#### **Description:**

Energy storage is an important aspect of sector coupling; solutions to the intermittence of RES power generation are expected to come from the gas sector. Different technologies could be at stake, including power-to-gas, allowing the development of solutions aimed at storing energy to a larger scale than in batteries, for example. New issues would arise in terms of regulatory treatment of installations or storage services, with questions of valuation for users and cost coverage/services pricing. Starting from the experience of underground storage, this CEER paper will investigate the implementation of long-term storage under technical, economic and regulatory aspects.

Do you have any specific comment on this individual deliverable?

N/A

### **Work item 13: Paper on regulatory innovations for smart sector integration**

#### **Description:**

Under the European Green Deal priorities, the EC launched a strategy to meet climate objectives, while also guaranteeing secure and affordable energy for consumers by exploiting the synergies enabled by an integrated energy system. Sectoral integration aims include:

- the electrification of sectors that currently still rely on fossil fuels, for example, electric vehicles in the transport sector, or heat pumps for heating buildings;
- renewable and decarbonised hydrogen, gases and fuels for sectors which are hard to decarbonise such as air transport and some industrial processes;
- a more 'circular' and efficient energy system, for example, the use of waste heat from industry or data centres to heat buildings.

This strategy naturally entails regulatory challenges for the gas sector. To this end, CEER intends to continue to develop position papers that can contribute to this discussion, investigating the areas of convergence and the associated challenges.

Do you have any specific comment on this individual deliverable?

See comment to work item 9

## DISTRIBUTION SYSTEMS

### **Work item 14: Short paper on the market test on flexibility and storage**

#### **Description:**

This short paper is to provide guidance for DSOs on the market test for flexibility and storage, as a requirement in case DSOs want to own storage following Article 32(1) of the Electricity Directive. The paper would also look to clarify the issue of double charging network tariffs to storage facilities. Additionally, the paper plans to include information on the platforms, and it follows up on the priority area of ensuring effective price-signals from the CEER (2019) Digitalisation paper.

Do you have any specific comment on this individual deliverable?

Member States and NRAs should incentivise distribution system operators (DSOs) to improve efficiencies in the operation and development of the distribution system, reform the network to facilitate the growth of low carbon energy generation and ensure accountability that investments deliver value for money.

When operating outside of their natural monopoly role, e.g. in energy storage, the DSOs need to be strongly regulated in order not to limit competition in the energy market.

A set of principles should underpin DSO activities. They should:

- ensure the efficient reliable and secure operation of the distribution system;
- act as neutral market facilitators, procuring services according to transparent, non-discriminatory and market-based procedures;
- ensure fair competition between different technological solutions;
- report transparently on revenue and performance targets and on incentives, including with respect to the cost and benefit for consumers;
- demonstrate within the network development plan how the use of demand response has been built around the requirements and behaviours of consumers as well as the steps that were taken to guard against unfair discrimination within network charges;
- safeguard consumer' control over their data when handling data;
- contract with third party owners of storage assets.

### Work item 15: Short paper on distribution network planning

#### Description:

This paper will focus on distribution network planning and will be a follow-up from the workshop to be organised by the end of 2020. The paper intends to include Distribution Network Development Plans (DNPs), while also touching upon current challenges such as sector coupling, whole system approach and stranded assets. With the development plans, NRAs will be able to monitor DSOs network development, especially on flexibility and energy storages. Plans will help NRAs to see whether DSOs are considering alternative solutions to traditional network investments. They will enhance the possibility to follow DSOs investment cost efficiency and measures done for energy efficiency.

Do you have any specific comment on this individual deliverable?

Due to the expected electrification of transport and heating, DSOs are expected to invest in reinforcing their networks. Overall, this should be done in the most cost-efficient way possible, to limit the impact of these investments on consumers' bills.

The way DSOs have traditionally recovered their costs typically favoured CAPEX over OPEX. This model can lead to inefficient investments, as this will result in under-investments in flexibility assets and over-investments in more expensive infrastructural assets. To ensure that the cost recovery model is adapted so that it leads to lower overall system costs, DSOs should share relevant, complete and reliable information with regulators. In particular, information on the costs of reinforcing the grid compared to costs to digitalise it should be made available.

Consumers can provide flexibility to the grid by modifying their behaviour. There are mainly two ways in which DSOs can stimulate consumers to provide their flexibility. DSOs could introduce time-differentiated charges, which gives an incentive to consume less electricity at times of high prices, or they could procure flexibility on the market, hence remunerating consumers who lower their consumption at a certain time.

Member States, regulators and DSOs should adopt a consumer-centric approach when they appraise how to best activate consumer flexibility.<sup>5</sup> In particular, they should:

- Measure the economic impact of a change in network tariffs or a market-based approach to households' flexible consumption on different types of consumers, as well as the impact on their well-being. Especially the impact on low-income, vulnerable households and those in rented houses and/or living in multi-storey buildings should be assessed, as they typically are those who find it more difficult to invest in products that can facilitate flexible electricity consumption.
- Consider real behaviour based on robust behavioural insights, as insight from theoretical models may not be sufficiently accurate. Consumers often react to incentives in unexpected and counter-intuitive ways, which theoretical models may not be able to accurately predict.
- Ensure that the benefits of reducing costs of the grid thanks to consumer's flexibility are passed on to consumers.
- Make sure that all consumers always have the option to choose a tariff that does not change at different times of the day or on different days of the week.
- Make clear what grid charges there are for households. Most flexibility is likely to come from products that require high initial investments. The more the uncertainties, the lower the number of consumers that will invest in these products.

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<sup>5</sup> For further information, BEUC, [Consumers and the future electricity grids](#), October 2019, BEUC-X-2019-059.

- Keep time-differentiated grid charges as simple as possible. The more complex the tariff, the more difficult it will be for consumers to see how to change behaviour in order to save money. Even when consumers use automation, they must be able to understand what they are paying for.

In addition, NRAs, Member States and DSOs should increase transparency and oversight. They should:

- Conduct regular monitoring of the impacts on different consumer groups.
- Ensure that consumers have adequate information before any change (i.e. either when changing grid charges or moving to a market-based procurement of flexibility).
- Guarantee that there is enough oversight, enforcement and consumer protection for all new services that will harness consumer flexibility for the grid. For example, for aggregation services or automated decision-making services.
- Involve consumer organisations in the decision-making process.

#### **Work item 16: Paper on tariffs for sharing for energy communities**

##### **Description:**

This paper will be a more specific follow-up from the 2019 CEER report on regulatory aspects of self-consumption and energy communities. As the concepts of jointly acting active consumers, jointly acting renewable self-consumers and citizen and renewable energy communities are being transposed into national law energy sharing will become more prevalent across Europe. Network tariffs applied to sharing schemes are an important factor for the "business model" of such schemes and need to be in line with the general principles of network tariffs. Directive 2019/944 (Art 16.3) for instance says that "For the purposes of point (e) [sharing] of the first subparagraph, where electricity is shared, this shall be without prejudice to applicable network charges, tariffs and levies, in accordance with a transparent cost-benefit analysis of distributed energy resources developed by the competent national authority." CEER could evaluate what such a CBA could look like and how cost-reflective tariffs could be implemented for communities in different tariff systems.

Do you have any specific comment on this individual deliverable?

New businesses and community initiatives delivering innovative services that may be attractive to consumers start to emerge. Schemes such as community-based solar services may offer compelling value propositions to consumers and facilitate consumers' engagement in energy markets, but there are several issues which will determine the level of consumer acceptance and participation. Therefore, NRAs should carefully monitor these new schemes, e.g. whether consumers receive clear information, whether their privacy is protected as well as aspects related to contractual issues and liability. When participating in energy communities, consumers should always keep their rights as energy consumers and be able to exercise them.

BEUC supports new schemes and incentives facilitating consumers' access to renewables and those consumers producing electricity at home should not be burdened with undue charges. At the same time, it is important to assess the distributional impacts of supportive measures and ensure transparency on the network costs that are passed onto consumer groups who do not use such technologies. Cost distribution has to be balanced and fair.

### **Work item 17: Report on Quality Regulation**

**Description:**

The report should give an overview of the use of quality regulation regimes among the Members and Observers of CEER. This report will focus on national regulatory regimes that use bonus and penalty system based on continuity indicators in the electricity sector. In addition, it will give an overview of the impact of distributed generation on quality standards and Continuity of Supply (CoS) regulation.

Do you have any specific comment on this individual deliverable?

N/A

### **Work item 18: 3rd CEER Report on Power Losses**

**Description:**

The 2nd edition of the CEER Report on Power Losses was published in early 2020. As a preparation for working on the next edition, CEER will start the preliminary work in 2021 for publication of the next edition in 2022. This report will again provide a detailed overview of power losses (transmission and distribution) in electrical grids – the levels of losses, how they are defined, calculated and valued across as many European countries as possible (the 2nd report included 35 countries).

Do you have any specific comment on this individual deliverable?

N/A

## **CROSS-SECTORIAL**

### **Work item 19: Regulatory Frameworks Report 2021**

**Description:**

The Regulatory Frameworks Report is an annual report which delivers a general overview of the implemented national energy regulatory regimes, the efficiency developments and analyses the overall determination of capital costs. This report was previously named the Investment Conditions Report. For years, the report is highly appreciated by many stakeholders as it provides a clear overview of the national regulatory regimes for the energy sector. The 2021 report will be the 10th edition of such a report.

Do you have any specific comment on this individual deliverable?

N/A

### **Work item 20: TSO Cost Efficiency Benchmark (TCB21)**

#### **Description:**

The TSO Cost Efficiency Benchmark is a CEER deliverable that periodically measures the TSOs' cost efficiency. Such a benchmark is to ensure that tariffs that are based on efficient costs as stipulated by European law. This TSO Cost Efficiency Benchmark 2021 (TCB21) will be the sixth edition for electricity and the third for gas. The research will likely again include several workshops for the participating NRAs and TSOs.

Do you have any specific comment on this individual deliverable?

N/A

### **Work item 21: Advice on financial regulation and the links to REMIT**

#### **Description:**

Gas and electricity markets have their own dedicated regulation to address market abuse and transparency – the REMIT – where energy regulators play a key role in ensuring compliance. Energy regulators will stay abreast of development and will advise where appropriate on any proposed legislative changes.

Do you have any specific comment on this individual deliverable?

N/A

### **Work item 22: The COVID-19 pandemic: lessons learned about crisis preparedness and management in the energy sector and approaches to protecting energy consumers**

#### **Description:**

Beyond the immediate impact on health, the current COVID 19 crisis has major implications for global economies and the energy markets. The entire energy sector, national energy regulators and ministries have been working hard to keep the lights on and ensuring energy system are resilient, protecting the interests of consumers, particularly the most vulnerable. We are still in the process of developing a clear picture of its immediate effects, let alone the long-term consequences. However, we can already observe that more and more consumers are falling behind on paying their energy bills and this is a challenge for energy companies who are likely to see arrears paid back over a longer period and some debt might be irrecoverable. Attempts to draw wider lessons from the measures and policies adopted, in particular, to make sure the right protections are in place to support consumers, will be instrumental in order to be prepared to respond to future crisis.

Do you have any specific comment on this individual deliverable?

The COVID-19 pandemic and the lockdown measures have had negative effects for consumers also in relation to their role as energy consumers and further consequences are yet to be seen once consumers start receiving bills reflecting their real consumption during the lockdown. Consumers' energy consumption increased because of the lockdown measures and their ability to pay decreased because of their loss of income. BEUC

members found several implications and lessons learnt<sup>6</sup>, some of which may not be evident, for instance:

- Consumers who were not in a condition of vulnerability before the beginning of the crisis began vulnerable as they suddenly found themselves without a job or with a significantly reduced income.
- Consumers with a pre-paid meter were unable to top it up, as shops were closed.
- Where consumers have to send their application for benefitting from social measures by post, they incurred the risk that the application did not reach the competent authorities by the deadline, because of increased pressure on postal services.

Our members have also seen that governments, regulators and companies were able to put in place emergency measures that were able to give relief to consumers, such as moratoria on the payment of energy bills, allowing households to settle their debts by instalments, emergency top-ups, lighter administrative measures. However, it is important to note that measures varied across the EU and were sometimes insufficient to adequately protect energy consumers.

On the other hand, we have seen that in some cases, for instance, the lower grid management costs due to consumers' flatter energy consumption profile were not passed onto them.

In addition, consumers who suffered a loss of income due to the COVID-19 outbreak risk to be again under financial pressure when, during the winter, energy consumption and hence energy bills will increase again. It is key that the impact of the aftermath of the crisis is closely monitored and, if necessary, that appropriate relief measures are put in place by Member States and NRAs.

BEUC is keen to contribute to this work item by providing more details to CEER and by facilitating exchanges with our members, for example by organising an online workshop.

**Work item 23: Report on Dynamic regulation from NRAs' perspective (tools and processes)**

**Description:**

Following the paper on dynamic regulation of 2020, CEER will continue to analyse and report on the tools and processes of dynamic regulation within NRAs and will update the overview on how the dynamic regulation is being implemented.

Do you have any specific comment on this individual deliverable?

N/A

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<sup>6</sup> For further information, BEUC, [Letter to Commissioner Simson dated 21 April 2020](#) - COVID-19 implications for energy consumers and BEUC recommendations to ensure consumer access to affordable and secure energy supply, BEUC-X-2020-025/MGO/rs, and Citizens Advice, [Risks to consider and examples of good practice for energy suppliers and networks to support consumers affected by Covid-19](#), May 2020.



**Work item 24: Status Report on unbundling 2021**

**Description:**

The report will assess developments in the certification of the TSOs at a national level since the previous unbundling & certification report. What has changed? How many NRAs' certification decisions have been modified, renewed or withdrawn? What are the consequences for the unbundling? What is the possible impact of the Clean Energy for All Europeans proposals on unbundling?

Do you have any specific comment on this individual deliverable?

N/A

**END**



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