

## The Consumer Voice in Europe

Ref.: BEUC-X-2018-100

7 November 2018

### **Re: BEUC's recommendations on the Electricity Directive.**

Dear Ambassador,

We are writing on behalf of BEUC, The European Consumer Organisation, to provide you with the consumer perspective ahead of the Coreper meeting this Friday where you will discuss a mandate for the upcoming trilogue on the revised Electricity Directive.

With decentralisation and digitalisation, electricity markets are undergoing profound changes. New technologies like smart meters are being rolled out, creating new opportunities but also new challenges for consumers. A robust legal framework that protects consumers, enables them to engage with new technologies and become active players in electricity markets is necessary. To make electricity markets work better for all Europeans, we would like to share with you our recommendations on smart meters, active customers as well as the role of Distribution System Operators.

#### **+ Give households an enabling framework to become active**

The provisions on active customers in Article 15 of the Directive should not lessen the existing agreements in the Renewable Energy Directive for renewable self-consumers. For example, provisions for connection to the grid are already covered by Articles 15 and 17 of the Renewable Energy Directive, including through storage and through a simple notification procedure. No new requirements or timelines for the permit granting process should be included in the Electricity Directive.

#### **We support the Council's General Approach not to hinder existing schemes that account separately for electricity fed into and from the grid at least up to 2025.**

Net-metering schemes are effective to jump-start distributed generation markets. In some forms, these schemes allow for a contribution to the grid. For instance, in Poland consumers can feed 1 MWh into the grid and get 0.8MWh out. This scheme is cheaper to administer than other more complex schemes, such as feed in tariff. There should not be any retroactive changes in existing schemes.

#### **+ Make sure consumers benefit from smart meters**

Smart meters can provide benefits to consumers such as precise billing and new offers, but they also pose a number of challenges such as added costs, data protection or the risk related to the remote switch off capability which may negatively impact especially consumers in vulnerable situations.

**Consumers ultimately bear the cost of the smart meter roll out and should be able to benefit from it.** However, the application of new functionalities should be carefully considered, and the revised Electricity Directive should apply only when meters are replaced.

.../...

Several countries are already rolling out smart meters so making consumers pay for new generation of smart meters prematurely could negatively impact their view on smart meters. We therefore support the Council's General Approach on Annex III.3. as well as on Article 19 (5a), and the last part of the Parliament's amendment 98.

Where smart meters are rolled-out, Member States should establish a solid legal and regulatory framework in order to guarantee that the roll-out is **cost-effective** and that **costs and benefits are fairly shared** among those who benefit. Member States should provide guidelines for **provision of information and advice to consumers, particularly about new technologies and services**. Several BEUC members pointed out that consumers complain about the lack of information on the installation or use of the smart meter. For instance, BEUC's French member, UFC Que Choisir, found out in their recent survey that almost 70% respondents find the Linky smart meter not useful.<sup>1</sup> Citizens Advice, BEUC's UK member, reports that while the majority of people with smart meters are experiencing some of the benefits of this technology,<sup>2</sup> consumers require more information about smart meters and experience installation problems among others. It is essential that consumers receive **better information prior to a rollout** (Article 20(f)) and that Member States **monitor consumers' satisfaction with the deployment together with savings achieved** (Article 19.4).

**Security should be seen as a fundamental principle guaranteed by default.** The lack of security of one single product cannot be perceived as one isolated risk to the individual consumer. Connected products can also be used to disrupt critical infrastructures. The security of a smart grid should start with the security of smart meters and similar connected products. All of this can only be avoided if there is some investment and state of the art features included in smart meters. The cost of non-compliances is much higher for society and for companies. **We therefore strongly disagree with the Council's General Approach** on Article 20(b).

Smart meters can provide a unique insight into the private sphere of households. **The consumer must have the right to access and control** all the data generated by the smart meter and transmit that data to another party at no cost. **Consumers should be able to easily verify who has access to their data** as proposed by the European Parliament in Article 20 (c) and (d). The Parliament's text would be a helpful addition because it clearly would require the company to name/identify the actual parties that have access to the data.

**✚ *Distribution System Operators should act as neutral market facilitators***

This important premise should be also included in the Electricity Directive as proposed by the Parliament's amendment 118. Similarly, to avoid distortion in the market, the Distribution System Operators should not own storage and exemptions to that rule should be limited to the strictly minimum.

Thank you for your consideration and we remain at your disposal should you require any further information.

Yours sincerely,

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<sup>1</sup> <https://www.quechoisir.org/actualite-compteur-electrique-linky-infographie-vous-et-le-compteur-linky-n46704/>

<sup>2</sup> Early consumer experiences of smart meters, July 2018, available at: <https://www.citizensadvice.org.uk/Global/CitizensAdvice/Consumer%20publications/Early%20consumer%20experiences%20of%20smart%20meters%20-%202018%20.pdf>