

## The Consumer Voice in Europe

BEUC-X-2024-106

Brussels, 01/12/2024

### **Subject: The Consumer Mission Letter**

Dear Commissioner Jørgensen,

On behalf of BEUC, The European Consumer Organisation, I wish to congratulate you on your recent appointment as European Commissioner for Energy and Housing. Created in 1962, we represent 44 national consumer groups from 31 European countries. Thanks to our members' markets watchdog role, their product testing and daily contacts with consumers from across Europe, we can support you with evidence-based policies to ensure the European economy delivers to consumers.

We fully support your mission to accelerate the decarbonisation of our energy system while bringing down energy prices for consumers and fighting energy poverty. During your hearing, we were pleased to hear you underline that EU energy legislation has led to savings for consumers. As you mentioned that some people worry about the green transition, it is more important than ever to demonstrate that well-developed legislation can benefit our wallets and the planet.

Consumer organisations can, and must be, part of this process. For you to be a true consumer champion, we believe that the below proposals should be part of your mission.

### **The current shortcomings**

Housing is a very important concern for many Europeans. Prices for rent and purchase have been skyrocketing in recent years, putting an overly high burden on people and leaving many without satisfactory choices.

Moreover, as the recent energy crisis showed, our dependence on fossil fuels for heating, cooling and mobility exposes consumers to energy price hikes and puts a strain on households' budget. The crisis also underlined how complex the energy market is to navigate for consumers, and they were often insufficiently protected from unfair practices from energy suppliers. A system based on renewable energy and buildings that are easy to heat and cool is the best way to shield consumers from the volatility of fossil fuel prices.

Over the last years, the EU has adopted a series of new laws aiming to accelerate the switch to renewable energy, speed up housing retrofit efforts and better protect consumers in electricity, gas and district heating markets. The time is now to turn legislation into daily reality by ensuring consumers can effectively engage in the energy transition.

## Consumers' proposals for your mission

### *Make housing affordable and renovation easier*

Your job title rightly emphasises the structural link between energy consumption and housing conditions. The best way to shield consumers from excessive energy prices is to better insulate homes. Beyond new constructions, the EU's **'Affordable Housing Plan'** should also promote the retrofit of our existing housing stock, in line with the recently revised **Energy Performance of Buildings Directive**.

The private financial sector should play a much more active role in housing renovation. We encourage you to work together with the Commissioner for Financial Services to ensure that the future **revision of the Mortgage Credit Directive** will facilitate financing of retrofit works. Stronger financing is also needed to develop tools, such as 'one-stop shops', which can guide consumers through the complex journeys that are renovation projects.

Regarding the new portfolio of housing, we expect you to work in coordination with Member States to propose tangible solutions on how to facilitate access to affordable housing for different groups of consumers.

### *Speed up the switch to sustainable heating and cooling, heat pumps and renewable-based district heating*

To meet our objectives, the market uptake of heat pumps is of paramount importance. The future **Clean Industrial Deal** should include demand-side measures to foster the market for heat pumps. The European Commission should develop **a heating and cooling action plan** that prioritises consumers' needs and ensures affordability for lower- and middle-income households to clean solutions. The European Commission should also provide guidance to Member States on measures such as the development of local heating and cooling plans and the further development of district heating networks.

The Commission must also ensure that Member States establish **skills and training programmes for the heating industry** and implement quality certification schemes for installations.

### *Promote the flexible use of electricity consumption*

Using **electricity more flexibly** could help some consumers save on their energy bills and lower pressure on the grid at peak times of electricity consumption or generation by solar and wind energy. Consumers across Europe are already entitled to dynamic price contracts under the Electricity Directive (2019), but these offers are not always available.

Member States should ensure the **roll-out of competitive dynamic price offers** for consumers who wish to avail of them. The offer of electricity contracts that combine fixed and dynamic elements – known as **‘hybrid contracts’** – as well as other flexible contracts should be promoted as an alternative between fixed and fully dynamic offers.

### ***Stronger protection and less barriers for consumers on energy markets***

Under the last mandate, consumers’ rights and protections were strengthened in electricity, gas and district heating markets. The implementation of the new rules should contribute to protecting consumers from the bad experiences observed during the energy crisis. The upcoming **‘Citizens Energy Package’** should give Member States clear guidance on how to best implement new consumer rights. This package should also be the occasion **to identify potential gaps and needs for improvement in consumer protection frameworks**, notably on district heating markets or for emerging market trends such as dynamic price contracts, energy sharing, and collective self-consumption. For instance, consumer organisations have pointed out administrative and technical barriers that make it difficult for consumers to engage with new market developments.

### ***Making sure taxation and subsidies promote renewable energy and sustainable appliances***

The poor implementation of the **polluter-pays principle** is one of the biggest hurdles to the green transition. The costs of clean technologies such as heat pumps is often made artificially higher simultaneously by levies/surcharges weighing on cleaner energy carriers such as electricity, and by subsidies favouring fossil fuels. The European Commission should issue **guidance on how to address the high charges and levies borne by electricity**.

### ***Making the best use of Ecodesign and Energy Labelling rules to improve the energy efficiency and the overall sustainability of consumer products***

EU energy-efficiency rules, known as **Ecodesign** and **Energy Labelling**, help shield consumers from high energy prices when using their home appliances.<sup>1</sup> With the recently adopted Ecodesign for Sustainable Products Regulation, the European Commission has the tools to “make sustainable products the norm”. For this, sufficient means and resources will need to be provided to the relevant Commission’s services as the implementation of Ecodesign Working Plans have often been delayed due to the lack of resources in the past.

## **The way forward**

We are aware that you have a busy agenda but hope nonetheless that you will find the time to meet with us. We would be keen to hear your reaction to our proposals and would like to elaborate more about the expectations of European consumers towards European decision-makers.

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<sup>1</sup> [Energy-saving appliances: the silent money makers in consumers’ homes](#); BEUC report, May 2023.

Please count on our support if you need information about the consumer perspective in your policy area.

Please find enclosed our priorities for this new Commission.

I wish you a most successful mandate.

Yours sincerely,

Agustín Reyna  
Director General

Encl.: *Europe, Consumers Count on You – BEUC priorities for the next European Commission (2024-2029)*  
The consumer take on the Clean Industrial Deal – BEUC Position Paper 2024.