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Date: 30/11/2016
Reference: BEUC-PR-2016-019

Commission's energy package is mixed bag for consumers

Today the European Commission is releasing a set of proposals to reform the EU energy market, particularly for electricity. The Commission has understood that for the transition to a cleaner, more sustainable energy market to be a success, consumers need to become more involved in energy markets. Therefore, the Commission is keen to improve the clarity and quality of information consumers receive on their energy consumption, particularly on bills or through new, smart technologies. The Commission is also releasing its long-awaited Ecodesign work plan which sets design standards for energy-using products so they become more efficient and cut energy bills for consumers. On the downside, however, consumers who have invested in solar panels to produce their own electricity could find the road bumpier in the future.

Monique Goyens, the Director General of BEUC, The European Consumer Organisation, said:

"The Commission is pushing for an energy transition that could well be the EU's next big project, in the same way the euro was. But these proposals must deliver tangible benefits to citizens. It is essential that, in a market where consumer trust is generally low, the EU puts the consumer at the heart of its actions. The European Commission's energy package is a mixed bag."

Currently, consumers find bills and billing information too complex and unclear.¹ Consumers cannot understand their consumption and cannot easily compare energy providers, which means they are mostly passive on energy matters. Therefore, BEUC welcomes the proposed minimum requirements for information in bills, and the limits on the size of energy switching fees that energy suppliers can apply in case consumers terminate a contract.

On information to consumers, Monique Goyens said:

"Generally, consumers will welcome the Commission's effort to improve the quality of information that people receive from their energy suppliers. This will help increase consumer trust in the energy market and will help them get better deals. The daily headaches that consumers face in understanding their bills or changing their energy supplier could well become a thing of the past."

The Commission also proposes rules for renewable energy. It aims to phase out support schemes at Member State level which ensure consumers get a fair price for the electricity they feed into the grid, for example by using solar panels. If these proposals are turned into law, this would be a very bad signal for consumers: they would have less clarity about when an investment will pay off and are likely to be less inclined to invest in renewable energy in the future.

¹ Billing information and invoicing are the most common cause for complaint in the electricity market with 34% of energy disputes arising in this area. See ACER-CEER report, [ACER Market Monitoring Report 2015](#), p. 131.

On renewable energy, Monique Goyens said:

"There are real question marks about how the Commission intends to make the EU number one in renewables when it curbs support schemes that encourage consumers to use renewable energy. It pays off for all if consumers are encouraged to invest in renewables today because we will be less dependent on fossil fuels and big utilities in the future."

The EU has progressively introduced minimum Ecodesign requirements for products since 2005, which has meant that the most energy-intensive products can not be put on the market anymore. Today's new 2016-2019 work plan will either finish or kick off work on product groups such as TVs, solar panels and hand dryers. This is good news for consumers, although the plan should have included a more ambitious list of products.

On Ecodesign, Monique Goyens said:

"It is a relief that the Commission wants to use Ecodesign measures to reach its 2030 energy savings targets. If more products become more energy-efficient, both consumers and the environment will be better off. In the future, the EU must ensure appliances that consumers use every day such as mobile phones and TVs last longer, and can easily be repaired and upgraded."

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