



Raising standards for consumers



The Consumer Voice in Europe

Consumer input to the European Commission public consultation on retail energy market

Letter sent to Mr. Jan Panek and Mr. Paul Hodson, European Commission (DG Energy)

Contact: Monika Stajnarova – energy@beuc.eu

Ref.: ANEC-ML-2014-0082

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Mr. Jan Panek
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Mr. Paul Hodson
Head of Unit – DG Energy C3
European Commission
1049 Brussels

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ANEC-ML-2014-0082

17 April 2014

Subject: Consumer input to the European Commission public consultation on retail energy market

Dear Mr. Panek, Dear Mr. Hodson,

We write on behalf of ANEC, the European consumer voice in standards, and BEUC, the European Consumer Organisation as regards the consultation on the functioning of retail energy market that was launched on 22 January 2014.

Both ANEC and BEUC have been and are strongly committed to improving the functioning of retail energy markets and the outcome for consumers. Participating in and contributing to different debates with policy makers, we trust that our contribution will be taken into account when designing new policies. Due to the importance of the energy sector, ANEC and BEUC decided to respond to this consultation and this letter forms part of our response.

However, having analysed the public consultation questionnaire, we believe it contains a number of inappropriately designed questions which are sometimes misleading as well. Moreover, a high number of closed questions prevent us from providing our precise views and detailed comments. Therefore, we are concerned that it will not help to collect relevant facts and accurate data for further analysis. Moreover, we regret that this occurs only a few months before the launch of the European Commission's initiative aimed at improving the energy market functioning and fostering consumers' engagement.

At the same time, we urge the European Commission to organize a separate stakeholder consultation before launching any concrete proposals on future functioning of retail energy markets. Due to the broad scope of this consultation, below you may see our key demands.

In a nutshell, a well-functioning energy market needs to provide energy which is affordable, accessible, and available for all. It is our strong belief that more needs to be done to achieve truly competitive energy markets ensuring consumers are well-informed and well-protected, can access transparent and comparable offers as well as effective means to solve any

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eventual dispute. In addition, consumers should also be provided with appropriate tools helping them to better understand their energy consumption and compare different offers on the market as well as with reliable products and services enabling them to be more energy efficient. At the same time, greater transparency in the wholesale energy market is necessary as it plays a great role in determining the correct functioning of energy markets and influencing the competitiveness of retail markets.

Moreover, current energy markets are perceived by consumers often as very complex which results in discouragement. If consumers are unable to navigate offers under current market conditions, how will they have the confidence to do so in more complicated, "smarter" markets? At the same time, consumer engagement is vital for the effective deployment of energy efficiency measures and new technologies. This cannot however be achieved through information alone.

With regard to the investment commitments to upgrade infrastructure and the roll out of new smart technologies, a future-proof regulatory framework should provide clear commitments as to what benefits will be delivered to consumers together with monitoring and enforcement of these commitments. New technologies and demand response programmes should be based on understanding market opportunity and consumer outcomes.

In addition, consumers need to have easy and free access to a usable interface which provides them with understandable and practical information on their energy consumption. At the same time, the provision of clear and usable information on their historic consumption as well as on current usage will help consumers to better understand their consumption. However, many consumers will not be able to realise the benefits from smart meters if they do not have control over their data or access to information on demand or via monthly readings. Therefore, we call for an open interface with the smart meter in order to facilitate interoperability and connectivity with other home appliances and that allows consumers to use and share the readings with third party service providers if they wish to.

It is also important to bear in mind that those consumers who are not able to shift their load or take advantage of time-differentiated tariffs in demand response programmes should not be penalised by paying more for peak time energy. Consumers need to be adequately protected and additional safeguards for vulnerable consumers should be in place.

Last but not least, full data protection and privacy throughout the whole smart metering and smart grid systems should be ensured at all times.

We trust that you will take our views into account and we remain at your disposal to further discuss our concerns.

Yours sincerely,

Stephen Russell
Secretary General
ANEC

Ursula Pachl
Deputy Director General
BEUC

Cc: Ms. Carina Törnblom, DG SANCO