

# A 2020 Vision for Europe's energy customers

## Joint Statement

13 November 2012

**E**nergy is a vital part of our lives; in order to ensure our wellbeing and to participate fully in society, we all need access to energy – for warmth, lighting, cooking and appliances. The energy sector has a significant responsibility because its decisions determine how energy needs are met, and at what economic and environmental cost. These decisions, by businesses, regulators and policy makers at both national and European levels, affect everyone – including future generations of residential energy consumers and other customers. This is a particularly significant time because the energy sector is embarking on a profound period of change – in how we produce, consume and transport energy – designed to promote a more sustainable energy sector.

CEER and BEUC have a vision of an energy sector that puts smaller customers first. A sector that engages with and understands the diverse needs of customers, from residential consumers, including the most vulnerable and those with low incomes, through to small businesses, and delivers services that meet those needs. A sector that anticipates future needs and takes steps to protect the interests of current and future customers. A sector that uses resources efficiently, ensures that their activities translate into societal benefits, and offers all customers a fair and affordable deal for their services.

This vision can be characterised by four principles governing the relationship between the energy sector and its variety of customers: reliability, affordability, simplicity, protection and empowerment.

**Reliability** in the physical supply of energy, and in commercial systems and processes that provide continuous access and affect customer service levels, such as billing. It also means reliability in the processes that allow problems and disputes to be resolved transparently, fairly and quickly.

**Affordability** such that charges are clear and kept to fair and reasonable levels for all customers, reflecting value for money at a level consistent with funding necessary investments to develop energy networks and to achieve energy policy targets (for example renewables), taking into account the real needs of customers. This can be secured through network regulation and other appropriate measures, if and when necessary, and by providing customers with effective choice over truly competitive offers and new, innovative services. Energy sector specific measures as well as wider social policies have an important role to play, especially for the poorest and more vulnerable.

### **Simplicity**

in how information is provided to customers, and especially residential consumers, such that it is easy for them to understand their bill and better manage their energy consumption, making the choices that are right for them. It also means simplicity and transparency in how processes that affect customers operate. Many customers, and especially many residential consumers, want to be able to take quick and simple decisions in energy markets.

### **Protection and empowerment**

to ensure access to energy supplies, and to guard against unfair commercial practices and unsatisfactory outcomes, recognising the diverse needs of customers, in particular the most vulnerable in society. For customers to be engaged, to take choices and to exercise their rights as energy customers, based on trust in and knowledge of how the energy sector operates. As responsibilities shift and consumers are increasingly expected to become more active in energy markets (through developments such as demand response, smart metering, micro-generation or energy efficiency measures), our Vision recognises their right to choose by whom and how their energy is to be provided and charged. Although this freedom could be framed by regulation, offering meaningful choice for customers, including residential consumers, is a key way to ensure their full protection.

This Vision has been developed through an initiative by CEER, the organisation of European Energy Regulators, involving a wide range of stakeholders through an interactive consumer conference. The conference was held in Brussels in June 2012, and included input by 37 consumer bodies from 20 countries, in addition to representatives from the energy industry, the European Commission and the European Parliament.

Many different organisations will have a role to play if this Vision is to be realised. It will require effective engagement and consultation, and decisive action over a number of years and at different levels. This is a modernisation exercise to create a sector where the European consumer truly comes first. We, the undersigned, put forward this Vision and commit to engage and act in ways that promote it. We will monitor our own progress over time, and ensure that we are open and accountable to our stakeholders. Through this commitment, we will seek to ensure that the energy sector in 2020 delivers significantly better for consumers than it does today.

London, 13 November 2012

BEUC

CEER

## ANNEX: ORGANISATIONS SUPPORTING THE VISION

The following organisations have indicated their support for the Vision and a commitment to contribute to its achievement. They support this initiative by CEER and BEUC and believe in building a European market in electricity and gas that puts consumers first. To this end, they stand ready to engage with the European energy community to improve the functioning of our energy markets, to the benefit of customers.

### **CEDEC (*European Federation of Local Energy Companies*)**

CEDEC represents the interests of local utilities in the energy sector at European level. It gathers around 2,000 companies (predominantly small and medium-sized companies) which have developed activities in electricity and heat production sectors; operation of electricity and gas distribution systems; and supply of electricity, gas and energy services.

### **EDSO for smart grids (*European Distribution System Operators' Association for Smart Grids*)**

EDSO for Smart Grids is gathering 30 Distribution System Operators from 17 EU countries (covering 70% of the EU points of electricity supply). The association is committed to promote the reliability, the optimal management and the technical development of the electricity distribution grids while reaching the European targets of energy efficiency, reduction of greenhouse gas emissions, and higher share of renewable energy sources.

### **ENTSO-E (*European Network of Transmission System Operators for Electricity*)**

ENTSO-E represents all electric TSOs in the EU and others connected to their networks, for all regions, and for all their technical and market issues. ENTSO-E was established by European legislation in order to promote the completion and functioning of the internal market in electricity and cross-border trade and to ensure the optimal management, coordinated operation and sound technical evolution of the European electricity transmission network.

### **ENTSO-G (*European Network of Transmission System Operators for Gas*)**

ENTSO-G represents 40 TSOs and 2 Associated Partners from 24 European countries and 3 Observers from EU affiliate countries to ensure early progress towards the single market. ENTSOG was established by European legislation in order to promote the completion and functioning of the internal market and cross-border trade for gas and to ensure the optimal management, coordinated operation and sound technical evolution of the European natural gas transmission network.

### **ESMIG (*European Smart Metering Industry Group*)**

ESMIG has a number of objectives including: the pan-European introduction and roll out of Smart Metering through harmonisation and interoperability; the creation and implementation of consistent standards for metering and communications; the identification and promotion of best practice solutions for smart multi-utility metering.

### **Eurelectric**

Eurelectric represents the common interests of the whole electricity industry at pan-European level, plus its affiliates and associates on several other continents. Eurelectric has over 30 full members which represent the electricity industry in 32 European countries. Eurelectric's three major objectives are delivering carbon-neutral

electricity in Europe by 2050; ensuring a cost-efficient, reliable supply through an integrated market; developing energy efficiency and the electrification of the demand-side to mitigate climate change.

### **Eurogas**

Eurogas is the association representing the European gas wholesale, retail and distribution sectors. Its members are some 50 companies and associations from 27 countries. Eurogas represents the sector towards the EU institutions. The objectives of the organisation are to promote the interests of its members (involved in the supply, trading and distribution of natural gas and related activities such as storage and liquefied natural gas); to promote the development of natural gas in Europe particularly in the legal economic technical and scientific areas to prepare studies and to promote cooperation within the gas industry; to promote the smooth functioning of the European internal gas market and to take stance on issues of interest to the European natural gas industry.

### **GEODE (*European Group of Energy Distribution Companies and Organizations*)**

GEODE is the voice of European independent distribution companies of gas and electricity across Europe. The association represents more than 900 companies in 14 countries - both private & public owned. GEODE defends the interest of the local distributors in front of energy authorities on national and international level and allows the exchange of expertise, the share of data and competence.

### **NEON (*National Energy Ombudsmen Network*)**

NEON is a European association whose members operate as independent national ombudsman in the energy sector.

### **SEDC (*Smart Energy Demand Coalition*)**

SEDC is a representative industry group dedicated to promoting the requirements of demand side programs in the European electricity markets to making the demand side a smart, interactive part of the energy value chain in order to ensure the long-term goals of the Smart Grid.