



Delivering a new deal for energy consumers

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Energy Union

- ✓ Energy security, solidarity and trust
- ✓ Integrated European energy market
- ✓ Energy efficiency to moderate demand
- ✓ Decarbonisation of the economy
- ✓ Research, Innovation and Competitiveness



Summer Package

- ✓ Market Design Initiative
- ✓ "New Deal" for Energy Consumers including
- ✓ Best practices on energy self-consumption
- ✓ ETS reform
- ✓ Energy Labelling



The screenshot displays two overlapping document pages from the European Commission. The top page is titled "FROM THE COMMISSION TO THE EUROPEAN COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS" and "Launching the public consultation process on a new energy market design" (SWD(2015) 142 final). The bottom page is titled "FROM THE COMMISSION TO THE EUROPEAN COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS" and "Introducing a New Deal for Energy Consumers" (SWD(2015) 141 final). Both pages include the European Commission logo and the text "Brussels, 15.7.2015" and "COM(2015) 340 final" or "COM(2015) 339 final". The language code "EN" is visible in the bottom right corner of both pages.

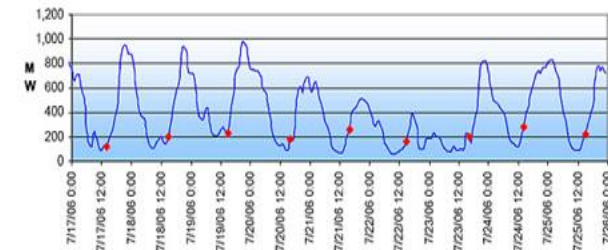
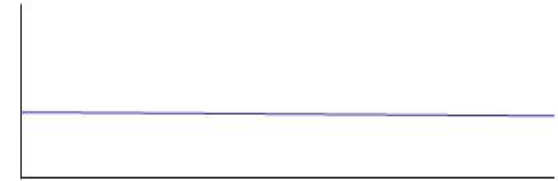
Market design Communication – why?

Previous legislative packages opened up markets

- Competition/unbundling rules, removing barriers for newcomers
- Regulatory oversight, harmonisation of technical rules, etc.

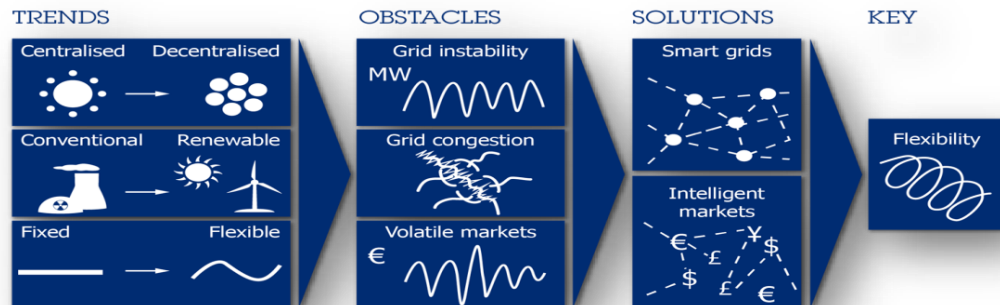
Game changer: Intermittent generation

- RES-share: from 26% to 50%
- From central to decentral
- From "base load" to variable
- Active not passive consumers



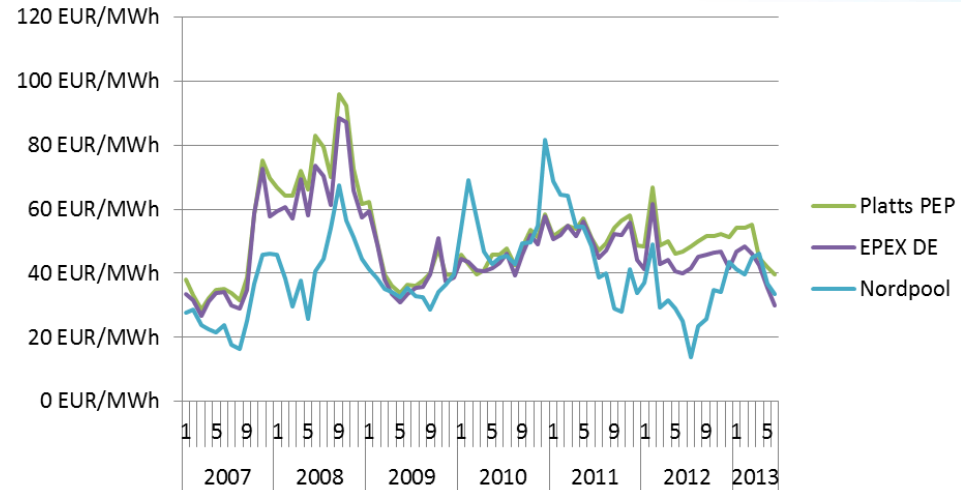
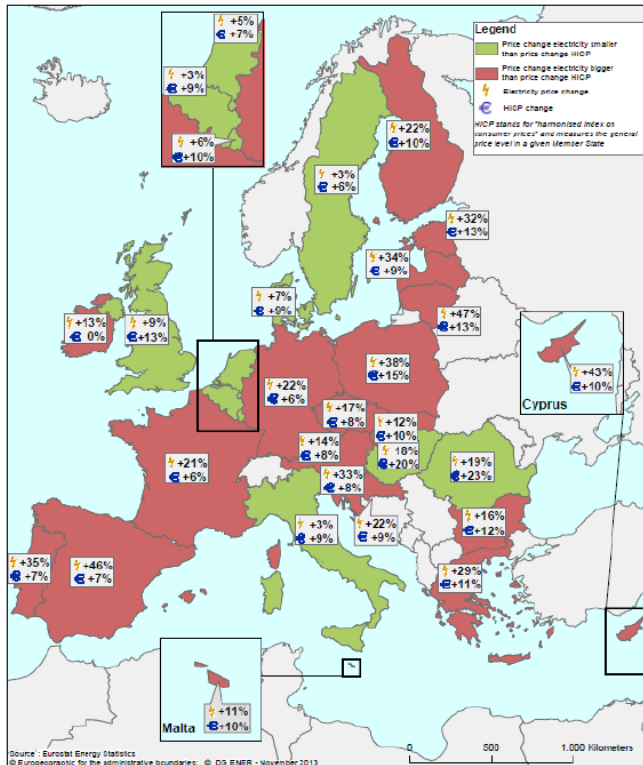
Flexible, connected markets needed

- RES integration requires flexible markets
- Demand response alongside better interconnections contribute to flexibility
- Markets should encompass a broader range of players including on the demand side



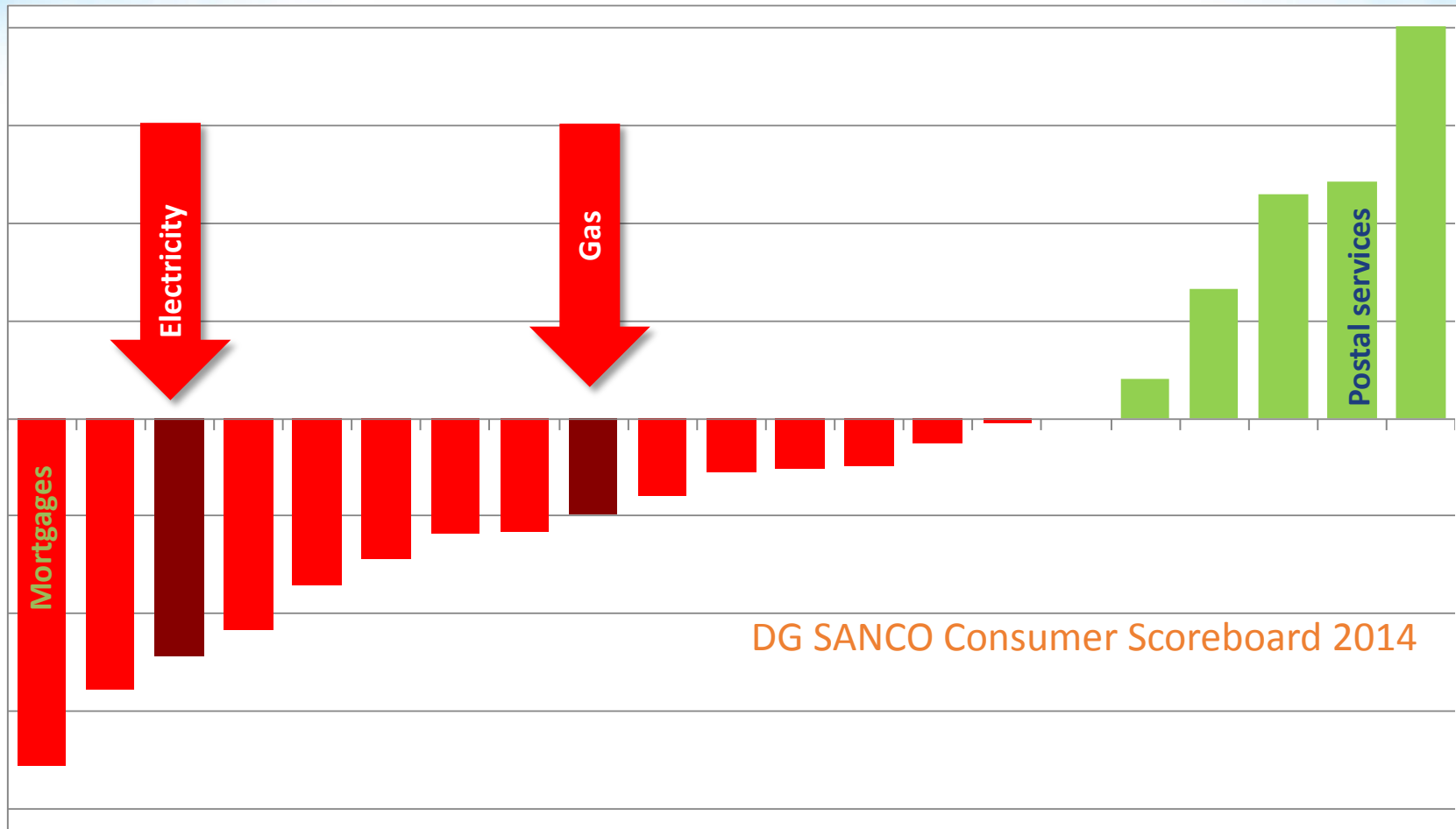
New deal for Consumers – why?

COMPARING PRICE CHANGES: ELECTRICITY VS GENERAL PRICE LEVEL
 Electricity prices for median household consumers (2 500 kWh < Consumption < 5 000 kWh)
 all taxes included
 2008 - 2012% change
 All prices in national currency



Falling wholesale prices...
 ...but rising retail prices.

Customer satisfaction below average



DG SANCO Consumer Scoreboard 2014



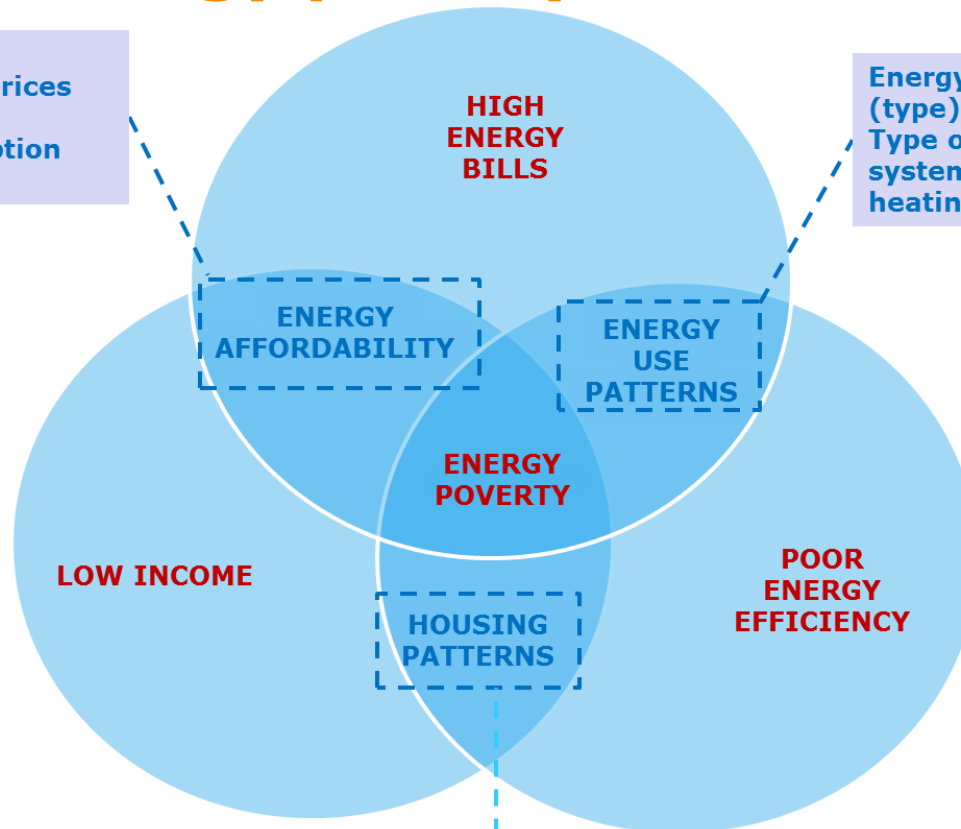
European
Commission

Energy poverty

| Country | Overall rank |
|----------------|--------------|
| Finland | 1 |
| Denmark | 2 |
| Sweden | 3 |
| Luxembourg | 4 |
| Czech Republic | 5 |
| Netherlands | 6 |
| Slovakia | 7 |
| Austria | 8 |
| Germany | 9 |
| France | 10 |
| UK | 11 |
| Malta | 12 |
| Belgium | 13 |
| Estonia | 14 |
| Ireland | 15 |
| Spain | 16 |
| Italy | 17 |
| Poland | 18 |
| Greece | 19 |
| Lithuania | 20 |
| Hungary | 21 |
| Slovenia | 22 |
| Portugal | 23 |
| Cyprus | 24 |
| Romania | 25 |
| Latvia | 26 |
| Bulgaria | 27 |

Income
Energy prices
Energy consumption
(level)

Energy consumption
(type)
Type of heating
system (e.g. central
heating)



Tenure system
Housing
characteristics

New deal for consumers - Context

Energy Union "*with citizens at its core, where citizens take ownership of the energy transition, benefit from new technologies to reduce their bills, [and] participate actively in the market*"

Key **obstacles** at present:

- Lack of info on costs & consumption
- Limited transparency in offers
- Impediments to self-generation/self-consumption
- Low incentives for consumer action → poor competition
- Increasing network charges, taxes and levies
- Underdeveloped energy services and demand response
- Slow uptake of advanced technologies and **energy efficiency**



Empowerment (1)

I. Empowering consumers to act

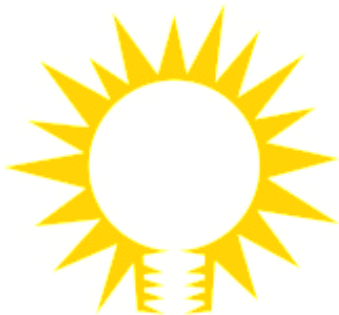
- Better **information** on opportunities to save money
 - frequent access to reliable information on consumption, costs and type of energy source
 - transparent, competitive and comparable offers
 - Rewards
- Wider **choice** of action:
 - Simple, reliable switching
 - Demand response, self consumption (best practice)
 - Intermediaries, collective schemes/cooperatives



Empowerment (2)

I. Empowering consumers to act

- Updated consumer **rights & protection**
 - targeted protection of vulnerable (social policy/EE, price deregulation)
 - Collaboration of competent authorities (ucp)
 - Monitoring of energy poverty





Smartness

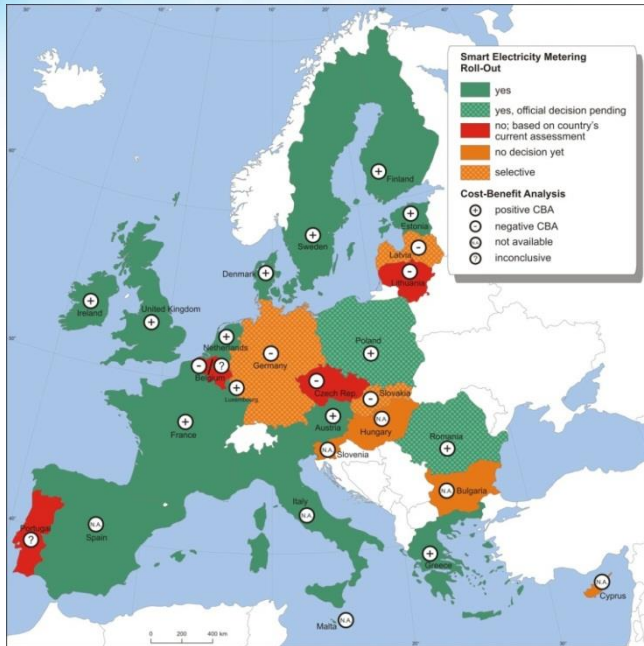
II. **Smart** homes and grids

- Enablers of energy transition, shift toward home
- Fully interoperable smart home appliances and components
- Access to fit-for-purpose smart metering systems
- Research, innovation and industry for international competitiveness
- Innovation-friendly, cost reflective, cost efficient and transparent network operations

6 Ways Smart Metering benefits consumers

| | |
|---------------------------------------|--|
| Energy Savings | more accurate and frequent consumption data demonstrably help consumers reduce their consumption and save money |
| Energy Efficiency | more detailed consumption measurements help consumers identify opportunities for energy efficiency improvements |
| Innovative Services | smart meters are indispensable for smart home solutions/home automation, reducing energy costs |
| Consumer Empowerment | switching suppliers, modifying contractual terms, etc. becomes easier, faster and cheaper |
| Sustainability | use of local renewable sources and storage potential (micro-grids), electromobility become easier |
| Distribution System Efficiency | management of the distribution systems becomes cheaper and more effective, leading to lower distribution costs |

Smart Meters: Benchmarking CBAs & Roll-out Plans



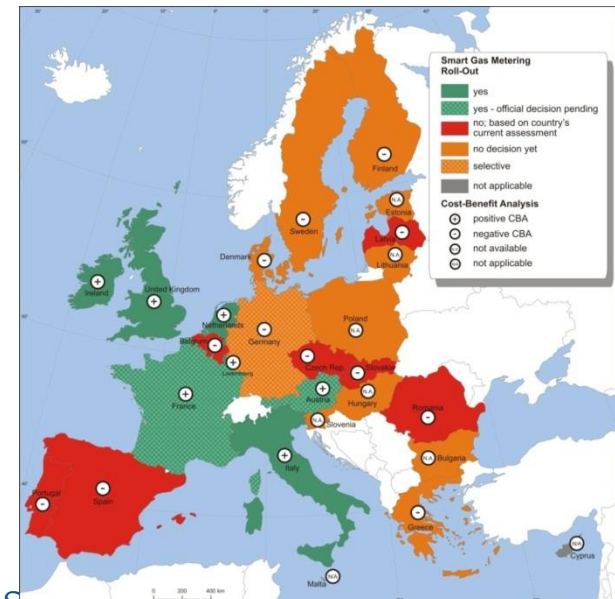
ELECTRICITY:

20 CBAs, 16 MS: wide roll-out

- ❖ ~ 72% EU consumers
- ❖ 195 million meters
- ❖ € 35 billion

GAS

- ❖ 19 CBA, 7 MS: wide roll-out
- ❖ ~ 40 % EU consumers
- ❖ 45 million meters
- ❖ €10 billion



Smart Meters: Functionalities Key for Success

CONSUMER

- a) Provide readings directly to the consumer and/or any 3rd party
- b) Update readings frequently enough to use energy saving schemes

METERING OPERATOR

- c) Allow remote reading by the operator
- d) Provide 2-way communication for maintenance and control
- e) Allow frequent enough readings for networking planning

COMMERCIAL ASPECTS OF SUPPLY

- f) Support advanced tariff system
- g) Remote ON/OFF control supply and/or flow or power limitation

SECURITY - DATA PROTECTION

- h) Provide secure data communications
- i) Fraud prevention and detection

DISTRIBUTED GENERATION

- j) Provide import/export and reactive metering

Data

III. **Data** management and protection

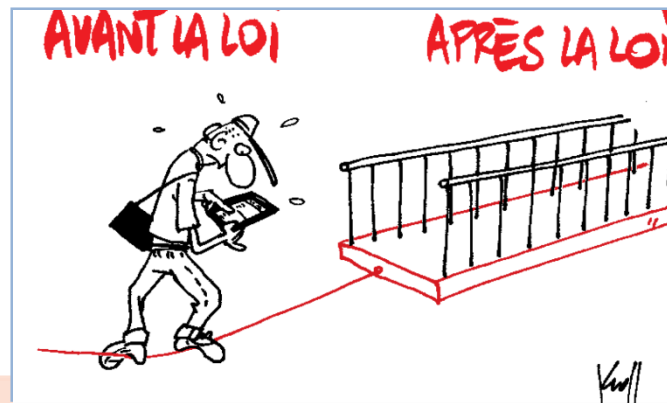
- Consumption and metering data 100% under consumer control
- Guaranteeing privacy and data protection
- Non-discriminatory, efficient handling of metering data to promote innovation and competition
- Important: neutrality of data access managers



Ensuring Privacy by Data Protection & Security

Data Protection

- Data Protection Impact Assessment (DPIA) template
- Data Protection Reform of Directive 95/46

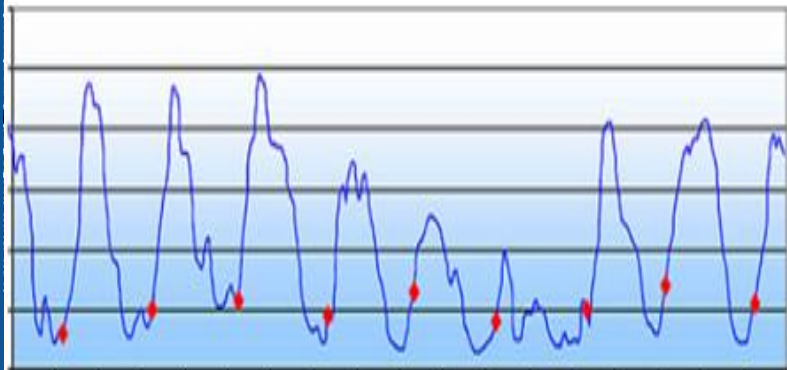


Cyber-Security

- Identification of BATS for smart metering systems
- Trustworthy Network for experience sharing
- Minimum Security Measures



European
Commission



Thank you