



YOU CHOOSE!

The newsletter for energy consumer rights and the opening of EU energy markets
Issue number 5 – April 2008

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Conference in May to launch initiatives on consumer information and rights

New initiatives to bolster energy consumers' rights and to provide consumers with practical information about energy markets are set to be launched at a Conference on the Promotion of the European Rights of Energy Consumers on 6 May in Brussels. The half-day conference, which will be hosted by European Commissioners Meglena Kuneva (Consumer Protection) and Andris Piebalgs (Energy) and which will be attended by interested stakeholders, is part of an ongoing effort in the European Union (EU) to promote energy consumers' choice and rights on more competitive markets.

The conference is, for one thing, set to propose a European Energy Consumers' Checklist. This is a new approach to informing energy consumers, designed to answer consumers' 'frequently-asked' questions about retail energy markets where they live and in their language. The European Commission will prepare a list of relevant questions and invite national stakeholders to provide answers so as to form an easily accessible data pool containing comprehensive information about energy markets across the EU in different EU languages.

The conference is also expected to propose a list of commitments to be entered into voluntarily by stakeholders, with a view to improving energy consumers' rights in a way that goes beyond the existing legal framework. And the conference should formally launch a Citizens' Energy Forum to complement existing

stakeholder forums dealing with electricity and gas markets. The new forum would bring together stakeholders to discuss energy retail and consumer issues and guide national efforts to strengthen retail competition as well as to improve implementation and application of consumer rights and delivery of public energy services with a social perspective. The ultimate goal is the creation of an EU-wide energy retail market.

The event in May follows the publication by the Commission in July 2007 of a Communication entitled 'Towards a European Charter on the Rights of Energy Consumers'. This document – which covered issues such as connection, billing, switching, commercial practices and vulnerable consumers – launched a public consultation the results of which will officially be presented at the conference.

On the agenda for the Conference on the Promotion of the European Rights of Energy Consumers:

- ▶ European Energy Consumers' Checklist
- ▶ Voluntary commitments by stakeholders
- ▶ Forum on retail issues
- ▶ Results of the EU consultation on energy consumers' rights

See also: ec.europa.eu/energy/energy_policy/consumers/index_en.htm



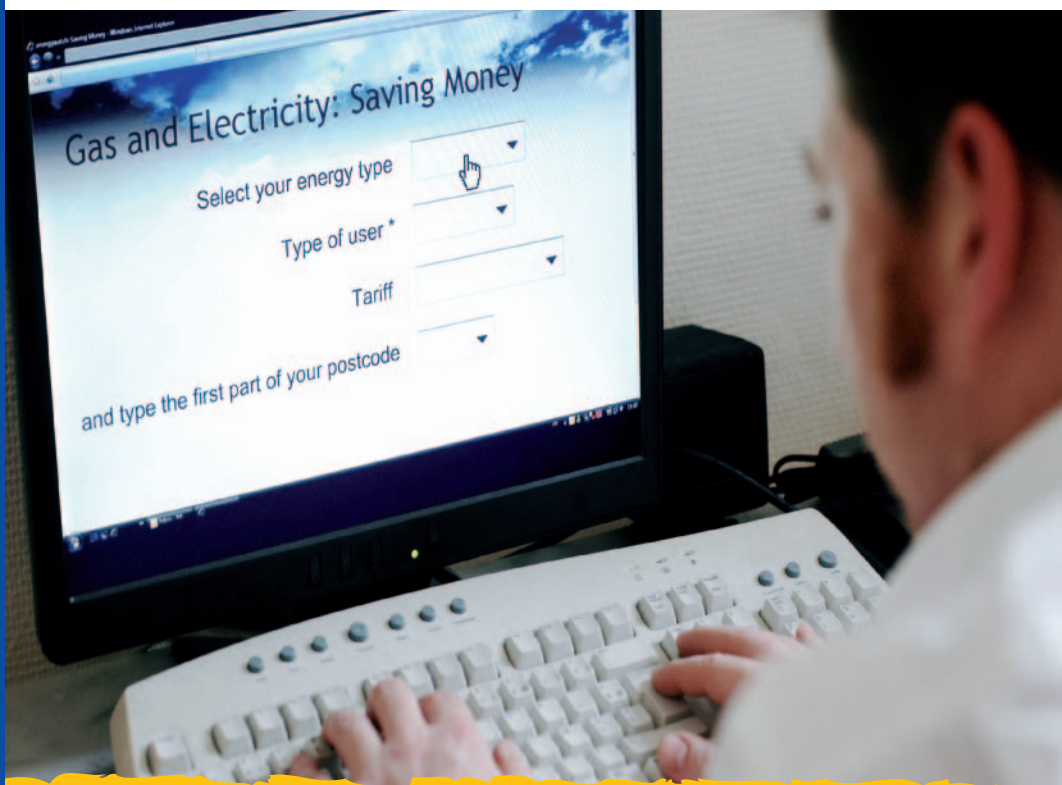
Good practice in the energy industry: making life easier for the consumer

As consumers in the European Union now have the right to choose their electricity and gas providers, millions of them will be weighing up on a regular basis whether or not they should change to a new supplier in order to get a better deal. They may also want to switch to get better customer service, or to receive renewable energy, for example. Indeed, many consumers switch supplier to their complete satisfaction.

At the same time, it is not unheard of for a switch to go wrong, or for consumers to have hassle or expense that they had not bargained for when changing supplier. This creates uncertainty. Fortunately, there are also plenty of examples of energy companies, industry associations and energy regulators taking initiatives to help consumers make informed choices and to make sure that consumers are not mistreated. Such 'good practice' initiatives can concern the switching process itself, or other key consumer issues like sales and marketing methods, customer service, billing and other information, and helping vulnerable consumers such as the elderly.

By way of example, energy suppliers in the Wallonia region of Belgium have a consumer protection agreement that includes conditions on price transparency, sales and marketing techniques, supplier switching, contract conditions, and supplier/customer communication. Meanwhile, members of the UK Association of Energy Suppliers follow a code of practice for the face-to-face marketing and selling of energy that covers recruitment, training and registration of sales agents, as well as consumer contact and complaints.

To help consumers understand what they are paying for, German energy supplier RWE has a website that offers information about how electricity prices are calculated. French energy company EDF helps vulnerable consumers to reduce their energy bills by, for example, distributing energy efficiency kits including energy-efficient light bulbs and by training social workers on how to reduce energy use. Also in France, a new quality label *Clair' Energie* has just been launched by the national federation for local public services to help consumers choose their energy supplier by labelling offers according to their general sales conditions and marketing procedures.



In Italy, the European Commission Representation and the Italian energy regulator have produced a guide on energy liberalisation that aims to explain to consumers the opportunities and benefits of open electricity and gas markets. The guide answers questions like what liberalisation means for consumers and how consumers can switch supplier.

A Europe-wide view

For Europe-wide reference, the European Regulators' Group for Electricity and Gas (ERGEG) has produced best-practice recommendations for the supplier switching process, for transparency of prices, bills and contracts, and for customer protection. The strategic priorities, for instance, for transparency of prices, bills and contracts are: creating conditions for customers to make an informed choice; transparency of price elements in bills including accuracy of the bill; and updating information on changes in prices during the contract period. ERGEG has also produced a Customer Information Handbook containing a review of good practices on pre-contractual customer information in EU Member States that opened their residential energy markets to competition before July 2007.

Meanwhile, the European Commission has launched a Consumer Markets Scoreboard – an instrument to identify which parts of the EU's internal market are not functioning well for consumers. The Scoreboard will look at five main indicators – complaints, prices, satisfaction, switching and safety – to help identify consumer markets that are not working well and that need further analysis. The analysis would examine the reasons for failings and would suggest appropriate policy responses. The Scoreboard will also track progress in retail market integration and will benchmark national consumer markets and policies, and thus is a tool that can be expected to promote good consumer practice in energy and other sectors.

There are many other examples of good practice from different companies, countries and organisations, and of course not all of them can be mentioned here. But for those that are, see the following websites for further information:

- www.cwape.be/servlet/Repository?IDR=2393
(Wallonia agreement)
- www.cwape.be/servlet/Repository?IDR=2392
(Wallonia agreement)
- www.energy-retail.org.uk/documents/eracode161105.pdf
(UK code)
- www.rwettransparent.com
(RWE website)
- developpement-durable.edf.com/150171i/EDF.com/EDF-Developpement-durable/les-enjeux/favoriser-lYacces-a-lYenergie/acces-a-lenergie-pour-les-plus-demunis.html
(EDF)
- www.fnccr.asso.fr/articles.php?id=12
(Clair' Energie)
- ec.europa.eu/italia/documenti/mercato_energia_gas.pdf
(Italian guide)
- www.energy-regulators.eu/portal/page/portal/EER_HOME/EER_PUBLICATIONS/CEER_ERGEG_PAPERS/2006
(ERGEG documents: see 'Reports' and 'Advice' tabs)
- ec.europa.eu/consumers/strategy/facts_en.htm
(Consumer Markets Scoreboard)

The examples featured in this article are based on a sample of good practice initiatives originally posted on the web forum for Campaign Associates of the You Choose! campaign.



Brussels

6 May 2008:

Conference on the Promotion of the European Rights of Energy Consumers (see p. 1)

‘Know your rights, use your rights’: European Consumer Day

European Consumer Day was marked across the European Union on 15 March 2008, with a variety of events encouraging consumers to be aware of their rights and to use their power of choice – including on electricity and gas markets. Activities included conferences, exhibitions, celebrity information events, consumer debates, online quizzes, school presentations, as well as ‘mobile info centres’ and many other activities.

The European Commission, together with the European Consumer Centres in EU Member States, organised in the run-up to the Day a competition to find the best public consumer campaigns of the year. An overall European winner of these first ever European Consumer Champion Awards (a Finnish web-game for young consumers) was selected from among the best national consumer campaigns. These included the awareness-raising campaign for energy consumers in Germany, ‘Electricity: Switch now. Save now’, featured in issue 3 of *You Choose!*.

Introducing European Consumer Day on its webpage*, EU Consumer Protection Commissioner Meglena Kuneva observed that consumers were still too often left in the dark: ‘As they go around supermarkets, when they click online, when they try to switch their phone or energy suppliers, consumers can’t see prices clearly, can’t compare offers easily and they are faced with an information overload,’ she said.

In a speech on ‘Consumer Day 2008 – a year of change’**’, the Commissioner underlined that European consumer policy was about putting greater power in the hands of the consumer: the power of choice, information, comparison and transparency. She made clear that the right of choice was critical for energy consumers given energy’s importance for the household budget, explaining: ‘The desired outcome is to have competition empower consumers through the provision of choice, transparency of tariffs and contract terms, and comparability of prices.’



(*) ec.europa.eu/consumers/e.cd/index_en.htm

(**) European Commission SPEECH/08/146