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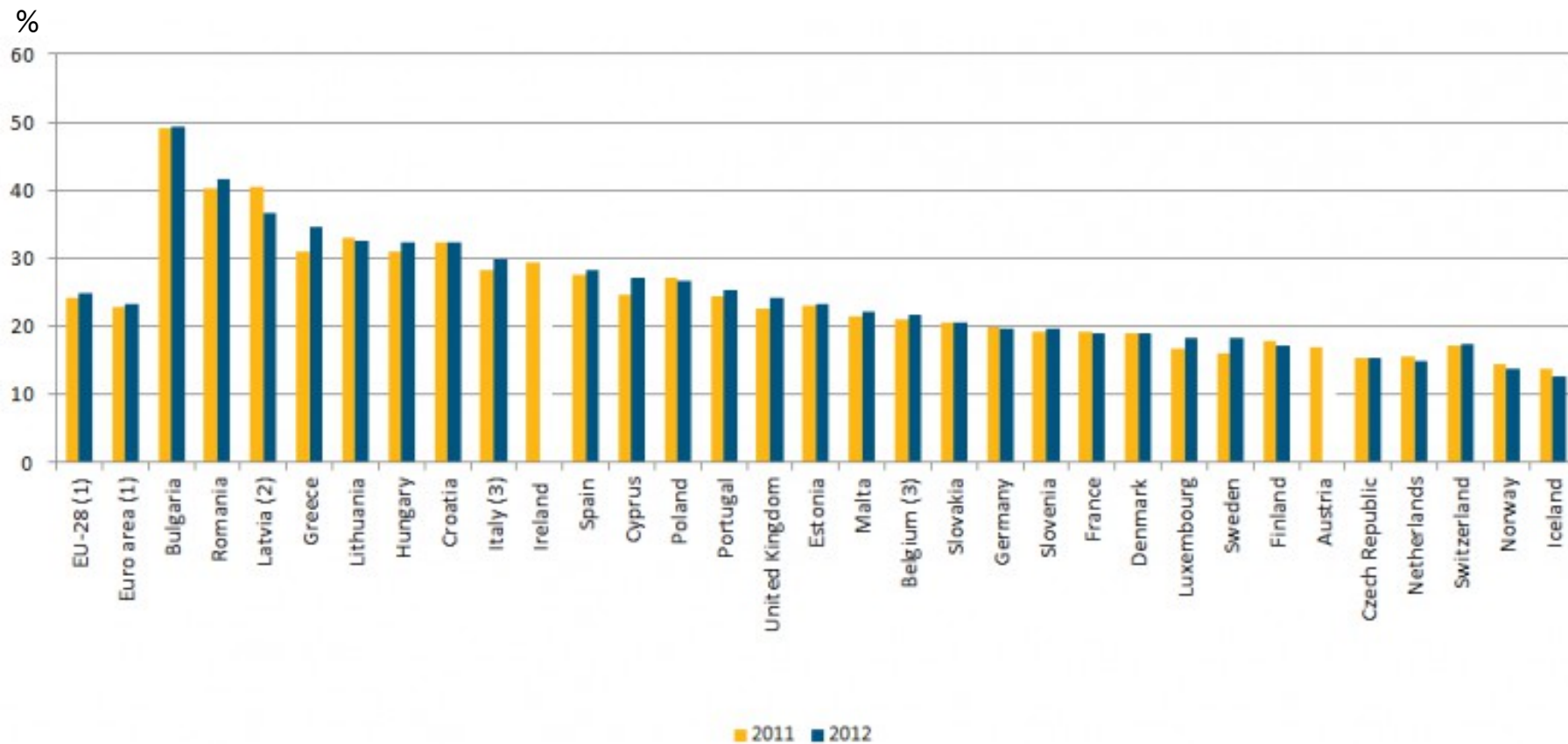
Vulnerable Consumers: Identify, Prevent, Support

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1 in 4 at risk of poverty or social exclusion



Legislative framework

- Third Energy Package (Electricity & Natural Gas Internal Market Directives)
 - Identify: Member States to *define the concept of vulnerable customers*, ensure that rights and obligations linked to vulnerable customers are applied
 - Support: Member States to protect final customers and to *ensure adequate safeguards to protect vulnerable customers*
 - Support/Prevent: Members States to *address energy poverty* where identified
- Alternative Dispute Resolution Directive
 - Fast, effective and cheap resolution without going to court
 - ADR entity available to citizens in every EU Member State, with details available online and provided on invoices

Legislative framework

- Energy Efficiency Directive
 - Transposition by 5 June 2014
 - Energy efficiency obligation schemes
 - Energy service companies etc. to finance renovations and implement plans to improve energy efficiency
 - 2014-2020 Structural Funds may support energy efficiency in buildings
 - Owner-tenant split incentive: Energy Performance Certificates etc.
 - December 2014: frequent, accurate billing info. based on actual consumption
 - January 2017: customers should have individual energy meters, incl. those in buildings with shared heating/cooling/hot water systems
 - Affordable heating/cooling services; secure supply for vulnerable customers

Vulnerable Consumer Working Group

Launched in March 2012

Membership:

NRAs/CEER + Ministry
representatives
Consumer associations + NGOs
Industry representatives
National ombudsmen
Academia

Actions:

- Establish the drivers of vulnerability and Member State measures to address it
- Provide guidance for Member States to define VC
- Share examples of Member State instruments and practices
- Address energy and social policy, incl. energy efficiency measures



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Drivers of vulnerability

Market Conditions

Final energy price levels

Level of competition

Individual Circumstances

Income level

Health and
disability

Education: literacy/
numeracy skills

IT skills/
internet access

Gender?

Living Conditions

Under-occupancy

Type of
heating system

Quality of
housing stock

Social/Natural Environment

State of economy

Climate

Guidance Document on Vulnerable Consumers

- Content

Legislation: 3rd Energy Package, Energy Efficiency Directive, ADR

Work undertaken by DG ENER, DG SANCO and CEER

Mix of social and energy policy

Key drivers and exacerbators of vulnerability

Examples of Member State instruments and practices

Energy efficiency, heating and cooling

Funding mechanisms

Enabling demand response

Stakeholder recommendations



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Guidance Document on Vulnerable Consumers

Recommendations include:

Focus on long-term prevention

Encourage more energy-efficient behaviour

Provide accessible information

Invest in energy efficiency measures

Empower consumers

Social tariffs/
direct payments,
not regulated
prices

Role and
interaction of
different
stakeholders

Guidance Document on Vulnerable Consumers

Member State instruments and Practices

Avoid
(winter/summer)
disconnections

Subsidies for
energy
efficiency
measures

NRA to monitor
number of
disconnections

Support with
payment planning

Bills in different
formats




Fuel Poverty
Observatory

Social tariffs and
direct energy
payments


Regulation of
selling methods

Encourage
landlords to
invest in housing
stock

Energy and Social Policy Mix

- Energy
 - Improved quality of life
 - Possible long-term prevention of energy poverty
 -  quality of housing stock
 -  CO₂ emissions
 -  employment
- Social
 - Long-term support: low-income households, disabilities, poor health etc.
 - Short-term solution: unemployment etc.
 - Blanket measure, not targeted
 - Unlikely to solve energy poverty
- Mix
 - Financial support (social) combined with long-term prevention (energy)

Local Stakeholder Action

- Covenant of Mayors
 - 5,655 signatories at present, representing local/regional authorities
 - Commitment: reduce CO₂ emissions by  20% by 2020
 - How? Energy efficiency measures and renewables
- Intelligent Energy – Europe / **Horizon 2020**
 - Energy efficiency and renewable energy policies
 - Reaching the 2020 targets
 - Pan-European actions e.g. EC-LINC, REACH and ACHIEVE



Challenges + Solutions for Vulnerable Consumers

- Challenges
 - Commitment from Member State authorities
 - Providing support (3rd Energy Package) for energy efficiency improvements
 - Resources for energy efficiency improvements
- Solutions
 - Working with the EU institutions
 - Building awareness, from government to industry
 - Sharing good practice at a national level
 - Ensuring the best policy mix is in place
 - Replicating actions and projects that work



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2014 NEXT STEPS

Following endorsement of the report at London Forum

Publication and wider circulation of the report

Public consultation on retail market functioning

Shared online space for discussions and for
instruments/practices document

Energy consumer days in Member States

Ongoing compliance checks and infringement procedures

Data and information collection



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THANK YOU FOR YOUR ATTENTION!

Documents:

http://ec.europa.eu/energy/gas_electricity/forum_citizen_energy_en.htm

Vulnerable Consumer Working Group Guidance Document:

http://ec.europa.eu/energy/gas_electricity/doc/forum_citizen_energy/20140106_vulnerable_consumer_report.pdf