



Brussels, 24/05/2016
ENER B.3

Subject: Minutes for the Vulnerable Consumer Working Group meeting held in Brussels on 24th May 2016

The 5th meeting of the Vulnerable Consumer Working Group took place at the European Commission premises on Tuesday 24th May 2016 from 9:30-15:30. The list of participants and the agenda are attached (see Annexes I, II). The meeting was chaired jointly by Anna Colucci, Head of Unit, Eero Ailio, Deputy Head of the Unit, DG Energy and Carina Törnblom, DG Justice and Consumers. Below is a summary of the key points discussed at the meeting.

1. WELCOME

The Chair (Anna Colucci) welcomed the attendees. She presented the agenda which was adopted without additions.

2. Introduction

The Chair (Anna Colucci) indicated the main problems which are facing retail markets across the EU, such as: lack of trust and low consumers' engagement for switching the tariff, the complexity of energy market, independence of aggregators, neutrality of DSOs, management, protection, and access to the data. She also presented the main solutions for more competitiveness on the retail energy market, just as: digitalisation, market-oriented system, demand-response, flexibility and visible consumers' engagement.

3. Evaluating the protection of vulnerable and energy poor households in the EU energy legislation

Oscar Guinea (DG ENER) presented the results of the evaluation, invoking the objectives of the legislation, criteria and effectiveness in the fields of consumer vulnerability and energy poverty.

Group discussion

Lowe Thomas (EUROGAS) suggested that energy poverty should be clearly defined. He also mentioned that since a global recession beginning in the 2008 the energy prices increased and they are often result of rising taxes and levies in energy bills. At the same time the wages decreased what can have inferior influence of energy poverty issue. Most of the EU countries have the necessary tools for building a competitive retail market but they do not implement them. **Arina Cosac** (OFGEM) raised an issue that there is problem with the definition of vulnerable consumer and energy poverty as each country has a different perception on the issue. She also added that regulated prices could limit competition on the retail energy market. **Florian Pichler** (E-control Austria) noticed that MSs understand the definition of vulnerable consumer and energy poverty in different way but mostly each of them incorporated those definitions into national social law. He believes that energy poverty has risen during few years in the MSs. Aside from that

the necessary tools for build a competitive retail market exists but they are not fully used. **Szymanski Akadiusz** (Ministry of Economy) said that only 10% of Polish society who fulfil definition of vulnerable consumer takes benefit from it. According to him the energy poverty decreased in Poland. **Graham Cosmo** (CCES) admitted that is it difficult to find a common definition of vulnerable consumer. He also held the opinion that energy poverty has been rising during the last years in the MSs and taxes, and levies on energy bills slightly increased too. The retail markets do not work efficiently across the MSs as the engagement of consumers is pretty low. **Fondi Ludovica Sara** (CEDEC) said that the definition of vulnerable consumer was mostly incorporated into national social laws of MSs. According to her the definition of energy poverty still differs across the EU. **Martin Bengtsson** (The Swedish Consumers Energy Market Bureau) added to the discussion that energy prices decreased during the last few years in the MSs whereas taxes on energy bills increased. The unpaid bills lead to disconnection in which consumers have to pay special fees in order to be reconnected again. **Fonseca Paulo** (DECO) stated that social tariffs in Portugal apply only for few consumers. To his mind the legislation was not effective as the taxes and levies has risen on the energy prices and no policy measure were introduced despite rising energy poverty in his country. **Katarzyna Wardal** (EFIEES) believed that the retail energy markets are working well but she is concerned about the regulated prices and held the opinion that it should be improved in the new energy market design legislation in the Winter Packet 2016. **Graham Cosmo** (CCES) said further that north European countries made good progress in tackling energy poverty but still in many MSs no progress was noticed. **Katarina Filrová** (ERU Representative to the EU) informed that social tariffs do not exist in the Czech legislation and the Ministry of Social Affairs is considering to incorporate them into national law but she was concerned about the issue who should pay for it as. For example, in Germany the consumers are paying for the energy transition. **Marie Denninghaus** (European Disability Forum) raised the issues of lack of visibility of vulnerable consumer on the energy market and adequate information on energy consumption on the bill. She stressed that some of consumers are excluded from procedure of paying a bill because of payment methods used in the MSs. **Paolo Landi** (Fondazione Consumo Sostenibile) added that Italy did not take enough action in order to reduce energy poverty and to protect vulnerable consumers. He also mentioned that some of the Italian families are facing the problem of disconnection which also lasted local municipalities. In case of abolition of social tariffs in Italy, the prices of energy bills will rise between 30 or 40% on the Italian energy market.

Main points discussed:

There are different perceptions of definition of consumer's vulnerability and energy poverty among the MSs and how to put them into practice - it should be on EU or states level? To find out the measure of energy poverty? The MSs are quitted with the tools to build a competitive retail market but they are not appropriately used.

Additional:

Paolo Landi (Fondazione Consumo Sostenibile) pointed out that we should find a solution for disconnection in order to avoid it in critical point for the consumer. The problem of disconnection should be reduced in Italy and reasons why someone was disconnected should be analysed, for example, such reasons as: unemployment, illness and separation. The relevant measure should be adapted at the European level for fighting energy poverty. **Szymanski Akadiusz** (Ministry of Economy) added that in Poland consumers are not appropriate inform in case of disconnection. The prepaid

meters could be a right solution for that problem. **Florian Pichler** (E-control Austria) noticed that National Regulation Agencies should collect the data about the disconnection and analyse them. According to him consumers are protected in case they are connected to the grid but there is no protection of consumers in case of reconnection.

4. Improving the protection of vulnerable and energy poor households in the EU v energy legislation.

Oscar Guinea (DG ENER) presented the evaluation of preliminary findings of the definition of energy poverty and selected indicators to measure it.

Main points discussed:

Paolo Landi (Fondazione Consumo Sostenibile) shared the opinion that the definition of energy poverty should take into consideration the existing solidary tariffs and regulated prices for protecting vulnerable consumers. The authorities in the MSs should set targets and take an appropriate measure in order to improve the protection of energy poor households in the EU. **Heidi Ranscombe** (Citizens Advice) said that we need to develop the common policy at national and international level which protects different consumers from exclusion from the energy market. She also mentioned that a comparable metric of energy poverty at the international level could help to exchange relevant data between national authorities across the EU. But one of the most challenges today will be measure of collected data on energy poverty in the MSs. **Graham Cosmo** (CCES) argued that considering energy poverty as a phenomenon which relates only to household income with energy expenditure could be not comparable with the Scottish or British definition of energy poverty. Nowadays we are facing the different dimension of energy poverty across the EU so it will be difficult to set a fixed metric on it at the international level. To his mind costly disconnection could be avoided if each household in the EU had installed the prepaid meters. **Sébastien Doligné** (Eurelectric) told that the problem of disconnection really varies depending on the MSs and the access to the prepaid meters. **Martin Bengtsson** (The Swedish Consumers Energy Market Bureau) claimed that social security system which preventing consumers from disconnection differ from contract to contract with the company and it will be problematic to implement good practices of disconnection into European legislation.

5. Closing

The **Co-chair** (**Oscar Guinea**, DG ENER) informed that he will send the links to the study "Selecting indicators to measure energy poverty" and keep the group informed of any other relevant publication concerning energy and costs prices. He also mentioned that next meeting will be organised together with the Consumer as Market Actors Group.

ANNEX I
List of Participants

Mr	AILIO	Eero	DG ENER	European Commission
Mr	BENGTSSON	Martin	The Swedish Consumers Energy Market Bureau	Sweden
Ms	COLUCCI	Anna	DG ENER	European Commission
Ms	CORNELIS	Marine	NEON	Belgium
Ms	COSAC	Arina	OFGEM	United Kingdom
Mr	COSMO	Graham	CCES, University Leicester	United Kingdom
Ms	DENNINGHAUS	Marie	European Disability Forum	European Organisation
Ms	DOBBINS	Audrey	University of Stuttgart	Germany
Mr	DOLIGÉ	Sébastien	Eurelectric	Belgian
Ms	FILROVÁ	Katarina	ERU Representative to the EU	Czech Republic
Ms	FONDI	Ludovica Sara	CEDEC	Belgian
Mr	FONSECA	Paulo	DECO	Portugal
Ms	HAASOVÁ	Jana	ERO	Czech Republic
Ms	KLEMOK	Nina	EASME	European Commission
Mr	LANDI	Paolo	Fondazione Consumo Sostenibile	Italy
Mr	LOWE	Thomas	EUROGAS	European Organisation
Mr	PICHLER	Florian	E-control Austria	Austria
Ms	RANSCOMBE	Hendi	Citizens Advice	United Kingdom
Mr	SZYMANSKI	Akadiusz	Ministry of Economy	Poland
Ms	TÖRNBLOM	Carina	DG JUST	European Commission
Mr	VANWIJNSBERGHE	Sam	FPS Economy - DG Energy	Belgium
Mr	VOLLMER	Johannes	GEODE	European Organisation
Ms	WARDAL	Katarzyna	EFIEES	European Organisation

ANNEX II



EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR ENERGY

Directorate B - Internal Energy Market
B.3 - Retail markets; coal & oil

VULNERABLE CONSUMER WORKING GROUP

AGENDA

Brussels, 24 May 2016, 09:30 – 15:30

Venue: Meeting room DM 24 03/058
Rue De Mot 24, 1040 Brussels

- 09:30 **Welcome:** Anna Colucci, Head of Unit B.3, DG ENER
 Carina Tørnblom, Head of Unit E.6, DG JUST
- 09:45 **Evaluating the protection of vulnerable and energy poor households in the EU energy legislation**
 ➤ Presentation
 Oscar Guinea, DG ENER B.3
- 10:00 **Coffee Break**
- 10:15 **Group Discussion**
 Key questions:
 ➤ Was the legislation effective? Were the objectives for consumer vulnerability and energy poverty met?
 ➤ Would you that despite the efforts to reduce consumer vulnerability, energy poverty has been rising?
 ➤ Do Member States have the necessary tools to build a competitive retail market and protect vulnerable and energy poor households
- 12:15 **Summary of the discussion**
- 12:30 **Lunch Break**
- 13:30 **Improving the protection of vulnerable and energy poor households in the EU energy legislation**
 ➤ Presentation
 Oscar Guinea, DG ENER B.3
- 13:45 **Group Discussion**
 Key questions:
 ➤ **Energy poverty**
 ➤ What is the level of detail (what elements should be included) for a definition of energy poverty to be relevant and yet flexible so it can be shared across the EU?
 ➤ How prescriptive can we be when setting a metric of energy poverty? Fixed or relative threshold? What are the lessons from consumer vulnerability? Is energy poverty a phenomenon that relates household income with energy expenditure?
 ➤ **Disconnection safeguards**
 ➤ What is the level of detail (what elements should be included) for a definition of energy poverty to be relevant and yet flexible so it can be shared across the EU?

14:45 **Summary of the discussion**

15:30 **Closing**

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