

Towards a European charter on the rights of energy consumers

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The European Parliament adopted by 543 votes to 18, with 14 abstentions, a resolution on a European Charter on the Rights of Energy Consumers, in response to the European Commission's Communication on the subject.

The own-initiative report had been tabled for consideration in plenary by Mia **DE VITS** (PES, BE) on behalf of the Committee on Internal Market and Consumer Protection.

MEPs stress the absolute need to strengthen consumer protection on energy issues and to use the European Charter on the Rights of Energy Consumers as a guiding tool for European and national authorities, as well as private entities, in order to ensure and enforce consumer rights effectively. They consider the Charter as an information document collecting, clarifying and consolidating the energy rights of consumers as already adopted in the existing EU legislation, while also highlighting the need for a broader communication strategy for consumers who do not have internet access.

Access to transmission and distribution grids and supply: the resolution recalls that the European energy market continues to be characterised by a large number of monopolies and that efforts must be made to create a single, competitive energy market and to protect vulnerable customers, in particular.

In order to prevent grid disconnection, MEPs ask that Member States have to appoint a supplier of last resort and that they inform the consumers thereof; such a mechanism must be set up by national legislation. They believe that disconnection from the network should be considered only as a last resort solution in cases of arrears of payments on the part of consumers.

MEPs also stress the need to ensure the protection of universal rights and call on the Member States to ensure that the consumer is able to switch easily, and within a period that does not exceed one month, to a new supplier, free of charge.

Tariffs, prices: MEPs stress that European electricity and gas prices must be reasonable, easily and clearly comparable, and transparent as well as based on actual energy consumption. They call on the Member States to promote 'smart meters', which provide consumers with a clear view of their actual energy consumption and therefore contribute to better energy efficiency. In this respect, the Member States should be required to ensure that the rollout of smart meters is completed with minimum disruption to consumers within 10 years of the entry into force of the 'Third Package' proposals (amending Directives 2003/54/EC and 2003/55/EC).

Information/contracts: MEPs underline the need to establish a model for standard invoices based on best practice, and to develop standard pre-contractual and contractual information, including information on the consumer's rights under the Charter. Member States are called to put in place a physical single entry point for any consumer information request. Consumers must be informed about their energy consumption on a regular basis.

Social measures: the resolution calls on Member States to invest, as a priority, in comprehensive energy efficiency measures for low-income households, thereby addressing in a strategic manner both the problem of fuel poverty and the "20% by 2020" energy efficiency target adopted at the 2007 Spring European Council. The Commission is called to provide guidance on a common definition of public

service obligations and to define the notion of energy poverty. Member States are called upon to set up National Energy Action Plans addressing energy poverty and to communicate such measures to the European Agency for the Cooperation of Energy Regulators.

Environmental measures: the resolution underlines that providers and network operators ought to act in an environmentally responsible manner, making every possible effort to keep CO₂ emissions, as well as the production of radioactive waste, at the lowest possible levels. Priority should be given to renewable energy sources, combined heat and power and other embedded generation. The Charter should recognise the right of consumers to make an informed choice in favour of renewable energies.

National Regulatory Authorities (NRAs): MEPs express their conviction that national regulators should play a central role in consumer protection. National Regulatory Authorities must be independent from any public or private interest and have at least the competence to:

- approve the principles for determining network charges or the actual grid tariffs, and possibly their indexation mechanisms;
- monitor prices and all their components, including their indexation mechanisms;
- monitor, control and enforce consumer information provided by the suppliers for at least the first five years after the market has been fully liberalised;
- protect consumers against unfair commercial practices and cooperate, in this respect, with the competent competition authorities.

Complaints: Member States are called to put in place, as close to consumers as possible, a common entry point for any type of consumer complaint and to encourage the resolution of such complaints through alternative methods of dispute resolution.

Consumer organisations: the resolution underlines the important role of consumer organisations and NRAs in promoting sustainable consumption. It recommends that Member States provide financial support to consumer organisations in order for them to be in a better position to provide assistance in the legislative process, in informing and educating consumers and in consumer dispute resolution.