

FSR REGULATORY POLICY WORKSHOP SERIES 2018-2019

WHAT'S IN IT FOR ALL OF US? THE NEW ROLE(S) OF CONSUMERS

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Sala Capitolo

Badia Fiesolana, Via dei Roccettini 9 - San Domenico di Fiesole (Fiesole, Florence)

 Event under Chatham House rules. Please do not tweet speakers' names, but use our event hashtag: [#FSRPolicyWorkshop](#)

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■ INTRODUCTION

Consumers' protection has traditionally been at the centre of EU Energy policy and legislation, as already provided in Directives 2009/72/EC and 2009/73/EC [1] of the Third Energy Package. These Directives provided, *inter alia*, the right for consumers to be 'properly informed about their energy consumption', to have clear 'access to their consumption data and associated prices and services costs so that they can invite competitors to make an offer based on those data' and consequently to switch supplier easily and rapidly (within three weeks).

On 15 July 2015, the European Commission adopted a Communication on '[Delivering a New Deal for Energy Consumers](#)' in the framework of the Summer Energy Package, as part of the Energy Union strategy. The 'New Deal' is intended to foster consumers' protection and empowerment by connecting wholesale and retail markets, enabling innovative technologies and allowing consumers to have a more active role in the decarbonisation strategy. In particular, consumers should be able to opt for distributed energy resources and better manage their consumptions (e.g. by using smart meters and other technologies), so that they can contribute, through demand response, to making the energy system more flexible, as required by the greater penetration of more variable renewable-based generation. It also highlighted the emerging importance of consumers' collective self-generation and cooperative schemes ("local energy communities") to manage their consumptions more effectively.

This 'self' innovation by consumers is expected to lead to innovation *for* consumers, promoting the formation of new business models and connected services. The potential benefits of this increased participation are both socio - economic (as it reduced energy consumption and increased energy efficiency) and environmental (as it reduced greenhouse gas emissions). Yet, the lack of transparency



and simplicity in accessing costs and consumption details, together with inadequate competition and entry barriers in the retail markets, may hamper an effective implementation.

The “Clean Energy for All Europeans” Package (2019) places consumers at the centre of the energy transition, providing them with a higher degree of protection, empowerment and enhanced market choices. Thanks to price comparison tools, dynamic price contracts, smart meters and the formation of citizens’ energy communities, customers will be able effectively to play a more active role in the market. Furthermore, switching supplier will not imply any fees and, by 2026, such transition will have to take place within 24 hours.

However, consumers have shown a degree of inertia. Until now, consumers’ empowerment was mostly provided by their ability to switch supplier, but annual switching rates have remained low in most countries (the European average is 6-8% for both electricity and gas). While switching rates are not necessarily the ultimate indicator of the benefits of liberalisation for consumers – as competition may force incumbents to lower their prices, thus benefiting also those consumers who do not switch -, a more detailed analysis performed by the Agency for the Cooperation of Energy Regulators shows that switching rates are low even in some Member States where the potential gains from switching are substantial.

Against this background, the Workshop will explore how the latest policy and regulatory developments promoting “consumers’ empowerment”, as defined by the “New Deal” and the Clean Energy Package, will assign new roles and provide new opportunities to consumers. The Workshop will also assess any risk of exclusions for vulnerable consumers and the impact of empowered consumers on the market and the implications for market and system operations.

To address these and other related issues, the Workshop will be structured in two sessions:

- Session 1 will investigate how consumers can effectively be empowered and engaged, ensuring that “no one is left behind” and delivering a just and inclusive transition.
- Session 2 will look at the regulatory and market design implications of consumers’ active role, focusing on the key requirements needed to deliver and enable effective wholesale and retail markets for the benefits of consumers.

[1] Concerning common rules for the internal market in electricity and natural gas.

■ PROGRAMME

- 08.30 – 08.45 *Welcome Coffee*
- 08.45 – 09.00 Welcome Address
Jean-Michel Glachant | Florence School of Regulation
- 09.00 – 09.10 Introduction to the Workshop
Alberto Pototschnig | Florence School of Regulation
- 09.10 – 09.30 Setting the Scene: What's in it for us?
Ivan Pearson | European Commission

SESSION I - A NEW DEAL FOR ENERGY CONSUMERS - WHAT NEW ROLE(S)?

- Chair: **Leonardo Meeus** | Florence School of Regulation and Vlerick Business School
- 09.30 – 10.00 How can Consumers be Effectively Empowered?
Monika De Volder | BEUC
Alain Taccoen | SmartEn
- 10.00 – 10.15 A New Consumers Intermediary: Citizens' Energy Communities
Roland Tual | REScoop.eu
- 10.15 – 10.30 Regulatory Sandboxes for Customers and Citizens' Energy Communities
Neil Barnes | Ofgem
- 10.30 – 10.50 General Discussion
- 10.50 – 11.10 *Coffee Break*

SESSION II - EMPOWERING CONSUMERS: THE REGULATORY AND MARKET DESIGN IMPLICATIONS

- Chair: **Alberto Pototschnig** | Florence School of Regulation
- 11.10 – 11.30 The Role of Aggregators in Providing Market Flexibility
Marten van der Laan | USEF
- 11.30 – 12.10 The Role of Transmission and Distribution System Operators in Enabling DERs Participation
Victor Charbonnier | ENTSO-E
Roberto Zangrandi | E.DSO
- 12.10 – 12.30 Empowering Consumers: the Views of the Industry
Gabriel de Couëssin | Eurelectric
- 12.30 – 12.50 General Discussion
- 12.50 – 14.00 *Lunch*

- 14.00 - 14.30 Empowering Consumers: Contributions from the FSR Donors
Juan José Alba Rios | Endesa
Alain Taccoen | EDF
Emeline Spire | Elia
- 14.30 - 15.30 The Policy and Regulatory Perspective
Ivan Pearson | European Commission
Anne Valdasz-Nilsson | CEER
Remko Bos | ACM
Neil Barnes | Ofgem
- 15.30 - 15.50 General Discussion
- 15.50 - 16.00 Concluding Remarks
Alberto Pototschnig | Florence School of Regulation
Jean-Michel Glachant | Florence School of Regulation