



# CUSTOMER CONFERENCE

Conference Proceedings

ON THE PATH TOWARDS ACHIEVING the  
**2020 VISION**  
for ENERGY CUSTOMERS

BRUSSELS - 19<sup>TH</sup> JUNE 2013



# CEER 2013 ANNUAL CONFERENCE ON ENERGY CUSTOMERS

**Conference Proceedings  
Brussels – 19<sup>th</sup> June 2013**

**ON THE PATH TOWARDS THE IMPLEMENTATION OF THE  
2020 VISION FOR EUROPE'S ENERGY CUSTOMERS**

## INTRODUCTION

CEER's second annual conference on energy customers took place in Brussels on 19 June 2013. The event attracted more than 100 participants. Among them, 20 customer representatives from 15 countries, and 7 Ombudsmen representatives from 4 countries.

This annual CEER customer conference provides a unique opportunity for national consumer bodies to meet together as a group with a cross-section of Europe's energy sector, from industry to regulators to policy-makers.

This year's event was particularly important as it marked the first step on the path towards implementing the CEER-BEUC 2020 Vision for Europe's energy cus-

tomers. In our first (2012) customer conference, CEER asked stakeholders' help to build the 2020 Vision that puts energy customers first.

Four principles characterise the 2020 Vision: Reliability, Affordability, Simplicity and Protection & Empowerment (the so-called RASP principles). At the heart of the Vision is the goal of an energy market that engages with, and understands the diverse needs of customers; that delivers services that meet those needs, whilst protecting customers' interests; and that uses resources efficiently, offering all customers a fair and affordable deal.

As stated by the European Commission, customers can play an essential part in shaping EU energy policy; and customers who are informed, engaged and



**Plenary Session 1**

integrated into the energy system can help make competitive markets function properly.

The 2020 Vision was launched, jointly with BEUC, the European Consumer Organisation, at the Citizens' Energy (London) Forum in November 2012, where it received widespread endorsement. This year, CEER wanted to focus on activities undertaken or planned by energy stakeholders to implement the Vision.

CEER sees focusing on the Vision as a valuable means of giving great priority to customer issues, based on more effective engagement with customer bodies and dialogue between market actors across the energy chain.

Lord Mogg, CEER President opened the conference by illus-

trating the growing support for the Vision:

*"CEER's first ever customer conference last year was about engaging customer bodies and others in building a 2020 vision for energy customers. Now, with 15 major EU energy stakeholder bodies declaring their support for the CEER-BEUC Vision, it is clear that our Vision is a cornerstone for real improvements in Europe's energy markets. Such widespread support is an endorsement of the principles upon which the Vision is founded. Today's testimonials by supporters of the Vision confirm that 2020 is a realistic goal for implementing the Vision."*

Lord Mogg announced during the conference that three new associations had very recently joined the club of supporters<sup>1</sup> of the 2020 Vision for Europe's Energy Customers: CECODHAS, Cooperatives Europe and UEAPME.

Launching the day's theme of implementing the Vision, six supporters (CEDEC, ESMIG, EURELECTRIC, Eurogas, IGU and NEON) presented testimonials on how they are working to achieve the Vision's goals. CEER and BEUC believe that implementation requires concrete actions by the Vision's supporters to demonstrate their commitment to the RASP principles.

The testimonials showed that respecting the RASP principles is crucial to ensure that customers can take full advantage of the opportunities offered in our changing energy markets and of their new position in the energy value chain. They also revealed that good practices already exist in several countries. The important lesson is that these practices need to become widespread across Europe's energy sector.

<sup>1</sup> As of 19<sup>th</sup> June 2013, the 2020 Vision is supported by 15 European and international associations: ANEC, CECODHAS, CEDEC, Cooperatives Europe, EDSO for Smart Grids, ENTSO-E, ENTSG, ESMIG, EURELECTRIC, Eurogas, GEODE, IGU, NEON, SEDC, UEAPME.

**"THIS ANNUAL CEER CUSTOMER CONFERENCE PROVIDES A UNIQUE OPPORTUNITY FOR NATIONAL CONSUMER BODIES TO MEET TOGETHER AS A GROUP WITH A CROSS-SECTION OF EUROPE'S ENERGY SECTOR, FROM INDUSTRY TO REGULATORS TO POLICY-MAKERS."**



# THE RASP PRINCIPLES

The conference discussions were centred around the RASP principles, with four break-out sessions bringing together representatives from consumer associations, energy ombudsmen, industry, regulatory authorities and the European Commission to share their views on the suggested topics:

## The RASP Principles of the 2020 Vision for Energy Customers

### RELIABILITY

*Continuous and reliable supply.*  
*Reliable customer service.*

*Comparable prices and offers.*  
*Easy access.*  
*Automatic/no fuss.*

### SIMPLICITY

### AFFORDABILITY

*Fair prices and offers.*  
*Energy saving measures.*

*Data privacy.*  
*Complaint handling.*  
*Vulnerable customers.*  
*Choice / Accessibility / Confidence*

### PROTECTION & EMPOWERMENT

## Break-out session A – Protection and empowerment. Complaint handling: listening and responding to customers

The moderator was a member of CEER's Customer and Retail Markets Working Group. Panellists included: DG SANCO (European Commission), E.ON (Supplier, Spain), Service de médiation de l'énergie (Energy ombudsman, Belgium) and Konsumenternas (consumer energy markets bureau, Sweden). The session and panel debate focused on the value of complaints and how they should be handled.

The session was opened with an overview of CEER's **Guidelines of Good Practice on Complaint Handling, Reporting and Classification**. This "GGP" set out regulators' recommendations to service providers on how to manage customer complaints. They include having a single point of contact; counting contact information for complaints on bills; ensuring that there are a wide range of channels to submit a complaint; and ensuring redress mechanisms are in place (including compensation in defined cases). The process of handling complaints is complex requiring, inter alia, analysis, categorisation and direct contact with customers.

Complaints provide direct feedback from customers about the service they received and help us understand the needs of customers and improve services. They are a top level indicator of mar-

Indeed, services providers must report complaints to national regulatory authorities (NRAs) or ombudsmen. National regulators have monitoring duties from the EU's 3rd Package of energy laws. Generally speaking, customers do not complain easily. Complaints that are handled well can work to the benefit of the company. For example, during the session it was highlighted that not all complaints have the same priority for customers or for the company. Hence, companies should prioritise complaints. It was also strongly suggested that companies manage customer expectations, e.g. the process of solving their complaint and timelines.

Moreover, it was reiterated by the European Commission that the energy sector repeatedly scores very low in the EC Consumer Markets Scoreboard. Energy companies were advised to invest in their customer services as this will yield dividends. The value of CEER's GGP on Complaint Handling, Reporting and Classification was acknowledged and they should be enforced nationally by regulators.

**PROPER COMPLAINT HANDLING REQUIRES IMPORTANT RESOURCE INVESTMENTS GIVEN THE VALUE OF COMPLAINTS AND THE IMPORTANCE OF CUSTOMER SATISFACTION.**

### Main conclusions:

- Complaints are an important tool to learn about customers' expectation and satisfaction.
- Good service quality prevents customers complaints.
- Clear rules on complaint handling should be established and publicised.
- The quality of complaint handling is key to strengthen trust in the market.
- For policy makers, complaint handling helps when making fact-based policy choices.
- In order to avoid barriers to customer complaints, a wide range of channels should be provided for customers to lodge their complaints.
- For a company, complaint handling is complex and requires: investment, efforts to understand the customer, complaints classification and analysis, information to the customer during the entire process.
- Joint efforts of all stakeholders are necessary to raise customer awareness concerning the means which are at their disposal to complain.



**Break-out session B –  
Simplicity and Affordability.  
Switching and billing:  
contact with customers.**

This session was moderated by the chair of CEER’s Retail Market Functioning Task Force. Panelists included: ERDF (Distribution System Operator, France), Gas Natural Fenosa (Supplier, Spain) and Consumentendond (consumer association, Netherlands). The session focused on the need for simple processes for switching and billing.

Smart metering systems have the potential to simplify the switching process as well as provide information to customers. Nevertheless, when looking at the experience in countries where smart meters are already used, other issues require attention. For example, in Sweden all customers have smart metering, receive monthly billing and since October last year have the chance to receive hourly information on their energy consumption. In practice, however, suppliers still do not customise offers.

The energy bill can be an important tool to raise awareness of ways to save energy and money. The bill is a main link between supplier and customer. Customers may choose how often they pay their bill.

During the debate, participants working in different EU countries highlighted that customers are not always aware of the possibility of switching supplier, and that there is often little information available to them. Companies must provide customers with appropriate easy to understand information, and refrain from unfair commercial practices such as aggressive door-to-door sales practices and telemarketing calls. An on-the-spot poll asked the session participants (coming from across Europe) how many had changed suppliers – revealing that switching is not universal in practice even among the better informed.

**Main conclusions:**

- All actors should serve to facilitate customer understanding – NRAs hold a key role in explaining the different actors in the energy market and how they work for customers.
- Energy is a universal product for very different people. The sector needs to better understand its customers in order to meet the expectations of all customers and to achieve a greater level of engagement overall.
- Energy should be more attractive. Clearer billing and better reflection of consumption should easily show customers how they can save energy and money – e.g. by switching supplier.

**“CUSTOMERS SHOULD BE INFORMED IN AN EASY-TO-UNDERSTAND WAY AND CHARGES SHOULD BE CLEAR AND KEPT TO FAIR AND REASONABLE LEVELS. IN ADDITION, CUSTOMERS SHOULD BE ABLE TO USE THEIR BILL TO BETTER MANAGE THEIR ENERGY CONSUMPTION, MAKING THE CHOICES THAT ARE RIGHT FOR THEM.”**



## Break-out session C – Protection and empowerment. Involvement of consumer organisations in the regulatory process

This session was moderated by the chair of CEER's Customer Empowerment Task Force. The Panel included: AEEG (regulatory authority, Italy), Consumer Futures (consumer association, UK), Għaqda tal-Konsumaruri (Consumer association, Malta) and Lietuvos nacionalinė vartotojų federacija (Consumer association, Lithuania).

Break-out session C offered a rare opportunity to discuss CEER's current work on the involvement of consumer organisations in the regulatory process in different EU Member States and to learn about some good practices carried out by NRAs.

During the debate, a few consumer associations highlighted the difficulties they faced to represent effectively consumer interests, often receiving very little attention and even facing a lack of transparency when liaising with public authorities. In those cases, they suggested that using mass media can be a very powerful tool. On the other hand, experiences in other countries were more positive. In the UK for example, there is a voice for consumers in the policy making process. The challenge for consumer representatives here is rather that resources are limited and the issues are incredibly technical.

### Main conclusions:

- Dialogue involving consumer organisations (but also independent ombudsmen) and taking into account customers' experiences should lead to better regulation.
- Interaction between NRAs and consumer organisations can lead to mutual insights, particularly on scale, technicality and knowledge of given policies and consumer experiences. Building a partnership can help deliver market improvements.
- A trusted relationship is more important than the type of collaboration model.
- It is important to measure the impact of policies. Retail market monitoring, combined with fact finding and data collection through surveys, focus groups and complaint handling can be used to detect flaws in market functioning.
- Investing time and means into consumer dialogue can have a high 'return on investment'. It helps increase knowledge, focus and ultimately credibility of energy policies.
- NRAs must function independently and autonomously while interacting with consumer organisations, customers and industry, in order to maintain an objective and fair view.

**CONSUMER ORGANISATIONS' FEEDBACK IS CRUCIAL TO LEARN HOW TO BETTER PROTECT AND EMPOWER CUSTOMERS.**

## Break-out session D – Reliability. Innovative services and DSO performance: on the path towards improving customer satisfaction.

This session was moderated by the vice-chair of CEER's Customer and Retail Markets Working Group. The Panel included: DG ENER (European Commission), Vattenfall Distribution (DSO, Sweden), Elenia Distribution (DSO, Finland) and Forbrugerrådet (Consumer association, Denmark).

This session examined the services and core functions provided by distribution system operators (DSOs) and aimed to build understanding on who does what, what services are and could be provided and where to go from here towards a supplier-centric model. The need to create trust in the markets was a core discussion point. There is a need for a minimal level of DSO service standards, driven by privacy and safety issues, enforceable by penalties. Already, some DSOs voluntarily commit themselves by offering direct compensation to meet customer expectations and increase their trust.

Transparency of the services delivered by DSOs is important and should be encouraged. Building on the data made available through smart meters (e.g. consumption data, the duration and frequency of interruptions), customer service can reach previously unattainable levels and this should also build trust among stakeholders.

When designing these new energy services and, in particular, regarding customer data handling, the priority should be the "privacy by design" principle.

The European Commission remarked on the urgent need to implement provisions contained in the Third Energy Package and stressed the fact that enforcement should be based on an incentivising regulation where reliable and effective delivery of DSO services is rewarded. It is the role of NRAs to promote such a framework.

In addition to the enforcement of existing rules to promote competition in the retail market, a smart retail market of the future may need: a definition and application of a robust data handling model in each local retail market; data security and privacy protection; infrastructure efficiency; transparency and fairness in competitive conditions/structures; and definition of interaction with TSOs – crucial for DSOs – but relevant also for suppliers, aggregators and data managers.

### Main conclusions:

- There is a need to further specify the tasks of different actors (DSOs, suppliers, aggregators, ESCOs) and the relationship between them concerning services provided to customers (supplier switching and billing, energy efficiency, smart metering, demand response...).
- The relationship linked to grid infrastructure (reliability and quality of supply, import/export of distributed generation...) between customers and DSOs should be clarified especially as regards domestic customers.
- We may need a definition and application of a robust data handling model (flow of data between different actors and data manager(s)) in each local retail market, at national level and later at a regional one. This model should be set up under the "privacy by design" principle.
- Under this new complex market paradigm for customers, the role of NRAs is crucial to establish the appropriate framework in order to protect, empower and properly inform the customers.

**IT WILL BE CRUCIAL TO DEFINE THE RELATIONSHIP BETWEEN THE CUSTOMER AND THE DIFFERENT ACTORS, AND TO PUT IN PLACE THE APPROPRIATE FRAMEWORK IN ORDER TO EMPOWER, PROTECT AND PROPERLY INFORM THE CONSUMER.**

# CEER'S WORK

During the conference, some of the ongoing work being prepared by CEER was presented. Most of this work was already announced in CEER's 3-year rolling action plan:

- Advice on **data management for better retail market functioning**. CEER believes that it is vital for retail market functioning and customer protection that information and data exchange between stakeholders is reliable, efficient and safe.

- Advice on **Green Electricity Offers**. By analysing how customers are informed about the source of their electricity, CEER is preparing advice that should help empower customers via the provision of reliable and simple information.

- Status review of the **involvement of consumer organisations in the regulatory process**. CEER is mapping the interactions of NRAs with organisations representing the interests of energy customers, collecting best practices, describing how NRAs interact with customer bodies and involve them in the regulatory process. This work is a valuable element in giving substance to the CEER customer strategy to involve consumers in our regulatory work to protect and empower them.

- Status review of **customer access to the cost and sources of energy and efficiency schemes**. Customers are entitled to clear and simple information on the cost of their energy and on current and past consumption patterns. They should also have clear and simple contracts, transparent prices and information on energy sources as well as energy efficiency schemes.

- Advice from a consumer/prosumer perspective on **regulating the quality of services of the distribution system operators**. This is a key area where customers interact with the market. The manner in which these services are defined and carried out is an important part of market design.

- Status review of the implementation of 2012 GGP on **electricity and gas retail market design with a focus on billing and supplier switching**. A review of how smart metering functionalities are handled and how the relating economic and customer assessments are made is an important aspect relating to reliability, customer empowerment and affordability.

Looking ahead to 2014, CEER plans to continue to engage with consumer bodies, policy-makers

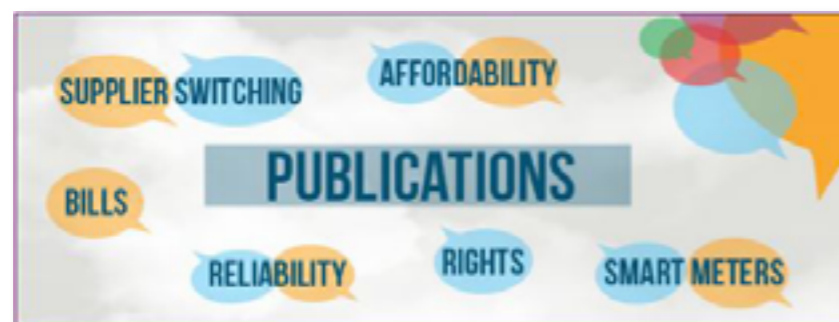
and industry to ensure the Vision's principles are central in energy policy developments.

We also continue our efforts to communicate widely on customers interests – e.g. the inclusion of a customer section in all CEER reports and the Citizens' Q&A memos alongside all of our reports. Our dedicated customer webpages also aim to bring energy regulation closer to customers. We will consolidate our work on the topics above, as well as examine issues around demand response, retail market design and the role of DSOs.

For further information on other work carried out by CEER, visit the **PUBLICATIONS** section of our Customer-dedicated website. CEER's main publications are arranged by key word.



Scan this code and access directly the CEER Publications on energy customer issues



# CONCLUSIONS

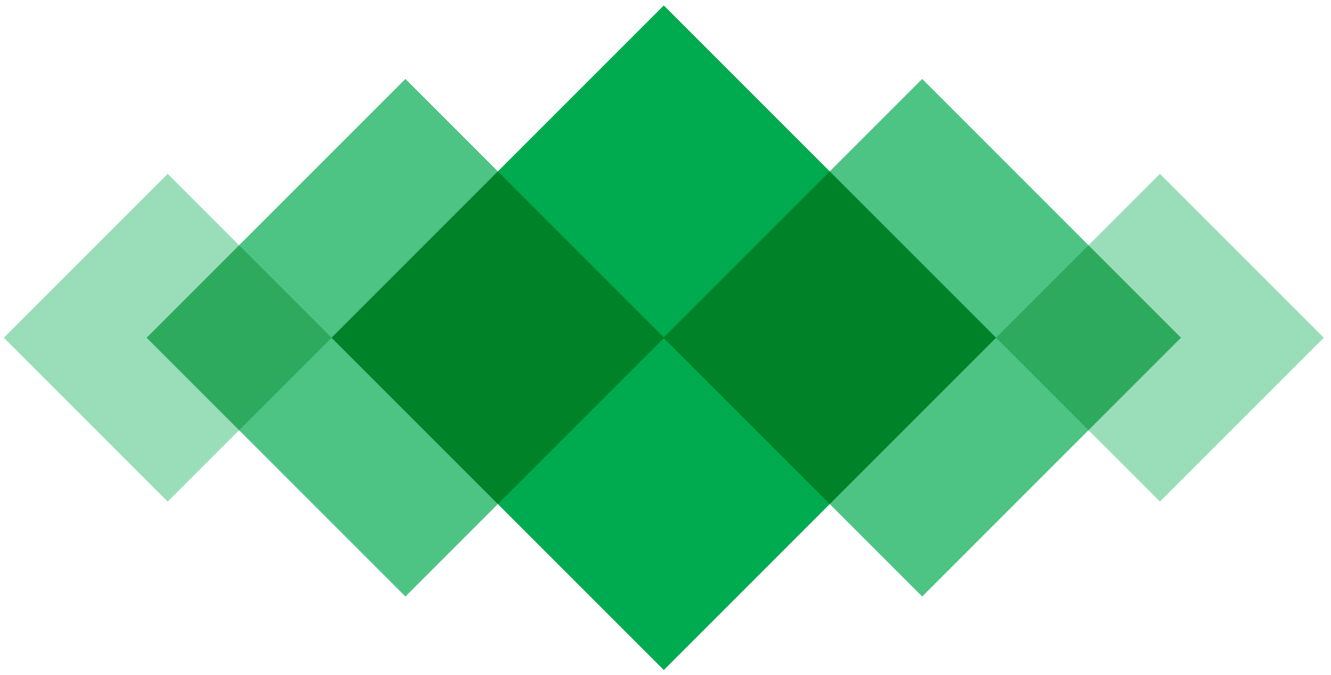
The 2020 Vision and its core principles (Reliability, Affordability, Simplicity and Protection and Empowerment) are the cornerstone of the CEER Work.

CEER is involving other stakeholders and asking them to engage in the implementation of the 2020 Vision. Since CEER-BEUC launched the 2020 Vision last year, we have secured 15 supporters, with 6 of them presenting testimonials during our 2nd Annual Conference on Energy Customers. Next year, CEER will again ask stakeholders to show their commitment to the 2020 Vision during the 2014 Conference on Energy Customers.

In the CEER 3-year rolling action plan, CEER committed to find new ways of communicating with customers. CEER's **Energy Customer-dedicated website** pages include educational material on the functioning of gas and electricity markets, informative brochures on energy customers' rights, interactive games and other information on the role of different stakeholders in the energy market.



**"CEER WILL CONTINUE WORKING TOWARDS THE IMPLEMENTATION OF THE 2020 VISION AND ENGAGING WITH MARKET STAKEHOLDERS TO PUT CUSTOMERS AT THE HEART OF ENERGY POLICY."**



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