

## **Beyond the Crisis**

# CEER's recommendations for improved energy consumer protection and market measures



#### Unlocking energy efficiency and demand response for all consumers

- Consumers should be encouraged to engage with demand response and flexibility, starting with solutions that can be applied in fixed-price, fixedterm contracts. They should be incentivised with positive rewards and benefits for engaging in energy saving behaviours, while being given access to a variety of energy offers adapted to their specific needs, preferences, and capabilities.
- Competent authorities at all levels should cooperate on setting up one-stopshops to provide more coordinated information to advise consumers on the options best suited to their individual energy needs and situations, such as efficiency measures, investments and types of offers.



**Diversity** 

**Pros & Cons** 

#### Adapting to evolving consumer behaviours

- Consumers should receive all the necessary information to smoothly transition back to a "normal" situation if they have been transferred to a national supplier of last resort (SOLR). This includes providing them with the SOLR conditions, such as price rates and duration of the contract, if applicable.
- The market should allow all types of supply offers to meet differing consumer needs. Consumers should be able to choose freely their preferred contracts whether fixed-price, fixed-term, variable or dynamic. This will let consumers decide on their preferred level of predictability or optimisation of their energy costs.
- Stakeholders should inform and advise consumers about the pros and cons
  of all types of offers, as well as subscription and termination conditions.
  This will help consumers identify the best contracts for their individual situation
  based on their capabilities and the benefits or risks they are willing to take on.



### Enhancing understandability in supplier communication

- Adopting harmonised vocabulary and terms at national level in pre-contractual information, offers, comparison tools and communication materials would further facilitate consumers' understanding of their contractual conditions and improve the comparability of offers between suppliers.
- Suppliers should follow transparency and completeness criteria when advertising and proposing offers. Criteria can be defined by the competent national bodies in collaboration with relevant stakeholders, such as consumer associations.
- To enhance consumer awareness and participation in market dynamics, suppliers should inform consumers in a transparent and comprehensible manner about the financial impacts of any price changes during the contract lifecycle. This would allow consumers to make informed decisions about whether to switch to another offer or supplier.

Clarity Consistency Completeness





**Proportionality Certainty Calculation** model



**Balance** Security **Competition** 



**Identify Target Support** 



**Education Assistance Engagement** 

#### Increasing accuracy and transparency of termination fees

Pre-contractual and contractual terms and conditions should explicitly state whether termination fees apply and outline the calculation model, with suppliers explaining these fees in a clear and understandable way. Also, consumers should be able to request and consult the exact fee from their supplier. Comparison tools should also mention the presence of termination fees in offers.

#### Reinforcing suppliers' reliability through prudential regulation

Implementing prudential regulation mechanisms should strike a careful balance between promoting robust business practices and enabling competition and innovation. This balance is crucial to maintaining a stable and dynamic market that drives efficiency and consumer benefits. Regulatory oversight may require additional expertise and resources within national energy regulators, other competent authorities, and suppliers.

#### Addressing energy poverty and vulnerability

Targeted mechanisms to address consumers' vulnerabilities and needs are the only way to ensure that no-one is left behind on the path to the green transition. Regulators have a crucial role to play in ensuring that energy markets tackle these challenges. This must be done within the broader national social support framework led by public bodies of other sectors responsible for helping and supporting individuals and families in situations of hardship.

#### Improving energy efficiency measures for the vulnerable and energy poor

- CEER recommends implementing various measures, tailored to national specificities, including financial assistance, educational campaigns, free or subsidised energy audits and utility bill assistance programmes. These initiatives will help vulnerable communities and energy-poor consumers to better manage their energy costs.
- To increase trust, CEER recommends engaging vulnerable communities and consumer-competent bodies in the design and implementation of these measures. Additionally, ongoing evaluation and adaptation of these programmes are essential to ensure they meet the specific needs of the target populations at a reasonable cost.

#### Read more:

Access the CEER report in full:

'Beyond the Crisis: Consumer protection and market measures for better functioning markets'

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