

**COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE
EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS**

Delivering a New Deal for Energy Consumers

SWD(2015) 141 final

The European Commission proposes 'new deal' for energy consumers, redesign of electricity market and revision of energy label for more clarity.

The proposals give prominence to the "energy efficiency first" principle, which is a central principle of the Energy Union strategy due to its effectiveness in cutting emissions, bringing savings to consumers and contributing to reducing the EU's Fossil fuel import dependency and also put households and business consumers at the heart of the European energy market.

By recognising that citizens must be at the core of the Energy Union, the Commission presents a Communication on delivering a new deal for [energy consumers](#), based on a three-pillar strategy:

1. Helping consumers save money and energy through better information;
2. Giving consumers a wider choice of action when choosing their participation in energy markets and
3. Maintaining the highest level of [consumer protection](#).

According to the three –pillar strategy to deliver a “new deal” for energy consumers and after a series of discussion in both public consultations, as well as within Commission-led expert groups, the following three key points have been identified as core to delivering a new deal for consumers:

- consumer empowerment;
- smart homes and networks;
- data management and protection.

1. Empowering consumers to act

➤ *Saving money and energy through better information*

- To help consumers understand their energy bills, the Commission will, together with national regulators, assess how the clarity and comparability of the content of bills for consumers could be increased. This should lead also to better consumer awareness of the individual components of energy prices and bills, including through better transparency of network charges, taxes and levies.

➤ *Giving consumers a wide choice of action*

- Consumers across the Union should be free to choose their preferred form of active participation in energy markets, either directly or by delegating their energy decisions to reliable intermediaries and energy service companies, such as aggregators who will act on the consumer's behalf.

a) *Switching suppliers – benefiting from increased comparability*

The Commission will work with national regulatory authorities to develop transparency and reliability criteria for energy comparison tools and to ensure that each consumer has access to at least one independent and verified comparison tool to assess the current contract against all offers available from the market.

Also, the Commission will seek to identify in collaboration with national regulators minimum standards for key information in advertising and bills, especially as regards price comparison.

b) *Realising the value of flexibility through demand response*

The growth of variable renewable energy makes demand response ever more important. Energy efficiency and demand response are often better options for balancing supply and demand than building or keeping in operation more power plants or network lines.

A key enabler of demand response is consumers' access to **price signals that reward flexible consumption**. These can be offered in the form of supply contracts based on dynamic pricing, or contracts that involve load control responding to market or grid conditions. The impacts of such contracts would have to be well explained to consumers.

c) *Reducing energy bills through self-generation and consumption*

The combination of decentralised generation and storage options with demand side flexibility can further enable consumers to become their own suppliers and managers for (a part of) their energy needs, becoming producers and consumers and reduce their energy bills.

d) *Increasing consumer participation through intermediation and collective schemes*

➤ *Maintaining full protection for consumers*

- With more options and offers, consumers need even greater assurances that they enjoy effective protection from unfair commercial practices.
- Energy poverty is another important issue for Member State action, one where social and energy policy measures meet. Energy poverty must be tackled in the wider context of social security, yet without ignoring the need for targeted, effective assistance reflecting best practices in the energy field.
- To facilitate Member States to meet their obligations in this respect and to increase transparency, the Commission will consider how to improve EU-wide data collection and monitoring of energy poverty while ensuring the security, privacy and protection of personal data. Common minimum criteria could be considered for the identification of consumer vulnerability and energy poverty.

2. **Making smart homes and networks a reality**

Smart technologies for the grids and the home should simplify consumer involvement in the new retail market and not create burdens.

For both consumers and the energy system to get the full benefit from these technologies, the smart metering systems to be installed must be fit for purpose in terms of the functionalities they offer.

Member States and the industry should make full use of the European Structural and Investment Funds and the European Fund for Strategic Investments to co-finance smart technology deployment. Investments in the smart energy technology and research, including through the Horizon 2020 programme, will carry multiple parallel benefits by boosting European competitiveness in high-value industrial sectors as called for, *inter alia*, in the Digital Single Market.

The Commission will, through collaboration with the Council of European Energy Regulators and the Agency for the Cooperation of Energy Regulators ensure that national regulatory authorities' approaches to the regulation of distribution system operators incentivize innovation and cost-efficiency as well as transparency of the quality of energy distribution operations.

3. Special attention to data management and protection

The energy sector must remain at the forefront of protecting data security as well as privacy and data protection of all consumers and in this regard, in October 2014, the Commission adopted a Recommendation which provides guidance to Member States and industry on how to carry out an impact assessment of data protection, allowing them to anticipate potential impacts on the rights and freedoms of data subjects and implement stringent safeguards.

To download the full document, please click the following link:

https://ec.europa.eu/energy/sites/ener/files/documents/1_EN_ACT_part1_v8.pdf