

**Conclusions of the
3rd meeting of the Citizens' Energy Forum**
London, 21 –22 October 2010

GENERAL

1. The 3rd meeting of the European Citizens' Energy Forum took place in London on 21 and 22 October 2010. Commissioners Oettinger and Dalli greeted participants by a video message and Lord Mogg gave opening remarks on behalf of Ofgem as host of the Forum and chair of the European Energy Regulators. The Forum was chaired by the Commission and attended by the national and European consumer associations, representatives of the Member States, national energy regulators, and representatives of the Energy Community, Norway and the electricity and gas industry. The particular focus of the forum was on the development of competitive retail markets that benefit consumers.

COMPLAINT HANDLING

2. The Forum took note with great interest of the consumer experience with complaint handling as reported by consumer organisation and of the new GB regulations setting standards for handling customer complaints established by OFGEM.
3. The Forum welcomed the ERGEG Guidelines of Good Practice (GGP) on customer complaint handling, reporting and classification released in June 2010 after a large stakeholders' public consultation. The Forum acknowledged the need to share good practice related to dispute settlement, and in particular on the statutory complaint handling standards. To this effect the Forum invited the Regulators to present at the next Forum a status review of the implementation of these GGPs including an overview of existing statutory complaint handling standards and recommendations on how to set up these standards.
4. The Forum took note of the Complaint classification methodology presented by the Commission (DG SANCO). The Forum acknowledged that this classification could constitute a sound basis for the management of the complaints by the competent authorities.
5. The Forum shared the views expressed by ERGEG that complaint/dispute bodies should be independent and not simply having autonomy within a particular company. The Forum took note that two thirds of National Regulatory Authorities already play a role either as the main

body responsible for dispute settlement or shares the responsibility with other public authorities.

6. The Forum took note of the recent creation of the industry network “European Energy Ombudsman Group” (EEOG). These company mechanisms are a good practice and can complement public mediation. The Forum will discuss at its next meeting the state of play in the Member States after the transposition into national law of the obligation to put in place "*an independent mechanism (such as an energy ombudsman)*".
7. The Forum welcomes that the Commission will establish a new Working Group on ADR and encouraged ERGEG/CEER to continue working with the Commission to ensure the fullest possible use by the regulators and of independent ombudsman of the harmonised methodology for classifying and reporting consumer complaints and enquiries.
8. The Forum invited the European Commission to promote and to spread best practice in this area. In a number of Member States the function of independent complaint and dispute settlement function is to be fulfilled by a separate public authority (such as energy ombudsman). Following the conclusions of the Informal Council of Energy Ministers meeting (6-7 September) other public Energy Ombudsmen are invited to attend the meetings of the Forum. The Commission will report to the next Forum on the options chosen by the Member States to establish their dispute settlement mechanism.

BILLING

9. The Forum welcomed ERGEG's status review on the progress towards the implementation of Good Practice Guidance for billing. The Commission recalled the provisions of the 3rd Energy Package that consumers must be properly informed of actual electricity and gas consumption and costs frequently enough to enable them to regulate their own consumption.
10. The Forum welcomed the best practices developed by industry and recalled that all energy companies should make their bills readable, accurate and frequent in conformity with both the Good Practice Guidance for billing and the new legislative provisions. The Forum welcomed the positive contribution of the energy companies expressed by EURELECTRIC to implement recommendations of billing as presented at the second meeting of the Forum.

11. The Forum took note of the consumer experience with billing recommendation implementation. The Forum also noted that while industry participants have the right to design their own bills, they should consult with consumers, consumer groups and regulators during the design process so as to best adapt bills to consumer needs.

SMART METERING

12. The Forum welcomed the progress that has been achieved during the past year by the Task force for Smart grids established by the European Commission in November 2009. The support of the Member States and the stakeholders is necessary to achieve the expected deliverables from the three experts groups by mid 2011 (i.e. assessment of the needs for new legislation for smart grids and smart meters; data protection and security issues; roles and responsibilities of the parties involved, and standards and interoperability).

13. The Forum welcomed the presentation on consumer attitude to smart meters by consumer representatives and requested that national roll-out plans should address consumer needs and interests.

14. The Forum encouraged Member States to prepare comprehensive assessments of the rollout of smart meter, including cost benefit analysis, as envisaged in the Third Energy Package. The European Commission will report on this at the next Forum. The Forum supported the Commission's call for realistic national assessments for the rollout of Smart Meters in Member States and took note that the Commission will pay attention to the sound implementation Smart Metering given its importance to the future development of the market.

15. The Forum took note of ERGEG follow-up on regulatory aspects of Smart Metering after the consultation of all stakeholders. The Forum welcomed ERGEG draft recommendations which pointed out the differences of the benefits and opportunities for gas and electricity meters, and that Member States should define at national level a list of customer services required from the industry (DSO, metering operator, supplier). The Forum recognized the need for further guidance regarding smart metering; ERGEG/CEER will develop recommendations in this regard.

16. The Forum invited the regulators to issue an opinion on a demand/ response electricity market provided by smart meters. Within the greater framework of progress on smart metering, this advice should particularly focus on the respective roles for DSOs and competitive players regarding customer services offered through smart meters; and balancing and settlement arrangements that could incentivise suppliers to develop offers to customers. ERGEG/CEER agreed to report to the next Forum.
17. The Forum welcomed the willingness of the gas utilities expressed by EUROGAS to consider, on a voluntary basis, a possible application of smart metering. The Forum took note of the cost benefit analysis developed by the gas distribution companies and invited them to make use of it when performing their own assessment.

COMPETITIVE RETAIL MARKETS

18. The Forum took note of the results of ERGEG public consultation on retail market monitoring indicators. In particular the Forum supported active market monitoring role by NRAs in assessing the development and functioning of energy retail markets. The Forum supported the use of identified indicators in monitoring and reporting on how well markets function for the consumers.
19. The Forum took note of the intention of ERGEG/CEER to elaborate a benchmarking report on the roles and responsibilities of NRAs in customer empowerment and protection as of January 2011. The 3rd Package gives new responsibilities and powers to regulators for consumer protection. The Benchmarking Report will assess NRAs' current situation and activities, including their work with the industry, consumer representations and public authorities, and the resources upon which they rely in informing consumers, handling complaints/disputes, promoting energy savings/smart use of energy and protecting vulnerable customers. The conclusions of the report will be presented at the next Forum.
20. The Forum welcomed the conclusions of the Informal Energy Council discussions held by the Belgian presidency on September 6 and 7, 2010 and the importance given at the occasion to the consumers' aspects of the energy internal market. This should promote "An Energy Policy for the Consumers" through the recognition of the political importance of the

London Citizens' Energy Forum. The Commission will present a report on energy consumer policy to the Energy Council of 3 December 2010. The Forum welcomed Belgian Presidency's idea to create a network of national independent energy ombudsmen, which should also be invited to participate in the Forum.

21. The Forum took note of Eurogas presentation on how competitive markets have benefited consumers.
22. The Forum took note of the experience of the Common Nordic end user market and how integration of several national retail markets into a single regional retail market could be implemented. The Forum invited Member States to examine the lessons of Nordic retail markets integration.
23. The Forum examined the results of the Retail Market Design working group and looks forward to its finalisation. The Working Group report identified key elements of the retail market that could serve as guide for further work by the Forum. The Forum invited ERGEG/CEER to work on additional recommendations and guidance to complete this handbook in consultation with all stakeholders.
24. The Forum acknowledged that vulnerable consumers must be defined at a national level as foreseen in the Third Energy Package. The definition will need to take other social policy measures into account that are being used to protect vulnerable consumers. Where a Member State has decided to protect vulnerable energy consumers, any underlying Public Service Obligation must be notified to the Commission.
25. The Forum took note of the main findings of the study on the functioning of retail electricity markets for consumers in the EU, which was carried out as a follow up to the second Consumer Markets Scoreboard and launched by the European Commission (DG SANCO). The study concluded that consumers need help to participate better in the market and that measures for consumers should focus on improved provision of information, enhanced price comparison and facilitated switching and complaints handling procedures. ERGEG has developed already GGP on switching and complaint handling and will update its GGP on switching. ERGEG/CEER will develop GGP on price comparison.

NEXT MEETING

26. The next meeting of the Forum is foreseen in autumn of 2011.