

**Conclusions of the
2nd meeting of the Citizens' Energy Forum**
London, 29 – 30 September 2009

GENERAL

1. The 2nd meeting of the European Citizens' Energy Forum took place in London on 29 and 30 September 2009. Commissioners Piebalgs and Kuneva opened the proceedings and Lord Mogg gave opening remarks on behalf of Ofgem as host of the Forum. The Forum was chaired by the Commission and attended by the national and European consumer associations, representatives of the Member States, national energy regulators, 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.

COMPETITIVE RETAIL MARKETS THAT BENEFIT CONSUMERS

2. The Forum took note with great interest of the way the new provisions contained in the Third Energy Package will be implemented by Member States. The Forum, in particular, highlighted the provisions relating to vulnerable consumers; the European Energy Consumer Checklist; single points of contact for consumers; and dispute settlement. Member States should take appropriate measures to protect final consumers, and shall in particular ensure that there are adequate safeguards to protect vulnerable consumers. The Forum noted that the support schemes that are used within the energy market must be in line with Public Service Obligation requirements and must not inhibit competition.
3. The Forum acknowledged that vulnerable consumers must be defined at a national level. The definition will need to refer other social policy measures that are being used to protect vulnerable consumers. Where a Member State has decided to protect vulnerable consumers through the energy market, the underlying Public Service Obligation must be notified to the Commission and comply with the 2004 Commission Guidance Note.
4. The Forum welcomed the ERGEG report on vulnerable consumers. In particular, the Forum endorsed the finding that support systems must not hinder competition and must allow customer groups actively to take part in the liberalised market to profit from cheaper offers and to be able to shop around for the best deal.

5. The Forum welcomed and agreed to the proposal by the Commission to establish a Working Group, including ERGEG and stakeholders, that would identify best practice examples relating to the design of the retail market. The Forum invited the group to report at the next meeting.

BILLING

6. The Forum welcomed the report of the sub-group and supported the report's call for greater transparency and comparability of offered prices and services to consumers.
7. The Commission drew attention to the new legislative provisions of the 3rd Energy Package that state that consumers must be properly informed of actual electricity and gas consumption and costs frequently enough to enable them to regulate their own electricity consumption. The Forum welcomed the best practices developed by industry and called on energy companies to make their bills readable, accurate, and frequent in line with both the sub-group's report and the new legislative provisions. The Forum took note of the model bill presented as an example by the Commission.
8. The Forum welcomed ERGEG's willingness to provide a short monitoring report at the next Forum on the progress towards the implementation of the Working Group's recommendations. Industry is also invited to report back on further developments

VOLUNTARY AND PUBLIC MEASURES FOR COMPLAINT HANDLING

9. The Forum took note that ERGEG is launching a public consultation on its Draft advice on Customer Complaint Handling, Reporting and Classification. ERGEG agreed to discuss the report and the result of the consultation with a multi-stakeholder group before publication of its final document. The Forum invited ERGEG to give a progress report at the next Forum. The Forum will discuss whether further work is needed
10. The Forum welcomed mediation practices in EU Member States and acknowledged that such measures must be in line with the Third Energy Package where Member States shall ensure that an independent mechanism such as an energy ombudsman or a consumer body is in place in order to ensure efficient treatment of complaints and out-of-court dispute settlements.

11. The Forum welcomed ERGEG's offer to consider the relationship between single points of contact and the unbundling rules. Single points of contact should respect DSO unbundling rules, the need for separate information flows related to DSO and supply processes.

SMART METERING

12. The Forum welcomed the progress that has been achieved during the past year including the new provisions of the Third Energy Package on the rollout of smart meters that will benefit all market actors and assist the active participation of consumers in the retail energy market, and the standardisation mandate given to CEN/CENELEC/ETSI, to create European standards permitting fully integrated instruments, modular and multi-part solutions.
13. The Forum encourages all participants to continue, and in particular Member States to prepare realistic assessments of the rollout of Smart Meter as envisaged in the Third Energy Package.
14. The Forum welcomed ERGEG's offer to present recommendations on the regulatory aspects of Smart Metering. ERGEG agreed to also consult consumer bodies on points of particular concern, and will report at the next Forum
15. The Forum noted that cost-effective metering should be combined with other measures - billing, information provision to consumers and that it should not lead to cost increases for consumers.
16. The Forum called for a coordinated approach from the Commission with regard to the progression of the standardisation mandate. The Commission will report back at the next Forum.

THE ROLE OF REGULATORS AND THE THIRD PACKAGE; MARKET INVESTIGATIONS

17. The Forum heard with interest OFGEM's market monitoring exercise and the activities of the Italian competition authority in the area of unfair commercial practices. The Forum encourages energy regulators to work in close coordination with both competition authorities and consumer bodies when monitoring the market and pursuing anti-competitive or unfair practices.

DSO AS MARKET FACILITATOR

18. The Forum took note of Eurelectric's enquiry that shows high degree of Member State's compliance of legal requirements with regard to DSO unbundling while results from ERGEG of its questionnaire on guidance for good practice on functional and informational unbundling for DSOs, indicate many shortcomings in effective implementation of DSO unbundling in both electricity and gas.
19. The Forum called on vertically integrated electricity and gas DSOs, and on Member States to take consideration of ERGEG's Guidelines of Good Practice on Functional and Informational Unbundling for Distribution System Operators so as to further improve the implementation of unbundling rules
20. The European Commission will pay a special attention to the proper implementation of the current provisions of the directives in all the Member States.

IMPLEMENTATION OF THE ENERGY SERVICES DIRECTIVE

21. The Forum took note that energy efficiency is a top priority for the energy policy of the EU and of the important role retail and network companies and consumer organisations should play in achieving energy efficiency objectives. The Commission will pay special attention to the proper implementation of the current provisions of the Directive in all the Member States.

RETAIL MARKET STUDY

22. The Forum took note of the study that is being prepared by the European Commission on the functioning of the retail electricity markets in Member States. The study should provide meaningful recommendations that could be presented and discussed at the next Citizens' Energy Forum.
23. Participants should, if approached, provide all possible assistance to the consultants conducting the study.

NEXT MEETING

24. The next meeting of the Forum is foreseen in autumn of 2010.