

Towards a European charter on the rights of energy consumers

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The Committee on the Internal Market and Consumer Protection adopted the own-initiative report by Mia DE VITS (PES, BE) on a European Charter on the Rights of Energy Consumers, in response to the European Commission's communication on the matter.

MEPs stress the absolute need to strengthen consumer protection on energy issues and to use the European Charter on the Rights of Energy Consumers as a guiding tool for European and national authorities, as well as private entities, in order to ensure and enforce consumer rights effectively. They also underline the potential added value of the Charter as an information tool collecting, clarifying and consolidating the energy rights of consumers as already adopted in the existing EU legislation.

Access to Transmission and Distribution Grids and Supply: the report recalls that the European energy market continues to be characterised by a large number of monopolies, and that efforts must be made to create a single, competitive energy market and to protect vulnerable customers, in particular.

In order to prevent grid disconnection, MEPs request that Member States have to appoint a supplier of last resort and inform the consumers thereof, and such a mechanism must be set up by national legislation. They consider that disconnection from the network should be considered only as a last resort solution in cases of arrears of payments on the part of consumers.

MEPs also stress the need to ensure the protection of universal rights and call on the Member States to ensure that the consumer is able to switch easily, and within a period that does not exceed one month, to a new supplier free of charge.

Tariffs, prices: MEPs stress that European electricity and gas prices must be reasonable, easily and clearly comparable, and transparent as well as based on actual energy consumption. They call on Member States to promote 'smart meters', which provide consumers with a clear view of their actual energy consumption and therefore contribute to better energy efficiency. The Commission is called to carry out an in-depth study on the current use of smart meters in private households and, if necessary, to carefully examine the possibility of developing and, after consulting Parliament, financing with a view to promoting best practices.

Information/contracts: MEPs underline the need to develop a model for standard invoices based on best practice, and to define standard pre-contractual and contractual information, including information on the consumer's right under the Charter. Member States are called to put in place a physical single entry point for any consumer information request. Consumers must be informed about their energy consumption on a regular basis.

Social measures: MEPs call on the Commission to provide guidance on a common definition of public service obligations and to define the notion of energy poverty. Member States are called to set up National Energy Action Plans addressing energy poverty and to communicate such measures to the European Agency for the Cooperation of Energy Regulators.

Environmental measures: the report underlines that providers and network operators ought to act in an environmentally responsible manner, making every possible effort to keep CO₂ emissions, as well as the production of radioactive waste, at the lowest possible levels. MEPs consider that priority should be given to renewable energy sources, combined heat and power and other embedded generation. The right of consumers to make an informed choice in favour of renewable energies should be recognised in the Charter.

National Regulatory Authorities: MEPs express their conviction that national regulators should play a central role in consumer protection. National Regulatory Authorities must be independent from any public or private interest and have at least the competence to:

- approve the principles for determining network charges or the actual grid tariffs, and possibly their indexation mechanisms;
- monitor prices and all their components, including their indexation mechanisms;
- monitor, control and enforce consumer information provided by the suppliers for at least the first five years after the market has been fully liberalised;
- protect consumers against unfair commercial practices and cooperate, in this respect, with the competent competition authorities.

Complaints: Member States to put in place, as close to consumers as possible, a common entry point for any type of consumer complaints and to encourage the resolution of such complaints through alternative methods of dispute resolution.

Consumer organisations: the report emphasises the important role of consumer organisations and National Regulatory Authorities in promoting sustainable consumption. It recommends that Member States provide financial support to consumer organisations in order for them to provide assistance in the legislative process, in informing and educating consumers and in consumer dispute resolution.