



Brussels, 24/07/2015  
ENER B.3 OG/SO/AV

**Subject: Minutes for the Vulnerable Consumer Working Group meeting held in Brussels on 3<sup>rd</sup> June 2015**

Following the conclusions of the March 2015 London Forum, the Commission reconvened the Vulnerable Consumers Working Group (VCWG). The first meeting took place on European Commission premises on Wednesday, 3<sup>rd</sup> June from 9.00-12.00. The list of participants and agenda are attached (see Annexes I and II respectively). The meeting was chaired jointly by Jan Pánek for DG Energy and Carina Törnblom for DG Justice and Consumers. Below is a summary of the key points from the meeting and the actions agreed.

## **1. WELCOME**

**The Chair** (Mr Pánek) welcomed the attendees. He stressed the importance of the previous work undertaken by the group; in particular, the guidance document endorsed by the December 2013 London Forum and published on DG Energy's website. He welcomed the backing of the London Forum plenary on reconvening the group as consumer vulnerability and energy poverty continue to be important public policy issues, in particular in the context of the Energy Union and the New Deal for consumers.

**The Chair** presented the agenda to which there were no additions from members of the group.

## **2. INTERVENTION BY DG JUST**

**Ms Spanou** (Director DG JUST.E) referred to the ten top priorities of the new Commission and the emphasis on consumer policy in these priorities. This was acknowledged also by placing consumers at the core of the Energy Union Framework strategy published earlier this year.

She stressed the importance of benefiting from the expertise of each member of the group and of giving equal voice to all representatives of society, including consumer organisations.

Ms Spanou described the relevance of vulnerability and energy poverty. As a result of the economic downturn, many households' income has declined while retail energy prices continue rising.

She highlighted the importance of discussing the following issues:

- Is there a need for additional legislative or other type of measures to protect vulnerable energy consumers and energy poor?
- The possibility, despite the diverging views on the topic, to harmonize at least some part of the definition of “energy vulnerability and poverty” at European level. What would be the essential elements for a harmonized protection?
- The possibility of monitoring “energy vulnerability and poverty” at European level with appropriate benchmarks and metrics.

The Commission will welcome the recommendations from the group on vulnerable consumers and energy poverty. The group's work represents a valuable input for the forthcoming initiatives by DG Energy and DG Justice.

### **3. FURTHER OBJECTIVES OF THE VCWG**

The Chair outlined the tentative work plan of the group with ca. six meetings to be scheduled over the next 24 months. He presented the proposed key topics and deliverables for the future work, namely:

#### **Key topics:**

- Effect of energy sector evolution on vulnerable consumers and energy poverty
- Overlap, interaction and differences between general poverty and energy poverty
- Latest research on the drivers and exacerbators of consumer vulnerability
- Indicators to identify and monitor energy poverty, comparability across Member States
- Interplay between consumer vulnerability and affordability
- Methodologies to account for co-benefits and potential public sector cross-savings of policy measures

#### **Deliverables / Expected Outcome:**

- Analytical review of the impact of regulated prices on consumer vulnerability
- Review of the linkages between general poverty and energy poverty
- Feedback on Commission-contracted analyses of consumer vulnerability and energy poverty monitoring and transparency
- Identification of best practices in reducing consumer vulnerability
- Summary overview of initiatives and policies addressing consumer vulnerability and energy poverty

The Chairman then opened the floor for discussion on key topics and deliverables.

**Ms Ranscombe** (Citizens Advice, UK) suggested adding the issue of inclusivity. Including this term in the discussion could focus the attention on vulnerable consumers having access to smart meters and offers from the energy suppliers. **Ms Steenbergen** (International Union of Tenants, IUT) also highlighted the need to look at all the housing costs and the importance of energy efficiency and the landlord/tenant dilemma when funding energy efficiency measures in the private rented sector. In response to that comment, **Ms Ranscombe** stated that while energy efficiency is key, it is also important to understand which incentives are available for vulnerable consumers and in which form. Beyond regulated prices, she stressed the need to look at the social impact of policy measures.

**Ms Jones** (European Anti-Poverty Network, EAPN) highlighted the need to take a three pillar approach to energy poverty (looking at income, prices and consumption/energy efficiency. She highlighted the importance of linking the group's work to Europe 2020, the poverty target and the EU policy cycle and guidance on vulnerable consumers to initiatives such as the European Semester, the EU's annual cycle of economic policy guidance and surveillance. Similarly the European Fund for Strategic Investments (EFSI) should also focus on energy efficiency and housing. She also asked whether any evaluation had been done on the proposals to establish National Plans for Energy Poverty as required under the original Energy Package.

On regulated prices, **Ms Sütő** (Ministry of National Development, HU) called for caution and mentioned that regulated prices could support vulnerable consumers until the completion of the internal energy market. **Mr Fonseca** (DECO) explained that in some cases, regulated prices for some consumers come at the cost of higher energy bills for others, which may also put them in a situation of vulnerability. Criteria such as cost intensity should be used for assessing their effectiveness. **The Chairman** reassured the group that a balanced view would be sought before any recommendation from the group is made on a sensitive topic.

The importance of linking the group's work with Member States was mentioned by **Mr Pichler** (E-control, AT), and in particular, the importance of channelling the group's work into the relevant government departments. He highlighted that in many cases it is not the Ministry of Energy but the Ministry of Social Affairs that is in charge of energy poverty and vulnerability. **The Chairman** agreed and proposed to liaise with DG Employment colleagues which have experience in working with the Ministries of Social Affairs in the Member States.

**Mr Ailio** (DG Energy) drew the group's attention towards the relation between energy poverty and general poverty. Even though many households in poverty are also energy poor, evidence suggests that short-term measures can lift households out of energy poverty while general poverty is determined by structural factors which are more difficult to control.

#### **4. NEW INSIGHTS ON CONSUMER VULNERABILITY AND ENERGY POVERTY**

- Presentation of the final results of the Insight-E study on energy poverty and vulnerable consumers in the energy sector across the EU: Audrey Dobbins, University of Stuttgart. This study will be published shortly on DG Energy's website.
- Presentation of the outline of the study on 'Consumer vulnerability across key markets in the European Union' – Methodology: Patrice Muller, London Economics. This study is expected to be finalised by the end of the year.

**The Chair** (Ms Törnblom, DG JUST) expressed her satisfaction with the studies and how both studies complement each other. While energy policies can solve some of the problems it is important for the Commission to have a picture of vulnerability across key markets.

**The Chair** mentioned that both studies provide original research while sharing commonalities. The study on vulnerability across key markets in the European Union touches upon some of the conclusions reached by the group in its previous work, in particular vulnerability as a dynamic concept where households can get in and out of a state of vulnerability during their lifetime.

**Mr Landi** (Fondazione Consumo Sostenibile, IT) insisted that vulnerability could arise as a result of dysfunctional markets. He described the incentives for some private companies to follow aggressive marketing techniques that could go against consumer's interest. He expressed that in those circumstances consumers should have the right for compensation and switching suppliers. He also argued in favour of regulated energy prices where tariffs are set above the cost of producing energy while considering even better a market where consumer could buy a quantity of electricity at any supermarket fully free of contractual constraints.

**Ms Jones** questioned the assumption that markets deliver the best deal to consumers. It was important to carry out an independent survey to see how the Public Service Obligations of Energy as a Service of General Interest are being delivered by the market and public services. In her view, the study on vulnerability needed to reflect on affordability and access and whether energy prices are too high for some consumers.

Finally, **Ms Ranscombe** enquired about the opportunity of the group to provide comments to both studies.

## **5. OBSERVING CONSUMER VULNERABILITY AND ENERGY POVERTY IN THE EU**

- Example from a Member State: Presentation from the French Observatory. Didier Chérel, ADEME.

**Mr Salamon (Danish Consumer Council)** asked whether ONPE had any experiences of evaluating policy measures in the area of energy poverty. **Mr Chérel** answered that there were no formal evaluation of the policies and stated the difficulty to disentangle long-term energy efficiency policies from social policy based on short-term support. It was highlighted that winter disconnections are forbidden in France and the average aid to energy poor is around €250 (€100 for electricity social tariff and €150 for gas). Social tariffs are being replaced by energy vouchers.

**Ms Jones** enquired whether ONPE had organised focus groups, especially focus groups with vulnerable consumers. While ONPE had not organised specific focus groups, it includes civil society organisations within its members which bring the perspective of vulnerable consumers and households in energy poverty into the work of the Observatory.

**Ms Ranscombe** asked if the Observatory had provided the space for discussions with policy makers on policies to reduce vulnerability and energy poverty which are effective but also more expensive. Mr Chérel answered that the Observatory had initiated in its second phase the work with policy makers but that this were at an early stage.

## **6. NEXT STEPS AND AOB**

**The Commission** proposed a list of actions that were endorsed by the group:

- Action 1: the group's ideas on the objectives and deliverables will be included in the final work plan (DG ENER);
- Action 2: circulate Insight-E study for discussion in the next meeting and put it on DG Energy's website (DG ENER);
- Action 3: inform the group about any new Commission initiative relevant for vulnerable consumers and energy poverty;

- Action 4: invite DG Energy colleagues working on energy efficiency at the next meeting (DG ENER);
- Action 5: invite DG Employment colleagues at the next meeting (DG ENER/DG JUST).

Finally on AOB, **Mr Fonseca** volunteered to present a case study funded by his organisation on "Consumers' Essential Services" at the next meeting of the group.

The **Commission** informed the group that the next meeting would take place after the summer. DG Energy will convene the group. The agenda of the next meeting will include *inter alia* a discussion of the Insight-E study, an update on the Energy Union and a presentation of the study commissioned by DECO.

**Annex I**  
**List of Participants**

Mr	CAYLA	Fabien	DGEC	France
Mr	CHÉREL	Didier	ADEME	France
Ms	CORNELIS	Marine	NEON	European Organisation
Ms	DENNINGHAUS	Marie	European Disability Forum	European Organisation
Ms	DOBBINS	Audrey	University of Stuttgart	Germany
Mr	DOLIGÉ	Sébastien	EURELECTRIC	European Organisation
Ms	FIRLOVÁ	Katerina	ERU Representative to the EU	Czech Republic
Mr	FONSECA	Paulo	DECO	Portugal
Mr	GLORIEUX	Jacques	INTER-REGIES / CEDEC	Belgium
Mr	GRAHAM	Cosmo	University of Leicester	United Kingdom
Ms	JONES	Sian	EAPN	European Organisation
Mr	LANDI	Paolo	Fondazione Consumo Sostenibile	Italy
Mr	LORUBIO	Giuseppe	EURELECTRIC	European Organisation
Mr	LOWE	Thomas	EUROGAS	European Organisation
Mr	MULLER	Patrice	London Economics	United Kingdom
Mr	NYENHUIS	Malte	EUROGAS	European Organisation
Mr	PICHLER	Florian	E-control Austria	Austria
Ms	RANSCOMBE	Heidi	Citizens advice	United Kingdom
Ms	SAIJETS	Heli	Ministry of Employment and the Economy, Energy Department	Finland
Mr	SALAMON	Martin	Danish Consumer Council	Denmark
Ms	SCHENK	Ann-Katrin	CEDEC	European Organisation
Ms	STEENBERGEN	Barbara	International Union of Tenants	Belgium
Ms	SÜTŐ	Tímea	Ministry of National Development	Hungary
Mr	SZYMANSKI	Akadiusz	Ministry of Economy	Poland
Mr	VOLLMER	Johannes	GEODE	European Organisation
Ms	WARDAL	Katarzyna	EFIEES	European Organisation
Ms	SPANOU	Despina	DG JUST	
Mr	PANEK	Jan	DG ENER	

Mr	AILIO	Eero	DG ENER	
Mr	GUINEA	Oscar	DG ENER	
Mr	OCCHIPENTI	Sebastien	DG ENER	
Ms	VALENTA	Ariane	DG ENER	
Ms	TÖRNBLOM	Carina	DG JUST	
Ms	MARIN	Nadia	DG JUST	
Ms	AUSTGULEN	Marthe	DG JUST	
Mr	KIRIAZIS	Georgios	DG JUST	
Ms	LAGUNA	Maria	EASME	

**ANNEX II**  
**VULNERABLE CONSUMER WORKING GROUP**  
**AGENDA**  
**Brussels, 3 June 2015, 09:00 - 12:00**

**Location:**  
**Rue De Mot 28**  
**B-1049 Brussels, Belgium**  
**Salle Lamoureux**

Chair: Jan Pánek, DG ENER / Carina Törnblom, DG JUST

- 08:30      *Registration*
- 09:00      **Welcome:** Jan Pánek, DG ENER
- 09:05      **Message from DG JUST:** Despina Spanou, Director DG JUST.E
- 09:15      **Further objectives of the VCWG:** Exchange of views, deliverables, work plan
- 10:00      **New insights on Consumer Vulnerability and Energy Poverty:**
- Presentation of final results of the Insight-E study on energy poverty and vulnerable consumers in the energy sector across the EU: Audrey Dobbins, University of Stuttgart
  - Presentation of the study “Consumer vulnerability across key markets in the European Union” – Methodology: Patrice Muller, London Economics
  - Discussion
- 10:45      *Coffee Break*
- 11:00      **Observing Consumer Vulnerability and Energy Poverty in the EU:**
- Example from a Member State: Presentation from the French Observatory – Observatoire National de la Précarité Energétique: Didier Chérel, ADEME
  - Discussion on the benefits and draw-backs of observing consumer vulnerability and energy poverty at EU level
- 11:50      **Concluding Remarks:** Carina Törnblom, DG JUST

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