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COMMISSION STAFF WORKING DOCUMENT

EXECUTIVE SUMMARY OF THE EVALUATION
of the
EU Framework for Metering and Billing of Energy Consumption

Accompanying the document

**Proposal for a Directive of the European Parliament and of the Council
amending Directive 2012/27/EU on Energy Efficiency**

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Metering and billing is regulated by provisions under the Internal Energy Market Directives (IEM) for electricity and gas and the Energy Efficiency Directives (EED). The legislators' objectives of these provisions were in short:

1. To enable effective consumer choice and boost competition through transparent, comparable and reliable information on prices, energy consumption etc.
2. To enable/incentivise energy savings through sufficiently frequent feedback to consumers about (the cost of) their energy consumption

This evaluation does not purport to cover all aspects of relevance to the objectives. Further evaluation work will be reported as part of the Market Design Initiative.

In terms of effectiveness, this evaluation suggests that the IEM and EED together are likely to have made a contribution towards both objectives, although this is impossible to quantify.

The deadline for transposing the EED is recent (mid-2014) and some of its key obligations have later deadlines for actual application. Until the national transposition measures have been verified to be in conformity with the Directive and applied on the ground, it is too early to draw many firm conclusions as regards the current framework. It is nevertheless already now possible to identify certain gaps, problems and potential improvements.

With regard to comparability and clarity of billing information, the low satisfaction of electricity and gas customers compared to other markets and the high proportion of complaints related to billing suggest there is room for improvement and further action either at national or EU level.

With respect to energy savings, there was an intention in the EED to clarify the pre-existing requirements. Yet, the current framework remains complex and open to interpretation with regard to the nature and scope of certain key obligations.

In terms of efficiency, there is good reason to assume that the provisions have been efficient in terms of proportionality between impacts and means used, due to the built-in cost-effectiveness conditions. In some cases, these could be replaced with simpler terms reflecting developments in the availability of remotely readable equipment.

The frequency of billing information is regulated by the IEM in a qualitative way, and by a quantified provision in the EED in so far as non-smart meters are concerned. This results in an unjustified difference in the minimum frequency with which customers equipped with smart/remotely read equipment are entitled to receive information on their consumption of electricity/gas as compared to heat.

On billing information, Annex VII of the EED could be improved to address internal overlaps or ambiguities as regards the nature and scope of its applicability.

Further coherence questions can be raised as regards disclosure of energy sources. The current system is not technology-neutral. Also, whereas EU legislation sets out tools to facilitate electricity-related disclosure for both renewables and high-efficiency cogeneration, it only stimulates a demand for the former. Even for renewables, the disclosure obligation is not systematically met using guarantees of origin, despite these being available for this purpose.