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CEER – ECRB – MEDREG Trilateral Workshop on Consumer Related Issues

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**Workshop
Report**



Introduction:

The workshop aimed to address the evolving landscape of consumer-related energy issues within the Mediterranean, European, and Balkan regions. Experts from Regulatory bodies in the region and members of the consumer/customer working groups of the three associations convened with the common objective of exploring the complexities and opportunities inherent in the energy market transformations. The discussions focused on the urgent need to address consumer-centric concerns while navigating the transition towards sustainable, cleaner energy systems. During the sessions, the participants underscored the importance of fostering collaboration and innovation to drive positive changes in the energy landscape.

Electricity Market Design: Exploring the Future of Electricity

The first session dedicated to electricity market design commenced with an in-depth analysis of current market structures and their adaptability considering the evolving energy landscape. The session was held as a panel discussion featuring presidents Abdellatif Bardach and Marko Bislimoski, presidents of MEDREG and ECRB respectively.

President Bardach shared insights into the proposed legislation aimed at restructuring market mechanisms to accommodate renewable energy integration and enhance consumer participation. His emphasis on the importance of robust regulatory frameworks to ensure fair market competition resonated strongly among the participants, and he concluded by highlighting the significance of the regulator in the energy market. President Bislimoski echoed President Bardach's thoughts, further shedding light on innovative approaches that could drive cross-border collaboration and market harmonisation. His intervention highlighted the significance of aligning regulatory policies across regions to foster a cohesive and efficient electricity market across the Mediterranean, European, and Balkan regions.

The discussions delved into the need for adaptable market structures, emphasising the role of regulation in fostering a competitive yet consumer-centric electricity market.

The interventions by Presidents Bardach and Bislimoski significantly enriched the conversation, guiding participants to critically analyse the central tenets of the proposed legislation and envision a more adaptable, consumer-oriented future for electricity markets across the regions.

The interventions served as a smooth opening for the workshop, also resonating strongly with participants by stressing the critical and evolving role of the regulatory bodies; where regulators act as an intermediary between policymakers and the private sector, while also ensuring the well-being of the end consumer in the ever-evolving energy market.

Smart Electricity and Decarbonised Gas Grids: Progress, Challenges, and Integration

The session aimed to dissect the imperative of decarbonising electricity and gas grids, aligning with EU and national commitments such as the European Green Deal and the Fitfor55 Plan, essential for meeting the climate objectives outlined in the Paris Agreement. With a profound impact on energy usage for both household and non-household customers, the discussions revolved around pivotal questions driving the decarbonisation agenda:

Participants deliberated on the progress made thus far in aligning with decarbonisation targets and what lies ahead in the (decarbonised) pipeline. Insights were shared regarding initiatives undertaken at regional and national levels to transition towards cleaner grids. The focus was on analysing the pace of transformation, identifying key milestones achieved, and forecasting future trajectories in line with decarbonisation goals.

Strategies and actions implemented in decarbonising grids were examined, emphasising efforts at the retail level. Participants exchanged experiences and best practices related to initiatives undertaken by utilities, grid operators, and energy service providers to reduce carbon footprints, and the role of the regulator in that regard. Examples were cited, illustrating the successful integration of renewable energy sources, engagement in energy communities, adoption of smaller-scale self-generation, and the rollout of technologies such as home storage, local storage, electric vehicles, heat pumps, and associated innovations like home automation and smart charging.

Discussions delved into the uptake and penetration rates of additional renewables, exploring the adoption trends of various technologies among consumers. Insights were shared on the evolving landscape of energy consumption patterns, emphasising the increasing embrace of smaller-scale self-generation, electric vehicles, heat pumps, and the role of energy communities. Participants exchanged perspectives on the practical implications and challenges associated with widespread adoption, considering aspects such as infrastructure requirements, consumer behaviour, and technological advancements.

Furthermore, participants shared insights on the evolving tariff structures, contemplating the need for novel tariffication methodologies that align with the changing dynamics of energy consumption, decentralised generation, and technological advancements.

Balancing Good Customer Service and Fair Pricing

The final session focused on the relationship between ensuring quality customer service and maintaining fair pricing in the electricity and gas supply sectors. Participants highlighted the legal requirements that electricity and gas suppliers must comply with regarding consumer information, empowerment, and protection. It was emphasised by the regulators that suppliers often serve as the primary point of contact for consumers regarding energy-related matters, making their role pivotal in shaping consumer experiences and perceptions.

The discussion highlighted a notable difference in the monitoring of supplier conduct compared to the scrutiny placed on their price-setting practices. While price-setting practices receive significant attention, the conduct of suppliers in delivering customer service is comparatively less closely monitored. However, it was highlighted that these service-related practices are equally critical in influencing consumers' decision-making, particularly concerning switching suppliers.

One pressing concern addressed was the issue of commercial power losses and their eventual impact on end consumers. The session explored the complexities surrounding unauthorised consumption of energy and the questions it raises about accountability for these losses. Participants explored various strategies and mechanisms to mitigate such losses without unfairly burdening compliant consumers, while also ensuring the vulnerable consumers are unharmed, by avoiding energy supply cuts.

Moreover, the session aimed to introduce concepts for monitoring customer service quality in developed energy markets. It discussed frameworks for evaluating and ensuring the efficiency and effectiveness of customer service, aiming to enhance consumer satisfaction and trust.

Debates also revolved around the limitations of imposing customer service quality obligations within developed energy markets. Participants critically analysed the feasibility and practicality of implementing regulatory frameworks that prioritise customer service quality without compromising market competitiveness.

Participants unanimously acknowledged the need for a balanced approach that ensures fair pricing while prioritising high-quality customer service. It was recognised that closer scrutiny and regulatory measures focused on customer service quality are imperative to safeguarding consumer interests and fostering a competitive and consumer-friendly energy market across European and regional levels.



Conclusion

The workshop served as an invaluable platform for comprehensive discussions and knowledge exchange among experts from the three regulatory associations. The sessions provided critical insights into the challenges and opportunities inherent in the energy transition. It underscored the urgency of regulatory adaptability, collaborative efforts, and innovative solutions in addressing the evolving landscape of consumer-related energy issues. The consensus among participants highlighted the need for implementing effective policies, fostering cross-border collaboration, and empowering consumers to shape sustainable and consumer-centric energy systems in these regions.

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