



## **A Bridge to 2025 – Consumers**

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## Overarching paper and 3 sectoral annexes

- 2014 remains our immediate focus
- Debate starts now on what we must do to meet future challenges
- We have chosen to look at electricity, gas and consumer impacts of coming changes in energy markets
- This presentation is on consumers – and also touches on the related topic of distribution networks



## Energy markets are changing

- Smart meters and smart grids will enable greater demand side participation
- Small consumers are starting to own generation – solar; wind; micro CHP, etc.
- Electricity consumption patterns are changing:
  - ▶ Penetration of electric cars
  - ▶ Shift in many countries to electric heating
- Consumers will become ‘prosumers’



## What is a 'prosumer'?

- Growth in unpredictable renewable generation means that flexible response will be an essential part of the market in 2025
- Consumer load will be part of that market
- Consumers will increasingly be producers as well as consumers of electricity
- So.... consumers will be active participants in the energy market – not only customers. They will be 'prosumers'



## Challenges for ‘prosumers’

- Choosing a customer tariff for energy is complicated today – by 2025 it is likely to be even more complex
- New players will enter the market (e.g. aggregators) to help consumers make these complex choices
- Market rules will evolve to accommodate these changes – and the voice of consumers needs to be heard as part of the change process. But consumers (even prosumers) are not industry experts.

## What is CEER doing to help Consumers?

- CEER, together with BEUC, announced in November 2012 “A 2020 vision for Europe’s Energy Customers”
- Four fundamental principles governing the relationship between the energy sector and its customers: reliability, affordability, simplicity, protection & empowerment
- CEER members put consumers at the heart of the policy making process – member NRAs all have a duty to protect consumers
- The Vision is not static - it must evolve to meet developing challenges



## Concrete CEER Actions

- We are committed to a wide range of actions which are directed at:
  - ▶ Working to ensure the single European market works in the interests of customers
  - ▶ Ensuring smart meters deliver benefits for customers
  - ▶ Enhancing the role that consumer bodies play in the regulatory process
  - ▶ Improving consumer information, and ensuring that consumers' own information is properly protected
  - ▶ Seeking to identify and remove barriers to provision demand response and energy efficiency services



## Key questions

- In our 'pre-consultation' phase we want your reactions:
  - ▶ Do you think that further European level measures should be taken to enhance the operation of retail markets to the benefit of consumers?
  - ▶ Can you suggest ways in which we could enhance the voice of consumers in the development of Europe's energy market?





# Distribution Networks: Impact of change

- Technology changes are driving a change in the role of DSOs:
  - ▶ increasing levels of embedded generation will required greater active operation of the distribution networks;
  - ▶ smart grid technologies allow much greater active control of the distribution networks;
  - ▶ the addition of smart metering increases the potential for load management



## DSOs will have greater interaction with energy customers

- Potential for demand side participation is increasing:
  - ▶ New technology facilitates greater demand side involvement
  - ▶ In particular, smart meters and smart grids, but also new demand control technologies
- Data available to DSOs will increase hugely:
  - ▶ this data is of use to DSOs in enhancing the efficiency with which they operate their networks
  - ▶ but much of it will also be of potential interest to new third party service companies wanting to sell new services to electricity consumers

## Changes at distribution level raise issues

- If DSOs are actively managing their networks, much as TSOs do today, then is the unbundling regime adequate?
- Increasing levels of data from smart grids and smart meters will potentially have multiple uses
  - ▶ How should the management and protection of data by DSOs be regulated?
  - ▶ If third parties are allowed access to data, should they be regulated, and if so how?

## CEER In-Depth Review

- We will undertake an in-depth review. During 2014 we will consult on the issues and seek views both on likely developments, and on necessary changes to the regulatory framework as it applies to distribution networks.
- **What are the main questions that you consider the proposed CEER review should address to ensure that the regulation of distribution networks remains fit for purpose in 2025?**

Thank you for your attention!

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