



# Consumer's protection Framework Paper

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# 1 Introduction

Backed by rising energy demands and fears over security of supply and climate change, smart metering is rapidly gaining momentum in Europe. Although considerations for large-scale smart meter rollouts take place in a growing number of Member States, public acceptance and hypothesized energy savings should not be taken for granted.

Some early adopters, such as Sweden and Finland, have managed to carry out smart meter roll-outs without notable setbacks caused by the public acceptance. However, recent experiences in Central Europe countries such as the Netherlands demonstrate that smart metering can only contribute to increasing consumer involvement and effective household energy savings if smart meters come publicly accepted and future-proofed to the consumer. Without meeting these preconditions in, rollout and energy efficiency prospects will be much more uncertain.

By elaborating on recent experiences and lessons learned, this paper can provide valuable information for stakeholders from other Member States to prevent growing public rejection of the imposition on them of smart meters. In addition, the proposals described in this paper to cooperate with relevant stakeholders and subsequently arrive at better policy proposals that also acknowledge end-user needs, can help other Member States to develop regulatory frameworks that are more likely contribute to consumer satisfaction and increased energy efficiency. This way the Consumer's protection Framework Paper can inspire other countries to anticipate and avoid similar setbacks which could eventually endanger the EU-target of at least 80% of consumers equipped with a smart meter by 2020.

A basis for a consumer's protection framework is the elaboration of the so-called "Consumers' Protection Policy Paper" prepared following a consultation process in light of the potential installation of smart meters in a country or area. This consultation process should be undertaken under the auspices of the relevant public organizations and regulatory bodies. It should consider the information of the national smart meter program, which would be modified according to the findings.

A costs and benefits analysis for all involved stakeholders, including consumers (as consequence energy efficiency or environmental improvements) should occur prior to progressing with any full mandated roll-out decision.

Third parties may access the electricity market in new ways enabled by smart meters. In particular, they may wish to provide consumers with new demand management products and assist them to make decisions based on the increased availability and analyses of consumption data. The issues arising from these arrangements should be also considered. While protecting the consumers' interests, sufficiently favourable conditions should be created for new services, products and entrants to enter the market, as these are needed to reap the full energy efficiency benefits of the smart meters.

## 2 The A,B,C of a Consumers' Protection Policy

Consumer is affected by several aspects when a new smart meter with full Automatic Meter Reading (AMR) or inside Advanced Meter Infrastructure (AMI) is installed, different than the traditional electromechanical counter. The issues that should be considered could be divided in three sections when describing the protection Policy:

- a) Pricing, Demand Management and Customer Billing: the consumer implications of the potential new pricing arrangements and the impacts on different groups. In particular, how consumer choice of tariffs can be facilitated and how consumers can navigate their way through the potential new arrangements. Also, the issues associated with demand management products, as the new information which might be required on customers' bills.
- b) Consumer Access, Engagement and Energy Saving: there are benefits available for consumer from smart meters, but these will only be realized if consumers and the community are sufficiently informed and engaged. This includes privacy, consent, and dispute resolution issues for consumers, as well as information on tangible benefits arising from the provision of information via specific systems (paper, Internet, display, etc.) and other more progressive products and services (such as dynamic tariffs and demand response)..
- c) Technical and Safety: because of the large number of consumers who would be impacted within a concentrated period of time, the widespread installation of smart meters will bring greater focus onto technical, public health and safety issues associated with electricity meters. The review addresses the existing mechanisms for ensuring that many of the safety and public health concerns are managed, and proposes draft policy positions on dealing with some unresolved issues. A key means of mitigating these concerns is to ensure that adequate information is provided to consumers

### 2.1 Pricing, Demand Management and Customer Billing

Smart meters record electricity consumption in frequent intervals and send this information electronically via communication system to the metering data management system at a certain moment, following a set-up request. Also, real-time consumption data can be retrieved directly from the meter, usually from energy pulse LED and/or bus located physically on the meter. This is in contrast to the conventional meters which simply measure how much electricity has flowed through them since they were installed. From an accumulation meter, the quantity used in any given period is determined by subtracting the previous reading from the current one.

The additional information provided by smart meters enables new pricing arrangements to be offered. They will enable new tariff structures to enhance efficiency in electricity markets by better reflecting the costs of producing and delivering electricity at different times. Consumers could benefit from these efficiencies if they choose more flexible tariff arrangements that better suits their consumption behavior, or they can shift their consumption towards less expensive times.

There are a significant number of issues which impact on these potential new pricing arrangements. For small consumers, particularly domestic customers, their tariff structures and consequential bills are relatively straightforward. With smart meters, consumers can choose from a range of new tariffs and pricing arrangements, most of which will be unfamiliar. They also can choose from a range of different services in the market place which will be enabled by smart meters and will assist them to manage their energy consumption and therefore their bills.

The implications of these new arrangements are important for customers and must be carefully planned and implemented, both through the regulatory frameworks and by the industry:

- The new pricing arrangements which may become available to customers and the appropriate consumer protections in a transitional period and in the longer term should be considered. These protections may be especially necessary for low income and vulnerable consumers.
- The minimum information that is provided to customers through their bills, internet or other channels, to help them understand the concepts involved and improve their energy efficiency, should be also carefully detailed. Typically this is a central part of the role of the regulators considering the new arrangements enabled by smart meters.

Related to the tariff structure for small consumers, in most cases the flat tariff for general usage has been easy to understand by consumers, while does not offer incentives for energy efficiency. Variable tariffs based on the hourly price of the energy generation are more complex both for the consumer and the billing company, but give new opportunities and incentives for demand response consumers. This variable tariffs allows regional or national load demand curve modification, as the peak demand control and reduction programmes.

Following the two types of tariff structure, where retail competition exists (i.e. customers can choose their energy retailer) usually customers can choose between a standing contract, which contains regulated prices for small customers, and a market contract, which is determined by the retailer but has a set of common minimum terms and conditions set by Government. Under market contracts, retail tariffs may be structured in many different ways.

It would be expected that many groups who are vulnerable consumers (for example low-income families or elderly) are also less likely to be able to deal with the increased complexity. These effects are likely to be especially acute in the early stages of the transition and will require careful handling, including wide scale and effective consumer engagement and education. Retailers should be required to produce an Energy Price Fact Sheet to assist consumers in comparing offers, and comply with the format specified on the energy pricing guidelines. These fact sheets will be publicly available and must be given on request and when offer is made.

The introduction of new pricing arrangements may mean that some consumers face a higher total bill than they would have under current retail pricing arrangements. The effect on vulnerable consumers as the elderly, those with chronic conditions, shift workers, the

unemployed and parents with young children should be analysed. They might be less able to change their behaviour than the average consumer due to poorer quality housing, inability to afford more efficient appliances. On the other side they could gain more benefits than the average consumer, by changing their current usage patterns, for example through energy efficiency improvements and by changing their energy usage.

A good way to alleviate these concerns is to ensure that retailers offer traditional fixed tariffs also in the longer term, so that consumers have the possibility to choose the best tariff type suitable for their situation and abilities. Furthermore, when consumers choose variable tariffs, retailers should offer them sufficient information to ensure the transparency and predictability of pricing, such as the applicable tariffs for the next day (e.g. the reference electricity market price and other expenses related to the contract).

New service providers, acting on behalf of a distributor or retailer or independent from them, could be also able to offer services enabled by smart meters that will benefit consumers. They could play a significant role in assisting consumers with the more complex data and decisions arising from smart meters, and would offer a range of services. These services would depend on the accessibility of the customer's detailed consumption data available from smart meters, which would need the customer explicit consent. While creating favourable conditions for new solutions and parties to enter the market, consideration needs to be given to how they interact with consumers and the market, and for any regulation and consumer protection to ensure a satisfactory consumer experience, as those related to their meet with security and privacy requirements. It has to be clarified what is the process by which a third party becomes authorised, and more specifically, how does a customer consent to authorise access by a third party to use the information from his/her smart meter.

## **2.2 Consumer Access, Engagement and Energy Saving**

Consumers should be able to understand how their overall electricity consumption impacts their bills and be able to access adequate information to make informed choices about how to modify their consumption. Smart meters potentially provide benefits to consumers, including access to detailed consumption data to help them manage their energy usage, thus reducing their overall bills. Other potential benefits include low or no cost for services such as special meter reads, disconnection and reconnection, contracted power changes and improved service ranges and levels by both distributors and retailers.

Realising these benefits, however, will be more complex for consumers simply because of the amount of data that is enabled by the smart metering technology and the different pricing arrangements they will be required to understand. Therefore, it is crucial that consumers are easily able to access relevant, useful and timely data in a simple way, that they feel confident that their information is sufficiently secure and protected by privacy laws, and that there continue to be independent dispute resolution mechanisms available to them, particularly for innovative products which may involve contractual arrangements with third parties.

Both distributors and retailers will need the active engagement of consumers to optimise the benefits for all parties. Consumers will need to feel confident in the market and sufficiently informed to engage. They also will need to have confidence that they will be able to voice their issues of concern and have those concerns listened to and acted upon. Consequently, a key consideration is how to ensure effective consumer engagement and which parties are best placed to provide the information to consumers.

In undertaking consumer engagement, it is important to be clear about the objectives that a program is to achieve, as:

- provide information about the rollout of smart meters and how it will affect the consumers
- provide information about smart meters and how they operate
- empower consumers to take control of their energy usage by showing them in a simple way how they can access to accurate and timely information and other services enabled by smart meters and the concrete opportunities to reduce their energy usage and bills
- provide a mechanism to enable consumers to directly provide information about their issues and concerns and have those concerns addressed
- increase general consumer understanding and acceptance of the smart meter program

Engagement with consumer and community groups at an early stage of the rollout strategy is essential. Consumer and community groups play a crucial role in disseminating information to many of the most vulnerable groups, including those on low incomes and those who may need help generally with their bills. Also, many groups potentially benefiting from smart metering but unaware of these benefits, can be reached through community dissemination. In ensuring a successful communication campaign, careful consideration needs to be given to how the information is presented to different audiences and the level of detail required. The information needs to be consistent and easily understood.

The introduction of services and applications enabled by smart meters will result in increased opportunity for customer participation with their electricity use, but will also result in increased data flows. These data flows should be assessed at a systematic level considering a "Privacy Impact Assessment" to understand the issues and privacy risks arising with the access to and the collection, use and disclosure of information in a smart meter environment. The Assessment will advise on how best to balance the accommodation of market and technological innovation with protecting the privacy of customers. It will consider possibilities that enhance customers' access to their energy usage data as well as relevant risk mitigation strategies. The result should include proposals for enhanced data access, mapping of data flows, legal assessment and a gap analysis.

A key customer protection for all small electricity customers is the capacity to easily access an independent dispute resolution scheme if they cannot resolve their complaints with their distributor or retailer at no cost. The introduction of smart meters may cause an increase in the nature and extent of complaints as customers are exposed to new metering issues despite the customer protections that are in place. Nevertheless, it is expected that most of the complaints related to the new smart meters will be not new, as the ones associated with billing, connection and disconnection, customer transfers and customer



service issues, including reliability of supply. These are all matters familiar to distributors and retailers and they should ensure that their call centres and complaints-handling procedures are prepared to manage these issues in a smart meter environment.

One important lesson learnt from the already finished roll-outs is that providing sufficient and timely information on the smart meter rollout and its implications and benefits for customers can clearly reduce complaints and questions faced by the utilities and possible problems in installations. This will also create a more advantageous situation to engage customers in smart metering and demand management services and programmes.

## 2.3 Technical and Safety Issues

The installation of new, and replacement of older, electromechanical meters historically has caused little disruption to most consumers or distributors. The usual problems experienced by consumers have been delays in installation or minor damage to property by the distribution businesses.

However, there may be an increased incidence of technical issues for the distributors and a higher profile of consumer concerns simply because the high number of smart meters which will be installed in a relatively short period of time, and the communications infrastructure required supporting the smart meters. Some customers, particularly those in older homes, have encountered additional problems when their accumulation meter has been replaced. The wiring in these homes has been found to be unsatisfactory and electrical repairs must be undertaken at the customer's expense prior to the meter being installed.

Smart meters use low-powered wireless or PLC (Power Line communication) technology to communicate to a nearby data collection point(s), from which the signal is relayed to the distributors' back-office systems. Smart meters might incorporate a separate low power transmitter designed to communicate with "smart" electrical devices or appliances around the home. The technology employed by smart meters is similar to other radio-transmitting devices, such as cordless phones or mobile phones. However, unlike those devices, people do not typically spend extended periods very close to their electricity meter where the electromagnetic field strength is highest. As smart meters transmit intermittently, from outside the home and for extremely short periods (milliseconds), their average field strength is lower than other common radio devices over time.

Nevertheless, some consumers have raised concerns about the long-term effects on human health of the radiofrequency (RF) emissions of smart meters. Others hold the view that a precautionary approach should be taken while there is any uncertainty about the impact of RF emissions on human health, and smart meters should not be installed at all until there is certainty that there are no negative health impacts. For other consumers, it is the mandatory nature of a rollout, which raises concerns, as unlike choosing to use a mobile or cordless phone, they may not be given a choice to have a smart meter in-

stalled. Concerns about the effect of RF emissions on human health are not specific to smart meters and are continuously monitored by health agencies worldwide, including the World Health Organization<sup>1</sup>.

With these considerations, standards regulating the performance of particular radio communications transmitting devices to protect the health and safety of persons exposed to electromagnetic radiation from the transmitters are recommended.

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<sup>1</sup> The World Health Organisation advice about possible health impacts of radiofrequency electromagnetic field, primarily in the context of mobile phone use. See: [http://www.iarc.fr/en/media-centre/pr/2011/pdfs/pr208\\_E.pdf](http://www.iarc.fr/en/media-centre/pr/2011/pdfs/pr208_E.pdf)

## 3 Consumer protection development process

### 3.1 Cooperation needed with stakeholders and consumer's organizations

Most EU countries are currently developing their smart meter roll-out, as a consequence of their national plans and regulations (if existing) or a market-driven situation. The technological barriers are often overcome, due to the modern meters characteristics and smart infrastructures potential.

However, consumers' organizations and privacy watchdog groups might slow down this process of regulation and innovation and stimulate the governments to switch from a top-down policy implementation to a more collaborative approach with stakeholders and consumers' organizations.

Following the experiences in the Netherlands, within new cooperative legal frameworks based on a phased introduction and on voluntary acceptance by consumers, smart meters can be considered more likely to contribute to increasing energy efficiency, compared to the former proposed mandated rollouts.

In order to better understand this new cooperative concept for a voluntary based rollout, as an alternative for a mandated rollout of smart meters, the course of events in the Netherlands following a chronological overview and the final conclusions will be presented in detail, as it has been the switch to a more cooperative approach for a voluntary rollout.

### 3.2 Development of consumer protection interest

In **2007** the government launched its first comprehensive legal proposal (bill) to change the national Electricity and Gas law in order to improve the functioning of the liberalized national energy market for consumers and small business users and to comply with the ESD-directive. The government opted for a mandated rollout in 2007, because it was believed that in a liberalised energy market without further regulation, a smart metering rollout would probably reach no more than 30% penetration. In the case of such a partial penetration, the smart meter benefits would probably not be fully realised. Also, the requirements set by Article 13 of the ESD for individual metering and frequent billing (Energy End-use and Energy Services directive, 2006/32/EC) were interpreted as a mandate for smart meters.

In **2008** the proposed mandated meter rollout was intensely discussed in public before being debated in the Lower House of the Dutch Parliament. In Particular, the Netherlands' main consumers' organisation, named Consumentenbond, opposed the new law, mainly because of privacy concerns. Moreover, Consumentenbond questioned the energy saving claims made for the smart meter. Finally, on July 3rd in 2008 and after intense discussion, the Dutch Lower House conditionally accepted the proposed law for the introduction of smart metering in The Netherlands. Important conditions required by the

Lower House were related to extra meter requirements in favour of energy saving and own-generation of electricity and a two-year trial period for experience purposes.

In **2009** after three terms of heated political debate and renewed vigorous campaigning by Consumentenbond, privacy watchdog groups and even on national public television, the Dutch Senate declined to approve the mandated roll out proposal of smart meters. Fears that data on energy consumption could be misused curtailed the compulsory introduction of the meters in the Netherlands. Dutch consumer and privacy organisations were concerned that information relayed as frequently as every 15 minutes could allow criminals or utility companies to see when properties were empty or when householders had bought expensive new appliances.

A critical moment was the release of a report by the University of Tilburg, commissioned by the Dutch Consumentenbond, to test the privacy issues of the proposed smart meter bill to the conditions of the European Convention on Human Rights (ECHR). Article 8.2 of this Convention grants a legitimate breach of privacy in accordance with the law, necessary in a democratic society, and in the interest of national security, public safety or the economic well-being of the country, for the prevention of disorder or crime, for the protection of health or morals, or for the protection of the rights and freedoms of others. The main observations of this report were:

A legal basis for smart metering regulation following the EU Directive 2006/32/EC was in itself in accordance with this Convention, because its objectives of energy efficiency and functioning of the energy market are in the interest of the economic well-being of the country.

However, in the Dutch case, the mandated rollout was unconvincingly explained as a necessary measure in a democratic society in terms of pressing social needs, the actual providing of these needs and the principles of proportionality and subsidiarity. Questions like 'does smart metering really result in energy savings?' and 'does the goal to improve the functioning of the energy market constitute a 'pressing social need?' were not well addressed.

Furthermore, the minimum functional requirements of distance read out of consumed energy at very short interval periods (every hour for gas and every 15 minutes for electricity) and remote (dis)connection of capacity do not follow from the ESD-Directive and are disproportionate in the view of privacy and security. In the view of privacy, the registration of data regarding energy consumption reveals life patterns and the presence and absence of people in a house. In the view of security, the use of wireless networks is risky and hacking into a network is not inconceivable.

Overall, the report concluded that the mandatory nature of the proposed bill as well as the envisioned minimum functionalities of the smart meter, violate the right to privacy and are inadmissible on the basis of Article 8.2 of the European Convention on Human Rights. Removing the clause on the mandatory nature of the rollout alone does not take away privacy infringements caused by generating and transmitting detailed data on energy consumption.

Even though functionalities as (dis)connecting from a distance and functionalities to spot fraud might be valid, without proper motivation, the necessity in a democratic society could not be sustained. Furthermore, in-depth research is necessary into less intrusive alternatives that on the one hand are able to achieve energy efficiency and a good functioning of the energy market, while on the other hand respecting the right to privacy and guarantee security.

In the end, the Dutch Senate considered a mandated rollout of smart meters being a violation of the right to privacy as guaranteed by Article 8 of the European Convention on Human Rights. In weighing the pros and cons of a mandated rollout in relation to these privacy / security concerns and poor energy saving guarantees, the Dutch Senate also considered the mandatory nature of the roll-out disproportional: refusing a smart meter would be considered an 'economic offence', punishable with a fine up to € 17,000 or six months in prison. The government then promised a compromise bill based on a voluntary rollout of smart meters.

In **2010** the compromise bill was presented in the Dutch Parliament. This compromise version built on an obligatory providing of smart meters by the grid operators, but a voluntary acceptance by consumers. To regulate the voluntary part of the rollout for privacy reasons, the bill offered four legal options for a consumer in accepting a smart meter:

1. The option to refuse the installation of a smart meter and keep the 'traditional' meter.
2. The option to have a smart meter fitted (or once it has been installed), but opt out of sending automatic meter readings (smart meter functions as a traditional meter, a meter reader is still required).
3. The option to have a smart meter fitted, but with a fixed set of automatic meter reading occasions (bi-monthly consumption and cost reports, annual billing, switching energy supplier, remove to a new house).
4. The option to have a smart meter fitted with full automatic smart meter reading, which is (of course) the preferred option for the government and energy market players.

In **2011**, this compromise was accepted in both Chambers of the Dutch Parliament. Also consumers' organizations and privacy campaigners now expressed their contentment with the bill, providing the hard-won freedom of choice for consumers. After a two year delay, noisy civil liberty campaigns, public indignation, the Netherlands now has a legal rollout scheme in place.

### **3.3 Analysis, learnings and assurances**

A review of the developments in the Netherlands clearly points out that the top-down style of policy making triggered part of the resistance. The Dutch Government and network operators underestimated the privacy concerns for too long, because it was believed that there was simply not much intelligence to be gleaned from 15-minute-interval meter data.

In the meantime, the public image of the smart meter could develop into an 'espionage meter', collecting sensitive information about the consumer's habits (i.e. when someone

leaves the house or returns) and insights into a family's living patterns and relationships "which can affect people's freedom to do as they please in the confines of their homes".

Evaluating the causes of the dramatic setback in the Dutch Senate in 2009 however, Dutch law makers and network operators decided to switch to a more cooperative approach in the build-up to resubmitting a compromise law proposal. While preparing the amended smart metering bill, the 'learning's' described above were now designated as key, and privacy, security, and energy saving were utilised as starting points for revised regulation and system design.

The most important step in the effort of regaining public support and ensuring more promising prospects for energy savings was the establishment of a series of round table meetings. All relevant (social) stakeholders, including consumers' organisations and privacy experts, developed by mutual agreement the basic conditions for a favourable smart meter rollout and effective energy saving feedback. All stakeholders started working together in defining the essentials for revised system architecture that takes security and privacy and energy saving as design starting points. In the end, this consultation process laid the unanimously supported foundation for a compromise law proposal.

Consumer protection assurances in compromise law

The revised Dutch law offers consumers a legal choice in accepting a smart meter, ranging from having no smart meter at all to a smart meter with full functionality that provides a constant stream of data to service providers.

Furthermore, the data from the smart meter will only be used for specific regulated purposes and/or only for services for which the customer has given its consent. Additional regulation will set out what measurement data these parties need in order to provide the customer with the information.

It is important to distinguish between a minimum level of consumption data for bimonthly cost statements and billing and consumption data at a lower aggregate level for additional energy services. When accepting a smart meter, the customer will be obliged to authorise the network operator to use the minimum requisite level of consumption data.

The customer will also have to explicitly give commercial service providers their consent before the service provider can use any other measurement data beyond the minimum regulated level. The customer therefore determines in advance by contract which measurement data generated by the smart meter is to be used by which party.

To be able to access the measurement data, the grid operator will set up authorisation and authentication procedures. These procedures must ensure that individual measurement data is only used for the specific purposes for which the customer has given its consent.

### **3.4 Summary**

The occurrences in the rollout of Dutch smart metering highlight the importance of a well-considered consumer based introduction of smart meters. The intense opposition from

consumers' organizations and privacy watchdog groups showed the risk of underestimating the sensitivity for privacy aspects and disregarding the case for accompanying energy savings.

The political setback meant that Dutch law makers and network operators had to switch from a top-down approach to collaboration with relevant societal stakeholders for a more acceptable policy, taking into account better the needs of – and potential risks for – end-users. This interactive policy making & learning approach resulted in broad support by stakeholders as well as consumers organizations, while offering more freedom of choice for consumers and more facilities for direct energy feedback.

The most significant outcome of this new approach however was the mutual intention to work together in designing the consumer protection to accompany the voluntary roll out of the smart meters.

### 3.5 Development Process Check-list

Please, check the following list when developing the process for consumers' protection in relation to the smart meters deployment:

| Issue  | Yes/No Considered |
|--|-------------------|
| Stakeholders intention to work together in designing the consumer protection to accompany the voluntary roll out of the smart meters   |                   |
| Collaboration with relevant societal stakeholders for a more acceptable policy, taking into account better the needs of – and potential risks for – end-users  |                   |
| The most important step in the effort of gaining public support and ensuring more promising prospects for energy savings is the establishment of a series of round table meetings. All relevant (social) stakeholders, including consumers' organisations and privacy experts, should develop by mutual agreement the basic conditions for a favourable smart meter rollout and effective energy saving feedback |                   |
| All stakeholders work together in defining the essentials for the system architecture that takes security, privacy and energy saving as design starting points   |                   |
| The information described in the Directives 2009/72/EC, 2009/73/EC, 2012/27/EC, related to smart meter implementation and consumer have been analysed and included   |                   |
| Importance of a well-considered consumer based introduction of smart meters  |                   |

|   |  |
|---|--|
| <p>In those countries where the acceptance of the smart meter might be ambiguous by a consumers sector, consumer has legal choice in accepting a smart meter, ranging from having no smart meter at all to a smart meter with full functionality that provides a constant stream of data to service providers. Countries with clearer nation wide agreements among utilities, consumers and regulators might decide to develop a full rollout as the most effective solution to all parts, taking in consideration consumer's protection.</p> |  |
| <p>To be able to access the measurement data, the grid operator will set up authorisation and authentication procedures. These procedures must ensure that individual measurement data is only used for the specific purposes for which the customer has given its consent.</p>   |  |
| <p>When accepting a smart meter, the customer will be obliged to authorise the network operator to use the minimum requisite level of consumption data for cost statements and billing</p>  |  |
| <p>The consumer (customer) has to explicitly give commercial service providers their consent before a service provider can use any other measurement data beyond the regulated level.</p>   |  |
| <p>The customer determines in advance by contract which measurement data generated by the smart meter is to be used by which party</p>  |  |
| <p>A Policy Paper is issued with the information, conclusions and agreements reached by the national stakeholders related to smart meters and consumers, as a basis for the favourable smart meter roll-out</p>   |  |



## Annex: European Energy Consumer Check-list

European energy policy aims to ensure secure, safe and sustainable energy supplies to EU businesses and households at affordable prices.

The Energy 2020 strategy stresses the role of consumers. Empowering consumers will ensure that consumers are better off as a result of market opening and competition, and will be able to recognise the benefits of the internal market.

The internal energy market legislation sets high standards of consumer protection and the liberalisation of gas and electricity markets are the basis to create a potential of choice and price competition that consumers can tap into.

European measures are complemented by national and local measures such as energy subsidy schemes which contribute substantially to efficiency improvements. However other measures, intended to promote consumer interests, sometimes have had the opposite effect. For example retail price regulations have often made the emergence of choice and competition more difficult and frustrated investments.

As part of its efforts to ensure proper protection of consumers' interests in the energy field, the services of the European Commission drafted a checklist of practical information for consumers in 2008. Following consultations with relevant stakeholders (including Member States, the national regulatory authorities, consumer organisations, energy companies), Member States were invited to complete the consumer checklist (added to this Annex) in accordance with concrete situations in their national markets and make it available to consumers.

The protection of energy consumers was reinforced by Directives 2009/72 and 2009/73 of 13 July 2009. These Directives further specify consumers' rights (e.g. by setting a maximum of three and six weeks as deadlines for supplier switching and account closure respectively) and oblige Member States to take the necessary steps to provide the final checklists to consumers. The Commission continues to promote the public awareness of these rights.

**DOCUMENT BY THE SERVICES OF THE COMMISSION'S  
DIRECTORATE GENERAL FOR ENERGY AND TRANSPORT  
EUROPEAN ENERGY CONSUMER CHECKLIST**

**1. INFORMATION OBLIGATIONS**

**Questions**

1. **What** organisations or bodies in my area can help me to find out more about **switching supplier**?
2. **What** are my **rights** as an electricity and/or gas consumer?
3. **Where** do I go to find out more on **payment methods**?
4. **What** information would I need to allow me to **assess alternative supply offers**?
5. **What** information should be provided on my **bill**?
6. **Where** do I look to find out more about **energy efficiency measure** in my area?
7. **Who** is responsible for **consumer protection in my area**?
8. **How** do I find out the fuel **mix of my electricity consumption**?
9. **What** other sources of energy are sold by suppliers in my area?
10. **How** can I find out what sources of energy are used and if my supplier's claim that its electricity is or parts thereof are "green" is true?

**2. CONTRACTS AND BILLING**

**Questions**

11. **What** minimum information is my supplier obliged to give me on my bill?
12. **Who** do I contact if my bill does not contain the minimum requirements requested by EU legislation?
13. **Where** can I obtain information on my actual consumption over a given period: a year, a month?
14. **What** information should I ask a potential supplier before entering a contract?
15. **How** can I obtain access to complete and comprehensible information on supply offers?

16. Once a contract is in force, **how** do I access full information on its complete contents, including all standard terms and conditions?
17. **What** are the general rules for cancelling my contract? In particular, when
  - moving to a new address?
  - letting my apartment/house to somebody else?
  - switching to another supplier?
18. **Where** can I find out about my suppliers own conditions for cancellation?
19. **Do I have the right** to cancel my contract if
  - the price changes?
  - I am moving to other premises?
20. I have moved/switched to a new supplier. **Do** I still have to pay my bills for my old address/coming from my former supplier?
21. **What** complaint handling mechanism has my supplier set up? **What** are the dispute resolution procedures in my area? **To whom** can I address myself for assistance without cost?
22. **Is there** a minimum level of supply quality? **Am I** entitled to compensation if the predetermined quality of supply is not met?
23. **What** steps must a supplier take first before disconnecting me from supply for an unpaid bill?
24. **What** steps should I take if I think that one of my contract terms has been changed without adequate notice? **Who** should I contact?

### 3. PRICES, TARIFFS AND MONITORING

#### Questions

25. **How** can I distinguish between price, charge and tariff on my bill?
26. **What** information should I receive from my supplier on his charging system?
27. **What** are the rules on the calculation method to be applied by my supplier?
28. **Will** I be asked for deposits and connection charges? **How** can I find out more about them?
29. **How** can I distinguish offers? **Can I** get information of energy prices per unit, taking account of parameters for the calculation of prices and possible indexation mechanisms applying to the full contract period?
30. **Where** can I access an electronic price calculator?
31. **Where** do I find a tool helping me to compare different supply offers?
32. **Is there** a recent price monitor published for my area?

- 33. **What** payment options are open to me?
- 34. **Is there** a system of regulated prices or other forms of price control applied in my area? **Do** I have a right to receive energy at a price fixed by a national authority?
- 35. **Whom** do I have to contact in order to be provided with a consumption meter? **Do** I have a choice in the type of meter I can have/can acquire?
- 36. **Is there** a maximum period specified, over which my supplier has to provide me with information on my actual consumption of gas and/or electricity?
- 37. **When and how** is my consumption meter read?
- 38. **Am** I exposed to increasing energy prices during a given contract period? **Are there** public measures reducing the risk to be confronted with significant price increases during my contract duration?
- 39. **What** is the (legal) procedure before supplier can change the supply price?

#### 4. FREE CHOICE OF SUPPLIER

##### Questions

- 40. **Who** are the active suppliers in my area?
- 41. **How** do I cancel my contract and switch to a new supplier?
- 42. **What** are the minimum general conditions for cancellation in case of switching?
- 43. I found a more interesting offer for energy supply and have decided to switch. **Who** takes care of the paper work?
- 44. When switching supplier, **is there a risk** of disconnection?
- 45. **What** reasons may exist that would stop me switching supplier?
- 46. **Are there situations** that would prevent me from switching to a new supplier without penalties?
- 47. **How** much will it cost me to change supplier?
- 48. **What** is the maximum duration a supplier is able to tie a consumer for contractually?
- 49. **Who** should I contact if I think that I have been unfairly charged to change supplier?

## 5. CONNECTION TO NETWORK

### Questions

50. **Who** do I contact to be supplied with energy for the first time?
51. Do I have to sign a contract and **who** do I sign a contract with?
52. **How** do I find out who my supplier is?
53. I do not have a formal supply contract or even a valid offer for energy supply. **Which supplier** is obliged to provide me with energy against payment with or without a formal contract? **Who** is my default supplier?
54. **Do I have to** I sign a contract to be physically connected to an energy distribution network and with **whom**?
55. **Who** is my contact in the event of disruption of energy supplies? **Who** should I contact if I have another technical question concerning my energy supply?
56. **Who** is liable for damages that occur in my household due to disruption of service?
57. If I happen to encounter temporary financial difficulties, **how** can I avoid being cut off from the basic energy supply that is vital for my household's heating and cooking needs?
58. **What** happens if my supplier goes out of business? **Who** is my supplier of last resort?
59. In case of a national, regional or local crisis or other incidents seriously affecting the supply of energy **where** can I get information regarding emergency measures?

## 6. COMPLAINT HANDLING

### Questions

60. **Where** can I find out more about my supplier's complaint procedure ?
61. **Does** my supplier make use of an ombudsman?
62. I need support to settle a dispute with my supplier or network operator. **From which** neutral and independent national body can I request assistance at no cost in case of such a dispute?
63. **What** are the local measures to protect consumers of electricity and gas? **Who** can I contact to find out more about them?

## 7. CONSUMER REPRESENTATION

### Questions

64. **Who** is responsible for the protection of consumers in my area? **What** actions are currently underway by these organisations to protect consumers?
65. There is no competitive offer in my area and only one supplier. **Who** should I talk to about ways to promote competition?
66. **Which** public body is responsible for promoting fair and effective competition?

## 8. SOCIAL MEASURES

### Questions

67. **What** will happen once I have not reacted to a payment notice?
68. **How** can I avoid disconnection if I cannot pay my bill?
69. **What** do I do if I am disconnected?
70. **Is** there a definition of vulnerable consumers applied in my area? **What** criteria do I have to fulfil to be considered as an aid worthy (vulnerable) consumer?
71. **What** support and protection are available for consumers in delicate financial situations in my area?
72. **How** can I reduce my consumption in order to pay less?
73. **Who** can I contact to find out about local measures to vulnerable consumers in my area?
74. My income does not allow me cost intensive energy efficiency investment. **What** else can I do?

## 9. UNFAIR COMMERCIAL PRACTICES

### Questions

75. **What** is an unfair commercial practice? **What** can I do in case of unfair practices?
76. **What** is a misleading selling practice? **What** can I do in case of unfair practices?
77. **Who** should I talk to if I think that I have been given false information, before signing the contract? After having signed a contract?
78. **Who** should I talk to if I think that I have been switched against my will?





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