



**GEODE POSITION ON THE PROPOSAL FOR A DIRECTIVE AMENDING
DIRECTIVE 2003/54/EC CONCERNING COMMON RULES FOR THE
INTERNAL MARKET IN ELECTRICITY**

GEODE, European association representing the **interest of electricity and gas distribution companies**, would like to introduce the following amendment to the European Parliament amendments to the EC Proposal for a Directive amending Directive 2003/54/EC concerning common rules for the internal market in electricity, particularly on **consumer protection measures**:

PROPOSAL REGARDING METERING

EC Proposal Directive Annex A	European Parliament amendment 151	GEODE PROPOSAL OF AMENDMENT Annex A
<p>(i) shall be properly informed every month of actual electricity consumption and costs. No additional cost can be charged to the consumer for this service.</p>	<p>(i) shall be properly informed <i>at least quarterly</i> of actual electricity consumption and costs. No additional costs can be charged to the consumer for this service. The Member States shall ensure that the roll-out of smart metres is completed with minimum disruption to consumers within 10 years of the entry into force of the Directive .../...EC [amending Directive 2003/54/EC concerning common rules for the internal market in electricity] and shall be the responsibility of the electricity distribution or supply companies. National regulatory authorities shall be responsible for monitoring the process of such development and for laying down common standards for that purpose. Member States shall ensure that standards establishing the minimum technical design and operational requirements for meters address interoperability issues so as to provide maximum benefit at minimum cost to</p>	<p>(i) shall be properly informed of actual electricity consumption and costs.</p> <p>Each Member State has the right to set a proper schedule to open the procedure to initiate smart metering.</p> <p>The regulatory authority shall allow for the recovery of any reasonable costs incurred in providing this service.</p> <p>Meters and metering shall be the responsibility of electricity distribution companies.</p>



	consumers.	
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Justification

GEODE supports the idea that billing should be based on actual energy consumption and be presented in clear and understandable terms. Billing on the basis of actual consumption shall be performed frequently enough to enable customers to regulate their own energy consumption. However, providing at least quarterly information of consumption —as proposed by the EP— to customers would require a more advanced form of metering to be installed, the so called smart-metering, that will impose substantial costs. The advantages with smart metering have to be balanced with the customer related costs. The obligatory implementation of smart metering should be left to the Member State’s discretion. The costs for changing the metering system have to be recognised and recovered through the access tariff (especially within the regulation of network fees). The customer gains significantly by smart metering and should be prepared to bear costs of implementing such a system.

In the longer perspective we can foresee smart metering with more frequent meter readings and even harmonised European rules and regulations. A road map for harmonising this on a European level should be defined. Still in the shorter time perspective and since Members States have so different starting points Member States should define this.

Distribution System Operators should be responsible for meters and metering in order to facilitate customers switching supplier instead of creating barriers to it. If for instance, the supply company owns the meter infrastructure, then meter and possibly part of the supporting infrastructure has to be replaced every time a customer switches supplier.

PROPOSAL REGARDING UNIVERSAL SERVICE

Electricity Directive 2003/54/EC	European Parliament Amendment 37	GEODE PROPOSAL OF AMENDMENT Annex A
<p>3. Member States shall ensure that all household customers, and, where Member States deem it appropriate, small enterprises (namely enterprises with fewer than 50 occupied persons and an annual turnover or balance sheet not exceeding EUR 10 million), enjoy universal service, that is the</p>	<p><i>(1b) In Article 3(3), the first subparagraph shall be replaced by the following:</i> ”3. Member States shall ensure that all household customers and [...] small enterprises, (namely enterprises with fewer than 50 occupied persons and an annual turnover or balance sheet not exceeding EUR 10 million), enjoy universal service, that is the right to be supplied with electricity of a specified</p>	<p>delete</p>



<p>right to be supplied with electricity of a specified quality within their territory at reasonable, easily and clearly comparable and transparent prices.</p>	<p>quality within their territory at cost-based and easily and clearly comparable, transparent and non-discriminatory prices. These customers shall have access to choice, fairness, representation and redress. Quality of service shall be a central responsibility of electricity undertakings.</p>	
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Justification

GEODE considers that current rules on universal service should not be changed. Universal service of electricity supply should remain an option for Member States for small enterprises and there should be no obligation to provide electricity at cost-based prices.

PROPOSAL REGARDING ENERGY POVERTY

Electricity Directive 2003/54/EC	European Parliament Amendment 37	GEODE PROPOSAL OF AMENDMENT Annex A
<p>5. Member States shall take appropriate measures to protect final customers, and shall, in particular, ensure that there are adequate safeguards to protect vulnerable customers, including measures to help them avoid disconnection. In this context, Member States may take measures to protect final customers in remote areas.</p>	<p>Amendment 155 1e. In Article 3, paragraph 5 shall be replaced by the following: "5. Member States shall take appropriate measures to protect final customers, and shall in particular ensure that there are adequate safeguards to protect vulnerable customers, including prohibiting the disconnection of pensioners and disabled people in winter. In this context, Member States shall recognise energy poverty provided for in Article 2 and shall provide definitions of vulnerable customers. Member States shall ensure that rights and obligations linked to vulnerable customers are applied and, in particular, shall take measures to protect final</p>	<p>delete</p>



	customers in remote areas.	
	<i>Amendment 34 (bd)The following point shall be added: "34d. 'energy poverty' means the situation where a household cannot afford to heat its home to an acceptable standard based on the levels recommended by the World Health Organisation;"</i>	delete

Justification

GEODE considers that customer protection and dealing with energy poverty/"vulnerable customers" are very important issues. Still it is of utmost importance to handle social policies as a part of the social policies settled by Member States, separated from the energy market. By bringing social policies into the energy market as suggested, we risk distorting the market and the important price signals to market players at the same time as we risk creating an inefficient social policy.

GEODE as an association of distributors, considers that it is not the role of distributors to take care of energy poverty and / or "vulnerable customers". It should be part of the social policies settled by Member States. However necessary social policies to protect vulnerable customers must be in place, for instance, establishing state subsidies.

GEODE also considers that Member States should have the freedom to define vulnerable consumers according to each country framework and experiences of energy poverty. Therefore a Directive should not precisely impose the prohibition to disconnect pensioners and disabled people in winter and **GEODE** does not support a definition of energy poverty at European level.

Barcelona, 24th. February 2009