



GEODE POSITION PAPER ON THE EUROPEAN COMMISSION'S PUBLIC CONSULTATION TOWARDS A EUROPEAN CHARTER ON THE RIGHTS OF ENERGY CONSUMERS

GEODE welcomes, in general terms, the EC initiative to address consumer protection on the electricity and gas markets. GEODE agrees with the EC that the key goals set up in the Charter are important for consumers in a well-functioning market.

However it has to be taken into account that fulfilling proposed measures included in the Charter will represent costs for distributors. These have to be identified and included in the distribution tariffs to cover distributors investments.

REMARKS

- **SCOPE OF THE CHARTER:** it should be clarified that the Charter refers to household/residential customers, as the wording "citizens" could be confusing.
- **FREE CHOICE OF SUPPLIER:** GEODE supports the Commission proposal to improve efficiency of switching procedures, to facilitate consumers' switching of energy supplier. GEODE stands for a contribution from distributors and suppliers to speed up switching procedures. However it would be better to avoid the Charter setting a concrete period for the switching as the situation may vary significantly between different countries.
- **INFORMATION ON THE BILL:** GEODE points out that the bills should include the necessary information to provide consumers with clear and transparent information on actual consumption, prices and tariffs. It has to be considered that too much information could sometimes get in the way of essentials, for customers not used to deal with energy issues.
- **SOCIAL MEASURES:** GEODE, as an association of distributors, considers that it is not the role of distributors to take care of "vulnerable households", which should be part of the social policies settled by the Member States. Therefore, no obligation should be imposed to distribution companies to provide "vulnerable customers" with the lowest energy prices. This would mean keeping regulated prices for certain categories of customers, which could hinder the efficient functioning of a competitive market as it has been defended by the Commission regarding regulated tariffs.

However necessary social policies aimed to protect vulnerable customers must be in place, for instance, establishing, state subsidies for them. Market intervention by setting up regulated social prices would not be appropriate.



- **PROCEDURE:** The legal status of the Charter should be clarified as well as how it will be implemented. It has also to be defined by which we mean the implications/obligations that those signing the Charter would assume.

Barcelona, 19th. September 2007