

Delivering a new deal for energy consumers

In July 2015 the European Commission published a communication 'Delivering a New Deal for Energy Consumers', outlining its views on the role of consumers in the Energy Union. This argues that retail energy markets in the EU have not kept up with broader transformations in the energy sector and need to be improved so that consumers can play a more active role and benefit more fully from the single market, renewable energies and new technologies. At the May II plenary session the Parliament is due to vote an own-initiative resolution concerning the 'New Deal'.

Components of the New Deal

The [New Deal](#) highlights a series of obstacles that prevent consumers from taking full advantage of the ongoing energy transition, meaningfully controlling their consumption and lowering their energy bills. It then outlines a three-pillar strategy in order to overcome these obstacles. The first and most substantial pillar in the New Deal is designed to **empower consumers to act**, by: providing clearer information on energy bills (prices, consumption and taxes); improving price comparison and encouraging people to switch suppliers; facilitating demand response by making energy markets send stronger price signals to consumers; fostering decentralised power generation, whether through individual self-generation/consumption or increased participation in intermediation and collective schemes (e.g. [Covenant of Mayors](#)); guaranteeing consumer protection from unfair commercial practices; and tackling the problem of [energy poverty](#). The second pillar aims to **make smart homes and networks a reality** and here the New Deal places great emphasis on the deployment of advanced metering infrastructure ([smart meters](#)) as a necessary first step towards integrated smart home energy management systems that make full use of smart appliances. The EU has a role to play here in ensuring common standards, technical interoperability and consumer access, as well as financing research on smart energy systems and new technologies. The third pillar is to **pay special attention to data management and protection** in order to ensure that large data flows and wider integration of ICT into energy systems do not infringe the data security and privacy of consumers and undermine their trust.

The various dimensions of the New Deal are analysed in greater detail in a recent [EPRS briefing](#).

Positions of the European Parliament

In April 2016 the ITRE committee approved an [own-initiative report](#) on delivering a new deal for energy consumers (rapporteur: Theresa Griffin, S&D, United Kingdom), which is due to be discussed during the May II plenary session. A supporting opinion was provided by the IMCO Committee.

The report welcomes the New Deal and highlights the ongoing transition towards an energy system that 'is more decentralised, energy-efficient, flexible and largely renewables-based'. It makes a series of recommendations on how to move towards an energy market that benefits citizens, empowers them to take ownership of the energy transition, produce their own renewable energy and become energy-efficient, promotes demand response, and addresses the causes of energy poverty. Among other things it recommends the establishment of guidelines and new platforms for price-comparison tools, supports an EU definition of energy 'prosumers' and the basic right to self-generation/consumption, and advocates the promotion of collective switching schemes. The report calls for enhanced coordination at EU level to combat energy poverty through the sharing of best practices among Member States, by developing a common definition of energy poverty and focusing on the idea that access to affordable energy is a basic social right.

During the May II plenary session in Brussels there is due to be a joint debate on 'putting citizens at the heart of the Energy Union and tackling energy poverty'. This will include a vote on the EP resolution concerning the New Deal for energy consumers followed by a statement from the European Commission on energy poverty.

