

Speaking points Theresa Griffin MEP at CEPS Energy Climate House conference on “Guarantees of Origin: What EU energy market implications of full disclosure?”, CEPS, 31 May 2016

Dear all,

- As you might be aware, the European Parliament voted last week on the report on a New Deal for Energy Consumers. This report is not a legislative report, it is the Parliament’s response to a Communication from the European Commission.
- I believe however that it is a first step in the right direction and I hope that most recommendations will be picked up by the European Commission in the upcoming legislation on the review of Energy Efficiency Directive, the Energy Market Design legislation and the review of the Renewables Directive ;

Most importantly, the report outlines two main principles:

- 1) **Energy is not a commodity, it is a basic social right**: therefore we have to protect the most vulnerable, fight against energy poverty and ensure that every citizens gets access to affordable energy. For this purpose much needs to be done focusing on energy efficiency and renovation. I am convinced that Europe is also the right scale to act on energy poverty through exchange of best practices, promotion of energy efficiency, development of strong and binding objectives.
- 2) **We need to democratise our energy system**: The ongoing energy transition is resulting in a move away from an energy system based on traditional centralised generation to one which is more decentralised, energy efficient, flexible and largely renewables-based with the growing development of self-generation and self-consumption.

Therefore we are faced with real challenges:

- a) The need to support and frame this transition with legal instruments to ensure that **Europe will go** towards more energy efficiency and more renewables.

- b) The need to ensure that our energy system is properly decentralised and that citizens take an active part in this revolution. We need to implement the right legislative framework so that all citizens are taken into account and can also benefit from ongoing change.

Following those two principles, the New Deal report sets out key recommendations:

- In the retail market, this means more **transparency and comparability** of our energy bills.
- This also means developing **guidelines for price comparison tools** to ensure that consumers can access independent, up-to-date and understandable comparison tools;
- More precisely we also need a **clearer legislative framework for self-generation and self-consumption** regarding access to the grid, permits and billing. We need to reduce to an absolute minimum the administrative barriers to new self-generation capacity and ensure stability in the different national legislative frameworks.

Of course the European instrument of Guarantees of Origin is a great tool when talking about democratisation and decentralisation of our energy system.

Guarantees of Origin enables us to push the logic even further : **we are not only talking about giving citizens the tools to benefit from the energy transition but about citizens driving the energy transition and we are turning consumer demand into a driver of sustainability.**

Guarantees of Origin has great potential for driving European energy and environment policy goals regarding renewables and decarbonisation in particular. **In that sense, they are crucial tools to fulfil the objectives of the Energy Union.** The objective as determined by the Council are at least 27% of renewables by 2030 and cut by 40% emissions level of CO<sub>2</sub> compared to 1990.

Now, one of the main challenge is of course to consolidate the Guarantee of Origin and to extend it to all sources of electricity. For this to be achieved, there needs to be **transparency and clarity within our energy bills and contracts** as consumers often lack clear information on what they are actually

buying. We also need to facilitate and enhance switching. In the New Deal report, we call for a **ban on termination fees**.

Two final remarks:

1) We need to be careful and consider that when we talk about “consumers”, we talk about a very important range of situations and behaviours. If we absolutely need to help prosumers, we should not create any gap and always think about the most vulnerable at the same time.

2) Finally, I think there is still a lot of work to be done in the UK to trigger behavioural change and ensure that consumers / at least prosumers choose to switch to renewables.

In the New Deal report, we highlight that access to quality information is key and ask the Commission to address this in upcoming proposals.

We need to highlight that our security of energy supply and planet is at risk if we do not invest in renewables, developing renewables will also provide opportunities for investment in new industries and new technologies.

We need to counter arguments presented by UKIP, who voted against the report and highlighted in their explanation of votes that we should invest in coal, gas and nuclear. “We in UKIP believe that the UK should make its own energy policy and exploit and invest in lower-cost, reliable energy sources like coal, gas and nuclear.”