Rapporteur Report

Group B - Realising Business Opportunities and Regulatory Needs

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Topics

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Group Composition

- Total number: 19
- 6 Energy Providers: SE, EDF, Vattenfall, DK, FI energy, DE
- 3 Government: UK, DE, US
- 4 Regulators: SE, IR, PT, UK
- 0 Consumer advocates:
- 2 Energy efficiency industry: Insulation, Smart meters
- 4 Academics and NGO: Coalition, Lund, DE

Summary of Presentations

- Ms Liikanen (CEER – retail market functioning task force)
  - Impact on national regulators' competencies (customer interest, competition of retail market, network tariffs, implement programs)
  - Welcome EED, but
    - concerns about distortion of competition due to role of DSOs in demand response measures foreseen
    - Need flexibilities
    - Need new competencies for regulators
  - Pre-requisite for services is
    - Understanding, trust of customers, no conflicting tariffs
  - Further work: benchmarking on data management in smart metering, price comparison tools, further work on smart grid/meters with DG Sanco

Summary of Presentations

- Mr Bowie (Rockwool)
  - EED:
    - Less flexibility in obligation schemes
      - Ensure high quality of measures
      - Regulators and authorities to be gate keepers
    - Concerns over
      - Lack of clarity in EED proposal, i.e. cumulative targets
      - short-term views, i.e. sunset clause for art 6
      - early actions
  - Viable EE market needs
    - Financing facility needed to mainstream funding
    - Long-term renovation roadmap and deep renovation
    - Need public sector to kick-start the process
  - Supplier obligations are a pragmatic way forward
    - can promote competition (i.e. loyalty),
    - need complementary measures to tackle perceived risks and better understand consumers
  - Business opportunities into the broader context of saving the planet and financial crisis

Summary of Interventions

- SE energy provider
  - EED one-size does not fit all, need reasonable amount of flexibility, reduce admin burden
  - Obligations not suitable for SE market, not cost-effective, provocative / not legitimate to take money from customer A to pay for customer B
  - Already successful in SE to address market failures, ESCOs are growing now in SE
    - Objective is low carbon
- DK energy provider
  - EED proposal needed because not on track to deliver objectives
  - Obligation in DK works, delivers 50% of savings, to go beyond low hanging fruits you need long-term customer relation
  - It is fair, obligated party does not decide who gets the money
  - EE is more than GHG emissions
- PT regulator
  - PT obligation scheme was a democratic process, it is providing a greater benefit for society
  - Need to find the right agents to deliver measures (tendering process, including consumer orgs, broadcasting stations, etc..) to avoid distortion – barrier to new market entrance
- IEA
  - Supplier obligation is a proxy for obligation on customers
  - In some US parts provider is not part of the EE delivery

Group Discussion Highlights

- Market distortion and interaction with the liberalisation agenda
- Fairness of financing schemes
- Is it economic? Too long pay back time?
  - Need to look at life cycle and co-benefits (like societal benefits)
- Binding targets to replace obligations?
  - Increase flexibility
  - But there is a lack of viable programs in some countries
  - Is there a convergence of programs and measures?

Areas of Agreement

- Little info on business opportunities, but efficiency business is growing
- Customer is the central and difficult actor
  - Customer needs are central for success
  - Public bodies have to show leadership
- Need to address transport

Areas of Disagreement

- Mandatory or voluntary obligations schemes?
- Added value of EU common approach?
- Is EE primarily to reduce GHG emissions or to improve economy?

Areas for Further Policy Research

Conclusions and Next Steps