



**Joint Declaration on common principles
for enhanced consumer protection this winter**
CEDEC report on initiatives of local energy companies
(December 2022 - March 2023)

Introduction

CEDEC, the European Federation of Local and Regional Energy Companies, fully shares the European Commission initiative launched in **autumn / winter 2022** and highly values the common effort together with the other EU associations to find **short-term solutions in support of vulnerable consumers** during the unprecedented **energy price crisis**, in particular to help consumers through the winter.

In order to effectively support low-income households and vulnerable consumers in these unprecedented times of crisis, local energy companies have been adapting their practices where possible to allow for the right tools to be implemented in a fast and easy manner, in order to **relieve financial pressure** on consumers. While some members were able to act immediately during the crisis providing concrete solutions already in the past winter months, others have developed measures whose implementation takes several months (i.a. due to adaptation of IT or other processes and limited immediately available human or financial resources) and, therefore, they are only taking effect as from spring 2023.

Nevertheless, CEDEC members, , can draw from their long-standing experience as public service providers, in cooperation with their shareholders (local and regional authorities) and in **close proximity to the citizens**. They have – also in before-crisis-times – engaged actively in finding proper solutions for their customers, in particular the vulnerable ones. CEDEC members' practices have already for years been accompanied by advice on consumption and encouragement of the spreading of payments in the event of payment difficulties. Such measures are anchored in the notion of public services, which local energy companies provide. A **summary of best practices** of our members are **annexed** to this report (p. 9-11).

This brief report is listing **examples of measures** taken by CEDEC member companies since the signature of the Joint Declaration until today, including measures that fall under the 4 areas listed in the declaration as well as other measures, which may serve as an inspiration for other actors or future emergency situations.

Included in this report are also an outlook on the added value of going local and **recommendations for future measures**.

Bill deferrals using payment plans

Among CEDEC members, payment schedules for electricity bills were already applied before crisis times – with some exceptions in specific circumstances, such as disconnection due to unpaid bills, either on voluntary basis or within the framework of regulated tariffs.

New measures introduced as from winter 2022/2023 provide for example options of choosing deferral and instalment payments in a digital and fast way or prolonged periods for additional payments.

Wien Energie (AT)

Bill deferrals / instalment agreements via digital customer account

Summary

Wien Energie has been offering bill deferrals for a long time already. What is new since this autumn/winter is the low-threshold approach: customers can **independently** (without contacting the customer service directly) conclude deferrals and instalment agreements **via their digital customer account**.

Moreover, the Austrian minister for energy, and the association of gas and heat supply companies (FGW) signed a joint declaration according to which household customers and small businesses are offered the possibility of payment by **instalments for a period of up to 18 months** in the event of a high additional payment resulting from the final invoice over 2022/2023.

Period

As from winter 2022/2023 - present

Prevent disconnection

Actions taken by local energy companies must also be seen in context of national measures, which for example had already declared specific bans on disconnection during these winter months: e.g. the French “winter truce” from 1 November 2022 to 31 March 2023; or the prolongation of the traditional disconnection-ban period in Flanders, now from 1 November 2022 to 30 April 2023 instead of 1 December 2022 to 1 March 2023.

As an additional voluntary measure, some companies have undertaken a “zero disconnection” policy for all their customers, regardless of their financial and billing status.

Also as an example, in Austria, voluntary waivers on disconnection of electricity, gas and district heating were concluded by our member companies (i.e. Wien Energie – December 2022 to April 2023 – and Wiener Netze) to ensure that customers are safe and supplied with energy throughout the cold season.

Société Coopérative d’Intérêt Collectif Agricole de la Région de Pithiviers (SICAP) | FR Lower power output instead of disconnection

Summary

To avoid disconnection of low-income households and vulnerable consumers from electricity supply, SICAP Pithiviers will change their practice as from Spring 2023. Usually, customers receive 2 notification letters after the payment deadline (1st after 10 days and 2nd after 30 days of non-payment) before being disconnected.

For vulnerable consumers equipped with a smart meter – instead of disconnecting – the **power output is lowered to 1 kVA for a period of 60 days**, with prior telephone contact and e-mail notification.

Period

As from 01/04/2023

Netbeheer Nederland (NBNL | NL

Preventing disconnection by directing customers to social programs run by municipalities

Summary

To avoid disconnection of households, grid operators and suppliers have coordinated with the Minister of Economic Affairs to establish a year-long minimal disconnection policy. This revised policy includes a.o. new communication obligations for suppliers to actively get in contact with the customers who have payment problems. Suppliers have to actively refer customers to their municipalities who then offer these customers to participate in debt relief programs. As long as customers cooperate on a voluntary basis in these debt relief programs, the grid operator will not disconnect the customer.

The debt relief programs include all finance problems and are therefore not limited to energy payment problems only. The programs aim at people taking back control of their finance, resulting in lower debts and higher chances of better payments of commodities like energy bills. A national energy fund was established to support suppliers.

Period



Minimise unilateral contract changes this winter

CEDEC members generally avoid to proceed to unilateral contract changes, independent of whether there is a crisis situation or not.

Changes normally only occur when local energy companies need to adapt their terms and conditions due to legal or regulatory changes.

Moreover, when contracts are concluded exclusively on regulated terms and conditions (network contracts) or they are within regulated tariffs (for example within the “tariff shield” as implemented by the French government) there are no unilateral changes to the contracts within the regulatory framework.

Provide clear information to consumers

CEDEC members report that their online services have been tremendously improved and their customer support sections were greatly extended on their websites.

Information on energy cost support, price developments, etc. is made available to everyone as low-threshold as possible, via a wide variety of communication channels - the company’s websites, social media channels and direct customer contact points.

On direct customer contact, it should be highlighted that the actual presence of local energy companies in local markets through physical customer contact points has strongly contributed to the possibility of offering different types of tailor-made solutions for customers with payment difficulties.

Other types of measures not mentioned in the Joint Declaration

Stadtwerke München (SWM | DE)
Heat fund to support low-income households



Summary

To financially relieve low-income households that have to cope with rising heating costs, Stadtwerke München (SWM) set up a **heat fund** ("Wärmefonds"), equipped with **20 million €** as a result of windfall profits in 2022, in cooperation with the social department of the state capital (Landeshauptstadt München, Sozialreferat) and Munich welfare organisations. The fund is supplementing the measures taken by the federal government and the state capital of Munich to cushion the social impact of the energy price crisis.

Those in need can apply – through simple processes - for the support at various places (in the various social service facilities "Sozialbürgerhaus" or with the welfare organisations). Information is available on a specific [website](#). A separate IT application was specifically developed for this purpose.

Period

From 16/01/2023 – present (planned to be running for 2 years, 2023-2024)

Who can apply ?

The measure is targeted towards low-income households, **especially families with children and young people** (i.e. students receiving the national student allowance who run their own households) as well as **senior citizens**. Munich residents who receive housing benefit or child allowance, or who have a monthly income below the Munich poverty threshold can benefit from the fund. Decision on allocation and payments are taken by the social department of the state capital. A head of household receives 700 €. Other people receive 300 €.

State of play of implementation

Quick implementation of the fund was possible due to cooperation with the Munich welfare organisations, as well as reaching those communities that are mostly affected by the crisis. Munich residents could draw on the fund as from 16/1. In the **1st month** after the launch, **1 million €** have been granted, with a total of around **2.500 Munich residents** already benefitting from the measure.

For more information: <https://www.waermefonds.de/> (available in German)

Outlook – The added value of going local

EU and national frameworks have to prove their **effectiveness** in times of crisis: **flexibility** is required for local energy companies to act speedily and in accordance with their customers' needs, while at the same time guaranteeing security of supply. **Structural changes** need to be thoroughly prepared, requiring enough time for the development of the **proper legal and regulatory framework** and their implementation.

To respond to the energy crisis, national governments have implemented several measures already requiring energy companies to avoid disconnection or to apply regulated tariffs in different forms ('tariff shield', 'price shock absorbers', etc.). In several cases, local energy companies decided to go even beyond these measures.

Local energy companies have always considered the **social dimension** in energy supply and many of them have already in place support measures for vulnerable energy customers such as special contact points focussing on energy poverty. The extensive knowledge of their customers (needs) and the existing structures at local level proved highly valuable in crisis times, demonstrating the crucial role and added value of local energy companies. Being close to the citizen allows them to act fast and in a needs-oriented way. Above that, they have good links to other important **local and regional actors** which are indispensable when it comes to identifying additional or specific consumer groups, as the Munich (heat fund) case shown above clearly exemplifies.

Recommendations

CEDEC members' experiences and actions in the last months as well as during the years preceding the crisis can serve as a basis for some ideas on how to achieve speedy and targeted support for consumers through short-term measures that do not require any change of the regulatory framework and which can be implemented in a quick and pragmatic way :

- › **Possibility for consumers to conclude payment arrangements online** to provide a swift solution to payment difficulties in a low-threshold manner, without the need for the consumer to take contact with customer services.
- › **Limited power output to take priority over disconnection** to ensure continuous electricity supply for vulnerable consumers.

- › **Information via newsletter, social media channels, website** to ensure that consumers suffering from high energy prices and being in danger of energy cuts understand these risks; above all, they must be informed about concrete and practical solutions to their problems, in an easy manner; quick digital access to such information should be guaranteed.
- › **Physical customer contact points** – possibly also temporary during crisis periods for example in cooperation with municipalities – prove to have high added value to provide quick tailor-made solutions or when consumer groups (e.g. seniors) that are not able to navigate the digital tools need specific advice.
- › **Direct contact and individual solutions** especially for vulnerable consumers, for example through direct phone calls, to prevent situations where consumers end up in disconnection.
- › **Free energy savings advice** helps consumers to learn about energy savings and lowering their expenditures, while it can also benefit companies when energy demand is reduced in peak times; concrete and practical measures to save energy will quickly show on the consumers bills, providing at the same time an incentive for further future energy savings.
- › **Establish links with other sectors and create or use social programs** as customers who have problems paying their energy bill are likely to have other payment problems as well. Therefore an energy payment problem is often a social problem that requires solutions that are not limited to energy companies only.
- › **Cooperation with local actors (e.g. municipalities or local welfare organisations) and regional authorities to :**
 - I. speed up implementation processes;
 - II. draw from expertise of other actors working with vulnerable citizens and consumers (municipalities, welfare organisations, social partners, etc.) in identifying and reaching the proper target group which is most in need of support, as these groups can vary in times of crisis and have very specific and diverging needs;
 - III. respect and be fully in line with data protection laws.


Best practices | Supporting vulnerable consumers in times of crisis

Company country	Best practice
Bill deferrals using payment plans	
SICAE FR	Any effort from customers of good faith to pay (even small amounts) is encouraged. The fact that SICAE still has physical agencies which provides for real customer intimacy allows SICAE to <u>elaborate tailor-made payback plans</u> . Also, regular and temporary customer agencies in the different village town halls are organised with the help of the municipality.
Stadtwerke München (SWM) DE	In the event of payment difficulties individual agreements (on instalment plans or deferrals) are concluded with the affected customers.
Wien Energie AT	Wien Energie has been offering this service for a long time already. <i>(See above p. 2 on changes as from this winter 2022).</i> <i>See information under point 'Provide clear information to consumers' below.</i>
Wiener Netze AT	<p>Wiener Netze have placed great emphasis on sustainable long-term solutions. In some cases, there are <u>special counseling centers for energy poverty</u>, which accompany social hardship cases who are often insecure themselves and would have difficulty solving their situation on their own. They support them with counseling sessions, work intensively with social institutions, help with federal applications, refer them to debt counseling centers, or conduct energy counseling based on consumption data.</p> <p>Wiener Netze also set <u>individual payment agreements</u>, which are adapted to the respective situation of the person concerned – incl. extensions of deadlines, dunning blocks, installment agreements, deferrals, and others.</p> <p>Wiener Netze has also been involved in the development of the <u>energy bonus systems of the City of Vienna</u> due to the energy crisis.</p>
NBNL NL	A national emergency fund has been established to allow suppliers to set up an improved communication process that includes reasonable deferral offers. The suppliers are also obliged to refer customers who do not pay their bills to municipalities who run social debt relief programs.

Prevent disconnection	
SICAE FR	<p>The ongoing smart meter roll-out provides additional possibilities to interact and adjust customer subscribed electricity and to maintain minimum service. Every customer on their disconnection list is called, allowing (and inviting) them to sort their situation out the day before disconnection is planned to occur. If the customer pays at least ½ of the bill, disconnection does not take place and a payment schedule for the balance is set.</p>
Minimise unilateral contract changes	
Provide clear information to consumers	
Stadtwerke München (SWM) DE	<p>SWM provides various informations on its website, with guidelines on energy savings in households, on particularly economical household appliances, and including flyers with recommendations on reducing electricity consumption and on saving energy for heating and hot water.</p> <p>In the framework of SWM's energy advice service, SWM customers - upon presentation of the last annual bill - can also borrow an electricity metering device for 2 weeks.</p> <p>Specifically in view of helping low-income households to reduce their energy expenditure, SWM offers free energy advice, individually and on site. SWM customer service employees provide on-site advice by analyzing consumer behavior directly in the household and by providing well-founded advice on energy tariffs. They also clarify all personal customer concerns on site. As far as it makes sense, the consultants also measure the power consumption of individual household appliances. The consultation lasts 1-1.5 hours. During the consultation households receive a free energy-savings package to help them make real savings in the long term with the following content: a power strip, two LED bulbs, and refrigerator thermometer.</p>
SICAP Pithiviers FR	<p>SICAP Pithiviers provides regular (half-yearly) newsletters informing on prices and payment methods. See for example November 2022 newsletter on the energy crisis (impact of the crisis on the bill, etc.).</p>

<p>Wien Energie AT</p>	<p>Wien Energie has been operating a Wien Energie ombudsman's office in close cooperation with the Social Welfare Office of the City of Vienna and the debt counselling service since 2011. The aim is to cushion hardship cases and, through intensive personal support and individual support measures, ensure that people have light and heat even in tense situations.</p> <p>In order to follow up on this commitment also in <u>this winter</u>, Wien Energie has <u>substantially increased the number of employees</u> at the Service Centre in Spittelau and in customer service. The services and support include:</p> <ul style="list-style-type: none"> ✓ <u>Advice and support</u> for life support devices, <u>payment difficulties</u> and <u>resumption of energy supply</u> ✓ Simple <u>energy consulting services</u> ✓ Information on social entitlements and applications ✓ Mediation to public and private social institutions as well as debt counselling.
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Other types of measures not mentioned in the Joint Declaration

<p>A2A IT</p>	<div style="text-align: center;">  </div> <p>Banco dell'energia is a non-profit organization established in 2016 by the A2A Group and its AEM, ASM and LGH Foundations. In 2022, Banco dell'energia was transformed into a philanthropic foundation. The goal is to help people and families who find themselves in a situation of economic and social vulnerability, with particular attention to energy poverty, by providing:</p> <ol style="list-style-type: none"> 1) <u>Immediate financial support</u> to households not able to cover their energy bills; 2) <u>Training</u> local communities (e.g. social housing tenants) to a more conscious <u>use of energy</u> and providing them with necessary instruments to <u>read bills</u> and <u>navigate the market</u>; 3) Structural interventions to <u>foster energy performance of buildings</u> in vulnerable communities.
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