

# 4CE

## Consumer Choice and Carbon Consciousness for Electricity

### WORKSHOP DE-BRIEFING

#### “Working with Disclosure: How to label electricity”

held on 19<sup>th</sup> May 2003, London, 9:00am – 5:00pm

Dear Participant,

The 4CE Project team would like to thank you for your participation and in helping to make our workshop on “Working with disclosure” a success. I hope you can agree that there was a great deal learned on the day and that we are making good progress towards electricity disclosure implementation in Europe.

There were many good discussions during the day which we have tried to capture for you in this workshop debriefing paper. We hope this paper reflects accurately our discussions throughout the day and welcome your feedback on anything you see in the next pages.

The de-briefing begins with an overall summary of points that we as the 4CE team learned from the workshop, followed by the rapporteurs’ notes from the three afternoon discussion sessions. Also included at the end of this pack is the list of the participants who attended the workshop.

Along with this Debriefing pack, presentations made during the workshop are posted on the project website – [www.electricitylabels.com](http://www.electricitylabels.com). There will also shortly be a facility on the website to register for a copy of the final report which will be available in October. Final phase reports for Phases 1 and 2 will be posted in the next few weeks.

As the project enters its final stages we welcome your comments and encourage you to pass our project information and results to others.

Many thanks

*The 4CE Team*



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### Programme for 'Working with Disclosure' Workshop

19<sup>th</sup> May 2003, London, 9.00am – 5:00pm

Held at the Department of Trade and Industry (DTI)  
1 Victoria Street, Westminster, London

#### Morning

**9:00** Coffee and registration

**9:30-12.30 Overview of electricity disclosure and 4CE**, chaired by Brenda Boardman

- Opening Address: Sue Harrison, DTI
- Introductions and overview of the 4CE Project: Brenda Boardman, Environmental Change Institute
- Electricity disclosure within the broader European policy context: John Green, IT Power
- 4CE Phase 1: Implementing disclosure in Europe, Christof Timpe, Oeko Institute
- 4CE Phase 2: Consumer issues, Anders Anderson, Stockholm Environment Institute
- Overview of current state of the Directive & relevant processes, Katrin Priens, DG TREN
- Summing up: Status of the current debate, outlining possible solutions and next steps, Brenda Boardman

#### LUNCH

#### Afternoon

**1.30 – 3.30 Discussion sessions** (held in parallel)

Session 1 – Electricity suppliers: marketing and trading issues

Session 2 – Consumers: how disclosure can meet consumers' needs

Session 3 – Governments: implementation of disclosure and supporting policies

See rapporteurs notes for each session below.

**3.30 – 4:00** Tea

**4:00 – 5:00 Plenary session:** Feedback from workshops and summing up



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### Workshop Feedback

#### Summary Points

- The workshop was well attended by a diverse mix of participants.
- More than 70 attendees from industry, government, regulators, consumer groups and NGOs.
- Participation from nine European countries (see list of participants at the end).
- The quality of the debate was very good and the diverse representation meant that different perspectives were highlighted – this was especially useful for showing the complexity of the issues and presenting participants with ‘another’ side which they may not have been aware of.
- The 4CE team was encouraged by the limited amount of ‘new’ issues - i.e. most topics had already been explored by the project, suggesting the research is thorough and on the right track.

#### Main Lessons

##### IMPLEMENTATION

- The certificates vs. contracts debate on how best to track electricity is still open, although there seems to be some favour towards certificates (tradable or non-tradable is also open to debate).
- Traders are most strongly against the contracts based approach.
- There is unlikely to be a uniform label design at the EU level, but possibly at the member state level. A phased approach will probably need to be taken.
- It was suggested that implementation of disclosure could be as early as two years.
- There still seems to be a lot of confusion by many (including decision-makers) about how implementation of disclosure can be achieved and how it will interact with other policy – 4CE final report should aim to address this by providing a guide to member states on the main issues.

##### LABEL DESIGN

- There was a strong preference expressed for the need to compare with the national average, but this first needs to be defined, i.e. does national average refer to consumption or generation?
- The relationship between quality labels and disclosure labels will need to be defined.
- There needs to be clarification about nuclear waste as an indicator – be clear that its not emissions.
- Ranking on the label was not popular amongst industry but seen as useful by consumer groups.

##### CONSUMER INTERACTION

- General agreement by all that consumer education is essential and that it will be necessary prior to, and after introduction of disclosure.
- Multiple information channels will be needed to inform/educate consumer about the disclosure label.
- Consumer groups are not yet sufficiently involved in the debate at present – perhaps there is a lack of understanding of how powerful a tool electricity disclosure can be.
- Some governments suggesting education campaigns will be left to industry and consumer groups despite general agreement that education campaigns need to be a combined effort



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between government, industry, consumer groups and NGOs to reinforce the message and ensure trust in the label.

- In order to ensure consumers use the label as a tool for decision making they first need to trust its reliability. Independent verification is seen as an essential step in achieving trust, although reliability needs to be more carefully defined.

### POLICY INTERACTION

- Need to clarify interaction of disclosure with various existing policy – including tax exemption in the Netherlands, quality labels vs. disclosure labels, guarantees of origin, etc.
- 4CE research has been somewhat biased towards liberalised markets and markets with well established consumer groups which is probably a minority in the EU. Many countries will be struggling to cope with implementation of liberalisation and so disclosure will need to take into account countries (especially accession states) which are working on very different time scales and market structures.



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### Session 1 – Electricity suppliers: marketing and trading issues

**Moderator:** Christof Timpe, Oeko Institut

**Rapporteur:** Diana Urge-Vorsatz, Central European University

**Aim of the session:** to discuss the implications of Electricity Disclosure on the electricity industry. This comprises implications for electricity trading as well as marketing electricity towards customers.

#### Results

Session 1 had about 23 participants, representing a wide range of stakeholders related to marketing and trading: suppliers, traders, power exchanges, and regulators. The session was broken down into two parts: the first part concentrated on electricity marketing issues, and the second one on the challenges to trading. Both parts were introduced through introductory statements and followed by discussion. Participants received a list of seven questions in advance, and the discussion was channelled primarily to debate these issues.

#### Part 1. Electricity marketing

Questions for the session:

1. Which do you consider to be most useful – product or portfolio disclosure?
2. Do you think ranking and comparisons (e.g. of the environmental impact) on the label would be useful and beneficial?
3. How would you use the disclosure label in advertising and marketing your product (or new products) to customers?
4. How many different electricity products would you create?

#### Introductory Statements

##### Ron Oei, Nuon (Dutch Utility company), Corporate Sustainability Centre

- On Product vs. Portfolio disclosure: product disclosure is more useful for consumers who want to know about THEIR consumption and thus should be what is labelled on the bill. Portfolio information can be disclosed in annual reports.
- On how many products to offer?: Currently Nuon has three: 1. A clean product (solar, wind, hydro) at a premium price; 2. Green power (biomass and small hydro). This is supported by the government, so there is no price difference. 3. Grey electricity. Waste, large hydro, co-generation, gas, oil, coal, nuclear and 3% RES.

##### Jan Sundell, Vattenfall AB

- Vattenfall sells all generation at the spot price. Thus pricing is according to the Nordpool price. Some wind and hydropower are sold directly. As a result of these, they want product disclosure so that they can sell them to the customer.
- They do not think ranking is possible.
- Labelling must be simple: it must be good for generators so that they can sell at a premium.



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- Liquidity of the market is very important.
- The source of the power is already used as marketing tool. For the consumers who want to buy specific electricity (nuclear, wind etc.) this is already offered. All the others receive grey electricity.
- Some suppliers do not sell green products at a premium price, but use this information to improve their images.

### Statements from the Floor

With regard to **question 1**, the floor was united in their preference towards a **product-based disclosure**. However, it was raised that in reality the two did not differ significantly, since an entity can set up a new company if they wish to market a product based on its disclosure-specific information. It was questioned, however, whether the costs of this transaction would be too high for justifying the benefits. It was also noted that there were many small suppliers for whom it maybe a great trouble to set up different daughter companies. However, if some companies find it important to “hide” their electricity from less desirable sources, they may find the costs of setting up a new company justified.

Participants wondered why portfolio disclosure was chosen for the final (?) form of the directive. While no one had the official answer, some suspected that the lessons of the Austrian experience, where portfolio disclosure proved clearly more useful than a product-based one, have played a determining role. Portfolio disclosure may initiate additionality more effectively than a product-based disclosure. In addition, portfolio disclosure prevents “green laundering”. The question of how to define “portfolio” was raised as a non-trivial one. Where to draw the boundaries of the company? Which particular company? This question will be difficult to answer for companies belonging to different groups or complex ownership arrangements.

Participants wondered whether member states will be allowed, and whether they would want to, superimpose extra obligations, such as to require product-based information disclosure. Several discussants believed that if a supplier wanted to give extra info to the consumer, nothing could stop them. Thus, some felt that there was no need for extra regulation, and this should be left for the suppliers. However, a Brussels consumer from the main panel already raised her serious doubts about the credibility of non-verified commercial information issued by suppliers.

With regard to **question 2 (ranking)**, the general perception in the group was that it may not be very useful. A supplier noted that the two indicators to be used are not those of the largest concern to their consumers (such as biodiversity concerns about large hydropower), so these would not be useful for marketing. It was felt that the current representation of environmental indicators is oversimplified. Some suppliers noted that their consumers could already get this information on the internet.

There was some controversy about the clarity of the presently proposed wording of the nuclear waste indicator. As it stands now, it is not clear that it is not emitted to the environment but contained, and suggestions were made that extra explanations are needed.



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An important discussion centred around the question of **standardisation of classes**. Should these be uniform through the EU? Would that make sense based on the very different supply structures of the countries? While there was no consensus on this question, it was agreed that the definition of the ranked classes will be a highly sensitive task.

The usefulness of a reference value was also raised. Some participants felt that a national average would be useful for their countries, others have shown that it would not make sense for theirs. It was also not clear whether national consumption or generation figures should be used.

A participant has suggested that in general, the label should be kept very simple, and therefore it should contain no ranking/reference information. It was also suggested that this could be left for NGO which could prepare comparison catalogues and ranking.

Due to time pressures, **questions 3 and 4** were combined into a joint question:

### ***Would disclosure stimulate product differentiation?***

A supplier suggested that there were already too many products, so there would be no major impact in this regard. Someone noted that anyway, it was not the purpose of the directive to create more products. Instead, another question should be asked: will suppliers improve the mix of their present products? A participant suggested that it would be more interesting to hear those countries answers to this question who are not represented here today (such as France, Italy, etc.), since these countries could host the largest impacts of disclosure in product differentiation terms. The Spanish participant projected that disclosure will help utilities to change their fuel mix.

## **Part 2. Electricity trading**

Questions for the session:

1. How would the wholesale market for electricity (bilateral transactions and exchanges) deal with disclosure?
2. Do you think that there will be some standardised wholesale products (e.g. reflecting different fuel types)?
3. Which disclosure scheme/tracking system do you consider as the best solution in terms of the following criteria? Reliability, Credibility, Flexibility, Direct and indirect cost for implementation and operation

## **Introductory Statements**

### **Peter Styles, European Federation of Electricity Traders (EFAT)**

- EFAT members (trading companies) are increasingly the same as suppliers and generators. Therefore, they have no reason to actively support disclosure. However, he emphasised that traders will gladly trade anything if it creates value.
- On the issue of tracking: constraining liquidity is an inherent risk in any tracking scheme. In the wake of consolidation and other fundamental changes in the industry, this would be very dangerous in the near future as a newly imposed barrier to trading. Without a transparent and liquid wholesale market the benefits of liberalisation will not arrive to the consumers.



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- He warned that an important problem with some presently suggested tracking schemes is that in reality bilateral trading cannot be realistically be separated from exchange-based trading.
- In a certificate-based tracking system, certificates will be traded if a value can be accrued by them. For instance, consumer choice can attribute value to the certificates as can an obligation.
- He also warned about two fallacies against which the tracking schemes should be resilient. 1. in a statistics-based system generators own electricity could be separated out and therefore misused. 2. since bilateral trading cannot be practically separated from pool-based trading, the tracking systems suggesting a separated treatment will not work.

### Onno Verkuyl, Amsterdam Power Exchange

- Power exchanges are getting more important in wholesale electricity markets. They are willing to co-operate with the disclosure system – but in his opinion there is no need for disclosure in a marketplace. However, since Holland already discloses some of the electricity, they are actively studying it.
- While a contract based tracking system in a exchange is possible, it is very expensive. Markets from different products need to be created.
- The volume for liquidity is very important for an exchange, thus sufficient volume and liquidity are essential. Hence, a contract-based tracking system is not a good option.
- In a certificate-based tracking system, certificates should not go through the power exchanges, for the above mentioned concerns. In this way power exchanges will not be affected by the “type” of the electricity (i.e. by certificates)

### Comments and Questions from the Floor

In general, there seemed to be a consensus in the group that a certificate-based tracking system is preferred to a contract-based system. The following arguments were raised during the discussion:

- One of the arguments against a contract-based system was the different dynamics of the value of power and the source of the power, while the certificate value is based on source which is more or less constant; the value of electricity is based on the moment. So these two should be traded separately since these have different types of values, and a different dynamic of their values.
- There are an extremely high number of trades taking place all the time – is it useful to track all of these? Thus, the contract-based system and the hybrid are really difficult and expensive to implement.
- At the moment the IT systems of exchanges cannot handle this information. They already have problems with incorporating even smaller amounts of required information into their IT systems.
- The bureaucratic costs do not justify the benefits in case of the hybrid and contract based systems.
- As opposed to the concerns with the contract-based system, certificates can make tracking a very simple (and thus cheap) exercise – stated by a representative of a power exchange.
- The certificate system was perceived to be more sturdy against fraud.



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Based on the concerns about liquidity limitations during the introductory remarks, the question was raised whether these special certificate markets would be more liquid. A participant has answered that it did not matter whether these were liquid. Nothing will be threatened if they are not. However, the concern was raised how companies would get rid of certificates for unwanted, negative value power sources?

The session also had a long discussion on what average should be used by exchanges. Aggregated UCTE average was not considered as useful. Shall it be some regional physical average? Exchange specific average could be feasible as well. Currently this seems to be feasible, if we require the sellers to specify their source. However, for a generator it is meaningless to separate their different sales into different sources (or it would be arbitrary).

Another point which came up several times during the discussions was the importance of consumer education. With the number of various certificates increasing (ROCs, RECs, REGA, etc.), the complexity will be increasing for consumers as well. It is key to gain the credibility of the tracking system with consumers, and this will clearly require substantial consumer education and information provision.

### Summary

Participants of this session were in broad agreement that the contract based tracking system has huge problems. The same with the hybrid system. Several members of the group suggested, although this was not the consensus, that a good option would be to leave the tracking to be worked out by the supplier and the trader. Obligations should be on the final supplier. Thus, it needs to be evaluated whether it is a feasible option that the European Commission leaves the details of the implementation to the industry. However, harmonisation and reliability were emphasised as priorities, thus a balance needs to be found in this option between the flexibility and the uniformity (i.e. comparability) of the system across Europe.



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### Session 2 – How disclosure can meet consumers' needs

**Moderator:** Anders Arvidson, Stockholm Environment Institute

**Rapporteur:** Judith Lipp, IT Power

**Aim of the session:** to capture advice and recommendations from consumer and environmental groups on how to maximise the usefulness and application of an electricity disclosure label and to get ideas of additional activities which might increase the impact of a label, including suggestions on the label content and design.

#### Results

The session was well attended with about 21 participants from a range of organisations including consumer groups, environmental NGOs, suppliers, power exchanges, government departments, regulators and consultants. The session began with opening statements from Mr. Peter Bennich of the consumer organisation, Swedish Consumer Agency. Mr. Bennich talked about the imperfections and possible remedies of informing consumers on a liberalised electricity market. Discussion of this topic and several discussion questions ensued. Discussion of the second half of the session was initiated by Thomas Cross, from the WWF in Belgium who spoke about ensuring consumer confidence.

#### Introductory statement by Peter Bennich, Swedish Consumer Agency

Mr. Bennich talked about the imperfections and possible remedies of informing consumers on a liberalised electricity market using evidence from a survey conducted in Sweden in 2002. The session heard that consumers consider the following to be imperfections in the system. Most people said that electricity prices are too high and service and supplier information too poor. Bills are difficult to understand and payments are based on estimated consumption not real data. Many consumers said that switching was difficult. Remedies to these imperfections include: improving supplier services; government threat of intervention if suppliers don't improve; consumer advice service extended and provided independently; comparative website of supplier services and prices.

The Swedish Consumer Agency supports disclosure especially the environmental information but the label must be in line with other label systems that consumers are familiar with. Labels should try and cover as many aspects as possible and the information must be considered reliable by consumers and therefore some kind of government approved verification is essential.

#### Questions for discussion:

##### 1. How might the label content and design be improved?

- There is a need to state somewhere on the leaflet/label that there are other environmental impacts of electricity generation and not limited to carbon dioxide emissions and radioactive waste as this would be misleading. However, there is also a need to limit the amount of information so agreeing on a few environmental indicators is important.



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- Climate change may be a more meaningful term than CO<sub>2</sub>
- Ranking criteria and basis for evaluation needs to be clear and trustworthy to the consumer – especially understanding what is being ranked against
- To put the ranking in context there should certainly be a line about the national average in order to provide a reference point
- One possible solution to explain ranking is to provide a reference source where more information may be obtained
- Concern about the confusion the energy label approach could cause since with the energy label moving up the grades means a monetary savings but for electricity it means something very different
- What is the difference between the grades in the disclosure case – this relates back to being transparent about the ranking process

### 2. Which is the best medium through which to disclose information about electricity supply?

- There was a clear view that a variety of media would have to be used in order to reach a variety of audiences because consumers access information in different ways
- Some media mentioned include: on the bills, on the back of bills, on advertising, telephone advice lines, leaflets, on websites
- There is a definite need to provide the information on more than the bills because bills will only reach existing consumers of a particular supplier, but not potential consumers
- Bills are considered as something quite negative and therefore placing the label on the bill might create a negative association
- Bills and bill issuing is changing. Bills are not always issued as hard copies anymore and many are combined with other utility services. This needs to be taken into account since into the future we can expect bills will, increasingly, be issued electronically or arrive as combined bills
- Disclosure information should be included in advertisements in order to allow consumers to check claims made in the advertising message
- The pros and cons of including the information on the bill, on the back of the bill and on an insert with the bill were discussed and the various argument are presented in the table:

Location of information	Pros	Cons
On the front of the bill	<ul style="list-style-type: none"> <li>• More likely to be noticed and read</li> </ul>	<ul style="list-style-type: none"> <li>• Bills are already very full</li> <li>• Bills are considered a negative thing and by association so could this additional inform</li> </ul>
On the back of the bill	<ul style="list-style-type: none"> <li>• There is more space on back</li> <li>• It is cheaper for suppliers to include the information there</li> </ul>	<ul style="list-style-type: none"> <li>• Many consumers don't read the back of their bills</li> <li>• Bills and bill issuing is changing</li> </ul>
On a leaflet with the bill	<ul style="list-style-type: none"> <li>• Allows more information to be presented and therefore more explanation</li> <li>• Frequent inclusion in the envelope can reinforce the message</li> </ul>	<ul style="list-style-type: none"> <li>• Too many bill inserts sent out already – many consumers take no notice</li> <li>• Waste of paper sending out leaflet with every bill</li> </ul>



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A brief discussion developed about the cost/complications to suppliers of including a label on the front or back of a bill. According to one supplier present personalised information would be very expensive to include but standard information included on all bills would be negligible. If the label is standard (i.e. non-personalised) this could be provided in colour since most bills already have some colour sections (the fixed components) whilst the variable components (specific to individual customers) is printed in black and white.

### 3. What could improve consumers' understanding of an electricity label? / 4. How can the effectiveness of an electricity label be increased?

Given the overlap, these two questions were dealt with together.

- An education campaign was seen as the most important means of ensuring understanding and effectiveness of the label
- It was felt the campaign needs to occur before implementation and after
- Consumers will need to be alerted to presence of the label and educated on the terminology used and issues presented on the label
- Harmonisation of label design is a must at the national level at least in order to allow comparison
- Different groups need to work together to reinforce the message and provide support for the label – government, NGOs, consumer organisations, suppliers and regulators
- There needs to be careful interaction between quality labels (e.g. for green electricity) and disclosure so not to confuse the consumer
- Education campaigns would be needed for SMEs and industry as well but the best medium may be very different than for domestic consumers. One reason education was felt to be important for these groups is that there are decreasing numbers of dedicated energy purchasers and so people in industry and institutions responsible for this task are not as well informed as they may have once been.
- The definition of 'effectiveness' is open to discussion but if it involves consumers switching from one fuel source to another then this may involve switching supplier and then one has to address the barriers to switching more generally – this is a whole separate issue

#### Introductory statement by Thomas Cross, WWF Belgium – Ensuring Consumer Confidence

Mr. Cross spoke of the WWF campaign to influence policymakers regarding disclosure. WWF is pushing 4 main points:

- Product disclosure, but including comparison with the supplier's portfolio
- Environmental information on the web only it too little to reach consumers, this must be provided on or with the bill
- The inclusion of an indicator for nuclear waste
- Independent verification to provide reliability and ensure credibility

Consumers still need to learn to make the link between CO<sub>2</sub> - WWF aim is to educate the consumer on this. They plan to use the label to rank the best and worst product/suppliers. WWF would use the



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disclosure label in conjunction with quality labels which promote additionality (EUGENE). Would also use it in campaigns, for example, promoting a carbon free power sector by 2050.

### 5. How might consumer confidence in the label be ensured?

- Independent verification is essential for creating consumer confidence in disclosure
- Centralised issuing - not suppliers own
- Consumers need to see support for and confidence in disclosure coming from various trusted sources including NGOs, consumers' organisations and government

### 6. What actions will or should industry, government, consumer groups and NGOs take to make the label work effectively?

- Representatives from the stakeholder groups represented (consumers' organisation, electricity supplier, environmental NGO ) said they could not yet say how they would use disclosure to push their cause – they could not comment on the actual activities until the directive is finalised and recommendations for implementation made
- One environmental NGO did say they anticipate developing a website for ranking suppliers, and an on-line game

### Other topics discussed

- **Variation across Europe:** It was felt by most that different label and information styles were acceptable across Europe given that consumers' concerns can be quite different depending on the country in questions. For instance in Sweden consumers are concerned about large hydro whilst in Austria it is supported. Also there are different energy resources in countries and hence the issues and results for the label will be different – e.g. geothermal mainly relevant in Italy but not elsewhere, peat lignite, etc. The label has to be presented in the context of the national situation to ensure relevance.
- **Tracking and consumer confidence:** Will consumer confidence be affected by the type of tracking system used? A few people felt that the system has to be understood in order for the consumer to trust it and therefore any certificate approach should be attached to contracts.
- **Mandatory environmental information:** There was strong support around the table for the inclusion of environmental information on the bill or label (and not just on a website) because it should be easily accessible.
- **Quality labels vs. disclosure label:** Careful interaction is needed but the two can work together very well. In countries where there is agreement on the quality label these can be integrated into the disclosure label.
- **Consumer interest:** Generally consumers are interested in three things in their electricity supply: price and service (considered by almost all consumers) and increasingly environmental impact. It's a slow moving market but things are beginning to change. All these need to be considered to address consumer concerns.



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### Session 3 – Government and Regulation: implementation of disclosure and supporting policies

**Moderator:** Herbert Ritter, The Austrian Energy Agency (EVA)

**Rapporteur:** John Green, IT Power

**Aim of the session:** to identify the key actions, actors and measures needed on different levels to successfully implement electricity disclosure and to highlight the interaction of electricity disclosure with other policies (i.e. identifying both existing policies and the need for new supportive policies).

#### Schedule for discussion:

1:30pm Introduction by the moderator

1:40pm **Actions, actors and measures needed to implement electricity disclosure**  
Statement by Babette Lammerts from Netherlands Ministry of Economic Affairs  
Open discussion

2:30pm **From guarantee of origin to electricity disclosure – success factors for policies**  
Statement by Mr. Ernst Dietmar Preinstorfer from E-Control, Austria  
Open discussion

3:20pm Wrap-up by the moderator

#### Results

##### 1. What has to be done to implement an electricity disclosure scheme successfully?

#### Legal Framework

- Directive implemented in national legislation - need to consider the split in the between role of government and of suppliers

#### Detailed Design

- Need to decide on categories of electricity to be shown on the bill – should this be harmonised on an EU or national level
- Need to decide on the tracking method to be used

#### Consultation

- Consultation needed before implementation with industry, consumers and NGOs

#### Evolution

- Cannot have a perfect system in day one
- General feeling that a certificate system will evolve – use can be made of existing certificates where available and bilateral trades and statistical info where not



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### Education

- Governments should inform the public about how to read the label
- Suppliers will then market their products

### 2. What is the best verification method for the information displayed on a label?

#### Challenges

- Different countries have very different energy mixes and this might influence best tracking system and label design that could be used in each country
- Liquidity is different in each country

#### Who manages

- Could be the transmission system operators, regulators, or data collection organisations
- Phased approach
- Feeling that a certificate based approach will eventually be used
- UK utilities believed that an effective system could be established in 2 years (based on % of fossil fuels, nuclear and renewables) - dealing with dual fuel plant taking longest

### 3. Should the labelling scheme be harmonised across Europe?

- Define minimum information to be included on the label
- Need to consider what the impact will be if we do not have harmonisation - we do not want to confuse the end users
- Need to be able to compare between labels from companies across Europe
- We need a limit on the maximum amount of information put on a label, so as not to swamp important disclosure information
- Question over whether harmonised labels are needed across Europe, or at the national level - but do not want to force suppliers to drastically change their billing system
- If harmonised trading approach is not used across the EU this could have distortions
- Do MSs need to work to same timescale?
- How are losses dealt with?

### 4. How does disclosure interact with existing European policies and directives?

- Not a strong link between policies for supply side (e.g. feed-in tariffs) and disclosure, which is demand side focused
- In the UK, feeling that existing/future certificates could be used - e.g. REGOs
- CHP Directive and GoO legislation may both use certificates

### 5. What additional policies are needed to support electricity disclosure?

- Disclosure aim is 'market transparency' not greening electricity
- Need initial education & awareness raising by government. More will be done by NGOs
- No support for CO<sub>2</sub>/kWh limit or VAT according to CO<sub>2</sub>/kWh - but in Holland 40% of electricity will be taxed according to CO<sub>2</sub> emissions



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## Consumer Choice and Carbon Consciousness for Electricity

### 6. What has to be done to raise consumer awareness of electricity disclosure?

- Need a programme supported by Government to raise awareness
- Not just via the web
- A catalogue could be produced by regulator
- Information needs to be simple - base it on electricity appliance labelling scheme
- Best place for information is on the bill
- Should a telephone service be provided?



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### LIST OF PARTICIPANTS (by discussion session attended)

#### Session 1 - Electricity suppliers: marketing and trading issues

Chris	Anastasi	British Energy	UK
Ernst Christian	Astecker	Österreichische Elektrizitätswirtschafts-AG	Austria
Derek	Baggs	Electricity Association	UK
Birgit	Bodlund	Vattenfall AB Generation	Sweden
John	Costyn	Ofgem	UK
Hans	Davidse	Akzo Nobel Energy B.V.	Netherlands
Christian	Guethert	EnBW Energie Baden-WuerHemberg AG	Germany
Nigel	Howard	Centrica	UK
Kevin	Lane	Environmental Change Institute	UK
Arwind	Malhotra	SuperIDAB	Sweden
Sarah	Merrick	Association of Electricity	UK
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Paul	Mott	London Electricity	UK
Graham	Murphy	Maverick Energy	UK
Ron	Oei	Nuon	Netherlands
Juan Luis	Rios Sanchez	Iberdrola Generacion	Spain
Igor	Shtepa	MID Productions Ltd	UK
Peter	Styles	European Federation of Energy Traders	UK
Jan	Sundell	Vattenfall AB Generation	Sweden
Christof	Timpe	Oeko Institut	Germany
Stephanie	Tobyn	ScottishPower	UK
Diana	Urge-Vorsatz	Central European University	Hungary
Onno	Verkuyl	Amsterdam Power Exchange	Netherlands
Mark	Welsh	Energia	UK

#### Session 2 – Consumers: How disclosure can meet consumer needs

Anders	Arvidson	Stockholm Environment Institute	Sweden
Judith	Lipp	IT Power	UK
Jane	Palmer	Environmental Change Institute	UK
Robert	Pugh	Environmental Change Institute	UK
Peter	Bennich	Swedish Consumer Agency	Sweden
Thomas	Cross	WWF	Belgium
Ralph	Chamberlain	Powergen UK	UK
Jeannette	de Beus	Amsterdam Power Exchange	Netherlands
Juliet	Davenport	Unit(E)	UK
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Sophie	Graham	London Electricity	UK



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Julia	Haughey	LE Group	UK
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Claudia	Kunz	WWF	Germany
Juho	Lipponen	Eurelectric	Belgium
Chris	Pooley	Campbell Carr	UK
Anne	Stewart-Gill	General Consumer Council for Northern Ireland	UK
Alex	Thorne	OFGEM	UK
Christoph	Walchhofer	e&t Energie Handelsges m.b.H	Austria

### Session 3 - Governments: implementation of disclosure and supporting policies

Simon	Atkinson	ENDS Report	UK
John	Benson	OFGEM	UK
Brenda	Boardman	Environmental Change Institute	UK
Veit	Buerger	Oeko Institut	Germany
Gareth	Davies	OXERA Consulting Ltd	UK
Chris	Evans	Consumer Research Associates	UK
Michael	Gibbons	Coalpower	UK
Megan	Goss	AEP Energy Services Limited	UK
John	Green	IT Power	UK
Sue	Harrison	DTI	UK
Babette	Lammerts	Ministry of Economic Affairs	Netherlands
John	Lanchbery	Royal Society for the Protection of Birds	UK
Andreas	Lugmaier	Arsenal Research	Austria
Angus	MacRae	Scottish and Southern Energy plc	UK
Ana	Madurga	Iberdrola Generacion	Spain
Phil	Moody	Campbell Carr Ltd	UK
Ernst Dietmar	Preinstorfer	E-Control GMBH	Austria
Katrien	Prins	European Commission	Belgium
Herbert	Ritter	Austrian Energy Agency (EVA)	Austria
Derek	Scally	London Electricity Group	UK
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