Eurelectric Response to CEER's Public Consultation on Guidelines of Good Practice for Trustworthy Green Offers and Consumer Protection Against Misleading Marketing ("Greenwashing")

A Eurelectric Public Consultation Response

January 2023

Eurelectric represents the interests of the electricity industry in Europe. Our work covers all major issues affecting our sector. Our members represent the electricity industry in over 30 European countries.

We cover the entire industry from electricity generation and markets to distribution networks and customer issues. We also have affiliates active on several other continents and business associates from a wide variety of sectors with a direct interest in the electricity industry.

We stand for

The vision of the European power sector is to enable and sustain:
- A vibrant competitive European economy, reliably powered by clean, carbon-neutral energy
- A smart, energy efficient and truly sustainable society for all citizens of Europe

We are committed to lead a cost-effective energy transition by:

investing in clean power generation and transition-enabling solutions, to reduce emissions and actively pursue efforts to become carbon-neutral well before mid-century, taking into account different starting points and commercial availability of key transition technologies;

transforming the energy system to make it more responsive, resilient and efficient. This includes increased use of renewable energy, digitalisation, demand side response and reinforcement of grids so they can function as platforms and enablers for customers, cities and communities;

accelerating the energy transition in other economic sectors by offering competitive electricity as a transformation tool for transport, heating and industry;

embedding sustainability in all parts of our value chain and take measures to support the transformation of existing assets towards a zero carbon society;

innovating to discover the cutting-edge business models and develop the breakthrough technologies that are indispensable to allow our industry to lead this transition.

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WG Customers & New Services

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Updated CEER Recommendations		
I.	**How to provide access to adequate and reliable information to consumers?**	**Is this recommendation sufficient? Please share your comments and suggestions.**
1 UPDATED	All Comparison Tools[4] (CTs) – **in particular those operated or trust marked by a public authority or body** – should provide **a clear indication of the product mix and supplier mix for each product listed in the CT.** **If offers are claimed as "green" by CTs (and/or suppliers), the justification for doing so (as a source of information) must be transparent to the consumer (no matter whether they consume electricity and/or gas). If feasible, information should be provided to give an account of the share of energy that did not benefit from public support.**	Eurelectric welcomes the initiative taken by CEER to help ensure information provided to consumers is clear and consistent across different markets. We find it may be difficult or virtually impossible to provide information of the share of energy mixes and if that did benefit/not benefit from public support, so we do not support these becoming required reporting information. Furthermore, we do not think that whether energy has been generated benefitting from public support affects the "green-ness" of the product being offered. Nevertheless, increased transparency for customers of whether RES installations are receiving or have received public support can help incentivise market-based RES expansion of non-supported installations. We would also ask that such an indication include whether the installation is currently receiving state support, or if it has in the past but has outlived its subsidies. It should be noted that our members have found is that customers seeking "green" products are most interested in whether their energy was generated from renewable sources.
2 UPDATED	The National Regulatory Authority (NRA) (or other competent body) should **cooperate at European level and** ensure that there is a harmonised format proposing a minimum standard for displaying information concerning the origin of **energy** supplied from renewable sources **(and if applicable also from non-renewable sources)** and should specify the level of detail required for this information **and how such information is**	We welcome this initiative to harmonise the information across European markets to ensure equal understanding among customers and facilitate understanding where energy flows across borders (and thusly across markets). However, we would stress than too much non-relevant information can overwhelm consumers, so we would support an opt-in approach

	communicated to consumers.	where information is available to customers upon request, but that only the explicitly relevant information is presented immediately to customers through comparison tools. And if a national approach is chosen which requires a wider range of data, a requirement should be in place for the development of a tool which filters the results and facilitates access to the information by consumers.
3 UPDATED	References in the **energy bill to where additional information on guarantees of origin is available, such as the type of renewable energy source, the geographic origin (country or, if applicable, region) or whether or not it has received support from a renewable investment or production support scheme,** should be drawn to customers' attention (e.g., on the website of the supplier and/or of the competent body for disclosure	We welcome the opportunity to provide further information to customers on the origin of their electricity where possible and technically feasible. We think that having an indication on the bill that directs a consumer to more information is a more efficient way of conveying this information, rather than printing all of the information on the bill. This will reduce confusion and prevent cognitive overwhelm for most consumers. Furthermore, Eurelectric supports the introduction of voluntary granular (hourly) GOs, which are essential to develop an energy system that runs 24/7 on renewables, particularly by incentivising storage and flexibility. However, it should be noted that this risks a greater operational-level complexity and increased costs for suppliers.
II.	**How to strengthen consumer trust by improving the existing disclosure systems?**	**Is this recommendation sufficient? Please share your comments and suggestions.**
4 UPDATED	**Member States should have a GO system in place for "(i) electricity; (ii) gas, including hydrogen; or (iii) heating or cooling[7]". For this purpose, national GO system convergence should be encouraged so that GOs are easily tradable across Member States.** When and where available, GOs should be used as the only instrument for tracking **energy** sources in green offers within disclosure systems,	We find this recommendation sufficient, however, we do not think that heating or cooling GOs should be separated except when neither electricity nor gas is used in the heating and cooling systems. Having such a distinction may be confusing for consumers. We also think this recommendation could be improved by clarifying which

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	including in the framework of a Power Purchase Agreement (PPA) or any contract with a renewable production plant (e.g., EU Solar Energy). In the absence of a proper GO the offer cannot be marketed as "green".	market convergence is being addressed here (cross-border or market convergence between energy vectors).
5 UPDATED	GOs should be used as a basis for further harmonisation of disclosure systems. **An assessment of the use of GOs in electricity should be done at national and European level to identify improvements which could be made to the existing GO system in electricity as well as best practices to convey to (i) gas, including hydrogen; or (ii) heating or cooling. Good practices identified in electricity disclosure system should be extended to other energy disclosure systems. The cooperation of competent authorities for disclosure should be enhanced irrespective of the form of energy disclosed. This should be facilitated with the use of a common platform.**	We find this recommendation sufficient, however, we do not think that heating or cooling GOs should be separated except when neither electricity nor gas is used in the heating and cooling systems. Having such a distinction may be confusing for consumers and it may not be feasible for energy suppliers to create this distinction. We think that using best practices from electricity disclosure systems and ensuring the information conveyed is equally manageable for gas customers will further the aims of the European Green Deal and provide for a better customer experience. However, we would like to reinforce that we do not think there should be a single platform for all energy vectors given that under RED II and the proposed RED III, gaseous fuels should follow a mass-balance system traceability via Union Database.
6 ORIGINAL	Further harmonisation of the existing disclosure systems on a European level should make the systems more reliable and efficient. The competent body for disclosure should ensure that the utmost is done to make customers aware of the information that is provided to them regarding the electricity with which they are supplied. To foster trust in the system, customers should easily be able to find clear information about the functioning of the disclosure system. The publication of an annual disclosure report by the relevant competent body is a good practice that can further increase transparency in terms of the origin of supplied electricity at national level.	We find this recommendation sufficient.

7 UPDATED	In order to make the disclosure information for customers more coherent, efficient and reliable, it is worth considering whether the issuing of GOs should be extended to all sources of electricity. **Full disclosure, meaning the cancellation of GOs for all consumption**, would help to make the disclosure system more consistent and reliable, as well as to provide opportunities for marketing electricity products based on specific non-renewable sources in a trustworthy manner. A single, coherent, and properly designed system addressing all electricity generation, from all sources, has the potential of reducing administrative burdens and costs. In order to avoid imposing an administrative burden and costs on electricity producers, it could, as a first step, be introduced on a voluntary basis. **Where full disclosure is not possible, a residual mix should be determined at national level. The methodology to calculate the residual mix should be harmonised across all participating countries in the interconnected energy market, per energy carrier.**	We find that the GO system is the most cost-effective way to provide customers with the relevant information on the mix of their energy without overwhelming customers who are less interested. In fact, we actually support the introduction of voluntary granular (hourly) GOs, which are essential to develop an energy system that runs 24/7 on renewables, particularly by incentivising storage and flexibility. However, it should be noted that this risks a greater operational-level complexity and increased costs for suppliers. The introduction of and assessment of the benefits to stakeholders and market participants of a full disclosure system should remain up to the Member States. Furthermore, we believe rules for calculating the residual mix must follow general EU rules on statistics (in line with the Eurostat recommendations, information on national residual mixes are usually calculated by the relevant ministries).
8 UPDATED	The further integration of gas and electricity markets at European level should be accompanied by actively continuing the development of the European GO market, thus increasing price transparency and competition. **Price information for products that include energy from supported and non-supported installations should be shared publicly and be easily accessible**	We recognise the usefulness to provide information to the customer on whether the renewable energy comes from supported or non-supported installations. This can help to account for the added value of non-support RES installations to the overall energy system. However, it should also be taken into account that our members have found among their customers that when it comes to identifying green offers, the most important data point is whether the electricity was generated from a renewable source. We also feel this recommendation could be further clarified on whether it is referring to the price of the final energy product paid by the consumer or the price of the GO.

III.	**How to provide consumers with transparent information?**	
9 NEW	**Consumers should be able to choose "local or regional" GOs, i.e. issued for local energy production close to the consumer's consumption point.**	We agree that geographical indication should be included in the information provided within GOs, however, we understand that it may be difficult to implement and would stress a flexible approach where such a framework does not yet exist in some of the Member States. We would also ask for consideration of public awareness campaigns to ensure adequate consumer understanding of geographical indications for GOs. We also think this recommendation could be improved by a clearer definition of what level is meant by "regional" and "local" for these GOs.
10 UPDATED	**GOs and labels should be considered as two complementary mechanisms. Guarantee of Origin is the legal and technical mechanism to guarantee the source of energy, whereas labels should be considered as a communication tool to ease consumers' understanding of the energy market.** Labels can be considered as creating added value for more demanding customers, if it can be guaranteed that the additional impact is associated with the contract (such as direct investment of funds in new renewable generation capacity or reductions of CO2 emissions). **An excessive number of labels might be confusing for consumers and potentially raise trust issues, if the information provided by these labels is inconsistent. On the supplier side, it would render it difficult for smaller suppliers to be active in every labelling system, especially when fees are charged.** Labels should be encouraged to use GOs as their sole tracking mechanism, in order to ensure reliability and electricity and gas customer's trust.	We agree that an excessive number of labels makes determining the veracity of green offers difficult. We think that GOs can serve as both the legal and technical mechanism as well as a consumer information mechanism. When well-developed, GOs can provide all of the information a consumer would want to verify to ensure the product they are purchasing meets their standard of ecological soundness. We think GOs should serve as the sourcing standard, and that labels can be designed and applied voluntarily where feasible.

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11 UPDATED	**When subscribing to an offer claimed as "green" by a supplier, the supplier should provide all necessary information to enable the consumer to verify the accuracy of the offer to which they subscribed.**	We agree that consumers should have access to all necessary information to validate the "greenness" of the offer they are purchasing. However, we would like to note that from what source the electricity was generated, where it was generated, and when it was generated (down to voluntary hourly granularity) should only be needed to fulfil additional information requirements. At the moment, this only works for PPA offers, where one may actually match electrons and consumption; this is not yet feasible for general green offers, which use GOs. We find that "necessary information" may be too broad and lead to divergences between Member States on what information is required (which may cause competitive distortion in the market).
	GENERAL ADDITIONAL COMMENTS	

Eurelectric pursues in all its activities the application of the following sustainable development values:

Economic Development

- Growth, added-value, efficiency

Environmental Leadership

- Commitment, innovation, pro-activeness

Social Responsibility

- Transparency, ethics, accountability

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