

Consumers: a key priority for the next Commission

Empower a transition serving all consumers

We ask policymakers to:

- Promote consumer participation and protection in the transition through innovation-based competition and digital technologies.
- Monitor the distributional effects of carbon pricing and support Member States to enact flanking measures that support consumer uptake of affordable electric solutions.
- Encourage partnerships and cost-competitive collaboration with EU industrialists to enable them to remain globally competitive.

Consumer participation in the electricity system is paramount. Although the benefits of the energy transition hinge on consumer actions, only a small share of them are actively engaged.¹ Consequently, it is imperative to increase their involvement through innovative solutions such as smart home appliances, smart meters and heat pumps that not only save money, but also contribute to the energy transition. Financial support will also be crucial to increase take-up.

To cite an example, on average, European households save 39% on their bills when switching from fossil fuel-powered heating systems to electric heat pumps.² However, in 2021, nearly 80% of consumers were not leveraging the available new energy solutions³. The challenge of low consumer adoption of electric solutions can be attributed to two main factors.

- Firstly, individuals may lack awareness of the enhanced affordability, given by increased efficiency, offered by electric solutions, or they may not be familiar with the associated technologies. In response, **public authorities and civil society organisations should strengthen campaigns to raise awareness among consumers.**
- Secondly, financial barriers pose significant obstacles to the widespread adoption of low-carbon energy products and services. For instance, subsidies offered by many Member States to incentivise the adoption of technologies like heat pumps are often depleted early in the fiscal year due to high demand, leaving numerous consumers unable to transition to electric heating. **We urge policymakers to develop and implement financial instruments accessible to all customers seeking to integrate electric solutions into their homes.**

Alongside domestic consumers, collaboration between the electricity sector and industrial consumers is essential to promote cost-competitive initiatives. The recent crisis forced many industries to shut down, leading not only to a reduction, but also a destruction of demand. Europe must decarbonise, but not deindustrialise.

To ensure the survival of industries in Europe and their adoption of more efficient electric solutions, **tailor-made support for industries and funding opportunities will be crucial.** This approach will safeguard the level playing field of the internal market and facilitate the transition to more sustainable practices by industrial players. Additionally, the recent Electricity Market Design Reform, will contribute to developing long-term contracts to increase price certainty and risk mitigation to both market parties.

¹ Eurelectric, Power2People (2021) available at: <https://rb.gy/997b7e>

² Eurelectric, Power2People Follow Up Report: Heat Pumps (2022) available at: <https://rb.gy/w2lonh>

³ Eurelectric, Power2People (2021) available at: <https://rb.gy/997b7e>