

## CALL FOR EVIDENCE FOR AN INITIATIVE (without an impact assessment)

This document aims to inform the public and stakeholders about the Commission's work, so they can provide feedback and participate effectively in consultation activities.

We ask these groups to provide views on the Commission's understanding of the problem and possible solutions, and to give us any relevant information they may have.

<b>TITLE OF THE INITIATIVE</b>	Citizens Energy Package – Protecting and empowering Consumers in the Just Transition
<b>LEAD DG – RESPONSIBLE UNIT</b>	ENER B1
<b>LIKELY TYPE OF INITIATIVE</b>	Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions
<b>INDICATIVE TIMING</b>	<b>Q4 2025</b>
<b>ADDITIONAL INFORMATION</b>	-

*This document is for information purposes only. It does not prejudice the final decision of the Commission on whether this initiative will be pursued or on its final content. All elements of the initiative described by this document, including its timing, are subject to change.*

### A. Political context, problem definition and subsidiarity check

#### Political context

The European Union must make the energy transition both attractive and genuinely affordable for all citizens. The Action Plan for Affordable Energy outlines measures to reduce energy bills for industry, businesses, and households in the short term, while also accelerating essential cost-saving structural reforms. These reforms aim to build a true Energy Union that ensures competitiveness, security, decarbonisation, and a just transition<sup>1</sup>.

A key deliverable of the Action Plan is the **Citizens' Energy Package**. The Commission has made it a priority in its energy policy to develop this package, with the goal of *strengthening the social dimension of the Energy Union and tackling energy poverty*.

The Citizens' Energy Package is meant to address ongoing challenges that prevent citizens from fully understanding, participating in, and being adequately protected within the energy market. It seeks to ensure that no region, community, or individual is left behind in the energy transition.

#### Problem the initiative aims to tackle

Many citizens are concerned by high energy prices and reduced their willingness to participate in the energy transition process. The main challenges that the package aims to address are:

<sup>1</sup> <https://energy.ec.europa.eu/publications/action-plan-affordable-energy-unlocking-true-value-our-energy-union-secure-affordable-efficient-and-en>

1. **The energy transition is having a disproportionately serious impact on some population groups, regions and communities.** Europe has been grappling with high energy poverty, which rocketed during the energy crisis. In 2023, 47 million Europeans reported that they cannot afford to heat their homes. Women and certain population groups – including elderly, persons with disabilities, single-parent households – are more likely to experience energy poverty due to their vulnerabilities and often lower average incomes. This is driven by multiple factors including low incomes, high energy prices and in particular energy inefficient housing and appliances.

In addition, **regions which have a particularly high economic dependence on traditional energy sources** disproportionately feel the impact of the green transition. Such regions currently often lack capacity of managing socio-economic risks associated with the phase out of fossil fuels and the development of a low carbon economy. This is particularly true for coal, peat and oil shale regions that see their traditional industries vanish, as well as islands that are isolated and do not have the necessary infrastructure and competences to fully leverage their favourable renewable energy potential. As the workforce for fossil fuels shrinks, there is also unmet demand for skills in delivering the green energy transition. Upskilling and reskilling fossil fuel industry workers and improving job quality to attract people to clean energy professions is currently not happening at the pace needed.

2. **Lack of citizen and consumer engagement in the energy market, hindering the uptake of innovative energy services and energy and cost saving solutions** – increasing costs for citizens and slowing down the energy transition.

Consumers lack trust in energy markets, reducing their willingness to switch supplier even where better offers are available. ACER reports that if all EU consumers regularly switched to the best available offers, they could save an average of EUR 200 per year.

Consumers find it complex and expensive to access to energy efficiency and renewable energy options on the market. For example, providing demand response effectively requires smart meters and an increased use of digitalisation, while smart meter roll out is lagging. ACER found savings of up to 42% on energy bills for consumers in Sweden who had dynamic contracts (i.e. demand response). However, this was only possible because of the widespread deployment of smart meters and an effective consumer protection framework. By contrast the peak prices experienced in South-Eastern Europe last summer were exacerbated by the lack of demand response and low smart meter rollout, even though the right to dynamic price contracts is included in the Electricity Directive.

Even where innovative approaches such as demand response are in theory possible, many consumers find it difficult to access the knowledge and information on the opportunities the market can offer. Today consumers' experiences with digitalisation, artificial intelligence, and home automation of the energy system are too often that they are inconvenient, and difficult to use.

The benefits of consumers joining an energy community – where savings of up to EUR 1000 per annum are potentially available are not being fully realised. Despite the growing emphasis on renewable energy, citizen participation remains limited. As of early 2024, over 9,000 energy communities in Europe engaged approximately 1.5 million citizens, a small fraction of the EU's population.

The consequences are less innovative offers for energy services for consumers but also higher prices. In part these challenges arise because implementation of the recent electricity and gas markets reforms (including the Electricity Market Design directive, the Gas and Hydrogen recast directive) has just started, is too slow. Poor and divergent implementation of such consumer facing provisions across the EU also leads to missing out on the benefits of scale that the internal market offers – as suppliers or innovative energy service providers have to invest in developing multiple systems to different requirements which vary by Member State.

<b>Basis for EU action (legal basis and subsidiarity check)</b>
<b>Legal basis</b>
Article 169 TFUE, with due regard also to Article 114 TFUE. Both imply competences that are shared between the EU and its Member States.
<b>Practical need for EU action</b>
Consumer rights within the energy transition, consumer law transposition and enforcement, socio-economic challenges, as well as other key EU policy priorities imply interdependencies and synergies at political, social and economic levels that cannot be efficiently tackled individually by Member States at national level. Energy transition in the EU is supranational so the EU should protect the consumers in a more coordinated manner even if consumer protection is largely a national competence. While respecting national competences, the Citizens Energy Package will be framed within a close dialogue and cooperation between the Commission and the Member States, the EU and its international partners, and with all key energy stakeholders.
<b>B. What does the initiative aim to achieve and how</b>
<p>The Citizens Energy Package aims to ensure that the energy transition and energy market benefits all citizens, should they belong to high, middle income or to disadvantaged segments of the EU population, such as energy poor and vulnerable. It provides a coherent approach and a set of actions to enhance the just transition principle that nobody is to be left behind by tackling energy poverty and by supporting the complex process of decarbonising coal regions. Moreover, it aims to make it affordable and easy for all consumers to participate in the market by facilitating the smooth transposition of EU rules, raising consumers' awareness of their rights, building trust, and providing technical assistance and financing. Its pillars are the following:</p> <p><b>1) Ensuring a just transition including tackling energy poverty</b></p> <p>Addressing energy poverty by: a) identifying more ambitious national commitments to reduce the rate of energy poverty, building on the implementation of the Fit for 55 package and through also the roll out of the Social Climate Fund and other funding; b) further developing guidance and support on measures to tackle energy poverty.</p> <p>Mainstreaming the gender and equality dimension in the energy sector.</p> <p>Strengthening the support to regions and communities by: a) launching a new phase of the Coal Regions in Transition Initiative to implement the regions' potential for renewable energy deployment and other net zero technologies and industries; b) reinforcing the Clean Energy for EU Islands initiative; c) strengthening the support to local actors through targeted initiatives, such as the Covenant of Mayors.</p> <p><b>2) Empowering Citizens and Communities in the Energy Market</b></p> <p>The Citizens Energy Package should foster social acceptance and trust in energy markets and facilitate more active engagement by consumers individually and collectively.</p> <p><b>The Citizens Energy Package should incorporate a coherent set of individual actions and measures to:</b></p> <ul style="list-style-type: none"> <li>• promote citizens better awareness of consumer rights. This should build on engagement with the most advanced and progressive energy undertakings prioritising consumers and upholding the principles of customer satisfaction and social responsibility and facilitate measures which go beyond the minimum legal requirements in relation to several key consumer rights, such as fair marketing and contractual information, clear billing and protection from disconnection. suppliers'</li> </ul>

commitments should be covered by both contractual law and rules on unfair commercial practices

- As requested by the Council, energy communities should be targeted by a comprehensive set of measures to address the key legal, administrative, technical faced by energy communities. It will support capacity building and will increase accessibility of financing tools.
- Actions on accelerating the roll out of smart meter and digital energy services for consumers, including new Implementing Acts/Network Codes on data interoperability and demand response.
- supporting the Member States' transposition of key consumer related issues, including fair contractual information, consumer protection during gas phase out, energy communities, prevention of disconnection for vulnerable households.

#### **Likely impacts**

The Citizens' Energy Package will establish a clear policy vision for the role and protection of citizens within EU energy policies throughout the Commission's mandate.

#### **Ensuring a Just Transition and Tackling Energy Poverty**

The Citizens' Energy Package aims to ensure that no person or region is left behind in the energy transition. It will contribute to a significant reduction in energy poverty across the Union, ensuring that the benefits of the *Fit for 55* package are more effectively delivered to population groups most affected by energy poverty.

The package also seeks to support citizens living in regions disproportionately impacted by the transition by improving their access to renewable energy and energy efficiency measures, and by helping them benefit from opportunities linked to net-zero industries.

#### **Empowering Citizens and Communities in the Energy Market**

The Citizens' Energy Package will work to strengthen consumer trust in energy markets. This should increase consumers' willingness to switch suppliers and reduce their energy costs. It will also make it easier for consumers to adopt innovative energy services, which can both lower costs and support the broader energy transition. At the same time, suppliers and energy service providers will benefit from a more dynamic environment that facilitates the deployment of innovative, consumer-focused solutions.

These improvements are expected to result from better access to information and more effective implementation of EU legislation at national level.

The package will also make it easier for citizens across the EU to establish and participate in energy communities. This will support the development of renewable energy projects that might otherwise not be feasible and help reduce energy costs for community members.

#### **Implementation and Scope**

The impact of the Citizens' Energy Package will largely depend on how Member States implement existing EU legislation, taking into account their specific priorities, administrative systems, and available funding.

The initiative will cover the entire European Union. It will not introduce additional administrative burdens for businesses, which are expected to benefit from more dynamic market conditions and increased consumer participation.

#### **Boosting Empowerment and Awareness**

<p>The package is designed to strengthen citizen empowerment. Millions of consumers are expected to benefit from smoother implementation of legislation and improved access to information. This will help them understand their rights, become more active market participants—including as prosumers—and engage in energy communities.</p> <p>A broader communication and engagement campaign will accompany the package, raising awareness of its goals, promoting consumer participation, and contributing to a more inclusive and just energy transition.</p>
<p><b>Future monitoring</b></p> <p>The Package will include a set of guidance documents to support the Member States and will be a cornerstone to assess the transposition and actual implementation of the ground of consumer rights as defined in the relevant legislation. The Commission will engage with key stakeholders, i.e. regulators, industry (suppliers, DSOs), consumer organisations in ad hoc processes and through working groups and fora, such as the Citizens Energy Forum, the Covenant of Mayors or the Clean Energy for EU Islands. Particular attention will be paid to ensure the reaching out to youth, for instance through the Youth Dialogue (<a href="https://youth.europa.eu/youth-policy/dialogues_en">https://youth.europa.eu/youth-policy/dialogues_en</a>) and EUSEW (<a href="https://sustainable-energy-week.ec.europa.eu/index_en">https://sustainable-energy-week.ec.europa.eu/index_en</a>).</p>
<p><b>C. Better regulation</b></p>
<p><b>Impact assessment</b></p> <p>The Citizen Energy Package will bring together in one policy document various ongoing actions and initiatives on consumer rights and just transition ensuring coherence and visibility. The Package will <b>not include any new legislative proposal. Currently implementing acts regarding access to metering data to facilitate the EU-wide interoperability of energy services, are being prepared.</b> Where further legislative action is required to achieve the objectives of the Commission in these areas, this would be achieved in other initiatives, for example the revision of the Governance Regulation and be subject to appropriate impact assessment in that context.</p>
<p><b>Consultation strategy</b></p> <p>The aim of this consultation is to gather feedback and input from stakeholders to inform the development of the priority areas and actions of the ‘Citizen Energy Package’.</p> <p>The consultation will complement the feedback and input already collected in discussions with stakeholders throughout 2024, notably at the 2024 Citizen Energy Forum and the Regulatory Roundtable.</p> <p>The public consultation covering the essential elements of the Citizen Energy Package’ will be launched in May 2025, lasting 12 weeks. The consultation will be available via the Commission’s <a href="#">Have your Say</a> portal. Replies can be submitted in any of the 24 EU official languages. A factual summary of the results of the consultation will be published on the consultation page within 8 weeks following its closure.</p> <p>A synopsis report covering all consultation activities will be published once the initiative is adopted. This consultation will be accompanied by the targeted consultations that have taken place over the last months.</p>
<p><b>Why we are consulting?</b></p> <p>This consultation is to inform and receive comments and proposals on the envisaged initiatives addressing citizens’ protection and participation in the energy market. The public at large as well as key energy stakeholders are addressed by the consultation. To be successful, the Citizens Energy package needs wider ownership based on real engagement with stakeholders.</p>

<b>Target audience</b>
The target audience are national authorities, regulators, industry (DSOs, suppliers), other civil society organisations and individual consumers.