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**Roundtable:
Consumer protection and the transition to clean energy**

Contribution

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Intergovernmental Group of Experts on Consumer Protection Law and Policy

7th Session, 3 – 4 July 2023, Geneva, Switzerland and online

Roundtable on: Consumer protection and the transition to clean energy

Monday, 3 July 2023 (11:30 - 13:00)

Palais des Nations, Room XIX (Third Floor) and online

Topics of intervention: Ana Catarina Fonseca

- Good morning to all
- It is a pleasure to participate in another meeting of the IGE and be able to share and discuss issues of the utmost relevance for the development of consumer protection policy.
- Allow me to thank Teresa Moreira and her team for the opportunity to share some thoughts and challenges with you but also to learn from your practices and how they contribute to the strengthening of consumer protection.
- Focusing on the topic for our discussion "Consumer Protection and the transition to clean energy":
- I would like to start by sharing that, in Portugal, consumer access to essential public services, in this case energy, has always been one of the most important areas in the context of consumer protection policy and the aim to ensure that all consumers, regardless of their economic, social, or geographical situation have universal access to energy services. The transition to clean energy will only be a reality if everyone has access to the energy, at first place.
- Is in this framework, universal access to a basic service such as energy is essential to human life.
- In Portugal, since 1996 energy services are considered an essential service, and in order to guarantee access to economically vulnerable consumers, since 2010, consumers in those situations have the right to social tariff that consists in a discount in the fare.

- More recently, in response to the impacts of the energy crisis on energy prices and the reduction of consumer purchasing power, the Portuguese Government adopted specific measures precisely to ensure consumer access to the essential energy service by allowing consumers to return to the regulated market subject to fixed fares determined by the Regulatory Authority.
- Now, regarding Portugal path in clean energy, I would like to stress that we have been following a solid and compromised path in the production of renewable energies, with decarbonisation, security and diversity of supply sources. In fact, according to Global Status Report from REN21¹, Portugal occupies the fourth position.
- The protection of consumer rights and interests, among others, has been at the centre of its concerns.
- Given the urgency of green transition, particularly in what regards the use of clean energy, the development of national policies by Member States must consider European instruments that establishes goals, targets and specific measures related to the elimination of greenhouse gas emissions.
- In Portugal, the implementation of the National Energy and Climate Plan for the period of 2021-2030 is in progress, and it is fully aligned with the European instruments, such as the Green Deal and the Clean Energy for All Europeans Package.
- The National Plan is based on several objectives namely the strengthening of the commitment to renewable energies and the guarantee of a fair, democratic, and cohesive transition. In the context of this objective we would like to point out the following **measures to protect consumers**:
 - tackling energy poverty;
 - guaranteeing access to renewable energies for all consumers;
 - empowering consumers to make more sustainable choices;
 - strengthening consumers participation in decision-making.
- In order to pursue these objectives, I would like to highlight the importance of the renewable energy communities (Energy Communities), where the consumer has an active role. In fact, instead of just consuming energy, he also starts to produce, thus contributing to the decentralisation of energy production and the reduction of the country's ecological footprint.

¹ <https://www.ren21.net/gsr-2022/>

- This Communities (Renewable Energy Communities (RECs²)) are made up of a group of consumers who, through an energy production system and shared electrical network, produce part or all of the electricity they consume.
- Another mechanism to allow the decentralization of energy production relies on self-consumption of renewable energy which allows the self-consumer - in addition to producing and consuming – to also have activities of sharing, storage and sale of surplus energy, being a mechanism in which one or more renewable energy production units (UPAC) may be connected to one or more consumption points;
- However, transition to clean energy poses some challenges, namely, the affordability of this type of energy, digital and energy literacy, and consumer empowerment. Governments must address these challenges with policies that involve the provision of incentives, consumer education programs and consumer participation in decision-making, in order to increase and maintain consumer confidence in the energy transition.
- It's fundamental that consumer empowerment campaigns point out the economic and social benefits in an accessible and comprehensible language to engage consumers and enhance their awareness for the energy transition.
- In Portugal, the Energy Services Regulatory Authority already foresees several measures addressing consumer empowering, and it has established as its priorities: tackling energy illiteracy by promoting training and information to consumers and other stakeholders on issues related to the energy sector; adapting content according to the receivers, and strengthening public participation in regulatory decision-making.
- Related to affordability, and to ensure that no one is left behind I would like to share with you our experience related to the Portuguese Environmental Fund that finances entities, activities or projects that fall within, for example, the following areas of activity:
 - ✓ Energy efficiency, energies from renewable sources, self-consumption, and renewable energy communities,
 - ✓ Tackling energy poverty;

² (b) Renewable Energy Communities (RECs), allowing consumers to be in a close neighbourhood relationship, i.e. a relationship of physical proximity, and may organise themselves collectively and carry out collective self-consumption among themselves or establish an energy community.

Besides public funding it is also important to guarantee that consumers may find private sources of funding, that allow them to finance their sustainable solutions for clean energy at more favorable conditions, for example in what concerns lower interest rates. This is the case of current green loans.