



CI Global Energy Charter

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We seek a charter that will be universally applicable, incorporating elements, which are relevant to all energy markets. The overriding aim of a global energy charter is the promotion of the right of all consumers to universal access to sustainable energy services.

1. Access

- Governments should initiate mechanisms to reach the goal of universal access to energy services, following the principles of affordability and sustainability.
- Where universal service is not yet in place, and many people are not served they have the right to know what steps are being taken to ensure that they will receive a service in the future and when this is planned to happen.
- Service continuity is a vital part of access; consumers should have the right to regular service availability without arbitrary disconnection or interruption.

2. Sustainability

Governments, regulatory bodies, service providers, and where appropriate, international financial institutions must work together, to:

- reduce wasteful energy production and consumption patterns and promote the supply of sustainable energy - such promotion should include energy efficiency information, such as informative labelling, to help consumers make more informed choices in purchasing energy and energy using appliances
- promote investment in renewable sources of energy and sustainable energy technology, including through the provision of loan facilities and micro-credit schemes
- support sustainable energy technology through public procurement and a supportive legislative framework
- reduce the use of traditional non-renewable sources of energy such as hydro-carbons and promote sustainable alternatives
- provide incentives to consumers and manufacturers to improve their energy efficiency, including conservation/insulation measures which can reduce bills and/or improve comfort levels
- develop formal and published standards of durability for the service with special attention paid to the long-term maintenance of the network infrastructure; records of compliance with such standards should be published.

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Governments must:

- work towards and implement mandatory targets for major, sustainable reductions in greenhouse gas emissions, allocated in line with principles of global equity
- publish reports detailing the monitoring and auditing of compliance with targets - annual reports should cover each country's energy production and consumption profiles
- work with relevant international institutions to agree a global energy strategy to reconcile the objectives of universal access and sustainability.

Consumers must:

- play their part in reducing wasteful energy consumption patterns - to that end there should be readily available information from manufacturers, service providers and governments to inform consumers of innovations and achievable domestic household targets; carbon reductions schemes must enable domestic consumers to participate while adopting measures to protect those on low incomes
- contribute to system sustainability by paying their bills.

3. Choice and flexibility

- Many communities require a range of energy types. Alternative and varied sources of energy provision must be encouraged.
- Access by producers and service providers to the electricity and gas grids, including those under development, must be on a non-discriminatory basis.
- Off-grid production must not be prevented by statutory or contractual monopolies.
- Choice of convenient payment methods should be made available to all consumers.

4. Fairness

- The principle of equitable distribution of service must apply, regardless of social category or geography.
- If the existing networks are subject to cuts in supply, such cuts must be managed in an equitable manner, avoiding discrimination against poor districts, and informing consumers in advance about expected interruptions.
- Price setting is a matter for local political decision but needs to take into account factors such as the population's capacity to pay, costs of production, historic prices and rate of return on capital (regardless of public or private). Consumers should be protected against unmitigated market forces in the setting of tariffs.

- Levels of tariffs charged must be non-discriminatory between different payment methods.
- The allowed cost of capital should be restricted to a 'fair' return, balancing the need for investment with the protection of consumers against undue profits.
- Levels of payment of bills by consumers must be improved and/or maintained at high levels so that all contribute, including public bodies.
- Where subsidies are necessary to ensure access, they should be designed to benefit the non-served and under-served consumers first and foremost.

5. Customer care and support

- There must be contractual rights to service. Where necessary, the contracts should be 'implicit', that is, not necessarily in the form of individualised paper contracts for individual households. Consumer rights need to be clearly identified in order for people to exercise them, but the individual should be able to assert rights even when not in possession of a written contract. This is of particular importance to the one sixth of the world's adults that are illiterate.
- Service providers, in consultation with consumer representatives and local authorities, should draw up contracts for service.
- Low cost procedures for connection must be developed, such as connection fees payable over a period following initial connection.
- Contracts must protect consumers against arbitrary disconnection and should inform them of all tariffs and charges, which should not be subject to arbitrary variation.
- Disconnection for non-payment must only be carried out as a last resort after consumers have been given every opportunity to pay and all reasonable efforts have been made to negotiate payment plans; all possible avenues for financial assistance, such as social security entitlements, should have been explored before such a serious measure as disconnection is undertaken.
- Billing must be accurate and verifiable by independent assessors in the event of disputes.
- Methods of payment must be convenient. For example, it is well established that consumers on low incomes much prefer to make frequent small payments.
- There must be simple and rapid systems for reporting and rectifying faults, such as interruptions or leak.
- Clear warning must precede scheduled interruptions.
- Assistance must be readily available, free of charge to help consumers understand their bills and make arrangements for payment, especially when in difficulty.
- Information and consumer education should be made readily available to consumers.

6. Mediation and redress

- There must be comprehensive and fair procedures for complaints and claims available free of charge; such procedures could be scrutinised by consumers, local authorities and operators operating in tripartite bodies established for the purpose.
- At a minimum, consumers must not have to pay for service, which they have not received due to interruptions; compensation systems should preferably be developed.
- In the work of the bodies representing consumers (see section 8) there should be clear and formal arrangements for analysis of complaints to inform policy formation.

7. Special assistance

- Special programmes are needed to address the needs of poor consumers - the development of 'targeted' measures to help poor consumers are likely to be more effective than indiscriminate subsidies.
- Subsidies should come from government or through cross-subsidies from locally dominant industries or other consumers. These should focus on helping the poorest most by concentrating on initial connections.
- Any systems of payment that are developed to help those on low incomes must be administered in a non-stigmatised way.
- Special protection is needed for particularly vulnerable consumers, eg the elderly and young children, especially regarding protection from disconnection.

8. Governance and consumer influence

- There should be autonomous, clearly identifiable regulation of prices and performance standards supported by effective legal powers regardless of ownership.
- There must be formal published standards to ensure quality and safety - service providers and relevant authorities must take account of the applicable international standards.
- Through consumer participation and representation in the regulatory process and monitoring, governments must ensure that the views of local communities are properly considered to safeguard their interests, and that options are thoroughly studied at key moments of decision.
- If and when change in industry structure or ownership, such as privatisation, occurs it must always be preceded by effective consumer protection legislation, institutions and regulation.
- Consumer organisations should have an active role in discussions pertaining to major policy decisions, including private sector participation, which must be transparent and include public access to relevant documents.

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- Consumer representatives should have the right of access to relevant information in a comprehensible form. They should in turn be free to disclose to those whom they represent. Documents must disclose such matters as proposed cost and price policy, and service contracts between, for example, local government and service providers.
- Consumer representation bodies should have safeguards for their independence.
- There should be right of appeal for consumers and their representatives against decisions of regulators.
- When governments make commitments under international trade agreements to commit utilities for liberalisation, they must be able to retain the right to regulate.
- The final responsibility for providing consumer access to energy services must rest with governments whose actions in that regard should be subject to public review and redress.

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Consumers International (CI) is the only independent global campaigning voice for consumers. With over 220 member organisations in 115 countries, we are building a powerful international consumer movement to help protect and empower consumers everywhere.

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