eurelectric

POWER 2 PEOPLE

5 commitments to support residential customers in their energy transition

Eurelectric policy recommendations

June 2025

Power2People: 5 commitments to support **residential** customers in their energy transition

Contents

1. Introduction: turning pledges into commitments

In 2020 and 2021 Eurelectric conducted a consumer survey and took 15 pledges to support household customers in the energy transition. European suppliers remain committed to these pledges, but the energy crisis has accelerated the energy transition prompting us to revisit and update these pledges to embrace these circumstances.

That is why Eurelectric and Accenture conducted a new survey in June 2024 to gauge the status quo of consumer engagement in 12 EU countries[1] and to explore the barriers holding back consumers to further engage in the aftermath of the energy crisis[2]. We also asked consumers about their experience with suppliers' services and products. Plus, we held four roundtable discussions at our member firms in Sweden, Spain, Hungary, and the Netherlands where national stakeholder representatives identified barriers to consumer engagement in their national market and tried to find solutions to help consumers engage.

The insights from the survey and roundtable discussions help suppliers better understand customer preferences and what barriers exist for consumer engagement. We have used the information and insights to define updated commitments to customers with one clear message: we, European electricity suppliers, want to strengthen our efforts to empower household consumers so they can electrify their energy consumption and get involved in the energy transition while respecting their individual preferences, capabilities, and expectations.

The energy transition and digitisation are changing the European energy system and redefine the supplier-customer relationship as well as diversify consumer profiles. In recent years consumers in many Member States have started to participate in the transition as prosumers. Consumers increasingly care about what electricity prices they can get, and they acquaint themselves with the benefits of flexible consumption or have already integrated demand flexibility into their daily routines. Plus, new legislation has paved the way for consumers to participate in concepts like energy sharing or energy communities.

This in turn has reshaped the role of suppliers and their business models. Suppliers' profile used to be one-dimensional and one-directional: supplying customers with electricity. Nowadays suppliers go beyond just supplying by providing customer solutions such as energy management systems and home charging stations for EVs. Suppliers help prosumers sell their self-generated renewable energy on wholesale, balancing, and flexibility markets. Suppliers increasingly offer contracts that go beyond traditional single-fixed rate volume-based contracts, providing a wider choice of contracts. These encompass variable price elements, time-of-use rates, or hybrid contracts combing both fixed and variable price elements incentivising customers to take advantage of market price signals should they choose to.

At the same time, many consumers remain unaware, indifferent, or unable to actively participate in the transition. In the latter, often due to structural, personal, or external circumstances such as financial or housing situation or digital illiteracy. It is therefore essential for us to engage and support as many customers as possible on their energy transition journey and to facilitate the electrification of household energy consumption. Knowledge and awareness are key enablers to this, helping to improve consumer understanding and build

[1] Greece, Belgium, Sweden, Estonia, Romania, Portugal, Netherlands, Ireland, Czechia, Italy, Germany, France

[2] Power2People - a survey to support residential customers in their energy transition

trust. This, in turn, empowers consumers to take advantage of the opportunities that can be unlocked through behavioural change and electrification which drives decarbonisation and energy efficiency.

And so, we have been taking things to the next level. Our ambitions are clear: we are determined and committed to further strengthen our position as trusted partners for consumers. We want to empower them with solutions and offers and give them the required information they need to embrace and seize the new opportunities of an electrified energy system.

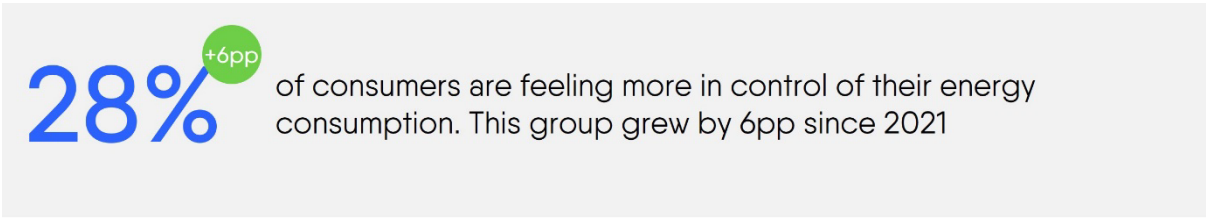
2. Consumer engagement in the EU: four findings from our survey

1. Electrification: clean[3] and affordable energy is available in abundance for households

Firstly, our 2024 survey shows that 8 out of 10 household consumers report taking actions to reduce their environmental impact, hence engaging in the energy transition, this is the same share as was reported in 2021. This is achieved, for example, through energy efficiency, energy conservation, and actively avoiding emissions rather than actions that advance electrification [4].

This demonstrates that the energy crisis has left a deep impact on consumers' electricity consumption behaviour, prompted by public campaigns and increased retail prices which forced both household and industrial consumers to reduce, or optimise their electricity consumption. As a result, electricity demand has dropped in the EU since 2021[5].

This is further underscored in our survey: household consumers are increasingly curious and aware about their supplier's tips, products and services that help them reduce their energy costs and energy use. As a result, 28% state that they now have more control over their energy costs.



Source: Power2People – A survey assessing engagement of European residential customers in the energy transition, Eurelectric & Accenture, 2025.

[3] Clean to be understood as renewable, low-carbon, decarbonised electricity generation technologies included in article 4 of the Net-Zero Industry Act
[4] Top answers for actions (multiple choice): switching to LED bulbs (68%); reducing consumption (55%); using energy efficient appliances (47%), greater use of public transport (43%); shifting consumption to off-peak hours (27%); home insulation (24%); investments in energy efficiency solutions at home (18%); reduction of number of flights (18%), bought or leased an EV (6%)
[5] Eurelectric's 2024 Power Barometer (pdf page 8): link to PowerPoint presentation

Without a doubt, in an energy system dominated by fossil fuels the above actions have been necessary and crucial to reduce both Europe's reliance on fossil fuels and their role in the marginal pricing system of the EU electricity market.

Decarbonisation is advancing as renewable and low-carbon energy sources are successively pushing out fossil fuels in the energy mix of many Member States post energy crisis. This clean and direct electrification is the most sustainable, quickest, and cost-effective way to decarbonise household energy consumption and the best way for consumers to improve their energy efficiency and access more affordable energy.

Furthermore, the surge in negative wholesale spot price hours in 2023 and 2024[6] across the EU demonstrates the potential for consumers to benefit from the abundance of cheap clean electricity if the potential was unlocked. Wide scale access to this electricity could become a reality if grids and interconnectors were sufficiently built out to deliver this clean electricity to consumers and if consumers, to the extent of their capacities, collectively took up demand flexibility behaviour, i.e. to collectively using this clean electricity at the times when it is abundantly available. The latter is one focus area of our commitments.

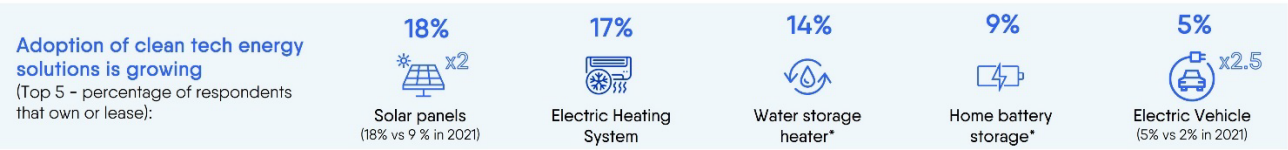
2. Endurance & Tenacity: the transition might advance slower than expected

Secondly, achieving comprehensive consumer engagement in large parts of society is a marathon, not a sprint. It takes time, endurance, and patience. This particularly pertains to the behavioural change required on the consumer side to adapt and adopt the changes needed to support a more decarbonised the energy system.

Our 2024 consumer survey conducted in 12 EU countries supports this point. We did not observe a groundbreaking change; 2024 answers largely align with those in 2021. For instance, consumers' attitudes towards the environment have not changed after energy crisis. The stagnating electrification rate over the past years (23%) in the EU is another indicator supporting this[7].

Nevertheless, we observe a slight (EVs) and notable (solar) upward trend in electrification with consumers using solar PV and EVs, therefore demonstrating that consumer engagement through electrification is increasing in these two areas:

- **18%** of respondents use solar PV to produce their own electricity (9% in 2021)
- **5%** of respondents own or lease an EV (2% in 2021)



Source: Power2People – A survey assessing engagement of European residential customers in the energy transition, Eurelectric & Accenture, 2025.

[6] Eurelectric's 2024 Power Barometer (pdf page 10): link to PowerPoint presentation
[7] Eurelectric's 2024 Power Barometer (pdf page 5): link to PowerPoint presentation

3. Upfront Costs: the no. 1 barrier for further household engagement and direct electrification

Thirdly, electrifying household consumption is the long-term key objective. Despite the positive trend of growing numbers of solar PV installations and EVs, we do not believe that it will be possible in the short run to turn most consumers into full prosumers given the average EU citizen does not have the financial means to afford an EV or solar PV installation, or storage solution. While our 2024 survey conducted in 12 EU countries shows that 18% of consumers own a solar PV installation, only 3.3% of EU citizens were prosumers in 2023 according to ACER (median share)[8].

The overarching take-away from our consumer survey supports this: investment costs remain the main barrier to enabling consumers to electrify their energy consumption when it comes to switching to EVs or to electric heating systems or indeed installing equipment to generate and store their own renewable electricity.

This underscores the need for a realignment of the prospects and progress of consumers being involved as prosumers in the transition which is reflected in the lack of financial incentives for EVs and renewable energy installations.

Having said that, various means of action and engagement do exist between a traditional consumer and a prosumer which hold financial benefits for consumers and that are conducive to an electrified, and in some countries more decentralised, energy system.

So, the near future focus should not be solely on promoting participation that comes with high upfront costs and investments like renewable energy installations, EVs, or heat pumps, but equally on measures that give consumers an easy and soft introduction to their electrification engagement journey.

This encompasses things that yield easy (financial) gains or savings through relatively small behavioural changes such as demand flexibility which at the same time benefit grid management. Plus, we see a strong need and potential in educating consumers and raise awareness about the various options and opportunities to get engaged.

4. Consumer Profiles: engagement levels differ

Fourthly, consumers advance at different levels and pace on their energy transition journey. Hence it is important to differentiate between consumer groups based on their capabilities, possibilities, and willingness to engage. We have differentiated four types of consumers according to their level of engagement in the energy transition:

[8]ACER 2024 Retail Market Monitoring Report (paragraph 65 and figure 9): acer.europa.eu/sites/default/files/documents/Publications/ACER-CEER_2024_MMR_Retail.pdf

1. **Engaged consumers**: generally willing to engage, either prosumers (fully engaged) or those who use smart meters, innovative contracts, smart energy management systems

2. **Undecided consumers**: inhibitions to participate or risk averse

3. **Disengaged consumers**: unaware of options or indifferent to participate

4. **Constrained consumers**: cannot or only hardly participate due to personal or external circumstances such as financial or housing situation or digital illiteracy that prevent them from making independent decisions. For instance, vulnerable and energy-poor consumers

Every consumer group needs to be approached in a dedicated and tailored way to tap into and maximise their engagement potential while acknowledging and respecting the individual circumstances and preferences. We are giving credit to these distinctions in our commitments where possible. However, this is a two-way street that also requires customers to reciprocate and cooperate with their supplier.

We specifically acknowledge and highlight the issue of digital illiteracy. While it has not been part of our consumer survey it is a fundamental hurdle to engage with digitised solutions such as smart meters or home energy management systems. On average 55% of Europeans have basic digital skills[9].

3. The starting point of our commitments: competitive retail markets

The basic requirement for our commitments to be effective are well-functioning and competitive retail markets based on market-based supply prices. This facilitates the development of flexibility and increases the incentive for consumers to choose a contract that benefits flexible consumption according to direct or indirect market price signals. Also, this market environment is indispensable for suppliers to innovate and develop new products, services, and customer solutions that support consumers' participation in the transition.

Most importantly, competitive retail markets guarantee contract innovation and contract choice for consumers so that they can choose the supplier that offers the best rates, value, and support and choose according to their personal preferences and capabilities to participate in the transition. This ultimately supports affordable electricity prices. Insights from our survey show that consumers are aware and actively leverage the options available to them:

[9] Digital skills in 2023: impact of education and age - News articles - Eurostat

Source: Power2People – A survey assessing engagement of European residential customers in the energy transition, Eurelectric & Accenture, 2025.

Electricity contracts vary greatly, ranging from fully dynamic electricity price contracts to fixed-price electricity price contracts (see chart below). Well-informed consumers should be allowed to decide which contract fits their risk profile and aligns with their preference to engage with price signals. For instance, prosumers might be more inclined to choose a fully variable price contract while other consumers might prefer hybrid contracts or contracts with fixed time-of-use elements.

We suppliers want to further increase awareness of our contract offerings and promote a variety of contracts that consumers are requesting while appreciating that certain suppliers have specialised in offering only specific contract types, often dynamic price contracts. We will do this according to consumers' personal preferences and capabilities and by promoting well-functioning and competitive electricity retail markets.

Additionally, we will provide transparent information about the elements of our offers so consumers can make the best decision when choosing their contract. Regarding contracts with dynamic price elements, we will pay particular attention to highlighting their inherent risks and benefits. The summaries of key-contractual terms and conditions as pre-contractual information as required per article 11, 1a of the Electricity Directive could serve as an additional instrument for suppliers to convey these contractual elements concisely and transparently.

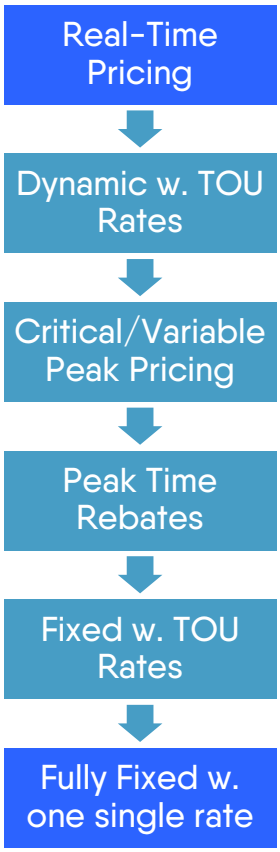
As mentioned, the full potential of contract choice can only be tapped in competitive retail markets that, at the same time, are able to withstand crises to serve customers and to ensure secure supply of electricity.

This is a fundamental regulatory aspect is reflected in the European Electricity Market Directive too:

Healthy competition in retail markets is essential to ensuring the market-driven deployment of innovative new services that address consumers' changing needs and abilities [...]

Thus, to enhance the conditions for contract choice, Member States should enforce market-based supply prices and phase out any retail price regulation affecting fair competition, particularly below-cost regulation, in line with the conditions in Article 5 of the Electricity Directive. We urge the Commission to clearly emphasise this in its review report on Article 5 of the Directive.

Illustration: the range of contracts choice



4. Eurelectric's 5 Commitments to Customers

We have structured the sections of Commitments as follows:

Commitment Headline
- i) Possible actions and options to deliver the commitment
- ii) Policy recommendations
- iii) Supplier use cases

Regarding the actions and options to deliver the commitments (i), we note that these are not – and cannot be – applied and used by every single supplier in our association. These measures should be understood as examples used by European suppliers.

Whether to apply these measures is at the discretion of each individual supplier as business strategies differ. This also depends on the specific features of the national electricity markets, for instance, customer segment characteristics, the level of digitisation and digital literacy, the role and responsibilities of government bodies, or customers' experience of being exposed to price signals.

1. Communication for Consumer Empowerment

We commit to targeted communication to customer groups including the use of digital channels and tools to provide more opportunities and support for them to engage.

43% of consumers feel empowered by the advice, tips and products of their suppliers that help control energy costs which is a positive development. On the other hand, our survey suggests there is more to be done to reach customers with our messaging as still many customers feel insufficiently empowered to contribute to the transition (26%) and are indifferent to participate (30%):

Source: Power2People – A survey assessing engagement of European residential customers in the energy transition, Eurelectric & Accenture, 2025.

Thus, suppliers want to increase efforts through communication and customer service to appeal to customers and highlight the benefits of engaging in the transition.

i. Possible actions and options to deliver the commitment:

- Personalised messaging and reminders about offers or tips about energy efficiency and demand flexibility. This can be particularly promising during moments of change when customers are more prone to change habits, for instance: investments in new appliances or moving houses/apartments.

- Ad-hoc reach out to customers (emails, texts, SMS, app notifications) if they agreed to be contacted: informing them about one-off events like low price hours on the next day so they can save costs by shifting their consumption to those low-price hours (demand flexibility) or earn rewards by increasing the demand of their demand response technologies (EV or battery storage).

- Offer customer services in different languages and operate physical customer service points where feasible and necessary. This caters to customers' varying capabilities and preferences in engaging with their supplier.

- Communicate content and benefits that are understandable, persuasive and appealing to all customer target groups and their individual motivations to maximise their potential to engage. Consumers are driven by various motives to engage: cost savings, trying a new technology, reducing environmental impact, improving health, increase property value, energy autonomy/self-sufficiency etc.

- Concerns about how suppliers use personal data, about the reliability and suitability of heat pumps and EVs, and about potential hidden costs loom large when consumers contemplate decisions. We will proactively address those concerns and misconceptions by transparently sharing balanced and evidence-based information.

- Recognise customers that have successfully engaged in the transition, for instance, by highlighting their efforts and achievements on the energy bill.

- Share stories about customers' positive experience with participative actions to trigger positive feedback loops. This initiates peer conversations amongst consumers and could convince undecided or unaware consumers to engage.

ii. Policy recommendations:

- Consider introducing 'energy spots' as done in Portugal and other Member States. These are physical 'one-stop-shops' that provide technical support to citizens, information and advice on energy efficiency, or renewable energy and financing programs for energy improvements.

iii. Supplier examples/projects:

Explore how electricity suppliers are putting this commitment into action in Eurelectric's dedicated case studies collection

2. Engagement & Inclusion for All Consumers

We commit to increasing communication to customers about the long-term savings and financial benefits of decarbonising and electrifying their energy consumption through heat pumps, EVs, and self-generated solar power in conjunction with our products, services, and customer solutions.

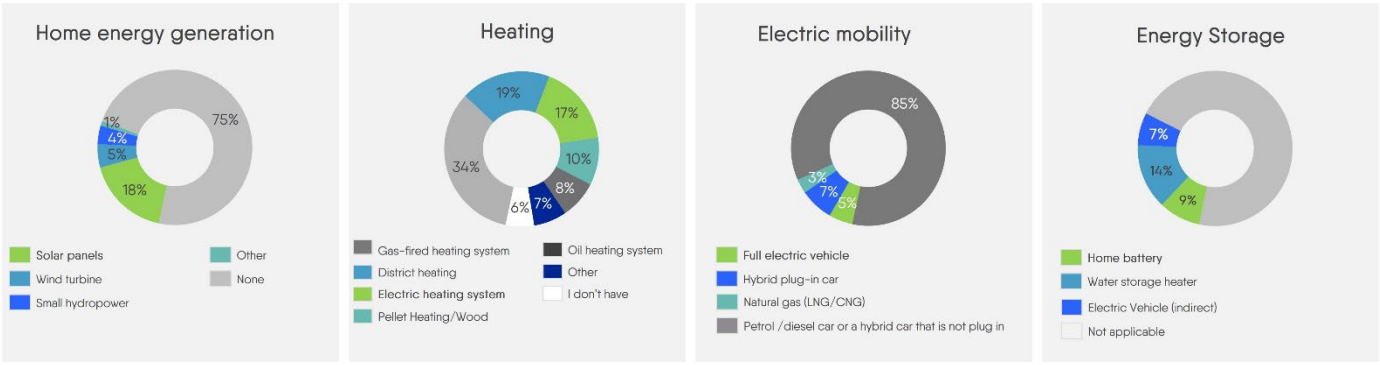
We commit to supporting initiatives for consumers constrained in their ability to actively participate where support is not integrated in the national social policy framework.

The main outcome from both our 2021 & 2024 survey is that consumers perceive (upfront) costs as the main barrier for engaging in actions that drive electrification. 2 out of 10 customers are not engaging. 51% of them are held back from engaging by financial and cost concerns (see figure above in section #1).

This cost concern is reflected in the survey answers for installing equipment to generate or store electricity, switching to electric heating systems, and buying EVs:

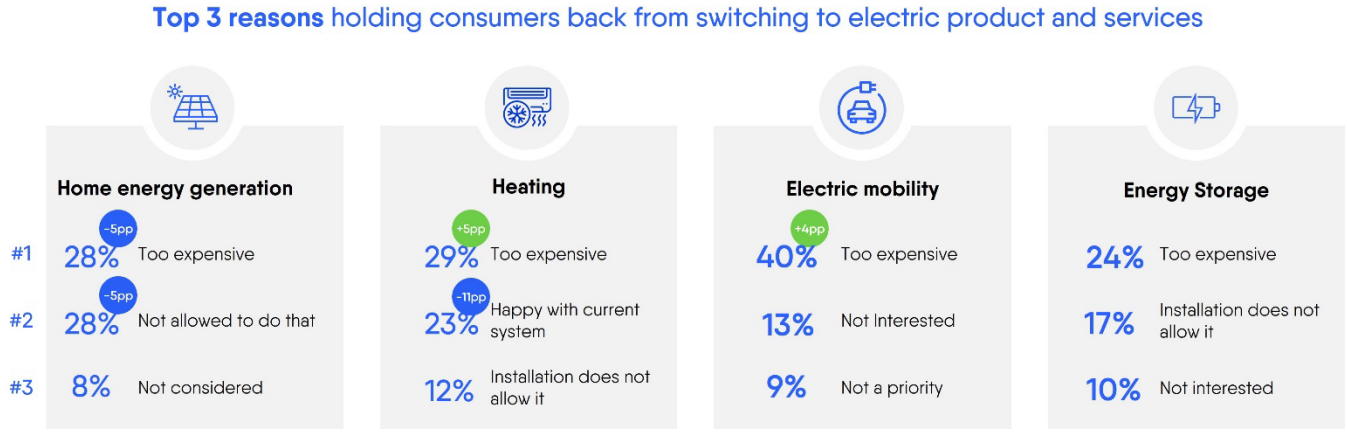
- 75% do not use devices and equipment to generate their own electricity.
- 83% of consumers do not have an electric heating system in their home. 75% of them are unlikely to switch to such system in the next 12 months.
- 77% of those who do not have an EV do not consider switching to an EV in the next 12 months.
- 73% do not use devices and equipment to store electricity (home battery, EV etc).

Consumer uptake of home electricity generation, heating, electric mobility and storage:



Source: Power2People – A survey assessing engagement of European residential customers in the energy transition, Eurelectric & Accenture, 2025.

Price or cost concerns are the number one barrier for consumers to take on these solutions:



Source: Power2People – A survey assessing engagement of European residential customers in the energy transition, Eurelectric & Accenture, 2025.

Also, our survey shows that 11% of people feel less able to control their energy costs. 32% of them due to increased energy costs and 13% due to worsened financial situation.

i. Possible actions and options to deliver the commitment:

- We will increase our efforts to highlight the long-term benefits of heat pumps, EVs, and solar PV in terms of energy savings and financial benefits in conjunction with our

products, services and solutions such as home charging stations, energy management devices, or demand side response programs etc.

- Some Member States have fully integrated support for constrained consumers into their national social policy framework. Where support for these consumers is instead addressed through separate measures, we commit to assist social services in their efforts to fight energy poverty and vulnerability by partnering with social housing associations or NGOs on projects that give those consumer groups direct access to renewable energies for self-consumption and to retrofitting measures and renovation of homes.

ii. Policy recommendations:

- We advocate for lower levels of taxes and levies in electricity bills. On EU average, electricity is currently taxed 1.4 times more than gas[10].
- We extend this call to tax incentives or rebates for solar PV, battery storage, electric heating systems, and for EVs to help consumers with upfront costs.
- Provide financial support to facilitate customers' access to advanced and innovative energy services by mitigating upfront costs and allowing for co-investment.
- We advocate for targeted support to vulnerable and energy-poor customers through social policies to ensure customers who benefit are those who genuinely need such support.
- Strengthen the role of social services in early on identifying and supporting vulnerable and low-income customers.
- Social policies could also be combined with self-consumption concepts, for instance, solar PV contracting models or 'landlord-to-tenant electricity' models. In the latter, electricity is generated by a solar installation on the rooftop of a residential building and then passed on directly, i.e. without passing through the distribution grid, to the final consumers living within that building. Such and similar projects could be implemented by social housing organisations too.
- Contemplate the introduction of energy poverty observatories to monitor the evolution of energy poverty, steer public policies to fight energy poverty, and to promote coordination between different policy areas.

iii. Supplier examples/projects:

Explore how electricity suppliers are putting this commitment into action in Eurelectric's dedicated case studies collection

[10] Eurelectric Power Barometer 2024 – Slide 70

3. Energy Efficiency Measures

We commit to providing information and advice on the benefits of energy efficiency[11] measures and on behavioural changes yielding energy and financial savings.

We commit to providing products, services and smart applications that allow customers to leverage technology to monitor, compare, and optimise their consumption.

Decarbonisation and electrification are the most efficient and cost-effective paths forward to attain a sustainable transition. Electrification reduces final energy demand as the efficiency of electric technologies is generally much higher than fossil fuel-based alternatives. In a net-zero scenario, direct electrification delivers three- to fivefold energy efficiency improvements for end users. In short: electrification is efficiency.

For example, shifting from internal combustion engine (ICE) vehicles to electric vehicles (EVs) reduces energy consumption for private transportation by a factor of three. Similarly, replacing gas boilers with heat pumps can cut household energy use for space heating by a factor of three to five. These efficiency gains are essential in reducing overall energy demand, which, combined with electrification, could lower the average EU household energy bill by 45% across all energy sources[12].

We suppliers commit to inform and advise consumers on the benefits of energy efficiency actions and behavioural changes that could deliver energy and financial savings. For instance, we can provide detailed and accurate metering data in a user-friendly format as well as services, products, and devices that allow customers to monitor and compare their consumption as a basis to decide on investing in energy efficiency measures. Consumers engaging in the transition stated in our survey that they reduce energy consumption (55%) and use energy efficient appliances (47%).

With regards to those consumers who are constrained in their ability to engage, often vulnerable and/or energy poor households, it is particularly important to come up with solutions that will allow them to save energy and money in the longer run. Structural energy efficiency support measures such as deep renovations and retrofitting of buildings are the most effective way to involve those consumers as they benefit from energy savings in their homes. Governments have to offer financial support schemes such as grants, loans, or tax incentives for landlords and consumers to take on these deep energy efficiency measures.

i. Possible actions and options to deliver the commitment:

- Provide resources, guidance, tips about energy saving actions to effectively cut through ingrained energy consumption habits and to help consumers adopt new energy saving habits. For instance, what are low-impact activities and what are actions yielding the most savings. We will particularly try to convey such advice and tips when a smart meter is installed or when the customer signs up for a new service or tariff.

- Encourage customers to use digital and smart tools that help them understand, compare and optimise their consumption.

[11] Energy efficiency put simple: to use less energy for the same output, for instance, by switching to a more energy efficient appliance yielding energy and cost savings
[12] Eurelectric's Grids4Speed 2024 – slides 53-54: Grids-for-Speed_Report_FINAL_Clean.pdf

- Provide timely and accurate metering data in user-friendly format so customers receive feedback on their energy consumption and can derive energy efficiency actions. For instance, showing consumption based on current habits vs lower consumption based on altered habits.

- Collaborate with energy auditor companies, energy consultancies, or energy service companies (ESCOs) to inform homeowners about energy efficiency actions and benefits.

- Where feasible, collaborate with home appliance manufacturers to integrate energy-saving features in products making energy savings more effortless and incorporating energy saving habits into peoples' daily lives.

ii. Policy recommendations:

- We ask governments to find ways to de-risk investments into energy efficiency measures.

- We ask governments to offer free energy audits for consumers or to subsidise retailers in expanding their energy audit offers.

- We ask governments to offer incentives such as tax breaks or subsidies for homeowners who pro-actively want to upgrade their homes through renovations and retrofitting or replace energy-inefficient appliances. It should be clearly explained what the reasons for these incentives are and how consumers can benefit from them.

- We advocate for the development of independent evaluation tools to assess the financial viability and energy savings of energy efficiency investments designed in partnership with the financial sector.

iii. Supplier examples/projects:

Explore how electricity suppliers are putting this commitment into action in Eurelectric's dedicated case studies collection

4. Products & Services

We commit to leveraging technology by innovating, simplifying and automating our products and services that advance household electrification and that empower customers with more control over their electricity consumption.

We get it, household customers have more fun and exciting things to do than staring at their smart meter and mobile app to catch the most convenient hours to turn on their washing

machine and charge their EV. Many customers want simplicity, comfort, and convenience. We commit to simplify and automatise our programmes, tools, devices and apps so customers can kick back and go about their daily lives as much as possible without having to constantly remember to engage.

This is reflected in the European Electricity Market Directive too:

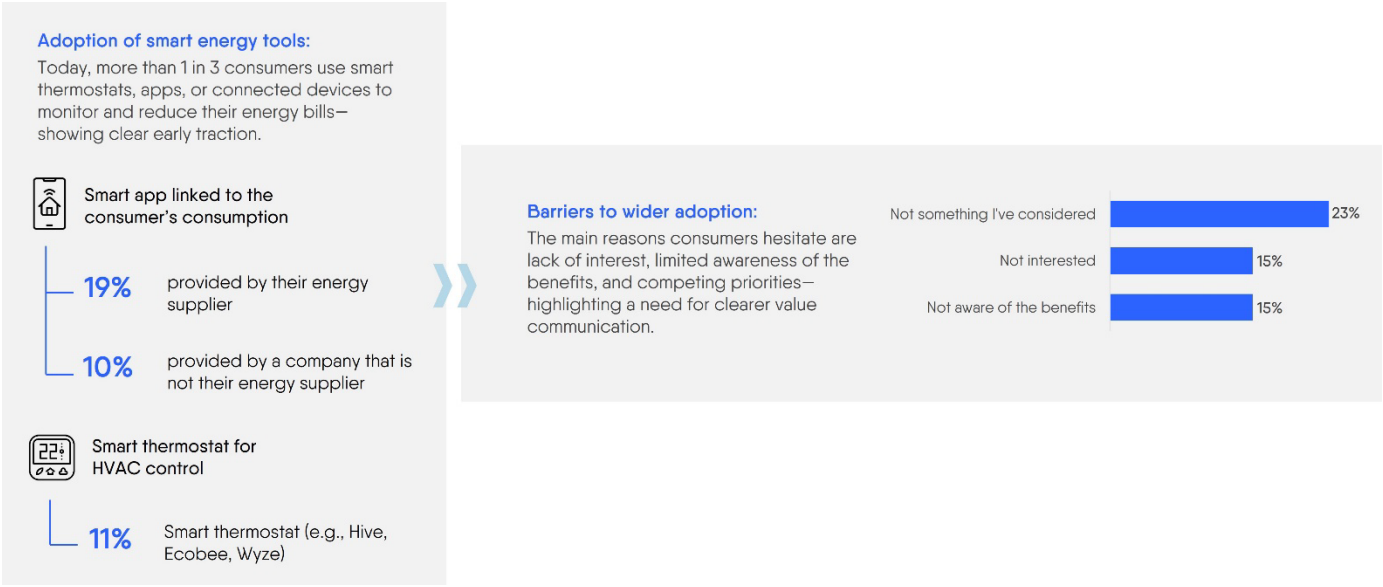
By empowering consumers and providing them with the tools to participate more in the energy market, including participating in new ways, it is intended that citizens in the Union benefit from the internal market for electricity [...]

The insights from our 2024 survey clearly show that there is more potential for suppliers to make consumers aware of their products and solutions to convince unaware, undecided, indifferent consumers alike to take these up.

In our survey, 39% of consumers state that they are aware of their supplier's product and service offers that give them more choice in how to meet their home energy needs. However, in turn, around 60% of consumers either have limited knowledge or are not aware at all of such products and services portfolio of their supplier.

Source: Power2People – A survey assessing engagement of European residential customers in the energy transition, Eurelectric & Accenture, 2025.

- Only 19% of customers use smart energy apps from their supplier and only 11% use smart thermostats to control their consumption at home. 54% do not use them mainly due to indifference, unawareness, disinterest, costs.



Source: Power2People – A survey assessing engagement of European residential customers in the energy transition, Eurelectric & Accenture, 2025.

i. Possible actions and options to deliver the commitment:

- User-friendly and easy-to-understand digital interfaces to navigate and operate apps and management systems of EVs, heat pumps, thermostats. For instance, use of simple language, visual hints, default settings so customers can easily interpret the data and information.

- Some customers prefer fully automated solutions including remote control over their assets while others might perceive these as intrusive and prefer manual control. Hence, we provide customers choice about how to participate in demand flexibility actions and demand-response programs, including the option for customers to disable automated functions of their devices

ii. Policy recommendations:

- National common interoperability standards for heat pumps, thermostats, EV chargers and more, so these are compatible with each other which will increase the ability of prosumers to participate in demand-response programs and aggregator schemes.

- We support the development of trustworthy and independent comparison tools that not only help consumers make a decision about their contract but that also give information about the smart devices and information services provided with the contract.

- Policymakers must ensure that the regulatory framework is stable and market-driven, fostering a competitive electricity market and the freedom to innovate products and services that meet customer needs. Legislation that is too prescriptive and detailed dampens innovation.

iii. Supplier examples/projects:

Explore how electricity suppliers are putting this commitment into action in Eurelectric's dedicated case studies collection

5. Demand Flexibility

We commit to advancing broad behavioural change towards more flexible energy consumption. We will support this by promoting or informing consumers about flexible consumption opportunities whilst being conscious of any risks. We believe that this behavioural change can deliver energy and financial savings, as well as benefitting the wider energy system.

When and how consumers use energy becomes increasingly relevant. Demand flexibility[13] as an approach is widely available to consumers even without acquiring technologies suitable for demand-response like heat pumps, EVs, or storage equipment and without participating in explicit demand-response[14] programs. However, demand flexibility requires consumers to change their energy consumption patterns towards more deliberate planning.

This notion is reflected in the European Electricity Market Directive too:

Consumers have an essential role to play in achieving the flexibility necessary to adapt the electricity system to variable and distributed renewable electricity generation.

All consumers should be able to benefit from directly participating in the market, in particular by adjusting their consumption according to market signals and, in return, benefiting from lower electricity prices or other incentive payments.

On one hand, we suppliers do not impose contracts on our customers that we think can deliver demand flexibility. However, on the other hand, we are conscious about the importance of changing consumer energy consumption habits in response to volatile renewable energy generation, the needs of the grid and to reduce grid management costs.

Such flexibility behaviour is an easy way to engage a large number of consumers and to start off their energy transition journey. Many types of contracts hold potential for demand

[13] Demand flexibility (implicit demand response): ability of household customers to adjust and optimise their electricity consumption patterns and habits as a response to external signals like price signals or grid conditions. For instance, in response to variable prices or time-of-use rates of the electricity supply contract, or to grid off-peak price hours. This can encompass shifting energy consumption to different times of the day or optimising the use of energy-efficient appliances.

[14] Demand response (explicit demand response): customers reduce, increase, or shift energy consumption during peak demand and off-peak periods upon request from their supplier, aggregator, or grid operator. Often as part of demand-response programs of suppliers that involves communication, incentives, rewards for customers' participation or as part of an organised market (through aggregation)

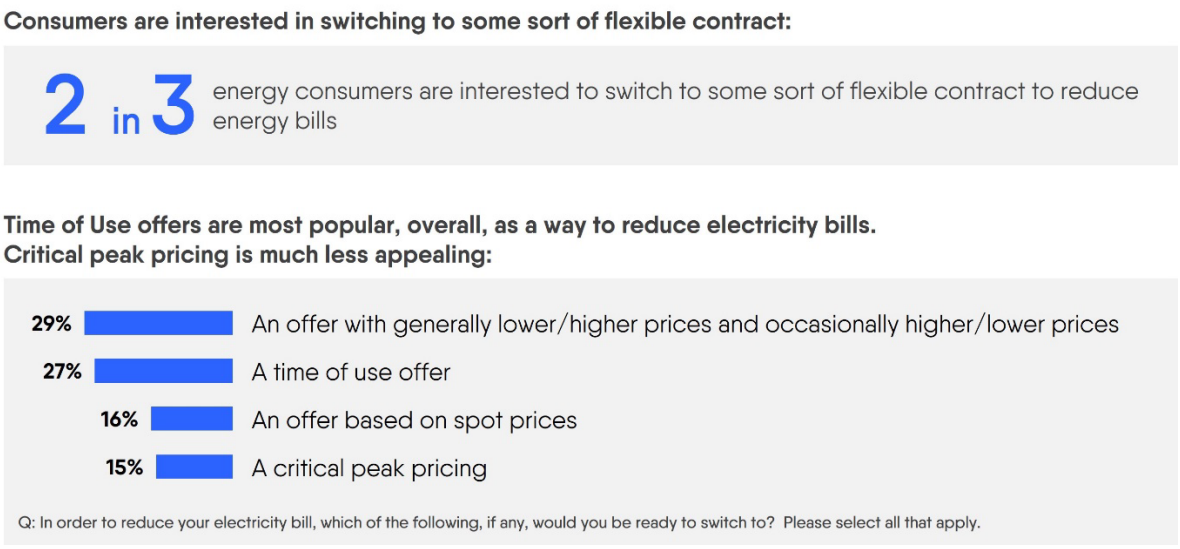
flexibility, and so we advise customers to contact their supplier to explore the range of contracts that could incentivise flexible consumption and that fit their preferences.

We believe that flexible consumption can be sufficiently stimulated in free and competitive retail markets that provide unregulated price signals, especially when choosing contracts that reflect in their tariffs the varying wholesale market price throughout the day. However, suppliers can further incentivise demand flexibility through manual and automated demand-response programmes. Hence, customers can yield cost savings and rewards from their suppliers through behavioural consumption changes that do not necessarily require smart meters and that can contribute to grid stability.

Attaining structural behavioural change is a marathon and takes time. Based on our survey 27% of consumers who claim to be engaged in the transition do so through demand flexibility. Hence, the first step to increase that share is to inform customers and raise awareness of their demand flexibility options which could be particularly promising to sway undecided, unaware, and indifferent cohorts.

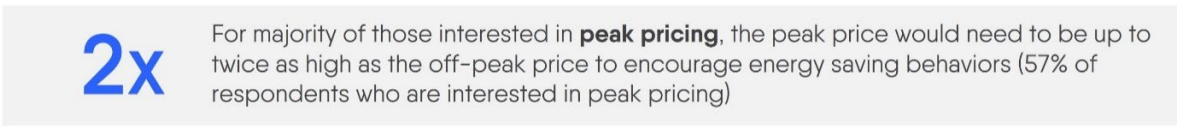
We support this objective by promoting or informing customers on the benefits of demand flexibility whilst being conscious of any risks. For instance, encouraging the use of electrical household appliances during off-peak hours, or using home EV charger and heat pumps or charging boilers during hours when electricity is more abundantly available, or discharging stored electricity when electricity from the grid is scarce.

Interestingly, 2 in 3 consumers are ready to switch to a contract that includes variable or dynamic price elements:



Source: Power2People – A survey assessing engagement of European residential customers in the energy transition, Eurelectric & Accenture, 2025.

Also, it seems that those consumers have a pretty clear view about the peak price level that would incentivise them to reduce consumption at peak hours:



Source: Power2People – A survey assessing engagement of European residential customers in the energy transition, Eurelectric & Accenture, 2025.

With regards to consumers who are indifferent to engage or who experience constraints to actively engage in demand flexibility, fixed-price contracts with TOU elements or hybrid contracts may be the most optimal choice to leverage demand flexibility. However, we regard energy efficiency measures and projects that give those consumers direct access to renewable energies for self-consumption as the most appropriate way to involve this customer group in the transition.

i. Possible actions and options to deliver the commitment:

- Support initiatives
  - that explain the bigger picture: demand flexibility on a broad scale reduces peak demand hours and thus reduces the need for fossil fuel power generation during those peak hours ultimately reducing final electricity prices;
  - that educate consumers on the understanding of on- and off-peak hours and the benefits for them when shifting consumption.
- Provide 'how-to' guides: ways to shift consumption to off-peak hours.
- Improve visualisation of peak-price & off-peak hours in demand flexibility apps through graphs and visualisation so customers can make informed and strategic decisions.
- Offer time-of-use tariffs and contracts: customers pay lower electricity rates in off-peak price hours and higher rates during peak-price hours on these contracts.
- Encourage customers to engage in flexibility actions by promoting participation in manual demand-side programs (e.g. challenges, gamification) or in automated demand-response programs so they can experience tangible benefits according to their preference to control participation. The following is a list of common examples that suppliers already use or could use:
  - consumption challenges and game-like programs (gamification) that either financially reward (energy bill discounts/rebates, cash backs) or symbolically reward (points, certificates, social acknowledgment etc.) energy savings or shifting volumes of consumption to off-peak hours;
  - offer customers to choose free or discounted hours of electricity consumption that are for instance
    - defined in their electricity supply contract, or
    - communicated on an ad-hoc basis as a one-off event. For instance, by announcing via text, email, app notification in advance low-price hours or a peak demand event for the next day to incentivise manual demand shifting
  - when technically feasible, offer services enabling remote steering of prosumers' heat pumps, EV home charging stations, smart thermostats for a limited period of time to temporarily reduce consumption when electricity supply from the grid is low or vice versa. This also entails encouraging

prosumers to participate in suppliers' aggregator schemes or virtual power plants.

- Foster collaboration between electricity stakeholders: joint initiatives between suppliers and system operators to simultaneously and temporarily run demand flexibility campaigns and demand response programs to maximise the impact of customers' peak demand reduction.

ii. Policy recommendations:

- Smart meters significantly increase the options for customers to participate in demand flexibility, therefore smart meter rollout needs to significantly increase in order to accelerate the potential. Fully enabled smart meter capability facilitates the following:
    - data flows to both the customer and supplier from the meter which in turn facilitates energy efficiency
    - capacity reduction at the meter point e.g. in Spain and France
    - greater choice of customer contracts supporting implicit demand flexibility

  However, to fully leverage these points interoperability between meter data and smart devices is key to simplify the need for the customer to take action. Certainly, this must happen within the data privacy rights and be limited to customer-owned data.

- Flexibility implies a great collaboration between balance responsible parties (BRPs)/suppliers, distribution system operators (DSOs), flexibility service providers (FSPs) and regulators. Therefore, the creation of seamlessly integrated end-to-end IT solutions is essential for the deployment and take-off of flexibility markets. Given the plurality of players, regulations must play an essential role in making these IT solutions interoperable & steerable and make data available along the chain. Technical standards must be defined at asset level, interface and platform levels to ensure interoperability and end to end automatisation.

iii. Supplier examples/projects:

Explore how electricity suppliers are putting this commitment into action in Eurelectric's dedicated case studies collection

Dépôt légal: D/2025/12.105/24

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