

CALL FOR PROPOSALS

TERMS OF REFERENCE

'HOW DOES THIS TECHNICAL CONCEPT PRACTICALLY RELATE TO HOUSEHOLD CONSUMERS?'

ASSISTING BEUC WITH BACKGROUND RESEARCH IN ENERGY POLICY

IN BRIEF

We are looking for researchers to help us boil down technical debates in the energy policy world to their relevance for the individual or household consumer.

The topics covered by this research are ones with which BEUC has engaged conceptually but would like more practical insights at the household level.

CONTEXT: BEUC, CONSUMER POLICY, AND ENERGY

The European Consumer Organisation (BEUC) is <u>a network</u> of 44 independent consumer organisations in 31 European countries. The acronym 'BEUC' comes from our legal name, *Bureau Européen des Unions de Consommateurs*. We advocate for protection and choice as drivers of consumer markets. We run our advocacy through representing BEUC's members to the EU institutions and agencies. We also coordinate joint projects and knowledge-sharing activities among our members.

Energy is one of our priorities. We call for homes that are affordable to power, heat and cool. Our aim is to bring affordable, clean energy to all Europe's consumers and support global climate ambitions. BEUC's energy team forms a department together with its sustainability and transport priorities.

BEUC's energy advocacy covers a wide range of topics: affordability, the needs of specific groups of people, the transition to renewable energy, flexible use of electricity, moving away from fossil fuels (e.g. gas grid decommissioning), new or emerging technologies (e.g. heat

pumps), district heating, the renovation of buildings, financing the upfront costs of the energy transition, the digitalisation of the energy sector, new energy services, energy efficiency and labelling schemes. Finally, we cover the traditional nuts and bolts of consumer protection, including precontractual information, bundling of offers, and tackling unfair commercial practices.

This requires BEUC to follow many files and to stay abreast of a swath of market developments. An important principle internally is 'out of silos' – or interdisciplinary thinking – which means we look at the interaction between energy and other policy areas including mobility, digital and consumer rights, financial services, competition policy, the enforcement of legislation, etc. We are also considering the increasingly important role of 'behavioural insights' in order to provide tangible results for consumers.

Finally, we wish to explore how we can go beyond the traditional factors 'price', 'information', and 'redress' and cater to specific needs such as physical and mental health needs, household composition, etc.

OBJECTIVE OF THE RESEARCH

We would like to ask (a) researcher(s) to investigate how a number of technical energy market concepts or elements could impact household consumers, specifically their engagement with this market. The goal is <u>not</u> to formulate policy recommendations, but to have short, practical explainers of how these topics impact consumers either today or might in the future.

It would allow BEUC to check where further investigation is needed, or whether a given topic is simply beyond our remit as organisation. As a result, this project will likely influence the work of BEUC for affordable and clean energy over the next years.

THE RESEARCH AND ITS DELIVERABLES

The study should provide an independent assessment of how specific topics impact or could impact the individual and, if so, in what ways. To this end, the researcher can draw upon academic research, specific views by regulators/think tanks/civil society actors/trade associations, as well as case-studies (from in or outside the EU/Europe).

Crucially, BEUC must be able to use the findings and discuss them with a very diverse audience. The research must therefore **be presented in a clear and accessible language**.

In order to guide the research, **BEUC suggests one or more questions per topic**. However, these questions may be adapted based on suggestions by the researcher.

The study should result in an overview of **max. 4 pages per topic**. This should ideally follow the below logic, although we are open to discuss the exact structure:

- What is this concept? How does it work?
- How does it relate to (household) consumers?
- What regulatory developments EU, national, beyond the EU have there been in recent years?
- Are there case studies of this concept's practical application in terms of consumers and their engagement with the energy market? Is there evidence of benefits and or costs for consumers?

Referencing, in a consistent format at the discretion of the researcher, should be provided. Where relevant, this should link directly pages of publicly available documents.

Annexes may be included to provide further details, for example excerpts of statements by regulators or graphics.

RESEARCH TOPICS AND GUIDING QUESTIONS

- The costs for the maintenance and expansion of the electricity grid (both at Transmission System Operator and Distribution System Operator level)
 - O Guiding questions: Is there research (e.g. a case-study) in Europe about how much the consumer pays in tariffs for the grid compared to the share businesses, the industry, and electricity producers pay both today and what are the expected shares of the costs in the future? Do we know of any financing options, whether from Europe or elsewhere, which would enable a fair(er) distribution of the grid expansion costs between consumers and other actors?
 - Existing BEUC publications: 2024 input to the EU energy agency ACER; Relevant work by Austria's Arbeiterkammer; 2019 study and position paper.
- Bidding zones review / Locational (nodal) price signals
 - Ouiding questions: How is the review of bidding zones relevant to consumers in the context of calls for more flexible behaviour? And what factors should be taken into account at an individual/household level in case of locational price signals, and how are they related to time-based price signals? Are there any potential downsides for consumers of going towards (more) locational price signals and, if yes, how can these be addressed?
 - Further context: Pototschnig (2020); Eicke and Schittekatte (2022); EU energy agency ACER (2022); LCPDelta and Grant Thornton (2023); Florence School of Regulation (2023).

Long-term contracts: Power Purchase Agreements (PPAs) / Contracts for Difference (CfDs)

- Ouiding questions: Are there any situations in which household consumers would directly engage with these long-term contracts, or do they only impact indirectly (via the market)? What existing cases are there of consumers reaping the benefits of these agreements and, if so, what policy or other market dynamics underpinned this? If consumers sell their surplus energy to companies, would this be a PPA?
- o Existing BEUC publications: 2023 paper.

• Flexible connection agreements

- Guiding questions: Can flexible connection agreements relate directly to households and, if so, how? Are there any examples of what this means, and would require, in practice?
- o Further context: Council of European Energy Regulators (2023).

Flexibility markets

- Guiding questions: Through what different ways can consumers engage with flexibility markets and, if so, what are the prerequisites, the advantages and disadvantages?
- Other context: BEUC's members report enquiries from consumers who have received offers from companies that install home batteries to switch some capacity on to the flexibility markets. In return, those consumers receive a fee for doing so depending on prices on the balancing market (on top of the financial incentive that a dynamic tariff can provide). But for now, there is little transparency on how much benefit participation in those flexibility markets can bring to consumers and what potential disadvantages there are.

Business cases for, and commercial relationships in, energy sharing

- Guiding questions: Are there any examples of business cases e.g. with suppliers acting as organisers – for energy sharing? If so, what are important contractual, commercial and technical aspects for households to beware of?
- o <u>Existing BEUC publications: 2023 two-pager; 2023 paper.</u>
- o Other context: Heinrich-Boell Stiftung (2024); Eurelectric (2024).

Data spaces in energy

- Ouiding question: In how far do we need data spaces to enable consumers to use electricity more flexibly? How can it be ensured that any energy data space, for instance the proposed Common European Energy Data Space, does not contradict the EU's present or future digital legislation, and allows consumers to keep control over what data they share?
- <u>Further context:</u> <u>European Commission: Directorate-General for Energy,</u> <u>Berkhout, V., Villeviere, C., Bergsträßer, J., Klobasa, M. et al. (2023); SITRA (2024); European Economic and Social Committee (2024); OASC (2024).</u>

WHAT BEUC WILL DO WITH THIS RESEARCH

- 1. The first use of this research is to inform BEUC's advocacy work. With a better understanding of the (potential) practical, real-life impacts of these topics we will be able to relate this to consumer behaviour and policies.
- 2. We will disseminate the research to the BEUC network via our organisation's extranet, in order to build capacity on those topics among our member organisations.
- 3. BEUC and its members may consequently decide to issue specific policy recommendations on these topics.
- 4. BEUC and its members may publish this research, wholly or in parts, to contextualise our work and engage with the above topics going forward.

TIMELINE

We would like the work to be done as soon as possible, but at the latest by May 31, 2025.

BEUC envisions this work to take between 10 and 15 days.

The exact workflow can be decided with the successful contractor, but should include:

- 1. **March:** An initial meeting to allow the researcher to provide feedback on the themes and guiding questions. Are any adaptations needed? BEUC can also further contextualise any of the topics, and our internal thinking about them.
- 2. **March-mid April:** Researcher to develop a draft. It could be foreseen to start with one topic and use this to discuss whether the suggested research approach (see "The research and its deliverables") fits BEUC's needs.
- 3. End of April-early May: Draft ready. Researcher and BEUC to meet to discuss.
- 4. **End of May:** Final reports ready. Depending on the researcher's willingness, BEUC may invite them to present parts of their work to the BEUC membership.

A BEUC staffer will be available for any on-the-go questions by the researcher(s) beyond the above core meetings.

SUBMISSION OF PROPOSALS

- An offer for the costs of said research, divided per topic. This offer should specify how many days will be spent (see also the previous section).
- A short biography of the researcher(s), their affiliation, and their experience.
- A sample of previous research work relevant to social/household aspects of the energy transition.

- Contact information of the researcher.
- Any other info the applicant wishes to share.
- Deadline for applications: Tuesday, 11/03/2025 (23.59 Brussels time). To be sent to energy@beuc.eu.

RESEARCHER(S)

When considering the offers, priority will be given to researcher(s) that has/have a prominent role with a high reputation in the field of energy policy. They may need to work with other experts to discuss any interdisciplinary issues.

BUDGET

The total budget allocated for this study is EUR 11,616.00 incl. VAT (i.e. EUR 9,600 excl. VAT). No additional costs will be borne by BEUC.

FURTHER INFORMATION

For clarification of any of the above, please send an e-mail to Laurens Rutten (laurens.rutten@beuc.eu).