

## **Vulnerable Customers**

Roundtable Discussion





Hosted by:

#### How vulnerable customers detected



• Primary legislation defines basic elements for protecting vulnerable consumers, including the concept, criteria for identifying vulnerable consumers, and requirements for licensed operators. Under the provisions of the law The Albanian government determines criteria and procedures for obtaining consumer in need status. Criteria have been drawn up by the Ministry of Social Affairs, the Ministry of Energy, and the Ministry of Finance. Consultations with interested parties will follow.

### **Assistance for vulnerable consumers**



- Albania provides protection for vulnerable consumers based on three types of energy compensation:
- 1. Compensation covering the effects of the removal of the threshold for the electricity consumption up to 300 kWh.
- 2. Compensation for the increase in the price of electricity, for the consumption level of 200 kWh. Households can apply for both measures.
- 3. Compensation for persons with special disability status.

# Role of national regulatory authorities in supporting vulnerable consumers



- <u>ERE has approved an important document related to the specific protection on the circumstances for the interruption of electricity for consumers in need. It states that The Universal Service Suplier is obliged to:</u>
- 1. Ensure uninterupted service for the vulnerable customers, when the customer or any member of his family use devices for the life support that operate with electricity.
- 2. The electricity supplier should not interrupt the supply for failure to pay when the customer benefits from the "vulnerable customer" status, except when in the previous 12 months, the (supplier), provided twice a suitable payment plan and the consumer has refused.
- 3. The Electricity supply should not be interrupted on the days when the Supplier does not provide the service for the customers on Customer Care Centers, etc as defined in the regulation.
- <u>We believe it is an important document in the view of consumer protection defining clear</u> rules for the criteria and procedures to be followed by the Universal Electricity Supplier in case of electricity supply for Vulnerable Consumers.

#### How vulnerable consumers detected



- According to the Low on Energy, a vulnerable consumer is a resident-subscriber who received the status of a vulnerable consumer in accordance with the procedure established by the RA Government, taking into account the fact of being socially insecure or having a special status.
- According to the Government Decision N1122 of November 3, 2016, families with an insecurity score higher than "20.00" in the family insecurity assessment system are considered socially disadvantaged families.
- The Government proposes to the Public Services Regulatory Commission (PSRC) to consider socially disadvantaged families as a separate consumer group and set lower tariffs for natural gas, electricity and drinking water supply and drainage (sewage treatment) services consumed by them.
- The Ministry of Labor and Social Affairs of RA must provide the electronic list of socially disadvantaged families to the supply companies by the 25th of the given month.

#### **Assistance for vulnerable consumers**



## **Reimbursement of social assistance by the Government** (Decision N 1444-N of the Government of RA of December 18, 2014)

- For the provision of social assistance to the residents of the border communities the Government of the Republic of Armenia has approved a Decision, according to which the residents of the mentioned settlements are charged 50% of set tariffs in case of the annual electricity consumption up to 1440 kWh.
- According to the same Decision residents of the mentioned settlements are charged 50% of the set tariff in case of annual natural gas consumption up to 360 cubic meters.
- Moreover, the difference between the tariff approved by the PSRC and the price charged by the supply company for each resident subscriber is compensated by the Government.
- The compensation process is carried out according to the procedure approved by the Government.

## Role of national regulatory authorities in supporting vulnerable consumers



#### According to the Low on Energy:

- > Vulnerable consumers have the right to use supplied energy and natural gas exclusively for domestic needs.
- > Vulnerable consumers can be supplied with electricity only by an guaranteed (universal) supplier at regulated tariffs.
- The authorized body of the Government in the field of social assistance provides information to the PSRC in order to establish special tariffs and conditions for the supply of energy and natural gas for vulnerable consumers, as well as provides information to the licensed persons supplying energy and natural gas to vulnerable consumers in order to account them.

From September 25, 2023, at the initiative of the PSRC, the process of revising the tariffs of the large generating stations, service providers and the tariff margin of the electric power system has started. As a result, electricity tariffs for consumers have remained unchanged, including for vulnerable consumers.

The electricity tariffs set for vulnerable consumers are:

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daytime tariff- 1kWh = 29.9 AMD (\approx0.1 $)
night tariff 1 kWh = 19.9 AMD (\approx0.05$)
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• The natural gas tariff set for vulnerable consumers is:

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for natural gas up to 600 cubic meters per year -1 cubic meter = 100 AMD (\approx 0.25$)
for natural gas exceeding 600 cubic meters per year -1 cubic meter = 143.7 AMD (\approx 0.36$)
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### How vulnerable customers detected



Konkurentsiamet

- There is no definition of a 'vulnerable customer' in the Electricity Market Act and in the Natural Gas Act.
- No specific tariffs for 'vulnerable customers'.
- There is a definition of 'unprotected consumer' only in the Natural Gas Act, but it does not relate to the meaning of 'vulnerable customer'.
- Unprotected consumer means a household consumer who has been granted a subsistence benefit in accordance with the Social Welfare Act.

## Assistance for vulnerable consumers



KONKURENTSIAMET

- Vulnerable customer issues are dealt by the Estonian social system.
- Income support is financial aid from the state to people in need, paid by the local government (municipalities).
- Local authorities use both, social services and other social assistance, depending on the situation.
- Income support is calculated on the basis of the net income of all the members of the family or person living alone in the previous month, the housing costs due for the current month and the subsistence threshold.

#### Assistance for vulnerable consumers



KONKURENTSIAMET

- When calculating the subsistence allowance, the following housing costs for the current month are taken into account by municipalities (up to the socially justified standard for housing and the established limits):
- rent;
- housing maintenance costs, including repairs;
- the repayment of the loan taken out for the renovation/repair;
- the cost of water supply and sewerage services;
- the cost of heating energy or fuel consumed for the supply of hot water;
- the cost of heating energy or fuel consumed for heating purposes;
- the cost of electricity consumption;
- the cost of household gas;
- the cost of land tax, calculated on the basis of three times the floor area of the dwelling;
- the cost of building insurance;
- a charge for the transport of household waste.

## Role of national regulatory authorities in supporting vulnerable consumers



Konkurentsiamet

- The energy regulator does not deal with subsidies/supports etc. for vulnerable consumers.
- We can only provide information or recommendations on who to contact (to the municipalities etc.)

#### The definition of Vulnerable consumer



"Vulnerable consumer is a household consumer who, due to his status or condition, on the basis of the relevant legislation of Georgia, has been granted the right to use the system and/or to receive electricity and/or natural gas and/or water supply on preferential terms."

According to Georgian law of "Energy and Water Supply" Article 2, Chapter 2:

## **Vulnerable Consumers protection system**



#### **Purpose**

 develop special programs / measures / benefits to help meet the demand and / or increase access to electricity and natural gas;

#### **Mechanism**

special programs / measures / benefits

#### Responsible body

state and local governments

#### Advisory body/person

• the Commission and other stakeholders

#### **Target group**

eligible beneficiaries of these programs / events / benefits

# Protective measures for vulnerable consumers in Georgia



Tariff subsidy

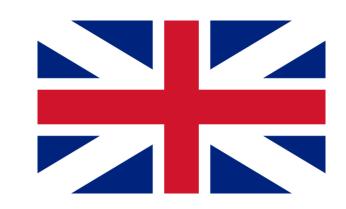
High mountainous areas

The families with four or more children

The families living in the conflict zone

#### **Great Britain**

The Financial Conduct Authority (FCA) has categorised the severity into:



"potentially vulnerable" customers who do not require any additional assistance at a given moment

"vulnerable" customers who require support in certain situations or with certain tasks

"particularly vulnerable" customers who are at the highest risk of experiencing detriment.

✓ Source of funding – The government, the social security system, electricity and natural gas taxpayers.

#### **Ireland**



A vulnerable consumer is a household consumer, who is:

Critically dependent on electrically powered equipment, which shall include but is not limited to life protecting devices, assistive technologies to support independent living and medical equipment; or

Particularly vulnerable to disconnection during winter months for reasons of advanced age or physical, sensory, intellectual or mental health

Source of funding – the taxpayers.

#### Measures implemented by the NRAs



Socially vulnerable persons

The pensioners

The persons with disability

It is not allowed to charge a deposit if:

- a) the customer doesn't pay the service fee three times or more during last 12-month period;
- b) Electricity was not supplied to the customer for a continuous period of 5 months or more due to non-payment of the service fee.

- adaptation of service centers;
- Adapted receipt and other information materials (audio material, Braille information, Surd translation, subtitle).

## Measures implemented by the NRAs



#### For All consumers

If the supplier is aware that disconnecting the service could harm human health and/or pose a danger to life, the supplier is obliged not to disconnect the consumer.

The supply disconnection is not allowed if the amount of the service fee is less than or equal to 2 lari.

## **4**<sup>Th</sup> energy package and Energy poverty



Limitation of disconnection

Price regulation

Social tariffs

Social transfers for vulnerable groups

Financial support for renovation of inefficient buildings

Subsidies for energy efficient solutions such as heat pumps and solar panels

Structural improvement of energy efficiency

Development of local energy communities

Information campaigns and education about energy saving

#### Which Consumers are considered as Vulnerable Consumers?

- Economically weak Residential Consumers who are affected by Energy Poverty.
- Consumers who are highly dependent on the continuous and uninterrupted supply of energy. (Customers who require a continuous supply of electricity for the operation of life support or monitoring devices).
- Elderly customers above 70 years, provided that they are not staying with younger persons.
- Consumers with serious health problems, in particular persons with severe physical or mental disabilities, mental disabilities, severe audiovisual or motor impairments, or multiple disabilities or a chronic condition, and who for this reason are unable to manage and negotiate their contractual relationship Suppliers.
- Consumers in remote areas and especially in the Non-Interconnected Islands.



#### Measures to protect Vulnerable Consumers

- The time limits regarding Termination of Contract and Contract Changes is augmented by 30 additional days
- The time limit for Bill payment is not less than 40 days.
- Interest free payment of Bill installments.
- Monltly Bill installments do not exceed 50% of the monthly electricity bill.
- Deactivation of meter cannot be exercises for the period from November to March and during the months of July and August. If, during the remaining months of the year, the Supplier, proceeds to terminate the Supply Agreement, the Vulnerable Customer shall automatically move to the Universal Service regime, without prior interruption of its electricity supply in any way
- Especially for the Vulnerable Household Customers requiring mechanical support and those with serious health problems, the Supplier shall be entitled to terminate the Supply Contract only if the Consumer has not paid 6 consecutive Bills.



### Supplier Obligation to serve Vulnerable Consumers

- Suppliers may provide reduced tariffs / discounts
- Suppliers may provide more favorable bill payments
- Suppliers are obliged to have suitably trained staff available to serve Vulnerable Consumers
- Suppliers' Customer Service Points must comply with the accessibility standards for persons with disabilities in accordance with the applicable legislation.
- Suppliers must operate a dedicated telephone line for the service of Vulnerable Customers.
- The Suppliers must provide large print bills and telephone communication to Consumers who are blind
- The Suppliers must provide the following to consumers with severe hearing impairments: a) the possibility of home visits in case of emergency, b) the possibility of being served by a person who knows sign language



Especially for Customers with mobility problems, suppliers are obliged to provide alternative ways of stion, which do not require the physical presence of the Customer.

## Colors in Electricity Products

We established colors in Energy Products in order to help consumers understand the most important characteristic of the product: the Price

Ειδικό Τιμολόγιο Special Regulated Price

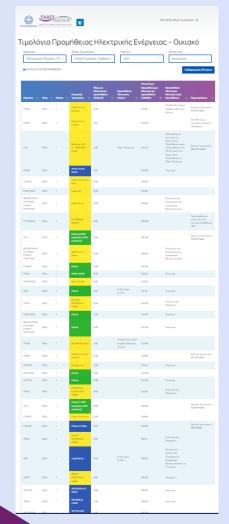
Κυμαινόμενο Τιμολόγιο Variable Price Σταθερό Τιμολόγιο Fixed Price

Δυναμικό Τιμολόγιο Dynamic Price



#### Invoices.rae.gr

Through this platform, consumers are informed for various aspects of the available Contracts through the months of 2024 and help them categorize them accordingly







#### MY RAE and ENOMOS

The aim of the platform is to create a single online channel through which all consumer complaints are processed.

When Consumers are not happy with Suppliers answers, they can choose the Energy Ombudsman







## Price Comparison Tool

Price Comparison Tool www.energycost.gr

Through this platform, consumers can compare different electricity and gas products.





## **Electricity Cost Calculator**

www.electricitycostcalculator.gr

Through this platform, as part of the Authority's social media campaign to educate consumers on ways to save energy without reducing their quality of life, consumers can calculate the electricity consumption of

their home and estimate the amount of their electricity bill..



| Υπολογισμός Κόστους Ηλεκτρικής Ενέργειας<br>Εκτίμηση Κατανάλωσης και Κόστους Χρήσης οικιακών συσκευών |                                   |                 |   |   |                       |                                     |                             |                                    |
|---|-----------------------------------|-----------------|---|---|-----------------------|-------------------------------------|-----------------------------|------------------------------------|
| Είδος Χρήσης /<br>Συσκευής  | Αριθμός όμοιων<br><b>συσκευών</b> | Ισχύς<br>[Watt] | Χρόνος<br>Λειτουργίας<br><b>/ ημέρα (h)</b> | Ημερήσια<br>κατανάλωση<br>( <b>kWh/ημέρα)</b> | Κόστος<br>/ ημέρα (€) | Μηνιαία<br>κατανάλωση<br>(kWh/μήνα) | Κόστος<br>/ <b>μήνα (€)</b> | Υπολογισμός στο<br>συνολικό κόστος |
| Θέρμανση  |                                   | 2.500           |   | 1,50  | 0,34                  | 45,00                               | 10,27                       | ~                                  |
| Ψύξη/Δροσισμός  |                                   | 2.670           |   | 0,00  | 0,00                  | 0,00                                | 0,00                        | ~                                  |
| Ζεστό νερό χρήσης   |                                   | 3.000           |   | 0,75  | 0,17                  | 22,50                               | 5,13                        | <b>v</b>                           |
| Λευκές Συσκευές   |                                   | 8.560           |   | 4,70  | 1,07                  | 141,10                              | 32,19                       | <b>v</b>                           |
| Φωτισμός  |                                   | 115             |   | 0,31  | 0,07                  | 9,30                                | 2,12                        | <b>v</b>                           |
| Μικρές Ηλεκτρικές<br>Συσκευές   |                                   | 11.800          |   | 2,24  | 0,51                  | 67,05                               | 15,30                       | <b>v</b>                           |



#### **Definition of vulnerable customers**





#### In electricity (set in the act on electricity and its implemental decree):

- basically people in financial difficulties (indigent persons),
- people living with disabilities,
- people having critical dependency on electricity powered equipment for health reasons (lifeline service, disconnection is not allowed at all, only in electricity!)
- but there are determining factors (like income level, age, other).



#### In natural gas (set in the act on natural gas and its implemental decree):

- basically people in financial difficulties (indigent persons),
- people living with disabilities,
- but there are determining factors (like income level, age, other).

## How are vulnerable customers detected







Only natural persons (household consumers) can request to be qualified as a vulnerable consumer and the vulnerable status is valid for only one place of consumption/point of delivery





Each consumer must request the DSO to be included in the registry and attach the documents issued by authorities or doctor (in case of medical documents) that prove that consumer is eligible for the status of vulnerable consumer.



The electricity/natural gas DSO keeps a registry of the vulnerable consumers. Consumers are obliged to notify the DSO if their situation has changed.







The DSO notifies the supplier and the doctor that the consumer was registered as vulnerable.



The authorities/doctors notify the DSO that the consumer is still eligible to be treated as vulnerable till the 31st of March the (except the vulnerability has such a medical condition which is not likely to improve significantly), thus the status is yearly renewed



## **Assistance for vulnerable consumers**





#### **Non-financial support:**

- right to prepayment meter (the cost is borne by the DSO);
- lifeline service in electricity (customers with disabilities whose life or health is directly jeopardized if disconnected from the electricity supply system, including any disruption in service, may not be disconnected in the case of late payment or non-payment of charges.);
- customers with disabilities shall be offered certain privileges in connection with metering, reading and billing procedures, and payment terms, as consistent with their respective needs. (e.g. meter installed onto more accessible place, bill settled at home of the consumers, etc.);
- harder to terminate the contract.



#### **Financial support:**

- general price regulation;
- right to deferred payment (applicable once within a 12-month period);
- right to instalment (applicable once within a 12-month period).

## Role of national regulatory authorities in supporting vulnerable consumers



The role of MEKH is mainly informative, the regulator gives information on:

- who is eligible for the vulnerable status;
- what are the extra rights and protection for vulnerable consumers.

MEKH does this in multiple ways:





részesülő fogyasztók

Tájékoztató fizetési nehézségek esetére, illetve védendő fogyasztóknak

In person / via phone at MEKH On the website of MEKH (https://www.mekh.hu/k ulonleges-banasmodban-reszesulo-fogyasztok)

On leaflets and at information campaigns



#### **Vulnerable Customers - Latvian framework (1)**

- According to the Electricity Market Law vulnerable (protected) customer is a poor or low-income family (person), a large family (with at least three children), or a family (person) which takes care for a child with disability, or a person with the group I disability who uses electricity in his or her household for his or her own needs (for final consumption).
- □ An electricity trader providing electricity trading services to more than 10 000 household customers is obliged to provide a trading service to the vulnerable customer.
- ☐ The PUC does not have specific competence for vulnerable customers. The PUC protects the interests of all customers by, inter alia, engaging in the development of legislation, reviewing draft tariffs, informing customers of important developments in the energy sector, responding to customers complaints, etc.



#### **Vulnerable Customers - Latvian framework (2)**

- For the purpose of providing the trading service to the vulnerable customer, the calculations are carried out by the national Information System (IS) managed by the State Construction Control Bureau.
- The IS shall check the eligibility of a person for the status of vulnerable customer in accordance with the up-to-date data available in the various national registers and in the information systems of the municipalities.
- ☐ The IS shall carry out automated data transmission and exchange with:
- Office for Citizenship and Migration Affairs,
- local government,
- State Medical Commission for the Assessment of Health Condition and Working Ability,
- service provider,
- Administration of the Maintenance Guarantee Fund.



#### **Vulnerable Customers - Latvian framework (3)**

- ☐ The trading service to the vulnerable customers is provided by applying a reduction to the invoice for the supplied electricity and system services in the amount determined by the Cabinet of Ministers.
- ☐ The service provider receives compensation from the State Construction Control Bureau each month for the reduction in fees applied to the vulnerable customers. The service is financed from the state budget.

### How vulnerable customers detected



- **Vulnerable electricity consumer** a household consumer who himself and/or persons living with him receive and/or have the right to receive cash social support according to the Law on Cash Social Support for Indigent Residents and who, in accordance with the procedure established by Law on Electricity and its implementing legislation, has the right to use additional guarantees, established for vulnerable consumers.
- The distribution system operator, the guaranteed electricity supplier and/or the electricity supplier apply the established additional guarantees to the vulnerable consumer based on the data of the **Social Support for the Family Information System (SPIS)**.



# How vulnerable customers detected: (dis)advatages



- **Advantage:** Information about all vulnerable consumers is available in one SPIS system.
- Disadvantage:

A vulnerable user may be:

1. Object owner 2. Any person living with the Object owner.

Contracts for the purchase and sale of electricity and distribution services are concluded with the Object owner.

If a contract has been concluded with the owner of the object, the energy company, via SPIS or otherwise, has no way to determine which persons live together with the owner of the object and to check whether those persons are vulnerable consumers. The owner of the object or the mentioned persons must provide the company with such information (e. g. certificate of the persons' declared place of residence).



#### • Non-Financial support options:

Vulnerable consumers may not be restricted and/or interrupted from the supply if debt to the distribution network operator or public supplier is or was not more than 3 basic social benefits.

Supply and/or transmission of electricity may not be interrupted on Fridays, Saturdays, Sundays, public holidays, or in emergencies where the maximum daily air temperature is below minus 15 °C or higher than plus 30 °C.

#### **Options, related with financial support:**

A person meeting the definition of a vulnerable consumer pays either only 20 percent of the costs for connecting their electrical devices to the distribution system or the rate approved by the Council based on this amount.

If the connection fee exceeds 600 euros, 60 percent of the fee is paid within 10 calendar days of signing the connection service contract, and the remaining part of the fee is paid within 10 calendar days of the completion of the connection works.

A vulnerable consumer has the right to request the installation of a smart meter in their facility free of charge, based on a priority order.

If vulnerable consumers do not pay for the supplied electricity, electricity transmission service or other related services within the set deadline, late interest is not calculated for 3 months from the day of the deadline.

# Role of national regulatory authorities in supporting vulnerable consumers



Alternative Dispute Resolution procedure.

All consumers, as well as vulnerable consumers, has the right to ask NERC solve the dispute with energy entity in case of possible violation of consumer's rights and legitimate interests.

## How vulnerable customers detected



- In Republic of Moldova, vulnerable customers are identified through a platform managed by the Ministry of Labor and Social Protection.
- Every customer who wish to be eligible for compensations, must fill out a form on the platform.
- The platform is integrated with all the national databases and import data for the identification of the vulnerability categories.
- After processing the data, the platform generates the results and comunicates the vulnerbility category to consumer and their suppliers.
- There are 7 categories of vulnerable consumers.



- The Ministry of Labour and Social Protection is responsible for alocating funds to suppliers, wich will reduce the costs of bills, based on the vulnerability category.
- The suppliers issues compensated bills monthly to costumers, and report the information to Ministry.

Additionally, vulnerable consumers can obtain vouchers for replacing old electric devices with new and energy-efficient equipment.

# Role of national regulatory authorities in supporting vulnerable consumers



- Taking into account that supporting vulnerble consumers is a social protection mechanism, the main role in this process lies with the Government.
- The NRA role is resumed on monitoring the activities of system operators and supplier regarding respecting of consumers rights, as well as intervention through the instruments imposed by law, in case these rights are violated.



## How vulnerable customers are detected

- Energy Law
- Programme for Support of Vulnerable Customers for 2024, adopted by the Government on yearly basis, that sets:
  - Criteria for categorizing a vulnerable customer
  - Support measures
  - Procedure for granting support
  - Financial sources
- Rules on Supply with Electricity adopted by ERC
  - Chapter VIII

by Biljana Jadrovska Panova, LL.M, Head of Unit for Investigations and Misdemeanors, Department for Monitoring, Investigations and Misdemeanors Energy, Water Services and Municipal Waste Management Services Regulatory Commission (ERC), North Macedonia



- Non-Financial support options include:
  - Prohibition for disconnection in the period December February due to non-payment of electricity bills
  - Prohibition for disconnection before 60 days from the due date of the electricity bill (invoice)
  - Prior written notification for disconnection at least 40 days from the due date of electricity bill (invoice)
  - Possibility for debt payment in installments or postponed payment
  - Informing vulnerable consumers of their rights



- Non-Financial support options include:
  - No charge for reconnection
  - Free non-regular verification of measuring equipment
  - Free standard connection
  - Priority in removal of defects of vulnerable consumers that gained this status due to social risk and those in remote areas
  - priority in deciding upon submitted application for compensation for damages
  - Informing vulnerable consumers of their rights



- Delve into financial assistance mechanism (on energy bills) and how the distributor will be compensated in such cases
  - Vouchers for installation of highly efficient inverters are the only financial measure envisaged in the Programme for Support of Vulnerable Customers for 2024
  - Public call shall be published on Ministry of Economy website
  - Applications gathered
  - Commission for processing the application
  - Vouchers issued
  - List of vulnerable consumers and list of legal entities for trade in highly efficient inverters eligible for effecting the vouchers shall be published on the website of the Ministry of Economy
  - Finances are provided from the State Budget for 2024 in amount of 45 million MKD (around 728.155,00 EUR)



# Role of ERC in supporting vulnerable consumers

- Monitoring the activity of DSO and the Universal Supplier if acting according to the rules on vulnerable consumers
- New Energy Law to be adopted in 2024 provides for more comprehensive framework for protection

## How are detected the vulnerable customers (I)



- The Government of Romania through the **Ministry of Labor and Social Solidarity** is the responsible entity of the development of social policies, including of the establishment of the definition and criteria dedicated to vulnerable consumers.
- In 2021 it has been adopted the Law no. 226/2021 on establishing social protection measures for vulnerable energy consumers, which sets the framework (including definition & criteria) in order to identify those energy consumers which can be included in the category of vulnerable consumers.
- Thus, according to the Law no. 226/2021 a vulnerable consumer is represented by a single person/family who, for reasons of health, age, insufficient income or isolation from energy sources, require social protection measures and additional services to ensure at least their minimum energy needs.

## How are detected the vulnerable customers (II)



- The Law no. 226/2021 stipulates the fact that vulnerable consumers represents the following categories:
  - a. vulnerable consumers for income reasons;
  - b. vulnerable consumers for age reasons;
  - c. vulnerable consumers for health reasons;
  - d. isolated vulnerable consumers.
- More precisely, the classification of a final energy consumer in one of the four above mentioned categories of vulnerable consumers is done according to the Law, for the following reasons:
- a. Income reasons: the family/single person whose average monthly income falls within the limits of the law: 1386 lei/person (aprox. 280 euro/person) in the family and 2053 lei – single person (aprox. 415 euro)
  - **b.** Age reasons: single people who have reached standard retirement age
- **c.** Health reasons: people who depend on electrical appliances to stay alive/restricted mobility/travel; persons with specific communication and information needs under the conditions of Law no. 448/2006 republished
- d. Isolation reasons: families/single persons whose houses are in isolated areas/informal settlements 48 according to Law no. 350/2001.

# The main social protection measures for vulnerable customers



### 1. Heating aid for the cold period

Heating aid can be granted, for the period 1 November 2023 - 31 March 2024, for both electricity and natural gas, depending on the heating system used.

### 2. The energy supplement

The energy supplement is a fixed amount, granted throughout the year, depending on the energy supply sources used.

### 3. The energy card

The payment of energy bills comes as a measure of support granted to certain categories of vulnerable people and families provided for by GEO no. 166/2022 regarding measures to provide support to categories of vulnerable people for the compensation of the energy price, partially supported by non-reimbursable external funds. With the help of the energy card, vulnerable people can pay the bills for electricity, gas, thermal energy in central heating system, firewood, fuel oil, pellets and other heating materials.

# Assistance for vulnerable consumers and the role of national regulatory authorities in supporting vulnerable consumers



- The **National Regulatory Authority in Energy** (ANRE) is not issuing the social policies at national level, the Authority having just a **consultative role** in this process.
- Through the secondary legislation issued by ANRE, namely the *Regulation of the supply of electricity to final consumers* and the *Regulation of the supply of natural gas to final consumers*, **non-financial measures** were established in order to support the vulnerable consumers, as follows:
  - ✓ the supplier ensures the access at the consumer relations center, through specific methods adapted to the needs of vulnerable consumers due to health/age reasons;
  - ✓ installment payment of the invoice, upon request, over a period of at least 3 months or agreed upon by the parties.
  - ✓ the contractual relation with the supplier can be carried out through a third person, designated in writing by vulnerable consumer to receive invoices/notices/notices, submit notices/claims in the name and on account of the owner of the place of consumption, at the request of the vulnerable consumer who is the owner of the contract supply of electricity/natural gas;
  - ✓ the vulnerable consumer has the right to receive, upon request, invoices, notifications, complaints or any informational materials, in a format which is compatible with the document reading programs.

## How vulnerable customers detected



- In Türkiye, there is no legal definiton for vulnerable customers but there are some measures.
- Firstly, there is a financial support for electricity bils. It is funded by Ministry of Family and Social Affairs. The criteria is receiving social aid from the state.

| Number of Household Members | Maks. kWh |
|-----------------------------|-----------|
| 1-2 persons                 | 75 kWh    |
| 3 persons                   | 100 kWh   |
| 4 persons                   | 125 kWh   |
| 5 persons                   | 150 kWh   |

• 2.719.745 household consumers benefited from this support in 2022.



• Secondly, there is a protection to disconnection in electricity for elderly people, disabled people and families of martyrs and army veterans. Normally, one unpaid bill is enough to disconnection in electricity in Turkey but it is three unpaid bills for this group.

## Financial support

- Welfare support, direct energy payments, social tariffs.
- Financial supports are short term solutions.

# Role of national regulatory authorities in supporting vulnerable consumers



- NRA's should be in leading position because of their coordination roles between other official institutions and supply companies.
- Vulnerable consumers should be protected by tariff systems not direct payments, so NRA's should define different prices for vulnerable consumers who are defined by coordination with other legal institutions.