



CPB Netherlands Bureau for Economic
Policy Analysis

Discussion of:

The Different Faces of
Energy Consumers

by Saskia Lavrijssen (UvA)

Gijsbert Zwart
(CPB and TILEC)

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Energie vergelijken en direct overstappen


○


Postcode* ⓘ


Huisnummer & toevoeging* ⓘ


○


Kies een gemiddeld verbruik of vul dit handmatig in ⓘ

 Alleenstaand

 Samenwonend

 gezin (klein)

 gezin (middel)

 gezin (groot) ⓘ

Ik heb een dubbele meter ⓘ

Elektriciteit kWh per jaar* ⓘ

Gas m³ per jaar* ⓘ

○

Huidige energieleverancier* ⓘ

* Verplichte velden

[➔ Vergelijk prijzen](#)



Saskia's Nudge

- My savings > 100 Euros this year
- pencilled into my diary for next year to switch again



Why treat energy retail sector as special?

- Size: compared to other sectors?

sector	consumer expenditure
Electricity/gas	5.5%
Food	15.3%
Clothing	6.0%
Holidays	6.1 %

- Why is there a different legal framework for consumer protection in energy markets?
 - general consumer protection versus electricity/gas legislation
 - do we need additional legislation for other sectors too?



Potential motivations for interventions

- Behavioural economics: mostly positive:
 - how do real people make choices, decisions?
- Policy implications?
 1. Consumer choice is a means to achieving some other goals
 - > incentives for companies (product design, efficiency...)
 - > environmental externalities
 2. Welfare maximization of individual consumers?
 - > paternalism



EU: "Achieving functioning energy markets, affordable energy prices, security of supply, and environmental goals"

- Competition among retailers
 - but this is not much different in other retail sectors?
- Functioning production markets, security of supply?
 - competition in those markets, with large sophisticated buyers
- Environmental goals? Given the other policies in place?
 - Reduced electricity consumption does not automatically lead to CO₂ reduction given the ETS
 - Renewable energy: does not necessarily rely on consumer choice, except in their role as producers (e.g. solar power)



Encouraging switching to ensure lower prices

- Role for market parties
 - intermediaries/buyer groups
 - > e.g. Home-owners association's collective contract
 - price comparison sites, e.g. consumentenbond
 - > why regulate?
- What role for policy makers/regulators?
 - often trade-off: making some inactive consumers better off may make active consumers worse off
 - > cross-subsidization from inactive to active consumers
 - > capping retail prices reduces all consumers' incentives to search and may raise all prices
 - less interventionist approach? What works (small scale experiments?)