

# Balancing the Energy Governance Process: Citizens Utility Boards

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[http://www.inforse.org/europe/seminar08\\_BXL.htm](http://www.inforse.org/europe/seminar08_BXL.htm)



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# HELIO-International.org

- **Hydro – Eolian – Light – Isolation – Organomass**
- Independent, international **network of energy analysts**
- Goal: promotion of a **sustainable and equitable development.**
- Contribution:
  - Independent evaluations of the **effectiveness of national energy policies**
  - Analysis and advice to decision-makers on **ecodevelopment and climate stabilisation.**
- Core activity: **Sustainable Energy Watch (SEW).**
  - Measure progress towards sustainable energy and development practices nationally, regionally and globally.
  - Yearly report : *Sustainable Energy Watch Report.*

# Involving citizen groups in the decision making processes

- **Concerned citizens and civil society organizations** historically **excluded** from the decision making processes regarding **energy issues**.
- Restricted to states, utilities, energy boards and other regulatory bodies
- **Regulation** through bargaining with **utility operators' cartels** leading to :
  - High prices
  - Disregard of environmental concerns (energy efficiency, renewable energy, etc.)

# Privatizations without strict regulation

- Over the past 25 years, privatizations of public services have forced governments to create **new laws and regulation agencies**
- For the most part, the **results have been negative**. Neither regulators nor market forces could alleviate the control by the utilities
- Users are sometimes allowed to choose their own energy supply, but are either still **kept in the dark** or **overwhelmed** with **information**
- Most nations of the world have adopted the system of **private ownership of utilities** while ignoring the US system of **strictly regulating** their operations.

# A need for democratic regulation

1. Complete open public access to information;
2. Full public participation in setting prices, standards of service, energy policies.

In particular, there is a need  
for citizens to be involved in :

- 1) the selection of **energy supply** and  
**investment in electric generation;**
- 2) the determination of full-cost **pricing;**
- 3) the **maintenance of the quality of  
service;**
- 4) the design of **energy efficiency  
measures**
- 5) the promotion of **renewable energy**



## How does it work in the US?

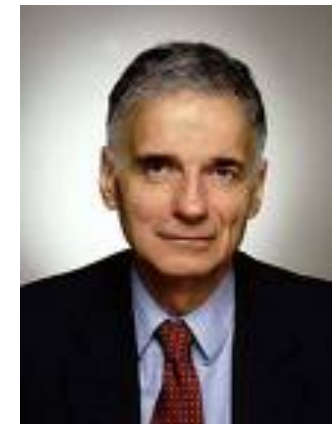
In the US where there is a high level of **public involvement and control**, energy prices have been kept low compared to most other countries of the world where there is no democratic regulation.

- US regulation is open to the public.
- Meetings and documents are accessible
- Any and all citizens groups can participate in the energy board meetings : individuals, industrial customers, government agencies, consumer groups, trade unions, the utility itself, even its competitors.



# Citizens Utility Boards

- Through the **pressure of concerned citizens** (through ballot initiatives) many US states have adopted Citizens Utility Board Acts which are citizen's organizations which "promote the health, welfare and prosperity of all the citizens by ensuring **effective and democratic representation of utility consumers ...**" and which are "deemed a statewide interest and not a private or special concern." Citizens Utility Board Acts Illinois
- CUBs are the product of the consumer movement triggered by Ralph Nader and others in the 1960's and 1970's.



INFORSe-Europe, EREF





# How does it work?

- When a utility seeks a **rate increase or a change in service**, it must win approval from the energy Board (regulation agency)
- The utility usually presents the Board with detailed testimony from numerous experts to back up its request.
- CUB's job is to present the same kind of evidence and make **persuasive legal arguments** but **from the consumers point of view**.
- CUBs also fight **for clean and efficient energy alternatives**.
- CUBs provide consumers with **information and assistance** regarding their utility companies (sometimes inserted with the invoices of the utilities !)



# Strengths

- Citizen's, grassroots movement
- Legal basis (CUB's acts)
- Public funding
- Access to all ratepayers (through utility bills)
- Expertise on energy issues

## Limits

- CUBs are too focused on price issues and not enough on ecological issues
- Offshoot of the strong US tradition of community action, hardly replicable in other contexts

## Achievements, CUB OREGON



20th Anniversary photo of CUB's Charter Members & Staff

### CUB represents YOU!

The Citizens' Utility Board of Oregon (CUB) has been Oregon's utility consumer advocate for residential customers since voters created it in 1984.

Because of CUB, consumers throughout the state have received more than \$3.6 billion in rate reductions and refunds! That adds up to hundreds of dollars in savings for every dollar contributed to CUB by folks just like you.

CUB has also won important policy victories that:

- **protect the environment** (through work on global warming issues)
- increase consumer privacy
- help low-income Oregonians



# Other roles of CUBs

## Dissemination of reliable energy information *and* transparency enhancement

Ex : dissemination of utility's scorecards to all consumers.

### IMPACT :

Having access to reliable information on energy helps **citizens become conscious** of their rights and **responsibilities**.

Well-informed citizens are better able to **understand and comply with the requirements of energy policies**, especially when they require some **behavioural changes** (that is, in the **energy use patterns**), the most difficult changes to achieve.

# CUBs could become important North / South development actors



- helping to ensure that official assistance and Foreign direct investments take into account the real needs of developing countries and sustainability issues and involve the right partners
- providing technical assistance to citizens groups and Southern governments

# UK: Energywatch

- Created in November 2000 as part of the **Utilities Act**
- Reports to the Department of Energy : has a a statutory duty to **protect and promote the interests of gas and electricity consumers** in England, Scotland and Wales
- Defines itself as “independent gas and electricity watchdog” with one mission: “to get the best deal for energy consumers”
- Energywatch is **completely independent** of the energy industry and the **energy regulator** Ofgem, even if it works closely with it.

•Website: <http://www.energywatch.org.uk/>

# Advocate for consumers in the gas and electricity markets

## MISSIONS

- making proposals, or **providing advice** and information about consumer matters and representing the views of consumers on such matters;
- investigating and seeking to **resolve consumer complaints**;
- **giving advice and information** to Ministers, regulatory authorities, licence holders, and any other body whose activities may affect the interests of consumers;
- **publishing information on performance of energy utilities**, complaints and where it is felt to be in the consumer interest.



- Pressure on utilities (naming and shaming)
- Expertise on energy issues to the benefit of consumers
- Don't directly represent consumers – advocates of consumers
- Unlike CUBs, Energywatch doesn't deal with environmental issues





# CUBE

- Conseil des Usagers de Biens Energetiques
- Inspired from the CUBs, Energywatch:
  - Legally recognized group of users integrated in the decision-making process
  - Provides information and expertise to the end-users (individuals, companies)
  - Defends the users' rights and interests



# CUBE

- Which form ?
  - New association ?
  - Label or quality standard for existing groups ?
- What do you think ?  
<http://www.helio-international.org>



# Conclusion

- We need a **better balanced energy governance**
- We need to give a **strong voice to concerned citizens** in the decision making processes which are dominated by supply-side actors
- In the context of the liberalisation of energy markets and global warming threats **this has become an emergency**



# Conclusion

- Thank you for your attention !
- Further information:  
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