

CEER 2013 Consumer Conference on Energy Customers

Break-out session B: Simplicity and affordability Switching and billing: contact with customers

Introduction

Simplicity and affordability are two of the principles reflected in the CEER-BEUC 2020 Vision for Europe's energy customers. In the Vision, simplicity means that information is provided to customers, especially residential customers, in an easy-to-understand way so they can use their bill to better manage their energy consumption, making the choices that are right for them. It also means simplicity (and transparency) of processes that affect customers and how they operate. The principle of affordability requires that charges are clear and kept to fair and reasonable levels for all customers. Energy sector specific measures as well as wider social policies have an important role to play, especially for the most vulnerable.

This break-out session draws on past CEER work to consider how two key market processes that directly involve consumers (switching and billing) can be improved to promote simplicity and affordability in energy supply.

CEER's work

In 2012, CEER published *Guidelines of Good Practice (GGP) on Electricity and gas retail market design, with a focus on supplier switching and billing*. In this document, CEER listed thirteen recommendations and concluded that it is of utmost importance to develop a retail market design that helps customers to engage actively in the market by making both the switching process and the billing regime as easy and transparent as possible. The customer should be able to contact the relevant market actor easily, knowing who can deal with their request.

The Panel

During the panel, representatives from industry and consumer organisations will be invited to debate how easy switching processes and transparent billing regimes contribute to the achievement of the CEER-BEUC 2020 Vision.

Break-out B is moderated by Ms Gunilla Abrandt, Chair of CEER's Retail Market Functioning Task Force, with the participation of:

- Mr Marc Boillot, Director of Strategy and Major Projects, ERDF (France)
- Ms Cristina Sogas López, Head of relations with consumer protection authorities and consumer associations, Gas Natural Fenosa (Spain)
- Mr Michiel Karskens, Dutch consumer association (The Netherlands)

CEER Guidelines of Good Practice on Electricity and gas market design, with a focus on supplier switching and billing contain thirteen recommendations: three on retail market design; three recommendations on information, three recommendations on switching and four recommendations on billing:

Retail market design:

1. As an overall principle, the supplier should be the main point of contact for the customer.
2. The supplier should always be the first point of contact for questions regarding switching, billing and moving in or moving out.
3. There should be a regulated framework for meter value management; this means a standardised data format, timetables for data exchange and a minimum set of information.

Information:

4. The supplier should give complete information on the offers in a clear and concise manner. Comparability should be ensured, by presenting all costs as a projected unit price.
5. The customer should always receive a contract in a durable medium.
6. The customer should be clearly informed in the offer, the contract and on the bill about the methodology used to calculate the costs of energy consumption.

Switching:

7. A switch should be executed as quickly as possible. This could be as quickly as within 24 hours and in any case within three weeks.
8. A supplier switch should be possible any day of the week.
9. No market actor should be able to stop an initiated switch except for limited cases foreseen in the regulatory framework.

Billing:

10. Combined billing, to be provided by the supplier, should be mandatory.
11. The final bill should be received by the customer as soon as possible. This could be as quickly as within two weeks and in any case within six weeks.
12. The customer should be offered at least two different payment methods, which are easily accessible and at least one of them should be free of charge.
13. The customer should have a choice of a minimum set of different billing and payment frequencies, including the possibility of a monthly frequency.