

EDF's Reflections on CEER's Retail Market Guidelines

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Key Messages



- ▶ We fully support the supplier hub principle
- ▶ Priority must be given to the Implementation of the Third Energy Package. Further and more restrictive obligations should only be implemented at national level and after cost-benefit analysis
- ▶ We insist on compatibility between:
 - national and European obligations; and
 - between different European obligations
- ▶ Interventions to existing national arrangements must balance cost, simplicity and complexity, particularly in areas of billing frequency, channels to launch complaints and switching day
- ▶ Suppliers should have the tools to resolve insolvency in the market

The Supplier switching timetable

- ▶ We believe that priority should be given to the implementation of the Third Energy Package provisions. i.e. switching period of three weeks,
- ▶ A further reduction of the switching period can be implemented at national level if the existence of clear benefits to final customers can be demonstrated
- ▶ A number of safeguards to protect consumers can actually increase the length of the transfer process to avoid “erroneous transfers”; “contratti non voluti” “vente sans commande préalable” or “transferencia en error”
- ▶ Consideration has to be given to existing national arrangements. For example, limitations on permitted customer switching days – based on the technical and legal arrangements in force in national markets. This could be in the case of reconciling transmission and distribution charges for example.



Regulated framework for meter value management

- ▶ Communication between suppliers and DSOs/metering operators should be facilitated through harmonised electronic format and open standards together with defined timeframes
- ▶ DSOs or specialist service providers should play the role of market facilitators
- ▶ Smart meters offer the possibility of innovative relationships between customers – competition will drive this process forward



Interruption of the switching procedure

- ▶ The roles and responsibilities of market players in exercising this option depend on the market model applied at national level
- ▶ If these arrangements are to be harmonised any proposal would require a clear cost-benefit analysis
- ▶ Measures should be found to give suppliers the possibility to hedge against the risk of outstanding debt of final customers or the scope to move debt between suppliers on switching



What we see as the cost/ benefits of the guidelines

- ▶ Harmonisation of retail competition will only directly impact those customers who have second homes in different member states, are moving between member states, or those who receive a better consumer rights than they do at present
- ▶ Other beneficiaries of harmonised retail markets include suppliers who want to compete across the EU and need to enter national markets with minimised transaction costs
- ▶ Finally, support services for the industry may well see advantages of a high degree of alignment between markets.

However..

- ▶ Member states already have sophisticated regulatory regimes in place that are designed to benefit consumers. They effectively create sunk costs for both new entrants and incumbents alike
- ▶ The existing IT systems may be expensive to change, thus increasing the need to demonstrate the case for change.
- ▶ Some arrangements are tailor made to reflect national social, legal and technical environments in that country

