

Retail Market Design EURELECTRIC views

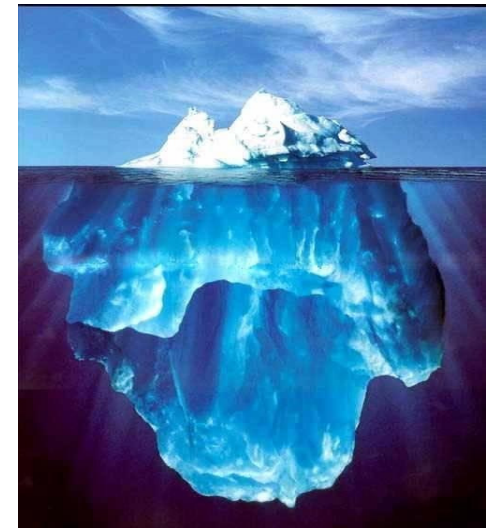
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Why retail market design?

► What is retail market design?

- How things work beneath the surface to bring benefits of competition (prices, quality, choice) to consumers



► Why relevant to Europe?

- Until now strong focus on wholesale, but with retail approx. 40% of the market, it's 100% of the citizens!
- Need to make it work across EU-27

How to make market design work for customers

- ▶ **Smooth switching (customer choice and confidence)**
- ▶ **Accurate consumption data (customer awareness, clear bills)**

But also and even more important:

- ▶ **Clear roles and responsibilities (who does what)**
- ▶ **Efficient and effective data exchange (when do the actors communicate what to whom)**

1. Smooth switching (1/2)

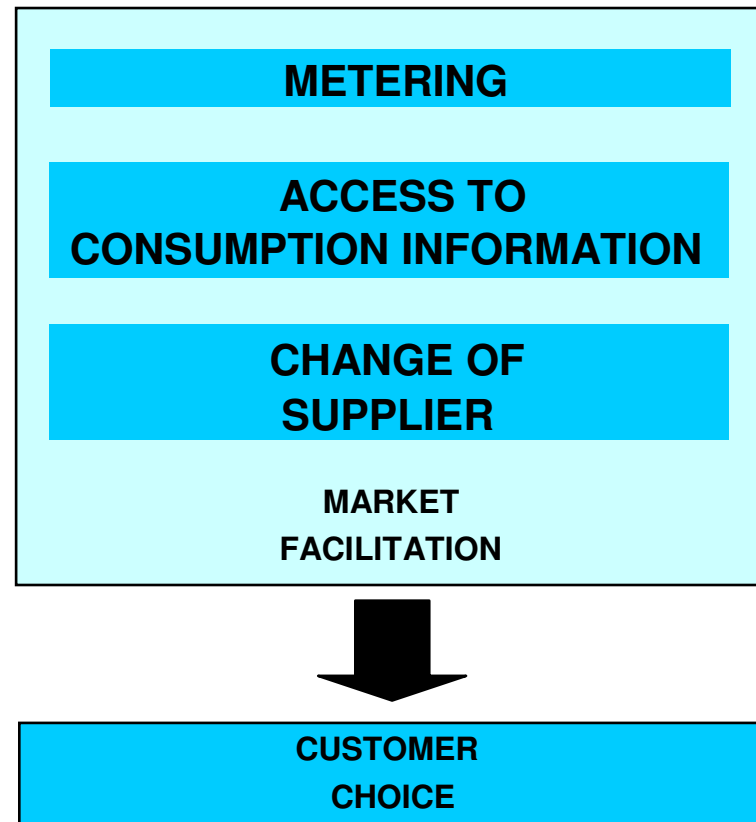
Customers must actively choose their supplier!

- ▶ No fear of switching: customers know they won't be cut off when changing supplier and will receive the right bill (**confidence**)
- ▶ Contract terms are clear and transparent so that the customer can make a confident choice (**choice**)
- ▶ Behind the scenes, efficient and effective data exchange, and clear roles and responsibilities for high-quality processes

1. Smooth switching (2/2)

Customer choice means that behind the scenes

- ▶ DSOs provide connection and consumption information to market players
- ▶ Data exchange is timely, efficient and non-discriminatory
- ▶ Privacy and confidentiality are safeguarded



2. Accurate consumption data

- ▶ **Awareness:**

customers receive accurate bills frequently enough (according to their preference) to manage their consumption

- ▶ **Clear bills:**

balance between amount of information and easily understandable bills

- ▶ **Information:**

customer must be able to choose between wide range of offers

3. Clear roles and responsibilities (who does what)

- ▶ **Supplier as the main point of contact:** makes all the (major) processes easier from the customer perspective
- ▶ **DSO as neutral market facilitator:** ensures swift market processes through information exchange with market players
- ▶ Minimum standards for information exchange (what and when)

4. Efficient and effective data exchange

Interoperability benefits consumers through:

- ▶ Facilitated communication between market actors
- ▶ Reduced barriers to market entry
- ▶ More cost-efficient processes
- ▶ Facilitated innovation and offering of new services
- ▶ Avoided dependency on a single equipment or service provider

A harmonised retail market design: desirable and realistic?

Harmonisation across EU requires a stepwise approach, i.e. evaluating the need for next steps based on experience gained

Among the first steps:

- (minimum level of) harmonisation of roles and responsibilities
- (minimum) requirements regarding the availability of data to be exchanged

Possible next steps:

- (minimum level of) standardisation of retail market related processes
- (minimum level of) standardisation of retail market related rules and legislation

Possible ultimate steps:

- harmonisation of retail market related processes
- harmonisation of data to be exchanged

THANK YOU FOR YOUR ATTENTION!

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