

EREGEG inspires better Supplier Switching processes

- **Better information, more ease of switching “empowers” consumers**
- **Switching supplier process must be easy, fast and free**

Better information, easy switching process “empowers” consumers

Regulators see better informed consumers and the removal of obstacles to switching supplier as central to making competitive energy prices a reality for energy consumers. This is why energy regulators and stakeholders gathered in Paris today at the ERGEG Supplier Switching workshop¹ in electricity and gas retail markets. Its purpose was to share regulators’ practical experiences and to give consumer bodies an opportunity to influence best practices at EU level.

Commenting on the workshop ERGEG Chair, Lord Mogg, said “*Today’s workshop on tackling obstacles to switching should be a wake-up call for Europe’s energy suppliers. Regulators will be doing all they can to make switching processes easier so that consumers can vote with their feet, find the best deal and switch to that supplier.*”

Switching supplier process must be easy, fast and free

The workshop focused on practical experiences of implementing ERGEG’s advice. In 2006, ERGEG recommended a set of principles for the supplier switching process², grounded on the notion that to promote active switching by customers, the process must be easy. Then, in 2007 and 2008, ERGEG published reports on the obstacles to supplier switching in gas and electricity retail markets³, and guidance on how to remove them. At today’s workshop ERGEG presented a case-study report⁴ on 5 countries (Austria, France, Romania, Spain and Sweden) which are improving their switching processes in electricity and gas.

Key messages;

- The consumer’s right to switch supplier should be **legally binding**⁵
- The switching process should be **easy**⁶, and **free** for customers
- The switching process should be **as short as possible**⁷
- Customer should only need to **contact one party**⁸, preferably the new supplier
- There should be **easy access to the information**⁹ needed to switch (e.g. available suppliers, different types of contracts and prices)

These experiences show that supplier switching process are comparable and have improved but this on its own will not ensure consumers’ active participation in the market.

EREGEG also works to ensure consumers are aware of their rights and are empowered to actively participate in the market. The new Citizen’s Energy Forum¹⁰ (CEF) which will take place in London on 27/28 October will enable the European Commission and regulators to examine all aspects of energy markets at customer level. Among other items, regulators will present their results of monitoring whether Member States have transposed consumer rights as required by law.

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Ends

Notes to Editors:

1. The European Regulators Group for Electricity and Gas (EREGG) was established by the European Commission in 2003 as its advisory group on Internal Energy Market issues. EREGG is the formal means by which European energy regulators advise the European Commission. For proceedings of the workshop on Supplier Switching in Electricity and Gas Markets visit (www.energy-regulators.eu).
2. EREGG published recommendations and basic principles in “Supplier Switching Process – Best Practice Proposition” (E05-CFG-03-05), July 2006.
3. See the EREGG “Guidelines of Good Practice and Status Review – Obstacles to Switching in the Gas Retail Market” (E06-CSW-05-03), April 2007 and EREGG’s “Obstacles to Supplier Switching in the Electricity Retail Market - Guidelines of Good Practice and Status Review” (E07-RMF-06-03), April 2008.
4. EREGG “Status Review of Supplier Switching Process in Electricity and Gas Markets - Five Case Studies”, (E08-RMF-10-04), September 2008. http://www.energy-regulators.eu/portal/page/portal/EER_HOME/EER_PUBLICATIONS/CEER_EREGG_PAPERS/Customers.
5. Of the 5 countries, the consumer’s right to switch is legally binding case in all except Spain where only key points of the process have been included in legislation.
6. In terms of ease, there are standardised supplier switching process for commercial customers in all case studies. A standardised process is in place for household customers in Austria, Spain, France and Sweden, but not yet in Romania.
7. The duration of the switching process varies between 15 days – 2 months (electricity), and between 15 days – 75 days (gas). There were some difference in terms of the law (which gives a shorter duration) and the practice. In practice problems with information, objections from the former supplier or restrictions regarding when a switch can take place can influence the duration of the switching process.
8. In France, Austria and Sweden the customer only needs to contact the new supplier to initiate the switch. In Romania the customers may also have to contact the current supplier.
9. The information needed to switch differed across countries from name and address only (Austria) to more detailed information (Spain – name, address, customer ID, metering point ID, contract code, contract type and characteristics and owner of the control and metering device).
10. The Citizen’s Energy Forum is akin to the Madrid Forum (for gas) or the Florence Forum (for electricity) but it deals with energy issues from a citizen’s perspective at retail level.

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