

Fostering energy markets, empowering consumers.

Guidelines of Good Practice on Comparison Tools in the New Energy Market Design

Public Consultation Evaluation of Responses

Ref: C17-CEM-105-03 20 December 2017



1.	INTRODUCTION	3
	1.1 Respondents	
2.	EXECUTIVE SUMMARY	5
3.	RESPONSE PER QUESTION	5
ΑN	NEX 1 – LIST OF ABBREVIATIONS	.15
ΔN	NEX 2 – CEER	15



1. Introduction

In November 2016, CEER launched a public consultation paper on comparison tools (CTs) in the new energy market design.1

The purpose of the consultation paper was, in advance of the public consultation, to present a preliminary review of the Guidelines of Good Practices (GGP) on Price Comparison Tools published by CEER in July 2012, which included a set of 14 guidelines on how these tools can function effectively to the benefit of energy customers. This was done in order to check whether and how the 2012 GGP could be enhanced in order to ensure that they still address, both at present and in the foreseeable future, the issues that energy customers face when approaching and using CTs.

Thus, the consultation paper asked all stakeholders to submit their vision and suggestions about two different topics:

- Do the CEER 2012 guidelines need to be updated and if so, how?
- What developments in different areas (technology, retail markets, etc.) may make further updating of the GGP necessary in the future?

The call for consultation responses closed on 16 January 2017, by which time CEER had received 16 responses (one being confidential). This note summarises the issues/positions of the respondents and addresses each of the main issues. It will be published as a supplement to the updated GGP on Comparison Tools.

1.1 Respondents

There were 16 respondents to the public consultation. The following table contains information regarding the country of origin and the type of organisation.

Organisation/Company	Country	Activity
Federal Ministry of Labour, Social Affairs and Consumer Protection (Sozialministerium)	Austria	Authority
<u>Bruegel</u>	Belgium	Think Tank
Test-Achats/Test-Aankoop	Relation	Consumer Organisation
Danish Consumer Council	ll)enmark	Consumer Organisation
<u>EDF</u>	France	Energy Supplier
<u>ENGIE</u>	France	Energy Supplier

Guidelines of Good Practice on Comparison Tools on the New Energy Market Design - A public consultation paper, November 2016, Ref. C16-CEM-95-03.

Guidelines of Good Practice on Comparison Tools in the new Energy Market Design – Evaluation of responses

<u>Enel</u>	Italy	Energy Supplier
CEDEC	Pan-European	Energy Supplier Organisation
EEMG (European Energy Mediators Group)	Pan-European	Consumer Organisation
<u>Eurogas</u>	Pan-European	Industry Association
NEON	Pan-European	Energy Ombudsmen Network
<u>DECO</u>	Portugal	Consumer Organisation
<u>Iberdrola</u>	Spain	Energy Supplier
Independent Electricity Retailers in Sweden (Oberoende Elhandlare)	Sweden	Energy Supplier Organisation
OX2	Sweden	Renewables Industry
Telge Energi	Sweden	Energy Supplier

Country of origin: Austria (1), Belgium (2), Denmark (1), EU (4), France (2), Italy (1), Portugal (1), Spain (1) and Sweden (3).

Type of organisation: Authority (1), Consumer Organisations (4), Energy Suppliers (5), Energy Supplier Organisations (2), Industry Associations (1), Energy Ombudsmen Network (1), Renewables Industry (1), and Think Tank (1).

2. Executive Summary

In general, although nearly all respondents agreed that the principles of the CEER 2012 recommendations are still valid; some adjustments would be beneficial, given the evolution of the retail sector.

- Customers trust in CTs Certification/verification appears to be a good way to ensure the
 reliability of private CTs, although in practice, regulation, verification or certification
 process should be defined at local level, depending on the local conditions.
- Market coverage Most respondents indicated that the CTs should ideally present an
 exhaustive spectrum of available offers but that this would be very hard to obtain in
 practice. In any case, the majority of respondents agree that the priority is transparency
 on market coverage rather than exhaustiveness of the scope.
- Scope of comparison Some consumer associations said that CTs should allow customers to compare their current contracts (even if their current contract is no longer available on the market) with active products; other respondents said that different methods could be used in order to obtain an accurate estimation of potential savings. Most considered that the actual focus issue should be transparency about how comparisons with the current contract are carried out.
- Product information Most retailers and consumer representatives remarked that the CTs should offer information on additional products, services, taxes and other relevant contractual information (not only price). Information should anyway be focused on objective and verifiable elements in order to prevent customers being misled;
- Filtering and ranking criteria Navigation tools should allow consumers to compare products for more than just price, and their functioning should not be based on subjective parameters;
- Accuracy Comparing offers will become progressively more difficult due to their increasing complexity (time of use or dynamic price, bundled services, etc...) and some kind of simplified comparison should coexist with advanced and complex comparisons;
- Users' reviews Some agents pointed out that subjective ratings might be useful, but should be subject to monitoring; some other agents highlighted the risk for CTs to become consumers' forums/blogs.
- Customers' data Most respondents agreed that data management should be standardised at national level, in order to include the specificities of the national markets.
 It could foster the creation of new CTs, and also may help consumers to use CTs more easily and accurately.
- New models It should be a goal for CTs to take into account offers for prosumers, demand side response, etc. even though this seems difficult at present, in order to help customers to learn about the advantages and risks of these new initiatives. New models may allow customers to compare new initiatives with traditional energy offers and products with the same level of accuracy as the comparison among traditional products.

3. Response per question

In the Public Consultation, CEER posed 12 questions. The response to each of these questions and other issues raised by respondents are addressed below. Where appropriate, the respondents' views are discussed and, in light of this, CEER's own thinking on the topic is presented.



The following does not provide an exhaustive analysis of each response to each question but instead addresses the key points.

Question / Issue	Respondents' feedback	CEER's view		
1. CTs reliability and customer confidence				
	Do you think that different, or further, recommendations are needed in order to promote overall CTs reliability and customers' confidence in those tools? What should			
those recommendations for				
	ered by commercial CTs as obstacles to their participation in regulated verification scheme? How cou	ıld these obstacles be removed while		
preserving customers' inter				
in which terms do you think	k CTs should manage the information submitted by customers?			
	Most actors agreed that the recommendations could be adapted, although they remain partly valid. Actors suggest adaptations regarding:			
	Providing examples on how to treat new issues, in addition to the theoretical principles			
General	Awareness about CTs and about the recommendations	Noted, where relevant, these points are		
General	Certification by NRAs	dealt with in detail below.		
	Clarity of presentation, in particular of non-price information			
	The exhaustiveness of the scope, and the ability to provide a comparison with the customer's			
	current plan			
	Several respondents remarked that a verification process would help consumers' confidence in	Noted. Following CEER's view on		
	CTs by setting strict rules of neutrality between CT operators and suppliers.	consumer empowerment regarding		
		CTs, a range of alternatives to certification is possible.		
		General consumer legislation – together with regulatory intervention, where appropriate – already provides an efficient way to enforce CTs' reliability.		
Certification scheme	One actor asserted that a certification scheme is hard to define in practice and should at least be combined with a monitoring process to verify that a certified CT still respects the certification criteria; this respondent also suggested that a public CT can help consumers' confidence by providing a reference to compare with the commercial CT results	Certification should not be imposed as the only solution, but instead is better defined at local level, depending on both the maturity and competitiveness of the comparison market and energy market.		
		Public certification would not be appropriate for public CTs, which by their nature should be independent and reliable.		



Question / Issue	Respondents' feedback	CEER's view
	Two actors suggested that links to the source of the information regarding each offer would facilitate the certification or verification process	Noted.
	One actor suggested that certified CTs could be disadvantaged because they would not be authorised to show promotions, therefore showing higher prices than non-regulated CTs.	Noted, although it will depend on how certification is put in practice at national level. Certification could also be an advantage, because it creates trust among the consumers. In this case non-certified CTs could be disadvantaged due to being seen less reliable.
2. Scope and usability of		
	ions related to the scope and structure of the information provided by CTs need to be enhanced, or o	
non-commercial CTs?	nmendation 4, that CTs should ideally show an exhaustive picture, be reconsidered? Does this stanc	e remain relevant to both commercial and
	endations specifically address the comparison of customers' current contract with available offers, an	nd in what terms? How could this be done
	n management load on customers, energy suppliers and CT operators?	
General	In general, respondents considered the GGP recommendations related to the scope and structure of the information provided by CTs should be enhanced, to cover several issues: • The need for complete information about each offer, including non-price information; two actors suggested that two levels of information should be available: a clear summary, and exhaustive, detailed presentation	Noted, where relevant, these points are dealt with in detail below.
	Exhaustiveness of the scope of CTs	
	The possibility to apply filters to the list of offers available	
Scope of the comparison	Regarding the need for an exhaustive picture of the offers available, although most of the respondents agreed that a complete picture is still the goal, several respondents underlined that being transparent about the actual scope of CTs is even more important than showing an exhaustive picture. Several respondents also stressed that being exhaustive is not realistic, and suggested focusing on transparency and on the possibility for the customer to apply filters, so that only the relevant offers regarding the customer's criteria are shown. One actor suggested that asking for an exhaustive scope could hinder the development of CTs in the energy sector due to the difficulty in ensuring that principle.	Agreed, an exhaustive scope is unrealistic in some cases; ensuring transparency through disclosure of the market coverage is the priority.
Comparing customers' current contract	Regarding the need to make a comparison with the customer's current contract, most of the respondents who answered consider that it is not a priority. Two of them considered that customers can obtain elsewhere the historical data needed to compare their current contract with any other one. Two others considered that the CTs should focus in priority on offers that can still be subscribed.	Agreed. Whether this information should be available to the customer depends on national circumstances, and providing this information can be challenging to put in practice in a reliable and cost-efficient way,



Question / Issue	Respondents' feedback	CEER's view
		depending on the situation at national level. However, if a CT offers that information, or provides a saving estimation, it should disclose and make clear the methodology applied for comparison and, if relevant, the basis of the estimation.
	nsibility of price and non-price information	
Do the recommendations information should they ac	need to be modified in order to ensure that CTs offer clear, comprehensible and verifiable information	to customers? What aspects of
How should information all avoid that information over	oout elements other than price be presented in CTs in order to allow customers a valuable comparisor rload results in less transparency?	·
Do you think that the GGP what principles should be	should address how users' reviews, or other subjective ratings, should be reported in CTs (which of considered?	fer this information) and, in that case,
General	Respondents' opinions confirmed that, in line with the existing CEER recommendations, price is a key element in the choice among different deals, but information on additional non-price issues should be presented by CTs in order to offer a clear picture of the available opportunities. Some respondents are of the opinion that there is no need for additional and more detailed recommendations on the information to be provided by CTs, because this might prevent innovation in both comparison and energy markets, and that CEER recommendations should be focused on ensuring that CTs clearly explain the basis on which the comparison is made. Other respondents submitted their specific suggestions on the key information that should be presented in order to ensure clarity and comprehensibility.	Noted. Non-price information is essential for customers, but CTs should avoid information overload.
Information on non-price features	With regard to non-price information, many respondents suggested that fundamental elements of all products (including additional or bundled products or services, and key contractual terms) should be presented, using appropriate graphic solutions, on the first page of the result list, rather than in a separate second-level page. As a consequence, filtering and alternative ranking functionalities should be implemented in order to enable customers to effectively explore the available offers and find what fits for them.	Agree in general, as price is not the only driver in customers' choice. Since non-price information can include parameters that are objective or subjective in nature, a distinction should be made, as subjective parameters may lead to customers' misunderstandings, or artificially influence their opinion. Easy-to-use and non-discriminatory
Ranking and ratings	Alternative ranking functionalities based on different parameters, in addition to the total cost	navigation tools play a key role where an increasing set of information, related to price and non-price features, is offered by CTs. Agree that customers should have the
ag and rainings	parameter, were welcomed by many respondents, but there is a shared opinion that only	ability to choose between multiple



Question / Issue	Respondents' feedback	CEER's view		
	objective and measurable criteria should be used, and that CTs should be absolutely transparent about the basis on which such comparisons are provided. Users' reviews or subjective ratings were generally considered by respondents a potential source of manipulation or misleading information, and their use should be subject to specific requirements (e.g. user registration) or additional monitoring. One respondent suggested that neutral and objective information about suppliers' quality and performance (e.g. rate of disputes per supplier) should be preferred.	ranking functionalities. Agree that default ranking should be based on price, as customers tend to expect this. Noted that ranking based on subjective criteria should be avoided. Where such kind of information, including users' ratings, is anyway offered, CTs should clearly disclose the underlying criteria and the measures adopted to ensure that the information is unbiased.		
Warnings	Two respondents suggested that some kind of warning information associated to specific products or categories of products should be recommended, either to the benefit of vulnerable customers (in order to avoid that they switch to a contract with unsuitable conditions), or with reference to a particular kind of price structure (e.g. offers where the customer pays for a predefined amount of energy).	Disagree – information is welcome but warnings could discourage the publication of some products or categories of products.		
Should the GGP include ac customers' involvement? Do you have any specific n	4. Customer involvement and activation Should the GGP include additional recommendations aimed at removing obstacles in the use of CTs by particular groups of customers, or at improving inactive customers' involvement? Do you have any specific recommendations on consumer data disclosure related to CTs that should be implemented? What actions could be taken by different stakeholders (including NRAs) in order to encourage a wider number of customers to use CTs?			
General	Most responses substantially reflect the opinion that no additional recommendations are needed in order to improve customer involvement and encourage a wider number of customers to use CTs. Information campaigns from NRAs or other public bodies running a CT or promoting a verification scheme, or advertising campaigns from commercial CTs, are considered the most appropriate means to involve customers in using such tools.	Noted.		
Alternative communication channels	One respondent is of the opinion that non-web based communication channels are not suitable for price comparison, due to difficulties in verifying the correctness and timeliness of information provided; conversely, another respondent suggested that individualised comparison simulations should be made available on request, free of charge, via different communication means such as post or fax, and that comparison websites should be made compatible with mobile devices or supplemented by a mobile application containing the same information as the website.	Partly agree. Due to their specific role, public CTs might consider to offer additional communication channels in order to empower customers who have no/difficult access to the internet. The same option may probably be not feasible for the generality of private CTs due to the commercial nature of their activity.		



Question / Issue	Respondents' feedback	CEER's view
Customers' data disclosure	As far as consumers' data disclosure is concerned, two consumer organisations underlined that customers' easy access to personal historical data and current contract conditions is the key element that would enable consumers to use CTs, improving their involvement and their confidence in the correctness and usability of the comparison results they obtain.	Noted.
Usability	One respondent stated that in order to reduce complexity for customers, simplified ways to use CTs could be explored, provided that a correct representation of all features of different offers is guaranteed, and that new technologies and smart metering will reduce data management issues for a growing number of customers.	Agree.
5. Smart meters and inno	ovative tariffs	
from different price structu	lopment of more complex indexed or dynamic electricity tariffs, do you think that there is a need for C ires and indexes? e best way for a CT to compare different tariff structures and provide customers with the most accura	•
General	There is a general agreement related to the inclusion of indexed and innovative tariffs on CTs, with additional remarks made by some respondents.	Noted.
Awareness	Several respondents remarked that CTs should inform users about the opportunities and risks that an indexed tariff offers. Noted.	
Accuracy	Comparisons based on historical data and/or future expectation may not be accurate, as they are based on past consumption and market forecasts. This must be explained by CTs.	Noted.
Use of load curve	 The use of load curves makes it possible to carry out quite reliable simulations, but the requirement to provide individual customer information can make the CT less user-friendly and increase the need to safeguard the confidentiality of the customers' data. Partly agree. Complex structed dynamic pricing offers, lin wholesale energy prices, complex databases and the ela of a greater amount of data the accurate estimation. 	
Use of profiles	 One respondent suggested the possibility for CTs to include typical consumption profiles, allowing consumers to compare their individual consumption habits with those exemplary cases. Another respondent noted that with regard to dynamic products, consumers should be aware that CTs may not offer accurate forecasts, but will involve an estimate of time-of-use tariffs (e.g. based on historic prices or indexed to forward markets and using average consumer profiles). 	Agree.
Bundled services	• Evaluation of other services than energy should be clearly mentioned. Other product features improving the quality of the service (such as the possibility to get personalised advice, etc.) should be clearly mentioned, as a customer's choice is not only price-based.	Agree.



Question / Issue	Respondents' feedback	CEER's view		
Do you think an initiative that pursues the standardisation and easy access of the customer's information (like QR codes, Green Button or similar) will be helpful in order to empower and activate energy customers? In that case, should this standardisation be done at national or at European level?				
General	In general, respondents do not believe that full standardisation could be positive, but some of them agreed that the adoption of minimum ratios to compare offers with may be positive.	Agree. Member States should define a common data format (with interoperability the goal at a European level) and a transparent procedure for customers to have access to their data, in order to promote competition in the retail market. It could foster the creation of new CTs, and also may help to assist consumers to use CTs easily and accurately.		
Harmonisation	A majority of respondents agreed that a harmonisation at European level does not seem desirable, and shall be done at national level, because of the very diverse situations across Europe. In addition, it should be assessed by a cost-benefits analysis. Some respondents made the distinction between CTs and the standardization on a secure access of the consumer's data.	Agree. A common European data format should be, subject to a costbenefit analysis in each Member State.		
7. Demand side response				
-	velopments could raise the need to include demand side response in CTs? to include demand side response offers on existing CTs? (If possible, please provide examples.)			
ii so, what is the best way t	Demand side response of final consumers can be sought out by two means, implicitly or	Agree. Comparison of demand		
	explicitly: the former approach means that the consumer adapts his/her consumption according	response offers is probably highly		
	to the price periods of its supply contract, the latter approach means that the consumer decreases its demand upon request of an aggregator that sells this decrease of demands on	difficult to build. In the case of explicit demand response		
General	markets.	offers, CTs may enable to filter them,		
	Most of respondents agreed that demand side response is a relevant aspect to be considered in the mid-term.	giving clear and exhaustive information on the type/structure of offer.		
	Other respondents also considered DSR a topic of minor importance, like energy efficiency.	Noted.		
8. Prosumers				
Do you think that there is a need to include the market of self-generated electricity and offers for prosumers in the CT? (If possible, please provide examples of current				
offers in your market.) How should offers addressed to potential prosumers (e.g. offers including products or services related to the installation of a generation equipment) be managed by				
CTs, and help customers to valuably assess the opportunity to become a prosumer?				
General	Several comments explained that it is unclear if it might be appropriate for traditional CTs to provide comparison, advice and offers to potential prosumers, giving the current situation. In the mid-term, prosumer offers could be part of the offers proposed by suppliers; therefore, CTs should be able to compare offers that include these developments, and there will be a natural desire from prosumers to be able to compare those offers.	Agree. Prosumer's products (e.g. offers including products or services related to the installation of a photovoltaic equipment) are becoming popular in many countries, so consumers may		



Question / Issue	Respondents' feedback	CEER's view
		need help to evaluate the opportunity to become a prosumer. Comparing this type of products is currently not the core activity of a CT, but could be an interesting additional service for consumers.
Principles	In any case, principles of independence, transparency of information, clarity that apply on PCT rules shall apply to prosumer offers.	Agree. In general, all new initiatives have to be included on CTs in a comprehensive, accurate and transparent way, trying to avoid confusion or misleading information.
9. Services added to ene		
	rvices added to energy contracts would change the way CTs work and should this be addressed in the ces will be most relevant, and what will not be suitable for presentation in CTs?	he GGP?
	nultiple services bundled with energy supply in a way that consumers can make informed decisions? could help customers in assessing the price elements of services that are bundled into an offer?	
General	Almost all respondents highlighted the relevance of bundled services of the offers presented on CTs, although there are different approaches regarding the optimal way to integrate them into CTs.	Noted.
Impact on cost estimation	In general, respondents considered that the impact on the total price should be included in the final price presented, but some of them considered that bundled services should be showed as a supplement.	Noted. First priority is to make comparisons 'like for like'. Non-optional bundled services or products should be included in the estimated total cost.
Principles	Respondents also agreed that the CT user needs to be provided with clear, comprehensive and relevant information about bundled services.	Agree, it should be clearly stated whether a bundled service/product is optional or not.
10. Access to the CT by	mobile devices / apps	
Do you think that the differ	be compatible with mobile devices in order to foster their use? Tent level of information and functionalities that apps or mobile versions of CTs can offer with respect The GGP? What aspects and principles should be considered?	to web-based CTs will have to be
General	All respondents agreed that mobile versions (e.g. apps) of CTs must follow the same rules as web-based versions, giving to CTs the freedom to display the information the way they consider best.	Agree.
Interoperability	The respondents predicted that CTs will be designed to work on several interfaces in a mid-term, as this trend is likely to continue developing. Some respondents (two) remarked that no obligation on interoperability is necessary on CT web versions.	Partially agree, no obligation on interoperability might be necessary, but any interface should be subject to the same rules.



Question / Issue	Respondents' feedback	CEER's view	
11. Collective switching			
	Are collective switching initiatives and CTs compatible? Or do you think they are competitors? Can we envisage a possible role of CTs in promoting consumers awareness of collective switching opportunities? Should a future GGP review include collective switching issues?		
	Most respondents expressed the opinion that collective switching initiatives and CTs are compatible, though both pursue a different goal, meeting different needs of different categories of customers.	Agree.	
General	Other respondents' opinion was, on the contrary, that collective switching offers should not be compared in CTs, because they are to be considered as separate products from a suppliers' perspective, or because of the large variety of different models that might lead to a loss of clarity and comprehensibility.	Noted.	
Neutrality	Many respondents considered that including collective switching offers, which are defined in price and all relevant features, in a comparison list offered by a CT could help interested customers in verifying whether other, more-suitable offers are available for them. If collective switching offers are included in a CT, they should however be displayed in the same way as individual offers in order to ensure neutrality of information; thus, the same GGP recommendations should apply.	Agree.	
Transparency	Some respondents addressed the issue of collective switching offers that may be operated by CTs, with one respondent suggesting that CTs that display collective switching offers should be required to specify whether they are a partner of the bid and whether they gain revenues based on the number of subscriptions.	Agree.	
12. CTs providing overview of different CTs (meta-CTs) Do you think that web services comparing the results of different CTs will be developed in the energy sector? What specific recommendations will they require from a customer perspective?			
General	Most respondents are of the opinion that the development of meta-CTs should be expected in the future, in markets where multiple significant CTs are running, as they might provide a wider overview of the market compared to single CTs.	Noted.	
Reliability	One respondent focused on the issue that since different CTs may run on the basis of different assumptions, calculations or information, then the comparison of the different results, made by a meta-CT, would not be reliable.	Noted.	
Principles	It is a shared opinion that where those tools will develop, the same recommendations should also apply to these kind of CTs.	Agree.	

Annex 1 – List of abbreviations

Term	Definition
CEER	Council of European Energy Regulators
CTs	Comparison tools
GGP	Guidelines of Good Practice
NRA	National Regulatory Authority

Annex 2 – CEER

The Council of European Energy Regulators (CEER) is the voice of Europe's national regulators of electricity and gas at EU and international level. CEER's members and observers (from 36 European countries) are the statutory bodies responsible for energy regulation at national level.

One of CEER's key objectives is to facilitate the creation of a single, competitive, efficient and sustainable EU internal energy market that works in the public interest. CEER actively promotes an investment-friendly and harmonised regulatory environment, and consistent application of existing EU legislation. Moreover, CEER champions consumer issues in our belief that a competitive and secure EU single energy market is not a goal in itself, but should deliver benefits for energy consumers.

CEER, based in Brussels, deals with a broad range of energy issues including retail markets and consumers; distribution networks; smart grids; flexibility; sustainability; and international cooperation. European energy regulators are committed to a holistic approach to energy regulation in Europe. Through CEER, NRAs cooperate and develop common position papers, advice and forward-thinking recommendations to improve the electricity and gas markets for the benefit of consumers and businesses.

The work of CEER is structured according to a number of working groups and task forces, composed of staff members of the national energy regulatory authorities, and supported by the CEER Secretariat. This report was prepared by the Customer Empowerment (CEM) Task Force of CEER's Customers and Retail Markets (CRM) Working Group.

CEER wishes to thank in particular the following regulatory experts for their work in preparing this report: Alejandro Alonso, Amandine Deboisse, Dario Franchi and Rodrigo Mangas Calvo.

More information at www.ceer.eu.