

## Lower wholesale energy prices translate into lower retail prices for the second year in a row

Brussels, 22 October 2018

**Average energy retail prices for households in the EU decreased in 2017, reflecting for the second consecutive year the decline of energy wholesale prices in preceding years, also thanks to market integration. However, the non-contestable part of the bill (network costs, taxes, levies and other charges) continued to increase. Some of the non-contestable components of the bill have supported the development of renewable energies, which are key for the EU to fulfil the objectives of the Paris agreement against climate change.**

The [Annual Report on the Results of Monitoring the Internal Electricity and Natural Gas Markets](#) was presented today in Brussels by the Agency for the Cooperation of Energy Regulators (ACER) and the Council of European Energy Regulators (CEER). For some retail and the gas wholesale market metrics, the Contracting Parties<sup>2</sup> of the Energy Community are also included in the analysis.

In electricity, the full integration of day-ahead and intraday markets is getting closer, as illustrated, for example, by the high level of efficiency in the use of cross border capacity for day ahead trading - up to 86% in 2017. However, due to the limited capacity available for trading, cross-border exchanges continued to be discriminated against compared to exchanges within countries, to the detriment of end-consumers. In this respect, **Alberto Pototschnig**, ACER Director, advocated for an “enhanced amount of cross-border commercial capacity to be made available for trading, to bring more security of supply and better prices to citizens”.

Gas wholesale markets continue their positive performance in terms of both market functioning and price convergence. However, an EU-wide Internal Gas Market is not a reality yet, as the gap between better functioning markets and those without transparent trading venues continues to widen. Gas network codes are contributing to market functioning in those EU Member States in which gas wholesale markets function well or are improving.

CEER President, **Garrett Blaney**, stated: “The Market Monitoring Report confirms the value of regulators monitoring markets and the enforcement of consumer rights. Whilst it is good to have a Supplier of Last Resort (SOLR) or default supplier, the SOLR mechanism should not lead to consumers remaining inactive on a permanent basis or be used to keep regulated prices in place.”

For the Energy Community Contracting Parties, **Janez Kopač**, Director of the Energy Community Secretariat, highlighted: “On average, we continue to witness positive effects of market liberalisation on both electricity and gas retail markets. However, the majority of the national gas wholesale markets, with the exception of Ukraine, are still import dependent and illiquid. This calls for the continued alignment with the EU acquis and increased efforts to implement the Energy Community law as a precondition for market integration and cross-border trade. “I am pleased that our cooperation with ACER and CEER has deepened – thanks also to the efforts that Contracting Party national energy regulators devote to data provision and analysis”, he added.

**ENDS** (See Notes for Editors on next page)

## **Notes for Editors**

- (1) The [7<sup>th</sup> Annual Report on the Results of Monitoring the Internal Electricity and Natural Gas Markets](#) consists of four volumes, focusing respectively on: Electricity Wholesale Markets, Gas Wholesale Markets, Electricity and Gas Retail Markets, and Consumer Protection and Empowerment. The various volumes present the state of play in their respective domains on the road towards the completion of the Internal Energy Market as well as remaining challenges. The Annual Report on the Results of Monitoring the Internal Electricity and Natural Gas Markets fulfils the Agency's mandate established by Article 11 of Regulation (EC) No 713/2009. It covers retail prices for electricity and natural gas, access to networks (including network access by electricity produced from renewable energy sources), and compliance with the consumer rights laid down in Directive 2009/72/EC and Directive 2009/73/EC. The data used for compiling this report have been collected internally or provided by the European Commission, CEER, the National Regulatory Authorities, and the European Networks of Transmission System Operators for electricity and gas. In addition, the 2018 national reporting of each National Regulatory Authority (NRA) in the form of [National Country Reports](#) (in national languages and English summaries) are published today on the CEER website [www.ceer.eu](http://www.ceer.eu). The support of the Energy Community Secretariat and the Contracting Parties' national energy regulatory authorities via the Energy Community Regulatory Board in collecting and analysing the data from Energy Community Contracting Parties is gratefully acknowledged. The Energy Community Contracting Parties are Albania, Bosnia and Herzegovina, Kosovo\*, former Yugoslav Republic of Macedonia, Georgia, Moldova, Montenegro, Serbia and Ukraine. For further details see [www.energy-community.org](http://www.energy-community.org).

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