



## CEER Conference

Lord Mogg  
President of CEER  
22 January 2014

## *Are the pieces in place for the Internal Energy Market to deliver benefits?*

### Where do we stand?

- ACER/CEER Market Monitoring Report

### Where do we want to go?

- Bridge to 2025

### What Regulators are doing?

- CEER 2014 Work Programme



## *Where do we stand?*

### Market Monitoring Report

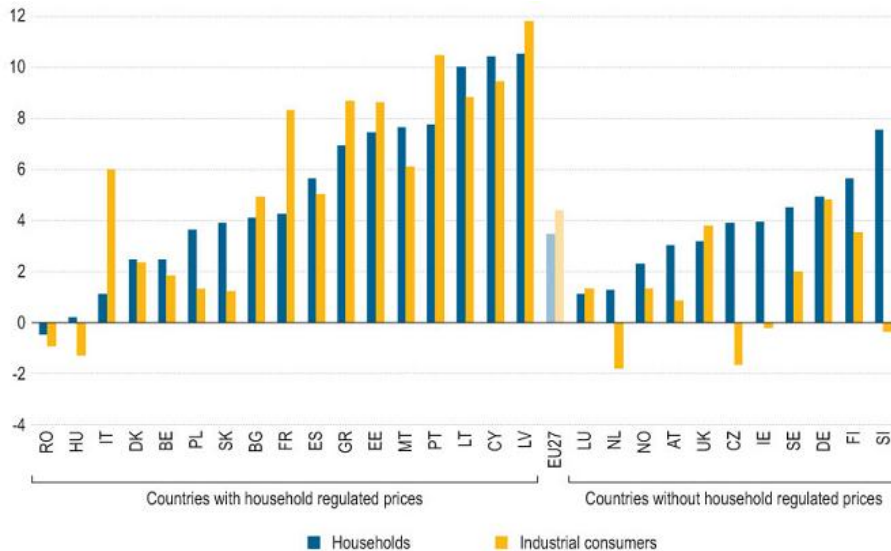
- Second joint annual electricity and natural gas market monitoring report by ACER and CEER
- Three main areas covered:
  - ▶ Electricity markets
  - ▶ Natural gas markets
  - ▶ Consumer protection and empowerment
- Electricity (E) and gas (G) chapters sub-divided into retail, wholesale and access to networks (including transportation tariffs)



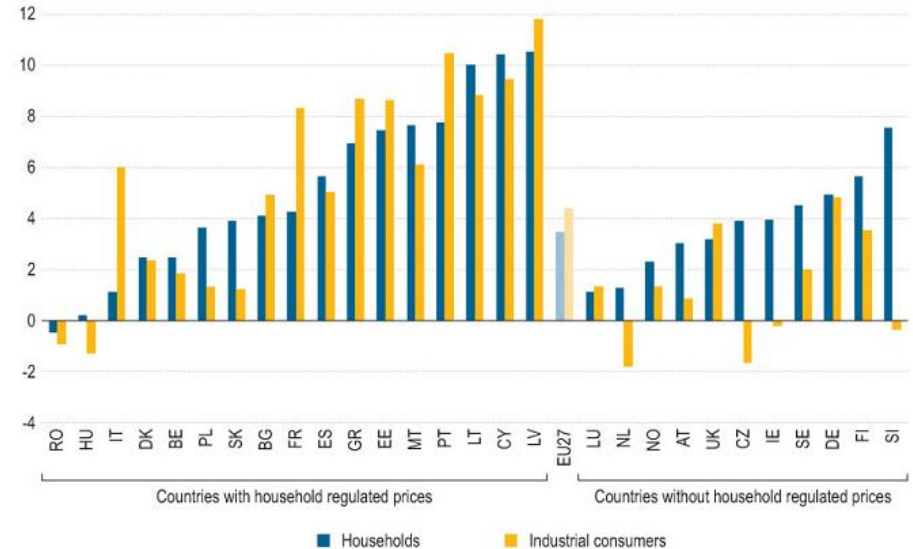
## Relevant key findings

In spite of the economic downturn, over the last four years households have experienced increasing energy prices.

### Electricity



### Gas



# *Market Monitoring Report*

## Relevant key findings

- So whilst wholesale market integration is improving but the advantages brought about by the single market, such as lower wholesale electricity prices, still need to translate into benefits for final consumers.
- Competition in retail markets is increasing in many, but not all Member States, but many European households are not switching supplier:
  - ▶ regulated prices
  - ▶ lack of awareness
  - ▶ loyalty to incumbents and distrust of alternative offers
  - ▶ (perceived) complexity of the switching process

# *Market Monitoring Report*

## **Key recommendations**

- Implementation of Third Energy Package
- Development and (early) implementation of Network Codes
- Remedial action and developing solutions for loop flows
- Promote liquidity in gas hubs and more transparent transportation charges
- Remove barriers to consumer switching
- Fully enforce consumer rights



*Where do we want to go?*

## The 2025 bridge and its pillars

Overarching paper

“Energy Regulation: A bridge to 2025”

More detailed “pillars”

Gas

Electricity

Consumers

DSO

## *Bridge to 2025*

### Timeline:

December 2013:  
**Pre-consultation**

March 2014:  
**Green  
consultation  
paper**

Q2 2014:  
**Consultation  
period**

Q2 2014:  
**Stakeholder  
workshop**

September 2014:  
**2025 Vision**



## *What Regulators do?*

### **Some ways in which Regulators plan to contribute:**

1. *Flexibility*: ensure right price signals, remove regulatory barriers, better forecasting and liquidity, correct use of subsidies and state-aid
2. *Smarter demand side*: removal of barriers, investment in smart technology, provision of adequate regulatory framework, facilitating innovation
3. *Encouraging competition*: designing technology-neutral market arrangements, appropriate wholesale gas market arrangements, removal of market entry barriers for new gas sources
4. *Empowering Consumers*: ensuring that consumers can participate in the market and its development in an informed way

## ***CEER 2014 Work Programme***

### **Consumer related deliverables**

- Revision of progress towards achieving 2020 Customer Vision
- Concrete deliverables to contribute to this Vision:
  - ▶ a report in which we analyse how customers are informed about the source of their electricity,
  - ▶ advice on the regulation of the quality of DSO customer services
  - ▶ advice on how data management should be developed in the current and future with and without smart metering and smart grids

Thank you for your attention!

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