

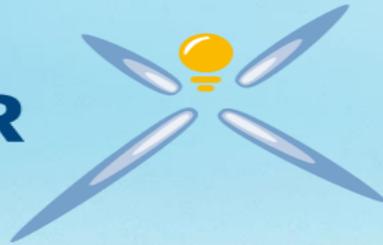
ACER



European Union Agency for the Cooperation
of Energy Regulators

CEER

Council of European
Energy Regulators



2023 Market Monitoring Report Energy Retail and Consumer Protection

14 September 2023

14:00 CET

AGENDA		
13:50 – 14:00	Webinar open for log-in	Starts promptly at 14:00
14:00 – 14:05	Introductory Remarks Jana Haasová, CEER	
14:05 – 14:20	Energy retail and consumer protection MMR: Conclusions and recommendations Csilla Bartok, ACER	
14:20 – 14:30	Consumer demand trends Philip Lewis, VaasaETT	
14:30 – 14:40	Case Study: ESB Networks “Beat the Peak” Sarah Dunne, ESB Networks	
14:40 – 15:15	Q&A and Close Moderator: Natalie McCoy, CEER	

Housekeeping rules



Questions shall be posed using the Slido tool within Microsoft Teams

Use direct link:

<https://app.sli.do/event/qQpF6bfTwrkEq3yCvu7zMn>



Keep your microphone muted unless the chair gives you the floor



Questions from other participants can be 'liked' to increase their visibility



Slides from this webinar will be uploaded to ACER website



Substance-related questions will be addressed during the relevant Q&A session; although they can be posed at any point

Introductory remarks

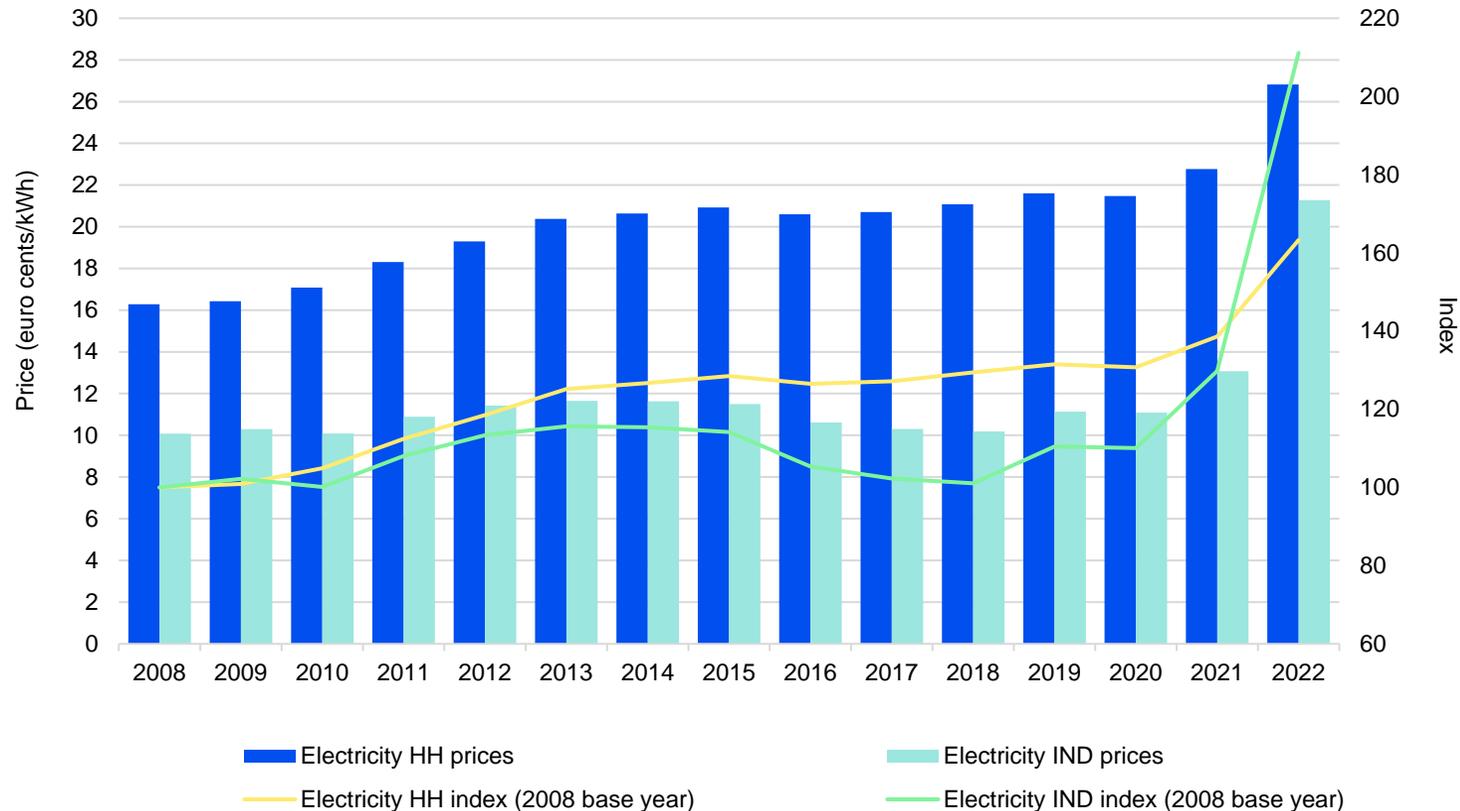
Jana Haasová, CEER

Conclusions and Recommendations

Csilla Bartok, ACER



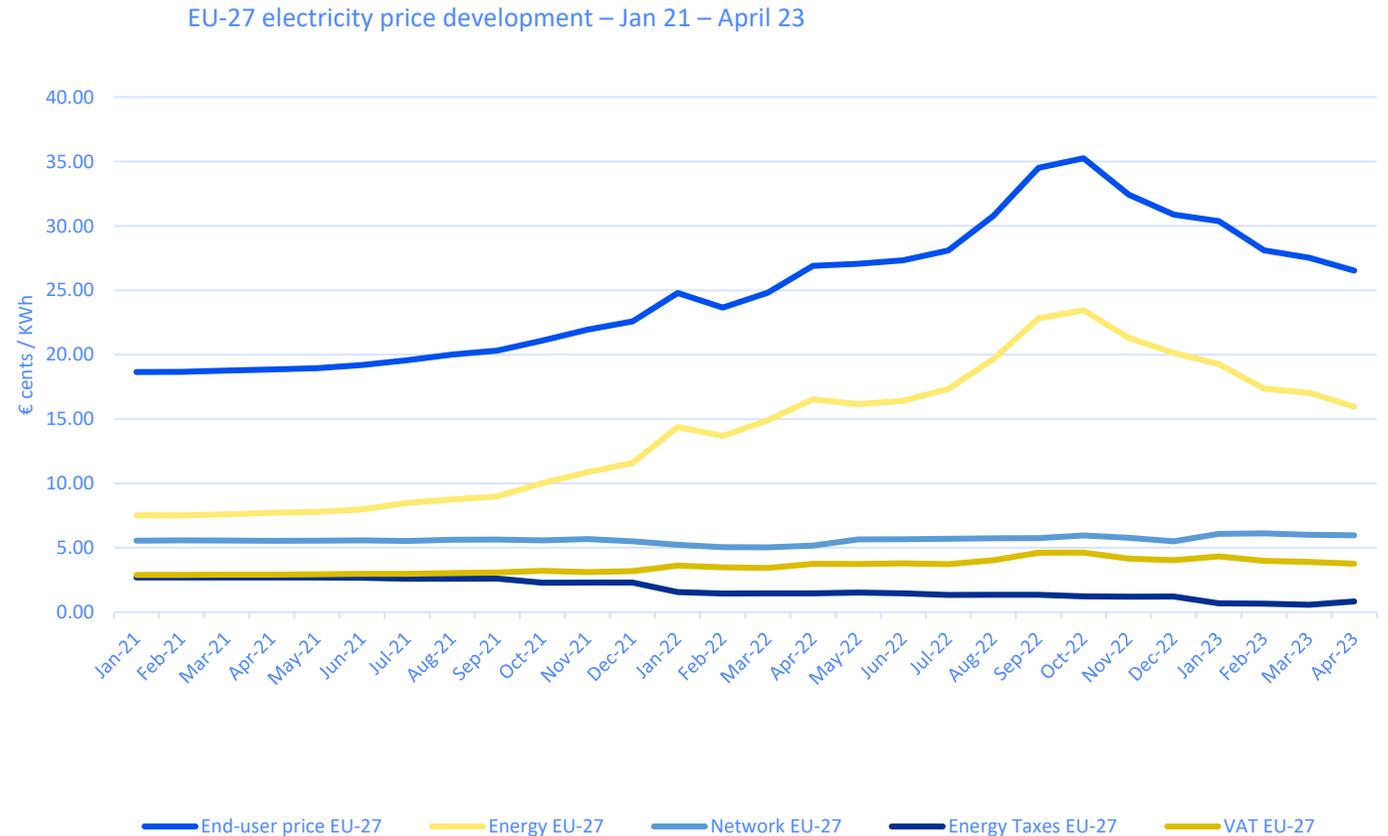
Year on year electricity prices increased



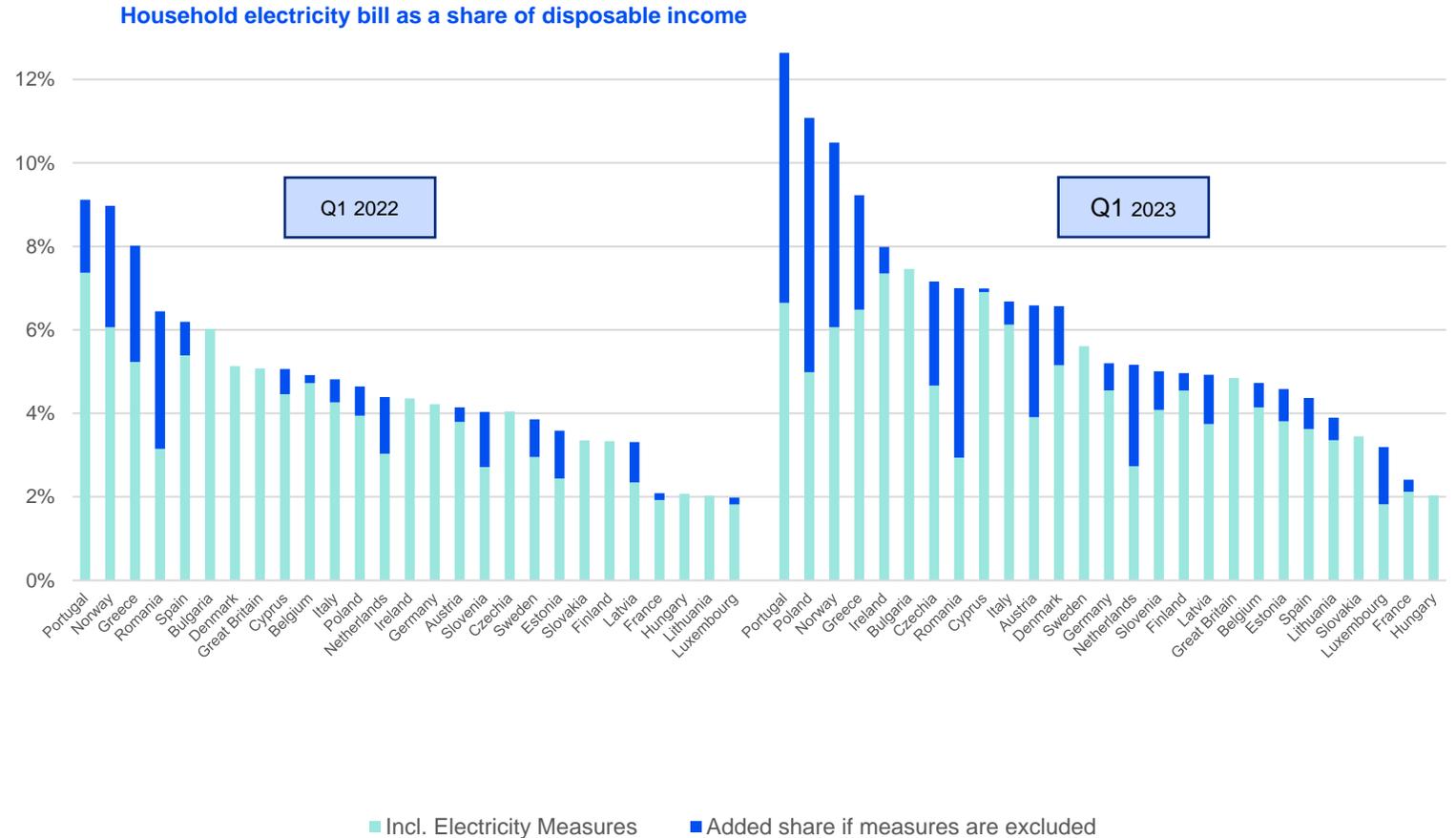
- Across the EU, electricity prices increased
- Such increases were inevitable in response to wholesale energy prices
- Governments implemented measures to assist consumers manage the higher bills
- Hedging strategies shielded consumers at the start of the crisis

Monthly data shines some light

- Electricity prices peaked between October and November 2022
- While prices are falling, they remain higher than pre crisis levels
- Peak price caused by the energy component
- Hedging strategies shielded consumers



- Energy expenditure extremely high in some Member States
- Measures in response to the crisis needed but came at a cost
- Support likely to continue to be needed for some going forward
- More targeted approach may be needed

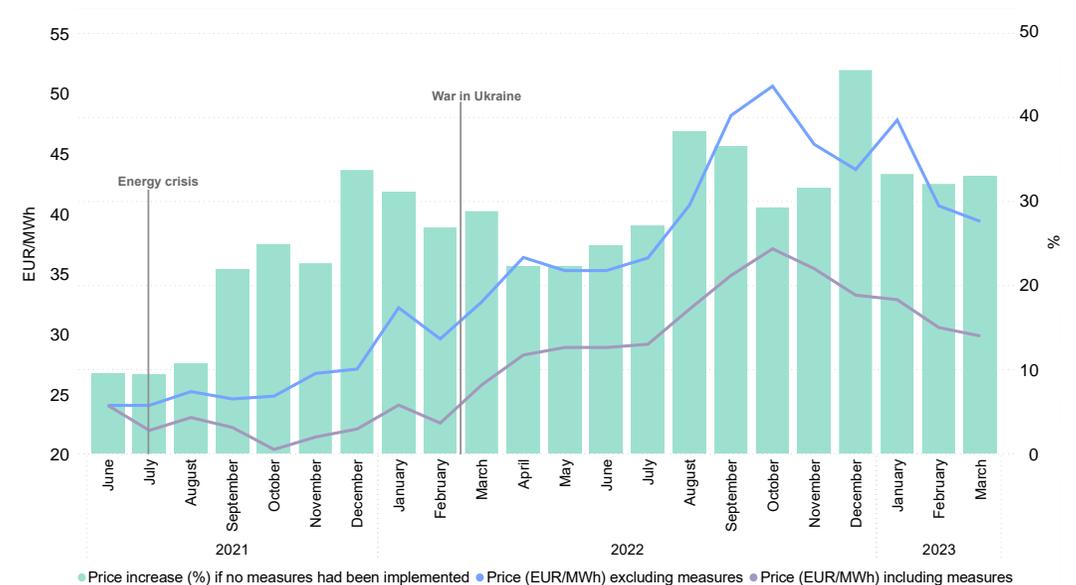


In the short term, emergency measures shielded end consumers from price shocks

- **Wholesale electricity prices peaked, but** emergency measures mitigated the increase in retail prices.
- **Fiscal costs** of household support measures in 2022 and 2023 reached up to 5.56% of GDP for some member states.
- **Targeted measures:** Less than a quarter (**23%**) of these costs.
- **Attention needed going forward:** Household electricity prices drop at a slower rate than the wholesale prices.

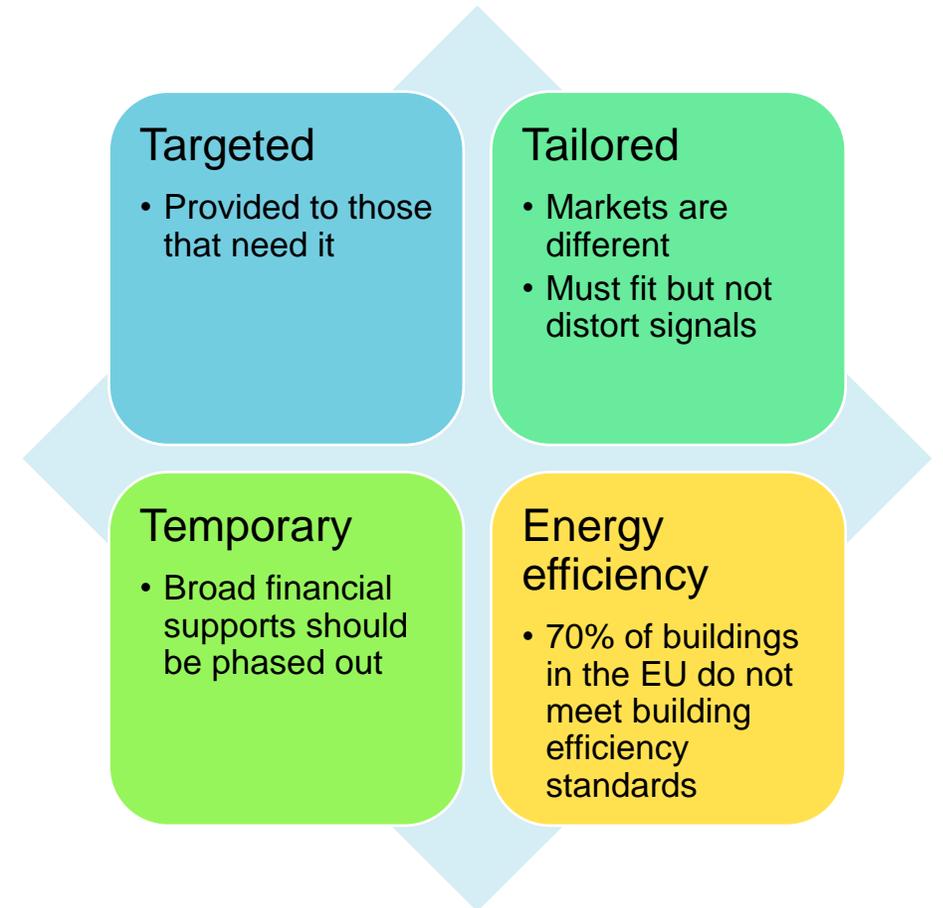
Reduction of retail prices was achieved at high costs.

Effect of emergency measures on retail prices – EU-27, June 2021 – April 2023 (% and EUR/MWh)



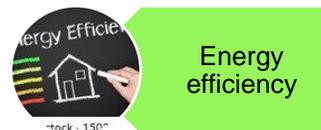
SUPPORTS COULD BE MORE TARGETED

- **Supports should aim to:**
 - Assist all consumers to lower consumption; and
 - Protect vulnerable consumers and remove their vulnerability going forward.



PROTECTING VULNERABLE USERS STARTS WITH ASSESSING WHO THEY ARE...

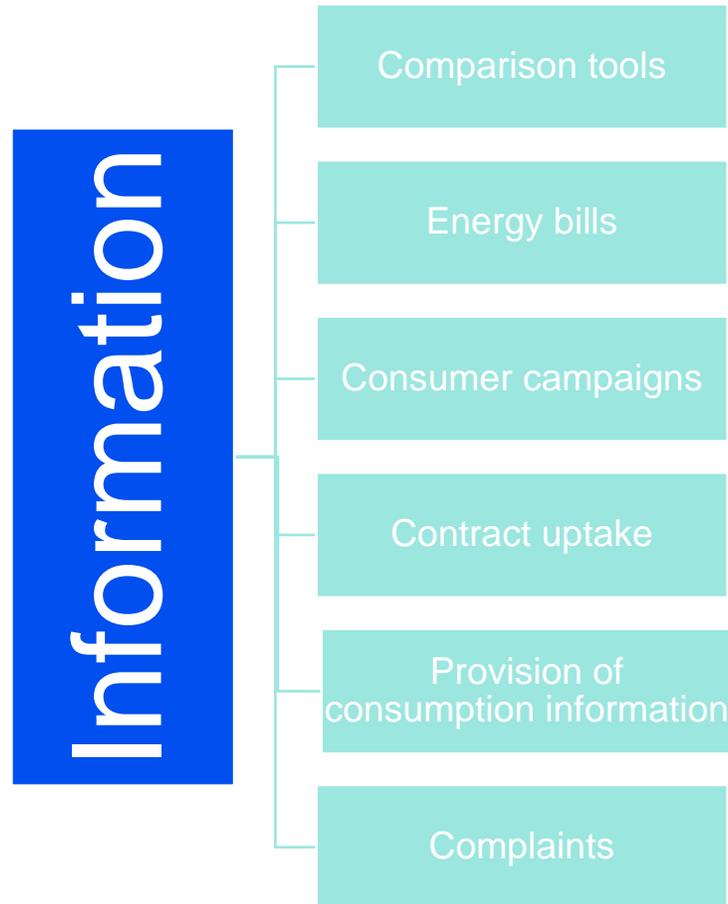
- Directive 2019/944 gives Member States the **power to define what a vulnerable consumer is**.
- Member States may take into account:



The Directive offers a broad guidance

- We should strive to:
 - Protect the critically dependent users;
 - Assist all users to lower consumption and reduce bills through energy efficiency; and
 - Examine the proportion of income spent on energy over time.
- Watch out on the long run for:
 - Vulnerability may change based on circumstances and markets – be capable of responding rapidly

Availability and provision of information could be improved



- Many EU consumers still do not have access to comparison tools or energy bills compliant with EU law
- Stronger monitoring of contract uptake needed as we move to a more flexible energy system
- Consumer complaint processes should improve to enhance the quality of service provided
- Consumer information campaigns can help consumers to engage more actively



Emergency situations call for **trade-offs and compromises**, however, some approaches outperform others



Measures to shield end-consumers should be **TEMPORARY, TARGETED, TAILORED.**



Demand reduction and reaction: **will be key in the future.**

Consumer demand trends

Philip Lewis

VaasaETT

14 September 2023

Consumer Demand Trends During the Crisis

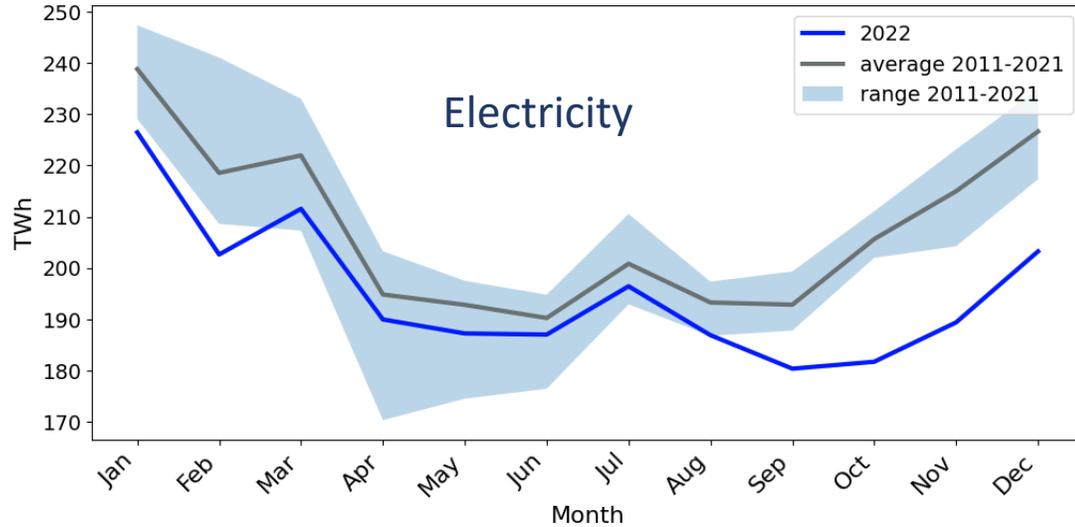
vaasa **ETT**

Dr Philip Lewis, CEO, VaasaETT

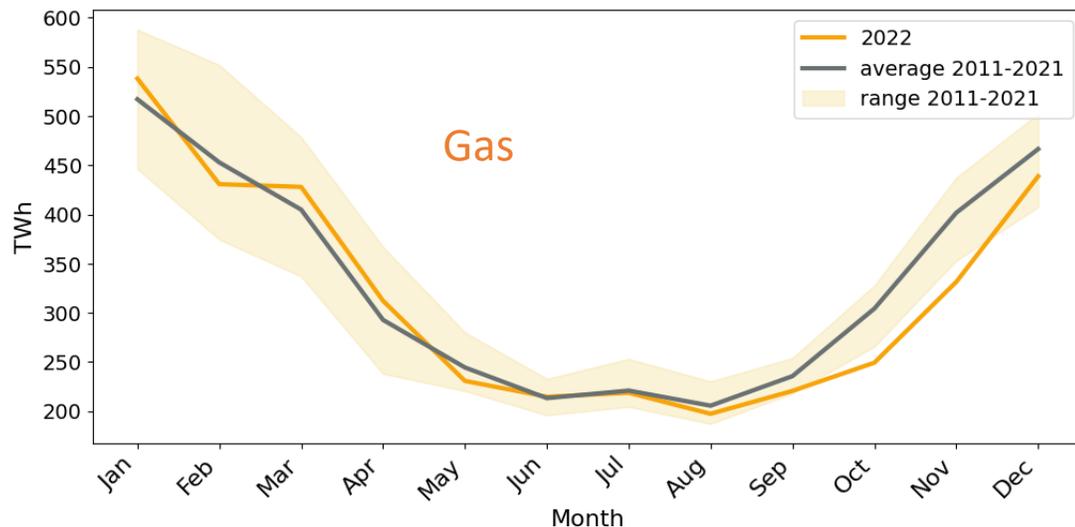
ACER-CEER webinar: Monitoring energy retail markets and consumer protection

Demand Trends – The Bigger Picture

Aggregated Demand Patterns (EU27) Past vs 2022



- ❖ Electricity demand clearly low in latter part of 2022 compared to historical levels
- ❖ Gas demand at the lower end of the historical range.

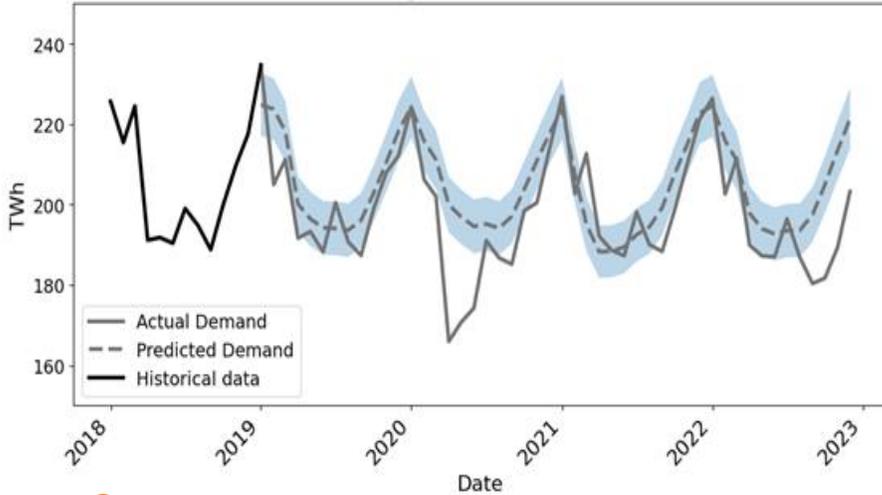


Not a dramatic impact overall, even when including industrial demand

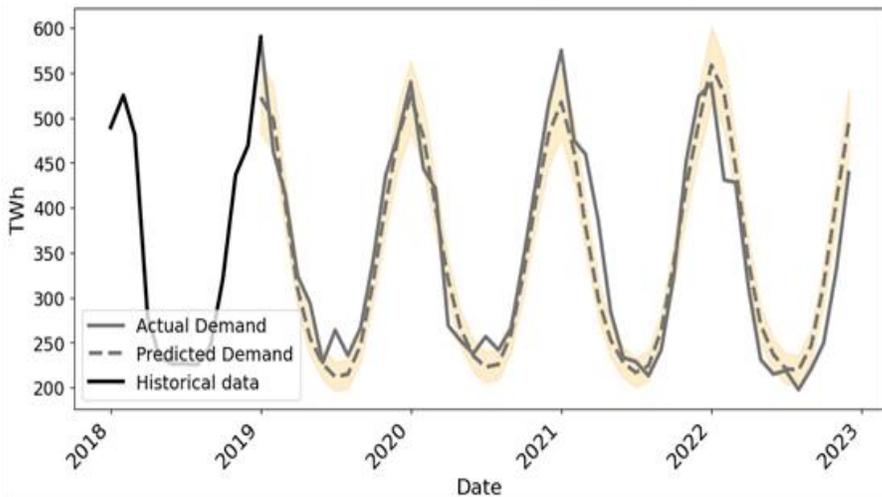
Demand Trends – The Bigger Picture

Aggregated Demand Patterns (EU27) 2022 vs Modelled

Electricity



Gas



- ❖ Demand slightly below what would have been expected given seasonality, weather & other variable adjustments (Excl. crisis)
- ❖ Larger reduction indicated for electricity than gas

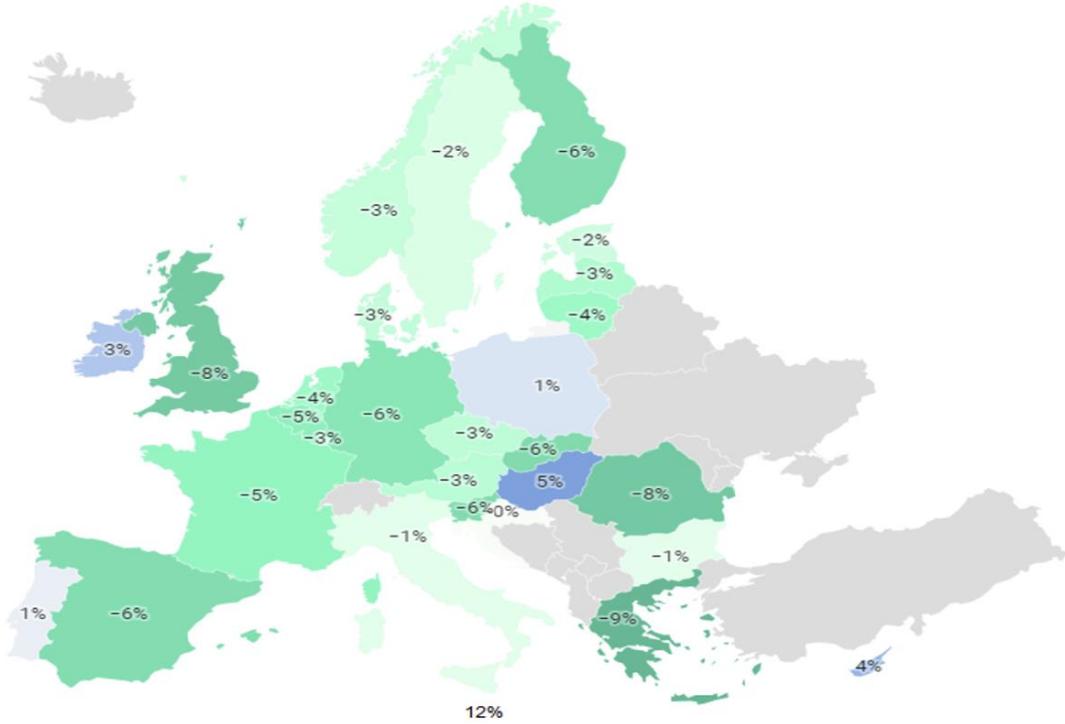
Modelling analysis presents a similar picture

Demand Trends – The Bigger Picture

Aggregated Demand Change (EU27) in 2022

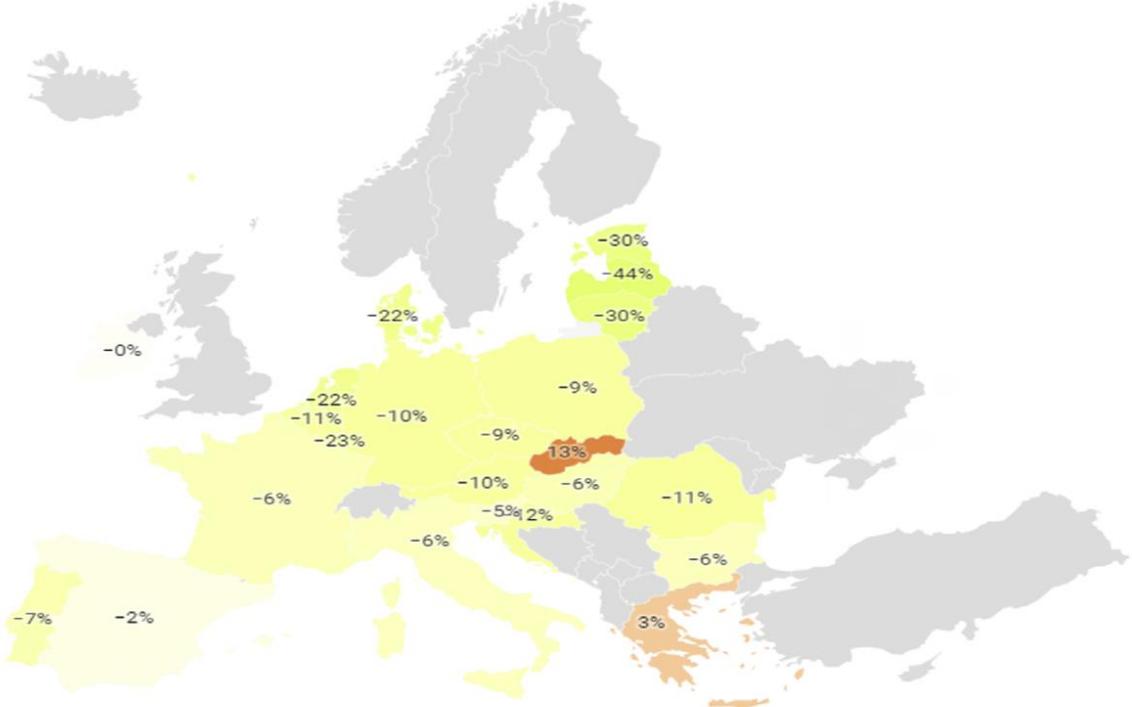
Demand change in 2022 (%)

In comparison with pre-crisis and pre-covid demand (average 2018-2019)



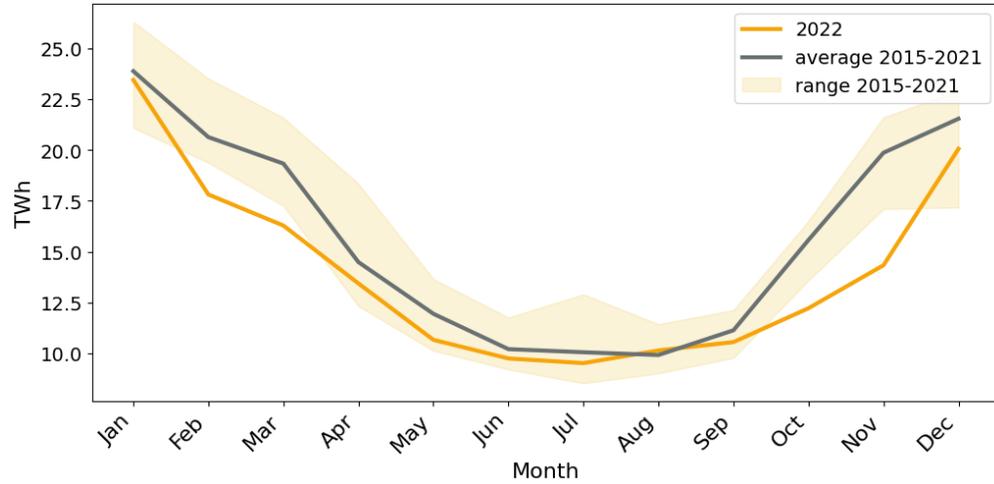
Gas demand change in 2022 (%)

In comparison with pre-crisis and pre-covid demand (average 2018-2019)

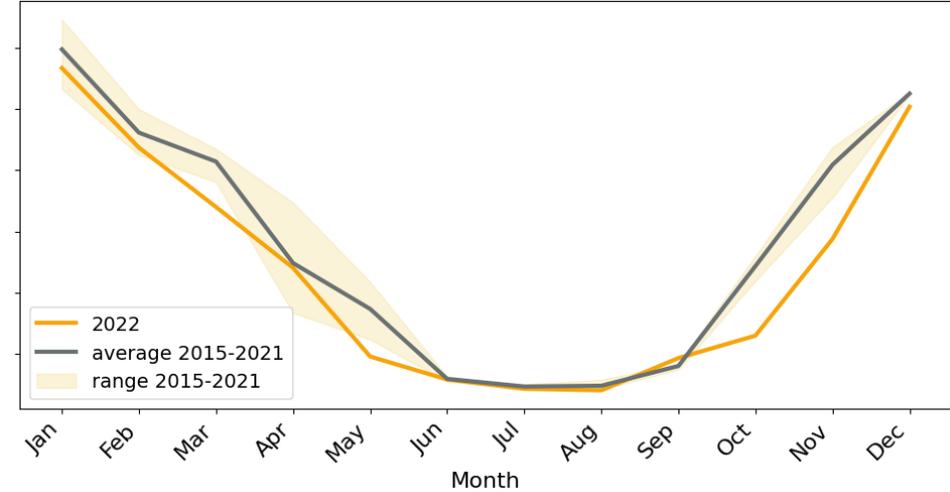


Absolute Reductions across most of Europe

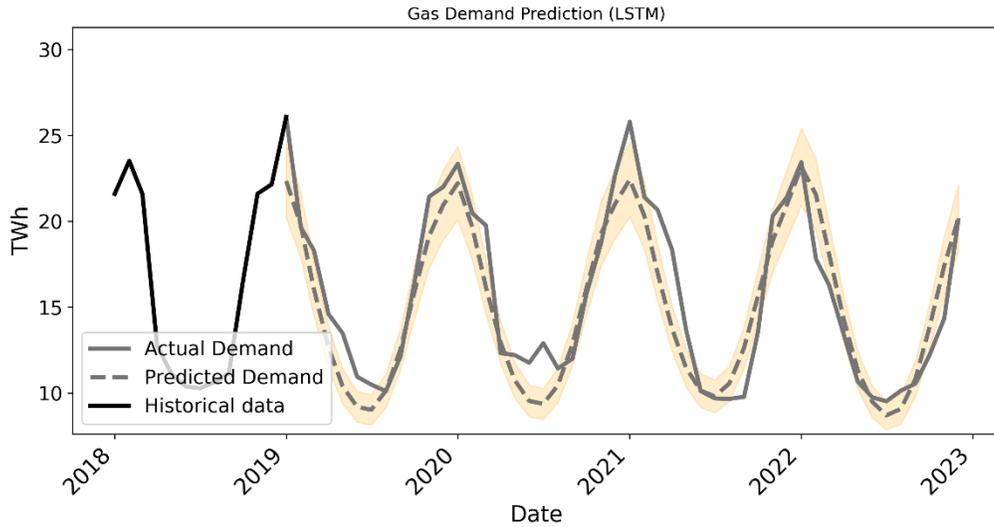
Aggregated demand



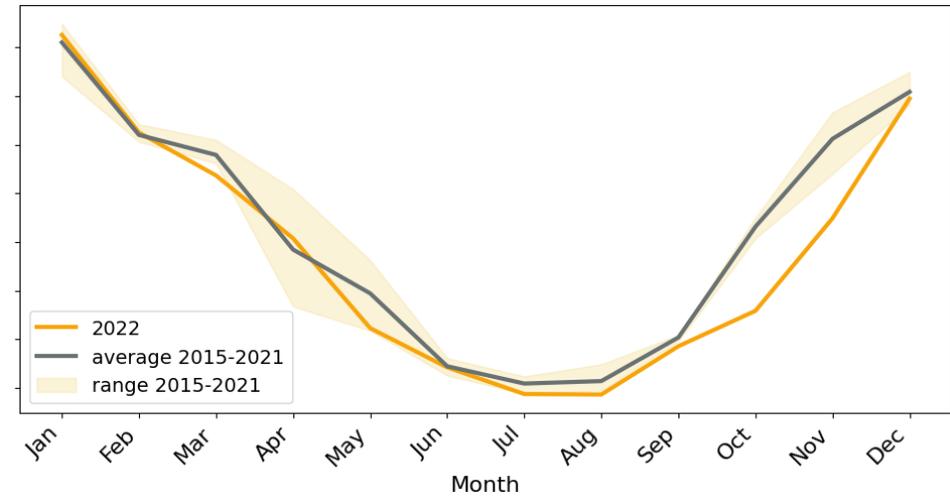
Residential demand



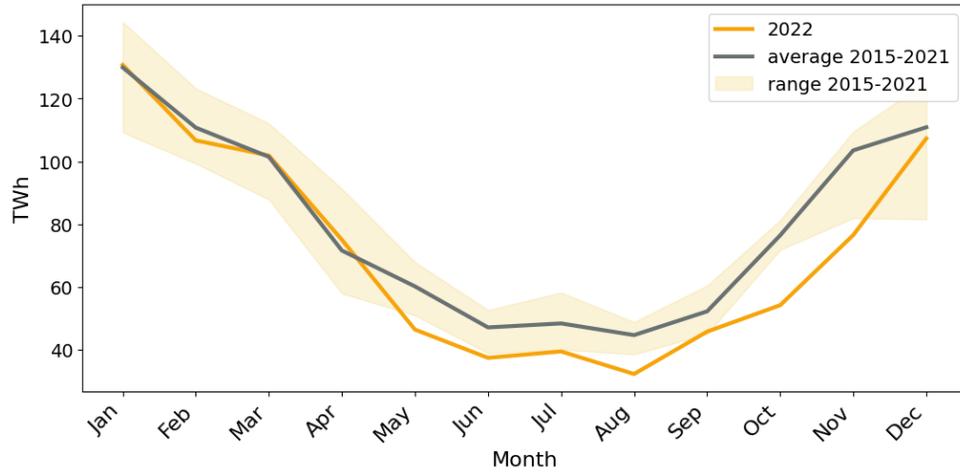
Predicted vs Actual



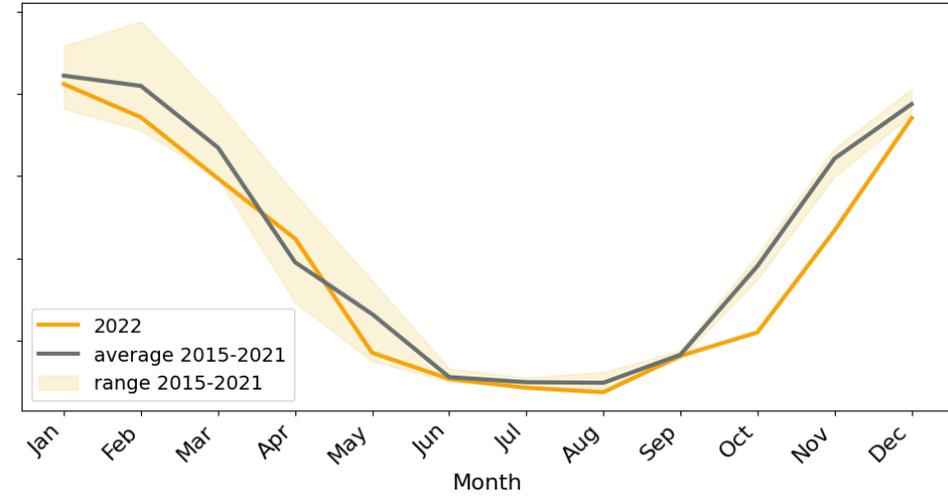
Industrial demand



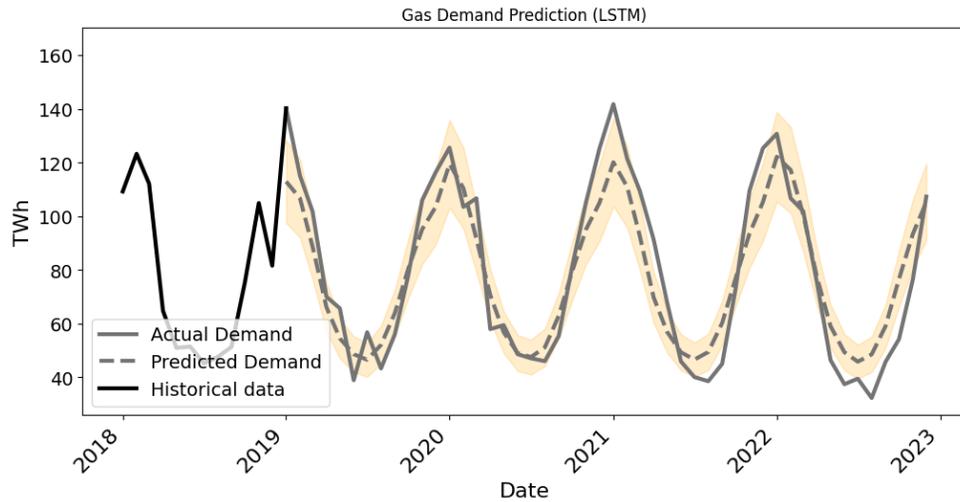
Aggregated demand



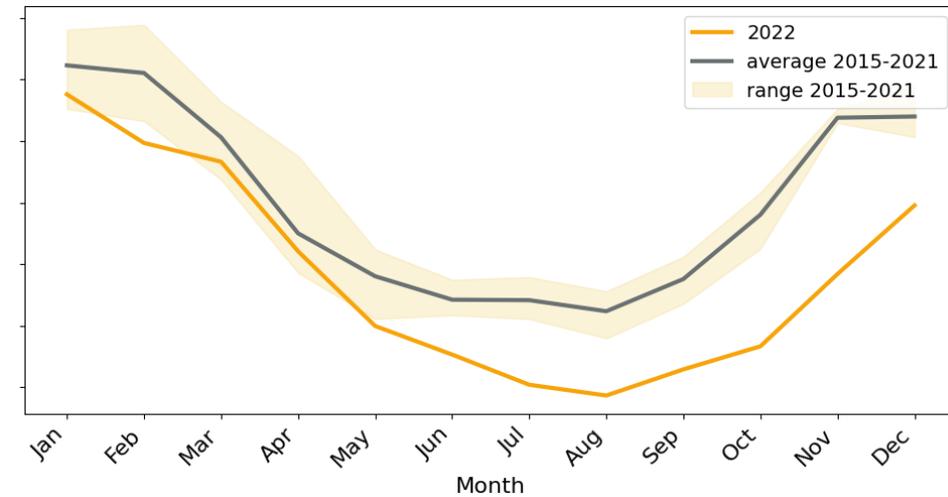
Residential demand



Predicted vs Actual

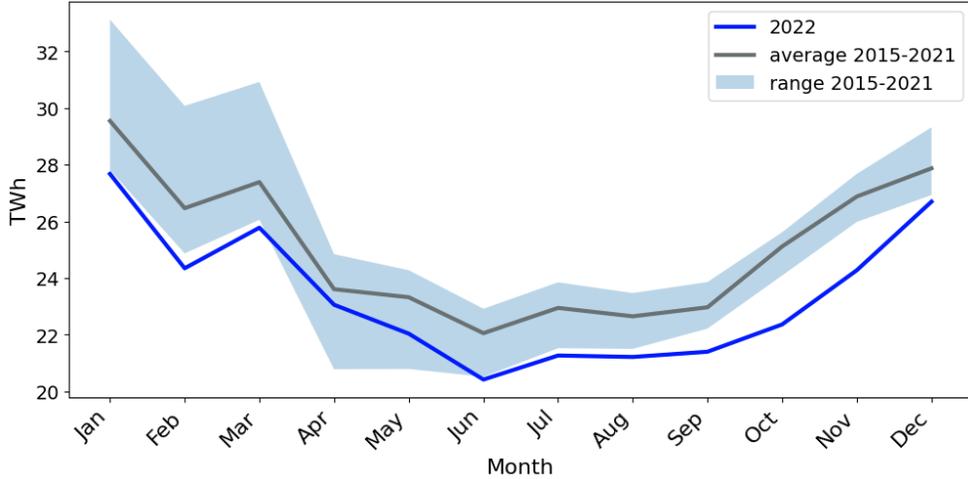


Industrial demand

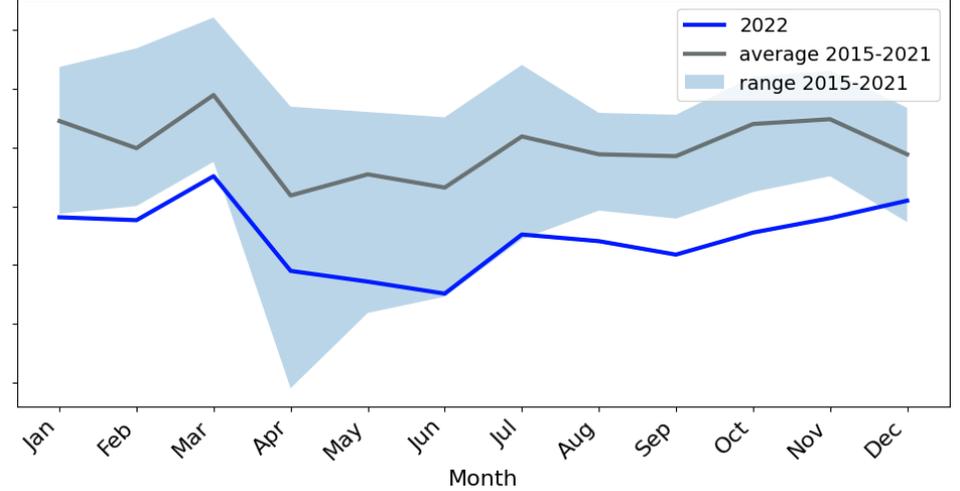


Demand Trends – Elec + Gas Great Britain

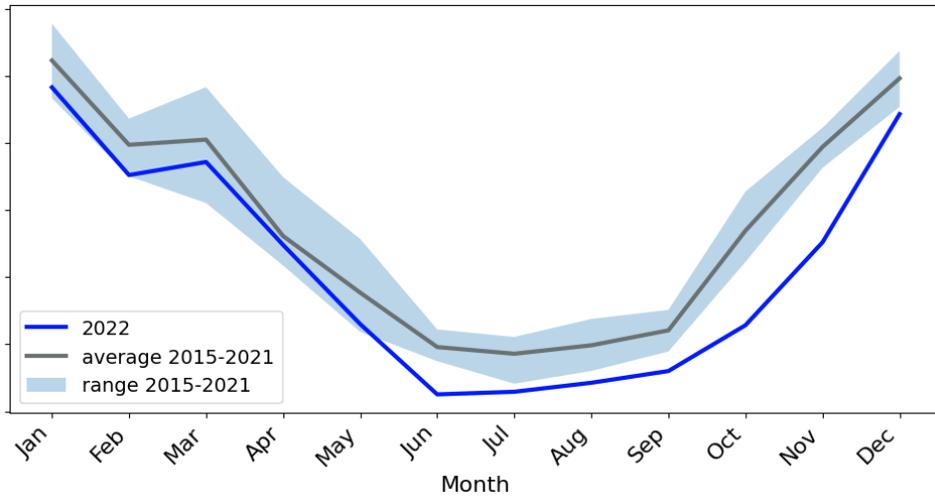
Aggregated electricity demand



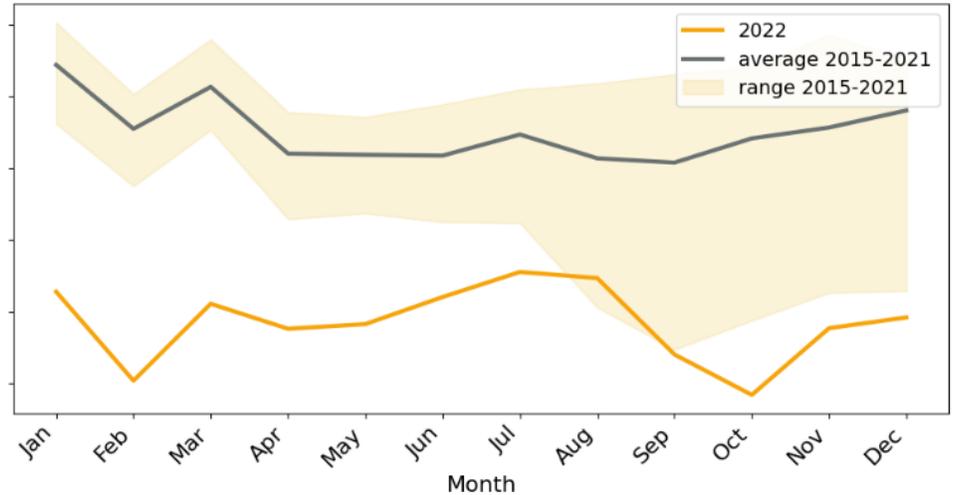
Industrial electricity demand



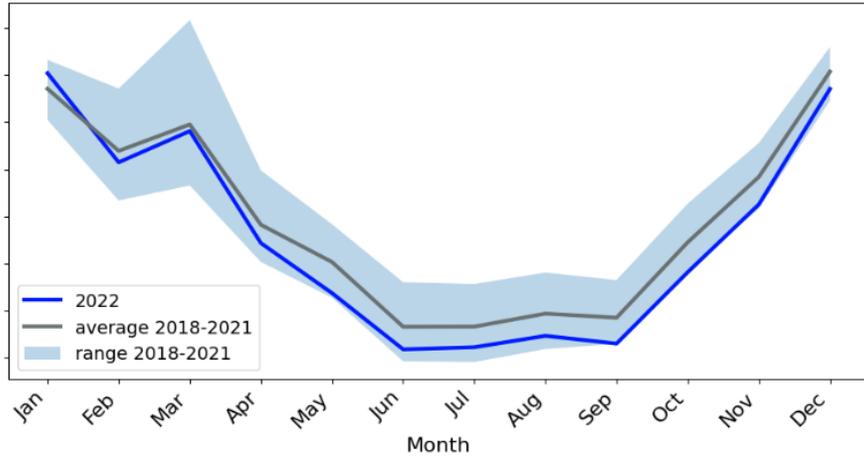
Residential electricity demand



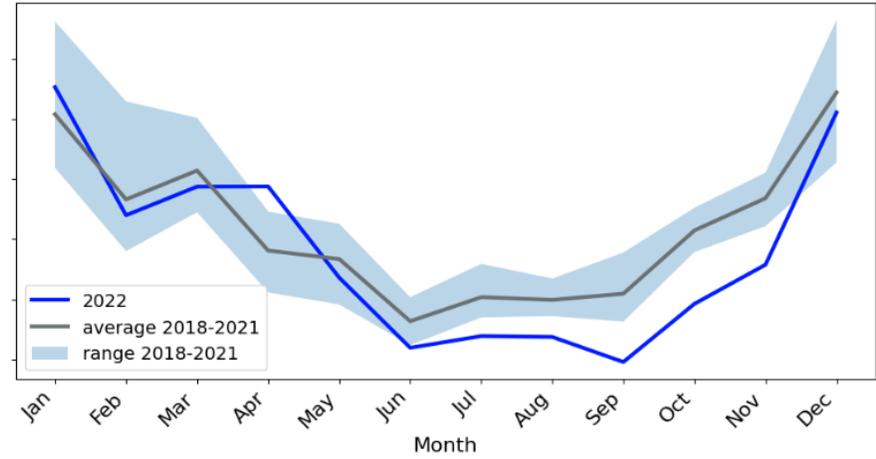
Industrial gas demand



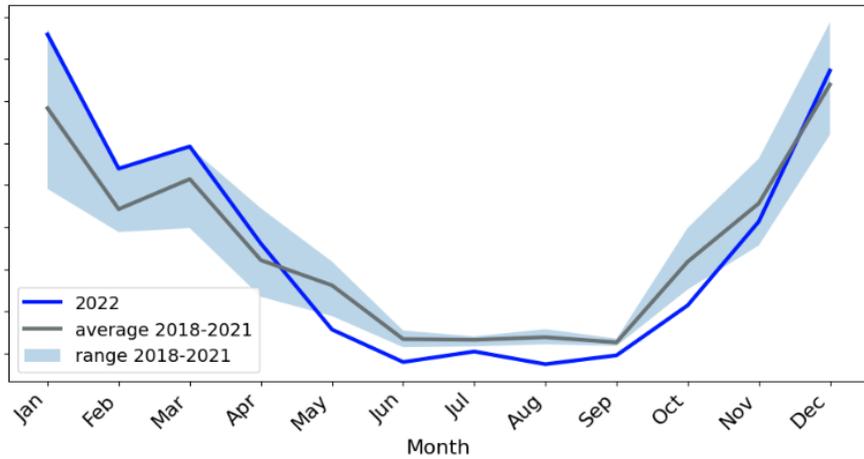
Ireland



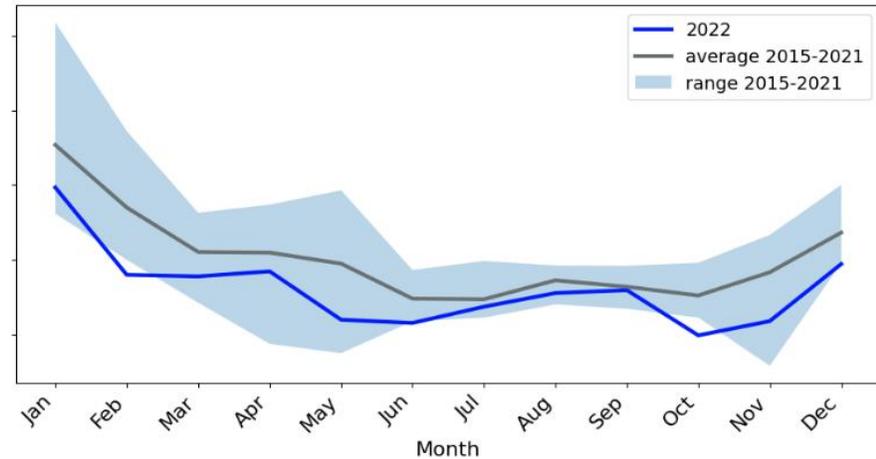
Latvia



Slovenia

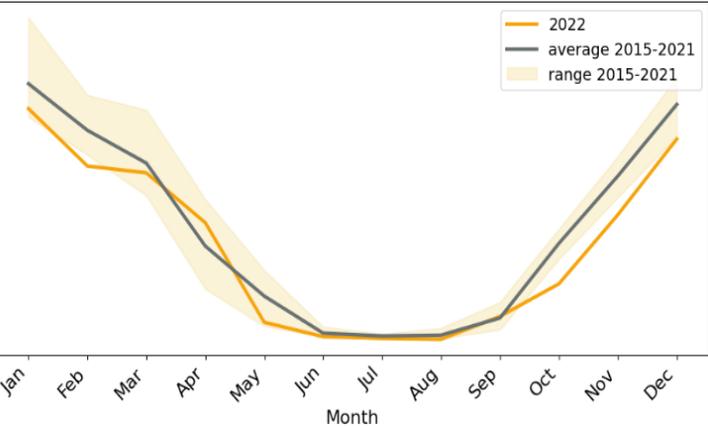


Spain

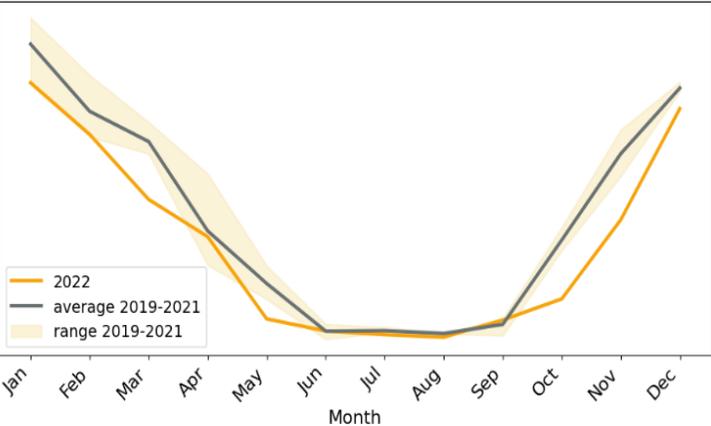


Demand Trends – Gas Other Notable Res Markets

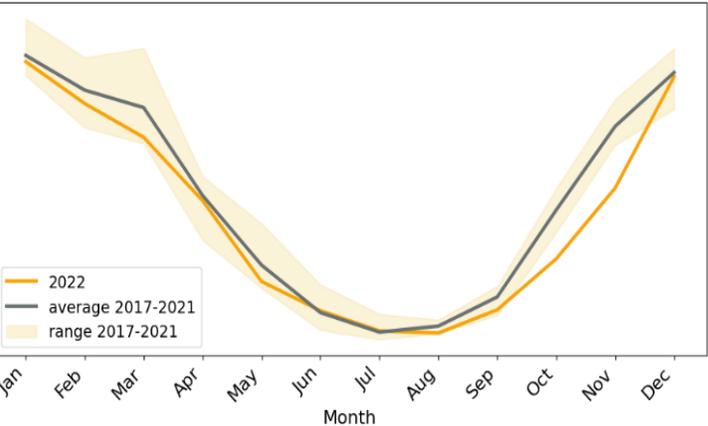
Czechia



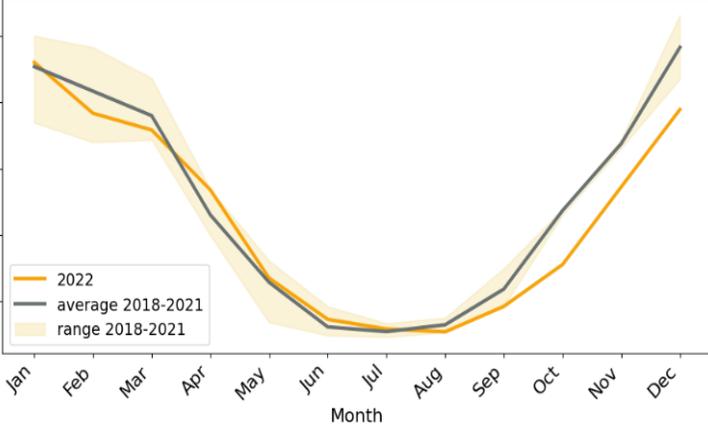
Netherlands



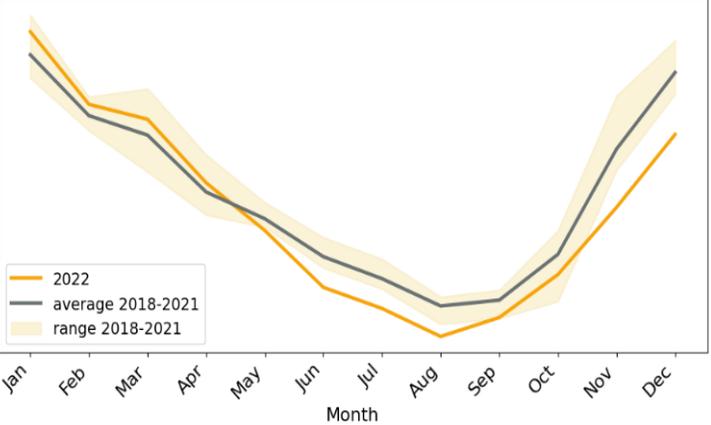
Ireland



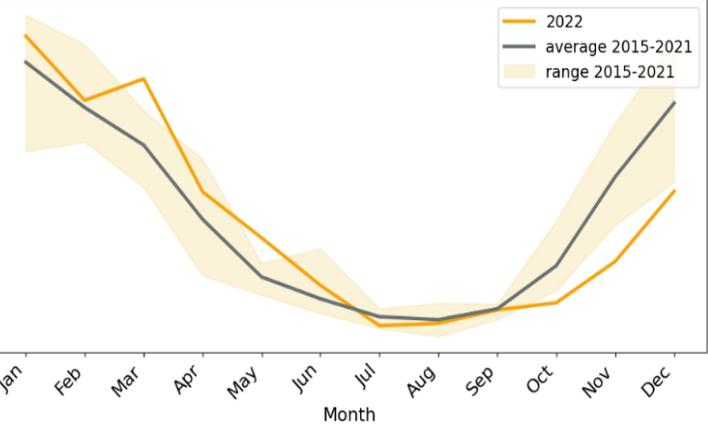
Latvia



Portugal

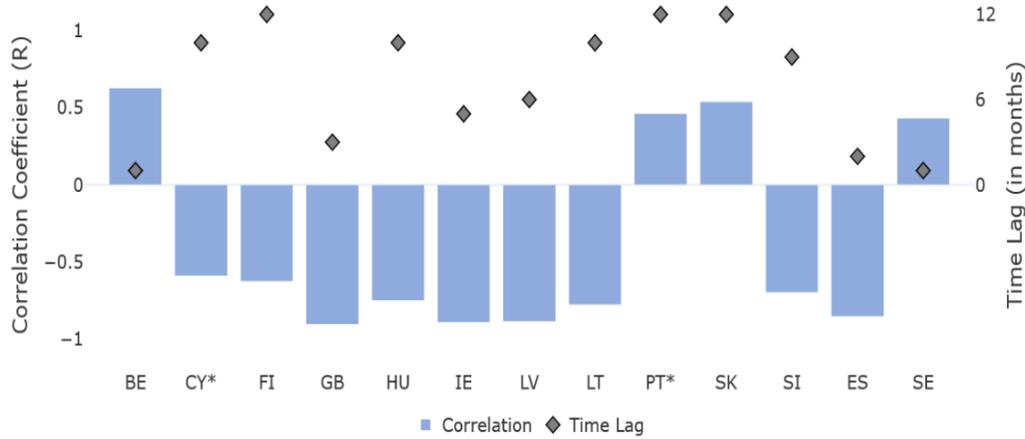


Spain

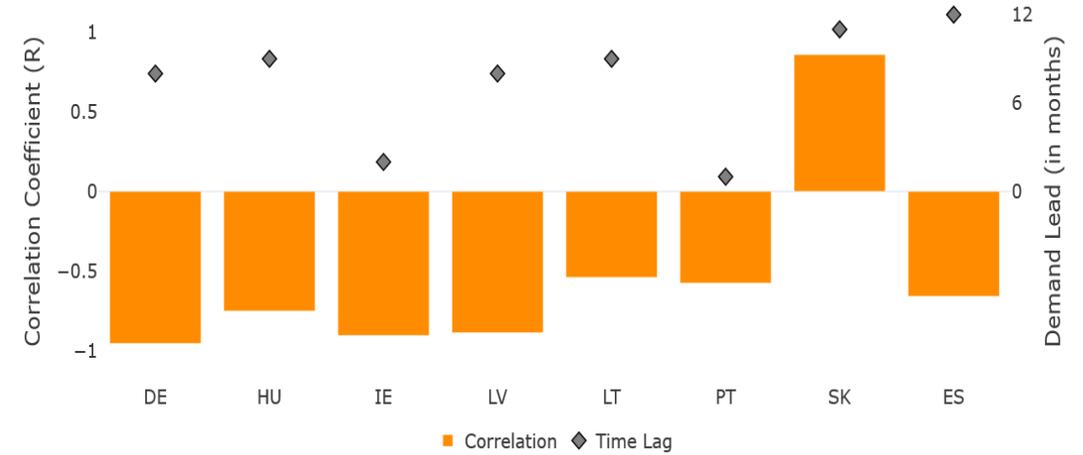


Relationship between prices & demand

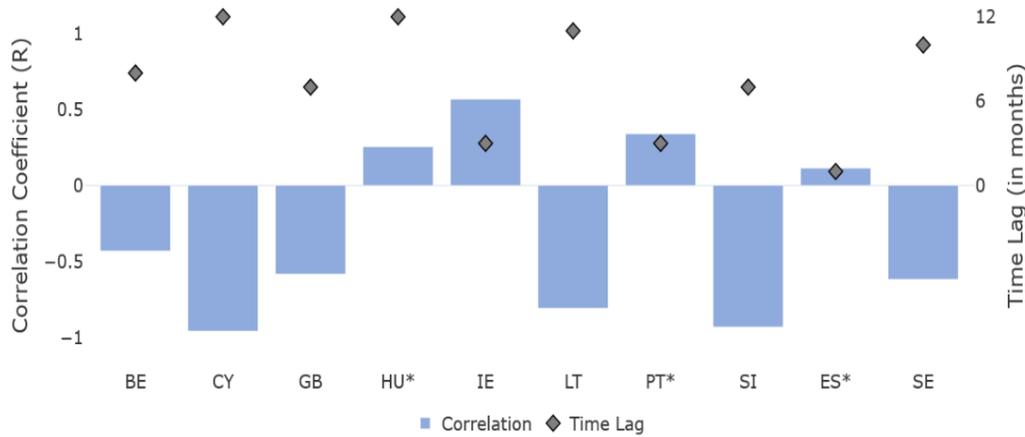
Residential



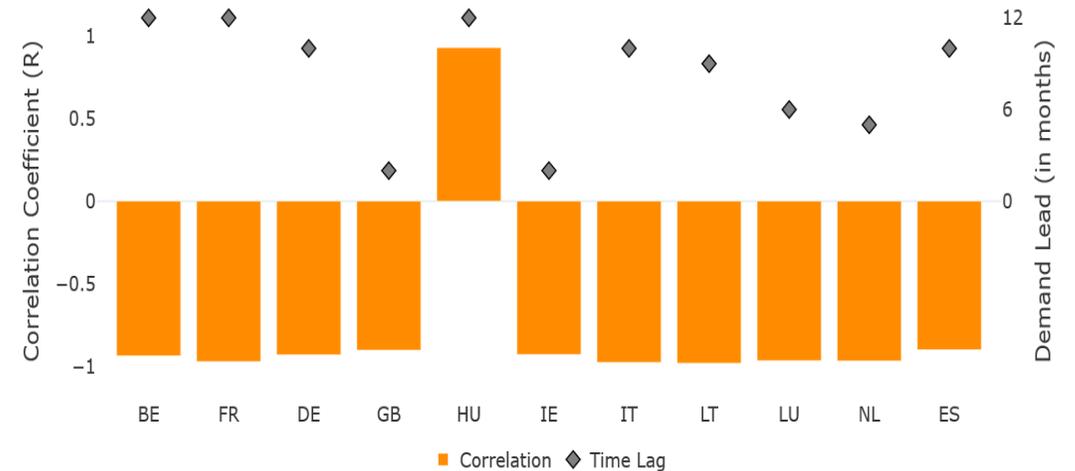
Residential



Industrial



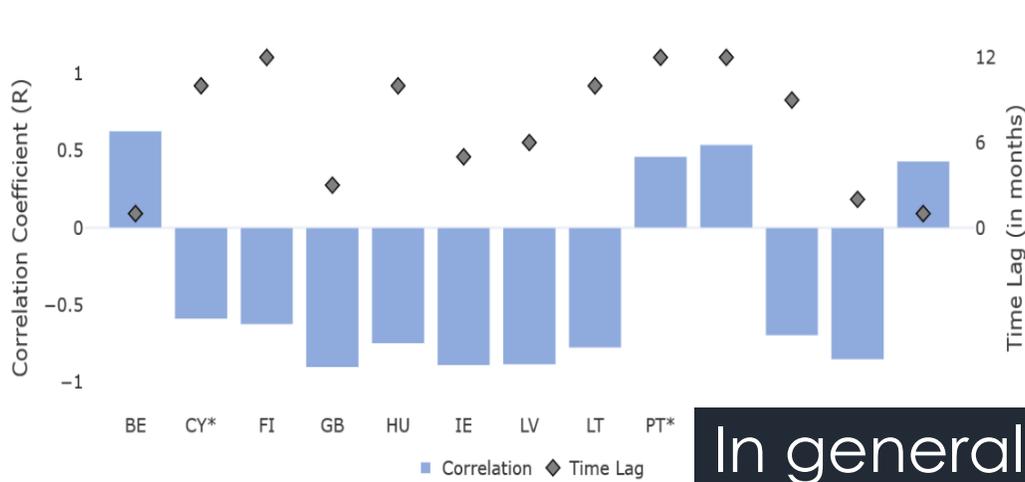
Industrial



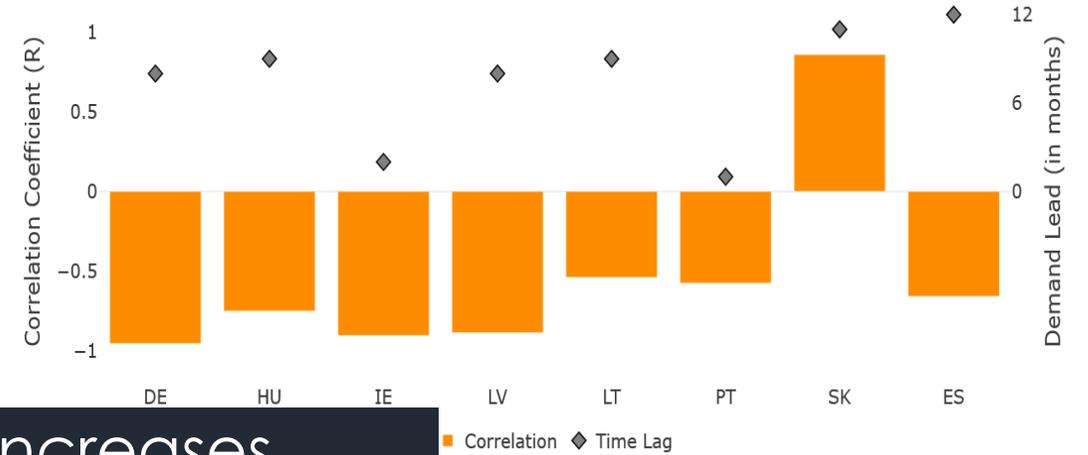
*correlation is not statistically significant

Relationship between prices & demand

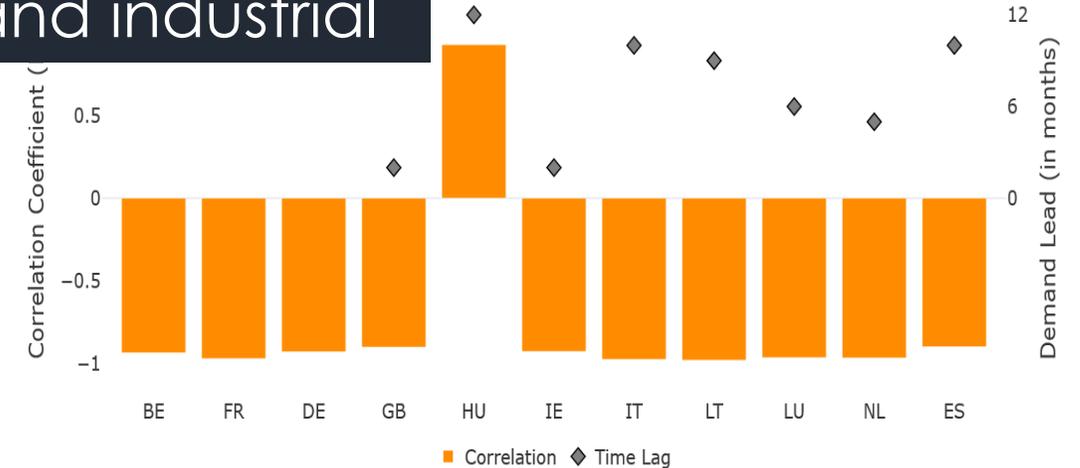
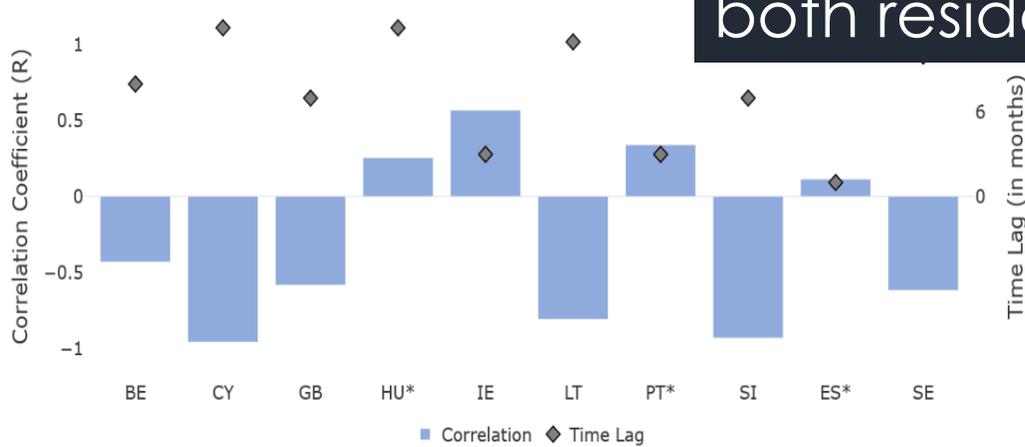
Residential



Residential



Industrial



In general price increases drive demand reductions for both residential and industrial

*correlation is not statistically significant



NETWORKS



Beat The Peak – ‘Is This a Good Time?’

Sarah Dunne, Stakeholder and Communications Manager

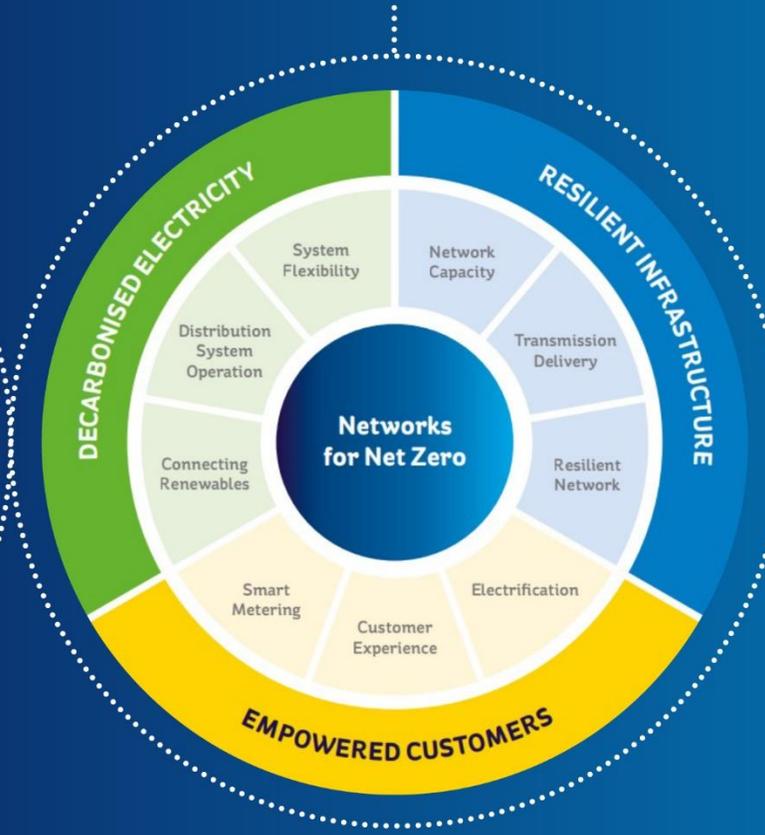
In collaboration with electricity customers & energy stakeholders

The Background: Sustainability at our core

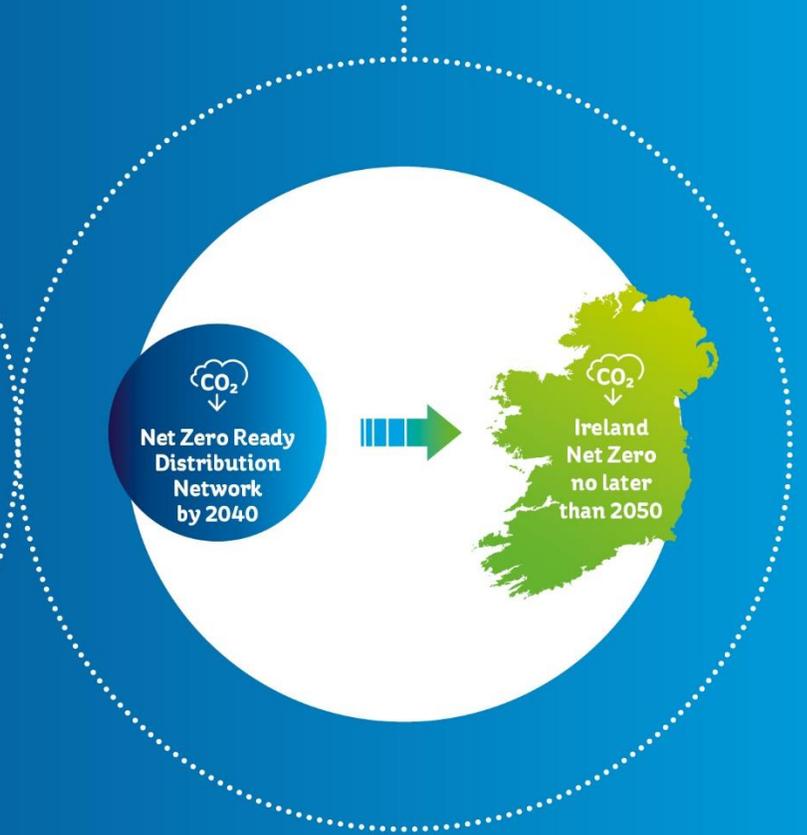
ESB Networks: Delivering Ireland's electricity network for a clean electric future



Delivering our Net Zero Strategy



Supporting Ireland's Climate Action Plan





The Goal

Enabling the home of the future powered by 80% renewable electricity



The Challenge

As Ireland transitions from dependency on fossil fuels to renewable generation there will be periods of time where there is a gap in generation & supply.



The Opportunity

How can we support customers in taking control of their electricity usage and drive real behavioural change to support Climate Action Targets?

Support customers in playing a part in beating the peak.

The Insight & Idea: Is This a Good Time?

The Insight

People don't think about electricity: the detail of how electricity is generated is not part of everyday life

The Proposition

What time you choose to use your electricity matters.

From:

I use electricity when I need it without thinking the time of day matters

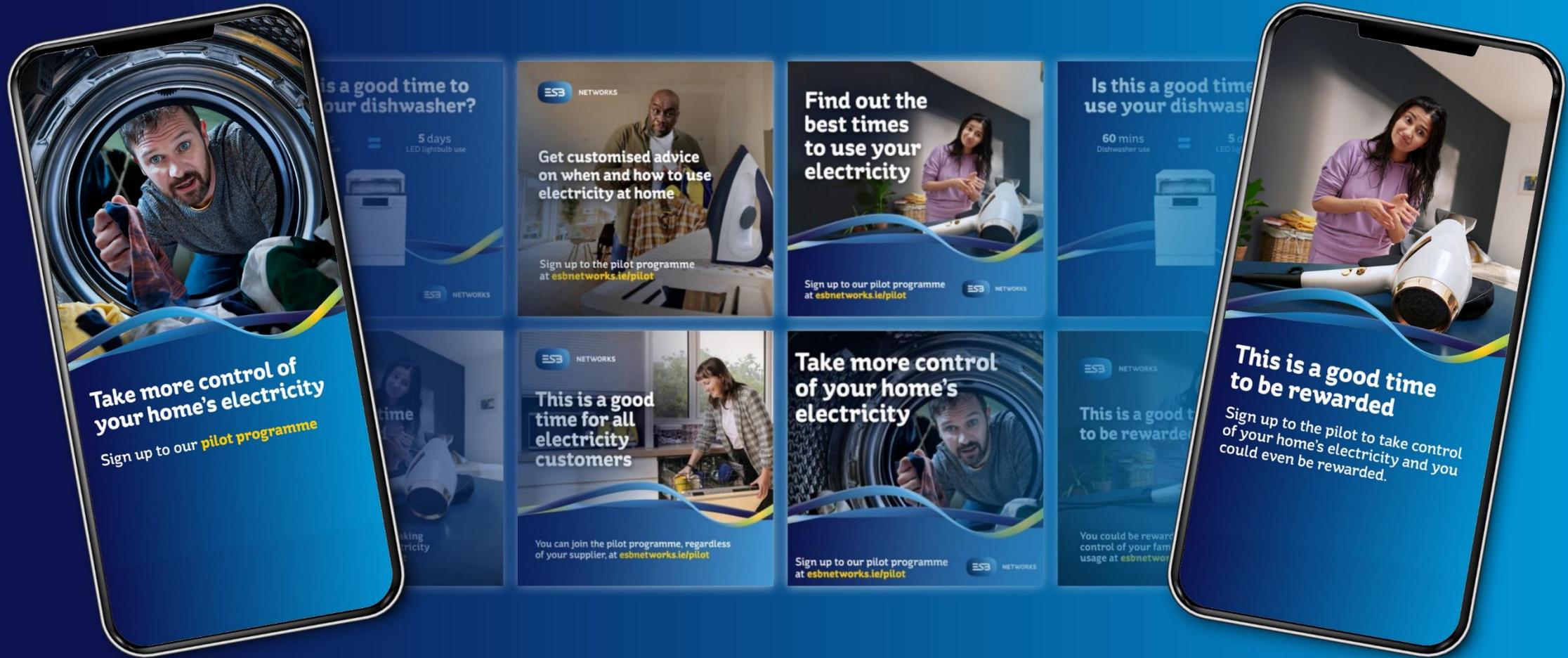
To:

I understand that the time I choose to use electricity matters, sign up to ESB Networks pilot to learn how to take control of my energy usage

By:

Educating people that how we use electricity matters, inviting people to join our pilot empowering them to take control

Simple and effective communications

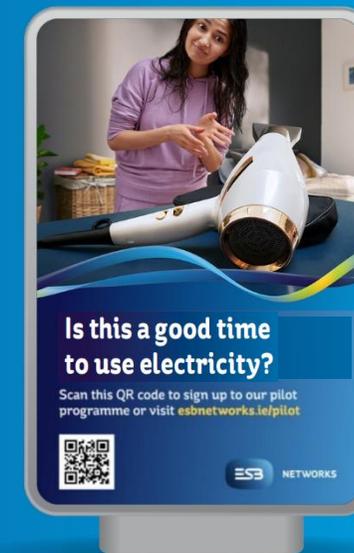


Make it simple and understandable



Take more control of your home's electricity

Scan this QR code to sign up to our pilot programme or visit esbnetworks.ie/pilot



Is this a good time to use electricity?

Scan this QR code to sign up to our pilot programme or visit esbnetworks.ie/pilot





“how do we support Mary?”

RECRUIT



REGISTER



ENGAGEMENT & EDUCATION



REWARDS : SUPPORT DURING PEAK EVENTS



TAKING CONTROL & CHANGING BEHAVIOUR



Business Objectives

Customer Engagement & Behavioural

18k
active
customers

88%
Of participants
signed up for
our 'Energy
events'

23%
increase of
customer
awareness of
peak time

+40,000 Behavioural change:
+40K actions reported

- 52% of customers signed up to the programme for sustainability reasons
- 350k customised emails & SMSs delivered, average open rate 60%
- 91% participants happy with email communications
- 30% of participants offered to be part of focus groups to influence future direction
- Following improvements from phase 1 95% found the sign up process easy

Communication & Marketing Objectives

Customer Engagement & Behavioural

100% Overall media campaign reached 100% of target audience at a frequency of 104.4 times (25+/Home Owners/Renters)

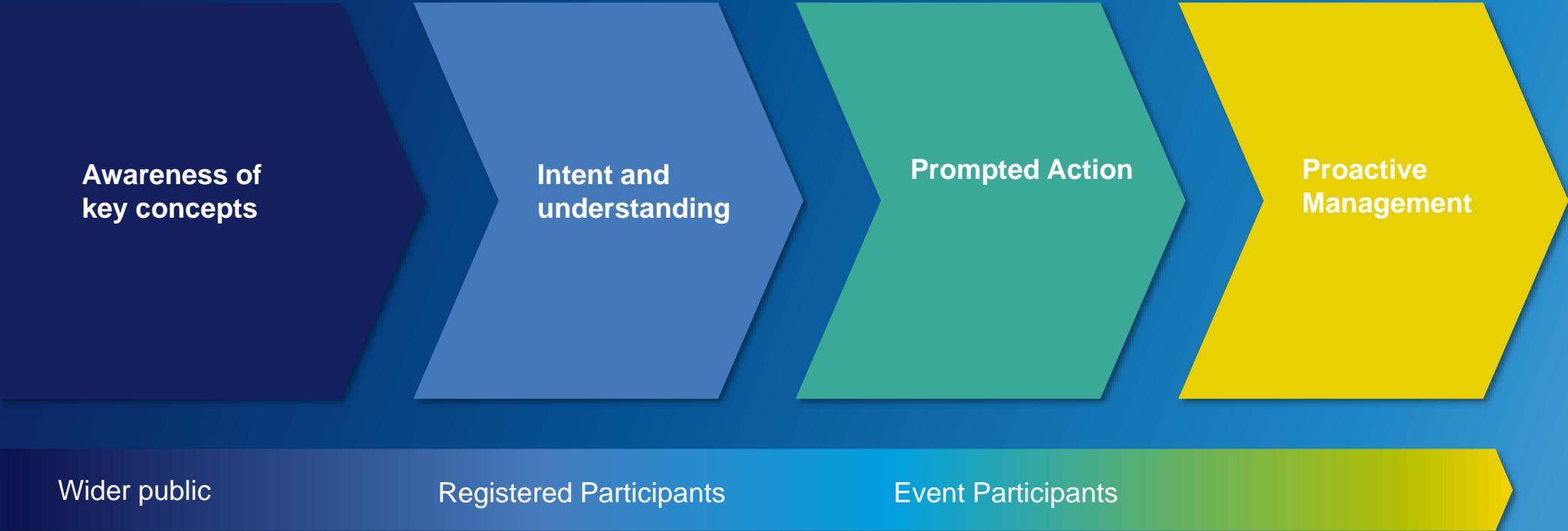
103,900,000 impressions across all Digital channels

75% of people felt IIAGT campaign positioned ESB Networks as a sustainable brand

Key influencers & stakeholders across DECC, Suppliers, Councils, An Post, partners actively supporting across Social Platforms, internally and inviting team into deliver 'thought leadership' events .
SEAI endorsed all of our communications content.

What's Next?

There is a journey we must continue to bring customers on...



ES3 NETWORKS

Is this a good time?

Sign up today and find out more.

If you'd like to take more control of your home's electricity usage, sign up to ESB Networks' pilot programme, 'Is This a Good Time?'

Thousands of homes nationwide have already signed up, and you could even get rewarded for joining them.

To sign up today, scan this QR code or go to esbnetworks.ie/pilot



Take more control of your home's electricity

Sign up to our **pilot programme**



Is this a good time to sign up?

Sign up to the 'Is This a Good Time?' pilot at esbnetworks.ie/pilot



Take more control of your home's electricity

Scan this QR code to sign up to our pilot programme or visit esbnetworks.ie/pilot



Thank You



Q & A and close

Natalie McCoy

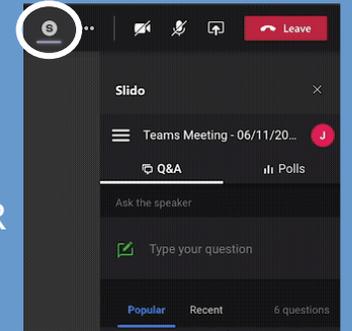
CEER

Q&A session

Connect to Slido

- Directly in MS Teams
- Through www.slido.com #ACER-CEER
- Scan QR code
- Use direct link:

<https://app.sli.do/event/qQpF6bfTwrkEq3yCvu7zMn>



Closing remarks

Natalie McCoy - CEER

Thank you.

In case of follow-up questions on the reports, please reach out to us: press@acer.europa.eu

The contents of this document do not necessarily reflect the position or opinion of the Agency.



European Union Agency for the Cooperation
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