CEER

Council of European Energy Regulators

Monitoring consumer protection, empowerment and retail energy markets

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Fostering energy markets, empowering **consumers**.

Overview

Consumer protection and empowerment (joint ACER-CEER report)

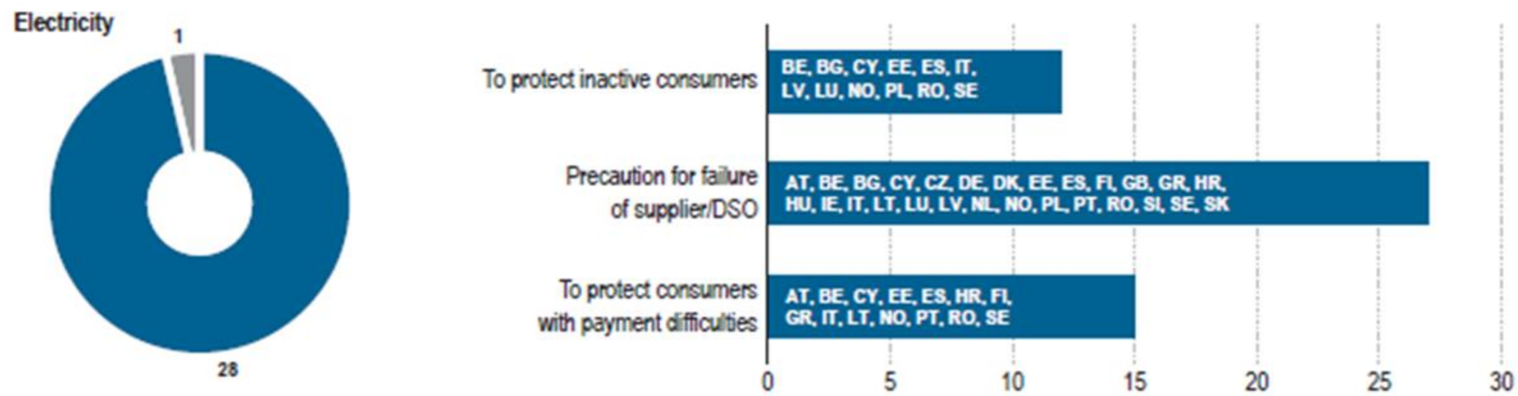
- Public service obligations (PSOs)
- Consumer information rights
- Consumer choice
- Consumer complaints and handling
- Protection of vulnerable consumers
- Recommendations

Retail Markets (mostly from CEER Retail Market Monitoring Report)

- Market structure
- Consumer switching
- Price regulation
- Falling retail energy prices

Public service obligations

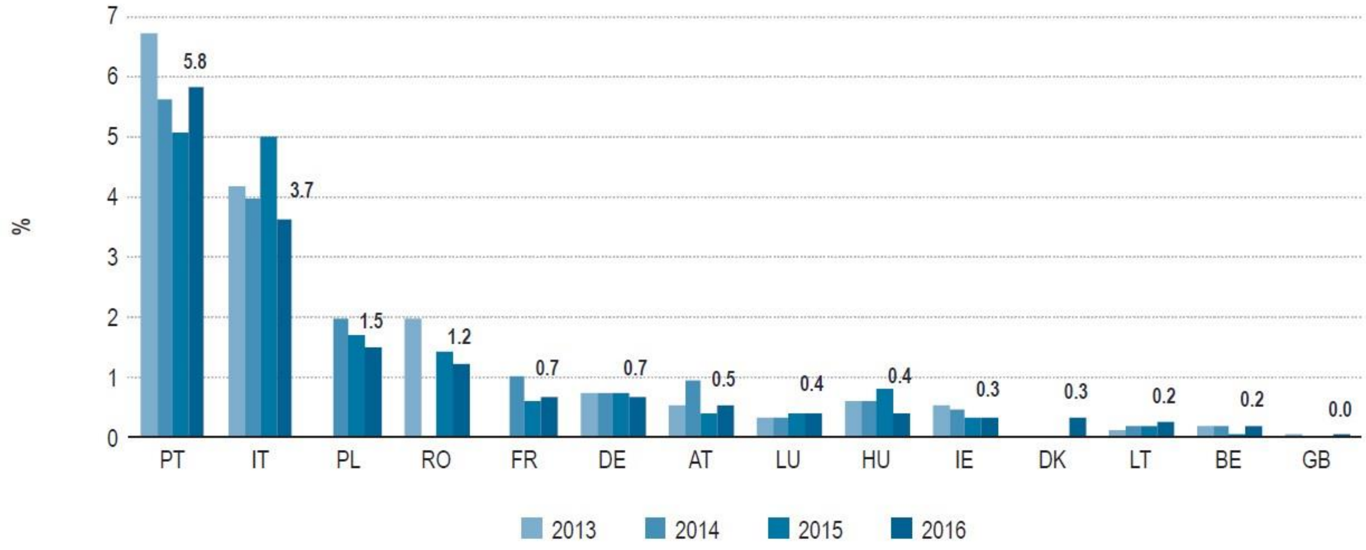
Functions of supplier of last resort, electricity – 2016



- Vast cross-national differences in share of consumers supplied by supplier of last resort
- Similar situation in natural gas

Public service obligations

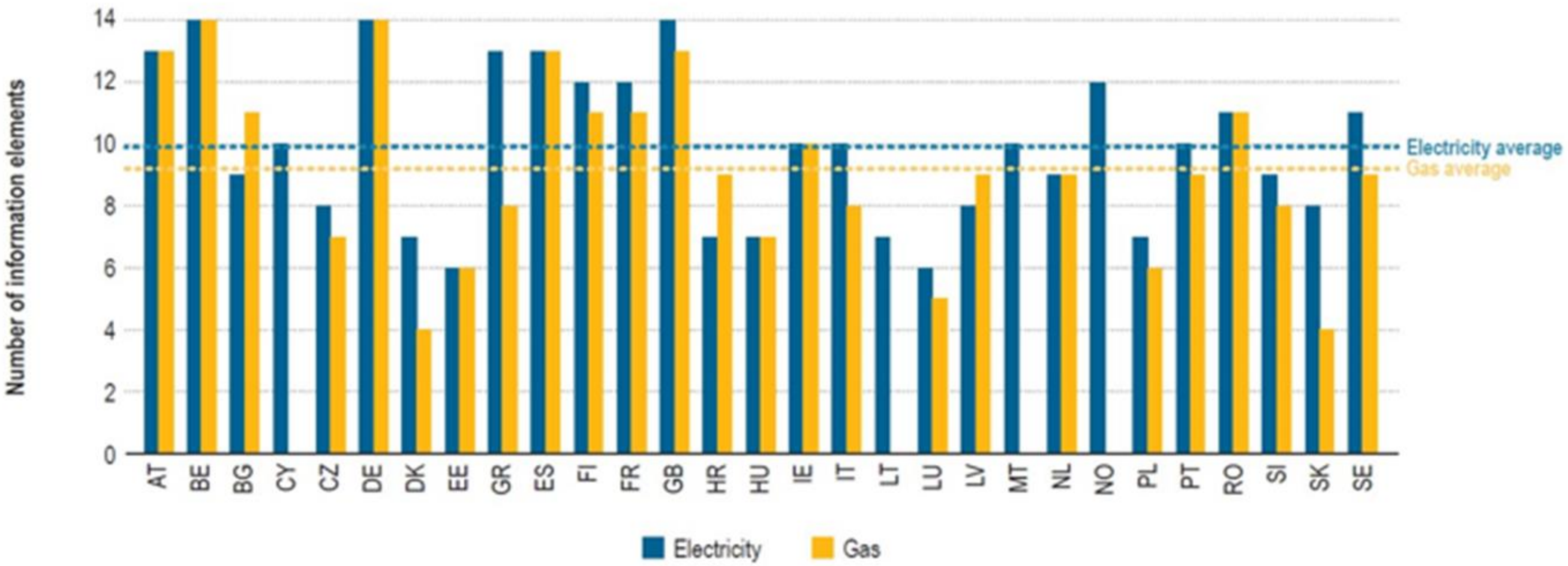
Share of electricity disconnections due to non-payment – 2016



- Disconnection rates in gas between 1.5 and 0%
- Duration of disconnection gives reasonable time to settle open bills
- Pre-payment meters only used in a few member states as substitutes for disconnections (or otherwise)

Consumer information rights

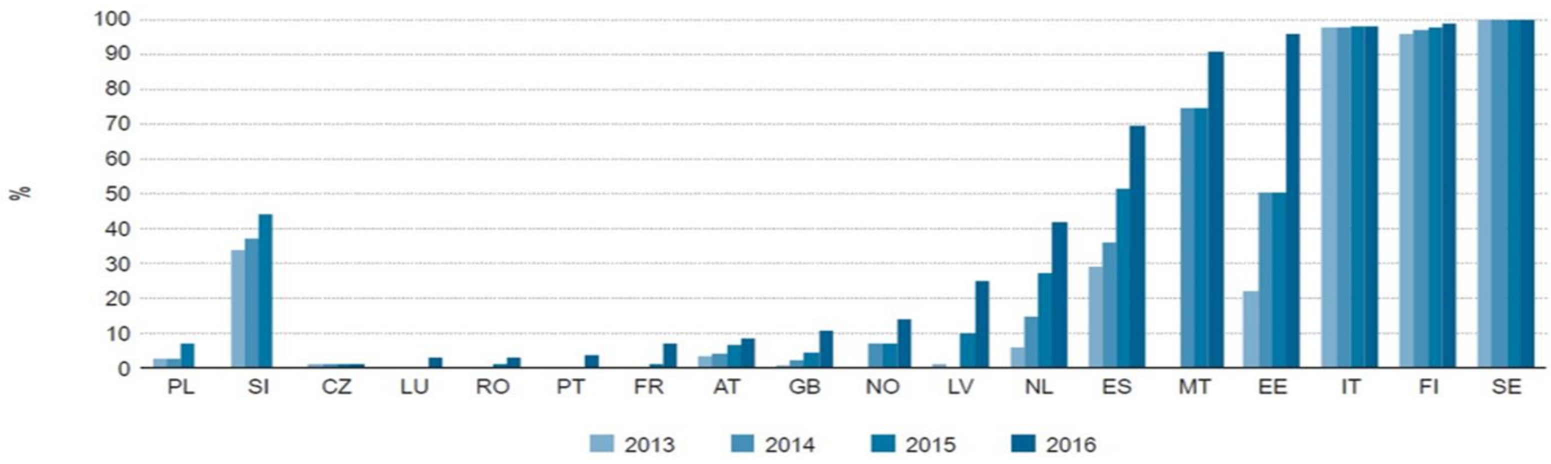
Number of information elements on bills – 2016



- Third Package requirements (Energy Efficiency Directive) concerning information on bills are not implemented in all MSs. In many MSs, a wide range of other information is provided which complicates the energy bill.
- Single point of contact is mostly the NRA followed by ombudsman or consumer organisation.

Consumer choice

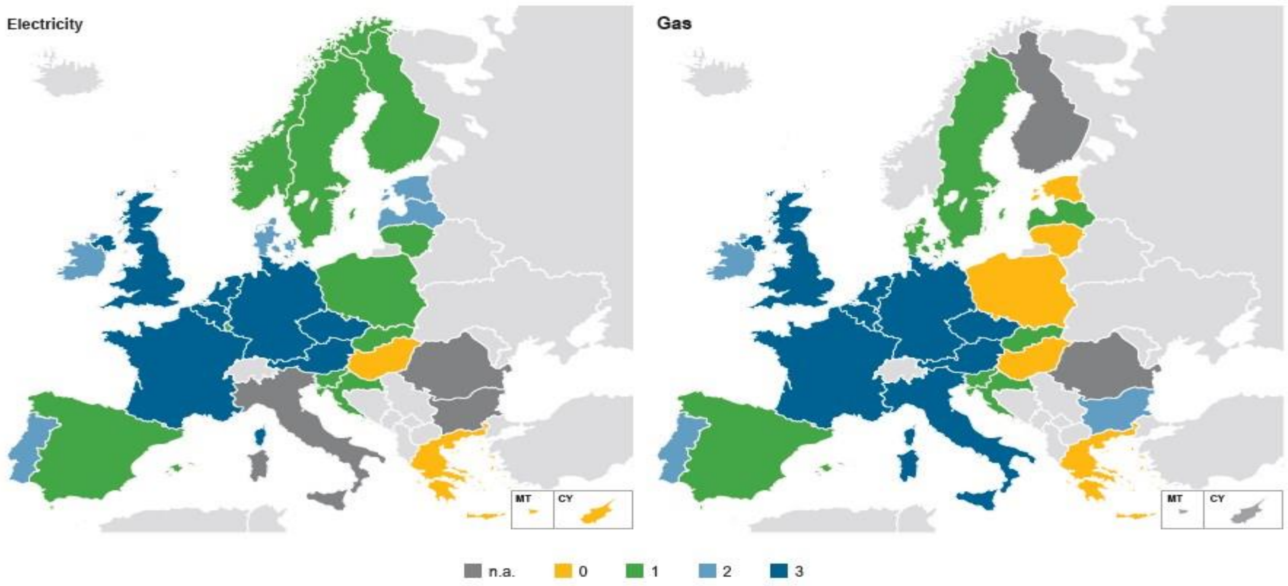
Share of household consumers with electricity smart meters – 2016



- Almost 25% of European household consumers have an electricity smart meter
- According to Annex I to Directive 2009/72/EC, MSs should roll-out electricity smart meters to 80% of consumers by 2020, unless the result of a cost-benefits analysis is negative.
- 17 MSs meet minimum technical functionalities of smart meters as determined by EU law, ensuring benefits to household consumers.

Consumer choice

Number of reliable Comparison Tools – 2016



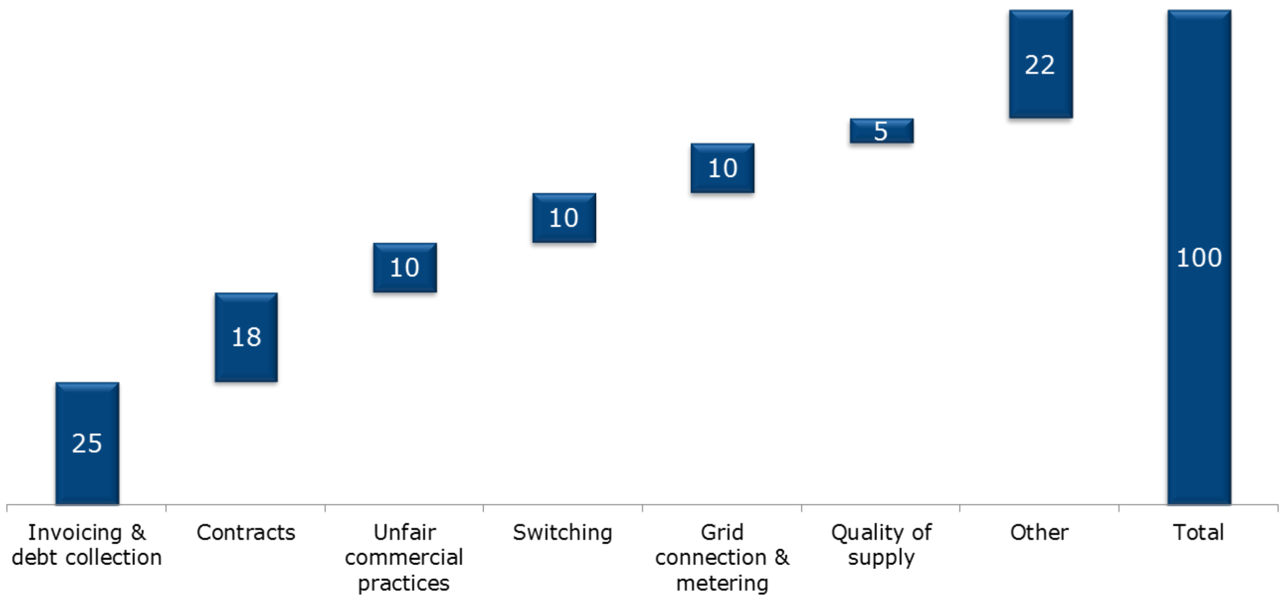
- CEER's reliability criteria include (1) independence, (2) transparency, (3) exhaustiveness, (4) clarity and comprehensibility, (5) correctness and accuracy, (6) user friendlyness, (7) accessibility and (8) consumer empowerment.
- Updated CEER Guidelines on Comparison Tools coming soon!

Consumer choice

- Other aspects of consumer choice are…
  - Average **switching** duration is approx. 12 days
  - **3-week limit** is generally respected in all MSs although start event varies greatly
  - In half of MSs the switching **date** can be chosen
  - Final **bill** comes within 5-6 weeks in almost all MSs

Consumer complaints and handling

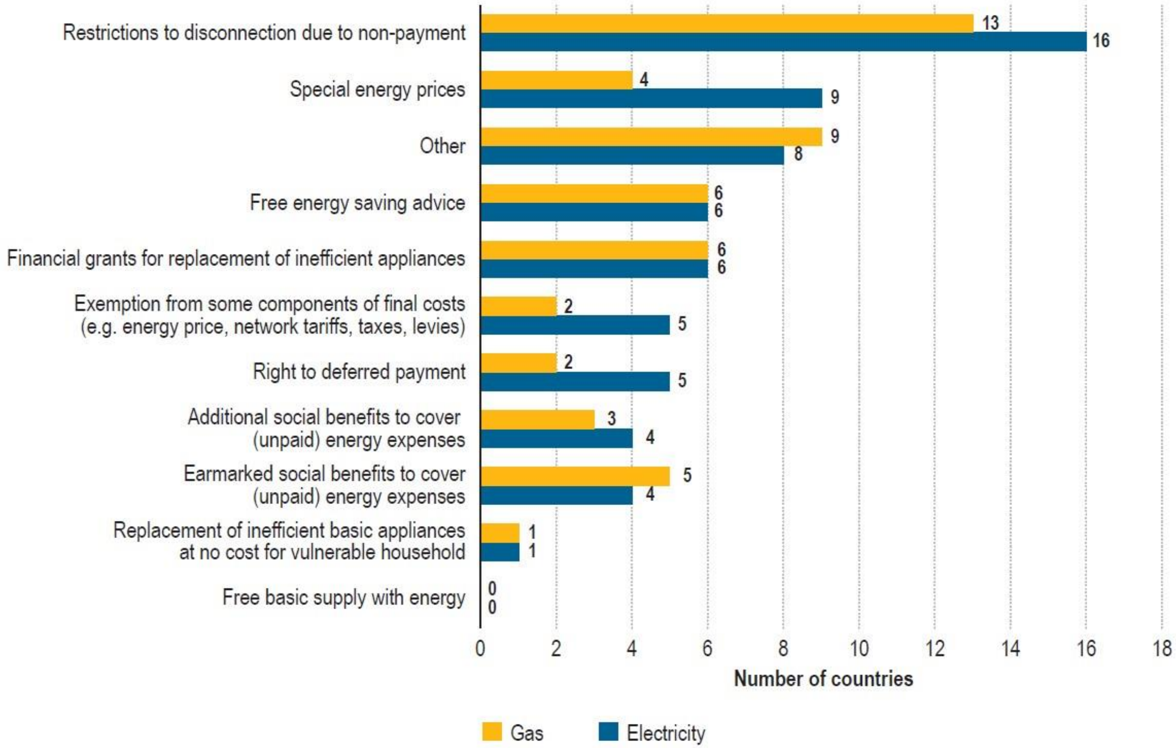
Consumer electricity complaints by main categories addressed to NRAs – 2016



- Figures available from almost all NRAs (most often responsible for handling complaint)
- Most Member States have statutory standards on response times

Protection of vulnerable consumers

Number of countries protecting vulnerable consumers by type of measure – 2016



- MSs have a range of protections for vulnerable consumers in place
- Intermingling with social security system causes confusion between energy/social security legislation and incomparability across member states

Recommendations

- Supplier of Last Resort (SOLR) or default suppliers should not lead to consumers remaining inactive on a permanent basis. SoLR mechanism should not be used as a means to keep regulated prices in place.
- **Keep bills simple**. Too much information on bills can be confusing. Supplies should make the most of digitalisation to share information with their clients.
- There should be at least **one reliable comparison tool** per MS. Transparency of price and non-price elements should be guaranteed, by enabling consumers to filter out additional services of offers on comparison tools.
- As well as the **three-week maximum switching duration**, consumers must be informed about when the switching period starts. The 24h-technical switching process could be completed by 2022.
- **Smart meters** should have functionalities that enable consumers to easily benefit from and participate in energy efficiency and demand response/flexibility schemes.

CEER Retail Market Monitoring

CEER Retail Markets Monitoring Report (launched today)

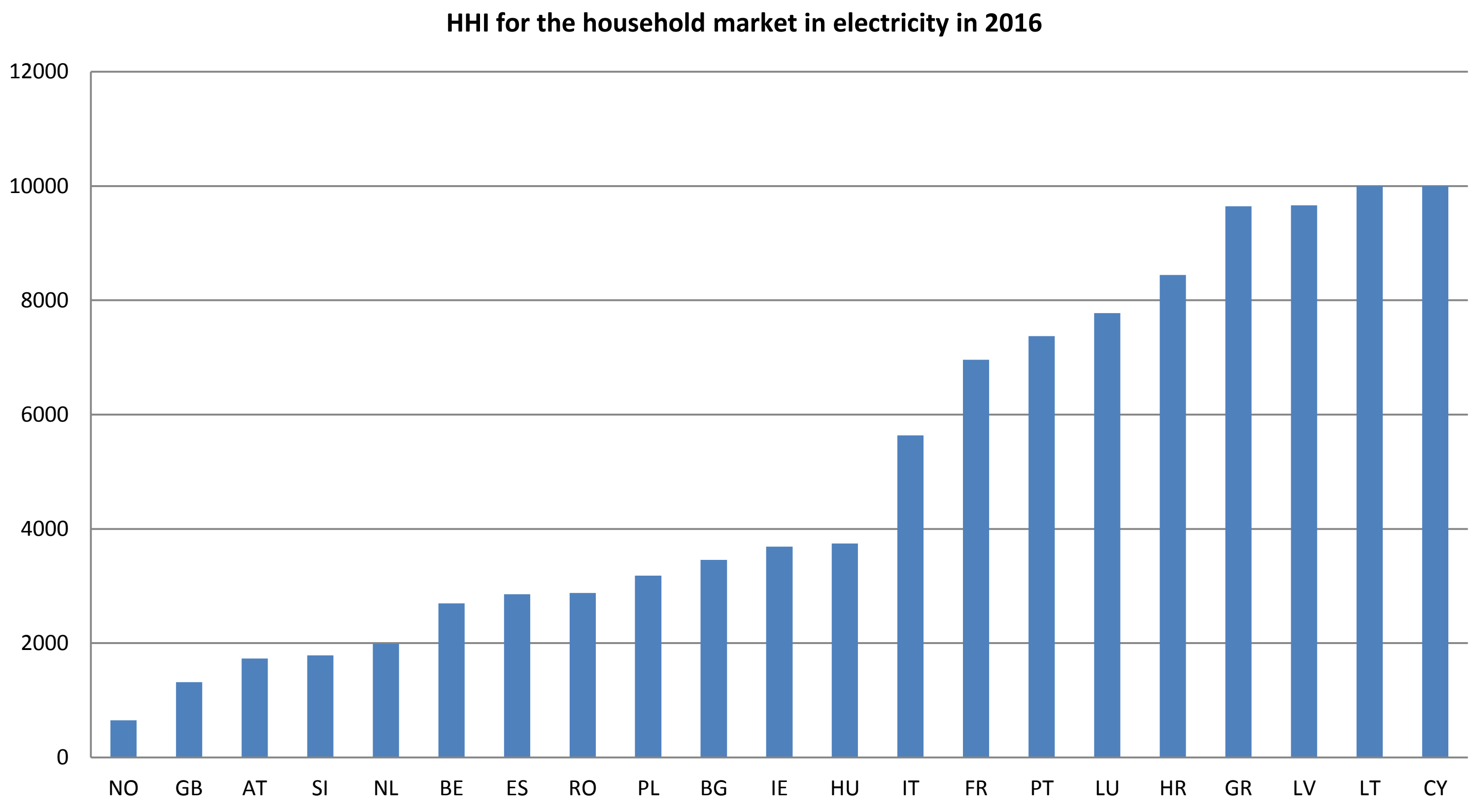
- Market structure
- Consumer switching
- Retail price trends

In addition, the ACER-CEER Market Monitoring Report shows

- Retail (gas and electricity) prices fell in 2016

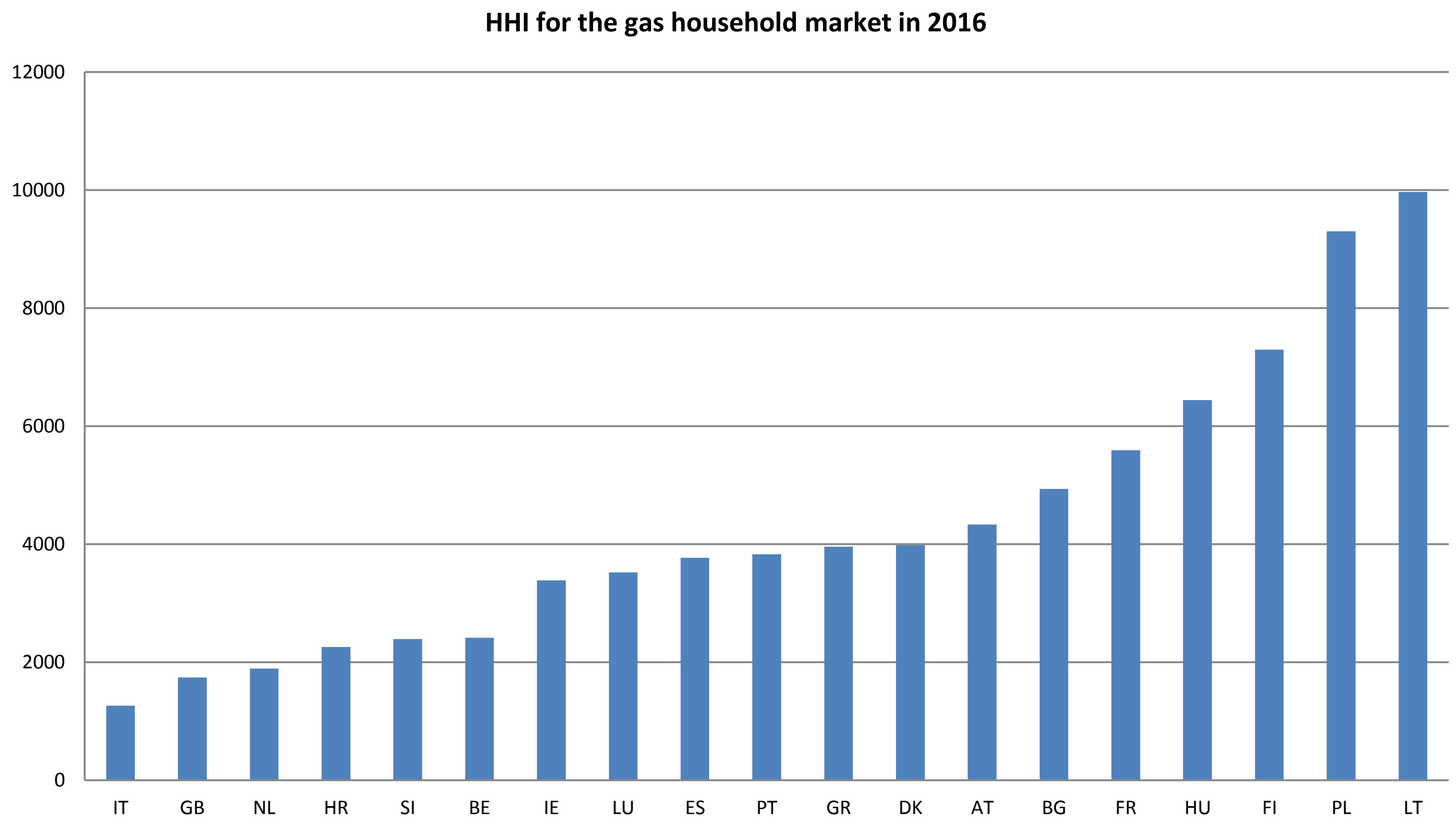
Market Concentration

High market concentration in retail electricity markets



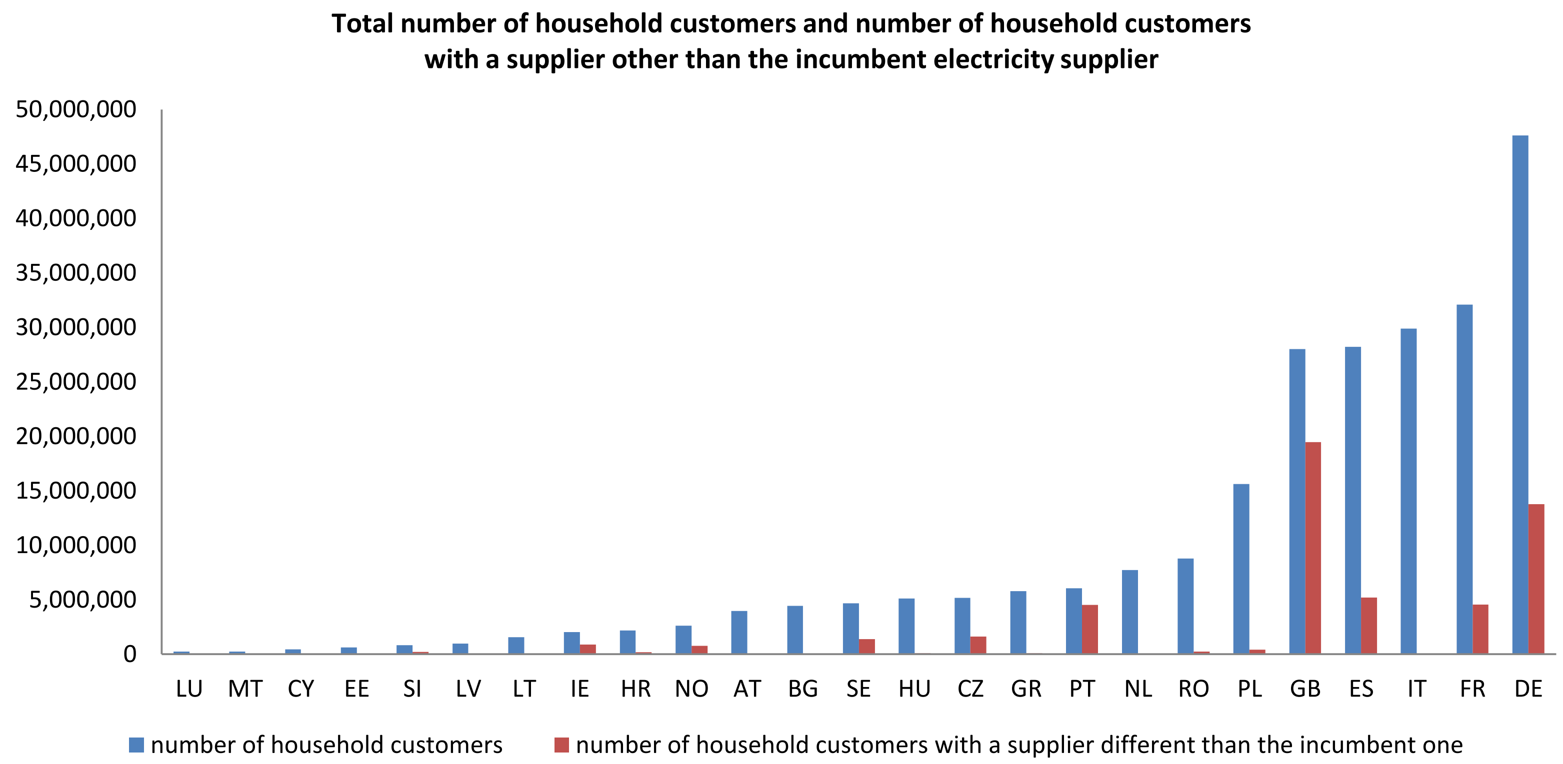
Market Concentration

High market concentration in retail gas markets

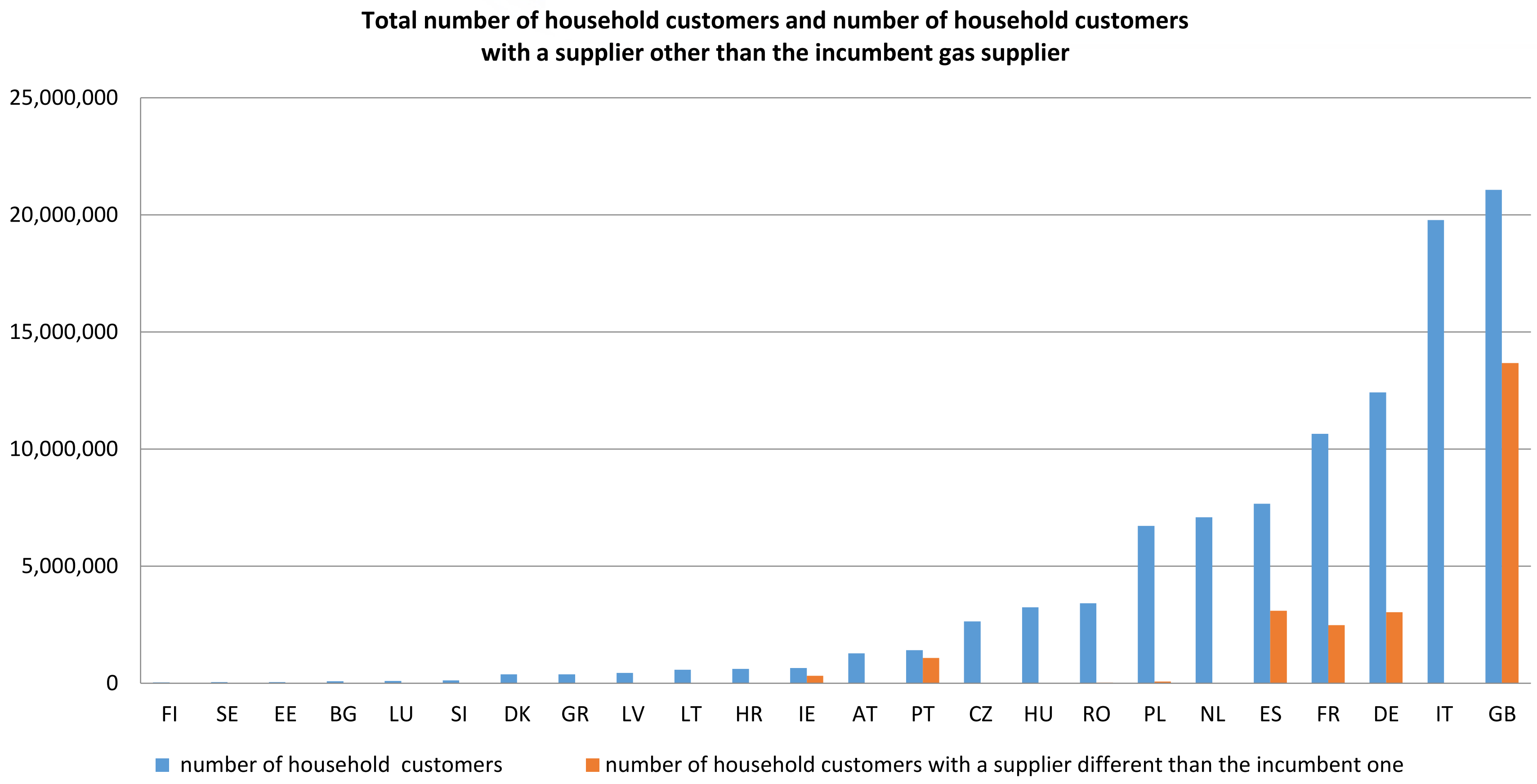


Customers with an electricity supplier who is not the incumbent

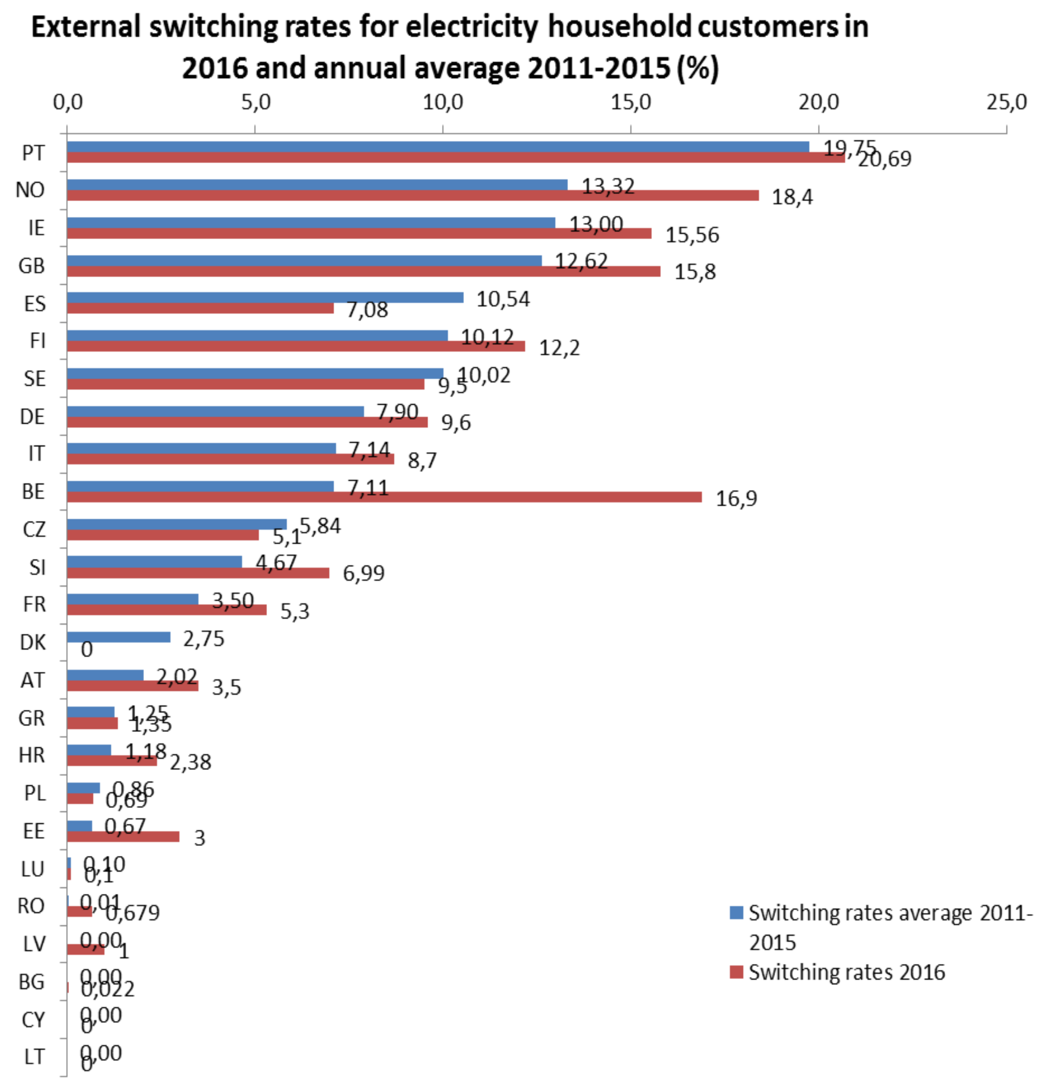
Lot of customers stay with the incumbent in some MSs



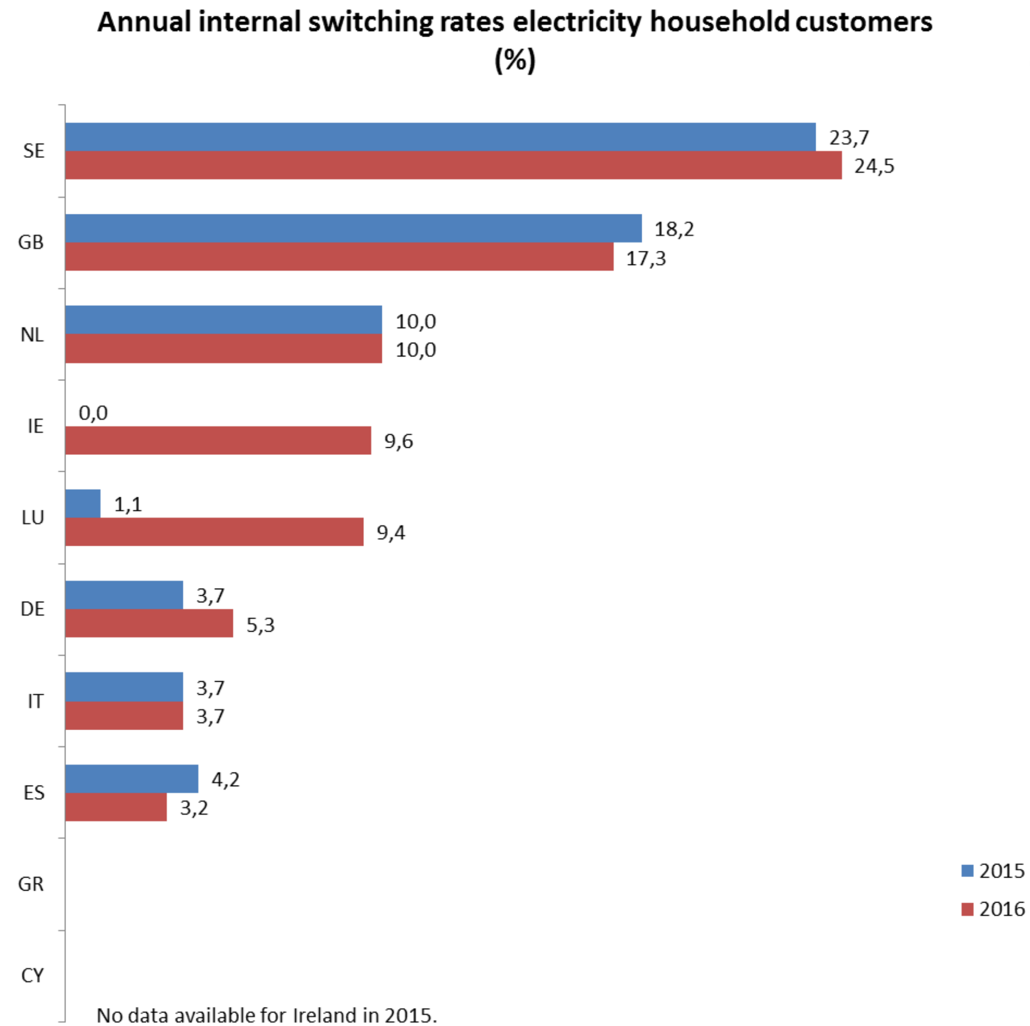
Customers with a gas supplier who is not the incumbent



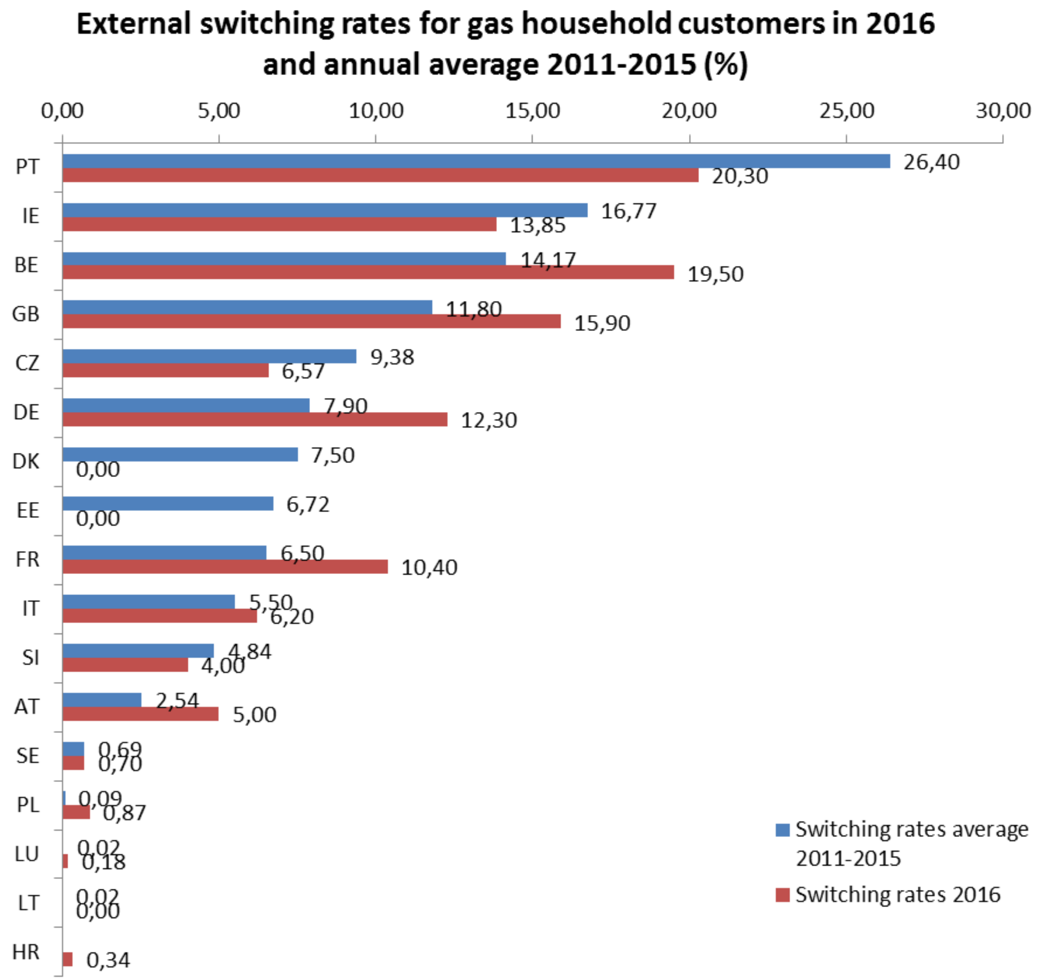
Switching Rates - electricity



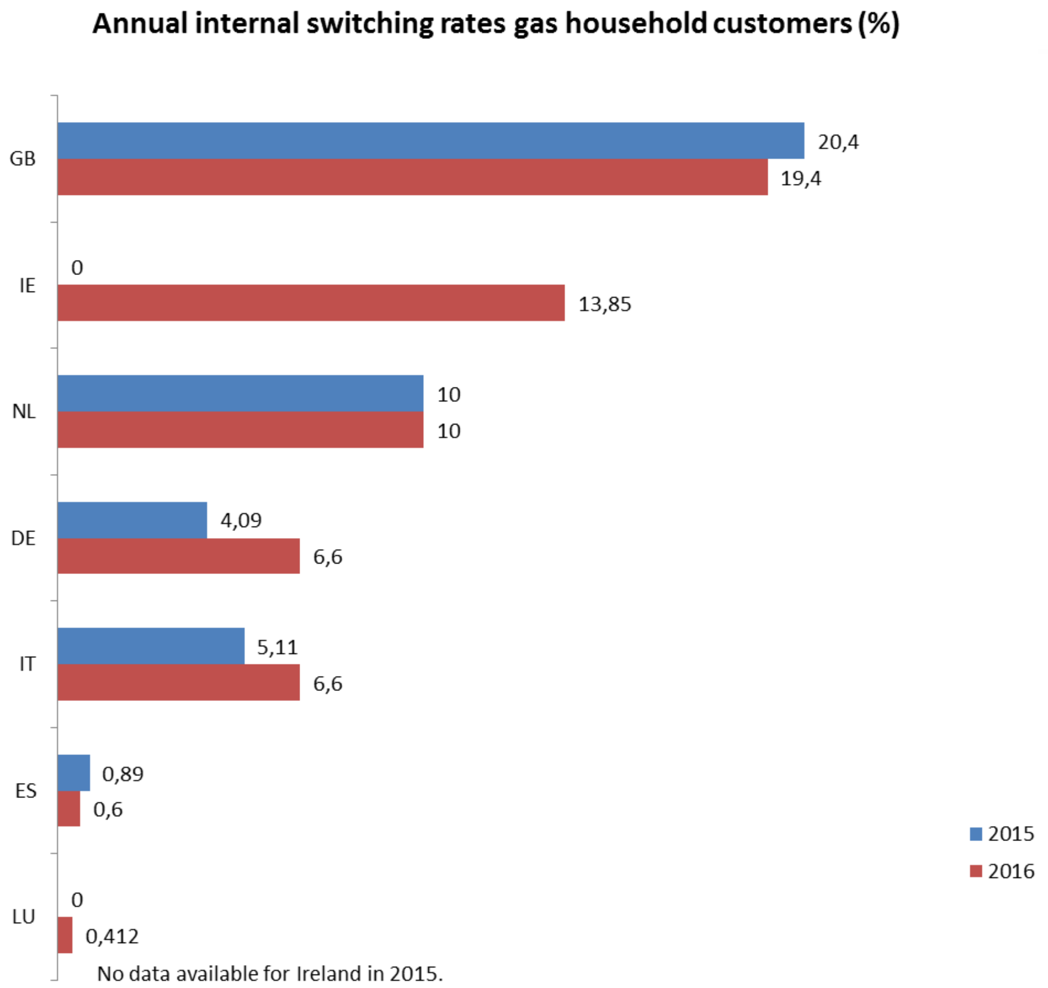
Switching Rates - electricity



Switching Rates - gas



Switching Rates - gas

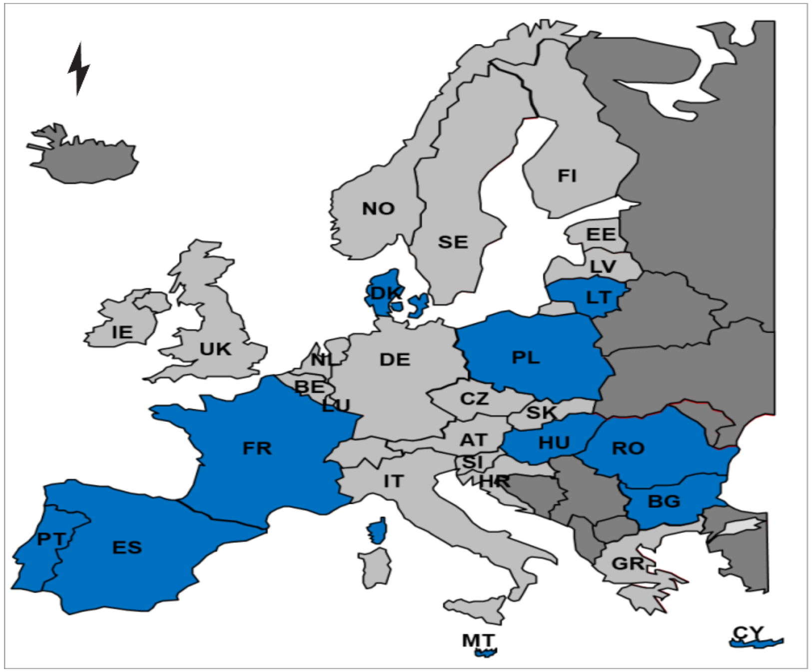


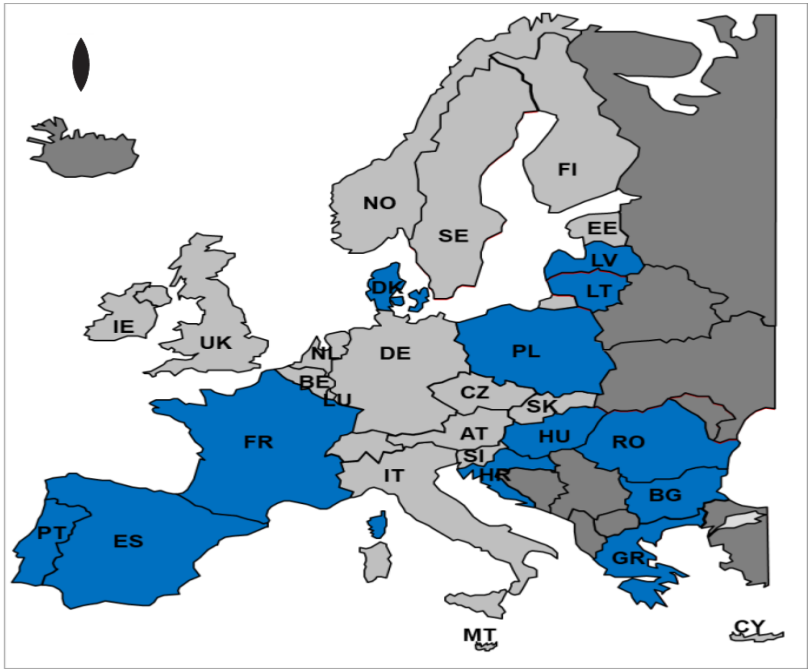
Regulated Prices

Existence of price regulation (electricity and gas) in 2016

- **11 countries still with regulated electricity prices**
- **12 countries still with regulated gas prices**

(in the case of Portugal, transitory prices are taken into account)

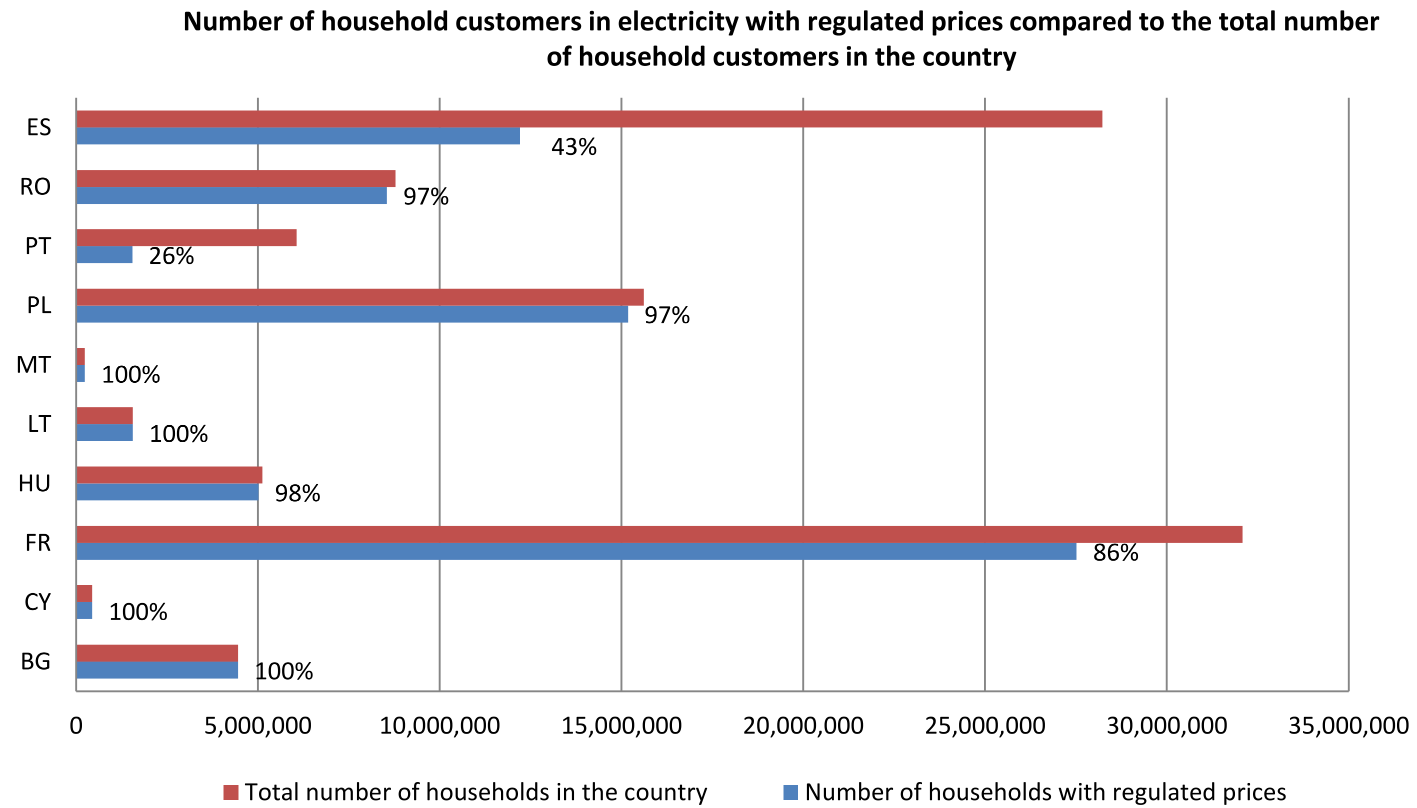




■ Countries with regulated prices for household customers

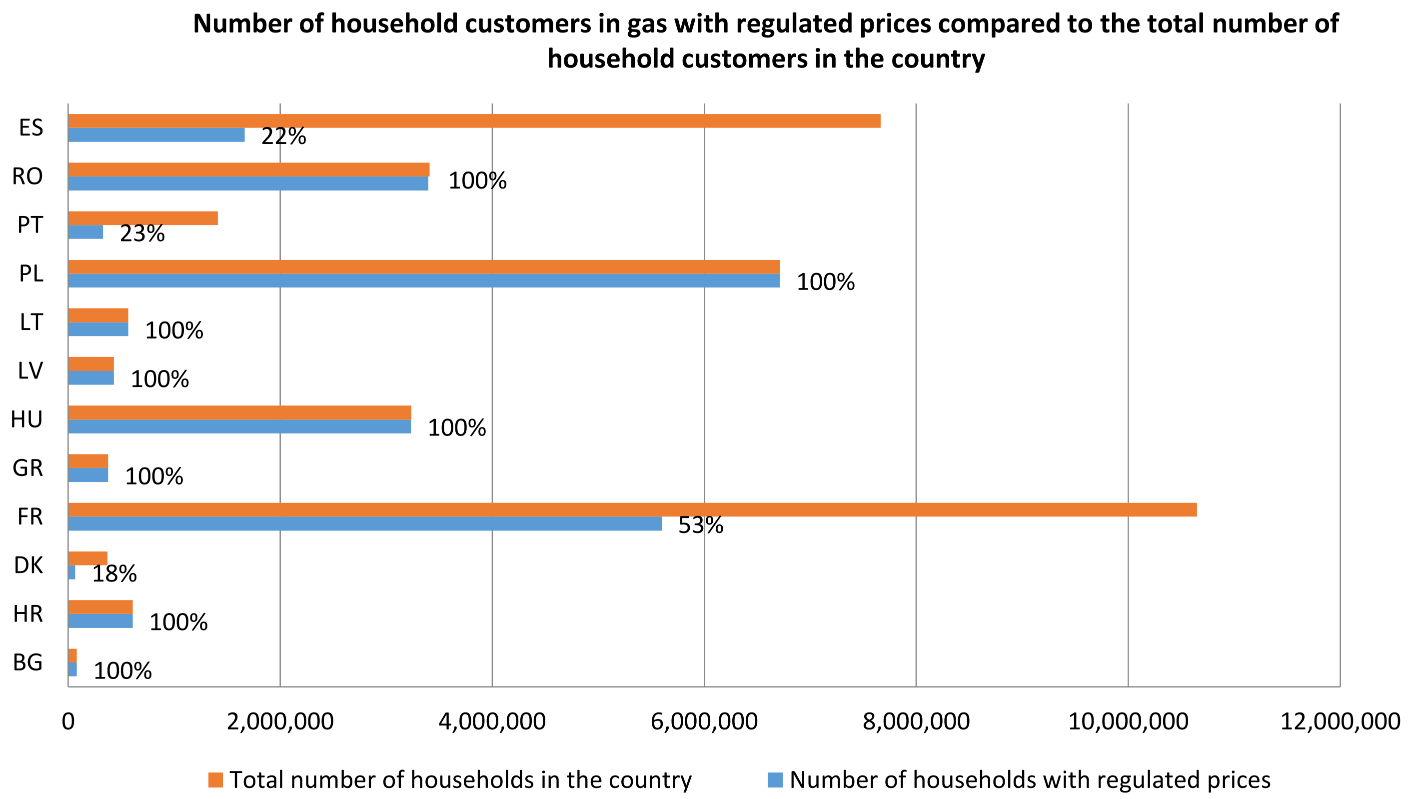
Regulated Prices - electricity

- *100% of customers on regulated prices in 4 countries in 2016*
- *98% of customers on regulated prices in a further 3 countries in 2016*



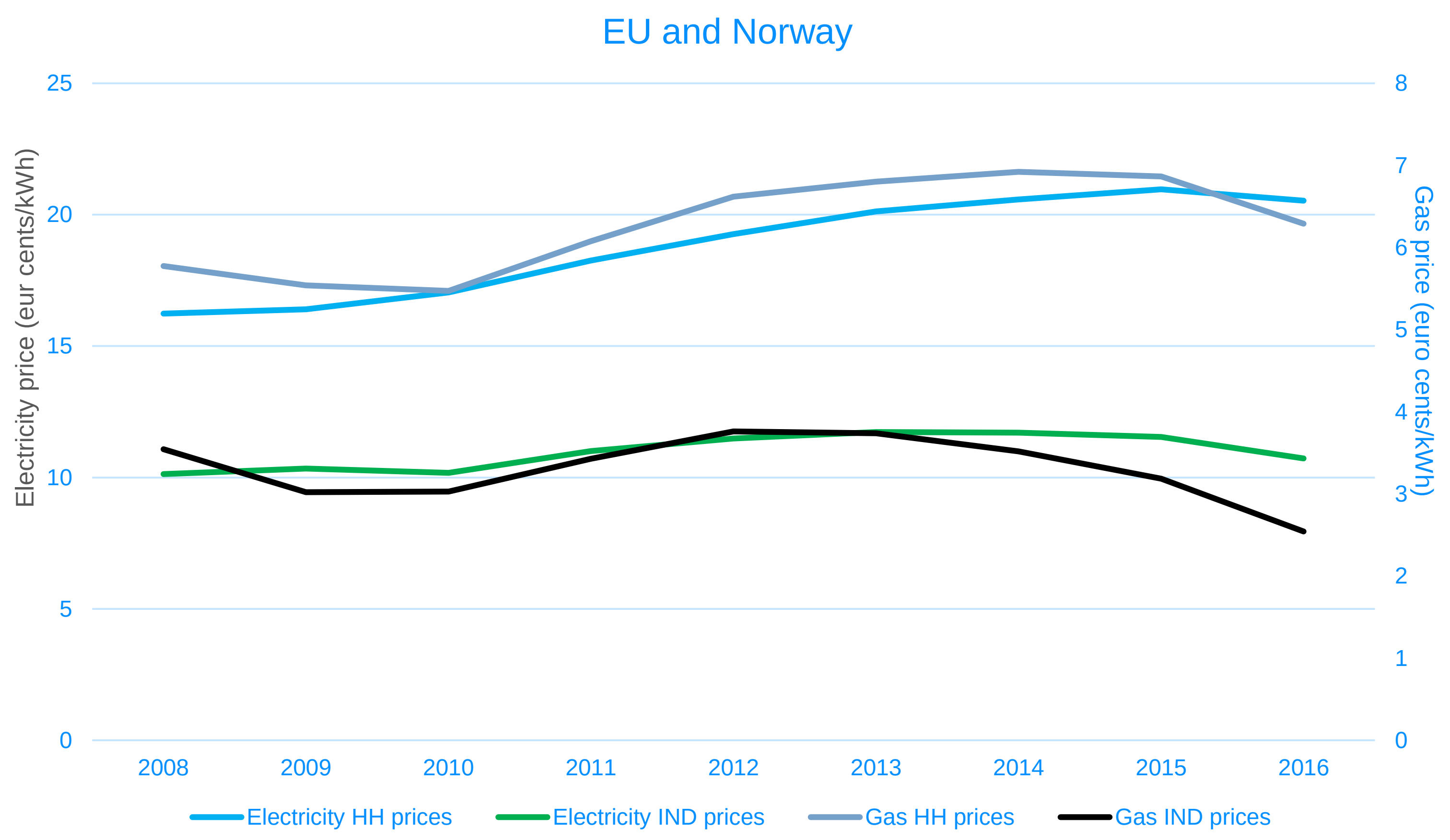
Regulated Prices - gas

100% of customers supplied with regulated gas prices in 8 countries in 2016



ACER-CEER Retail Market Monitoring

End-user prices for gas and electricity decreased on average for all consumer categories in 2016.



Gas and electricity prices for households and industrials (euro cents/kWh) – 2008-2016

Further Information

ACER-CEER 6th Annual Report on Monitoring the Electricity and Natural Gas Markets (Oct 2017)

http://www.acer.europa.eu/en/Electricity/Market%20monitoring/Pages/Current-edition.aspx

CEER Retail Markets Monitoring Report (Nov 2017)

https://www.ceer.eu/1304

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