

CEER Citizens' Q&A

CEER Roadmap to 2025 Well-Functioning Retail Energy Markets

2018 Self-Assessment Status Report

30 October 2019

1 What is the CEER Roadmap to 2025 Well-Functioning Retail Energy Markets 2018 Self-Assessment Status Report?

In 2015, the Council of European Energy Regulators (CEER) developed a strategic high-level [Position Paper](#) outlining the framework of the key characteristics of well-functioning retail energy markets. In 2016-2017, European energy regulators continued the development of a forward-looking framework for evaluating the performance of retail energy markets and prepared the 2018 [Roadmap to 2025 Well-Functioning Retail Energy Markets](#).

In 2018, CEER guided National Regulatory Authorities for energy (NRAs) through the process of self-assessment according to the metrics identified in the 2015 Position Paper on Well-Functioning Retail Energy Markets which are also defined in the [2017 Handbook](#). CEER will continue to monitor the progress of self-assessment and encourage NRA's to identify the challenges in their respective countries and develop possible solutions on how to improve their situation.

This document presents the Roadmap 2018 self-assessment status report with an ambitious goal of creating “competitive, reliable and innovative retail energy markets that benefit consumers by 2025” of which many steps will need to be taken to achieve such a goal. CEER believes it will be important to show progress and highlight advances on a regular basis – the purpose of this status report.

2 What Does the Report Propose for NRAs to do in order to achieve well-functioning energy retail markets in 2025?

This status report identifies the varying completion levels and paces of the self-assessment by the NRAs.

CEER believes that it is in the best interest of all NRAs to follow the development of their national retail markets and, where possible evaluate if and how it is feasible to improve the results of individual metrics.

This could start by having a discussion with national policy makers about the goals of well-functioning energy retail markets. If the responsibility for energy retail markets is split between different public bodies, it is important for the public bodies to cooperate given a well-functioning retail market is in the interest of all respective parties.

The self-assessment of metrics can help NRAs with their remit of monitoring and market analysis and thus increase knowledge regarding their national markets. For instance, they can assess the metrics from different perspectives, for example by covering other consumer categories or products.

3 How Does it Work?

The main objective of this status report is to keep track of the progress Member States are making towards well-functioning retail energy markets in 2025.

Energy regulators are using the 2017 handbook to monitor this progress.

CEER will report on successive NRAs' self-assessments that are planned to take place annually until 2025 owing to the fact this status-report is the first of its kind and will serve as the basis for future status-reports.

4 What is the Impact on Energy Customers?

National regulatory authorities are best placed to evaluate the status of their national retail energy markets and to take corrective measures to ensure that their markets truly benefit consumers. That is the main purpose of this effort: to deliver better markets for consumers. Consumers should be aware of their rights and be empowered and engaged to take full advantage of the possibilities retail markets offer them. This is directly linked to the 4 principles of the CEER-BEUC 2020 customer vision¹, which inform CEER's vision of what a better energy market for consumers means:

- **Reliability:**
in the physical supply of energy, and in commercial systems and processes that provide continuous access and affect customer service levels, such as billing. It also means reliability in the processes that allow problems and disputes to be resolved transparently, fairly and quickly.
- **Affordability:**
such that charges are clear and kept to fair and reasonable levels for all customers, reflecting value for money at a level consistent with funding necessary investments to develop energy networks and to achieve energy policy targets (for example renewables), taking into account the real needs of customers. This can be secured through network regulation and other appropriate measures, if and when necessary, and by providing customers with effective choice over truly competitive offers and new, innovative services. Energy sector specific measures as well as wider social policies have an important role to play, especially for the poorest and more vulnerable.
- **Simplicity:**
in how information is provided to customers, and especially residential consumers, such that it is easy for them to understand their bill and better manage their energy consumption, making the choices that are right for them. It also means simplicity and transparency in how processes that affect customers operate. Many customers, and especially many residential consumers, want to be able to take quick and simple decisions in energy markets.
- **Protection and empowerment:**
to ensure access to energy supplies, and to guard against unfair commercial practices and unsatisfactory outcomes, recognising the diverse needs of customers, in particular the most vulnerable in society. For customers to be engaged, to take choices and to exercise their rights as energy customers, based on trust in and knowledge of how the energy sector operates. As responsibilities shift and consumers are increasingly expected to become more active in energy markets (through developments such as demand response, smart metering, micro-generation or energy efficiency measures), our Vision recognises their right to choose by whom and how their energy is to be provided and charged. Although this freedom could

¹ <https://www.ceer.eu/documents/104400/-/-/d5def98b-8bcf-46c2-a72b-b92ef011cd72>

be framed by regulation, offering meaningful choice for customers, including residential consumers, is a key way to ensure their full protection.