

CEER

**Council of European
Energy Regulators**



**Internal Joint Workshop on Dynamic
Regulation:**

***Dynamic Price Implementation – IRM WS
work & next steps***

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25th June 2021**



CEP implementation on customer/ retail issues

Started with:

CEER ▶
Report on Smart Technology
Development

06/2018



CEP implementation on customer/ retail issues

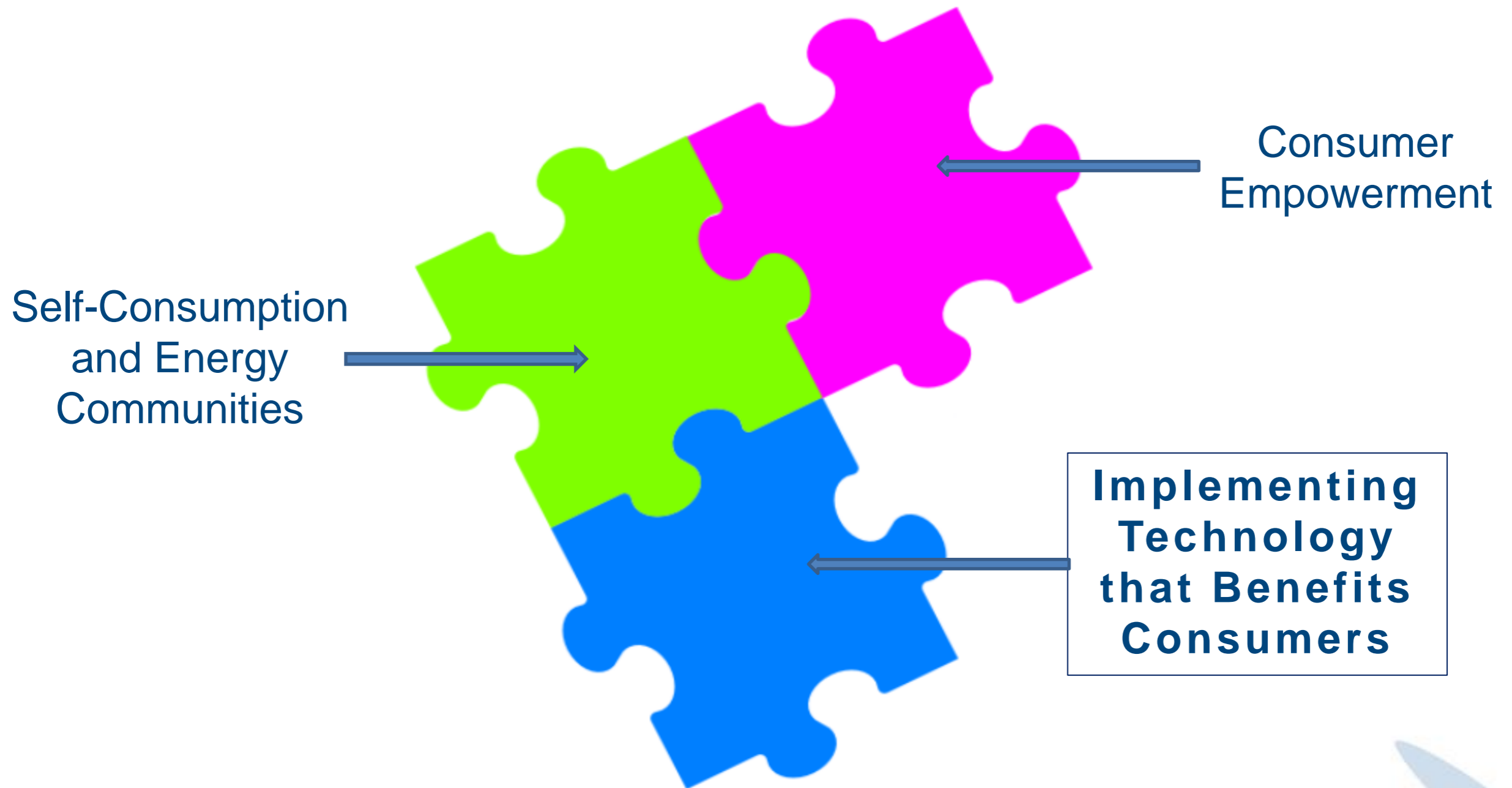
Followed by:

CEER ▶
Implementing Technology that Benefits
Consumers

07/2019

Implementing Technology that Benefits Consumers

CEER Reports related to Implementing CEP (7-8/2019) on ▶





Implementing Technology that Benefits Consumers

Case studies on **Implementing Technology that Benefits Consumers in the CEP**

Scope: 3 topics in the recast Electricity Directive



On-demand smart meter roll-outs

Articles 19 -21; Annex II



Dynamic price contracts

Article 11



Data exchange and interoperability

Articles 23 and 24





Implementing Technology that Benefits Consumers – case studies



Dynamic price contracts



Voluntary prices for household consumers in Spain

Default electricity tariff based on dynamic pricing

- ▶ no possibility to calculate customers' savings ex-ante (ex-post only)



Hourly contracts in Sweden

Suppliers not obliged by legislation to inform customers about the opportunities and risks associated with hourly contracts ✕ they are obliged to inform where info about supplier's prices can be found & how the price is set



Dynamic prices in Norway

New smart meters ▶ customers can access hourly metering & choose an hourly spot-based contract ▶ benefit for customers thanks to shifting their consumption





CEP implementation on customer/ retail issues

... followed by:

CEER ▶
Recommendations on Dynamic Price
Implementation

03/2020





Recommendations on Dynamic Price Implementation



Recommendations on Dynamic Price Implementation

Objectives:

- ▶ To provide NRAs and suppliers with recommendations on the implementation of these new provisions, with a view to their transposition into national law.

Content:

- ▶ General design of dynamic price contracts, incl. the reference price
- ▶ Information and customer protection
- ▶ Monitoring and enforcement and
- ▶ Potential barriers to dynamic price implementation





Recommendations on Dynamic Price Implementation



Recommendations on Dynamic Price Implementation

Conclusions:

- ▶ CEER recommends that **dynamic price contracts refer to day-ahead market prices**. Contracts can also make use of wholesale prices on the intraday market (Art. 2), these tariffs will be more complex to implement.
- ▶ Dynamic price contracts **should be based on actual meter data**. In order to access a dynamic price contract, the **customer must have a smart meter** that records consumption data at the same granularity as the relevant reference price.
- ▶ A **set of key information items** that could be provided to consumers was recommended
- ▶ **Information on consumption levels and reference prices could be provided at an aggregated time interval on the mail billing** document. If customer requires further information, the supplier must provide them free access to a data repository
- ▶ To establish relevant indicators to allow for effective monitoring of their uptake and use – CEER **recommends 3 different types of monitoring indicators**
- ▶ Variation in retail market design as well as the **specifics of competition and consumer law in each MS** must be taken into account





CEP implementation on customer/ retail issues

Next steps:

CEER ▶

Guidance on implementing and
monitoring dynamic price contracts

2022

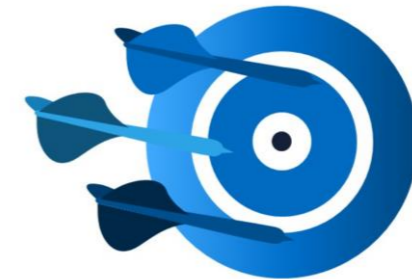




Guidance on implementing and monitoring dynamic price contracts

Responsible WS: MMR WS

Crosscutting: IRM WS (for case studies) and RBM



Output:

- ▶ Enables an exchange of know-how between NRAs through case studies
- ▶ Provides guidance and a common understanding for implementing dynamic price contracts and
- ▶ Defines indicators to monitor dynamic price contracts in Member States.

Outcome:

- ▶ Promote **comparability and consistency between NRAs** in how dynamic price contracts can be monitored and assessed, by developing common approaches using shared assumptions and data definitions.
- ▶ These can then be used by NRAs to **fulfill their national reporting** obligations.
- ▶ This **common understanding can be beneficial for the MMR.**
- ▶ Gathering case studies of existing approaches can **help NRAs to understand how these types of contracts are being implemented and applied** - helping each other in the development of our individual national markets.



Thank you for your attention!

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