



CEER Public Consultation on the Revision of the Handbook for National Energy Regulators - How to Assess Retail Market Functioning

Evaluation of the Responses submitted by External Stakeholders

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Executive Summary

The Council of European Energy Regulators (CEER) appreciates and welcomes the comments and feedback received to the public consultation on its draft 2025 Revised Handbook for National Energy Regulators – How to assess retail market functioning.

CEER received feedback on specific questions related to key properties and metrics presented in the Revised Handbook. Overall, respondents expressed support for our first revision of the CEER Handbook.

CEER has reviewed its Revised Handbook to consider suggestions made by stakeholders and has provided further clarification and details on the key properties and metrics.

The final Revised Handbook also reflects recent developments in the energy sector, guided by current energy policy at European level. Furthermore, the energy crisis has promoted an unprecedented impact on the energy sector which requires regulators' attention, additional competencies, and demands particular analysis.

As a result, regarding the Revised Handbook in 2025, new metrics have been added to the first version of the Handbook published in 2017.

This evaluation of responses document accompanies the final CEER Revised Handbook and provides CEER's feedback to the submitted comments.

Stakeholder feedback and comments

The public consultation on the draft Revised Handbook was launched on 2 April 2025. Reactions were sought, via an online questionnaire, until 7 May 2025¹.

The comments were received from a variety of organisations, listed in Annex 2. CEER appreciates the involvement, input from respondents and valuable comments provided on our draft Revision of the Handbook. The submitted responses are available in Annex 3.

The present document reports on the responses submitted by the respondents and presents the conclusions CEER draws from them.

CEER's final 2025 Revised Handbook is available on the CEER website². In line with our current practice, opportunities for stakeholder involvement in our work are possible via responding to public consultations or participating in workshops and events. All information and activities are published online on www.ceer.eu and updated on a regular basis.

General comments on the draft CEER 2025 Revised Handbook

In general, stakeholders welcomed, agreed, and supported the revision of the Handbook. Stakeholders expressed agreement with the eight key properties.

Many of the topics raised by stakeholders are extremely relevant and include important challenges that need to be addressed.

Stakeholders suggested that NRAs need to take better into account the protection of energy consumers and in particular the protection of their personal energy data, as well as the importance of market resilience and suppliers' stability.

On barriers to market entry, respondents emphasized the need for energy regulators to assess their regulatory requirements.

CEER appreciates the valuable suggestions and comments received and took them into consideration as best as possible in its final Revised Handbook of 2025.

¹ <https://www.ceer.eu/news/ceer-launches-public-consultation-on-the-handbook-for-national-energy-regulators-on-retail-markets/>

² <https://www.ceer.eu/publication/roadmap-to-2025-well-functioning-retail-energy-markets/>

Evaluation of responses

The table below provides an overview of the comments received in the public consultation on the draft CEER 2025 Revised Handbook. CEER’s reaction and views to this input are included in the right-hand column of the table.

	Key property	Key property II: Low Market entry barriers	
	Topic	Comments received	CEER views
1	Regulatory Stability and Market Confidence	<ul style="list-style-type: none"> • The retail energy market has seen frequent regulatory changes, affecting supplier confidence and investment decisions. Monitoring the stability and predictability of regulatory interventions can improve market performance. Suggested metrics include the frequency of major regulatory changes, supplier compliance costs, and consumer trust in regulatory frameworks. • Proposed Regulatory Change Frequency Index – Number of major regulatory changes affecting suppliers/consumers within a given period • It would be helpful to define what constitutes a “major regulatory change” and how it impacts both suppliers and consumers. • Additional guidance on measuring the impact of regulatory changes on investment in the energy sector. • Frequent regulatory changes can create uncertainty for both suppliers and consumers, affecting investment and market participation. Trust in regulatory oversight is crucial for market development but is not explicitly measured. So, the introduction of a Regulatory Change Impact Index to assess how often significant policy shifts occur and their effect on market stability could be advised. Also measurement of consumer and supplier trust in market regulations through surveys and qualitative assessments. And last but not least, provide guidelines on how NRAs should track the long-term impact of regulatory interventions on competition and innovation. 	A new metric “Regulatory and legal requirements for market access” has been added to key property II.

	Key property	Key property IV: A range of offers, including demand response	
	Topic	Comments received	CEER views
2	Decarbonisation and Green Supply Options and Transparency of Green Tariff Certification	<ul style="list-style-type: none"> • The retail market is experiencing a growing interest in green energy tariffs, but transparency and consumer understanding of renewable energy offerings remain challenges. • The handbook should define a standard methodology for verifying the environmental credibility of green tariffs. • Additional guidance on how NRAs should assess consumer awareness and trust in green energy claims. • Clarity on how mixed energy sources (e.g., partial renewable portfolios) should be accounted for. • The Handbook should propose a common EU framework for certifying and verifying the environmental impact of green energy products to ensure transparency and consumer trust. • The transition to greener energy markets is accelerating, but consumer awareness and trust in green tariffs remain inconsistent. There is a need to ensure that "green" supply options are credible and not misleading (greenwashing concerns). Therefore, suggested revisions could include requirement of NRAs to assess transparency in green energy tariffs, ensuring consumers understand what they are purchasing. Also, introducing clearer criteria for tracking supplier commitments to carbon neutrality and clean energy investments. In addition, adding metrics on consumer uptake of renewable gas and certified green electricity products. • Incorporate the Energy Transition Dimension: Include metrics on green offers, carbon intensity, and consumer access to sustainable products. 	Metric "Availability of information on the origin of the energy supplied and NRA role on fuel mix disclosure" has been finetuned to better explain the process of verifying suppliers claims about green products.

	Key property	Key property VIII: Appropriate protection	
	Topic	Comments received	CEER views
3	Market resilience and supplier stability	<ul style="list-style-type: none"> • The recent energy crisis has exposed the financial fragility of some suppliers, leading to market exits and consumer disruptions. Therefore, the Handbook should provide clearer guidance on evaluating supplier financial health and risk exposure. The revisions could include introducing metrics on supplier default rates, financial stress tests, and market concentration risks. Also, it would be useful to clarify how NRAs should assess the impact of supplier failures on market stability and consumer confidence. • Given the volatility in wholesale energy prices and recent supplier bankruptcies in various EU markets, it is crucial to assess supplier financial health and risk exposure. Suggested metrics include supplier default rates, market concentration impacts on resilience, and mechanisms for mitigating financial instability in retail markets. • Proposed “Supplier Default Rate” – Number of suppliers exits or bankruptcies per year • Market Concentration Risk Index – Measures the impact of dominant suppliers on market resilience 	A new metric “Market resilience and supplier stability” has been added to key property VIII.

	Key property	Key property VIII: Appropriate protection	
	Topic	Comments received	CEER views
4	Cybersecurity and Data Protection Standards	<ul style="list-style-type: none"> As digitalisation increases, monitoring cybersecurity risks and consumer data protection practices should be included in retail market assessments. The deployment of smart meters is increasing, but consumer engagement with smart pricing and demand response remains low. There is little focus on cybersecurity and data protection risks in digital energy services. Therefore, it could be useful to go beyond smart meter penetration rates and assess actual consumer adoption of dynamic tariffs and real-time energy monitoring. Introduce metrics on cybersecurity preparedness and data privacy standards in retail energy markets and evaluate the accessibility and usability of digital platforms provided by suppliers for tariff comparison, energy management, and customer service. 	A new metric “Cybersecurity and data protection” has been added to key property VIII.

Conclusions

CEER appreciates the valuable suggestions and comments received. Given the reactions, we consider that our effort to set up a meaningful revision of the Handbook for 2025 is generally endorsed by respondents.

Stakeholders strongly supported the purpose of the Handbook and its revision in 2025.

CEER views on the specific comments received on the CEER draft 2025 Revised Handbook have been reflected in the table above, but overall, stakeholders have taken the opportunity to contribute views on the specific substance of the key properties.

CEER's focus on the evaluation of consumer and retail markets is broadly supported.

Annex 1 – About CEER

The Council of European Energy Regulators (CEER) is the voice of Europe's national regulators of electricity and gas at EU and international level. CEER's members and observers (from 39 European countries) are the statutory bodies responsible for energy regulation at national level.

One of CEER's key objectives is to facilitate the creation of a single, competitive, efficient and sustainable EU internal energy market that works in the public interest. CEER actively promotes an investment-friendly and harmonised regulatory environment, and consistent application of existing EU legislation. Moreover, CEER champions consumer issues in our belief that a competitive and secure EU single energy market is not a goal in itself but should deliver benefits for energy consumers.

CEER, based in Brussels, deals with a broad range of energy issues including retail markets and consumers; distribution networks; smart grids; flexibility; sustainability; and international cooperation. European energy regulators are committed to a holistic approach to energy regulation in Europe. Through CEER, NRAs cooperate and develop common position papers, advice and forward-thinking recommendations to improve the electricity and gas markets for the benefit of consumers and businesses.

The work of CEER is structured with a number of working groups and work streams, composed of staff members of the national energy regulatory authorities, and supported by the CEER Secretariat. This report was prepared by the CEER Work Programme Drafting Committee.

More information at www.ceer.eu.

Annex 2 – List of respondents

Organisation
1. Attiki Gas Supply Company – Hellenic Company of Energy S.A.
2. Eurelectric
3. Iberdrola S.A.
4. EDF
5. ACEMEL

Annex 3 – Submitted responses

Response N°1:

Contact Details: Name - Mitsakaki Anastasia

Organisation: Attiki Gas Supply Company – Hellenic Company of Energy S.A.

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Q1: Are the eight key properties and their associated metrics relevant and sufficient for assessing the functioning of retail energy markets? (if not, please share your suggestions for other properties)

A: The eight key properties and their associated metrics outlined in the updated CEER Handbook provide a strong foundation for assessing the functioning of retail energy markets. They effectively capture essential aspects such as competition, consumer engagement, and price development, ensuring alignment with recent European legislative frameworks, including the Clean Energy Package and the Gas Decarbonisation Package. However, based on the evolving dynamics of the energy market and European trends, please find some additional areas for consideration:

Resilience and Supplier Stability – Given the volatility in wholesale energy prices and recent supplier bankruptcies in various EU markets, it is crucial to assess supplier financial health and risk exposure. Suggested metrics include supplier default rates, market concentration impacts on resilience, and mechanisms for mitigating financial instability in retail markets.

Energy Affordability and Consumer Protection – Affordability remains a critical issue for some energy markets, where a significant portion of consumers faces energy poverty. While price monitoring is covered, additional focus on vulnerable consumers is needed. Suggested metrics include energy poverty indicators, disconnection rates, the effectiveness of support schemes (e.g., social tariffs), and consumer satisfaction with affordability measures.

Decarbonisation and Green Supply Options – The retail market is experiencing a growing interest in green energy tariffs, but transparency and consumer understanding of renewable energy offerings remain challenges. Suggested metrics include the percentage of consumers on green tariffs, awareness of renewable options, and the actual environmental impact of different supply contracts.

Digitalisation and Demand Response Participation – With energy markets rolling out smart

meters and advancing digital energy services, evaluating the readiness of retail markets for smart tariffs and demand response is crucial. Suggested metrics include smart meter penetration, dynamic tariff adoption, and consumer participation in demand-side flexibility programs.

Regulatory Stability and Market Confidence – The retail energy market has seen frequent regulatory changes, affecting supplier confidence and investment decisions. Monitoring the stability and predictability of regulatory interventions can improve market performance. Suggested metrics include the frequency of major regulatory changes, supplier compliance costs, and consumer trust in regulatory frameworks.

All above are indicative, but shall provide a more comprehensive assessment of retail energy markets, ensuring not only competition and efficiency but also resilience, affordability, and sustainability—key priorities for European markets.

Q2: Are there any additional metrics that should be included?

A: in addition to the existing metrics in the CEER Handbook, based on the comments above, the following additional metrics could enhance the assessment of retail energy markets, particularly considering challenges in European trends:

1. Market Resilience and Supplier Stability:

Supplier Default Rate – Number of supplier exits or bankruptcies per year

Market Concentration Risk Index – Measures the impact of dominant suppliers on market resilience

Wholesale Price Volatility Index – Assesses fluctuations and their pass-through to consumers

Retail-Wholesale Price Spread – Tracks discrepancies between wholesale and retail prices to identify inefficiencies

2. Energy Affordability and Consumer Protection:

Energy Poverty Index – Percentage of households spending more than a set threshold of income on energy

Disconnection Rate for Non-Payment – Number of consumers disconnected due to unpaid bills, segmented by household and business customers

Effectiveness of Social Tariffs – Proportion of eligible consumers enrolled in social tariffs and their impact on affordability

Consumer Complaint Resolution Time – Average time taken to resolve complaints related to billing, tariffs, and service disruptions

3. Decarbonisation and Green Supply:

Share of Consumers on Green Tariffs – Percentage of customers subscribed to renewable electricity or biogas tariffs

Transparency of Green Tariffs – Number of certified green offers vs. total available offers

Carbon Intensity of Retail Energy Supply – CO₂ emissions per kWh of electricity or gas sold, factoring in supplier energy mix

Consumer Awareness of Green Options – Survey-based assessment of consumer understanding and trust in green tariffs

4. Digitalisation and Smart Market Readiness:

Smart Meter Penetration Rate – Percentage of households and businesses with installed smart meters

Dynamic Tariff Adoption Rate – Share of consumers using time-of-use or real-time pricing tariffs

Consumer Engagement in Demand Response – Percentage of consumers participating in demand-side management programs

Availability of Digital Tools – Number of suppliers offering digital platforms for consumption monitoring and tariff comparison

5. Regulatory Stability and Market Confidence:

Regulatory Change Frequency Index – Number of major regulatory changes affecting

suppliers/consumers within a given period

Supplier Compliance Costs – Average cost per supplier for implementing new regulatory requirements

Consumer Trust in Market Regulation – Surveys measuring consumer perceptions of fairness and stability in the regulatory environment

Investment in Innovation and New Market Entrants – Number of new suppliers entering the market and investment in innovative retail energy services

In my opinion, adding these metrics would provide a more holistic view of the market, helping regulators and stakeholders ensure resilience, consumer protection, and sustainability.

Q3: Are the explanations and definitions of the metrics clear and comprehensive? If not, which sections need further clarification?

A: The explanations and definitions of the metrics in the CEER Handbook are generally clear and well-structured. However, certain areas could benefit from further clarification to ensure consistent interpretation and application by NRAs and market participants. You can find below some sections that may require improvement:

1. Consumer Engagement and Market Competitiveness

i) Switching Rate Metrics:

-The handbook should clarify whether switching rates account for forced supplier changes due to bankruptcy or regulatory interventions. A distinction between voluntary and involuntary switching would provide a more accurate picture of market dynamics.

-Further details on how to measure "informed consumer choice" would be useful, particularly in markets where price comparison tools and tariff transparency vary in quality.

ii) Barriers to Market Entry and Exit:

-The criteria used to define and assess market entry barriers should be more explicit, especially regarding licensing requirements, regulatory burdens, and access to wholesale markets.

-More clarity is needed on how supplier exit impacts market concentration and consumer confidence.

2. Energy Affordability and Consumer Protection

i) Energy Poverty Metrics:

-The definition of energy poverty should be expanded to account for regional variations in energy costs, climate conditions, and social support mechanisms.

-The methodology for calculating affordability indicators should be standardized to avoid inconsistencies across EU countries.

ii) Disconnection Rates:

-Clarification on whether disconnections include only residential consumers or also small businesses.

-Guidance on how to factor in emergency support measures or moratoria on disconnections during crises.

3. Decarbonisation and Green Supply

i) Green Tariff Certification and Transparency:

-The handbook should define a standard methodology for verifying the environmental credibility of green tariffs.

-Additional guidance on how NRAs should assess consumer awareness and trust in green energy claims.

ii) Carbon Intensity of Retail Energy Supply:

-Explanation of whether indirect emissions are considered in supplier carbon intensity calculations.

- Clarity on how mixed energy sources (e.g., partial renewable portfolios) should be accounted for.

4. Digitalisation and Smart Market Readiness

i) Smart Metering Metrics:

-The definition of “smart meter penetration” should specify whether it includes meters that are installed but not yet fully operational.

-More details on how NRAs should measure consumer engagement with smart meter data and dynamic pricing options.

ii) Demand Response Participation:

-Clarification on whether participation in demand-side response includes both automated (e.g., smart home devices) and manual (e.g., consumer-initiated) responses.

-Further details on how NRAs should track and evaluate the impact of demand response programs on overall grid efficiency and consumer savings.

5. Regulatory Stability and Market Confidence

i) Regulatory Change Frequency Index:

-It would be helpful to define what constitutes a “major regulatory change” and how it impacts both suppliers and consumers.

-Additional guidance on measuring the impact of regulatory changes on investment in the energy sector.

ii) Consumer Trust in Market Regulation:

-Clarification on survey methodologies for assessing consumer confidence in regulatory bodies and market fairness.

-More detail on how NRAs should differentiate between short-term dissatisfaction due to price volatility and long-term structural trust issues.

To improve clarity, the Handbook should include also:

i) Case studies or best-practice examples for applying each metric.

ii) Standardized methodologies to ensure consistency across EU markets.

iii) Greater transparency in how NRAs should interpret and act upon the collected data.

Q4: Are there any additional comments or suggestions for improving the Handbook?

A: 1. Strengthen the Alignment with Recent Market Developments:

i) The energy crisis of 2021-2023 highlighted vulnerabilities in retail energy markets, such as price volatility, supplier failures, and affordability concerns. The Handbook should incorporate lessons learned from this period, including best practices for supplier risk assessment, financial resilience, and consumer protection mechanisms during crises.

ii) Given the ongoing Electricity Market Reform and Gas Decarbonisation Package, the Handbook should outline how NRAs can adapt their monitoring approaches as new regulations come into effect.

2. Expand Consumer-Centric Metrics:

i) Consumer Awareness and Market Literacy: The Handbook should include guidance on measuring consumer understanding of energy tariffs, green supply options, and rights in the market. This could be assessed through surveys and engagement statistics.

ii) Vulnerable Consumer Support Effectiveness: While energy poverty is considered, more detailed metrics should be included to assess the reach and impact of social tariffs, government subsidies, and energy efficiency programs targeted at low-income households.

iii) Non-Monetary Switching Barriers: The Handbook should recognize barriers beyond price, such as complexity in contract terms, lack of clear comparison tools, and perceived risks of changing suppliers.

3. Enhance Green Transition Monitoring:

i) Standardized Green Tariff Certification: The Handbook should propose a common EU framework for certifying and verifying the environmental impact of green energy products to ensure transparency and consumer trust.

ii) Monitoring of Supplier Decarbonisation Efforts: In addition to tracking renewable energy offerings, NRAs should assess suppliers' commitments to carbon neutrality, including investments in clean energy infrastructure and offset mechanisms.

iii) Consumer Participation in Local Energy Communities and Prosumer Activities: As self-generation and community energy projects grow, the Handbook should incorporate metrics on consumer involvement in such initiatives.

4. Improve Digitalisation and Smart Market Readiness Assessment:

i) Evaluation of Smart Meter Benefits: The Handbook should go beyond penetration rates and assess how smart meters are used to improve energy efficiency, enable demand response, and empower consumers.

ii) Cybersecurity and Data Protection Standards: As digitalisation increases, monitoring cybersecurity risks and consumer data protection practices should be included in retail market assessments.

iii) Consumer Access to Digital Tools: NRAs should assess whether suppliers provide user-friendly online platforms and apps for monitoring energy consumption, comparing tariffs, and accessing support services.

5. Provide More Practical Implementation Guidance:

i) Case Studies and Best Practices: Including real-world examples of how NRAs have successfully used these metrics to improve market performance would be beneficial.

ii) Benchmarking Across EU Countries: The Handbook should encourage NRAs to compare key indicators with other markets to identify strengths, weaknesses, and potential areas for improvement.

iii) Methodological Standardization: Clearer guidelines on data collection, calculation methodologies, and interpretation of results would ensure consistency across countries.

The CEER Handbook is surely a valuable tool for assessing retail energy markets. But incorporating some of these recommendations would improve its relevance, effectiveness, and ability to support NRAs in achieving resilient, competitive, and consumer-friendly markets.

Q5: Are there any specific areas that require further attention or revision?

A: While the CEER Handbook provides a solid framework for assessing retail energy markets, some areas require further attention and revision to ensure that assessments remain relevant in an evolving energy landscape. Strengthening the Handbook in these areas will improve its ability to guide NRAs in fostering resilient, competitive, and consumer-friendly energy markets.

To sum up all above comments, here are enlisted some key areas that could benefit from further attention or revision:

1) Market Resilience and Supplier Stability: The recent energy crisis has exposed the financial fragility of some suppliers, leading to market exits and consumer disruptions. Therefore, the Handbook should provide clearer guidance on evaluating supplier financial health and risk exposure. The revisions could include introducing metrics on supplier default rates, financial stress tests, and market concentration risks. Also, it would be useful to clarify how NRAs should assess the impact of supplier failures on market stability and consumer confidence.

2) Consumer Protection and Energy Affordability: Energy poverty remains a significant issue, particularly in some countries, where a large portion of consumers struggle with energy costs. The effectiveness of consumer protection mechanisms, such as social tariffs and disconnection safeguards, needs more detailed assessment. So, expanding energy poverty metrics to include affordability indices, the effectiveness of government support schemes, and consumer disconnection rates are quite useful. Also, standardize how NRAs should measure consumer satisfaction with retail energy services should be included, as well as guidance on monitoring hidden costs in contracts (e.g., termination fees, unclear tariff structures).

3) Decarbonisation and Green Market Transparency: The transition to greener energy markets is accelerating, but consumer awareness and trust in green tariffs remain inconsistent. There is a need to ensure that "green" supply options are credible and not misleading (greenwashing concerns). Therefore, suggested revisions could include requirement of NRAs to assess

transparency in green energy tariffs, ensuring consumers understand what they are purchasing. Also, introducing clearer criteria for tracking supplier commitments to carbon neutrality and clean energy investments. In addition, adding metrics on consumer uptake of renewable gas and certified green electricity products.

4) Digitalisation and Smart Market Readiness: The deployment of smart meters is increasing, but consumer engagement with smart pricing and demand response remains low. There is little focus on cybersecurity and data protection risks in digital energy services. Therefore, it could be useful to go beyond smart meter penetration rates and assess actual consumer adoption of dynamic tariffs and real-time energy monitoring. Introduce metrics on cybersecurity preparedness and data privacy standards in retail energy markets and evaluate the accessibility and usability of digital platforms provided by suppliers for tariff comparison, energy management, and customer service.

5) Regulatory Stability and Market Confidence: Frequent regulatory changes can create uncertainty for both suppliers and consumers, affecting investment and market participation. Trust in regulatory oversight is crucial for market development but is not explicitly measured. So, the introduction of a Regulatory Change Impact Index to assess how often significant policy shifts occur and their effect on market stability could be advised. Also measurement of consumer and supplier trust in market regulations through surveys and qualitative assessments. And last but not least, provide guidelines on how NRAs should track the long-term impact of regulatory interventions on competition and innovation.

Q6: Do the proposed metrics adequately capture the level of innovation and flexibility in the retail energy markets? Are there any additional aspects of innovation that should be measured?

A: The proposed metrics in the CEER Handbook cover some aspects of innovation and flexibility in retail energy markets, such as smart metering and supplier switching. However, they do not fully capture the evolving landscape of digitalisation, demand-side flexibility, and new market models emerging from decentralised energy systems.

1) Gaps in Measuring Innovation and Flexibility: The current framework lacks detailed assessment of:

i) Consumer Participation in Innovative Energy Services: While the Handbook monitors switching rates and consumer engagement, it does not track the adoption of dynamic pricing, demand-side response programs, or local energy trading (e.g., peer-to-peer energy markets).

ii) Retail Market Adaptability to Emerging Technologies: The role of AI, blockchain, and digital platforms in retail energy markets is growing, but no metrics assess their impact on market efficiency or consumer empowerment.

iii) Flexibility and Decentralised Market Participation: There is little focus on prosumers (self-generating consumers), energy communities, and aggregators who provide grid services. Also, metrics for Virtual Power Plants (VPPs) and decentralised flexibility services are missing.

2) Additional Innovation Metrics That Should Be Included:

i) Digitalisation and Smart Services:

- Adoption of Dynamic Tariffs: Percentage of consumers using time-of-use (ToU), real-time pricing, or load-shifting tariffs.

- Use of AI-Driven Energy Management Systems: Number of suppliers offering AI-based consumption optimization tools.

- Consumer Engagement with Digital Platforms: Percentage of consumers using supplier apps for monitoring usage, comparing tariffs, or managing payments.

ii) Demand Response and Market Flexibility:

- Participation in Demand-Side Response Programs: Share of consumers enrolled in programs that allow flexible energy consumption based on price signals.

- Adoption of Smart Home and IoT Devices for Energy Management: Number of households

using smart thermostats, connected appliances, and automated demand-side management.

- Availability of Peer-to-Peer (P2P) Energy Trading Models: Number of suppliers or platforms enabling direct energy transactions between consumers.

iii) Prosumers and Decentralised Energy Models:

- Prosumers as a Share of the Retail Market: Percentage of households/businesses generating their own electricity (solar PV, wind, etc.).

- Consumer Participation in Energy Communities: Number of consumers involved in collective self-consumption or local energy-sharing schemes.

- Integration of Distributed Energy Resources (DERs) into Retail Markets: Availability of tariffs that support home batteries, EV charging, and VPPs.

iv) Regulatory and Market Readiness for Innovation:

- Time-to-Market for New Retail Products: Average time required for a supplier to introduce a new energy tariff or service due to regulatory approvals.

- Flexibility in Retail Market Regulation: Frequency of regulatory updates that enable innovative business models (e.g., blockchain-based energy trading, hybrid supplier models).

- Supplier Investment in Innovation: Percentage of retail energy suppliers investing in R&D for new energy services and digital solutions.

As already mentioned the Handbook's current metrics provide a baseline for assessing retail energy market functioning but do not sufficiently capture the rapid technological transformation occurring in the sector. By incorporating additional metrics focused on digitalisation, demand response, decentralisation, and regulatory adaptability, NRAs can better assess how retail markets support innovation and flexibility.

Q7: How well do the metrics address the availability and uptake of demand response and self-generation options? Are there any improvements that should be suggested?

A: The CEER Handbook includes some references to market competitiveness and consumer engagement, but it does not sufficiently address the availability and uptake of demand response and self-generation options. Given the increasing role of prosumers and flexible energy consumption in retail markets, there is a need for more comprehensive and specific metrics in these areas.

In more details:

1. Demand Response (DSR) Availability and Participation

The Handbook does not explicitly measure the level of consumer participation in DSR programs, including households and businesses adjusting energy use in response to price signals. There is no metric assessing the availability of dynamic pricing tariffs, which are crucial for enabling demand-side flexibility. Also, the role of aggregators in enabling DSR is not sufficiently captured.

Therefore some improvements might be:

i) DSR Participation Rate: Percentage of consumers (households and businesses) actively participating in demand response programs.

ii) Adoption of Dynamic Tariffs: Share of consumers on time-of-use (ToU), critical peak pricing (CPP), or real-time pricing tariffs.

iii) Demand Response Activation Rate: Frequency at which consumers actively reduce or shift consumption in response to grid needs or price signals.

iv) Participation in Aggregated Demand Response: Number of consumers enrolled in third-party aggregation services for demand response.

v) Availability of Automated Demand-Side Flexibility: Share of consumers using smart home devices (e.g., automated thermostats, load control systems) that support demand response.

2. Self-Generation (Prosumers) and Energy Communities

The Handbook does not provide clear indicators for tracking the growth of self-generation and

consumer participation in decentralized energy markets. There is limited focus on the role of energy communities in local energy sharing and grid support and no clear metric evaluates the impact of self-generation on retail competition and grid flexibility.

Improvements suggested:

- i) Prosumers as a Share of the Market: Percentage of consumers who generate their own electricity through solar PV, wind, or other distributed energy resources (DERs).
- ii) Self-Consumption Rate: Share of self-generated energy that is used directly by prosumers versus exported to the grid.
- iii) Participation in Energy Communities: Number of consumers involved in collective self-consumption schemes, peer-to-peer (P2P) energy trading, or local energy cooperatives.
- iv) Availability of Retail Tariffs for Prosumers: Number of suppliers offering specific tariffs for prosumers, including buy-back rates for surplus energy.
- v) Adoption of Home Storage Solutions: Percentage of prosumers using battery storage to optimize self-consumption and grid participation.

3. Integration of Demand Response and Self-Generation into Retail Markets

The Handbook does not sufficiently assess how well demand response and self-generation options are integrated into the retail energy market. There is a lack of metrics evaluating barriers to participation (e.g., regulatory complexity, lack of incentives, or insufficient digital infrastructure). The role of suppliers and grid operators in supporting flexible energy consumption and self-generation is not explicitly measured.

Improvements suggested:

- i) Ease of Access to Demand Response Programs: Time and complexity for consumers to enrol in and participate in demand response programs.
- ii) Market Integration of Prosumers: Number of retail suppliers offering customized solutions for self-generators, including energy storage and flexible tariffs.
- iii) Smart Meter Penetration and Functionality: Percentage of consumers with smart meters enabled for real-time pricing and self-generation tracking.
- iv) Consumer Awareness of Demand Response and Self-Generation: Survey-based assessment of consumer knowledge about the availability and benefits of demand-side flexibility and prosumer participation.

To conclude, while the CEER Handbook provides a foundation for assessing retail energy markets, it does not fully capture the availability and uptake of demand response and self-generation. By incorporating additional quantitative and qualitative metrics, NRAs can better assess how retail markets support flexible energy consumption and decentralized generation.

Q8: How effective do you think the proposed metrics are in monitoring consumer protection, especially for vulnerable and energy-poor customers? Are there any additional measures that should be recommended?

A: The CEER Handbook includes some metrics related to consumer protection, particularly in monitoring affordability and accessibility of energy services. However, it does not fully capture the depth of challenges faced by vulnerable and energy-poor consumers. Given the recent energy price volatility and economic uncertainties, consumer protection must be more comprehensively measured to ensure energy affordability, fair treatment, and access to essential services.

Specifically:

1. Identifying and Supporting Energy-Poor and Vulnerable Consumers: The Handbook does not define clear thresholds for measuring energy poverty, leading to inconsistencies in national assessments. There is limited tracking of whether assistance programs (e.g., social tariffs, subsidies) are effectively reaching those in need. Proposed metrics focus on price affordability but do not consider non-price barriers, such as digital literacy, contract complexity, or

disconnection risks.

Additional measures recommended:

- i) Energy Poverty Rate: Percentage of households spending a disproportionate share of income on energy bills (e.g., >10% of household income).
- ii) Effectiveness of Financial Support Programs: Number of households receiving government energy subsidies or social tariffs, and their impact on affordability.
- iii) Consumer Awareness of Support Mechanisms: Percentage of vulnerable consumers who are aware of their eligibility for assistance programs.
- iv) Ease of Access to Assistance: Assessment of the administrative burden required to enrol in financial support schemes.
- v) Non-Monetary Barriers: Evaluation of accessibility issues, such as language barriers, digital literacy, and clarity of contracts for vulnerable consumers.

2. Protection Against Disconnections and Unfair Practices: The Handbook does not measure how often vulnerable consumers experience disconnections due to non-payment. There is no metric tracking the effectiveness of supplier policies to prevent disconnections and offer alternative payment arrangements. Also, consumer complaints about unfair contract terms, misleading pricing, or aggressive sales tactics are not sufficiently considered.

Additional measures recommended:

- i) Disconnection Rate for Vulnerable Consumers: Number of low-income or energy-poor households disconnected due to unpaid bills.
- ii) Availability and Uptake of Alternative Payment Plans: Number of consumers on flexible repayment plans instead of facing disconnection.
- iii) Supplier Practices on Debt Recovery: Monitoring whether suppliers offer fair debt collection processes (e.g., reasonable repayment terms, no excessive penalties).
- iv) Consumer Complaint Resolution Efficiency: Average response time and resolution success rate for consumer complaints related to unfair practices.

3. Transparency and Fairness in Retail Energy Markets: The Handbook does not sufficiently measure whether tariffs, billing information, and contract terms are clear and understandable for all consumers. There is no assessment of whether vulnerable consumers are being unfairly excluded from competitive tariffs or green energy options. The role of consumer education programs in increasing financial literacy and energy awareness is not explicitly tracked.

Additional measures recommended:

- i) Clarity of Billing and Tariff Information: Percentage of consumers who find their bills and contract terms easy to understand.
- ii) Access to Competitive Tariffs for Vulnerable Consumers: Number of vulnerable households who have access to competitive or dynamic pricing options.
- iii) Effectiveness of Consumer Education Initiatives: Number of government or supplier-led campaigns focused on energy-saving, switching awareness, and rights protection.
- iv) Prevalence of Hidden Fees and Charges: Number of complaints related to unexpected fees, misleading tariff structures, or contract lock-in periods.

To sum up, the CEER Handbook includes some consumer protection metrics, but it does not go far enough in monitoring the real-life challenges faced by vulnerable and energy-poor customers. Additional quantitative and qualitative measures should be introduced in order to gain assess to the effectiveness of financial support programs, the barriers to accessing assistance and fair market participation, the supplier practices in dealing with vulnerable consumers and the protection against disconnections and unfair pricing.

Response N°2:

Contact Details: Name - Alessandro Zappi

Organisation: Eurelectric

Email: azappi@eurelectric.org

Q1: Are the eight key properties and their associated metrics relevant and sufficient for assessing the functioning of retail energy markets? (if not, please share your suggestions for other properties)**A:**

- The Handbook should stress that if a particular metric suggests that a problem may exist, NRAs should research the issue to understand what may be causing those results.
- The handbook should also indicate that, if the purpose is to determine whether price intervention is justified, a low level of concentration is sufficient by itself to conclude that price intervention is not justified.
- The handbook should also indicate that, if the purpose is to determine whether price intervention is justified, evidence of low or non-existent entry barriers (in particular, evidence of actual entry) is sufficient by itself to conclude that price intervention is not justified.

Q2: Are there any additional metrics that should be included?**A:**

- A new metric should be included in Key Property II to show the evolution in the number of new retailers over, at least, the previous 10 years. The handbook should explain that evidence of actual entry by retailers may be sufficient to conclude that entry barriers are low or non-existent.
- A new metric should be included in Key Property II to indicate whether regulated prices are set above, equal, or below the cost of competitive retailers (including the allowance to cover for retailing costs -fixed and all operating costs incurred by regulated suppliers).
- Metric 4, which refers to the percentage of consumers with regulated energy prices, should be moved to Key Property VIII, relating to "Appropriate protection".

Q3: Are the explanations and definitions of the metrics clear and comprehensive? If not, which sections need further clarification?**A:**

- All market shares and concentration indicators should be defined in terms of volume of energy (not on the basis of the number of supply points) and by reference to the relevant product and geographic markets, in line with the approach laid down in the 2024 Commission Notice on the definition of the relevant market for the purposes of Union competition law (C/2024/1645). Relevant market should not consider sales to consumers whose prices are regulated below costs or if they are considered, they should be grouped under a separate entity.
- The handbook should not include any references which may prejudice the outcome of the analysis of the relevant product market. If it does include any references to "segments", the handbook should also indicate that the conclusion of the analysis may also be that the relevant product market is the entire retail market, for example, if retailers commonly operate in two or

more market segments.

- The handbook should not include any references which may prejudice the outcome of the analysis of the relevant geographic market. If it does include any references to “national” or “regional” market definitions, the handbook should also indicate that the outcome of the conclusion may also be that the relevant geographic market may be supranational; for example, when two MSs share a common wholesale electricity market, interconnections within that common market are rarely congested and retailers from one MS are automatically allowed to operate in the other MS.
- If the handbook includes references to the “concentration ratios”, it should provide guidance of how to interpret the results from the various indicators (CR3, CR4, CR8, etc). If CEER is unable to indicate how to assess the CR results, then, those results are useless to assess the functioning of the retail market and they should not be considered or included in the handbook.
- If the handbook requires that the “number of suppliers” be reported, it should provide guidance of how to assess whether the number of suppliers is consistent with a well-functioning retail market. If CEER is unable to indicate how to assess the results regarding the number of suppliers, then those results are useless to assess the functioning of the retail market, and they should not be considered or included in the handbook.
- The description of the different types of unbundling requirements in metric 3 should be redrafted. First, it should be made clear that the four unbundling concepts are alternatives to each other. Second, they should be put in an order of “increasing unbundling intensity”:
 1. Accounting unbundling
 2. Functional unbundling
 3. Legal Unbundling
 4. Full ownership unbundlingIt should be made clear that the more intense unbundling concepts include the less intense ones.
- In the description to metric 6, the Electricity Directive from 2019 is wrongly cited. It must say: “Electricity Directive 2019/944” (not 994)

Q4: Are there any additional comments or suggestions for improving the Handbook?

A:

- Metrics 7 and 8 (i.e., Key Property III) should be deleted because the results are unreliable (they vary according to the assumptions made by NRAs about the retailers’ procurement strategy), and they are therefore not useful to assess the functioning or the level of competition in the retail market. At most, they should only be used to assess the margins in fully-dynamic contracts which pass-through the spot market price, as there is no procurement strategy needed there. If those metrics are not deleted, it should be made clear that high margins or low correlations may be the result of inadequate assumptions regarding the procurement strategy, and the results should not be used to conclude that the retail market is not functioning properly.
- On Metric 9 among the indicators there is one on “Indicate whether the following products are available for households/non-households, and their uptake (%):” (market based fixed price, fixed term contracts, market based dynamic price contracts as defined in directive 944, etc.) it is not clear why these products are specifically mentioned. For instance, a market-based open-ended contract is missing from this list.

Q5: Are there any specific areas that require further attention or revision?

A: To include, under Key Property V or Key Property VIII, a metric or group of metrics which indicate whether there are regulation requirements in place to ensure the financial viability of retailers, such as hedging requirements or stress tests.

Q6: Do the proposed metrics adequately capture the level of innovation and flexibility in the retail energy markets? Are there any additional aspects of innovation that should be measured?

A: The handbook should make it clear under Key Property IV that a low level of innovation and flexibility in the retail energy markets does not necessarily mean that the retail market is not functioning properly.

Q7: How well do the metrics address the availability and uptake of demand response and self-generation options? Are there any improvements that should be suggested?

A:

- The handbook should make it clear that a lack of availability and uptake of demand response and self-generation options in the retail energy markets does not necessarily mean that the retail market is not functioning properly.
- The handbook should instruct NRAs to include an assessment of whether the development of self-generation may be due to the fact that consumers who install self-generation can avoid costs which are not really avoidable (such as grid costs and other charges such as subsidies to renewables), effectively forcing other consumers to bear a higher share of those costs.
- On Metric 10 under the question “What kind of value-added services or products that contribute to demand flexibility are available for customers? (Examples of automatically controlled or supplied with demand response switch)”, it is not clear why there is this list/question. By default, these are not devices offered by electricity suppliers. It cannot be expected that the sale of these devices would somehow be linked to the electricity supplier. Therefore, we question if this is the correct indicator.

Q8: How effective do you think the proposed metrics are in monitoring consumer protection, especially for vulnerable and energy-poor customers? Are there any additional measures that should be recommended?

A:

- Add under Key Property VIII, which relates to “Appropriate protection”, an additional metric which indicates whether vulnerable consumers are free to choose their retailer, or whether their supply options are constrained if they want to receive assistance.
- Move metric 4 (which refers to the percentage of consumers with regulated energy prices) to Key Property VIII (which relates to “Appropriate protection”). In their answer to this metric, NRAs should indicate whether (a) the regulated price is set at a level which is not below the price that would be set in the free market by a competitive retailer and (b) public intervention in price setting is temporary and includes a well-defined roadmap for their gradual removal.

- On Metric 18 description is unclear the meaning of “notification of the activation”. This can be interpreted to include the termination period, which is no longer part of the technical process. The technical process should be the time from when the new supplier notifies about the new contract to when they receive information whether it is okay or not. In some Member States, for example Finland, this happens in real-time and from this point, the termination period begins, which is 2 weeks. So, the supplier switch actually happens two weeks after the new supplier receives the information that the notification of the supplier switch has been accepted.
- On Metric 20, the question “Can smart meters in your country account for the energy generated by household prosumers?” is not totally correct. “Generated” should be “fed into the grid”. Smart meters do not measure total production, but only what is fed into the grid. In some countries (e.g. Finland), the prosumer first uses part of the production themselves and only the rest is fed into the grid.

Response N°3:

Contact Details: Name - Eva Chamizo Llatas

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Q1: Are the eight key properties and their associated metrics relevant and sufficient for assessing the functioning of retail energy markets? (if not, please share your suggestions for other properties)

A: The report which accompanies the public consultation paper explains that “the main objective of this handbook is to offer clarity and further explanation of the metrics that NRAs can use to self-assess the functioning of their national retail energy markets”. It further explains that “while the outcome of the metrics may pinpoint to a particular problem in the market, further research into the issue may be necessary to fully understand the situation.”

Hence, the handbook does not purport to be a rigid framework to assess the functioning of retail energy markets, but simply a list of metrics that NRAs can use to self-assess the functioning of their national retail energy markets. However, we believe that it is important for the Handbook to stress that, if a particular metric suggests that a problem may exist, the national regulator should not use that to conclude that the retail market is not functioning properly and use that to justify interventions. Instead, NRAs should research the issue to understand what may be causing those metrics.

For example, a high percentage of consumers with regulated energy prices (metric 4) may not be the result of a poorly functioning retail market but may be due instead to the fact that the regulated tariffs are set below cost (as happens in Spain) or because vulnerable consumers are forced to be supplied under the regulated tariff to be entitled to receive vulnerable consumer discounts and cheques (as also happens in Spain). Similarly, the unavailability of explicit demand response offers (metric 12) may be simply due to the fact that the spot electricity market price does not increase much at peak or in situations of scarcity; this means that consumers cannot obtain a significant discount by having flexible demand response and therefore retailers do not have incentives to offer contracts with a discount or payment for flexible demand. Also, a low percentage of prosumers (metric 20) may simply indicate that the cost of centralised generation is lower than the cost of self-generation, and that self-generation is not therefore attractive. None of those metrics necessarily suggest that the retail market is not working properly.

Hence, while the eight Key Properties and their associated metrics can provide useful information regarding areas where the functioning of the market can be improved, they do not necessarily indicate that the retail energy market is not functioning properly. There is a risk that using a long list of 25 metrics will simply allow NRAs to find some metric whose value may

be deemed “insufficient”, and use that to justify price intervention, when in fact that metric may not mean that the retail market is not working properly (indeed, the cause of that metric value may be precisely the fact that there is price intervention).

Further, while the public consultation explains that “the main objective of this handbook is to offer clarity and further explanation of the metrics that NRAs can use to self-assess the functioning of their national retail energy markets”, the reality is that the handbook is also a reference for determining whether price intervention is justified. However, most of the metrics could be irrelevant to determine whether price intervention is justified.

The handbook should explain that either a low level of concentration (as shown in Metric 1) or low or non-existent entry barriers (as shown in Key Property II) may be sufficient by themselves to show that price intervention is not justified.

Proposals:

- The Handbook should stress that if a particular metric suggests that a problem may exist, NRAs should research the issue to understand what may be causing those results.
- The handbook should also indicate that, if the purpose is to determine whether price intervention is justified, a low level of concentration is sufficient by itself to conclude that price intervention is not justified.
- The handbook should also indicate that, if the purpose is to determine whether price intervention is justified, evidence of low or non-existent entry barriers (in particular, evidence of actual entry) is sufficient by itself to conclude that price intervention is not justified.

Q2: Are there any additional metrics that should be included?

A: Key Property II seeks to assess the level of market entry barriers. However, while the list of metrics refers to issues which may affect entry barriers, it does not include any metric with evidence as to whether or not any of those theoretical entry barriers actually deter entry. Therefore, we suggest adding an additional metric under Key Property II that shows whether there has actually been entry by new retailers. The metric should be the evolution in the number of new retailers (metric 1 under Key Property I is to include the number of active retailers, but it does not show how that number has evolved over time).

We also note that if there is a large number of retailers or there has been significant (and hence, unhindered) entry by new retailers, the only logical conclusion is that there are no barriers to entry (or that they are so low that they are insignificant), regardless of what the other metrics within that Key Property might suggest. The other metrics (such as the cost of accessing the wholesale market) may be useful to explain why a given retail market may have a low level of entry, but it would be illogical to conclude from those metrics that there are significant barriers to entry if there is a large number of retailers of significant (and hence, unhindered) entry by new retailers. In addition, the regulator could take into account the market context to make its analysis. If the regulator observes entry even in periods of high price volatility, this is a further indication that there are no significant barriers to entry.

We would also point out that metric 4, which refers to the percentage of consumers with regulated energy prices, is not actually a metric that indicates whether entry barriers are high. It may simply indicate that the regulated energy prices are set at or below cost (as happens in Spain). Indeed, the existence of regulated energy prices may actually be the cause of the low level of entry. Therefore, it would be illogical to use the percentage of consumers with regulated energy prices as a metric to assess whether the retail market is functioning properly and whether there should be regulated energy prices. It would lead to a circular argument

where the existence of regulated prices would be used as a justification for continuing to regulate energy prices. Hence, we would propose to eliminate metric 4 (percentage of consumers with regulated energy prices) as an indicator of the existence of entry barriers and move it to Key Property VIII, relating to “Appropriate protection”.

We would propose to replace metric 4 in the section on entry barriers with a metric that indicates whether regulated prices are set at (or below) the cost of competitive retailers, including the cost of wholesale electricity, the cost associated with access tariffs and the cost of retailing (fixed and all operating costs incurred by regulated suppliers). Indeed, if regulated prices are set at (or below) the cost of competitive retailers, then the regulated prices would be acting as a barrier to entry because new retailers would not want to enter the market because the regulated prices would represent unfair competition, and the new retailers would not be able to attract consumers unless they too sold their electricity at a loss.

Proposals:

- A new metric should be included in Key Property II to show the evolution in the number of new retailers over, at least, the previous 10 years. The handbook should explain that evidence of actual entry by retailers may be sufficient to conclude that entry barriers are low or non-existent.
- A new metric should be included in Key Property II to indicate whether regulated prices are set above, equal, or below the cost of competitive retailers (including the allowance to cover for retailing costs -fixed and all operating costs incurred by regulated suppliers).
- Metric 4, which refers to the percentage of consumers with regulated energy prices, should be moved to Key Property VIII, relating to “Appropriate protection”.

Q3: Are the explanations and definitions of the metrics clear and comprehensive? If not, which sections need further clarification?

A: The explanation of the purpose of metric 1 indicates that “to accurately evaluate the degree of concentration, the NRA could use the following step-by-step approach, which is in line with that used by the Directorate-General for Competition (DG COMP) and national competition authorities.” Section 1.4 of the consultation (on page 11 of 97) further explains that “The European Commission has provided a definition in a Commission Notice on the definition of relevant market (97/C 372/03).”

However, that reference is obsolete, because the 2024 Commission Notice on the definition of the relevant market for the purposes of Union competition law (C/2024/1645) superseded the 1997 Commission Notice on the same topic.

Further, the “step-by-step approach” which is described in the handbook does not appear to be in line with the Directorate-General for Competition (DG COMP) guidelines, as laid out in the 2024 Commission Notice.

The handbook explains that the first step is to “Define the relevant product markets (i.e. assess the degree of demand and supply substitution of different products)”. This is correct. However, the handbook then ignores this assessment and states that: “we advise to, as a minimum, distinguish between household and non-household customer segments and, preferably between households, SMEs and other customer segments.” The handbook should not advocate upfront for this narrow and compartmentalized approach.

The 2024 Commission notice on the definition of the relevant market indicates that (paragraph 29) “The theoretical criterion often used to determine whether the candidate market constitutes a relevant product market is whether a hypothetical monopolist in the candidate market could

exercise market power. This question can be assessed by asking whether a hypothetical monopolist in the candidate market would find it profitable to implement a small but significant non-transitory increase in price (the ‘SSNIP test’). The notice also explains that (paragraph 30), “when undertakings compete on parameters other than price, such as quality or the level of innovation, the application of the SSNIP test is difficult”. The “SSNIP test” is not the only method available to it when defining the relevant geographic markets but that does not mean that the relevant market can be determined arbitrarily.

As explained above, the handbook advises that the analysis of the concentration level must distinguish “as a minimum”, (a) between household and non-household customer segments and, “preferably” (b) between households, SMEs and other customer segments. However, in most, if not all, countries, retailers are not present in one single customer segment, but in several of them (for example, in Portugal, out of 48 retailers, 4 are only present in the household segment, 9 are only present in the company segment, and 35 are present simultaneously in both segments). This indicates that there are no significant entry barriers across segments: if a hypothetical monopolist tried to implement a small but significant non-transitory increase in price in any one segment, the retailers who are operating in other market segments would be able to enter that segment.

For the step-by-step approach which is described in the handbook to be in line with the 2024 Directorate-General for Competition (DG COMP) guidelines, the handbook should indicate that the relevant product market should be defined by reference to what would happen if retailers supplying a given market segment tried to increase their price. If the answer is that such a strategy would not be profitable because retailers from other market segments would enter that segment, then the relevant product market is the entire market, and it does not make sense to analyse different market segments in isolation. Furthermore, consideration should also be given to demand substitution possibilities between energy products.

Besides, and to define the relevant product markets IHH should be corrected without including sales under regulated tariffs because these sales are often without covering all costs (i.e. for vulnerable customers and when regulated tariffs does not reflect the costs incurred to supply consumers). Other alternative approach to correct this bias would involve calculating the HHI by consolidating the various regulated suppliers operating as single entity, to reflect the fact that their prices of all of the regulated retailers are the same and determined by governments or removing the part of the sales that are under the regulated tariff regime.

Similarly, the handbook explains that the second step is to “Define the relevant geographic markets (i.e., identify the geographic boundaries of the area where suppliers compete against each other)”. Again, the handbook fails to take into account the Directorate-General for Competition (DG COMP) guidelines. Instead, the handbook favours a “national” definition of the retail market: “The retail supply of electricity to large industrial and commercial customers can be considered to be national, provided that these markets are fully liberalised and if the conditions for competition are found to be uniform throughout the relevant territory. The retail supply of electricity to household and smaller industrial and commercial customers is generally national in scope”.

The handbook should not prejudge the outcome of the analysis. By suggesting that the geographic market is “generally” national in scope, it is implicitly allowing NRAs to carry out their analyses taking the national market as the relevant market. As in the case of the relevant product market, the definition of the relevant geographic market should consider the SSNIP test and consider what would happen if the retail price were to increase in one geography: would retailers from other geographies enter that geography?

The handbook implicitly applies this test when it explains that “if, for example, many local energy companies (vertically-integrated DSO/supplier) exclusively serve their historical zones

and no other suppliers are present, regional areas can be considered as relevant markets". However, if that test is valid to define narrower geographic markets, it should also be applied to define wider geographic markets; if a significant number of retailers from other areas are present, then all of the areas served by those retailers should be considered to be part of the same geographic market.

As an example, consider the case of Spain and Portugal. Retailers in both those Member States submit their demand bids to the same Iberian market operator, and the spot market price also tends to be common to both price zones (Spain and Portugal). Hence, retailers who have supply contracted in one bidding zone can easily use that energy in the other bidding zone. Further, retailers who are authorised to operate in Portugal are also automatically recognised and authorised to operate in Spain, and vice versa, so they can operate across the entire Iberian geography without any additional administrative requirements (all they have to do, if they are not already present in the other market, is to deposit a financial guarantee with the System Operator). Indeed, many retailers who operate in Spain are already also active in Portugal and vice versa. Hence, the two zones should be considered as part of the same relevant geographic market.

Therefore, the handbook should not prejudge the product or geographic markets (even if they represent what may be "generally" the case) because that can bias NRAs' assessments, using the handbook's market definition as the "default" and interpreting that that is the CEER's or the Commission's preferred market definition. Instead, the handbook should merely describe the analyses that NRAs should implement. If the handbook includes references to the possibility that the result of the retail product market analyses might be that the market might be divided into households, SMEs and other customer segments, then it should also point out that the result might be that such a segmentation does not make sense and that the entire market might be the relevant product market. Similarly, if the handbook includes references to the possibility that the result of the geographic market analyses could be that the market is national or regional, then it should also point out that the result could be that the relevant retail geographic market might be supranational in scope, for example if markets are coupled and suppliers are authorised to operate in several geographies (as in the case of the Iberian electricity market).

The handbook indicates that the third step is to "Calculate the HHI for every relevant market". The handbook indicates that the HHI can be calculated on the basis of metering points or volume. However, calculating the HHI on the basis of metering points can give a very different result than if calculated by volume, so both cannot be equally valid. In fact, the logic of the HHI is to determine the incentive and ability of retailers to increase prices. The incentive to increase prices is given by the value of sales. Therefore, the HHI should be calculated by reference to the economic value of the sales. If the economic value of the sales is not known, the relevant question is whether the economic value of the sales is better approximated using metering points or volume. Given that consumers can consume very different volumes, the answer is that the economic value of the sales is better approximated using volume. Hence, the handbook should indicate that the HHI should be calculated using the economic value of sales or, if that is not known, by the best proxy, which is the volume of sales. Indeed, the Commission notice on the definition of the relevant market for the purposes of Community competition law indicates that market shares should be (paragraph 105) "generally based on sales of the relevant products in the relevant geographic area".

The handbook also indicates that other metrics should also be considered, including the "concentration ratios" which indicate the sum of the percentages of the market share of a number of the largest companies in the relevant market. The handbook includes references to CR3, CR4 and CR8. But while the handbook does provide some guidance to assess the HHI results, it does not provide any guidance as to why the CR3, CR4 and CR8 indicators are to be considered (and not, for example, CR2, CR6, CR10, CR20 or CR50), nor does it provide

any guidance as to how to interpret the CR3, CR4 and CR8 indicators. If CEER is unable to provide an explanation as to which CR should be used or how to assess the results, then those “concentration ratios” are useless to assess the functioning of the retail market and it makes no sense to calculate and report them, so they should not be considered or included in the handbook.

The handbook also requires that the “number of suppliers” should be reported, but again it provides no guidance as to how to assess whether the number of suppliers is consistent with a well-functioning retail market. For that indicator to be relevant, CEER should provide guidance as to how to interpret the results.

The handbook also requires that the 3 largest suppliers should be identified (a) in the entire retail market by volume, (b) in the non-household segment by volume and (c) in the household segment by metering points. It is unclear why the individual market shares should be reported “by volume” for some segments and “by number of metering points” for other segments. It appears to be a totally arbitrary selection which can affect the conclusions. As discussed above, the market shares should only be reported for the relevant product and geographic market, and always exclusively by volume.

The handbook also requires that information be provided on (a) the number of suppliers in the household segment and (b) the number of suppliers in the non-household segment. Again, the handbook provides no information on how to interpret the results. In addition, this segmentation (household vs. non-households) makes no sense if the analysis of the relevant product market has concluded that the relevant product market consists of the entire market or that it consists of some other market segments. Hence, if the CEER considers that this information is relevant, it should provide guidance as to how to interpret the results and the handbook should indicate that the number of suppliers should be shown for each relevant product and geographic market, instead of for pre-defined arbitrary segments.

Proposals:

- All market shares and concentration indicators should be defined in terms of volume of energy (not on the basis of the number of supply points) and by reference to the relevant product and geographic markets, in line with the approach laid out in the 2024 Commission Notice on the definition of the relevant market for the purposes of Union competition law (C/2024/1645). Relevant market should not consider sales to consumers whose prices are regulated below costs or if they are considered, they should be grouped under a single entity.
- The handbook should not include any references which may prejudice the outcome of the analysis of the relevant product market. If it does include any references to “segments”, the handbook should also indicate that the conclusion of the analysis may also be that the relevant product market is the entire retail market, for example if the retailers commonly operate in two or more market segments.
- The handbook should not include any references which may prejudice the outcome of the analysis of the relevant geographic market. If it does include any references to “national” or “regional” market definitions, the handbook should also indicate that the outcome of the conclusion may also be that the relevant geographic market may be supranational, for example when two MSs share a common wholesale electricity market; interconnections within that common market are rarely congested, and retailers from one MS are automatically allowed to operate in the other MS.
- If the handbook includes references to the “concentration ratios”, it should provide guidance as to how to interpret the results from the various indicators (CR3, CR4, CR8, etc). If CEER is unable to indicate how to assess the CR results, then those results are useless to assess the functioning of the retail market, and they should not be considered or included in the handbook.
- If the handbook requires that the “number of suppliers” be reported, it should provide

guidance as to how to assess whether the number of suppliers is consistent with a well-functioning retail market. If CEER is unable to indicate how to assess the results regarding the number of suppliers, then those results are useless to assess the functioning of the retail market, and they should not be considered or included in the handbook.

Q4: Are there any additional comments or suggestions for improving the Handbook?

A: Metrics 7 and 8 seek to show whether there is a close relationship between wholesale markets and retail prices (Key Property III). Such a close relationship may indeed illustrate whether prices are cost-reflective, as one might expect in a well-functioning market. However, these metrics can only be reliably calculated in “transactional” markets, where the interaction between a supplier and a client is for individual units of a product.

In contrast, in the retail electricity market, the products being sold are typically one-year contracts. Oftentimes, even those one-year contracts include clauses for the automatic extension of the supply agreement, with prices increasing in a predefined manner (e.g. with inflation). And different retailers may follow different procurement and hedging strategies.

Hence, when an electricity retailer offers a price to a consumer, it is not a price for one hour, but for the supply over a long period of time. To determine what mark-up the retailer is applying, or whether there is a high correlation between wholesale and retail electricity prices, it would be necessary to know what is that period of time which the retailer is expecting to supply the client under that agreement (one year, two years, five years, ...?)

NRAs and ACER simply “imagine” that retailers follow an arbitrary procurement strategy, such as imagining that they buy all of their energy in the spot market or that they buy it all under contract. But even when imagining that the retailers buy all of their energy under contract, the results vary depending on what contracts the retailers are assumed to be using (monthly, quarterly, annual, multi-annual) and when exactly they are supposed to be buying those contracts (on January 1st, on the first day of each quarter, continuously throughout the year, ...). The problem is that there may be no relationship between the procurement and hedging strategies imagined by the NRAs or ACER and those actually used by the retailers, with different retailers (in the same country or in different countries) making different choices.

The impact of these procurement and hedging strategies imagined by the NRAs or ACER will be different depending on the evolution of retail and wholesale prices within each year.

Consequently, the results of the analyses under metrics 7 and 8 are arbitrary and misleading, because they are a reflection of the NRAs arbitrary choices rather than a reflection of whether there is a close relationship between wholesale markets and retail prices. Therefore, those metrics should not be used to assess the functioning of the retail electricity market.

Proposals:

- Metrics 7 and 8 (i.e. Key Property III) should be deleted, because the results are unreliable (they vary according to the assumptions made by NRAs about the retailers’ procurement strategy), and they are therefore not useful to assess the functioning or level of competition in the retail market. At most, they should only be used to assess the margins in fully-dynamic contracts which pass-through the spot market price, because there is no procurement strategy needed there. If those metrics are not deleted, it should be made clear that high margins or low correlations may be the result of inadequate assumptions regarding the procurement strategy, and the results should not be used to conclude that the retail market is not functioning properly.

Q5: Are there any specific areas that require further attention or revision?

A: The recent energy crisis has seen a number of retailers exiting the market or reneging on their contracts. This will reduce the trust by consumers. Hence, it may be useful to include, under Key Property V or Key Property VIII, a metric or group of metrics which indicate whether there are regulation requirements in place to ensure the financial viability of retailers, such as hedging requirements or stress tests.

Proposal:

- To include, under Key Property V or Key Property VIII, a metric or group of metrics which indicate whether there are regulation requirements in place to ensure the financial viability of retailers, such as hedging requirements or stress tests

Q6: Do the proposed metrics adequately capture the level of innovation and flexibility in the retail energy markets? Are there any additional aspects of innovation that should be measured?

A: The proposed metrics adequately capture the level of innovation and flexibility in the retail energy markets under Key Property IV. In any case, while it is true that retail markets with a high level of innovation and flexibility are likely to be functioning correctly, retail markets should not be deemed to be functioning incorrectly simply because there is not much innovation and flexibility in that market. For example, innovation around demand response is likely to be higher in markets where governments do not intervene to keep prices low in scarcity situations; the fact that innovation around demand response is low because the government intervenes to keep prices low in scarcity situations does not mean that the market is not functioning correctly.

Proposal:

- The handbook should make it clear under Key Property IV that a low level of innovation and flexibility in the retail energy markets does not necessarily mean that the retail market is not functioning properly.

Q7: How well do the metrics address the availability and uptake of demand response and self-generation options? Are there any improvements that should be suggested?

A: While demand response is a desirable characteristic of consumer behaviour, the lack of demand response options may simply be due to the fact that there is no expectation that there will be scarcity situations or episodes with high spot electricity prices. This may happen because there is excess generation capacity, because there is a capacity remuneration mechanism, because the government or the regulator is expected to intervene to prevent high spot electricity prices, etc. Thus, the availability and uptake of demand response is not a necessary characteristic of well-functioning retail electricity markets.

Similarly, the lack of availability and uptake of self-generation options may simply be due to the fact that access tariffs do not include an energy component. Uptake of self-generation options will be higher in countries where the energy component of access tariffs is high or if other costs are charged on the energy component, because self-generators are then able to reduce their contribution to the recovery of those costs. For example, in Spain, peak electricity demand occurs at around 8-9pm in the winter months; hence, because self-generators typically use solar panels and there is no sun at 8-9pm in the winter months, the fact that some consumers install self-generation does not reduce the need for grid investments, but because a share of the grid costs are allocated to the energy component during other times, self-

generators can reduce their contribution to costs which they cause and, effectively, pass on those costs to other consumers. A large uptake of self-generation is therefore oftentimes a sign of badly designed tariffs. Hence, it would be a mistake to equate the availability and uptake of self-generation options as a sign of a well-functioning market. The handbook should instruct NRAs to include an assessment as to whether the development (or lack of development) of self-generation may be due to the fact that access tariffs include grid costs in the energy component, or whether there are other charges (e.g. subsidies to renewables) which self-generators can avoid (or reduce their contribution to) by installing self-generation.

Proposal:

- The handbook should make it clear that a lack of availability and uptake of demand response and self-generation options in the retail energy markets does not necessarily mean that the retail market is not functioning properly.
- The handbook should instruct NRAs to include an assessment as to whether the development of self-generation may be due to the fact that consumers who install self-generation can avoid costs which are not really avoidable (such as the costs of grids and other charges such as subsidies to renewables), effectively forcing other consumers to increase the share of those costs that they have to pay.

Q8: How effective do you think the proposed metrics are in monitoring consumer protection, especially for vulnerable and energy-poor customers? Are there any additional measures that should be recommended?

A: A metric should be added under Key Property VIII which specifies whether vulnerable consumers are free to choose their retailer, or whether their supply options are constrained if they want to receive assistance. For example, vulnerable consumers in Spain are not allowed to choose their supplier, but are instead forced to first contract the regulated tariff, even though the regulated tariff is a partially indexed tariff to the fluctuations in the spot electricity market price, which leaves vulnerable consumers partially exposed to market variations.

In the answer to question 2 we suggested that metric 4, which refers to the percentage of consumers with regulated energy prices, should be eliminated as an indicator of the existence of entry barriers and should be moved to Key Property VIII, relating to “Appropriate protection”. In their answer to this metric, the NRAs should indicate whether public intervention in price setting is temporary and includes a well-defined roadmap for their gradual removal.

The handbook explains that the purpose of this metric “is to measure the impact of price regulation in the market, with the ultimate goal of abolishing the regulated energy prices in order to remove the barrier to entry for new suppliers and to create a level playing field between competing energy suppliers”. The handbook also explains, in the description of the metric, that MSs should take into account that “the regulated price needs to be able to cover reasonably incurred costs of suppliers and to be assessed on the basis of objective economic criteria, including regulated or administrative costs”. However, the lists of indicators that should be used in the response to metric 4 does not address this key issue. Therefore, the answer to this metric should assess whether the regulated price is able to cover reasonably incurred costs of suppliers and to be assessed on the basis of objective economic criteria, including regulated or administrative costs, and whether the regulated price is set at a level which is not below the price that would be set in the free market by a competitive retailer.

Proposals:

- Add under Key Property VIII, which relates to “Appropriate protection”, an additional metric which indicates whether vulnerable consumers are free to choose their retailer, or whether their supply options are constrained if they want to receive assistance.
- Move metric 4 (which refers to the percentage of consumers with regulated energy prices) to Key Property VIII (which relates to “Appropriate protection”). In their answer to this metric, NRAs should indicate whether (a) the regulated price is set at a level

which is not below the price that would be set in the free market by a competitive retailer and (b) public intervention in price setting is temporary and includes a well-defined roadmap for their gradual removal.

Response N°4:

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Q1: Are the eight key properties and their associated metrics relevant and sufficient for assessing the functioning of retail energy markets? (if not, please share your suggestions for other properties)

A: EDF welcomes this CEER consultation on the metrics for assessing the functioning of retail markets as well as CEER's efforts to promote, to the extent possible, common approaches among national regulators in their market monitoring.

EDF supports CEER in its approach of rationalizing the metrics and also of workability of the metrics and underlines the need for a more qualitative approach to complement the quantitative one. EDF also shares CEER's view that the metrics should not be considered individually, but rather in conjunction with each other, while taking into account the specificities at Member State level. EDF however considers that some metrics still need to evolve as they are not adequate to properly assess retail market functioning. Finally, EDF wants to stress the importance of well defining the relevant market in this exercise in order not to bias results.

Q2: Are there any additional metrics that should be included?

A: --

Q3: Are the explanations and definitions of the metrics clear and comprehensive? If not, which sections need further clarification?

A:

M1 - HHI, Concentration Rate and number of active suppliers

The HHI metric has been promoted for a long time by CEER as a good metric to measure the concentration of a market. However, EDF considers it should be used with caution: as a matter of fact, it does not seem relevant in its current state. Indeed, an HHI at the national level does not always make sense: the relevant market for analysis should not only be based on customer segments but should be the territory that was formerly a monopoly, which can be much more localized. Thus, a low HHI at the national level may fail to reveal existing regional monopolies or high HHI values at regional level. The proposal of adding a CR (concentration rate) seems to present the same limitations if the "relevant market" is not properly defined, as it is not always the national market.

M3 - Types of DSOs in the market and their role

EDF welcomes the broader approach of this metric (including exempted DSOs serving less than 100 000 customers) to better and more objectively reflect the different regimes allowed by the legislation.

M4 - Percentage of consumers with public intervention in price setting

As already stated in our contribution to CEER working program last year, as regards regulated

tariffs, it is important to differentiate between (i) problematic regulated tariffs whose price can be set below costs, which can poorly reflect the incentive to provide demand response and which raise competition concerns, and (ii) market-based regulated tariffs which are replicable and do not prevent the development of market offers. A neutral approach to Regulated tariffs will ensure compliance with Article 5 of the Electricity Directive.

The consultation states that “Regulated energy prices distort competition in the market and might prevent new suppliers to enter a market”; this statement should be removed. The objective of the indicators is to analyse the market based on objective data and information and then draw a conclusion. Starting from the conclusion distorts the purpose of the exercise.

M6 - Availability of smart metering

EDF welcomes the inclusion of this broader indicator reflecting the obligations under the EU legislative framework and subscribes to the approach proposed by CEER.

M7- Correlation between wholesale and retail energy prices

EDF consider this metric is not always relevant because the reality of the market is much more complex than what is theoretically described as there are many wholesale prices depending on the time horizon. Actually, this metric does not adequately tackle the issue and it furthermore focuses only on the need to have flexible retail contracts (while even restricting them to a certain type of contracts).

Indeed, on the one hand, to invest in decarbonisation and foster electrification, customers need to have an assurance of price stability over the long term. The 2022-23 energy crisis and then the resulting EMD reform 2024 have highlighted this need and are now promoting the development of long-term contracts. In this case, there may be a duly justified decorrelation between the wholesale market price and the customer contract prices based on long-term prices. This metric therefore does not seem appropriate. On the other hand, the EMD reform also quite rightly pushes for demand side response, to meet the needs of the electricity system (more flexibility) and in particular to support the development of renewable energies.

What is ultimately sought is both price stability for the customer, and incentives for demand response through price signals from the short-term market. Different types of contracts, more or less incentivizing or with diverse complexity, are able to meet these two expectations and are much more protective for customers than contracts with 100% hourly spot prices:

- Time-of-Use offers, Critical Peak Pricing offers, Peak Time Rebate offers (these can be "Peak" period to reduce consumption during tense periods, but also "Offpeak" period, to encourage consumption to shift to times when spot prices are very low or even negative, for example during high renewable energy production periods).
- Other more complex contracts that should therefore be reserved for informed customers (rather large consumers who are fully aware of market risks) are also possible: "block + spot" type contracts, combining long term market prices for a fixed volume of consumption (for the stability of customer prices) and spot prices for the additional volume (up or down, to maintain all customer demand response). The customer's final price could then be relatively uncorrelated with spot prices, although the customer has been encouraged to be demand responsive and at the same time benefited from a stable price.

The proposed indicator, by focusing only on the need to have flexible contracts of a certain type (hourly spot prices), therefore forgets the other essential need for protection and stability via long-term prices, now pursued by the EMD, and allowing to trigger customer investments in decarbonization and electrification. It also forgets that spot prices are not the only way to incentivize demand response.

Such an indicator should therefore rather seek to identify/capture whether the contract contains (i) long-term prices ensuring a certain price stability for the customer and (ii) an incentive for flexibility. This approach should however favor a workable and not burdensome process.

M8 - Mark-up between wholesale and retail energy prices

For the same reasons as indicated for metric M7, this metric does not seem relevant.

M9 - Availability of a variety of products, pricing and billing options

Such an indicator seems interesting in terms of the variety of offer types, which constitutes a sign of market vitality and innovation. In particular, identifying the diversity of the pricing structures offered to consumers seems relevant.

It is also useful that the indicator identifies the volumes concerned by each type of offer, as proposed by CEER, as this will help distinguish niche/image/anecdotal offers from industrialized offers by the suppliers. However, even with this information on the volumes at stake, possible confusions remain (as stated in our 2016 response) related to the fact that the indicators as presented do not account for the diversity of suppliers' offers : thus, if only one supplier offers "all" types of offers, the criterion for the country would be considered met, even if all other suppliers are only offering one type of offer.

Furthermore, it seems to us that this indicator also seeks to identify some points that do not pertain to market functioning, but rather to consumer information or contract management. For example, in France, price revision modalities and associated are already regulated by the consumer code, as well as the availability of payment methods. Moreover, relatively similar data (standard information implemented by suppliers in their pre-contractual information, their invoices...) already appear in metric 22.

Thus, the risk of this indicator is to become somewhat of a 'catch-all' without clear evaluation criteria. It seems to us that it should be more focused on the variety of offers alone, and that the questions about aggregators, that are interesting, should be tackled in another indicator dedicated to flexibility issues.

M10 - Availability of value-added services for implicit demand response and self-generation
Availability of value-added services for implicit demand response and self-generation": EDF would suggest this metric is renamed "Availability of implicit demand response offers" to mirror the name of metric n°13 ("Availability of explicit demand response offers"). Indeed, metric n°10's current name is quite unclear as self-generation isn't specific to implicit DR (explicit DR relies partly on behind the meter CHP and back-up fuel generators), and we do not see the point of specifying "value-added services". Thus, we will limit the remarks here to the implicit demand response.

Furthermore, the types of demand response offers are more diverse than the list indicated. In addition to the ToU and spot contracts, we can mention at least the critical peak pricing (CPP), peak time rebate (PTR) (and symmetrically: Peak => OffPeak), block+spot offers. It would also be necessary to highlight the adequacy between the type of offer and the associated risks for the customer. A spot offer may be very good for a fully informed customer (e.g; a large company that has knowledge of the markets and is aware of the risks involved), but much less for a household or small professional customer, who could then carry risks of which they are not aware: other simpler and more protective demand response offers can provide almost the same demand response service and protect the customer from market risks (Time of Use , Critical Peak Pricing, Peak Time Rebate).

Another important point is to differentiate the price signal of the network component vs the energy component: it's not because the network price component is seasonally differentiated, that the end customer receives this price signal (because very often, the supplier who pays the network component to the DSO for the customer, simplifies this network price signal for the customer, without necessarily transmitting it to him). For example, in France, the network component is seasonally and time-adjusted for all customers now, but yet 70% of market offers and 55% of regulated tariff offers do not receive this seasonally and time-adjusted price signal. They get only a fixed price with the same price during all the hours. All components (network + energy) for the customer must be more demand responsive.

M16 – Percentage of consumers having access to at least one independent and verified comparison tool and to online customer services.

EDF considers that comparison tools are useful and relevant as long as they are really

independent and not affiliated to any market player, which should ensure objective information on energy contracts. EDF considers the numerous questions raised about comparison tools to be relevant.

EDF notes that this indicator also aims to identify new information: the online services of suppliers and the fact that they can be accessed through comparison tools.

While it may be beneficial for consumers that the independent comparison tool includes a link to each suppliers' websites/subscription spaces, all suppliers should be treated the same way in this matter. Otherwise, the risk of bias seems high as consumers could be oriented to specific suppliers only.

Furthermore, the presence of intermediaries in the subscription process should not be considered as a sign of a well-functioning market.

Regarding the availability of suppliers' online services and their accessibility to all customers, EDF does not understand the relevance of the question « How are online offers made available to customers without Internet access ». Indeed, online offers are sometimes cheaper because they do not offer the same customer service as other offers (for example no access to an advisor on the phone), so it should not be compulsory to make them accessible to people without internet access.

M19 – Supplier switching rate and percentage of inactive customers.

EDF considers this indicator must be used with caution because the underlying causes for a switch are diverse and the present definition does not take this into account. This means that a high churn rate is not necessarily indicative of a healthy market dynamic : for example, during the crisis, and as noted by ACER-CEER in their MMR 2022 published in 2023, raising churn rates were observed in certain countries, linked to “involuntary switching” of consumers, because of supplier bankruptcy or suppliers in difficulty, prompting them to terminate their contracts and switch to another supplier. However, this is very complex to measure accurately (it does not seem relevant to include them in the requested quantitative data...).

Moreover, the churn rate should be considered in relation to customer satisfaction: a high churn rate can also be explained by a large number of customers dissatisfied with their current supplier (a satisfied customer switches less frequently). Thus, it appears that a high churn rate should not be an objective in itself.

Furthermore, in the perspective of promoting long-term commitments from consumers, it is logical that churn rates decrease.

EDF also believes that CEER could be more precise in its definitions: it seems to us that the current churn rate does not distinguish between customers who terminate their contracts after a house move and those who switch suppliers without moving; those two “types of switching” are driven by entirely different factors and do not reflect the same attitude towards the energy market. A Member State in which people are moving homes more often than in another country will logically have a higher switching rate of energy supplier (even if people subscribe their new contract with the same supplier as before moving). Therefore, the comparison between countries can be biased by moving rates. The churn rate should only take into account consumers who change supplier while remaining in their house.

EDF agrees with CEER's position to not only consider supplier changes but also changes within the same (internal switching), but it would be preferable to only take into account in this indicator changes of offers, and to exclude contract renegotiations for technical reasons (change in power) or for contractual reasons (end of fixed period, renewal with notice).

We understand that CEER seeks to measure “inactive customers”, and to approach this notion in several ways:

- Proportion of customers who have not changed offers or suppliers for the last 3 years: this does not appear to be a relevant indicator of a well-functioning market in the sense that a long-term contract commitment by a customer can, on the contrary, be a sign of a well-functioning market with a customer benefiting from protection against price volatility through a long-term contract.
- number of customers with the dominant supplier : this seems redundant with the HHI and indicator M1 and presents the same limitations. Should it be maintained, it should be measured in reference to the relevant local market (same problem as in M1

otherwise).

- customers who are in a default contract: EDF is opposed to such an indicator as this notion of “default contract” is not defined and would not be identical and comparable across all Member States. For example, in France, household customers necessarily make a contract choice (the regulated tariff is not a default contract), default contracts are rare and very limited, for example to the backup offer in case of supplier failure.

M20 - Percentage of prosumers, energy communities and sharing groups

EDF considers relevant to follow the number of prosumers and energy communities. Such data should be provided by DSOs and/or local authorities.

EDF has two remarks on this indicator:

- CEER seems to limit the definition of prosumers to consumer involved in self-consumption. However, it would be useful to monitor as well the number of customers who have chosen flexible offers (Time of Use , Critical Peak Pricing, Peak Time Rebate...).
- The questions listed on the existence of mechanisms encouraging energy sharing (e.g., tax exemptions/network tariffs rebates or available subsidies) raise concerns. Indeed, they seem to presuppose that such measures are a positive indicator, whereas such measures generate cost transfers towards other types of supplies, consumers not using them, and public finance.

M23 - Protection of energy poor and vulnerable customers

CEER does not propose any indicator but rather seems to want to catch national approaches.

EDF would therefore like to provide the following information regarding how this issue is addressed in France. All French residential customers benefit from the following three layers of general protection:

- All residential electricity customers have the right to benefit from a regulated tariffs contract if they want to. All gas residential consumers can subscribe a contract with a last resort supplier.
- During the winter period (1st November – 31st March), a customer cannot be disconnected for his electricity supply, but the maximum power demand can be reduced.
- From 1st April until 31st October, disconnection can only take place at the earliest one month after the bill remains unpaid.

The French legislative framework distinguishes:

- Vulnerable consumers, defined as those whose supply must be uninterrupted in any circumstances, notably for medical reasons; and
- Consumers suffering from energy poverty defined as low-income consumers.

Consumers suffering from energy poverty benefit from specific social schemes (additional to the three mentioned above).

For gas and electricity, these schemes are mainly the following:

- An energy cheque rebate, a state aid scheme aimed at around 5,5 million households whose annual revenues are below 11 000€ per capita; the amount provided depends on the number of people in the household and represents roughly 10% of the annual bill.
- An aid from the Fonds Solidarité Logement (housing), allocated by regional and local authorities with the help of suppliers based on the review of individual files. Around 200 000 households benefit from this scheme.
- The protection associated to the above aid schemes are: prohibition of power reduction from 1st November until 31st March, extension to two months of the period before disconnection during the rest of the year, free commissioning and power reduction.

Nearly 20 % of French households benefit from these two schemes that are declined in law and regulation and are carried out jointly by the State, regional and local authorities and energy suppliers.

Q4: Are there any additional comments or suggestions for improving the Handbook?

A: See answer to question 3

Q5: Are there any specific areas that require further attention or revision?

A: See answer to question 3

Q6: Do the proposed metrics adequately capture the level of innovation and flexibility in the retail energy markets? Are there any additional aspects of innovation that should be measured?

A: See answer to question 3

Q7: How well do the metrics address the availability and uptake of demand response and self-generation options? Are there any improvements that should be suggested?

A: See answer to question 3

Q8: How effective do you think the proposed metrics are in monitoring consumer protection, especially for vulnerable and energy-poor customers? Are there any additional measures that should be recommended?

A: --

Response N°5:

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Q1: Are the eight key properties and their associated metrics relevant and sufficient for assessing the functioning of retail energy markets? (if not, please share your suggestions for other properties)**A:**

Market Entry and Exit

Ease with which new suppliers can enter and exit the market.

Consumer Engagement

Level of awareness, understanding, and participation of consumers in the market.

Price Levels and Dynamics

Comparison of energy prices across time and suppliers.

Switching Rates

Frequency and ease with which consumers change their energy supplier.

Market Share and Concentration

Degree of competition among suppliers; market dominance.

Transparency and Comparability

Clarity and accessibility of information for consumers to compare offers.

Innovation and Product Variety

Availability of new, differentiated, or green energy products.

Consumer Satisfaction and Complaints

Levels of consumer satisfaction and volume of formal complaints.

Q2: Are there any additional metrics that should be included?**A:**

1. Affordability and Energy Poverty

% of household income spent on energy

Number of consumers in arrears

Number of disconnections due to non-payment

Number of beneficiaries of social tariffs

2. Digitalization and Data Quality

% of smart meters installed and operational

Data exchange failure rate between market actors

Average time to validate consumption data

% of consumers with access to real-time consumption data

3. Decarbonization and Green Offers

% of contracts with certified renewable energy

Carbon intensity of supplier portfolios

% of consumers with access to local/community energy

Number of green tariffs available

4. Regulatory Burden and Market Access

Number of regulatory changes per year

Average time to implement new obligations

Average compliance cost for small suppliers

Time and cost to enter the retail market

5. Market Fairness and Inclusiveness

Switching rates by income group or region

Price spread between basic and alternative offers

Share of vulnerable consumers by supplier type

Availability of offers in remote areas

6. Innovation and Flexibility


% of consumers on dynamic pricing contracts

% of suppliers offering demand response or flexibility services

Number of innovative products (e.g., P2P, EV integration)

Q3: Are the explanations and definitions of the metrics clear and comprehensive? If not, which sections need further clarification?

A:

Affordability –  Clear

Digitalization –  Clarify data failures & real-time access

Decarbonization –  Mostly clear; define “green”

Regulatory Burden –  Clarify scope & cost definitions

Fairness –  Define “vulnerable” & offer types

Innovation –  Specify what counts as “dynamic” or “innovative”

Q4: Are there any additional comments or suggestions for improving the Handbook?

A:

Include Definitions and Data Guidelines

→ Add a glossary or annex with standard definitions for all metrics to ensure consistency across Member States.

Address Affordability and Energy Poverty

→ Introduce specific indicators on energy poverty to complement price and switching metrics.

Incorporate the Energy Transition Dimension

→ Include metrics on green offers, carbon intensity, and consumer access to sustainable products.

Reflect Digitalization Trends

→ Add indicators on data quality, smart meter rollout, and consumer access to digital tools.

Ensure Proportionality for Small Suppliers

→ Consider including regulatory burden indicators, especially to monitor impacts on smaller market participants.

Improve Usability with Benchmarking Tools

→ Provide templates or dashboards to help national authorities and stakeholders benchmark performance over time.

Highlight Consumer Outcomes Over Market Structures

→ Focus more on actual consumer experiences (e.g. satisfaction, service quality) rather than just structural indicators.

Q5: Are there any specific areas that require further attention or revision?

A:

Regulatory Burden and Administrative Complexity

The Handbook does not currently include metrics that reflect the regulatory impact on day-to-day operations.

Suggestion: Introduce indicators on compliance costs, the number of regulatory changes per year, and average adaptation time for systems and procedures.

Market Access and Effective Competition

Entry and survival in the liberalised market are increasingly challenging for smaller players, which is not captured by existing metrics.

Suggestion: Add metrics on ease of market entry/exit, average licensing cost and duration, and impact of market concentration on smaller suppliers.

Data Quality and Interoperability

Errors or delays in data exchange (e.g. with DSOs or national entities) directly affect billing and customer service capacity.

Suggestion: Measure data quality, timeliness of data validation, and reliability of exchanges between market actors.

Proportionality in Monitoring and Reporting

Uniform requirements may disproportionately affect smaller suppliers with limited resources. Suggestion: Consider adapting certain reporting obligations or monitoring criteria according to supplier size.

Innovation and Product Differentiation

The Handbook focuses mainly on traditional indicators (price, switching), overlooking the role of suppliers in developing innovative offers.

Suggestion: Include metrics on product diversity (e.g. green, dynamic, bundled services) and the number of new products launched by supplier type.

Market Transparency and Trust

Smaller suppliers rely on a level playing field and predictable market conditions.

Suggestion: Monitor and report on potentially distortive practices (e.g. cross-subsidised offers by incumbents, predatory pricing) and their effect on competition.

Q6: Do the proposed metrics adequately capture the level of innovation and flexibility in the retail energy markets? Are there any additional aspects of innovation that should be measured?

A: The current metrics provide a basic picture of innovation and flexibility, but to truly reflect progress in modern energy retail markets, consumer adoption, service integration, and local participation models must also be measured.

Q7: How well do the metrics address the availability and uptake of demand response and self-generation options? Are there any improvements that should be suggested?

A:

The current set of metrics acknowledges, to some extent, the availability of demand response (DR) and self-generation options in retail energy markets. However, it does not sufficiently capture the actual uptake and impact of these options by consumers.

In terms of demand response, existing metrics tend to focus on the availability of offers — for example, whether suppliers or aggregators provide time-of-use tariffs or flexibility programmes. While this is important, it falls short of assessing how many consumers actually enrol in or participate in these programmes. Without measuring uptake, it is difficult to evaluate the effectiveness and maturity of DR mechanisms in the market.

Similarly, for self-generation, such as residential solar PV systems, metrics sometimes appear under broader categories like innovation or green product availability. However, they rarely provide a systematic view of how widespread self-generation is among consumers, nor the extent to which it contributes to household energy needs or feeds back into the grid.

To improve the Handbook's ability to monitor these areas, the following enhancements are recommended:

For demand response: include indicators such as the percentage of consumers enrolled in DR programmes, the volume of energy actively shifted through DR (in kWh or MW), and the share of suppliers or aggregators offering such services.

For self-generation: measure the percentage of households or businesses with installed generation systems (e.g. solar PV), the share of demand covered by self-generation, and the percentage of self-generators using complementary technologies such as storage or peer-to-

peer trading.

In conclusion, while the current framework acknowledges the availability of DR and self-generation options, it does not yet adequately reflect consumer participation or system-level impact. Incorporating metrics focused on uptake and energy volumes would significantly improve the relevance and completeness of the assessment.

Q8: How effective do you think the proposed metrics are in monitoring consumer protection, especially for vulnerable and energy-poor customers? Are there any additional measures that should be recommended?

A:

To improve monitoring of consumer protection, particularly for vulnerable and energy-poor customers, the following metrics should be considered:

Affordability Indicators

% of income spent on energy

Average energy debt levels per household

Number or % of consumers receiving social tariffs or energy assistance

Disconnection and Arrears

Number of disconnections due to non-payment (with breakdown by income or vulnerability status)

% of consumers in arrears

Duration and frequency of disconnection events

Access and Inclusion

Availability of offers tailored to vulnerable consumers

% of vulnerable customers who switched supplier in the past 12 months

Availability of accessible and inclusive customer service (e.g. for elderly or digitally excluded)

Impact of Support Measures

Effectiveness of national or supplier-level support schemes (e.g. % of eligible consumers reached)

Impact of energy efficiency measures targeted at low-income households (e.g. consumption reduction)