

Are EU retail markets functioning well?

Beyond monitoring: self-assessment of retail market functioning

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CEER-ECRB-MEDREG Workshop, Vienna, 27 June 2018

CEER´s work towards well functioning markets

- **Position Paper on well-functioning retail energy markets**

Published October 2015

- **CEER 2017 Handbook for National Energy Regulators**

Published January 2017

- **Road map to 2025 well-functioning retail energy markets**

Approved July 2017, Updated and published February 2018

- **Self-assessment of the 25 CEER Handbook metrics**

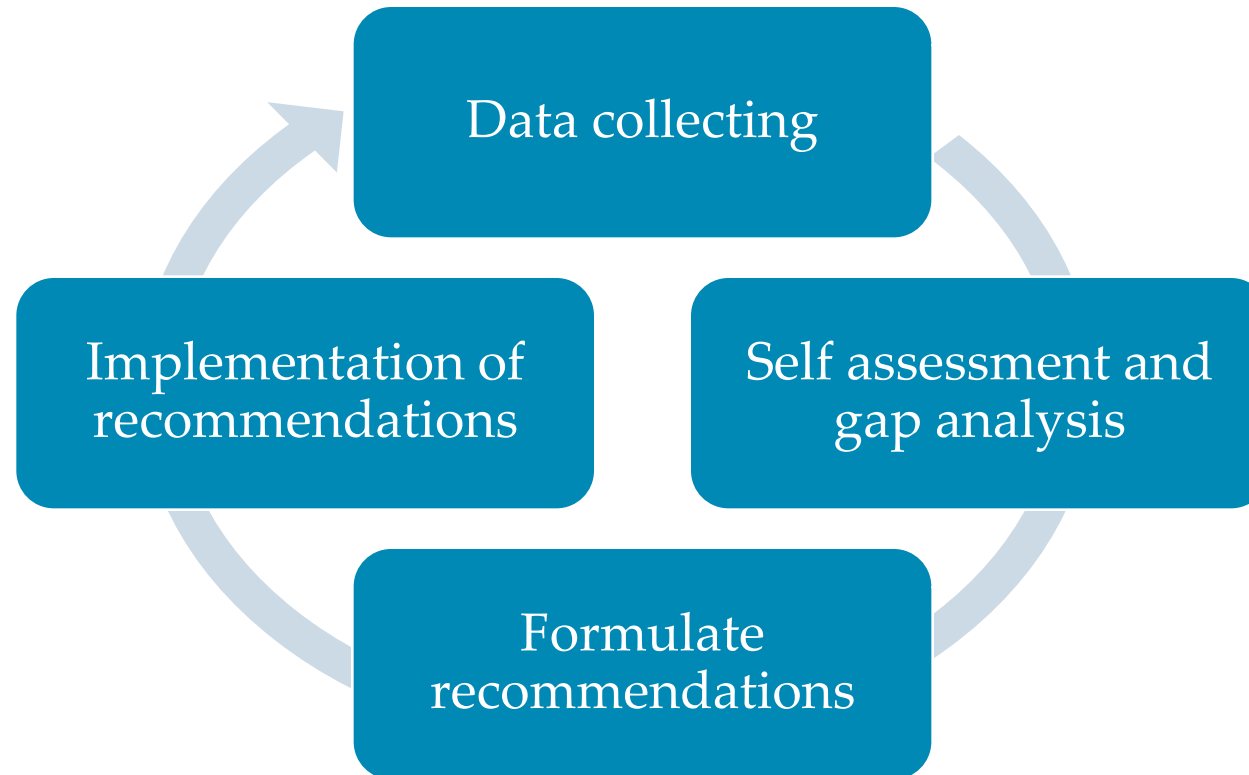
Ongoing – finished by the end of 2018

What defines a well functioning retail market?

- **Low concentration within a relevant market**
- **Low market entry barriers**
- **Correlation between wholesale and retail prices**
- **A range of offers, including demand response**
- **High level of awareness and trust**
- **Availability of empowerment tools**
- **Sufficient consumer engagement**
- **Appropriate protection**



What is self-assessment?



Yes, self-assessment is hard work

- **Complicated** – Needs both coordination and expertise
- **Time consuming** – Some data not collected at a regular basis
- **Some metrics difficult to obtain** – for legal, practical or economic reasons

Difficulties so far for Ei

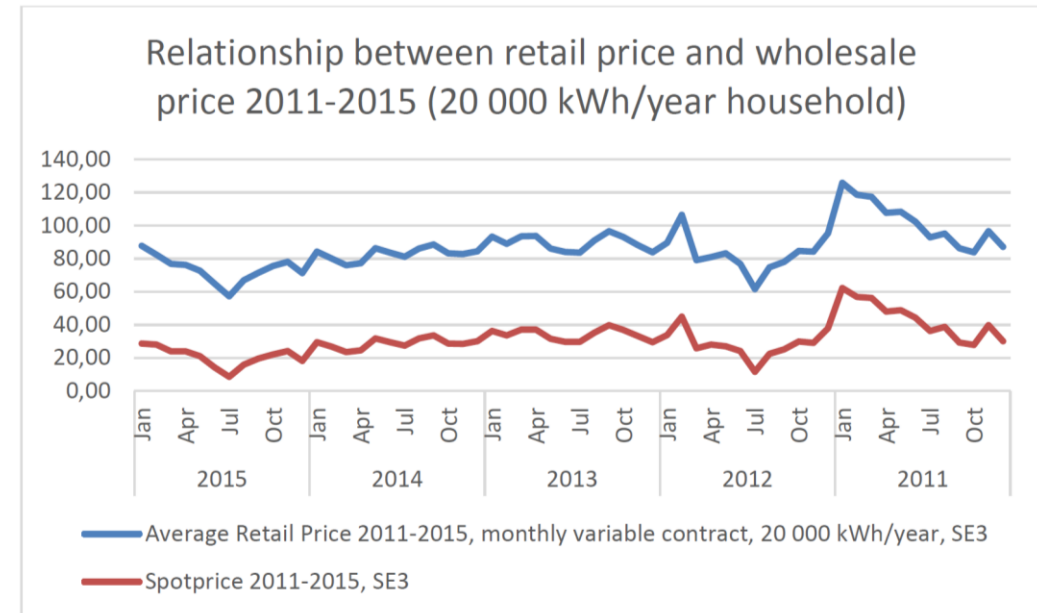
- **HHI-index** – No legal possibility to monitor market share
- **Time between notification to pay and disconnection** – We know the legal answer, but not practical



But we will have some results as well ...

- **Switching rate**
 - Supplier switching rate **11,5%**
 - Internal switching rate **16 %**
- **How many consumers participate in implicit DR through a contract?**
 - **8 600 had an hourly contract 2014**
(New estimation early fall 2018)

- **Correlation between wholesale and retail energy prices**



Some metrics requires surveys

- Nordic customer survey conducted 2018
 - Percentage of consumers knowing they can switch supplier
 - Percentage of consumers who know that DSOs are responsible for the continuity of supply
 - Percentage of consumers trusting the energy market
 - Percentage of inactive consumers



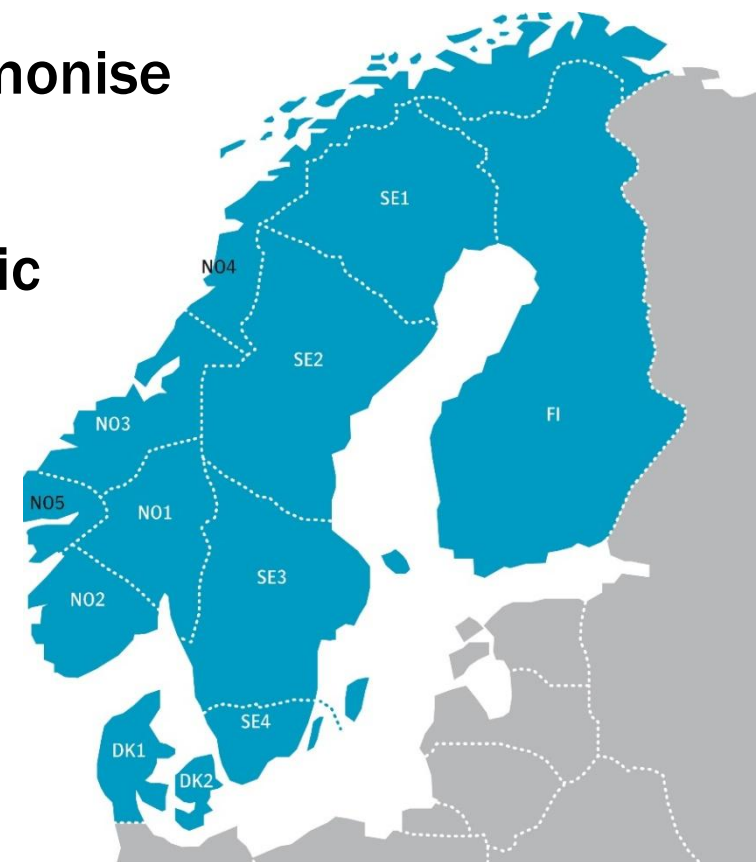
Some metrics requires surveys

- Survey to Swedish DSOs
 - How many consumers participate in implicit DR through a contract?
 - How many customers have contracts, which include feed in from electricity from self-generation?

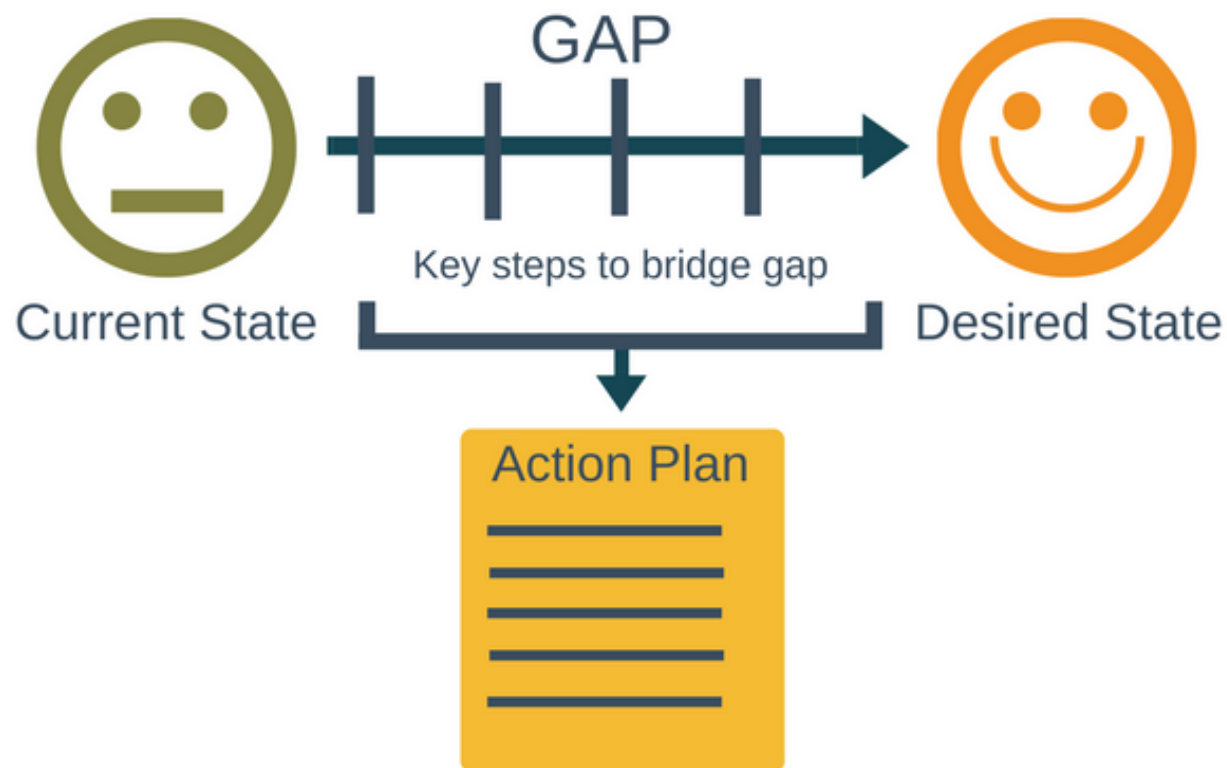


We do it together in NordREG

- **Why** Because the result is useful in our work to harmonise the Nordic Retail markets
- **How** We have discussed how to calculate each metric
Each NRA calculate the metrics separately
We compile the result in a common document
- **Outcome** A possible report to stakeholders
Compare results and discuss differences
Good basis for future work



The tricky part –the gap analysis



- Look at your national result for each metric
- Try to find a national goal for each metric
- Discuss the gap and how to over bridge it
- The concept of gap-analysis will be developed over time

Thank you for listening

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