



# ***Customers & Retail Markets WG Activities***

Edin Zametica, ECRB CRM WG Chair  
Secretary (BIH-SERC)



## ECRB Documents:

- **Communication Policies of National Energy Regulators in the Energy Community – Assessment and Recommendations**
- **ECRB Market Monitoring Report 2016 Electricity and Gas Retail Markets in the Energy Community Contracting Parties**
- **Regulatory Framework for Closed Distribution Systems in the Energy Community Contracting Parties – Status Review**
- **Quality of Gas Distribution and Supply Services in the Energy Community – Findings and Recommendations**

# WP2017 – CRM WG Activities




COMMUNICATION POLICIES OF  
NATIONAL ENERGY REGULATORS IN  
THE ENERGY COMMUNITY  
Assessment and Recommendations

December 2017



ECRB Market Monitoring Report 2016  
Electricity and Gas Retail Markets in the Energy  
Community Contracting Parties

Reporting Period 2016  
Publication date December 2017



Regulatory framework for closed distribution systems in  
the Energy Community Contracting Parties  
Status review

May 2018



QUALITY

Quality of Gas Distribution and  
Supply Services in the Energy Community

Findings and Recommendations  
November 2018



## **2018 CRM WG Meetings**

- 39<sup>th</sup> Meeting, Vienna, 22 Feb 2018
- 40<sup>th</sup> Meeting, Vienna, 28 Jun 2018
- 41<sup>st</sup> Meeting, Milano, 23 Oct 2018

## **CRM WG Deputy Chair: Mr. Martin Martinoski**

### **2018 Task Forces**

TF1 – Retail market monitoring

WS1 Co-Leaders: Ms. Marija Vujović, Mr. Aca Vučković

WS2 Leader: Martin Martinoski

TF2 – Distribution tariff methodologies

TF Co-Leaders: Mr. Gordan Tanić, Mr. Srđan Žutobradić

TF3 – Complaint handling, dispute settlement and customer awareness

WS1 Co-Leaders: Ms. Jelena Aničić, Mr. Andre Buttigieg

WS2 Leader: Mr. Florian Pichler

Energy Community Regulatory Board

Work Program 2018

- 1. Monitoring report on the functioning of gas and electricity retail markets in the Energy Community**  
☞ [Approval]
- 2. Market monitoring capacities and procedures of the Energy Community regulatory authorities**  
☞ [Approval]
- 3. Survey of distribution tariff methodology in electricity and gas**  
☞ [Agreement on written approval]
- 4. ECRB-MedReg status review on complaint handling**  
☞ [Agreement on written approval]
- 5. CRM WG Work Program 2019**



## ***MONITORING REPORT ON THE FUNCTIONING OF GAS AND ELECTRICITY RETAIL MARKETS IN THE ENERGY COMMUNITY IN 2017***

- **Background**
  - Assess the electricity and gas markets in the EnC
  - Identification of potential barriers
  - Recommendations on potential improvements
- **Report covers**
  - 9 EnC Contracting Parties
- **Methodology**
  - 3 detailed questionnaires to NRAs (electricity, gas and customer protection)
- **Document approved by CRM WG – 21 Nov 2018**



Monitoring Report on the Functioning of Gas  
and Electricity Retail Markets in the Energy  
Community in 2017

December 2018

## A. INTRODUCTION

## B. FINDINGS: ELECTRICITY

- Market characteristics, Switching, End-user prices, HH price breakdown, Price regulation

## C. FINDINGS: GAS

- Market characteristics, Switching, End-user prices, HH price breakdown, Price regulation

## D. CONSUMER PROTECTION AND CUSTOMER EMPOWERMENT

- Background, SLR and disconnections, Vulnerable customers, Customer information, Customer complaints, Service quality

## E. MAIN FINDINGS AND CONCLUSIONS

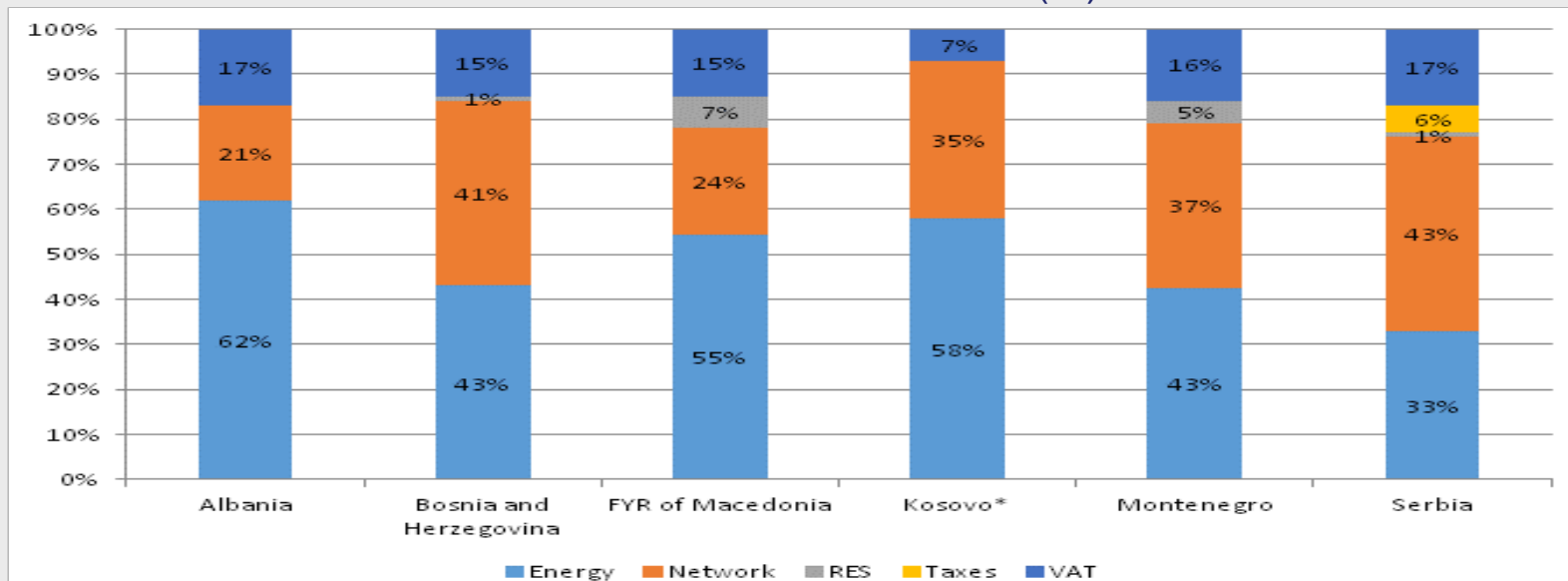


- Total sale to final customers increased by 1.49 %, households consumption decreased 1.22% (without UKR increase 0.24%)
- Retail markets still highly concentrated (3 largest companies have market share above 90%; exception UKR – 32 %)
- All customers can choose suppliers in BIH, KOS\*, MLD, MNG & SRB; UKR-non HH, dynamics specified in ALB, GEO & MKD
- Only a limited number of customers switched their suppliers in BIH, MKD, KOS\*, SRB & UKR (HH only in SRB), significant increase in BIH & MKD
- End-user electricity prices for households vary substantially (from 3.88 EUR cent/kWh in UKR to 9.95 in MNG)
- End-user electricity prices for industry more harmonized (from 5.14 in GEO to 6.58 in SRB)
- Prices for HH regulated in all CPs (except MNG); majority of non-HH customers have regulated prices (exceptions MKD & SRB; BIH-0.4kV; ALB-35kV; KOS\*-TSO network)



# Market Monitoring Report Findings – Electricity

## Breakdown of the incumbent's standard electricity offers for households in EnC capitals – November/December 2017 (%)



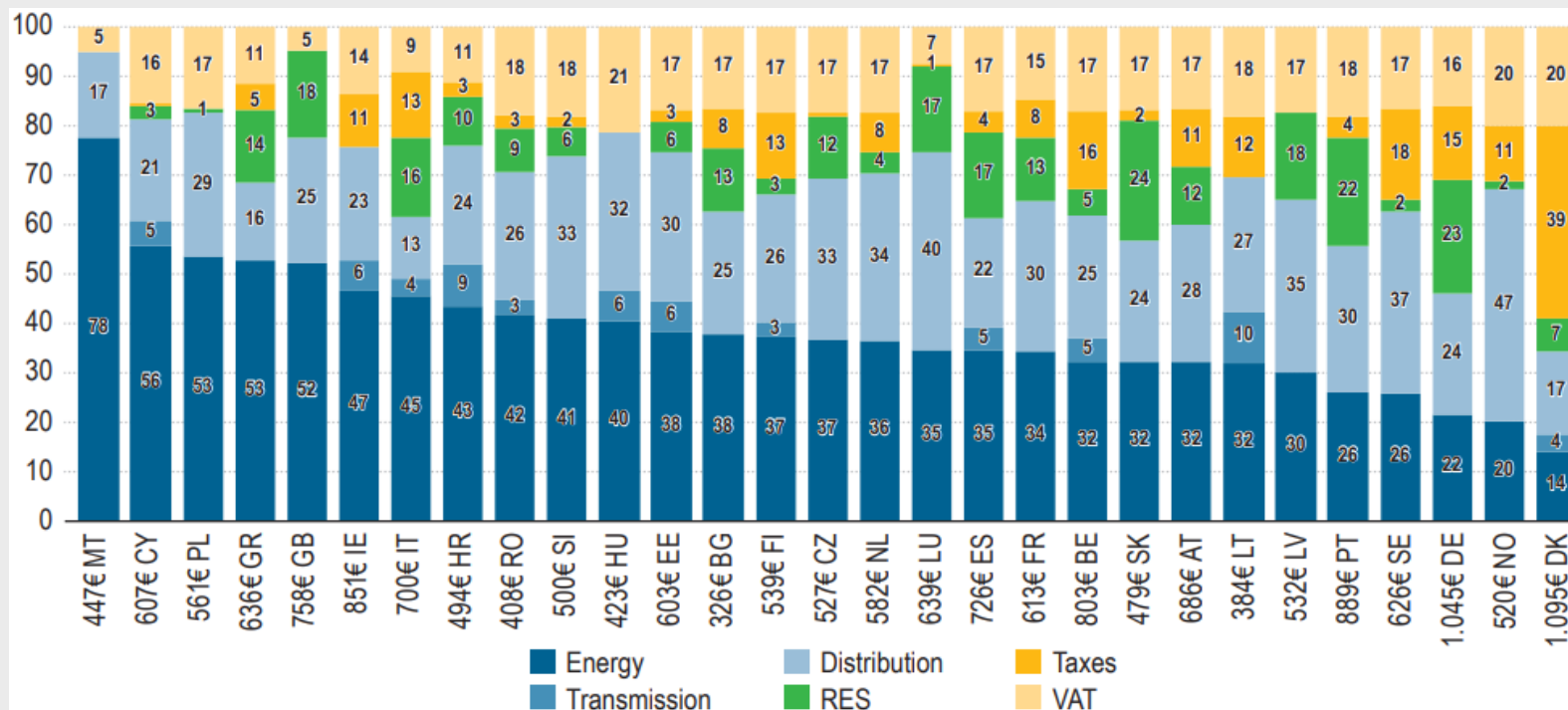
Source: ECS calculations based on ACER's methodology and data provided by NRAs (2018)

### Notes:

- The regulators of Georgia, Moldova and Ukraine could not provide the required data for calculating the electricity price breakdown.
- The energy component in Albania includes the costs of the distribution network.
- In Montenegro, the costs related to purchasing electricity for compensation of network losses are included in the energy component. Percentages do not always add up to 100% precisely due to rounding

# ACER/CEER Retail Market Monitoring

Breakdown of the incumbent's standard electricity offers for households in capital cities – November/December 2017 (%)



Source: Annual Report on the Results of Monitoring the Internal Electricity and Natural Gas Markets in 2017 (Electricity and Gas Retail Markets Volume), September 2018



- ALB, KOS\* & MNG do not have gas markets
- Gas consumption decreased in the period 2012-2017 (35 %)
- Number of active suppliers ranged from 3 in BIH to 231 in UKR
- End-users of gas supplied mainly by regional retail suppliers, only in GEO, SRB & UKR distribution networks with more than one supplier; in all CPs (except SRB) customers connected to the transmission networks supplied by more than one supplier
- All customers can choose suppliers, but switching rates are low
- Obstacles to retail market entries mainly come from reasons other than retail market design – scarce infrastructure and status of wholesale market development (e.g. single source of gas, poor access to liquid wholesale markets)
- End-user HH gas and industry prices decreased (except UKR); HH much lower than EU average, industry near EU level; cross-subsidization reduced
- Regulated end-user prices for HH (exceptions in MKD)



- Appointed SLR, except in GEO
- HH disconnections due to non-payment in electricity vary substantially (1.89% - 10.92%) *previous report* (1.14% - 8.33%)
- Vulnerable customers and protection measures defined in most CPs (including disconnection and social benefits to cover energy expenses); the share of vulnerable customers varied between 2.1% in SRB to 7.7% in ALB
- Customers informed about price changes in advance
- A price comparison tool exists only in BIH (tested in 2017)
- Information on energy mix available only in MKD, SRB & UKR
- Monthly billing based on actual consumption in all CPs
- Intelligent (smart) metering systems (ALB0.78%-MNG73.60%)
- Wide choice of payment methods
- Mostly reasonable timelines for processing complaints. Majority of complaints refer to bills; the great part is related to QoS (BIH, MLD, UKR) and connection issues (SRB)

- 1. Monitoring report on the functioning of gas and electricity retail markets in the Energy Community**  
☞ [Approval]
- 2. Market monitoring capacities and procedures of the Energy Community regulatory authorities**  
☞ [Approval]
- 3. Survey of distribution tariff methodology in electricity and gas**  
☞ [Agreement on written approval]
- 4. ECRB-MedReg status review on complaint handling**  
☞ [Agreement on written approval]
- 5. CRM WG Work Program 2019**



## ***MARKET MONITORING CAPACITIES AND PROCEDURES OF THE ENERGY COMMUNITY REGULATORY AUTHORITIES***

- **Background**
  - Market liberalization raises the need for regulators to upgrade systematic approach for market monitoring
  - Accurate and timely data and information needed to detect potential market abuse or barriers
  - Paper assesses capacities and procedures and provides guidance recommendations
- **Report covers**
  - 9 EnC Contracting Parties + Greece
- **Methodology**
  - Detailed questionnaire to NRAs
- **Document approved by CRM WG – 9 Nov 2018**



Market Monitoring Capacities and Procedures of  
Energy Community Regulatory Authorities

Findings and Recommendations  
December 2018

## I. INTRODUCTION

## II. ASSESSMENT

- Legal Basis
- Organization and Human Resources
- Procedures and Scope of Data Collection
- Format for Data Collection and Analysis
- Internal Procedures for Data/Findings Sharing – Follow up Actions
- Data Publication

## III. CONCLUSIONS AND RECOMMENDATIONS



- NRAs: clear legal competences for retail market monitoring
  - Separate departments established (ALB, GRC, MKD)
- Dedicated staff: 6 in average (ALB: 3, UKR 25)
  - Engineers, economists and lawyers
  - GRC & MKD mathematician & IT experts
- Monthly, quarterly & annual data collection (+ upon request)
  - Data submission legal deadlines: 15–60 days (in practice 15–45 days)
- Legally prescribed procedure/penalty in case of late arrival (no arrival) of requested data reports
  - Reminders, warning letters, relevant orders/decisions before imposing/initiating sanction as a final stage
  - Sanctions: fines and license suspension or revocation (GEO administrative sanctions)
- Most of the relevant indicators for assessment of retail electricity and gas markets functioning are monitored





- Market data primarily collected in Excel files
  - Text formats (Word, PDF, hard copies) also present
  - Reports submitted dominantly via email (+regular post)
  - GEO&MKD: web application & special data analysis software
- Procedures for data validation (BIH, GRC, MKD, MOL),
- Aggregated data reports & findings shared within the NRAs
  - Formal procedures exist in BIH-RERS, GEO & MOL
- Follow up procedures on suspicious behavior defined
  - Additional inquires & information, orders/decisions for correction of irregularities, initiating sanctions procedure
- Market monitoring data published on annual basis
- Rules for treatment of commercially sensitive data defined by most NRAs



- Strengthening market monitoring human resources
  - Considering establishing separate MM departments
  - Engaging experts from other relevant fields where possible (e.g. mathematics, IT, trade, etc.)
- Development and introduction of software tools for data collection, data validation and data analysis;
- Adopting and implementing procedures for internal data/findings sharing, aimed to secure adequate response to detected market abuses and/or barriers for well-functioning gas and electricity retail markets
- More frequent publication of market monitoring data (semi-annually, and where possible quarterly and monthly),
  - This will increase wider public understanding of the electricity and gas retail market functioning
  - Moreover, it will build/strengthen confidence in liberalized energy markets

- 1. Monitoring report on the functioning of gas and electricity retail markets in the Energy Community**  
☞ [Approval]
- 2. Market monitoring capacities and procedures of the Energy Community regulatory authorities**  
☞ [Approval]
- 3. Survey of distribution tariff methodology in electricity and gas**  
☞ [Agreement on written approval]
- 4. ECRB-MedReg status review on complaint handling**  
☞ [Agreement on written approval]
- 5. CRM WG Work Program 2019**



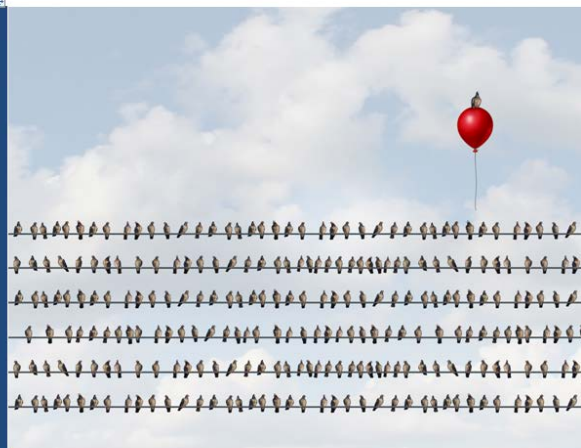
## Survey of distribution tariff methodology in electricity and gas sectors

- Technological and legislative changes, new tasks for DSOs, implications for the distribution tariffs
  - Good practices to be identified + recommendations
  - Scope of work agreed, questionnaire prepared, responses collected, results discussed in June and October 2018, clarifications provided
  - Preliminary findings presented to Gas Forum which welcomed the ECRB's work on distribution network tariffs
  - Survey to be approved by CRM WG in early 2019
- 👉 Agreement on ECRB Written Approval Procedure



## **Joint ECRB-MEDREG status review on Complaint handling and dispute settlement procedures available to household customers**

- 9 EnC Contracting Parties and 8 MedReg Countries
- 2 joint sessions + several teleconferences organized
- First results (June) and Draft report (Oct) discussed
  - Customer protection – high on the agenda
  - Quality of information provided enables comprehensive comparative analysis on the different consumer protection aspects applied in different countries
  - The aim behind this task: Bring out good experiences, which can be easily embraced by other countries
- Review to be approved by CRM WG this week
- Approved by MEDREG GA (29 Nov 2018)
- 👉 Agreement on ECRB Written Approval Procedure



Energy Community Regulatory Board

Work Program 2019

## TF1 – Retail Market Monitoring

Co-Leaders: Mr. Igor Telebak, Mr. Aca Vučković

- Retail Markets Monitoring Report
- Input to the ACER-CEER market monitoring report

## TF2 – Consumer Protection

Leader: Mr. Florian Pichler

- Joint ECRB-CEER-MEDREG customer workshop

## TF3 – Quality of Supply

Co-Leaders: Mrs. Branka Tubin, Mrs. Anastasija Stefanovska Angelovski, Mr. Nikola Dubajić

- Contribute to CEER benchmarking report on QoS

## TF4 – Prosumers

TF Leader: Mr. Petrit Haziri

- Survey on prosumers practice, legislation & barriers, giving recommendations on potential improvements

The background is a dark blue globe with a grid of latitude and longitude lines. Overlaid on the globe are numerous glowing blue lines and circular nodes, representing a global network or energy grid. The lines are bright and have a slight glow, connecting various points across the globe.

*Thank you  
for your attention!*

[ezametica@derk.ba](mailto:ezametica@derk.ba)

[www.energy-community.org](http://www.energy-community.org)