

## ***Retail supply of electricity following the unbundling***

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Electricity retail market

=

bilateral **electricity supply transactions** between suppliers and final customers



# #1 Organisation of the retail market



## Three main elements:



**#1 Supply portfolio**



**#2 Contractual arrangements**



**#3 Consumption portfolio**

# #1 Supply portfolio



## #2 Contractual arrangements: supply



### Standard supply contracts

Households & small enterprises

Universal service supply

Supply of last resort

### Individual supply contracts

Non-regulated supply transactions



- Harmonisation through regulation
- Building the best practice by NRA
- Cooperation between suppliers

## #2 Contractual arrangements: delivery



### Transportation contracts

TSO → transmission

and/or

DSO → distribution



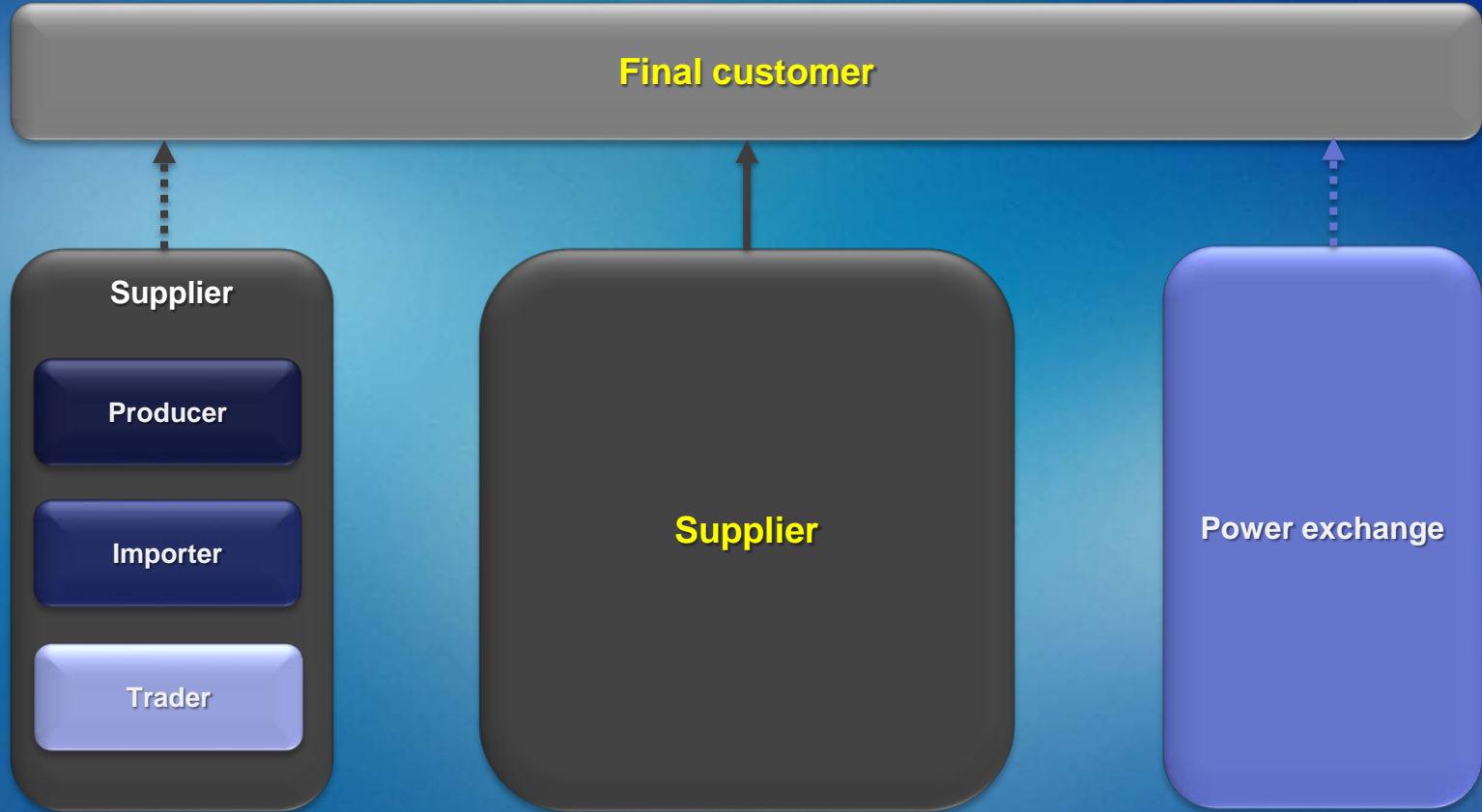
### Customer's responsibility

but

### Can be assigned to supplier:

Invoicing & settlements  
[Contract management]

### #3 Consumption portfolio





## **#2** Market entrance & supplier switching





## Unrestricted entrance to the electricity retail market

- Clear rules & legal certainty
- Maximum harmonisation with EU/EnC best practices
- Reducing administrative burden (incorporation, licenses, etc.)
- Simple procedures (Georgia → no supply license!)
- Level playing field: equal competition among all suppliers



## Effective supplier switching right by each eligible customer

- Unrestricted right under NRA's established procedure
- Process as simple as possible → not more than in 3 weeks
- Financial issue: provided services to be paid before switching
- No other payments or sanctions (\*forfeit for non-households)
- Contractual process = no bureaucracy

### **#3 Supplier & customer relations**





## Contractual relations

**Supplier: contract offer**



Unrestricted right to offer supply services  
Subject to established mandatory requirements

**Consumer: choice & acceptance**



Unrestricted right to choose & switch the supplier  
'Window shopping' on the retail supply market  
Right to get all service-related information

**Contract management**



Contract management by the supplier  
Protection of customer's rights  
Handling of complaints & dispute settlement  
Termination of the contract & closure account



**Supply service**

**Commercially ensured supply to satisfy final consumption demand**



**Reliable formation & provision  
of the supply portfolio**

**Timely payment & obeying  
physical delivery rules**



## Provision of information

**Supplier = a single contact point for the supply-related information**

- Customer's rights and current electricity market regulations
- Applicable prices and/or regulated tariffs
- Customer's electricity consumption data & costs
- Energy customer checklist: rights & obligations
- Means for the protection of consumer rights



## Supply pricing

### Market prices

Market-based supply

'PSO exit' customers

### Regulated prices

Universal supply\*

Supply of last resort margin

Tailor-made PSO supplies

Constant NRA's monitoring & supervision of regulated tariffs

NRA's remedying & market opening measures





## Invoicing

### **Clearly structured and informative invoice for supply services**

- Quantities of supplied natural gas & payable price
- Applicable market and/or regulated prices (incl. constituents)
- Share of each energy source within the supply portfolio
- Reference to existing sources of information
- Available means of handling the complaints & dispute settlement

## #4 Public service supply



## Universal service supply



- As a PSO securing the most vulnerable segments of the market
- Regulated conditions: operational rules approved by NRA
- Market-based vs. regulated end-user prices
- Phasing-out of any regulation of end-user prices
- Universal service supplier: designated under PSO procedure
- Automatic supply to covered customers instead of supply of last resort

## Supply of last resort



- As an instrument of the security of supply in case of market failures
- Provided for a short & clearly fixed period of time (3 months as an indicator)
- Regulated conditions: operation rules approved by NRA
- Market-based price plus a regulated supply of last resort margin
- Supplier of last resort: designated under open tender procedure
- Designation for a defined period of time (term), e.g. 3 years

## **#5** Tailor made public services



A photograph of a brick wall with a strong blue color cast. The bricks are arranged in a standard pattern, and the mortar is visible between them. The lighting is somewhat uneven, with some bricks appearing brighter than others.

**EXEMPTION BUT NOT A RULE**



## #6 Annex: DSO unbundling





## Unbundling of electricity DSOs – Directive 2009/72/EC

**Legal unbundling**

-  
*Art. 26(1)*

**Functional unbundling**

-  
*Art. 26(1)-(2)*

**Accounting unbundling**

-  
*Art. 31*

**Information unbundling**

-  
*Art. 27*

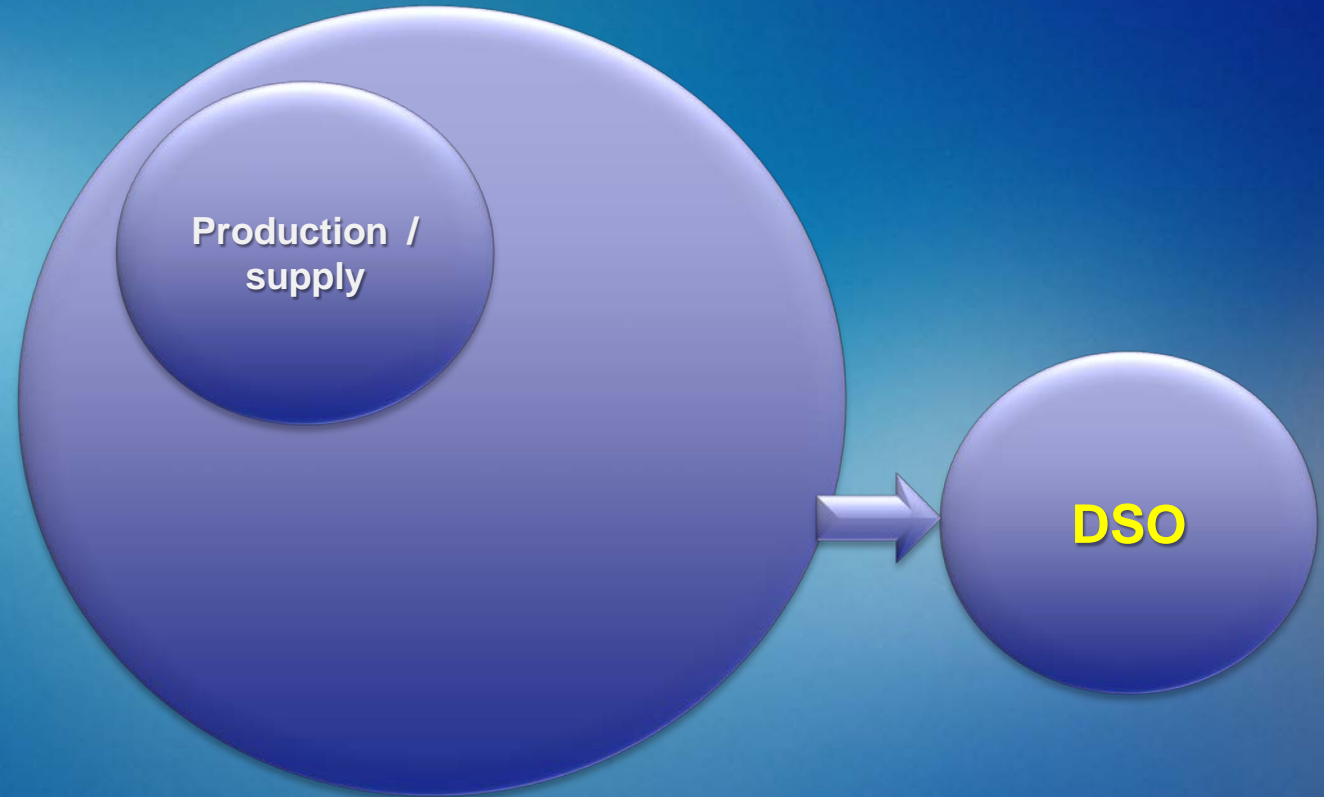
**Monitoring**

-  
*Art. 26(3)*

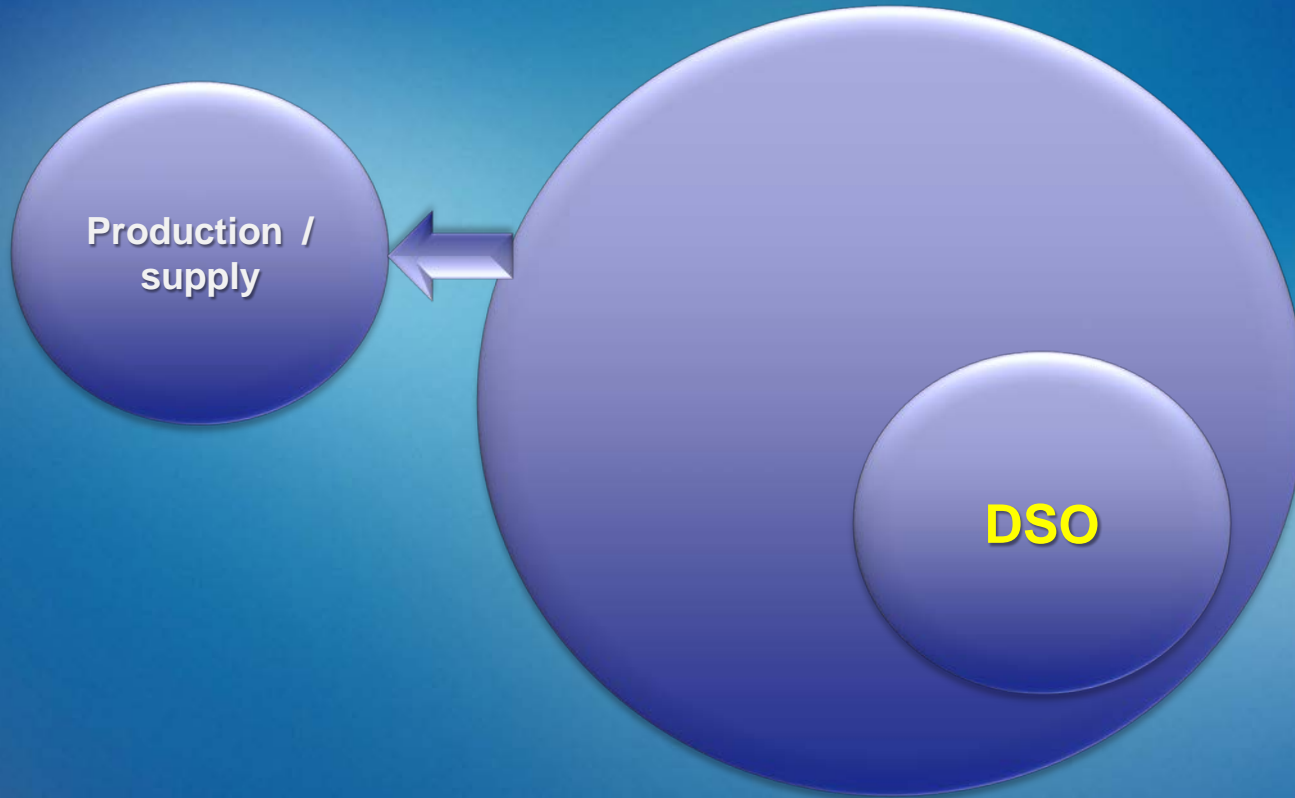
**Identity separation**

-  
*Art. 26(3)*

## DSO as a separate network company (#1)



## DSO as a separate network company (#2)



## DSO as a separate network company (#3)



# Functional unbundling of the DSO



The background of the slide features a dark blue, stylized representation of the Earth at night. The continents are visible, with city lights and other illuminated areas appearing as bright white and yellow specks. Overlaid on this are numerous glowing blue lines that curve and connect across the globe, suggesting a global network of energy or data. The lines vary in thickness and brightness, creating a sense of dynamic movement and connectivity.

***Thank you  
for your attention!***

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