

CEER Public Consultation on Draft Handbook of harmonised definitions of retail market metrics

A EURELECTRIC response paper

September 2016

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EURELECTRIC is the voice of the electricity industry in Europe.

We speak for more than 3,500 companies in power generation, distribution, and supply.

We Stand For:

Carbon-neutral electricity by 2050

We have committed to making Europe's electricity cleaner. To deliver, we need to make use of **all low-carbon technologies**: more renewables, but also clean coal and gas, and nuclear. Efficient electric technologies in **transport and buildings**, combined with the development of smart grids and a major push in **energy efficiency** play a key role in reducing fossil fuel consumption and making our electricity more sustainable.

Competitive electricity for our customers

We support well-functioning, distortion-free **energy and carbon markets as** the best way to produce electricity and reduce emissions cost-efficiently. Integrated EU-wide electricity and gas markets are also crucial to offer our customers the **full benefits of liberalisation**: they ensure the best use of generation resources, improve **security of supply**, allow full EU-wide competition, and increase **customer choice**.

Continent-wide electricity through a coherent European approach

Europe's energy and climate challenges can only be solved by **European – or even global – policies**, not incoherent national measures. Such policies should complement, not contradict each other: coherent and integrated approaches reduce costs. This will encourage **effective investment** to ensure a sustainable and reliable electricity supply for Europe's businesses and consumers.

EURELECTRIC. Electricity for Europe.

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KEY MESSAGES

- We support CEER's intention to develop harmonised definitions of retail market metrics. It is indeed timely to take stock of the changes that are sweeping across Europe's energy retail markets and to identify the right indicators that describe what a well-functioning retail market looks like.
- In its draft handbook CEER states that the metrics will be primarily used by NRAs to self-assess the functioning of their national markets. In this respect, we would be pleased if CEER could clarify:
 - How frequently would such national analysis be performed? Would it be done on a yearly, half-yearly or monthly basis?
 - Would an EU-wide analysis of national developments feature in the yearly ACER/CEER Market Monitoring Report? Would CEER consider publishing a standalone benchmarking report?
 - How would the costs of performing such analysis be covered?
- We fully agree with CEER's introductory remark that *"when assessing the retail energy market for energy, the metrics should not be considered individually, but rather in conjunction with each other, while also taking into account the specificities of every Member State (MS) and the development of the retail market"*.
- We think a balance should be struck between having a comprehensive list of indicators and the potential of creating unnecessary reporting obligations and costs on regulators and energy companies alike. We would therefore suggest CEER to prioritise a number of key metrics as 'must-have' – that is, necessary to evaluate the performance of retail markets.
- In this respect, we would like to propose the inclusion of an additional 'must have' metric, namely *"Complexity of the regulatory framework"*: In several European countries regulatory interventions are often so volatile and set to a level which actually limits competition and innovation. Indeed companies need to give priority to complying with regulation and have less time and money to invest on developing new products and services. Such a metric would contribute to reveal the extent of the problem.
- Where possible, NRAs should use their existing information as well as information collected by ACER or other bodies such as the European Commission, Eurostat or national statistical offices. Should CEER choose to identify specific data which are not yet collected at national level and may be useful for thorough market monitoring, EURELECTRIC would be pleased to raise the issue internally and discuss with its members the best options to collect such data going forward.
- It would be helpful to benchmark the performance of the energy sector vis-à-vis other consumer markets (e.g. telecommunications, postal service, banking, etc.) across a variety of key properties (e.g. market concentration, market entry barriers, level of consumer trust and awareness, level of consumer engagement, etc.).

Metric 1 Herfindahl-Hirschman Index

Do you agree with the approach taken to measuring the metric in the current version of the draft Handbook?

High market concentration, as shown by the HHI metric, may not necessarily be a problem per se as long as consumers have credible alternatives. Two additional indicators would be worth having: “Number of retailers active in the relevant market” and “market share of the three largest retailers”. These indicators are already used by the European Commission in the country datasheets¹. The 2015 edition of the ACER/CEER Market Monitoring Report is also using the CR3 as an indicator.

How would you measure the metric?

As pointed out by CEER, the HHI is calculated as the sum of the squares of the market shares of all firms in the market. Market shares can be calculated on the basis of consumed volumes and number of customers or meter points. We agree the HHI should be calculated at least annually.

What would be the best source for the metric (multiple choice)?

<i>Consumer survey</i>	
<i>Regulated companies</i>	X
<i>Competitive retailers</i>	X
<i>Others (verified PCTs, consumer associations, etc.)</i>	X

Is this data available or could it be made available within your organisation?

NRAs should have access to such information as part of their basic market monitoring.

Should CEER choose to identify specific data which are not yet collected at national level and may be useful for thorough market monitoring, EURELECTRIC would be pleased to raise the issue internally and discuss with its members the best options to collect such data going forward².

At the same time, it is important to keep in mind that any additional reporting requirements on energy companies – suppliers and DSOs alike - will have a cost. While regulated companies may be allowed to recover such costs through the network tariff, energy suppliers may be less inclined to accept additional requirements as they could end up further eroding their operational margins.

How can NRAs ask you for data in a way that would minimise administrative work?

Where possible, NRAs should use their existing information as well as information collected by ACER or other bodies (such as the European Commission, Eurostat or national statistical offices).

That said, having clear and well-structured Excel sheets, online-questionnaires and criteria would definitely help minimise administrative work.

¹ <https://ec.europa.eu/energy/en/topics/markets-and-consumers/single-market-progress-report>

² As a trade association EURELECTRIC does not have any data in-house

Metric 2 Time needed and cost of accessing well-functioning wholesale markets and licencing/balancing regimes

Do you agree with the approach taken to measuring the metric in the current version of the draft Handbook?

Yes we do

How would you measure the metric?

- Regarding the existence of the relevant procedures: Yes/No and qualitative explanation.
- Regarding time: Rather than asking “how long does it take to gain access to energy procurement in a national or regional wholesale market”, CEER could ask for the legal and regulatory steps with associated timeframe to gain access to energy procurement in a national or regional wholesale market. We would recommend the same for the questions about time and cost “to obtain a license to act on a national or regional market” and “to become a balance responsible party on national or regional market”.
- Regarding costs: The term “cost” needs to be defined. Does this refer only to potential administrative fees? Or does it refer to IT investments, staff resources, etc.? CEER could list what should and what should not be included, otherwise results will not be comparable as each Member State may have their own interpretation.

What would be the best source for the metric (multiple choice)?

<i>Consumer survey</i>	
<i>Regulated companies</i>	X
<i>Competitive retailers</i>	X
<i>Others (verified PCTs, consumer associations, etc.)</i>	X

Is this data available or could it be made available within your organisation?

NRAs should have access to such information as part of their basic market monitoring.

Should CEER choose to identify specific data which are not yet collected at national level and may be useful for thorough market monitoring, EURELECTRIC would be pleased to raise the issue internally and discuss with its members the best options to collect such data going forward³.

At the same time, it is important to keep in mind that any additional reporting requirements on energy companies – suppliers and DSOs alike - will have a cost. While regulated companies may be allowed to recover such costs through the network tariff, energy suppliers may be less inclined to accept additional requirements as they could end up further eroding their operational margins.

How can NRAs ask you for data in a way that would minimise administrative work?

Where possible, NRAs should use their existing information as well as information collected by ACER or other bodies (such as the European Commission, Eurostat or national statistical offices).

³ As a trade association EURELECTRIC does not have any data in-house

That said, having clear and well-structured Excel sheets, online-questionnaires and criteria would definitely help minimise administrative work.

Metric 3 Percentage of consumers connected to “bundled” DSOs

Do you agree with the approach taken to measuring the metric in the current version of the draft Handbook?

Overall we do. That said, we would welcome a clearer definition of what CEER means with “bundled DSOs”. In our view DSOs which are part of a vertically integrated undertaking, but are independent in terms of legal form, organisation and decision making from supply activities should not be put on the same level as integrated electricity undertakings which do not have to comply with unbundling rules as they are serving less than 100 000 connected customers, or serving small isolated systems (as per the exemptions granted by 3rd electricity directive).

How would you measure the metric?

We agree with CEER’s suggested list of questions and proposal on how to measure the metric:

- Regarding unbundling implementation: yes/no and qualitative explanation
- Regarding exempted DSOs and their customers: number and % of total amount of customers in the MS

What would be the best source for the metric (multiple choice)?

<i>Consumer survey</i>	
<i>Regulated companies</i>	X
<i>Competitive retailers</i>	
<i>Others (verified PCTs, consumer associations, etc.)</i>	

Is this data available or could it be made available within your organisation?

NRAs and/or bundled DSOs should have access to such information as part of their basic market monitoring.

Should CEER choose to identify specific data which are not yet collected at national level and may be useful for thorough market monitoring, EURELECTRIC would be pleased to raise the issue internally and discuss with its members the best options to collect such data going forward⁴.

At the same time, it is important to keep in mind that any additional reporting requirements on energy companies – suppliers and DSOs alike - will have a cost. While regulated companies may be allowed to recover such costs through the network tariff, energy suppliers may be less inclined to accept additional requirements as they could end up further eroding their operational margins.

How can NRAs ask you for data in a way that would minimise administrative work?

⁴ As a trade association EURELECTRIC does not have any data in-house

Where possible, NRAs should use their existing information as well as information collected by ACER or other bodies (such as the European Commission, Eurostat or national statistical offices).

That said, having clear and well-structured Excel sheets, online-questionnaires and criteria would definitely help minimise administrative work.

In our view existing unbundling requirements - if well implemented and enforced - are sufficient to ensure the development of new commercial services to consumers. However, this metric may be relevant especially if it focuses on DSOs exempted from the 3rd package requirements. In any case, CEER should be very cautious when analyzing the data from such a metric and keep in mind that the DSO landscape is very varied across the EU, otherwise it could lead to misleading conclusions.

Metric 4 Percentage of consumers with regulated energy prices

Do you agree with the approach taken to measuring the metric in the current version of the draft Handbook?

Yes we do.

How would you measure the metric?

CEER's proposed quantification and measures should be clarified in order to ensure common understanding and consistency between Member States.

- First of all, as explained in the consultation paper, price regulation can take many forms. CEER could list the various options available so that national authorities only tick the one(s) applicable in their respective markets (for instance, ex-ante fixed price and social tariff).
- CEER could then ask the respective number of customers and their energy consumption for each regulated price on each relevant market.
- Additionally, CEER could ask for a list and description of social measures that have been implemented. If there is a social tariff (which is not regulated, otherwise, the following would have already been answered in the first part of the question), CEER could ask to provide the proportion of customers on this tariff for each relevant market.

What would be the best source for the metric (multiple choice)?

<i>Consumer survey</i>	
<i>Regulated companies</i>	X
<i>Competitive retailers</i>	X
<i>Others (verified PCTs, consumer associations, etc.)</i>	

As pointed out by CEER, NRAs generally already provide this data for the CEER database, which is used for the ACER/CEER Market Monitoring Report. Retailers are the main source for this data but, depending on the market, bundled DSOs/suppliers may also be a relevant source.

Is this data available or could it be made available within your organisation?

NRAs should have access to such information as part of their basic market monitoring.

Should CEER choose to identify specific data which are not yet collected at national level and may be useful for thorough market monitoring, EURELECTRIC would be pleased to raise the issue internally and discuss with its members the best options to collect such data going forward⁵.

At the same time, it is important to keep in mind that any additional reporting requirements on energy companies – suppliers and DSOs alike - will have a cost. While regulated companies may be allowed to recover such costs through the network tariff, energy suppliers may be less inclined to accept additional requirements as they could end up further eroding their operational margins.

How can NRAs ask you for data in a way that would minimise administrative work?

Where possible, NRAs should use their existing information as well as information collected by ACER or other bodies (such as the European Commission, Eurostat or national statistical offices).

That said, having clear and well-structured Excel sheets, online-questionnaires and criteria would definitely help minimise administrative work.

The 2015 CEER/ACER Market Monitoring Report (MMR) showed that the “*high level of concentration indicates that retail competition in many countries is still not well developed, a factor often used by national authorities to justify retail price regulation.*” In other words, there may be a direct correlation between markets with high concentration ratio and the continued use of regulated tariffs.⁶

Metric 5 Number of common standards for consumer data & for DSO-supplier contract or existence of data hub

Do you agree with the approach taken to measuring the metric in the current version of the draft Handbook?

Yes we do. That said we would recommend CEER to clearly define the term “data” to ensure common understanding and consistency of responses between stakeholders.

How would you measure the metric?

We agree with CEER’s suggested list of questions and proposal on how to measure the metric. Yes/or no to all the questions and related qualitative explanations:

- Is there a procedure containing common standards regarding the accessibility of data for suppliers and third parties?
- Is there a procedure for contracts between DSO-supplier in a MS where a supplier centric model is applicable?
- Is there a data hub?

⁵ As a trade association EURELECTRIC does not have any data in-house

⁶ http://www.ceer.eu/portal/page/portal/EER_HOME/EER_WORKSHOP/CEER-ERGEG%20EVENTS/CROSS-SECTORAL/ACER-CEER_MMR_2014/Tab/ACER%20Market%20Monitoring%20Report%202014.pdf, p. 49

What would be the best source for the metric (multiple choice)?

<i>Consumer survey</i>	
<i>Regulated companies</i>	X
<i>Competitive retailers</i>	X
<i>Others (verified PCTs, consumer associations, etc.)</i>	

As pointed out by CEER, possible sources of data include the data hub or the metering operator regarding the common standards for historical data; the metering operator regarding the common for time-of-use data; and the DSOs regarding DSO-supplier contracts.

Is this data available or could it be made available within your organisation?

NRAs should have access to such information as part of their basic market monitoring.

Should CEER choose to identify specific data which are not yet collected at national level and may be useful for thorough market monitoring, EURELECTRIC would be pleased to raise the issue internally and discuss with its members the best options to collect such data going forward⁷.

At the same time, it is important to keep in mind that any additional reporting requirements on energy companies – suppliers and DSOs alike - will have a cost. While regulated companies may be allowed to recover such costs through the network tariff, energy suppliers may be less inclined to accept additional requirements as they could end up further eroding their operational margins.

How can NRAs ask you for data in a way that would minimise administrative work?

Where possible, NRAs should use their existing information as well as information collected by ACER or other bodies (such as the European Commission, Eurostat or national statistical offices).

That said, having clear and well-structured Excel sheets, online-questionnaires and criteria would definitely help minimise administrative work.

Meter data has traditionally been exchanged between the metering operator (the DSO in most Member States) and market parties in a bilateral way, based on defined standards for common processes such as billing, switching and settlement. With recent progress in technology, some Member States are now in the process of setting up a centralised data hub. This is a common clearing platform operated by a regulated party (e.g. DSO, TSO or third party). Other Member States prefer to keep this task decentralised, generally in the hands of the DSO.

EURELECTRIC believes that there is no ‘one size fits all’ model applicable in all European countries. However, common principles must be set at EU level to arrive at a consistent framework. Decisions on the best approach to follow should be taken at national level by NRAs. What is most important is that the party (or parties) responsible for data management ensure neutrality, non- discrimination, and correct information sharing in a cost-efficient and transparent manner, while guaranteeing information security and privacy.

⁷ As a trade association EURELECTRIC does not have any data in-house

Metric 6 Availability of time-of-use metering and – where applicable – additional fee paid by the consumer to be able to have time-of-use prices vs. traditional metering

Do you agree with the approach taken to measuring the metric in the current version of the draft Handbook?

Overall we do. Next to requesting if there is “an additional fee to install time-of-use meters”, CEER should ask how time-of-use meters are financed and which party (end-user/DSO/supplier) owns them. The expression “an additional fee” suggests that there will be a fee on top of the one charged for installing a standard meter. However financing methods might be different depending on the type of meter and the Member State where they are installed. Therefore it might be more relevant to require MS to recall how standard meters’ installations are financed and provide the average national cost for each meter type in order to get a meaningful comparison. To ensure consistency and comparability between MS, “installation cost” should also be defined.

How would you measure the metric?

We agree with CEER’s suggested list of questions and proposal on how to measure the metric:

- Regarding the availability of time-of-use metering: Yes/no and qualitative explanations.
- Regarding the share of time-of-use meters, percentage: Number of installed meters relative to total number of metering points.
- Regarding the additional fee to access these meters: Euros for installation.

Please also refer to our answer to the previous question.

What would be the best source for the metric (multiple choice)?

<i>Consumer survey</i>	
<i>Regulated companies</i>	X
<i>Competitive retailers</i>	X
<i>Others (verified PCTs, consumer associations, etc.)</i>	

We agree with CEER that information request could be sent to DSOs, metering operators and retailers (in those markets where retailers may be responsible for meters).

Is this data available or could it be made available within your organisation?

NRAs should have access to such information as part of their basic market monitoring.

Should CEER choose to identify specific data which are not yet collected at national level and may be useful for thorough market monitoring, EURELECTRIC would be pleased to raise the issue internally and discuss with its members the best options to collect such data going forward⁸.

At the same time, it is important to keep in mind that any additional reporting requirements on energy companies – suppliers and DSOs alike - will have a cost. While regulated companies may be allowed to recover such costs through the network tariff, energy suppliers may be less inclined to accept additional requirements as they could end up further eroding their operational margins.

⁸ As a trade association EURELECTRIC does not have any data in-house

How can NRAs ask you for data in a way that would minimise administrative work?

Where possible, NRAs should use their existing information as well as information collected by ACER or other bodies (such as the European Commission, Eurostat or national statistical offices). Details on costs should be available as part of the Cost Benefit Analysis on the roll-out of smart meters which should have been performed by all Member States following the 3rd package.

That said, having clear and well-structured Excel sheets, online-questionnaires and criteria would definitely help minimise administrative work.

Metric 7 Correlation between wholesale and retail energy prices

Do you agree with the approach taken to measuring the metric in the current version of the draft Handbook?

We agree that measuring the correlation between wholesale and retail energy prices would in theory be important. However, we should keep in mind that the energy price component represents just about 40% of the end-user price of electricity on average across the EU⁹. In addition, metric 7 may not be meaningful for all kinds of contract, e.g. fixed price contract for 2 or 3 years.

As such a metric is likely to turn into an expensive administrative exercise, we think CEER could instead use information already available and existing tools developed at national level. For instance, several NRAs already provide a comparison of contract offers in their quarterly reports. The number of offers and the price spreads provide the same kind of information about the level of competition. As for the awareness of consumers, metric 20 (switching rate) would already provide insights. All in all, the cost of processing the data required to follow the correlation does not seem to weight the few complementary information it would provide. When additional insight is needed, NRAs could perform specific enquiries.

How would you measure the metric?

CEER is suggesting that “monthly average retail price data for each contract type should be either prices effectively paid (e.g. what suppliers actually billed consumers) or prices on contract offers (e.g. what is listed in a price comparison tool), weighted at consumption values that are representative for each country”. As the electricity price is highly volatile, using the monthly value may be too imprecise. In addition, it is likely to create a burdensome reporting exercise. Finally, using and interpreting such kind of simplified metrics could be problematic because:

- Different strategies including hedging or purchasing energy day ahead as well as the possibility for consumers to choose between variable and annual fixed rate contracts may create a divergence in how costs are passed on. Whilst some pricing schemes can be directly linked to spot markets, forward market prices are also relevant, at least for fixed-price, fixed-term products, etc. As regards forwards, buying on the day ahead and selling forward is a trading activity, not a retail one. Indeed, the market outcome from

⁹ “On average, the energy price component (including retail margins) represents about 40% of the end-user price of electricity, distribution 32%, energy taxes 12% and VAT 16%”, Household Energy Price Index for Europe, Vaasaett, August 2016: http://www.energypriceindex.com/wp-content/uploads/2016/08/HEPI_Press_Release_August_2016.pdf

arbitraging between short-term to long-term can be done without managing billing, customer serving and credit risk. There might be companies which have the two activities together, but as they can be performed in standalone and one could be considered as speculative, the trading margin should not be taken into account. Also, this margin tends to be volatile and its volatility does not add anything to the assessment of retail markets.

- In addition some products may be based on the use of smart technology (e.g. implicit trade of flexibility) which can have an impact on the retail price.
- Suppliers' operating and balancing costs affect suppliers' margins and need to be covered by the mark-up between wholesale and retail energy prices.

What would be the best source for the metric (multiple choice)?

<i>Consumer survey</i>	
<i>Regulated companies</i>	
<i>Competitive retailers</i>	X
<i>Others (verified PCTs, consumer associations, etc.)</i>	X

As pointed out by CEER, information request could be sent to retailers, price comparison tools or other parties (e.g. statistical bureaus) that collect price data for retail energy contracts. The data should indeed differentiate between different types of contracts offered to households and business consumers, e.g. wholesale-based price, standard variable price, fixed price.

Is this data available or could it be made available within your organisation?

NRAs should have access to such information as part of their basic market monitoring.

Should CEER choose to identify specific data which are not yet collected at national level and may be useful for thorough market monitoring, EURELECTRIC would be pleased to raise the issue internally and discuss with its members the best options to collect such data going forward¹⁰.

At the same time, it is important to keep in mind that any additional reporting requirements on energy companies – suppliers and DSOs alike - will have a cost. While regulated companies may be allowed to recover such costs through the network tariff, energy suppliers may be less inclined to accept additional requirements as they could end up further eroding their operational margins.

In this specific case, we agree that availability of retail price data by contract type might be difficult to get without imposing heavy reporting obligations. It would therefore be important to use the existing statistical methods and data collections.

How can NRAs ask you for data in a way that would minimise administrative work?

Where possible, NRAs should use their existing information as well as information collected by ACER or other bodies (such as the European Commission, Eurostat or national statistical offices).

That said, having clear and well-structured Excel sheets, online-questionnaires and criteria would definitely help minimise administrative work.

¹⁰ As a trade association EURELECTRIC does not have any data in-house

CEER should state more clearly that mark-ups do not equate to retailers operating profits. Equally important, it should be noted that value-added services included in energy offers might influence the mark-up. Therefore, we propose this metric is calculated as the gross retailer margin over the retail price as a whole.

The recent hikes in retail prices are due to the impact of soaring taxes, levies, fees and charges on the final price. While the metrics proposed by CEER indeed refer to the ‘retail energy price’ and not to ‘retail price’, we suggest the inclusion of another metric that contributes explaining why total retail prices do not (always) track wholesale market prices, namely “percentage of the retail energy price not directly affected by suppliers”. This would be similar to the indicator published in the VaasaETT Household Energy Price Index for Europe (<http://www.energypriceindex.com/>)

Metric 8 Mark-up between wholesale and retail energy prices

Do you agree with the approach taken to measuring the metric in the current version of the draft Handbook?

See our answer to metric 7

How would you measure the metric?

See our answer to metric 7

What would be the best source for the metric (multiple choice)?

<i>Consumer survey</i>	
<i>Regulated companies</i>	
<i>Competitive retailers</i>	X
<i>Others (verified PCTs, consumer associations, etc.)</i>	X

See our answer to metric 7

Is this data available or could it be made available within your organisation?

See our answer to metric 7

How can NRAs ask you for data in a way that would minimise administrative work?

See our answer to metric 7

In the consultation document CEER states that - by analysing the mark-up based on different contract types, e.g. wholesale-based or fixed pricing – they plan to “reveal what contract types are the most beneficial for consumers”. We are not sure this is the right thing to do as consumers may not only be interested in the price of an offer but also in the predictability of costs, quality of service, comfort, etc. As CEER rightly explains, “with a wholesale-based contract the customer carries the risk of the price variation whereas with a fixed-price contract the supplier carries the risk of the price variation”. Different contract types should therefore not be compared on the basis of their price only.

Metric 9 Availability of a variety of pricing and billing options

Do you agree with the approach taken to measuring the metric in the current version of the draft Handbook?

We do not entirely agree with the proposed approach as it is likely to lead to confusion. According to the proposed quantification, it is unclear whether NRAs would respond by supplier, for all aggregated suppliers or by tariff type. For instance,

- A supplier may have a large range of products and therefore tick all the boxes, while another supplier would only have 'other' products. How would this be reported to CEER?
- Also, a product may be developed with only one payment method (e.g. online fixed priced tariff with monthly direct debit), however the supplier may offer various billing options which are only available for certain products such as standard tariffs. Therefore, all the boxes listed for the second part of the metric would be ticked for a specific supplier and when aggregating suppliers' responses.
- It is important also to distinguish where the existence of various billing options for a certain type of product is mandatory or not. This may highlight areas where innovation can take place in the future.

A suggestion would be to fill a two entries matrix for each product and for each supplier.

How would you measure the metric?

See our answer to the previous question.

What would be the best source for the metric (multiple choice)?

<i>Consumer survey</i>	
<i>Regulated companies</i>	
<i>Competitive retailers</i>	X
<i>Others (verified PCTs, consumer associations, etc.)</i>	X

As pointed out by CEER, information requests to retailers and information available on PCTs would appear as the most common sources of this data. The ACER/CEER MMR already provides an overview of the main pricing options for most MSs, based on PCT information

Is this data available or could it be made available within your organisation?

NRAs should have access to such information as part of their basic market monitoring.

Should CEER choose to identify specific data which are not yet collected at national level and may be useful for thorough market monitoring, EURELECTRIC would be pleased to raise the issue internally and discuss with its members the best options to collect such data going forward¹¹.

At the same time, it is important to keep in mind that any additional reporting requirements on energy companies – suppliers and DSOs alike - will have a cost. While regulated companies may

¹¹ As a trade association EURELECTRIC does not have any data in-house

be allowed to recover such costs through the network tariff, energy suppliers may be less inclined to accept additional requirements as they could end up further eroding their operational margins.

How can NRAs ask you for data in a way that would minimise administrative work?

NRAs have a great deal of data already submitted to them in many jurisdictions (e.g. as part of their basic market monitoring), even though the level of detailed breakdown may vary from country to country. Where possible they should use their existing information as well as information collected by ACER or other bodies (such as the European Commission, Eurostat or national statistical offices).

That said, having clear and well-structured Excel sheets, online-questionnaires and criteria would definitely help minimise administrative work.

In a bid to simplify metrics, we would propose that all metrics belonging to property “a range of offers including demand response” - metrics 6, 9, 10, 11, 12 and 13 - are brought together under a single metric which could read *“Availability of a variety of pricing and billing options, online offers and value-added services (including time varying rates such as time-of-use or dynamic pricing; explicit demand response; services for self-generation; services for electro-mobility, etc.)”*.

Metric 10 Availability of value added services for implicit demand response and self-generation

Do you agree with the approach taken to measuring the metric in the current version of the draft Handbook?

Suppliers can propose a range of value-added services to their customers. Some are directly related to the energy delivery: remote action which avoids onsite intervention, but also self-services through the internet. Others are contributing to energy bill reduction, such as optimisation, energy efficiency, provision of in-home displays, visualization of consumption and comparison with peers, energy audits, home insulation, installation and commissioning of the distributed generation equipment, solutions for self-consumption as well as feed-in etc. Suppliers can also propose implicit demand response via time-varying electricity prices (see below) with or without smart meters. Finally, suppliers can go beyond energy, offering bundled packages, which include home security services, telecoms, etc. Overall, utilities are changing their traditional business model based on provision of KWh and billing more and more towards becoming full service providers.

Regarding implicit demand response, different types of dynamic pricing could be distinguished, with a need for clear definitions in order to allow for comparability:

- Simple time-varying prices such as day and night prices
- Time-of-use pricing
- Critical peak pricing
- Real-time pricing

As for real-time pricing, the metric already used in the ACER/CEER market monitoring report could also be considered for electricity:

- Variable – based on the value of a commodity that varies according to the market price of that commodity

- A sub-type of variable-priced offers which is called 'spot-based'. The price of a spot-based offer is composed of the wholesale price of electricity plus a supplier margin. Such type of offer may be divided at least two sub-categories:
 - Real-time pricing, straightforward pass-through of a published reference price (e.g. day-ahead price)
 - Real-time pricing with price ceilings, floors, insurances etc. added elements

Finally we think it is important that this metric takes in account the level of smart meters installed and to keep in mind that comparison across countries may be difficult given their different historical starting points.

How would you measure the metric?

Yes/No to a list of products/offers with multiple choice and a qualitative elaboration, as suggested by CEER.

What would be the best source for the metric (multiple choice)?

Consumer survey	
Regulated companies	
Competitive retailers	X
Others (verified PCTs, consumer associations, etc.)	X

As this is an area of the market that is developing that NRAs may not have started monitoring yet, data may not be complete and so a survey to retailers and energy service companies could be a good start.

Is this data available or could it be made available within your organisation?

Should CEER choose to identify specific data which are not yet collected at national level and may be useful for thorough market monitoring, EURELECTRIC would be pleased to raise the issue internally and discuss with its members the best options to collect such data going forward¹².

At the same time, it is important to keep in mind that any additional reporting requirements on energy companies – suppliers and DSOs alike - will have a cost. While regulated companies may be allowed to recover such costs through the network tariff, energy suppliers may be less inclined to accept additional requirements as they could end up further eroding their operational margins.

How can NRAs ask you for data in a way that would minimise administrative work?

Where possible, NRAs should use their existing information as well as information collected by ACER or other bodies (such as the European Commission, Eurostat or national statistical offices).

That said, having clear and well-structured Excel sheets, online-questionnaires and criteria would definitely help minimise administrative work.

¹² As a trade association EURELECTRIC does not have any data in-house

Metric 11 Availability of online offers

Do you agree with the approach taken to measuring the metric in the current version of the draft Handbook?

Overall we do. However this metric should not necessarily be limited to online offers but also cover online tools such as apps etc. and the questions could be redrafted for clarity.

The way the questions are currently drafted suggests that the capacity of consulting and signing offers online depends on the customers, whereas CEER is willing to monitor whether offers are made available online. The questions should therefore be amended for:

- Are offers comparable online?
- Can offers be signed up online?

Where the answer to the question is “no”, it could be useful to restrict the explanation that can be provided to allow a thinner analysis of responses and further quantitative comparison between MS. For instance, “some offers may not be signed up on line because”

- It requires a specific meter type and an in-house intervention
- A credit check is required
- Etc.

Similarly, the second question could be completed by: “how online contracts are subscribed” and a multiple choice response like:

- Through PCT
- Through the supplier’s website
- Other, please specify

This would indeed allow a quantitative analysis

How would you measure the metric?

See our answer to the previous question.

What would be the best source for the metric (multiple choice)?

<i>Consumer survey</i>	
<i>Regulated companies</i>	
<i>Competitive retailers</i>	X
<i>Others (verified PCTs, consumer associations, etc.)</i>	X

Is this data available or could it be made available within your organisation?

Should CEER choose to identify specific data which are not yet collected at national level and may be useful for thorough market monitoring, EURELECTRIC would be pleased to raise the issue internally and discuss with its members the best options to collect such data going forward¹³.

¹³ As a trade association EURELECTRIC does not have any data in-house

At the same time, it is important to keep in mind that any additional reporting requirements on energy companies – suppliers and DSOs alike - will have a cost. While regulated companies may be allowed to recover such costs through the network tariff, energy suppliers may be less inclined to accept additional requirements as they could end up further eroding their operational margins.

How can NRAs ask you for data in a way that would minimise administrative work?

Where possible, NRAs should use their existing information as well as information collected by ACER or other bodies (such as the European Commission, Eurostat or national statistical offices).

That said, having clear and well-structured Excel sheets, online-questionnaires and criteria would definitely help minimise administrative work.

Metric 12 Availability of contracts guaranteeing the origin of energy

Do you agree with the approach taken to measuring the metric in the current version of the draft Handbook?

Overall we do. However we are not sure that this metric needs to be as detailed as suggested (i.e. with each energy source separately). In our view a general question such as “Are there contracts with specific source guaranteed for each relevant market (e.g. contracts guaranteeing the source to be from wind, water or solar)?” would be enough.

How would you measure the metric?

As suggested by CEER, yes/no to questions such as “Are there contracts with specific source of energy guaranteed for each relevant market”

What would be the best source for the metric (multiple choice)?

<i>Consumer survey</i>	
<i>Regulated companies</i>	
<i>Competitive retailers</i>	X
<i>Others (verified PCTs, consumer associations, etc.)</i>	X

Is this data available or could it be made available within your organisation?

NRAs should have access to such information as part of their basic market monitoring. As pointed out by CEER, NRAs may also collect this data as part of the implementation of the renewable directive and disclosure of the source of electricity sold to end-users by suppliers (3rd directive).

Should CEER choose to identify specific data which are not yet collected at national level and may be useful for thorough market monitoring, EURELECTRIC would be pleased to raise the issue internally and discuss with its members the best options to collect such data going forward¹⁴.

¹⁴ As a trade association EURELECTRIC does not have any data in-house

At the same time, it is important to keep in mind that any additional reporting requirements on energy companies – suppliers and DSOs alike - will have a cost. While regulated companies may be allowed to recover such costs through the network tariff, energy suppliers may be less inclined to accept additional requirements as they could end up further eroding their operational margins.

How can NRAs ask you for data in a way that would minimise administrative work?

NRAs have a great deal of data already submitted to them in many jurisdictions (e.g. as part of their basic market monitoring), even though the level of detailed breakdown may vary from country to country. Where possible they should use their existing information as well as information collected by ACER or other bodies (such as the European Commission, Eurostat, AIB or national statistical offices).

Metric 13 Availability of explicit demand response offers

Do you agree with the approach taken to measuring the metric in the current version of the draft Handbook?

We are not sure to understand why CEER wants to have a specific metric on explicit demand response (DR) offers. Explicit DR is just one type of value added services that suppliers and other market players can offer to consumers and could be thus covered within metric 10.

In explicit demand response schemes (sometimes also called incentive-based or volume-based) the result of demand response actions is sold upfront on electricity markets, sometimes directly for large industrial consumers or through demand response service providers. Consumers receive a specific reward to change their consumption upon request, triggered by high electricity prices, flexibility needs of balance responsible parties or a constraint on the network.

We want to stress that any actor selling explicit demand response services on the different markets must be balance responsible: their input should be equal to their output. Regulatory loopholes need to be closed to avoid that BRPs/suppliers are unduly impacted by third party demand response actions, thus ensuring that costs and benefits of third party demand response aggregation are allocated properly. A financial adjustment mechanism between third party aggregators and BRPs/suppliers is required to ensure that all the electricity sourced on the market and consumed by end-customers is paid to the actor who sourced it; and at the same time avoiding unfair costs for the BRP linked to the fulfilment of its balancing requirements. Only in this way, these services can become attractive to consumers by offering real savings (rather than just cost shifting).

When referring to explicit demand response actions, we think “shifted electricity” is a more appropriate definition than “freed up electricity”.

Such a metric would also need to be linked to the availability of smart meters.

How would you measure the metric?

Same as metric 10.

What would be the best source for the metric (multiple choice)?

<i>Consumer survey</i>	
<i>Regulated companies</i>	
<i>Competitive retailers</i>	X
<i>Others (verified PCTs, consumer associations, etc.)</i>	X

As this is an area of the market that is developing that NRAs may not have started monitoring yet, data may not be complete and so a survey to retailers and energy service companies could be a good start.

Is this data available or could it be made available within your organisation?

Should CEER choose to identify specific data which are not yet collected at national level and may be useful for thorough market monitoring, EURELECTRIC would be pleased to raise the issue internally and discuss with its members the best options to collect such data going forward¹⁵.

At the same time, it is important to keep in mind that any additional reporting requirements on energy companies – suppliers and DSOs alike - will have a cost. While regulated companies may be allowed to recover such costs through the network tariff, energy suppliers may be less inclined to accept additional requirements as they could end up further eroding their operational margins.

How can NRAs ask you for data in a way that would minimise administrative work?

Having clear and well-structured Excel sheets, online-questionnaires and criteria would definitely help minimise administrative work.

Metric 14 Percentage of consumers knowing they can switch supplier

Do you agree with the approach taken to measuring the metric in the current version of the draft Handbook?

Yes we do. As explained in the consultation document, this metric should try and assess how far consumers know they can choose another supplier, another contract with their current supplier, or deliberately stay with their current contract/supplier.

How would you measure the metric?

We agree with CEER that this indicator could be the result of a survey based on a representative sample of the consumer population in terms of gender, age, location, socio-economic category, etc. However we are not sure that asking consumers to e.g. quote the name of 3 suppliers is the right question. NRAs should focus on assessing whether consumers are aware that they can switch contract and/or supplier. Any other question seems irrelevant or not appropriate.

¹⁵ As a trade association EURELECTRIC does not have any data in-house

What would be the best source for the metric (multiple choice)?

<i>Consumer survey</i>	X
<i>Regulated companies</i>	
<i>Competitive retailers</i>	
<i>Others (verified PCTs, consumer associations, etc.)</i>	X

As pointed out by CEER, NRAs should be able to rely on existing national consumer surveys. They should have access to such information normally through monitoring or through the national statistical responsible body.

Is this data available or could it be made available within your organisation?

NRAs may rely on existing national consumer surveys. They should have access to such information normally through monitoring or through the national statistical responsible body.

How can NRAs ask you for data in a way that would minimise administrative work?

NRAs should be able to rely on existing national consumer surveys. They should have access to such information normally through monitoring or through the national statistical responsible body.

Metric 15 Percentage of consumers who know that DSOs are responsible for the continuity of supply and, where applicable, of metering

Do you agree with the approach taken to measuring the metric in the current version of the draft Handbook?

Yes we do.

How would you measure the metric?

We agree with CEER that this indicator could be the result of a survey based on a representative sample of the consumer population in terms of gender, age, location, socio-economic category, etc. + yes/no to a series of questions (If you switch to another supplier, you must change your meter? If you switch to another supplier, you may experience more power cuts? Etc.).

What would be the best source for the metric (multiple choice)?

<i>Consumer survey</i>	X
<i>Regulated companies</i>	
<i>Competitive retailers</i>	
<i>Others (verified PCTs, consumer associations, etc.)</i>	

As pointed out by CEER, NRAs should be able to rely on existing national consumer surveys.

Is this data available or could it be made available within your organisation?

As pointed out by CEER, NRAs should be able to rely on existing national consumer surveys.

How can NRAs ask you for data in a way that would minimise administrative work?

As pointed out by CEER, NRAs should be able to rely on existing national consumer surveys.

Metric 16 Percentage of consumers trusting the energy market

Do you agree with the approach taken to measuring the metric in the current version of the draft Handbook?

We think that the level of consumer trust in the market will be difficult to measure and could lead to misleading conclusions. For instance, CEER is asking whether consumers trust their NRA but the fact is that many consumers are not even aware what a National Regulatory Authority for energy is and what it does. Similarly CEER is asking whether consumers think that opening electricity and gas markets to competition has led to price increase/decrease, but as competition is not the only driver behind price changes, such question could lead to misleading results.

In our view, consumer trust in their supplier and their satisfaction with the services it provides would be more meaningful to consumers and easier to measure. This would also have the advantage of capturing the specific experience of consumers and allowing direct comparison of different suppliers' performance.

In that respect, when assessing the level of trust, the survey could ask whether the consumer completely trusts/ tends to trust/tends not to trust/distrusts their current energy supplier

- to treat them fairly
- to provide clear and helpful information
- to charge a fair price
- to treat fairly and on a timely manner their complaint
- etc.

Specific questions could also be asked for the other market actors (DSO, the regulator, the ombudsman, etc.).

This would provide further data to draw analyses across Member States and help identify areas where improvement may be needed.

Finally it could be helpful to benchmark the performance of the energy sector vis-à-vis other consumer markets (e.g. telecommunications, banking, etc.) across a variety of metrics rather than mere customer satisfaction, as per the European Commission Consumer Scoreboard.

How would you measure the metric?

This could be measured through e.g. a consumer survey similar to the EC Consumer scoreboard.

What would be the best source for the metric (multiple choice)?

<i>Consumer survey</i>	X
<i>Regulated companies</i>	
<i>Competitive retailers</i>	
<i>Others (verified PCTs, consumer associations, etc.)</i>	

Is this data available or could it be made available within your organisation?

This could be measured through e.g. a consumer survey similar to the EC Consumer scoreboard.

How can NRAs ask you for data in a way that would minimise administrative work?

This could be measured through e.g. a consumer survey similar to the EC Consumer scoreboard.

Metric 17 Percentage of consumers having access to at least one independent and verified price comparison tool

Do you agree with the approach taken to measuring the metric in the current version of the draft Handbook?

Price comparison tools (PCT) exist in most markets, sometimes run privately, sometimes by a public authority like the NRA. Irrespective of the ownership of the PCT, it is crucial to ensure that they do not mislead consumers - by e.g. hiding information - and are always run in an independent, transparent and trustworthy manner. PCTs should in particular disclose their relation with energy suppliers and the potential fees they receive in case of a switch. PCTs should not limit innovation nor favour any specific supplier, either directly (if e.g. they collect different fees from different suppliers) or indirectly (if e.g. their IT systems are not able to process all offers). PCTs should not just cover prices but also quality of service and the main features of a product; otherwise they could mislead consumers.

There could indeed be merit in certifying PCTs with e.g. a trust mark from the regulator. Such trust mark could be based on a code of conduct on key requirements for PCTs to be elaborated by regulators in consultation with interested stakeholders. Verification could be the task of the NRA, a statutory consumer body, the relevant Ministry or an external auditor (e.g. KPMG, Deloitte, etc.). A key principle is that such verification should be carried out by a body that is structurally and financially independent from the PCTs.

How would you measure the metric?

We agree that this indicator should be the result of a research made by the NRA. The percentage of consumers should indeed be calculated on the basis of the number of consumers that have access to an independent and verified comparison tool, relative to the total amount of consumers.

What would be the best source for the metric (multiple choice)?

<i>Consumer survey</i>	
<i>Regulated companies</i>	
<i>Competitive retailers</i>	
<i>Others (verified PCTs, consumer associations, etc.)</i>	X

As pointed out by CEER, this indicator should be the result of a research made by the NRA.

Is this data available or could it be made available within your organisation?

This indicator should be the result of a research made by the NRA.

How can NRAs ask you for data in a way that would minimise administrative work?

Where possible, NRAs should use their existing information as well as information collected by ACER or other bodies (such as the European Commission, Eurostat or national statistical offices).

Metric 18 Percentage of consumers having access to online historical consumption information

Do you agree with the approach taken to measuring the metric in the current version of the draft Handbook?

Yes we do.

How would you measure the metric?

We agree that data should ideally go back 3 years if such data is available to the concerned supplier or DSO. If the consumer is in the supplier portfolio for less than 3 years, the data available should cover the whole period starting from the entry of the consumer in the portfolio. We also agree that the percentage should be broken down into 4 categories depending on the level of detail provided, namely annual data, monthly data, daily data and other (peak/off-peak, hourly,...).

What would be the best source for the metric (multiple choice)?

<i>Consumer survey</i>	
<i>Regulated companies</i>	X
<i>Competitive retailers</i>	X
<i>Others (verified PCTs, consumer associations, etc.)</i>	X

As pointed out by CEER, research could be conducted by the NRA and information requests could potentially be sent to retailers and/or regulated companies.

Is this data available or could it be made available within your organisation?

Should CEER choose to identify specific data which are not yet collected at national level and may be useful for thorough market monitoring, EURELECTRIC would be pleased to raise the issue internally and discuss with its members the best options to collect such data going forward¹⁶.

At the same time, it is important to keep in mind that any additional reporting requirements on energy companies – suppliers and DSOs alike - will have a cost. While regulated companies may be allowed to recover such costs through the network tariff, energy suppliers may be less inclined to accept additional requirements as they could end up further eroding their operational margins.

How can NRAs ask you for data in a way that would minimise administrative work?

Where possible, NRAs should use their existing information as well as information collected by ACER or other bodies (such as the European Commission, Eurostat or national statistical offices).

That said, having clear and well-structured Excel sheets, online-questionnaires and criteria would definitely help minimise administrative work.

Metric 19 Percentage of consumers having access to standardized supplier switching process (and its duration)

Do you agree with the approach taken to measuring the metric in the current version of the draft Handbook?

Yes we do as long as the indicator is measured on each relevant market.

How would you measure the metric?

In order to quantify this metric, we agree that the NRA should first verify the implementation of the switching process by the DSOs. It should indeed calculate the average time between the date of the switching request made by the supplier and the date when the actual transfer of the client is completed. In countries where smart meters are not (yet) rolled-out, NRAs should also take into account the average time before validated data are transferred to the supplier.

What would be the best source for the metric (multiple choice)?

<i>Consumer survey</i>	
<i>Regulated companies</i>	X
<i>Competitive retailers</i>	X
<i>Others (verified PCTs, consumer associations, etc.)</i>	

We agree with CEER that data could come from research conducted by the NRA and potentially information requests to retailers and/or regulated companies

¹⁶ As a trade association EURELECTRIC does not have any data in-house

Is this data available or could it be made available within your organisation?

NRAs should have access to such information as part of their basic market monitoring. As pointed out by CEER, NRAs may also collect this data as part of the implementation of the renewable directive and disclosure of the source of electricity sold to end-users by suppliers (3rd directive).

Should CEER choose to identify specific data which are not yet collected at national level and may be useful for thorough market monitoring, EURELECTRIC would be pleased to raise the issue internally and discuss with its members the best options to collect such data going forward¹⁷.

At the same time, it is important to keep in mind that any additional reporting requirements on energy companies – suppliers and DSOs alike - will have a cost. While regulated companies may be allowed to recover such costs through the network tariff, energy suppliers may be less inclined to accept additional requirements as they could end up further eroding their operational margins.

How can NRAs ask you for data in a way that would minimise administrative work?

NRAs have a great deal of data already submitted to them in many jurisdictions (e.g. as part of their basic market monitoring), even though the level of detailed breakdown may vary from country to country. Where possible they should use their existing information as well as information collected by ACER or other bodies (such as the European Commission, Eurostat or national statistical offices).

Metric 20 Supplier switching rate

Do you agree with the approach taken to measuring the metric in the current version of the draft Handbook?

Yes we do. We are pleased to see that CEER took on-board our suggestion to take into account renegotiation of contracts.

How would you measure the metric?

The definition of switching could indeed follow the methodology established for data collection in the CEER database, feeding into ACER/CEER MMR.

As for the number of renegotiated contracts with the existing suppliers, we agree it should ideally exclude automatic roll-overs. It should correspond to the percentage of number of renegotiations relative to the total number of supplier meter points /customer account.

What would be the best source for the metric (multiple choice)?

<i>Consumer survey</i>	
<i>Regulated companies</i>	X
<i>Competitive retailers</i>	X
<i>Others (verified PCTs, consumer associations, etc.)</i>	X

¹⁷ As a trade association EURELECTRIC does not have any data in-house

We agree with CEER that data could come from information requests to DSOs/national point of information exchange (data hub) and retailers.

Is this data available or could it be made available within your organisation?

NRAs should have access to such information as part of their basic market monitoring. As pointed out by CEER, NRAs may also collect this data as part of the implementation of the renewable directive and disclosure of the source of electricity sold to end-users by suppliers (3rd directive).

Should CEER choose to identify specific data which are not yet collected at national level and may be useful for thorough market monitoring, EURELECTRIC would be pleased to raise the issue internally and discuss with its members the best options to collect such data going forward¹⁸.

At the same time, it is important to keep in mind that any additional reporting requirements on energy companies – suppliers and DSOs alike - will have a cost. While regulated companies may be allowed to recover such costs through the network tariff, energy suppliers may be less inclined to accept additional requirements as they could end up further eroding their operational margins.

How can NRAs ask you for data in a way that would minimise administrative work?

NRAs have a great deal of data already submitted to them in many jurisdictions (e.g. as part of their basic market monitoring), even though the level of detailed breakdown may vary from country to country. Where possible they should use their existing information as well as information collected by ACER or other bodies (such as the European Commission, Eurostat or national statistical offices).

We will never stress too much that high or low switching rates do not mean much if not combined with a metric on consumer satisfaction or trust in suppliers.

Metric 21 Percentage of inactive consumers

Do you agree with the approach taken to measuring the metric in the current version of the draft Handbook?

We agree with measuring the percentage of inactive consumers, but disagree with the proposed approach.

Measuring the lack of engagement in the market is important; however, it is crucial to consider whether such consumers are supplied under a regulated tariff or whether they fall in the category of vulnerable consumers supplied under a social tariff as those may not have an incentive/be able to switch.

Measuring the number of consumers who have never switched supplier seems less relevant. Even if the data is obtained through a customer survey, clear guidance would be required to ensure consistency across Member States and to allow for thorough analysis. When looking at the number of consumers who have never switched, it is important to specify whether this refers to

¹⁸ As a trade association EURELECTRIC does not have any data in-house

the number of consumers who have never switched supplier or whether they have always been on the same product:

- If this refers to consumers who have never switched supplier, the number of consumers who have not switched supplier but have renegotiated a contract with their supplier should not be taken into account and this would not provide the full picture of the situation. In addition how should be considered consumers who have moved home but who have decided to stay on their incumbent supplier' standard contract as they were satisfied? Should they be considered as inactive consumers although they made an active choice to stay with their incumbent supplier?
- If we consider a consumers who has "always been on the same product", it is also required to define what "being on the same product" means. Incumbent default offers' terms and conditions may in fact have changed overtime (e.g.: deemed tariffs in the UK, default to last resort and PVPC tariffs in Spain, current reform of the maggior Tutela in Italy...), therefore strictly speaking, some consumers may consider they have changed product when responding to the survey when others will consider they have always been on the same product leading to inconsistency of results. Requesting such information from suppliers could be extremely burdensome and may not be successful: it is likely that suppliers can only identify group of consumers being on a product from a certain date, but it is unlikely that they can identify on which product consumers were previously without looking individually in each consumer's account. As default products may have evolved, extracting this data from suppliers' databases seems extremely difficult and onerous.

Similarly it will be necessary to define what "actively searching" for better deals means to get comparable results across MS.

Finally, considering that the Electricity Directive only refers to "Supplier of Last Resort" (without giving a clear definition, though), we would urge CEER to make reference only to "SoLR" and not to "default supplier".

How would you measure the metric?

We agree with CEER to measure the number of consumers who have not switched supplier for the last 3 years and are with the incumbent/supplier of last resort on a standard contract. However measuring the number of consumers who have not actively searched for better deals within the last 3 years (based on survey data) is likely to trigger a lot of administrative work. Finally we don't agree to measure the number of consumers who have never switched (based on survey data) for the reasons mentioned above.

What would be the best source for the metric (multiple choice)?

<i>Consumer survey</i>	X
<i>Regulated companies</i>	X
<i>Competitive retailers</i>	X
<i>Others (verified PCTs, consumer associations, etc.)</i>	

Is this data available or could it be made available within your organisation?

Should CEER choose to identify specific data which are not yet collected at national level and may be useful for thorough market monitoring, EURELECTRIC would be pleased to raise the issue internally and discuss with its members the best options to collect such data going forward¹⁹.

At the same time, it is important to keep in mind that any additional reporting requirements on energy companies – suppliers and DSOs alike - will have a cost. While regulated companies may be allowed to recover such costs through the network tariff, energy suppliers may be less inclined to accept additional requirements as they could end up further eroding their operational margins.

How can NRAs ask you for data in a way that would minimise administrative work?

Where possible, NRAs should use their existing information as well as information collected by ACER or other bodies (such as the European Commission, Eurostat or national statistical offices).

That said, having clear and well-structured Excel sheets, online-questionnaires and criteria would definitely help minimise administrative work.

Metric 22 Percentage of prosumers

Do you agree with the approach taken to measuring the metric in the current version of the draft Handbook?

The scope of this metric may need to be further clarified. Unlike what CEER seems to suggest, prosumers should not be considered as the only consumers “participating actively in the energy transition in Europe”. Consumers owning production shares/entitlements are also active as are those who e.g. opt for a green tariff through guarantees of origin (GOs).

How would you measure the metric?

A clear definition of prosumer is needed and we would propose the following: Prosumers should be understood as consumers who not only consume electricity from the grid, but also produce electricity through a physical link to a generation plant located behind-the-meter at their premises. Most commonly, prosumer self-consume part of the electricity they generate. Small generation plants connected at distribution level for which there is not on-site consumption should not be classified as prosumers.

Evidence of installed self-generation equipment at household consumers’ level exists only in some countries. It could be interesting to see the percentage of prosumers who benefit from subsidies through discounts in the network tariffs as well as dedicated self-consumption schemes. However, considering only these numbers (without evidence about equipment) may not lead to accurate conclusions.

¹⁹ As a trade association EURELECTRIC does not have any data in-house

What would be the best source for the metric (multiple choice)?

<i>Consumer survey</i>	
<i>Regulated companies</i>	X
<i>Competitive retailers</i>	
<i>Others (verified PCTs, consumer associations, etc.)</i>	

We agree with CEER that the most likely source for this data will be DSOs/TSOs.

Is this data available or could it be made available within your organisation?

Should CEER choose to identify specific data which are not yet collected at national level and may be useful for thorough market monitoring, EURELECTRIC would be pleased to raise the issue internally and discuss with its members the best options to collect such data going forward²⁰.

At the same time, it is important to keep in mind that any additional reporting requirements on energy companies – suppliers and DSOs alike - will have a cost. While regulated companies may be allowed to recover such costs through the network tariff, energy suppliers may be less inclined to accept additional requirements as they could end up further eroding their operational margins.

How can NRAs ask you for data in a way that would minimise administrative work?

Where possible, NRAs should use their existing information as well as information collected by ACER or other bodies (such as the European Commission, Eurostat or national statistical offices).

That said, having clear and well-structured Excel sheets, online-questionnaires and criteria would definitely help minimise administrative work.

Metric 23 Time between notification to pay and disconnection for non-payment

Do you agree with the approach taken to measuring the metric in the current version of the draft Handbook?

We think CEER should be extremely cautious when collecting and interpreting data from different countries about disconnection rates. Indeed there are a number of rules at national level which may have an impact on disconnection rates. For instance, in France consumers cannot be disconnected in winter time, whilst in the UK, the six largest domestic energy suppliers have signed up to the Safety Net for Vulnerable Consumers which includes a commitment to never knowingly disconnect vulnerable consumers²¹. In a few countries (e.g. Austria, Belgium, Hungary, Ireland, Poland and the UK), some consumers are equipped with prepayment meters and do sometime disconnect themselves without DSOs/suppliers being aware of it...

In addition, we think that the metric should focus only on disconnection at occupied premises, i.e. not include vacant premises or secondary houses, to be meaningful. Thoughts should also be

²⁰ As a trade association EURELECTRIC does not have any data in-house

²¹ Where a customer has been disconnected and then is identified as vulnerable, the supplier will reconnect their customer as a priority. Compliance with the Safety Net is independently audited.

given as to what should be done when a consumer is in debt and does not respond to communication from his supplier/DSO for a long period of time.

Finally we would like to recall that credit losses are a cost to the industry that will necessarily result in price increase for all consumers and may also represent a market entry barrier. Disconnection therefore is an important tool for companies to manage credit risk. This is not to say that suppliers should not assist consumers who are struggling with managing their electricity usage and bills through e.g. energy advice, payment arrangements, and/or appropriate debt management processes. However support granted to people suffering from poverty should primarily come from social authorities. The basic rule in any business is that companies must deliver the services they've been contracted for and consumers have to pay for the services. This principle must be respected even if a safety net may be needed for vulnerable consumers. Besides, there are cases of non-payment which are not linked to any vulnerability or poverty issue.

How would you measure the metric?

We agree with CEER's suggestion (in the consultation document) to take into account the number of days (rather than working days) between the notice of disconnection after missing payments and the actual disconnection. Making a distinction between the legal requirement (number of days fixed by law) and the actual practice (average number of days observed in practice) would be interesting indeed, but risks being difficult and burdensome.

What would be the best source for the metric (multiple choice)?

<i>Consumer survey</i>	
<i>Regulated companies</i>	X
<i>Competitive retailers</i>	X
<i>Others (verified PCTs, consumer associations, etc.)</i>	

Is this data available or could it be made available within your organisation?

According to the Third Electricity Directive Package (Art. 37 (j)), NRAs have to collect data on disconnection. How this is done in practice has to be decided at national level.

Earlier this year EURELECTRIC published a benchmarking report on "Mitigating credit risk in the interest of electricity consumers"²² with details about existing procedures for disconnection and measures in place to reduce credit risk in 19 EU countries.

Should CEER choose to identify specific data which are not yet collected at national level and may be useful for thorough market monitoring, EURELECTRIC would be pleased to raise the issue internally and discuss with its members the best options to collect such data going forward²³.

At the same time, it is important to keep in mind that any additional reporting requirements on energy companies – suppliers and DSOs alike - will have a cost. While regulated companies may

²² http://www.eurelectric.org/media/251141/mitigating_credit_risk_in_the_interest_of_electricity_consumers_-_final-2016-2500-0001-01-e.pdf

²³ As a trade association EURELECTRIC does not have any data in-house

be allowed to recover such costs through the network tariff, energy suppliers may be less inclined to accept additional requirements as they could end up further eroding their operational margins.

How can NRAs ask you for data in a way that would minimise administrative work?

Where possible, NRAs should use their existing information as well as information collected by ACER or other bodies (such as the European Commission, Eurostat or national statistical offices).

That said, having clear and well-structured Excel sheets, online-questionnaires and criteria would definitely help minimise administrative work.

Metric 24 Percentage of disconnections due to non-payment

Do you agree with the approach taken to measuring the metric in the current version of the draft Handbook?

See previous question.

How would you measure the metric?

See previous question.

What would be the best source for the metric (multiple choice)?

<i>Consumer survey</i>	
<i>Regulated companies</i>	X
<i>Competitive retailers</i>	X
<i>Others (verified PCTs, consumer associations, etc.)</i>	

Is this data available or could it be made available within your organisation?

See previous question.

How can NRAs ask you for data in a way that would minimise administrative work?

See previous question.

Metric 25 Percentage of suppliers using minimum standards for key information in advertising and bills

Do you agree with the approach taken to measuring the metric in the current version of the draft Handbook?

We are not sure to understand the objective of this metric. There is a lot of regulation at EU level covering advertising and billing both horizontal (e.g. Consumers Rights directive, Unfair Commercial Practices directive, Unfair Contract Terms directive, Alternative Dispute Resolution directive, etc.) and sectorial (3rd Electricity directive, Energy efficiency directive). EU regulation is often complemented by stricter national provisions. Besides many suppliers have committed to

further support the comparability of energy offers and help consumers navigate the market more easily by signing up to voluntary agreements either at national level (e.g. codes of conduct) or at EU level (e.g. joint statement between EURELECTRIC, Eurogas and BEUC on Improved comparability of energy offers²⁴). All in all, if the objective of this metric is to reveal the importance of existing regulation on advertising and billing, then we are happy to have it included in CEER handbook. The outlined approach would just need to be made country specific since suppliers have to comply with national standards on advertising and consumer protection.

That said, CEER seems to be taking a purely quantitative approach to measuring such standards: *“List of minimum standards for key information in advertising and bills either in legislation and/or self-regulation. For each of the listed minimum standards, the proportion of active suppliers using it out of the total number of active suppliers.”* We believe this is dangerous. Effective regulation should be determined by the quality – not the quantity – of rules or standards. We would like to stress that in our view, marketing strategies and the design of energy bills are commercial areas that should be framed - not dictated - by regulation as competition and innovation will produce better results.

How would you measure the metric?

Again, we think it is crucial to not just come up with a list of standards and assess whether suppliers follow them or not, but to evaluate the effectiveness of such standards.

What would be the best source for the metric (multiple choice)?

<i>Consumer survey</i>	
<i>Regulated companies</i>	
<i>Competitive retailers</i>	
<i>Others (verified PCTs, consumer associations, etc.)</i>	X

As pointed out by CEER the most likely sources will include legislation/license conditions and research conducted by NRAs on how suppliers comply with the standards

Is this data available or could it be made available within your organisation?

Should CEER choose to identify specific data which are not yet collected at national level and may be useful for thorough market monitoring, EURELECTRIC would be pleased to raise the issue internally and discuss with its members the best options to collect such data going forward²⁵.

At the same time, it is important to keep in mind that any additional reporting requirements on energy companies – suppliers and DSOs alike - will have a cost. While regulated companies may be allowed to recover such costs through the network tariff, energy suppliers may be less inclined to accept additional requirements as they could end up further eroding their operational margins.

²⁴ http://www.eurelectric.org/media/263669/joint_statement_-_improved_comparability_of_energy_offers_-2016-030-0116-01-e.pdf

²⁵ As a trade association EURELECTRIC does not have any data in-house

How can NRAs ask you for data in a way that would minimise administrative work?

Where possible, NRAs should use their existing information as well as information collected by ACER or other bodies (such as the European Commission, Eurostat or national statistical offices).

That said, having clear and well-structured Excel sheets, online-questionnaires and criteria would definitely help minimise administrative work.

EURELECTRIC pursues in all its activities the application of the following sustainable development values:

Economic Development

▶ Growth, added-value, efficiency

Environmental Leadership

▶ Commitment, innovation, pro-activeness

Social Responsibility

▶ Transparency, ethics, accountability



Union of the Electricity Industry - EURELECTRIC aisbl
Boulevard de l'Impératrice, 66 - bte 2
B - 1000 Brussels • Belgium
Tel: + 32 2 515 10 00 • Fax: + 32 2 515 10 10
VAT: BE 0462 679 112 • www.eurelectric.org
EU Transparency Register number: [4271427696-87](https://ec.europa.eu/transparency/regexpert/?s=details&id=4271427696-87)