

CEER Citizens' Q&A

CEER Roadmap to 2025 Well-Functioning Retail Energy Markets

2019 Self-Assessment Status Report

12 November 2020

1 What is the CEER Roadmap to 2025 Well-Functioning Retail Energy Markets 2019 Self-Assessment Status Report?

In 2015, the Council of European Energy Regulators (CEER) developed a strategic high-level [Position Paper](#) outlining the framework of the key characteristics of well-functioning retail energy markets. In 2016-2017, European energy regulators continued the development of a forward-looking framework for evaluating the performance of retail energy markets and prepared the 2018 [Roadmap to Well-Functioning Retail Energy Markets in 2025](#).

In 2018, CEER guided National Regulatory Authorities for energy (NRAs) through the process of self-assessment using the 25 metrics identified in the 2015 Position Paper on Well-Functioning Retail Energy Markets which are also defined in the [2017 Handbook](#). CEER continues to monitor progress made in self-assessments as well as towards the targets established in NRAs' respective countries.

The document corresponding to this Citizens' Q&A presents the 2019 Self-Assessment Status Report of the Roadmap to 2025 Well-Functioning Retail Energy Markets. The Roadmap has an ambitious goal of creating "competitive, reliable and innovative retail energy markets that benefit consumers by 2025". Many steps will need to be taken to achieve such a goal. The Status Report also has a special focus on gap-analysis for individual metrics provided by NRAs across Europe. Gap analysis means that for each available metric in the Handbook, NRAs set a national objective and analyse the gap between the current situation described by the collected data and the national objective. On a voluntary basis, NRAs are able to present results of self-assessment and gap-analysis.

The results and the majority of the pilots (examples of NRA usage of the metrics) presented in the report concern the household electricity market.

CEER believes it is important to show progress and highlight advances on a regular basis – this is the purpose of this Status Report.

2 What does the Report propose for NRAs to do in order to achieve well-functioning energy retail markets in 2025?

This Status Report identifies the varying completion levels and paces of the self-assessment by the NRAs.

CEER believes that it is in the best interest of all NRAs to follow the development of their national retail markets and, where possible, evaluate if and how it is feasible to improve the results of individual metrics.

This could be started by having a discussion with national policy makers about the goals of well-functioning energy retail markets. If the responsibility for energy retail markets is split between different public bodies, it is important for the public bodies to cooperate given a well-functioning retail market is in the interest of all parties.

The self-assessment of metrics can help NRAs with their remit of monitoring and market analysis and thus increase knowledge regarding their national markets. For instance, they can assess the metrics from different perspectives, for example by covering other consumer categories or products.

3 How does it work?

The main objective of this status report is to keep track of the progress Member States are making towards well-functioning retail energy markets by 2025. Based on the result of the gap analysis, the NRA in a later stage formulates recommendations and monitors implementation of those recommendations: When an NRA identifies a gap between the national data for a metric and the national objective for that metric, the NRA formulates recommendations on how to reach the national objective.

Energy regulators are using the 2017 Handbook to monitor this progress.

CEER will report on successive NRAs' self-assessments that are planned to take place annually until 2025. This status-report is the second of its kind and will serve as the basis for future status-reports.

4 What is the impact on energy customers?

NRAs are best placed to evaluate the status of their national retail energy markets and NRAs and/or other government bodies can take corrective measures to ensure that their markets truly benefit consumers. That is the main purpose of this process: to deliver better markets for consumers. The Roadmap process described above and in more depth in the Status report is designed to deliver better retail markets by 2025. Consumers should be aware of their rights and be empowered and engaged to take full advantage of the possibilities retail markets offer them. This is directly linked to the 4 principles of the [CEER-BEUC 2020 Vision for Europe's energy customers](#), which inform CEER's vision of what a better energy market for consumers means:

- **Reliability:**
in the physical supply of energy, and in commercial systems and processes that provide continuous access and affect customer service levels, such as billing. It also means reliability in the processes that allow problems and disputes to be resolved transparently, fairly and quickly.
- **Affordability:**
such that charges are clear and kept to fair and reasonable levels for all customers, reflecting value for money at a level consistent with funding necessary investments to develop energy networks and to achieve energy policy targets (for example renewables), taking into account the real needs of customers. This can be secured through network regulation and other appropriate measures, if and when necessary, and by providing customers with effective choice over truly competitive offers and new, innovative services. Energy sector specific measures as well as wider social policies have an important role to play, especially for the poorest and more vulnerable.
- **Simplicity:**
in how information is provided to customers, and especially residential consumers, such that it is easy for them to understand their bill and better manage their energy consumption, making the choices that are right for them. It also means simplicity and transparency in how processes that affect customers operate. Many customers, and especially many residential consumers, want to be able to take quick and simple decisions in energy markets.
- **Protection and empowerment:**
to ensure access to energy supplies, and to guard against unfair commercial practices and unsatisfactory outcomes, recognising the diverse needs of customers, in particular the most vulnerable in society. For customers to be engaged, to take choices and to exercise their rights as energy customers, based on trust in and knowledge of how the energy sector operates. As responsibilities shift and consumers are increasingly expected to become more active in energy markets (through developments such as demand response, smart metering, micro-generation or energy efficiency measures), our Vision recognises their right to choose by whom and how their energy is to be provided and charged. Although this freedom could be framed by regulation, offering meaningful choice for customers, including residential consumers, is a key way to ensure their full protection.

On 21 October 2020, CEER and the European Consumer Organisation (BEUC) renewed their Vision for Energy Consumers with a horizon to 2030. The new [CEER-BEUC Vision 2030 for Energy Consumers](#) adds the critical element of inclusiveness to the above 5 principles and plants the framework within the context of working for a sustainable future.