



CEER Statement on Delivering a New Deal for Energy Consumers

The energy sector is embarking on a major period of change – in how we produce, consume and transport energy. Consumers are at the heart of these changes.

New initiatives (e.g. smart meters, demand-side response, self-generation, etc.) can only be successful if energy consumers are appropriately empowered, informed and protected, allowing them to engage with the energy market. They must have trust in the overall system and effective competition must be in place.

Through CEER, national regulatory authorities (NRAs) have taken a leading role in promoting consumer protection & empowerment and market design which responds to energy consumer interests. Consumers, retail markets and distribution networks are intrinsically inter-linked and they are among our top priorities. We are committed to considering the range of issues affecting energy consumers through a holistic approach (as announced in the “Bridge to 2025” proposals¹).

CEER’s newly released Conclusions Paper on the Role of Distribution System Operators (DSOs)² and our coming paper on well-functioning

retail markets complement well the European Commission’s view of key drivers of, and potential policies for, responsive and efficient energy markets. We welcome this EU-level focus on retail markets and consumers and take this opportunity to highlight our work as regulators in delivering the ideas put forward in the EU’s New Deal for Energy Consumers.

The core principles in the CEER-BEUC 2020 Vision for Europe’s energy customers¹ serve as the foundation for regulators’ views on retail energy markets and consumer rights.

Reliability. Affordability. Simplicity. Protection. Empowerment.

These (RASPE) principles must underpin energy markets which engage with and understand the diverse needs of customers, from residential consumers, including the most vulnerable and those with low incomes, through to businesses, and which deliver services that meet those needs.

¹ [Energy Regulation: A Bridge to 2025](#), Conclusions Paper, September 2014

² [The future role of the DSO - A CEER conclusions paper](#), July 2015



Removing barriers to well-functioning markets will help deliver the New Deal

CEER firmly believes that well-functioning retail markets are essential for consumers to benefit from competition. This is why we are developing a framework for assessing the level of performance of retail energy markets.

We are also developing recommendations to address barriers to retail market entry and to supplier switching. CEER fully supports the European Commission's call to phase out regulated prices. As indicated in the Retail Communication, examples of the successful phase-out of regulated prices in some Member States may present lessons for other Member States. We are pursuing this as part of our work on barriers. We are also preparing a review of price comparison tools (PCTs), and of how our 2012 Guidelines of Good Practice on PCTs have been applied, as well as further guidance on data management and reporting (a crucial issue for innovative markets as well as for consumer privacy and integrity). With the arrival of aggregators and other third parties in retail markets, new opportunities and challenges arise related to data access. Data protection and standardisation at national or European level are key to any well-functioning data management system.

Tying together these various strands of work (including our parallel reflections on the role of DSOs), we will develop a roadmap for securing competitive and innovative retail energy markets to the benefit of consumers by 2025.

The **Bridge to 2025** proposes a number of priorities for CEER in relation to consumers. Key among them:

- Establish common criteria for a well-functioning retail market
- Develop a roadmap aimed at a competitive, reliable and innovative retail market by 2025
- Determine minimum standards to remove market barriers
- Facilitate more active participation of smaller consumers in the markets
- Prepare a roadmap to secure reliable supplier switching within 24 hours no later than 2025
- Develop the CEER 2020 Vision into practical actions to enable market development across Member States whilst protecting and empowering consumers
- Establish key features of retail market design to provide a level playing field
- Develop guidance to facilitate the phasing out of regulated end-user prices
- Simplify the comparability of offers available in the market



DSOs have an important role in well-functioning energy markets – the do's and don'ts

CEER agrees with the Commission that distribution networks have a key role to play as neutral market facilitators. Our new Conclusions Paper on DSOs examines the changing role of DSOs in anticipation of current retail and wholesale market developments, setting out our approach to a range of issues concerning DSOs and data management.



For 2016, our key areas of work include enhancing cooperation between Transmission System Operators (TSOs) and DSOs, examining the relationship between distribution tariffs and time of use tariffs and exploring incentive issues. Unlocking the value of flexibility and enabling its participation in energy markets, on equal terms, also features among our priorities.

Working together to deliver the New Deal

We are committed to engaging with the EU institutions and stakeholders on concrete ways to deliver a New Deal for energy consumers. Forthcoming events include CEER's dedicated Customer Conference (20 October 2015) which will examine well-functioning retail markets and the New Deal, and joint events with ACER on the "Bridge to 2025 – One Year On" (24 September 2015, and on the ACER-CEER Market Monitoring Report (in Autumn).

CEER calls for swift actions to help deliver the New Deal, including:

- Member States should fully implement the 3rd Energy Legislative Package and phase out regulated prices;
- EU policymakers should deliver a fit-for-purpose market design linking wholesale and retail markets; and
- All energy actors should embed the RASPE (Reliability, Affordability, Simplicity, Protection and Empowerment) principles into everything they do.

CEER's body of work

Concrete examples of CEER's recent work further illustrate our valuable contributions to delivering the core pillars of the New Deal.

CEER's Work	What it does	How it helps deliver the New Deal
Pillar 1: Customer Empowerment		
Paper on Well-functioning Retail Energy Markets (September 2015)	Sets a framework for what well-functioning retail markets should like (i.e. competitive and innovative markets working in the interest of consumers) and how to measure them	Customer Empowerment – defining what well-functioning retail markets should like and how to measure them
Advice on customer information regarding the sources of electricity (March 2015)	Helps customers make decisions regarding the source of the energy based on information they can trust	Customer Empowerment – giving consumers choice through reliable information
Advice on how to involve and engage consumer organisations in the regulatory process (March 2015)	Strengthens the voice of consumer representation bodies in regulatory process, proposes a more organised relationship between NRAs and consumer bodies.	Customer Empowerment – involving the consumer voice in energy policy development, whilst benefiting from their insights into consumer experiences.
Advice on ensuring market and regulatory arrangements to help deliver demand-side flexibility (June 2014)	Sets principles for how flexibility should be governed, identifying potential benefits, barriers and further work needed to unlock the value of flexibility	Customer Empowerment – facilitating active customer participation in the market
Customer protection and empowerment chapter of the annual ACER-CEER Market Monitoring Report (November 2013 and October 2014)	Monitors the functioning of retail markets from the consumer perspective to identify any gaps and possible need for action.	Customer Empowerment – maintaining full protection for consumers

Pillar 2: Smart Homes and Networks		
The Future Role of DSOs – A CEER Conclusions Paper (July 2015)	Sets a forward-looking framework for regulating distribution system operators (relationship between TSOs and DSOs, network tariffs, innovation, etc.)	Smart Homes and Networks – incentivising DSOs and facilitating market functioning and clear roles and responsibilities between actors.
Advice on quality of distribution services (September 2014)	Recommends quality standards for key DSO services provided to consumers; i.e. connection, disconnection and maintenance	Smart Homes and Networks – setting forward-looking, ambitious, standards for essential processes
Status Review of regulatory aspects of smart metering (September 2013)	Reviews smart metering functionalities and assesses the roll-out of our Guidelines of Good Practice on regulatory aspects of smart metering	Smart Homes and Networks – ensuring smart meters are fit for purpose and deliver benefits to consumers
Pillar 3: Data Management and Security		
Advice on customer data management for better retail market functioning (March 2015)	Data management can also be a barrier to entry. CEER believes that efficient, safe and secure data exchange between stakeholders is vital to reducing entry and growth barriers and to ensuring retail market functioning. This is critical both for the privacy and integrity of customers and for effective competition.	Data Management and Security – providing clear rules for how data is handled by different actors can increase consumer trust



ABOUT CEER

The Council of European Energy Regulators (CEER) is the voice of Europe's national regulators of electricity and gas at EU and international level. CEER's members and observers (from 33 European countries) are the statutory bodies responsible for energy regulation at national level.

One of CEER's key objectives is to facilitate the creation of a single, competitive, efficient and sustainable EU internal energy market that works in the public interest. CEER actively promotes an investment-friendly and harmonised regulatory environment, and consistent application of existing EU legislation. Moreover, CEER champions consumer issues in our belief that a competitive and secure EU single energy market is not a goal in itself, but should deliver benefits for energy consumers.

CEER, based in Brussels, deals with a broad range of energy issues including retail markets and consumers; distribution networks; smart grids; flexibility; sustainability; and international cooperation. European energy regulators are committed to a holistic approach to energy regulation in Europe. Through CEER, NRAs cooperate and develop common position papers, advice and forward-thinking recommendations to improve the electricity and gas markets for the benefit of consumers and businesses.

More information at www.ceer.eu.