

CEER calls for a fit-for purpose market design to deliver the “New Deal” for Europe’s energy consumers

Energy Regulators (CEER¹) welcome the “New Deal” for energy consumers in the European Commission’s Retail Market Communication, agreeing with the Commission that a “New Deal” for consumers means putting consumers centre stage of a thriving and functioning energy system.

Developing a fit-for-purpose market design that puts consumers at its core

CEER believes that the New Deal also means developing a fit-for-purpose design for the market itself, which allows the regulatory framework and market rules to adapt.

Reiterating regulators’ proposals (in the “Bridge to 2025” paper²) to develop a regulatory framework that supports a future-proof market design³, **Lord Mogg**, President of CEER, noted:

“If Europe is serious about putting customers on the centre-stage of a thriving and functioning energy system, the European Commission’s planned proposals must deliver a fit-for-purpose market design that links wholesale and retail energy markets. CEER remains fully committed to working with the Commission on concrete actions to implement the New Deal.”

CEER believes that retail markets must be kept simple. In order to bridge the complexity of spot markets with the simplicity required by retail markets, CEER underlines the centrality of promoting its **RASPE principles**⁴ (**R**eliability, **A**ffordability, **S**implicity, **P**rotection and **E**mpowerment) in a consumer-centric model for energy markets.

CEER calls for swift actions to help deliver the New Deal

- Member States should fully implement the Third Energy Legislative Package and phase out regulated prices
- EU policymakers should deliver a fit-for-purpose market design linking wholesale and retail markets
- All energy actors should embed the RASPE (Reliability, Affordability, Simplicity, Protection and Empowerment) principles into everything they do
- Regulators will collaborate with consumer protection bodies, ombudsmen, data protection agencies and other enforcement authorities to ensure effective enforcement of energy consumer rights, so that they are adequately empowered and vulnerable customers are protected.

CEER committed to contributing to making retail markets work for consumers

With this Retail Market Communication⁵, the Commission proposes to work with regulators on:

- (1) clearer bills and minimum standards in bills and on advertising
- (2) comparability of offers, ensuring every consumer has access to a price comparison tool (PCT)⁶
- (3) regulatory approaches to incentivising Distribution System Operators (DSOs) to cost-effectively engage in innovation and act as neutral market facilitators

These 3 areas of action sit comfortably with CEER’s own priorities⁷, including supplier switching⁸, and we welcome the opportunity to engage with the European Commission on these critical issues. CEER’s new [Conclusions Paper on the Role of Distribution System Operators](#) (DSOs) and our imminent paper on well-functioning retail markets complement well the Commission’s analysis of key drivers for a New Deal for energy consumers.

For more, see our newly published [CEER Statement on Delivering a New Deal for Energy Consumers](#) for concrete examples of how CEER’s recent work contributes to delivering the New Deal, be it from work on flexibility through to our monitoring of retail markets.

Brussels, 15 July 2015

Ends (see Notes for Editors)

Notes for Editors:

1. The Council of European Energy Regulatory (CEER) is the voice of Europe's national energy regulators. Its members and observers are the independent statutory bodies responsible for energy regulation at national level. Visit www.ceer.eu.
2. 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
3. The CEER-ACER [Annual Report on the Results of Monitoring the Internal Electricity and Natural Gas Markets](#) (published 22 October 2014) identified a disconnect between decreasing wholesale energy prices, and retail gas and electricity prices which continued to rise in 2013. As part of the Energy Union strategy, the Commission is planning to launch new legislative measures to strengthen the internal market to link wholesale and retail energy markets.
4. CEER's initiative in 2012 to build (with stakeholders) a 2020 vision for Europe's energy customers is aimed at putting consumers at the heart of the Internal Energy Market (IEM). In 2016, CEER will continue to promote the principles in the 2020 Vision (which have widespread support throughout the energy sector) and will work on practical actions on how the future regulatory framework might evolve.
5. With its Retail Market ("Delivering a New Deal for Energy Consumers") Communication, the European Commission confirms its vision (as set out in the Energy Union Strategy) of an Energy Union with "citizens at its core". The Commission's Communication sets out steps to place consumers centre-stage and a 3-pillar strategy to deliver a "new deal for energy consumers": consumer empowerment; smart homes and networks; and data management and protection.
6. In cooperating with the European Commission in developing transparency and reliability criteria for price comparison tools (PCTs), CEER will build on its 2012 [Guidelines of Good Practice on PCTs](#), including evaluating their implementation.
7. Consumers & retail markets and distribution networks are 2 of our (4) top priorities in the CEER [2015 Work Programme](#) and are again foreseen in 2016 (our [2016 work programme](#) is currently subject to a public consultation).
8. As noted in the Commission's Communication, regulators are working on shortening supplier switching periods, which we feel will help empower consumers to engage with energy markets. In our 2012 [Guidelines of Good Practice Retail Market Design, with a Focus on Supplier Switching and Billing](#), we recommend to move towards same-day switching (enabled by smart meters), allowing customers to switch quickly and to take advantage of temporary offers. As a first step towards the goal of switching within 24 hours, we plan to develop in 2016 Guidelines of Good Practice on Removing Commercial Barriers to Supplier Switching in Energy Retail Markets.