



ECRB Market Monitoring Report

**Gas and Electricity Retail Markets
in the Energy Community**

Reporting period 2023

Table of Contents

TABLE OF CONTENTS	1
LIST OF FIGURES	3
LIST OF TABLES	3
INTRODUCTION	4
A. FINDINGS: ELECTRICITY	5
1. Electricity retail market characteristics	5
2. Switching behaviour	11
3. End-user electricity prices	12
4. Electricity price breakdown for households	15
5. Regulation of electricity end-user prices	15
6. Contract offers and dynamic pricing	17
B. FINDINGS: GAS	19
1. Gas retail market characteristics.....	19
2. Switching behaviour	22
3. End-user natural gas prices	23
4. Gas price breakdown for households	24
5. End-user gas price regulation	25
C. CONSUMER PROTECTION AND EMPOWERMENT	26
1. Supplier of last resort and disconnections	26
2. Vulnerable customers	28
3. Billing and price comparison tools	29
4. Smart metering systems	31
5. Active consumers.....	32
6. Customer complaints	32
D. MAIN FINDINGS AND CONCLUSIONS	34
1. Electricity	34
2. Gas.....	34
3. Customer protection and empowerment.....	35

List of figures

Figure 1 Total electricity sale to final customers in GWh 2014 – 2023	6
Figure 2 Total electricity sale to final customers in GWh 2013 - 2023 (excluding Ukraine)....	6
Figure 3 Electricity demand growth rates 2022 to 2023	7
Figure 4 Average monthly consumption of electricity per household in 2022 and 2023 relevant quantities are displayed in the figure below. (kWh).....	7
Figure 5 Are there electricity suppliers other than incumbent supplying customers connected to the transmission network?.....	9
Figure 6 Are there electricity suppliers other than incumbent supplying customers connected to the distribution network?.....	9
Figure 7 Trends in final electricity prices for household and industrial consumers in the Contracting Parties, without Ukraine, 2013-2023 (euro cents/kWh and index change 2013=100).....	13
Figure 8 Final electricity prices in nominal terms for household consumers in EnC CPs - 2013-2023 (euro cents/kWh).....	14
Figure 9 Final electricity prices in nominal terms for industrial consumers in EnC CPs - 2013- 2023 (euro cents/kWh)	14
Figure 10 Breakdown of electricity prices for households in EnC CPs - 2023	15
Figure 11 Total sale of gas to final customers in the Energy Community Contracting Parties in the period 2016 - 2023 (in GWh).....	19
Figure 12 Trends in sale of gas to final customers in GWh in the period 2016-2023 (excluding Ukraine)	20
Figure 13 Growth rates of gas demand 2020 to 2023.....	20
Figure 14 Growth rates of gas demand 2022 to 2023.....	20
Figure 15 Average annual gas consumption per household in 2020- 2022 (in kWh)	21
Figure 16 Final gas prices in nominal terms for household consumers in EnC CPs - 2013- 2023 (euro cents/kWh)	23
Figure 17 Final gas prices in nominal terms for industrial consumers in EnC CPs - 2013-2023 (euro cents/kWh)	24
Figure 18 Breakdown of household gas prices in the EnC CPs- 2023 (in %).....	25
Figure 19 Share of households with smart meters in total number of households (in %) (status 31.12.2023.).....	31

List of tables

Table 1 Number of active suppliers in retail electricity markets in 2023	8
Table 2 Electricity retail market concentration and market opening in 2023	10
Table 3 Annual switching rates in electricity markets in 2023 (in %)	11
Table 4 Number of non-households (number of metering points) supplied at non-regulated electricity prices in 2023	17
Table 5 Number of active gas suppliers in 2022 and 2023.....	21
Table 6 Retail gas market concentration in 2023.....	22
Table 7 Minimum duration of disconnection process for non-paying consumers across the Contracting Parties in 2023	27
Table 8 Measures to protect vulnerable customers in the Contracting Parties in 2023	28
Table 9 Elements of the electricity bills in the Contracting Parties	29
Table 10 Consumers generating electricity in the Contracting Parties in 2023- shares, capacities and volumes	32
Table 11 Number of complaints in 2023 and processing times in the Contracting Parties	33

Introduction

After more than 15 years of energy market reforms and adoption of 2021 Decarbonisation Roadmap¹ and the Electricity Integration Package², the focus of the Energy Community shifted towards stronger market integration and transformation of energy systems. In the retail sector, new solutions to engage and empower consumers are being developed. The regulatory authorities are strongly involved in designing the effective retail market framework, but also perform regular market monitoring, to gain in-depth knowledge of market performance, stakeholder activities and development trends. Promoting carbon neutrality, competition, customer protection, energy efficiency, investments and security of supply at the same time is the key driver of their activities. The relevance of regulatory market monitoring is not only recognized by the Energy Community *acquis communautaire* (hereinafter 'acquis') but is also since years a central activity of the Energy Community Regulatory Board (ECRB).³

The present report covers the Energy Community Contracting Parties ('Contracting Parties') **Albania, Bosnia and Herzegovina, Georgia, Kosovo***,⁴ **Moldova, Montenegro, North Macedonia, Serbia and Ukraine**. It describes the status quo of electricity and gas markets on retail level with the aim to identify potential barriers and recommend improvements.

Data presented in this report refers to the year **2023**.

¹ [General Policy Guidelines 01/2021/MC-EnC Decarbonisation Roadmap for the Contracting Parties of the Energy Community](#)

² <https://www.energy-community.org/implementation/package/EL.html>

³ ECRB operates based on the Treaty establishing the Energy Community (Energy Community Treaty). As an institution of the Energy Community, the ECRB advises the Energy Community Ministerial Council and Permanent High Level Group on details of statutory, technical and regulatory rules and makes recommendations in the case of cross-border disputes between regulators. For more information about ECRB consult www.energy-community.org – about us – institutions – regulatory board. Previous editions of the ECRB annual retail market monitoring report are available at <https://www.energy-community.org/documents/ECRB.html>

⁴ Throughout this document, the symbol * refers to the following statement: This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Advisory Opinion on the Kosovo declaration of independence.

A. Findings: Electricity

This chapter provides a status review of the analyzed retail electricity markets as regards demand data, the supply market structure, switching behavior of end-customers as well as end-user electricity prices and their regulation.

1. Electricity retail market characteristics

In 2023, the total sale of electricity to final customers decreased by 2.22% compared to 2022. This decrease however is not relevant for comparison with the previous years, due to the war in Ukraine⁵. In the Energy Community without data for Ukraine, the total sale of electricity to final customers decreased by 1.04%. The highest decrease of electricity consumption was in North Macedonia (8.64%). Electricity consumption decreased also in Moldova (4.01%), Bosnia and Herzegovina (3.57%), Serbia (0.73%) and Montenegro (0.41%), while electricity consumption increased in Kosovo* (4.79%), Albania (2.79%) and Georgia (0.35%).

The electricity consumption of both households and non-households in the Energy Community without Ukraine decreased: consumption of households decreased by 0.85%⁶, and consumption of non-household customers decreased by 1.2%⁷.

The figures below show the total electricity sales to final customers in the period 2014-2023,⁸ presented with and without data for Ukraine.

⁵ Data for 2022 and 2023 do not include the whole territory of Ukraine. War conditions affected the change in total electricity consumption which in 2023 compared to 2022 decreased by 3.20% – electricity consumption of households decreased by 3.12% and of non-household by 3.24%.

⁶ The decrease of households' consumption in the EnC was 0.85% - whereby consumption decreased in Moldova 6.61%, North Macedonia 2.76% and Serbia 2.76% and increase in Kosovo* 0.43%, Albania 1.40%, Bosnia and Herzegovina 1.44%, Georgia 2.37% and Montenegro 36.38%

⁷ The decrease of non-households' consumption in the EnC was 1.20% - whereby consumption decreased in Moldova 2.08%, Bosnia and Herzegovina 7.81%, Montenegro 8.02%, and North Macedonia 14.58% and increase in Serbia 0.88%, Georgia 2.17%, Albania 4.13%, and Kosovo* 12.28%.

⁸ Only for Moldova, presented data refers to the period 2015-2023.

Figure 1 Total electricity sale to final customers in GWh 2014 – 2023

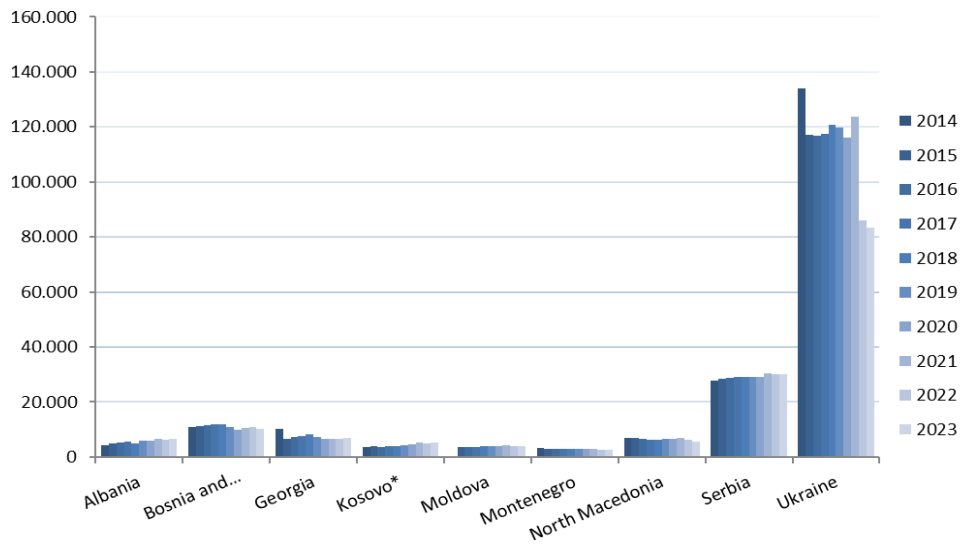
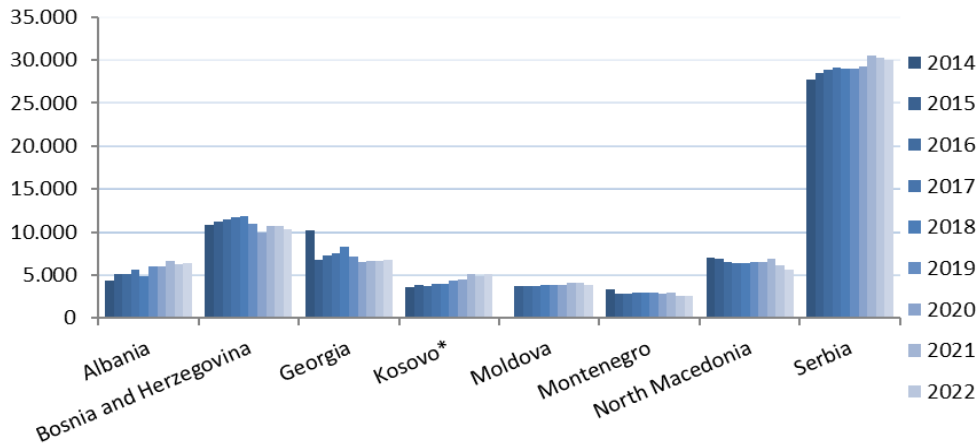
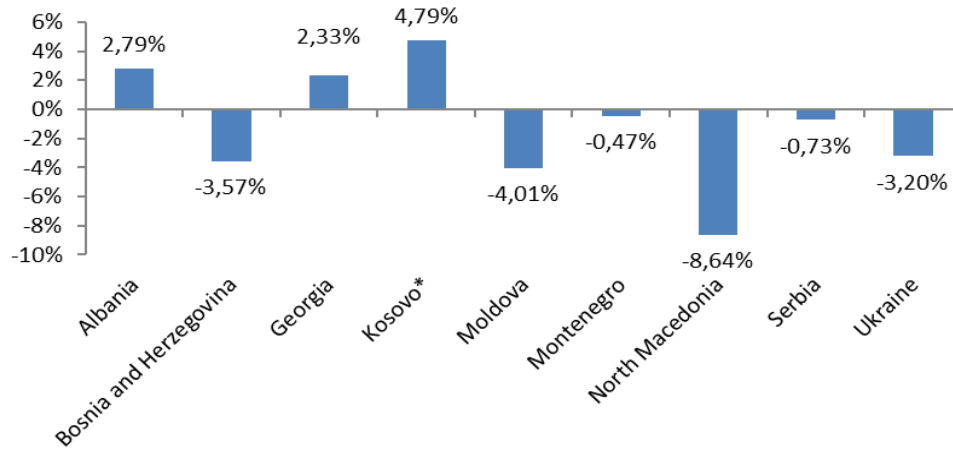


Figure 2 Total electricity sale to final customers in GWh 2013 - 2023 (excluding Ukraine)



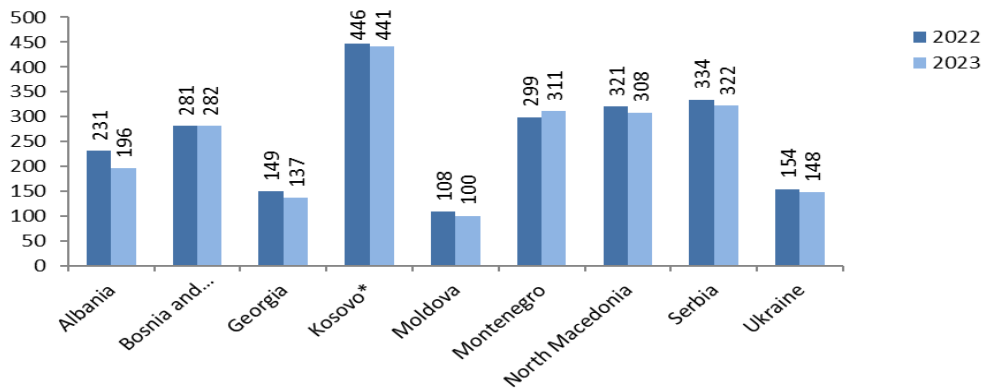
The following figure shows the growth rates of the total of electricity sales to final customers in the Contracting Parties from 2022 to 2023.

Figure 3 Electricity demand growth rates 2022 to 2023



The average monthly consumption of electricity per household⁹ varies among the Contracting Parties. Similar to the previous year, in 2023, the lowest consumption was registered in Moldova (100 kWh/month) and Georgia (137 kWh/month), and the highest in Kosovo* (441 kWh/month). In the period 2022 - 2023, in all Contracting Parties except Bosnia and Herzegovina and Montenegro, consumption of electricity per household decreased.¹⁰

Figure 4 Average monthly consumption of electricity per household in 2022 and 2023 relevant quantities are displayed in the figure below. (kWh)



In all Contracting Parties, except Georgia, **licenses** have to be issued for the activity of supply of electricity to end-users. In Georgia, as of 1 July 2021, licenses are not issued for supply activities.

⁹ In the calculation of average monthly consumption of electricity per household, the number of households is equal to the number of metering points. Number of households include all customers, regardless of the fact if they used electricity or not.

¹⁰ Average monthly consumption of electricity per household in Bosnia and Herzegovina (0.49%) and Montenegro (3.96%) increased. In other Contracting Parties this consumption decreased between 1.23% in Kosovo* and 14.94% in Albania. Decrease of this consumption in Ukraine was 4.05%, and the war conditions must be taken into account when assessing this decreasing.

During 2023, in Ukraine, the total number of licensed suppliers in the retail market significantly increased – by 142 compared to the previous year. The total number of licensed electricity suppliers in the retail market increased in North Macedonia by 27, up to 10 more suppliers were registered in Albania, Kosovo*, Moldova and Serbia, while in Montenegro the number of licensed suppliers did not change in 2023 in comparison to 2022. Only in Bosnia and Herzegovina, the total number of licensed electricity suppliers in the retail market decreased by five compared to 2022.

Not all licensed suppliers were active in the retail markets in 2023. Table 1 below provides information on the number of licensed and active suppliers in 2023 as well as on the change in number of active suppliers between 2022 and 2023. In all Contracting Parties, all suppliers are allowed to offer products on the whole territory¹¹.

Table 1 Number of active suppliers in retail electricity markets in 2023

	Number of licensed electricity suppliers	Total number of active electricity suppliers	Number of active nationwide suppliers	Number of net new active nationwide suppliers ¹²
Albania	35	26	26	n.a.
Bosnia and Herzegovina	22	7	7	0
Georgia	n.a. ¹³	2	0	0
Kosovo*	18	4	4	2
Moldova	78	5	5	0
Montenegro	6	1	1	0
North Macedonia	133	23	23	2
Serbia	74	4	4	-1
Ukraine	1,214	333	333	-78

The figures below show information on whether more than one supplier (i.e. the incumbent) was supplying customers connected to the transmission or distribution network in 2023.

¹¹Nationwide supplier means a supplier offering its products on the whole territory of a country. In Bosnia and Herzegovina and Ukraine, the universal suppliers are entitled to sell electricity only to the customers in the designated area, however when not providing universal service, these suppliers are also allowed to supply customers on the whole territory of the country.

¹² Net means the number of entries minus the number of exiting suppliers in the market.

¹³ License not required for the electricity retail supply.

Figure 5 Are there electricity suppliers other than incumbent supplying customers connected to the transmission network?¹⁴

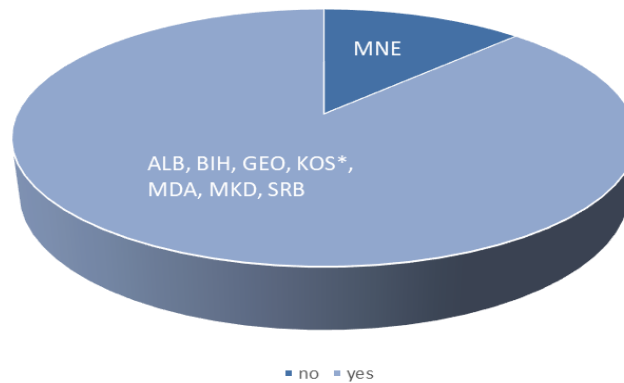
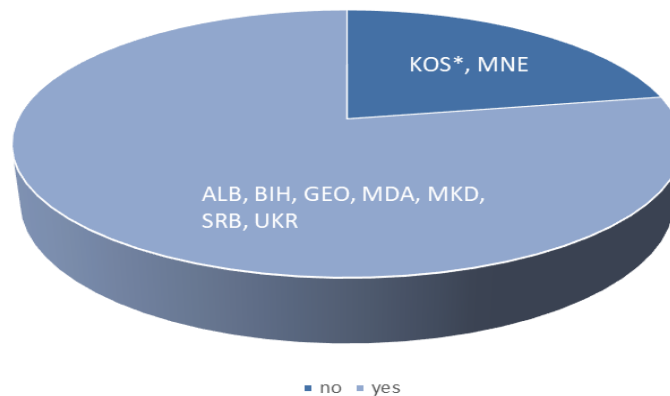


Figure 6 Are there electricity suppliers other than incumbent supplying customers connected to the distribution network?



In order to accomplish the picture of retail electricity markets from supply side, **concentration and openness of markets** have been investigated. Results are presented in the table hereinafter. The information can be explained in the following way:

- In Albania 26 suppliers were active in the retail market in 2023. There was only one supplier selling at least 5% of the total electricity consumed by final customers. Three largest retail suppliers covered 76% of the total electricity consumption.
- In Bosnia and Herzegovina, seven suppliers were active in the retail market in 2023. There were three retailers selling at least 5% of the total electricity consumed by final customers, with a joint market share of 97.55%.
- In Georgia, electricity retailers are regional and incumbent suppliers. Since the end of 2017, two companies supply end-users. The market share of these companies is 100%.
- In Kosovo*, there were four active suppliers of electricity. There was only one supplier selling at least 5% of the total electricity consumed by final customers. Three largest retail suppliers covered 99.83% of the total electricity consumption.

¹⁴ No information for Ukraine for 2023

- In Moldova, there were five retail electricity suppliers active in the retail market. Two of them were selling at least 5% of total electricity consumed by final customers in 2023, with a joint market share of 99.44% of the total sale of electricity on the retail market.
- In Montenegro, only one retail electricity supplier was active in the market.
- In North Macedonia, there were 23 active suppliers and four of them were selling at least 5% of total electricity consumed by final customers in 2023 (market share of the largest supplier was 62.28%). The market share of the three largest electricity suppliers was 83.82%.
- In Serbia, there were three active suppliers. The great majority of customers were supplied by the incumbent supplier having the market share of 99.92% of the total sale of electricity to end customers and only this supplier sold more than 5% of total electricity consumed by final customers in 2023.
- The largest number of electricity suppliers are operating in Ukraine – there were 333 active suppliers on the retail electricity market in 2023. Only four suppliers were selling at least 5% of total electricity consumed by final customers in 2023. The market share of the three largest suppliers was 27.85% (the market share of the largest supplier was 11.16%).

Table 2 Electricity retail market concentration and market opening in 2023

	Number of electricity retailers selling at least 5% of total electricity consumed by final customers	Market share of the 3 largest companies in the retail market (aggregated) in %	Estimated incumbent market share in the household market, in % of annual consumption
Albania	1	76%	100.00%
Bosnia and Herzegovina	3	97.55%	100.00%
Georgia	2	100.00%	100.00%
Kosovo*	1	99.83%	100.00%
Moldova	3	99.44%	100.00%
Montenegro	1	100.00%	100.00%
North Macedonia	4	83.82%	100.00%
Serbia	1	100.00%	100.00%
Ukraine	4	27.85%	100.00%

2. Switching behaviour

The switching rate is one of the commonly used indicators for measuring market competitiveness. However, its interpretation has to be done carefully by taking into consideration relevant legislative and regulatory provisions as well as the structure of the markets.

All customers in the Contracting Parties are eligible to choose their supplier. However, all households and some commercial customer categories in several Contracting Parties are entitled to be supplied at regulated prices (see Chapter 5).

In order to better understand switching rates in the analyzed markets, it is worth mentioning that in some Contracting Parties some of the customers (mainly according to the voltage level of connection to the network, electricity consumption and which are not households or small customers) were obliged to leave the regulated market and choose a supplier. This obligation is defined in Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro, Serbia and Ukraine.

The table below shows the **switching rates**, measured by using the numbers of metering points, in the analyzed markets in 2023. Data refers to the definition of switching as the free move of a customer from one to another supplier; i.e. the change of incumbent supplier due to the obligation to leave the regulated market defined in the law is not included in the data.

Table 3 Annual switching rates in electricity markets in 2023 (in %)¹⁵

	Number of eligible customers under national legislation/number of customers that switched supplier in 2023	Annual switching rate in the whole retail market (by number of meter points)	Annual switching rate of household customers (by number of meter points)	Annual switching rate of non-household customers (by number of meter points)	Annual switching rate in the whole retail market (by volume)	Annual switching rate of household customers (by volume)	Annual switching rate of non-household customers (by volume)
Albania	1,334,001/0	0%	0%	0%	0%	0%	0%
Bosnia and Herzegovina	1,607,251/4	0.0002%	0%	0.0031%	0.22%	0%	0.43%
Georgia				n.a.			
Kosovo*	690,935/5	0.0007%	0%	0.0040%	5.01%	0%	12.72%
Moldova	1,449,049/0	0%	0%	0%	0%	0%	0%
Montenegro	435,617/0	0%	0%	0%	0%	0%	0%
North Macedonia	913,734/16,583	1.81%	0.014%	15.79%	11.94%	0.049%	25.59%

¹⁵ "n.a." stands for "not available" and means that data was not collected. Switching rates are calculated as share in % of total consumption (or number) of customers.

Serbia	3,792,741/ 11,947	0.31%	0.017%	2.68%	0.60%	0.024%	1.05%
Ukraine ¹⁶	18,760,957/ 25,129	0.13%	n.a.	n.a.	n.a.	n.a.	n.a.

In Albania, Montenegro and Moldova, there was no supplier switching in 2023. A very small number of eligible customers changed their suppliers in Bosnia and Herzegovina and Kosovo* . In North Macedonia, Serbia and Ukraine on several thousand metering points customers changed their suppliers, which means that the annual switching rate in the whole retail market calculated by number of metering points was 1.81% in North Macedonia, and less than 1% in Serbia and Ukraine. However, when the annual switching rate in the whole retail market is calculated by volume of consumption, the relevant rates were 25.59% in North Macedonia and, 1.05% in Serbia. Except for North Macedonia and Serbia, only non-household customers changed their suppliers. In North Macedonia and Serbia, a very small number of household customers left the incumbent electricity supply at regulated prices and chose a new supplier.

The increasing **number of switching requests** is proof of market liquidity development. Only in Kosovo* this number increased¹⁷, in North Macedonia and Serbia decreased¹⁸. The information for Ukraine was not available.

3. End-user electricity prices¹⁹

In the Energy Community Contracting Parties, excluding Ukraine²⁰, final average household and industry prices increased in 2023 when compared to 2022 – by 9% for household segment and 13% for industry. For the third year in a row, the average industry price is higher than the average price for households. Having in mind that the household prices in the majority of the Contracting Parties are regulated, this difference points out to an increase in cross-subsidization between the prices for these two categories during and after the crisis.

The average EU household price in 2023 was almost three times higher than the average household price in the Contracting Parties in the same year, while the average industry price in the Contracting Parties represented two thirds of the average EU price.

¹⁶ The switching data for Ukraine was collected without information from 2 DSO (out of 32 DSOs) which was unable to provide relevant data due to Russian military aggression against Ukraine.

¹⁷ Number of requests increased in Kosovo* from 2 in 2022 to 4 in 2023.

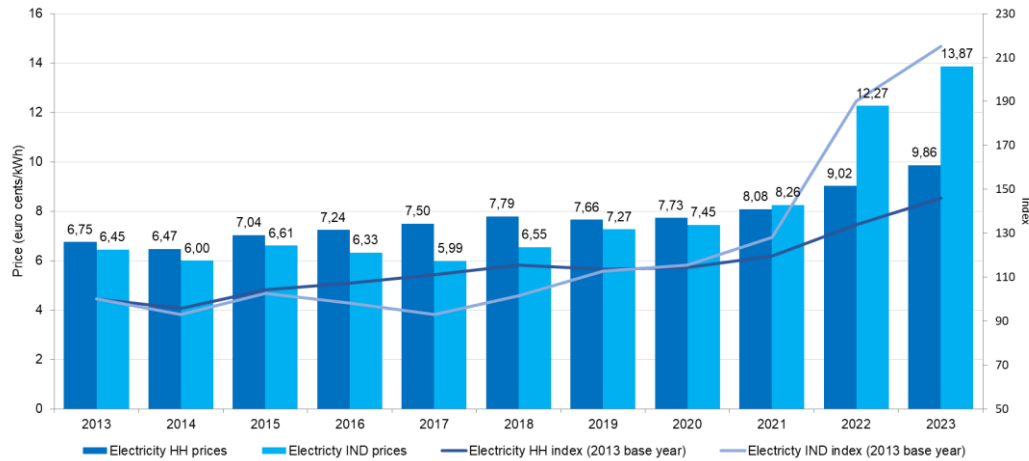
¹⁸ Number of requests decreased in North Macedonia from 3,504 in 2022 to 2,144 in 2023, in Serbia from 5,057 in 2022 to 4,717 in 2023.

¹⁹ Information in this chapter was prepared based on EUROSTAT information, also for the purpose of ACER-CEER Market Monitoring Report 2024

(https://www.acer.europa.eu/sites/default/files/documents/Publications/ACER-CEER_2024_MMR_Retail.pdf).

²⁰ Due to the martial law application, the Ukrainian authority for statistics did not provide information on prices to EUROSTAT.

Figure 7 Trends in final electricity prices for household and industrial consumers in the Contracting Parties, without Ukraine, 2013-2023 (euro cents/kWh and index change 2013=100)



Source: Energy Community Secretariat calculations based on Eurostat Band DC: 2,500–5,000 kWh (household electricity consumption) and Band IE: 20,000–70,000 MWh (industrial electricity consumption), August 2024

From 2013 to 2023, electricity prices for households in the Contracting Parties excluding Ukraine increased, on average, by 46%, while industrial prices increased on average by 115%.

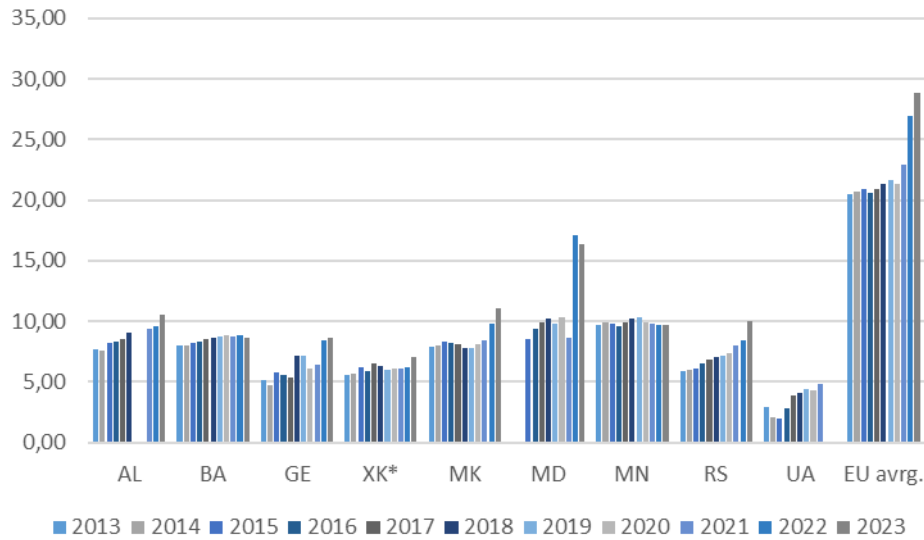
As in previous years, variations in the electricity price were observed across the Contracting Parties. In 2023, household electricity prices were the highest in Moldova- 16.33 euro cents/kWh and the lowest in Kosovo*, where the households paid on average 7.10 euro cents/kWh. The highest increase in household prices in the period 2022-2023 was registered in Serbia, leading to 10 euro cents/kWh. In Bosnia and Herzegovina, Moldova and Montenegro, the average electricity prices slightly decreased in comparison to 2022. End consumer prices for households were still regulated in all Contracting Parties, except Montenegro, sometimes resulting in prices being set below actual costs. Nevertheless, Montenegro is the only Contracting Party with the almost unchanged household electricity prices since 2013.

In the industry segment of the retail electricity market, the highest year-to-year increase (52%) was observed in Serbia, where prices increased from 10.46 euro cents/kWh in 2022 to 15.98 euro cents/kWh in 2023. This is the highest average price for industry in the Contracting Parties. The lowest electricity prices for industrial electricity consumers were in Montenegro, with 6.41 euro cents/kWh on average²¹. In North Macedonia, after the record high average industry price of 30.24 euro cents/kWh in 2022, a drop of 48% was registered for 2023, leading to 15.74 euro cents/kWh.

²¹ The information for average industry prices in Kosovo* is not available on EUROSTAT.

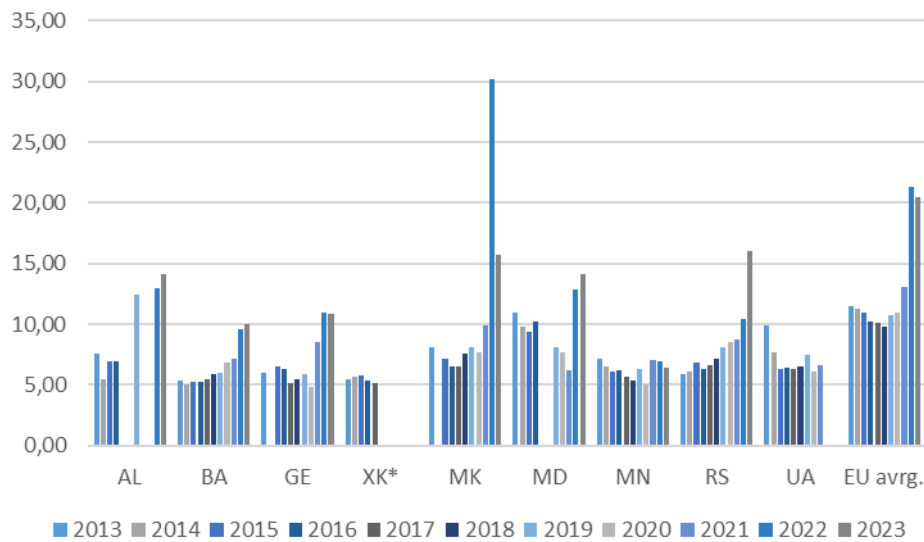
Figures 8 and 9 show the final electricity prices in nominal terms for household and industrial consumers in the Contracting Parties from 2013 to 2023 (in euro cents/kWh).

Figure 8 Final electricity prices in nominal terms for household consumers in EnC CPs - 2013-2023 (euro cents/kWh)



Source: Energy Community Secretariat calculations based on Eurostat and NRAs. Band DC: 2,500–5,000 kWh (household electricity consumption), August 2024

Figure 9 Final electricity prices in nominal terms for industrial consumers in EnC CPs - 2013-2023 (euro cents/kWh)



Source: Energy Community Secretariat calculations based on Eurostat and NRAs. Band IE: 20,000–70,000 MWh (industrial electricity consumption), August 2024

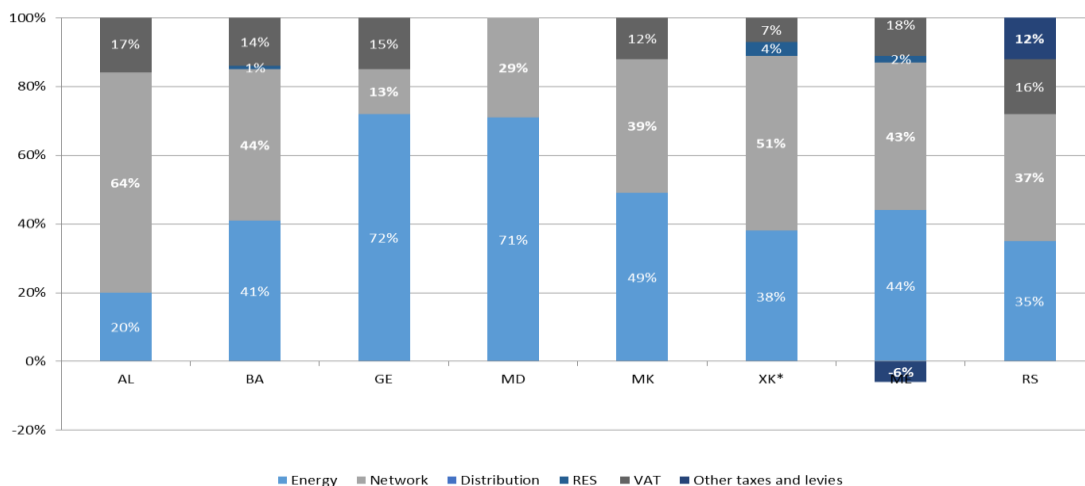
4. Electricity price breakdown for households²²

Figure 10 shows the breakdown of the final electricity price for households in the Contracting Parties in 2023. The composition of final household electricity price varies widely across the Contracting Parties. The share of the energy component in the final bill was the highest in Georgia (72%) and Moldova (71%) and the lowest in Albania (20%). In the Contracting Parties, the share of network costs in the total household electricity price ranged between 13% in Georgia and 64% in Albania.

For three Contracting Parties- Bosnia and Herzegovina, Kosovo* and Montenegro, the share of support for renewable energy ('RES charge') in the household electricity bill is presented separately. In North Macedonia, the RES charge is part of the energy component. In Serbia, the category "other taxes and levies" includes RES support, energy efficiency support and excise tax. The component "other taxes and levies" for Montenegro (-7%) refers to the discount on electricity price applied by the incumbent supplier.

Diverse VAT shares correlate to differences in taxation policies in the Contracting Parties. In Moldova, VAT is not charged on electricity prices. In other Contracting Parties, VAT shares range between 7% and 18%.

Figure 10 Breakdown of electricity prices for households in EnC CPs - 2023²³



Source: EnC Secretariat calculations based on Eurostat, Band DC (August 2024)

5. Regulation of electricity end-user prices

Household customers were entitled to regulated end-user prices in all Contracting Parties in 2023, except in Montenegro where all categories of consumers are supplied under non-regulated prices²⁴.

²² Information in this chapter was prepared based on EUROSTAT information, also for the purpose of ACER Market Monitoring Report 2022

(https://www.acer.europa.eu/Reports/2023_MMR_Energy_Retail_Consumer_Protection.pdf).

²³ The information on breakdown of electricity household price in Georgia is not presented in this figure, as the relevant Eurostat data need to be checked (the share of VAT is presented as much higher than the energy price i.e. almost at the level of the final price). The information on electricity price breakdown is not available for Ukraine. In Moldova, the VAT is not applied in the electricity bills for households, however the EUROSTAT provides the share in its database.

All household customers were supplied at regulated prices in the analyzed markets. The exceptions are Montenegro (see above), North Macedonia and Serbia, where a very small number of household customers left the electricity supply at regulated prices and were supplied under non-regulated prices in 2023.²⁵

In Albania, there is no price regulation only for non-households connected to the 35kV network. In Bosnia and Herzegovina, small and medium enterprises connected to the 0.4 kV network were entitled to supply under regulated end-user electricity prices;²⁶ for all other customers (about 11.3% of non-household customers who consumed 72.6% of the electricity consumed by all non-household customers) prices were not regulated. In Kosovo*, despite being free to choose their suppliers, customers connected to the voltage levels 35kV, 10kV and 0.4kV continue to be supplied by the universal service supplier at regulated tariffs while only customers connected to the voltage level 220kV and 110kV are supplied at market prices²⁷. In Moldova all final customers were supplied at regulated end-user prices. In Montenegro, in 2023, all non-household customers were supplied at non-regulated prices. In North Macedonia, only small consumers²⁸ were supplied under regulated prices (27.6% of non-household customers supplied at non-regulated prices and they consumed almost 81% of the electricity consumed by all non-household customers). In Serbia, only small customers had the possibility to be supplied at regulated end-user prices;²⁹ for all other non-household customers (41.3% of non-household customers who consumed more than 93.3% of the electricity consumed by all non-household customers), prices were not regulated. In Ukraine, only small non-household consumers were supplied under regulated prices.³⁰ For all other non-household customers (20% of all non-household customers) prices were not regulated and in 2023, those customers were consumed more than 90% of the electricity consumed by all non-household customers. In Georgia, despite being free to choose their suppliers, non-

²⁴ According to the Energy Law of Montenegro, the supplier which had the status of a public supplier until the day of entry into force of this Law, was entitled to change prices for households and small sized non-household customers under certain restrictions. Namely, the prices for this category of customers could not be increased beyond the weighted electricity price realized in the previous year and futures for the following year on a reference energy exchange nominated by the regulator. In this way, this means the price increase was limited to 7% in 2017 and 6% in 2018 and 2019. Also, according to the Energy Law, restrictions could be prolonged for the period of three years if the Agency estimates that conditions for liquid market are not fulfilled. Agency decided to prolong the restrictions for period 2020 -2022 and it was limited to 6%. As of 2023, there are no interventions in end-user electricity prices.

²⁵ In Serbia 4,365 of 3,328,849 households supplied at non-regulated prices by incumbent supplier and in North Macedonia 82 of 800,722. households supplied at non-regulated prices

²⁶ Federation BiH: small company means any company which meets at least two of the three mentioned criteria: it has fewer than 50 employees, to annual turnover less than 2 million BAM (1EUR=1,95583BAM) and with a value of operating assets at the end of the financial year less than 1 million BAM, and whose facilities are connected to the distribution system voltage levels lower than 1 kV;

Republika Srpska: small customer means any customer whose facilities are connected to the distribution system at the voltage level lower than 1 kV, which meets the following criteria (a) at least two of the three mentioned criteria: (1) it has fewer than 50 employees, (2) annual turnover is less than 2 million BAM, (3) a value of operating assets is less than 1 million BAM or (b) annual consumption in previous year is lower than 35000 kWh.

Brcko District: Small customer means any customer whose facilities are connected to the distribution system at the voltage level lower than 1 kV and that have less than 50 employees with total annual revenue not exceeding 10 million BAM.

²⁷ In 2023 only 5 non-household customers supplied under non-regulated prices, they consumed around 13% of the electricity consumed by all non-household customers.

²⁸ A small electricity consumer is an entity whose average number of employees in the last two accounting years is less than 50 employees and has a total annual income of less than two million euros in Denar counter value, with the exception of electricity producer and transmission system operator and electricity distribution system

²⁹ The Energy Law defines small electricity customers are end customers (legal persons and entrepreneurs) with less than 50 employees and a total annual revenue of up to 10 million EUR in dinar counter value whose facilities are all connected to the electricity distribution system at a voltage level lower than 1 kV and whose electricity consumption in the previous year did not exceed 30,000 kWh.

³⁰ A small non-household customer means a non-household whose electric power installations are connected to an electricity network with a capacity up to 50 kW and who buys electricity for its own consumption. Small enterprises have a right for universal service supply with end prices calculated according NEURC's methodology.

household consumers connected to 35-100 kV and 6-10 kV lines were still supplied at regulated prices.

Table 4 Number of non-households (number of metering points) supplied at non-regulated electricity prices in 2023

	Number of non-household customers supplied at non-regulated prices in (number of metering points)	
	2022	2023
Albania	83	0
Bosnia and Herzegovina	13,442	14,723
Georgia	54	0
Kosovo*	3	5
Moldova	6	n.a.
Montenegro	17,801	44,115
North Macedonia	26,287	28,793
Serbia	156,913	175,956
Ukraine³¹	n.a.	96,909

6. Contract offers and dynamic pricing

To enable and facilitate the active participation of consumers in the evolving electricity market, the Contracting Parties must ensure that the national regulatory framework enables suppliers to offer a various range of contracts, including dynamic electricity price contracts. More flexible offers incentivize the uptake of renewable energy and have benefits for grid management. The Electricity Directive requires that dynamic price offers are available to customers who have a smart meter installed. Furthermore suppliers that have more than 200 000 final customers will have to offer dynamic price contracts.

So far, in the Contracting Parties, households are offered only fixed price contracts.

Traditionally, the suppliers in many Contracting Parties offer day and night prices for regulated supply to households (Bosnia and Herzegovina, Kosovo*, North Macedonia, Serbia and Ukraine), while in Albania on & off-peak prices were used. In Bosnia and Herzegovina (only in Federation of Bosnia and Herzegovina entity) seasonal prices i.e. different prices for different times of year were applied. In the non-household segment, day and night prices were applied in Montenegro and Bosnia and Herzegovina (Republika Srpska entity only).

³¹ Data refer to number of contracts, not metering points.



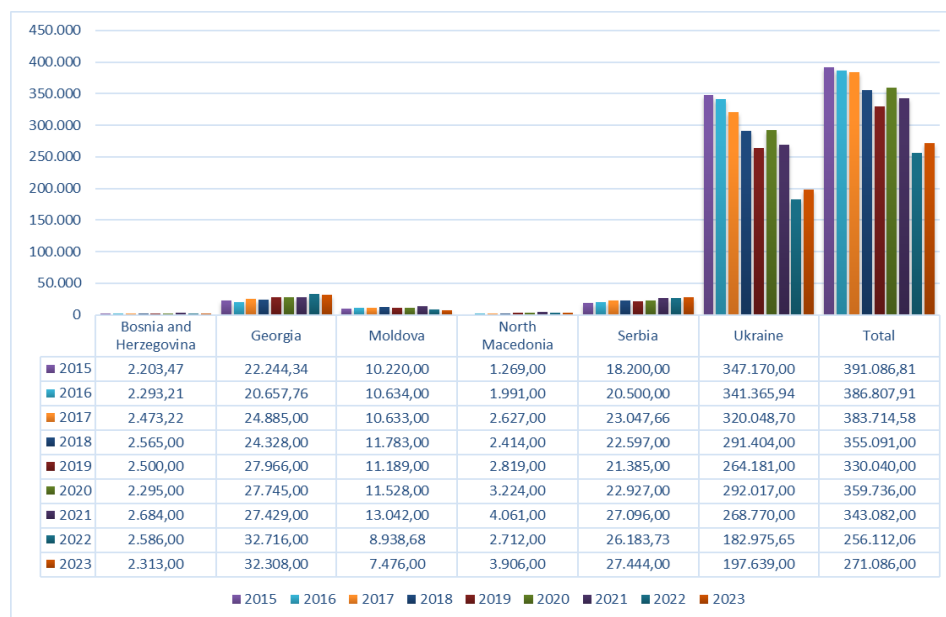
B. Findings: Gas

This part of the report provides analysis of the retail gas markets in Bosnia and Herzegovina³², Georgia, Moldova, North Macedonia, Serbia and Ukraine. Having in mind that Albania, Kosovo* and Montenegro do not have gas markets, this part of the report does not include information for these Contracting Parties.

1. Gas retail market characteristics

After several years of gas demand decrease, the total **sale of gas to final customers** in the Contracting Parties recorded on average a year-to-year increase of 7% in 2023. The final gas consumption increased in all Contracting Parties, except Moldova, where it decreased by 16%. The year-to-year increase of 8% in Ukraine partially results from the improved data availability- while in the previous years data for four DSOs was not available, in 2023 it was for three of them. In comparison to the period before the energy crisis and war in Ukraine- from 2020 to 2023, the gas demand dropped by more than 30% in both Moldova and Ukraine, while increasing by more than 15% in Georgia, North Macedonia and Serbia. These increases are explained by the existence of long-term wholesale supply contracts in Georgia and Serbia, and continuous gasification process in North Macedonia. The figures below present the total gas sales to final customers in the period from 2016 to 2023 as well as consumption growth rates for the whole period and in the last year. Having in mind the size of the Ukraine gas market compared to other Contracting Parties, the results are displayed separately with and without data for Ukraine.

Figure 11 Total sale of gas to final customers in the Energy Community Contracting Parties in the period 2016 - 2023 (in GWh)³³

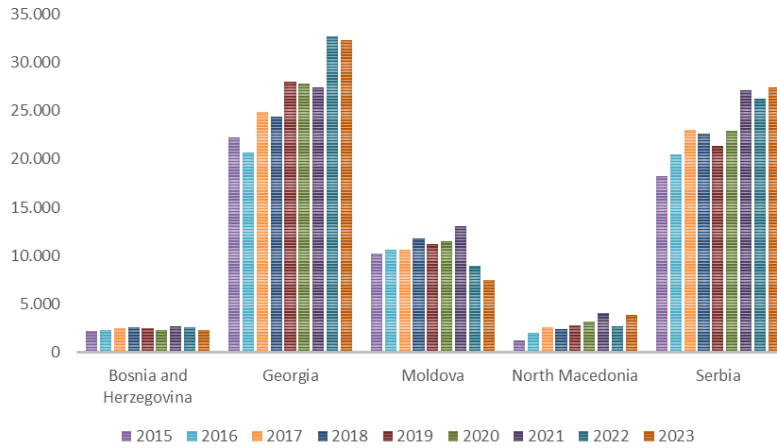


³² The information for Bosnia and Herzegovina for gas was provided by the regulatory authority of Republika Srpska entity of Bosnia and Herzegovina. Only the information on gas demand refers to the whole Bosnia and Herzegovina.

³³ For Ukraine, the information for 2022 do not include data of four DSOs and for 2023 data for three DSOs.

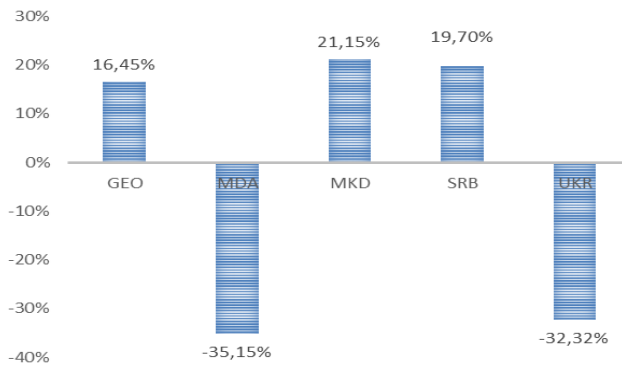
Source: National regulatory authorities

Figure 12 Trends in sale of gas to final customers in GWh in the period 2016-2023 (excluding Ukraine)



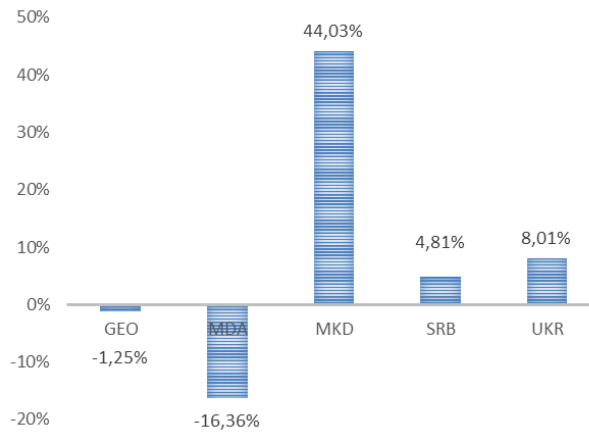
Source: National regulatory authorities

Figure 13 Growth rates of gas demand 2020 to 2023



Source: National regulatory authorities

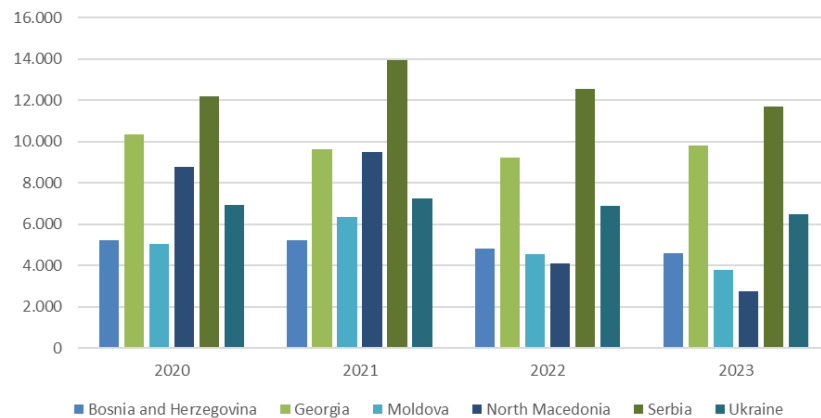
Figure 14 Growth rates of gas demand 2022 to 2023



Source: National regulatory authorities

Although the total gas demand in the period 2020-2023 shows different dynamics, household gas consumption decreased in all analyzed markets. A substantial decrease in average household consumption between 2020 and 2023 was registered in North Macedonia (69%) and Moldova (25%), the Contracting Parties with the highest final gas prices, while in other Contracting Parties the average household consumption dropped as well, but to a lesser extent. Relevant quantities are displayed in the figure below.

Figure 15 Average annual gas consumption per household in 2020- 2022 (in kWh)³⁴



The number of active suppliers ranged from two in Bosnia and Herzegovina to 212 in Ukraine. Moldova registered a substantial increase of retail market suppliers in 2023 compared to 2022- from five to eleven, while in other Contracting Parties the numbers of active suppliers remained stable. The majority of active retail suppliers holds a license for supplying customers nationwide, i.e. those suppliers that are entitled to supply not only in a specified geographical region but on the entire territory of the country. Nevertheless, the household customers in the Contracting Parties predominantly buy gas from local incumbent suppliers.

In four Contracting Parties, namely Georgia, Moldova, Ukraine and Serbia customers connected to the distribution network are supplied by more than one supplier (i.e. other than the incumbent). On the other side, in all Contracting Parties customers connected to the transmission network could be supplied by more than one supplier. To achieve positive market opening effects, it is of utmost importance to enable efficient separation of supply and network activities and allow gas retailers to supply customers nationwide.

Table 5 Number of active gas suppliers in 2022 and 2023

	Number of licensed gas suppliers		Number of active gas suppliers	
	2022	2023	2022	2023
Bosnia and Herzegovina	8		2	2
Georgia	No license for supply		30	28
Moldova	25	24	5	11

³⁴ For Ukraine, the information for 2022 do not include data of four DSOs and for 2023 for three DSOs.

North Macedonia	16	28	5	6
Serbia	72	67	33	34
Ukraine	966	1039	210	212

Source: National regulatory authorities

In order to accomplish the picture of retail gas markets from supply side, **concentration** of markets have been investigated. The results are presented in the table below. The following conclusions can be drawn:

- In all Contracting Parties, dominant retail suppliers sell more than 80% of gas to end-users. The market share of the three largest companies in the retail gas market increased from 69% to 87% in Ukraine, whereas in other Contracting Parties remained stable. The great majority of active suppliers in all analyzed markets covers less than 5% of total gas consumed by final customers.
- There was often no alternative to the incumbent gas supplier in the household segments of the analyzed markets and in cases where there was an alternative available it was hardly used in 2023. Obstacles to retail market entries in other Contracting Parties stem mostly from reasons other than retail market design, namely the status of wholesale market development (e.g. single source of gas and poor access to liquid wholesale markets). The effect of regulation of end-user prices is also substantial.

Table 6 Retail gas market concentration in 2023

	Number of gas retailers selling at least 5% of total gas consumed by final customers	Market share of the 3 largest companies in the retail market (aggregated) in %	Estimated incumbent market share in the household market, in % of annual consumption
Bosnia and Herzegovina	3	100%	100%
Georgia	3	83%	100%
Moldova	1	96%	100%
North Macedonia	4	97%	100%
Serbia	1	87%	100%
Ukraine	2	87%	n.a.

2. Switching behaviour

All natural gas customers in the analyzed Contracting Parties were eligible to choose their supplier. **Only in Ukraine and Moldova, household customers changed their suppliers in 2023**, more precisely 17 households in Moldova and 16,206 in Ukraine.

For **non-households**, the following information on switching rates has been provided for other Contracting Parties:

- In Bosnia and Herzegovina and Georgia, none of the non-households changed supplier in 2023;
- In North Macedonia, 7 non-household customers, holding 3.3% of total national consumption, changed suppliers in 2023.
- In Moldova, 68 non-households changed their supplier in 2023 and in Serbia 36.
- In Ukraine, 4.3% of non-households, measured in number of metering points, switched supplier.

3. End-user natural gas prices³⁵

In 2023, average gas household prices in the Contracting Parties without Ukraine increased by 22% to 4.25 euro cents/kWh, while average industry prices increased by 7% to 4.96 euro cents/kWh. These increases were driven by the significant gas wholesale price increases in 2022. Over the period 2013-2023, the average gas prices for households increased by 43% and for the industry by 33%. Still, the average household price in the Contracting Parties is around 50% of the average EU price. The average price for industry was 1.54 cent/kWh lower than for the EU industry.

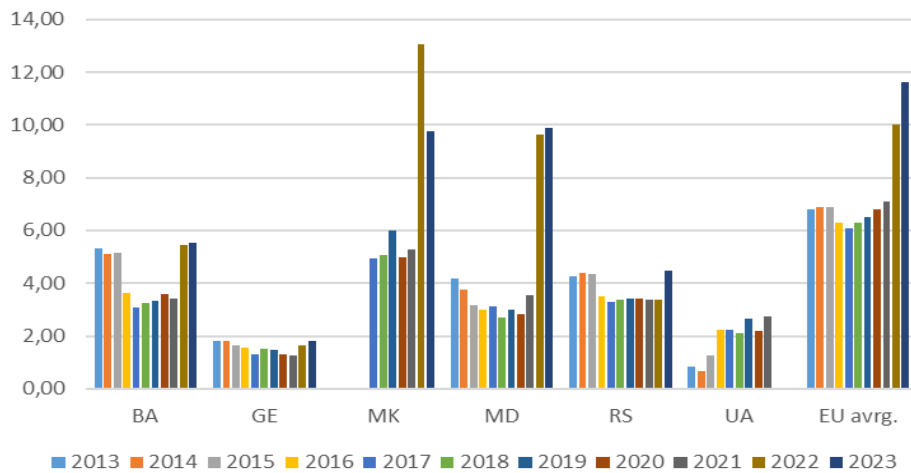
Across the Contracting Parties, substantial national discrepancies in the level of household and industrial gas prices are observed. The final prices paid by household gas consumers in 2023 in North Macedonia and Moldova (9.75 i.e. 9.88 euro cents/kWh) were more than 5 times higher than 1.79 euro cents/kWh paid by Georgian households. In the industrial segment, the price paid by consumers in Georgia (2.66 euro cents/kWh) was less than 25% of the price paid by consumers in Moldova (11.76 euro cents/kWh). Very low gas prices in Georgia are explained by the existence of long-term wholesale supply contracts and Government subsidies.

The biggest increase between 2022 and 2023 in the household segment was registered in Serbia, where after seven years of price stability, the final prices increased on average by 33%. The price increases were even higher for the industrial segment, with the average gas prices increase of 43%. The average industrial prices continued to grow also in Moldova (19%) and Bosnia and Herzegovina (18%). The Contracting Party with the highest prices in 2022- North Macedonia, saw substantial decrease in both consumer segments in 2023 following the developments on the wholesale markets.

Figure 16 *Final gas prices in nominal terms for household consumers in EnC CPs - 2013-2023 (euro cents/kWh)³⁶*

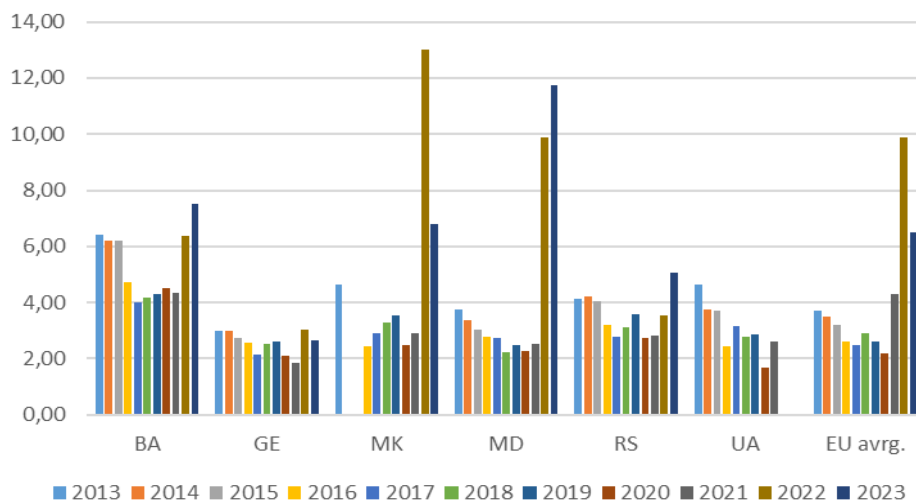
³⁵ Information in this chapter was prepared based on EUROSTAT information, also for the purpose of ACER Market Monitoring Report 2023. Information for Ukraine not available due to martial law application. (https://www.acer.europa.eu/Reports/2023_MMR_Energy_Retail_Consumer_Protection.pdf).

³⁶ EUROSTAT data for Ukraine for 2022 and 2023 not available.



Source: Eurostat, Band D2: 20–200 GJ (household gas consumption), August 2024

Figure 17 Final gas prices in nominal terms for industrial consumers in EnC CPs - 2013-2023 (euro cents/kWh)³⁷



Source: Eurostat, Band I5: 1,000,000–4,000,000 GJ, for Bosnia and Herzegovina, Ukraine and Serbia i.e. Band I4: 100 000 GJ -1 000 000 GJ, for Georgia, Moldova and North Macedonia, (industrial gas consumption), August 2024

4. Gas price breakdown for households³⁸

The figure below shows the breakdown of gas prices for households in the Contracting Parties, for which the information was available³⁹. The share of energy component in the final gas price in 2023 ranged from 41% in Georgia to 80% in Serbia. The share of network charges, including both distribution and transmission network costs, ranged from 6% in North

³⁷ EUROSTAT data for Ukraine for 2022 and 2023 not available.

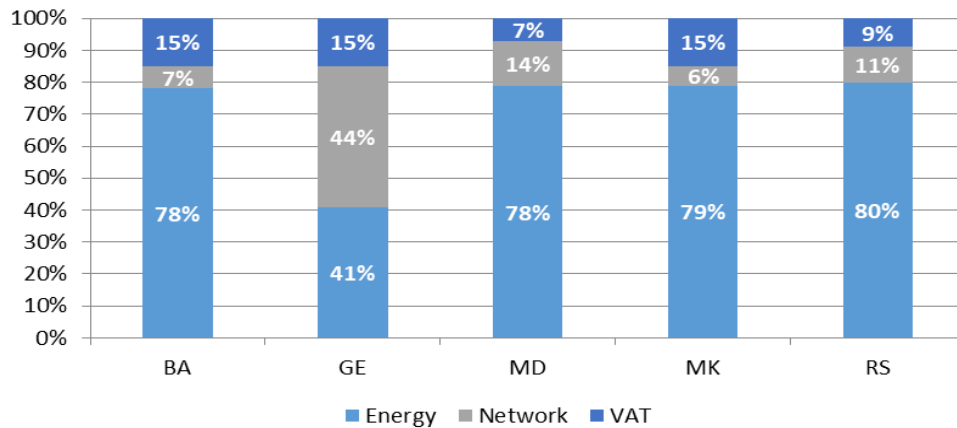
³⁸ Information in this chapter was prepared based on EUROSTAT information, also for the purpose of ACER Market Monitoring Report 2023

(https://www.acer.europa.eu/Reports/2023_MMR_Energy_Retail_Consumer_Protection.pdf)

³⁹ For Ukraine, information for 2023 is not available.

Macedonia to 44% in Georgia. The average shares of energy component in the final household prices were mostly higher in the Contracting Parties than in the EU (usual difference of around 20 percentage points), whereas the network cost shares were lower.

Figure 18 Breakdown of household gas prices in the EnC CPs- 2023 (in %)



Source: ECS calculations based on Eurostat, Band D2, August 2024

5. End-user gas price regulation

End-user gas prices for household customers were regulated in all Contracting Parties in 2023⁴⁰ except in North Macedonia and Ukraine⁴¹.

Application of price regulation for industry differs among Contracting Parties:

- In Bosnia and Herzegovina, North Macedonia, Georgia and Ukraine⁴², end-user prices for industry are not regulated;
- In Serbia, small and medium enterprises with a yearly consumption up to 100.000 m³ and connected to the distribution system may buy gas at regulated prices.
- In Moldova, non-households are supplied both at regulated and non-regulated prices, depending on a supplier. The so-called non-regulated suppliers became active suppliers for the first time in 2020.

In the process of phasing out end-user price regulation it is important to prove to customers that the gas price is a market-based commodity price that varies according to the wholesale market developments. One of the most efficient tools for doing so is frequent updating of the regulated energy component, so to allow the final price to reflect changes in the wholesale market. This will also offer customers the possibility to estimate if retail companies, other than

⁴⁰ It is worth noting that all customers, including households, are eligible to change their suppliers. However, in all Contracting Parties protected customer categories (households, small industry and/or district heating) have the right to be supplied at regulated prices.

⁴¹ In Ukraine, the Law No 2479 was adopted. This Law established a moratorium on natural gas price increases for all households compared to the prices applied in relations between suppliers and relevant consumers as of 24 February 2022. The moratorium has been established for the period of martial law and 6 months after its abolition.

⁴² The last public service obligation in Ukraine - for the heating companies, was abandoned as of May 2021, however in 2022 and 2023 public service obligations to supply natural gas for heating companies, budgetary institutions and for thermal power plants, combined heat and power plants, gas turbine and gas piston plants at predefined prices were imposed again on some gas market participants.

incumbent suppliers, provide cheaper energy. The energy component is updated once a year in majority of the Contracting Parties where end-user price regulation is applied.

C. Consumer protection and empowerment

This chapter reviews the level of consumer protection and empowerment in electricity and gas markets of Energy Community Contracting Parties, from the perspective of **household consumers**.

The topics covered in this chapter are:

- Supplier of last resort and disconnections;
- Vulnerable customers;
- Billing and price comparison tools;
- Complaint handling and dispute resolution;
- Smart metering systems and
- Active consumers.

1. Supplier of last resort and disconnections

To ensure the right to universal service according to Article 27 of Electricity Directive, Contracting Parties may appoint a supplier of last resort (SOLR) and impose on DSOs an obligation to connect consumers under terms, conditions and tariffs set in accordance with the procedure laid down in Article 59(7). Directive 2009/73 also calls for a SOLR for consumers connected to the gas system.

The acquis does not further define the meaning and functions of a SOLR, but those that are recognized in national legislation and practice in European Union Member States and Energy Community Contracting Parties are: protection of inactive consumers, precaution for failure of supplier and protection of consumers with payment difficulties. The role of SOLR should be designed in a way to enable and promote consumer engagement in the liberalized market.

In all Contracting Parties, a SOLR is appointed for non-household consumers. In the household segment, a SOLR is designated in the majority of Contracting Parties, but not in North Macedonia and Serbia, where a public i.e. universal supplier fulfills the role SOLR for them. This is valid for both electricity and gas.

The SOLR are appointed by the Governments (or by NRA in Albania) following a public tender procedure⁴³. In the majority of cases, the price at which SOLR supplies customers is higher than the average market price for the same category. In North Macedonia, the SOLR price is linked to HUPLEX price.⁴⁴ In Montenegro, the price of electricity for the SOLR may not be higher than the price procured on the market under the most favorable conditions, with allowed increase or difference in price of maximum 10% per unit of delivered energy. In some

⁴³ There is no tendering procedure in Albania.

⁴⁴ 1.2 times HUPLEX price for the period January-November 2023, 1.4 in December 2023.

Contracting Parties, this price is the same- Moldova for both electricity and gas, Ukraine for gas and Brcko district of Bosnia and Herzegovina. The higher price of the SOLR incentivizes consumers to actively look for a supplier on the market. If this incentive is lacking, another mechanism should be in place. In case of Moldova, customers will be disconnected from the network if they don't sign a contract with a supplier on the market within four months with the SOLR. Also in other Contracting Parties, customers are allowed to stay with the SOLR for a limited period of time, mostly three (Bosnia and Herzegovina for electricity, Georgia, Montenegro, North Macedonia and Ukraine for electricity) or two months (Bosnia and Herzegovina- Republika Srpska for gas, Kosovo*, Serbia and Ukraine for gas). In Albania, customer may remain in the SOLR regime for two years.

In addition to the basic right to electricity and gas supply, household customers should be timely and properly informed about the upcoming disconnection in case they did not pay the electricity or gas bill. Article 10 of Electricity Directive obliges suppliers to provide household customers with adequate information on alternative measures to disconnection sufficiently in advance of any planned disconnection.

The overview of the minimum notice periods for disconnection of consumer from the network in the Contracting Parties is shown in the table below.

Table 7 Minimum duration of disconnection process for non-paying consumers across the Contracting Parties in 2023

How many working days in advance must final household consumers be given a final warning about imminent disconnection in case of non-payment by law	ELECTRICITY	GAS
	Starting date is due date of payment	
Albania	30	n.a.
Bosnia and Herzegovina	8	RS: after 2 non-paid bills
Georgia	1 day, however certain disconnection limitations exist for pensioners and vulnerable categories, also for weekend and holidays	
Kosovo*	30	n.a.
Moldova	10	10
Montenegro	8	n.a.
North Macedonia	30	30
Serbia	30	30
Ukraine ⁴⁵	10	not less than 3 days

In all Contracting Parties except Moldova, suppliers inform customers on the alternative measures to disconnection. This is mostly an alternative payment plan.

The information on the number of disconnections is not available to all regulators of the Contracting Parties, although article 59(o) of the Electricity Directive requires that regulatory

⁴⁵ Disconnections are not allowed during the validity of the martial law, data in the table refer to regular circumstances.

authorities monitor disconnection rates. The share of household disconnections due to non-payment for electricity in the Contracting Parties, where such information is available, varies between 0.03% in Ukraine to 6.38% in Kosovo*. For some Contracting Parties (North Macedonia and Serbia) the information on number of all disconnections is available i.e. it's not disaggregated to households and non-households.

2. Vulnerable customers

Energy services and the well-being of the citizens are inseparable and cannot be considered differently. Therefore, providing adequate warming, cooling, lighting and energy to power appliances are essential services in order to ensure a decent standard of living. Both Electricity and Gas Directive require that Contracting Parties define the concept of vulnerable customers and take appropriate measures to protect them. Furthermore, the Contracting Parties shall establish the set of criteria to be used when assessing the number of households in energy poverty pursuant to the Governance Regulation⁴⁶⁴⁷

The results of the survey show that all Contracting Parties have introduced **definitions of the concept of vulnerable consumers**.

The following table shows measures used for protection of vulnerable customers in the Contracting Parties in 2023.

Table 8 Measures to protect vulnerable customers in the Contracting Parties in 2023

Measures to protect vulnerable customers	Number of countries - electricity	Number of countries – gas
Restrictions on disconnection due to non-payment	9	5
Earmarked social benefits to cover (unpaid) energy expenses	7	2
Special energy prices for vulnerable customers	1	0
Additional social benefits to cover (unpaid) energy expenses (non-earmarked financial means)	3	1
Free energy-saving advice to vulnerable customers	5	2
Right to deferred payment	4	3
Exemption from some components of final customer energy costs (e.g. energy price, network tariffs, taxes, levies...)	3	1
Financial grants for the replacement of inefficient appliances	1	1
Free basic supply of energy	1	0

⁴⁶ [https://www.energy-community.org/dam/jcr:e24c911e-f0f6-4f26-a152-ec79d85ee1a4/EnC%20REGULATION%20\(EU\)%2020181999.pdf](https://www.energy-community.org/dam/jcr:e24c911e-f0f6-4f26-a152-ec79d85ee1a4/EnC%20REGULATION%20(EU)%2020181999.pdf)

⁴⁷ Details on how the Contracting Parties tackle energy poverty are available in the Energy Community Secretariat's publication Factsheets on status and policies and measures (https://www.energy-community.org/dam/jcr:8f623bda-0f9c-4fef-8e72-68068fba11d6/Energy_Community_Poverty_Factsheets_102024.pdf)

The most common measures for protection of vulnerable customers in Contracting Parties are restrictions on disconnection due to non-payment and earmarked social benefits to cover (unpaid) energy expenses. Measures of protection are more used in electricity, but that is partly so because gas markets do not exist in all Contracting Parties.

The shares of vulnerable electricity customers out of the total number of households metering points in Contracting Parties at the end of the 2023, were the following⁴⁸: Bosnia and Herzegovina (Federation BIH) 6.64%, Kosovo* 5.97%, Montenegro 6%, North Macedonia 0.99%, in Serbia 5.02%.

3. Billing and price comparison tools

Making a customer an active participant in the market requires accurate billing information, i.e. the **information on energy bills** must be clear, accurate, concise, user-friendly and transparent. In addition to the requirements that billing information is free of charge and that various modalities for bill payment are available, the minimum requirements for bills are envisaged in Annex I of the Electricity Directive.

The table below provides information included in the customers' electricity bills in the Contracting Parties.

Table 9 Elements of the electricity bills in the Contracting Parties

Information on customer bills issued by supplier	ALB	BIH	GEO	KOS*	MDA	MNE	MKD	SRB	UKR
Price to pay	yes	yes	yes	yes	yes	yes	yes	yes	yes
The breakdown of price	no	yes (FBIH)	yes	yes	yes	yes	yes	yes	yes
Consumption for the billing period	yes	yes	yes	yes	yes	yes	yes	yes	yes
Due date of payment	yes	yes	yes	yes	yes	yes	yes	yes	yes
Information on the fuel company mix used (including environmental impact)	no	no	no	no	no	no	no	yes	yes
Information on the fuel product mix used (including environmental impact)	no	no	no	no	no	no	no	yes	no
Comparisons of the consumers' current electricity consumption with consumption for the same period in the previous year in graphic form	no	Yes (RS)	yes	no	no	yes	no	yes	yes
Contact information for consumer organizations, energy agencies, or similar bodies	yes	no	yes	no	no	yes	no	no	no
Website addresses, from which information may be obtained on available energy efficiency improvement	yes	Yes (RS)	no	yes	yes	yes	no	no	no

⁴⁸ Information not available to all Contracting Parties.

measures, comparative end-user profiles, and objective technical specifications for energy-using equipment									
Comparisons with an average normalized or benchmarked final consumer in the same user category	yes	no	yes	yes	yes	no	no	yes	no
Reminder about cancellation terms and/or dates	no	yes (BD)	yes	no	no	yes	yes	no	no
Whether consumption is based on actual reading or estimation	yes	yes (FBIH, BD)	yes	yes	yes	no	no	yes	no
Contact details of the supplier, including a consumer support hotline and email	yes	yes	yes	yes	yes	yes	no	yes	yes
Tariff name	yes	yes	no	yes	yes	yes	no	yes	no
Duration of the contract/end date	no	no	no	no	no	no	no	yes	yes
Consumer's switching code or unique identification code for their supply point	yes	yes	yes	yes	yes	yes	no	yes	no
Information on and benefits of switching supplier	no	no	no	no	no	no	no	no	yes
A link or reference to where comparison tools can be found	no	yes (FBIH)	no	no	no	no	no	no	no
Information on their rights as regards the means of dispute settlement available to them in the event of a dispute	no	yes (FBIH)	yes	yes	yes	no	no	no	no
Contact details of the dispute settlement body	no	yes (FBIH)	yes	no	no	no	no	no	yes

Some of the most important elements of the bills that are not included in the electricity bills in many Contracting Parties are the following:

- The information on the availability and benefits of switching;
- Link or reference to a price comparison tool (worth noting here is that price comparison tools are not available in the most Contracting Parties);
- Comparisons of the consumers' current electricity consumption with consumption for the same period in the previous year in graphic form;
- Contact information for consumer organizations, energy agencies, or similar bodies, including website addresses, from which information may be obtained on available energy efficiency improvement measures, comparative end-user profiles, and objective technical specifications for energy-using equipment as well as

- Comparisons with an average normalized or benchmarked final consumer in the same user category.

When it comes to the gas bill the most present information are: actual consumption, the breakdown of price, the consumption/accounting period and the supplier's details.

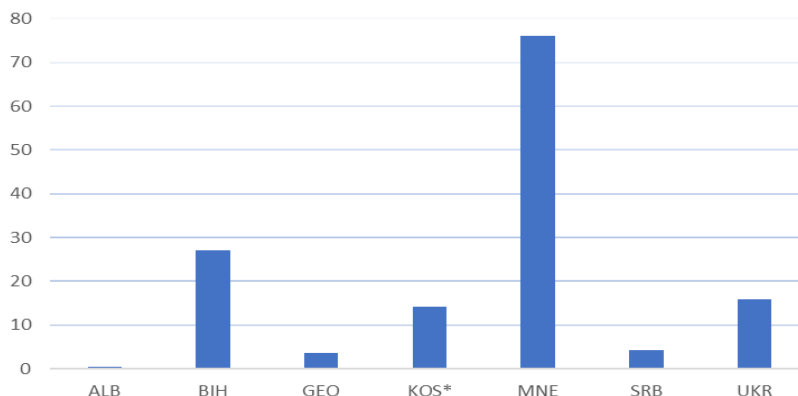
The frequency of billing information based on actual consumption was monthly in all Contracting Parties during 2023. This is well beyond the requirement of the Electricity Directive to have billing based on actual consumption at least once a year.

In the majority of the Contracting parties, consumers don't have access to a **comparison tool** or tool that meets the criteria of Article 14 of Electricity Directive. Still, price comparison tools exist in Albania, Bosnia and Herzegovina (<http://uporedistruju.ba>) and North Macedonia (<https://switch.mk/#/>).

4. Smart metering systems

The Electricity Directive requires the implementation of **smart metering systems** that shall assist the active participation of consumers in the electricity supply market. The implementation of such smart metering systems may be subject to an economic assessment of all long-term costs and benefits to the market and the individual consumer. The assessment shall take into consideration the methodology for the cost-benefit analysis and the minimum functionalities for smart metering systems as per Commission Recommendation 2012/148/EU. Where the deployment of smart metering systems is assessed positively, at least 80 % of final consumers shall be equipped with smart metering systems by 2024. The cost-benefit analysis was performed only in Georgia, Bosnia and Herzegovina- Republika Srpska entity⁴⁹ and Kosovo*⁵⁰. Nevertheless, many Contracting Parties introduced smart meters, as shown in Figure 19 below. Still, these smart meters do not meet the functionalities as outlined in the Electricity Directive.

Figure 19 Share of households with smart meters in total number of households (in %) (status 31.12.2023.)



Source: NRAs

⁴⁹ The cost-benefit analysis was done ten years ago, a new one should be done.

⁵⁰ The cost-benefit analysis was done by the DSO, now it is under revision.

5. Active consumers

The concept of active customers, as prescribed by the Electricity Directive, is still not applied in the Contracting Parties. The concept of renewable self-generators, on the other side, is implemented in most of the Contracting Parties. This means that consumers are entitled to sell the electricity they produce and/or participate in net metering or billing schemes. However, active customers should be allowed to operate in the markets also through aggregation, to participate in flexibility and energy efficiency schemes. They should also be responsible for imbalances they cause in the electricity system. Enabling framework for active customers goes even beyond this and requires compliance with provisions related to smart metering, consumer information, switching, demand response, data management etc.

The table below provides the information on the volumes of electricity generated by consumers in the Contracting Parties in 2023, where provided by the regulators.

Table 10 Consumers generating electricity in the Contracting Parties in 2023- shares, capacities and volumes

Contracting Party	Share of consumers generating electricity (in %)	Installed capacity (in MW)	Volume of electricity (in MWh)
Georgia	0.068	64	73,629
Kosovo*	0.04	9	4,275
Moldova	0.37	54	n.a.
Montenegro	0.0076	2,447	n.a.
Serbia	0.019	n.a.	12,830
Ukraine	0.31	1,819.74	1,608,000

6. Customer complaints

Both Electricity and Gas Directive require that final customers have access to simple, fair, transparent, independent, effective and efficient out-of-court dispute settlement mechanisms, through an independent mechanism such as an energy ombudsman or a consumer body or through a regulatory authority. Also, any party having a complaint against a transmission or distribution system operator in relation to that operator's obligations may refer the complaint to the regulatory authority which, acting as dispute settlement authority.

In all Contracting Parties, the national regulatory authority has the role of an Alternative Dispute Resolution (ADR) body⁵¹.

⁵¹ Only in one entity in Bosnia and Herzegovina- Federation BIH, the regulatory authority does not have the role of ADR.

Several regulators provided the information on the number of disputes settled during 2023: 3 in Moldova, 370 in North Macedonia and 418 in Serbia. The number of complaints received by the NRAs and the processing times set for dealing with complaints are presented in the table below.

Table 11 *Number of complaints in 2023 and processing times in the Contracting Parties*

Contracting Party	Number of complaints	Processing time
Albania	20	45 days
Bosnia and Herzegovina	7,371	60 days in RS and FBiH, 30 days in BD
Georgia	968	2 months
Kosovo*	111	60 days
Moldova	337	2 months
Montenegro	2	45 days
North Macedonia	475	30 days for complaints, 60 days for disputes
Serbia	13,742	60 days for connections, 30 days for other
Ukraine	26,499	45 days

The majority of complaints included in the table above refer to bills. Other complaints received by the regulators are related to network connections and quality of supply.

D. Main findings and conclusions

1. Electricity

After the substantial drop in the period 2021-2022 caused by the war in Ukraine, **electricity demand** in the Contracting Parties **continued to decrease** in 2023, but with a less intensity. On average, the electricity consumption decreased by 2.2%. However, in several Contracting Parties- Albania, Georgia and Kosovo* it increased on a year-to-year basis.

End-user electricity prices increased on average (without Ukraine) by 9% for households and 13% for industry. For the third year in a row, average industry prices were higher than those of households pointing out to the **existence of cross-subsidization** between these customer segments. The prices in the Contracting Parties are still well below the average prices on the EU level.

Except in Montenegro, Contracting Parties' households and small customers were supplied at regulated prices in 2023. In several Contracting Parties, namely Albania, Georgia, Kosovo* and Moldova, also other non-households were buying electricity at regulated prices. **While price regulation may be justified in times of crisis, its persistence does not enable consumers to reap the benefits of market opening nor to actively participate in the energy sector transformation.** So, switching rates in the Contracting Parties were still mostly very low, and in the household segment, only a small number of consumers in North Macedonia and Serbia changed supplier in 2023.

In the majority of the Contracting Parties, **retail electricity markets are still highly concentrated**, with an aggregated market share of the three largest companies of more than 95% in six of them. The lowest share of three largest companies were registered in Ukraine-27%. Nevertheless, households were still supplied only by incumbent suppliers in all Contracting Parties.

2. Gas

After several years of gas demand decrease, the total **sale of gas** to final customers in the Contracting Parties recorded on **average a year-to-year increase** of 7% in 2023. The final gas consumption increased in all Contracting Parties, except Moldova. In the period from 2020 to 2023, gas demand dropped by more than 30% in both Moldova and Ukraine, while increasing by more than 15% in Georgia, North Macedonia and Serbia. These increases are explained by the existence of long-term wholesale supply contracts in Georgia and Serbia, and continuous gasification process in North Macedonia.

In 2023, **both final gas household and industry prices** in the Contracting Parties without Ukraine **increased** on average by 22% i.e. 7%. These increases were driven by the significant gas wholesale price increases in 2022. Over the period 2013-2023, the average gas prices for households increased by 43% and for the industry by 33%. Still, the average household and industry prices in the Contracting Parties are much lower than the average EU prices. As for electricity, average industry prices were higher than those of households, pointing out to the **existence of cross-subsidization** between these customer segments.

In 2023, only in Moldova and Ukraine, some household customers changed their supplier. In the non-household segment, some customers changed their suppliers in Moldova, North Macedonia, Serbia and Ukraine. The **switching rates** were the highest in Ukraine. Household and other protected customer categories in the Contracting Parties were offered the **regulated end-user gas prices** in 2023. However this was not the case in North Macedonia and Ukraine⁵².

In all Contracting Parties, dominant retail suppliers sell more than 80% of gas to end-users. The **market share** of the three largest companies in the retail gas market increased in Ukraine, whereas in other Contracting Parties remained stable. The great majority of active suppliers in all analyzed markets covers less than 5% of total gas consumed by final customers. Still, all households were supplied by their incumbent supplier (data not available for Ukraine).

3. Customer protection and empowerment

The level of consumer protection in the Contracting Parties has been generally high for many years. Both households and commercial consumers are entitled to electricity and gas supplies through **suppliers of last resorts** i.e. public suppliers. The role of these suppliers needs to be designed so to enable and promote consumer engagement in the liberalized markets, for example through the adequate price or the timespan during which consumers can be supplied under special conditions. In addition to the basic right to electricity and gas supply, household customers should be timely and properly informed about the upcoming disconnection in case they did not pay the electricity or gas bill. The regulators should monitor the disconnection rates in a systematic way.

Vulnerable customers are defined and protected through short-term measures, such as restriction on disconnection or earmarked social benefits to pay energy bills, in all Contracting Parties.

Making a customer an active participant in the market requires accurate billing information, i.e. the **information on energy bills** must be clear, accurate, concise, user-friendly and transparent. Some important elements of the bills are not included in the electricity bills in many Contracting Parties, such as the information on switching possibility or price comparison tools. **The frequency of billing information based on actual consumption** was monthly in all Contracting Parties during 2023. This is well beyond the requirement of the Electricity Directive to have billing based on actual consumption at least once a year.

In the majority of the Contracting Parties, consumers still don't have access to a **price comparison tool**.

Smart metering systems are another tool enabling active participation of consumers in the energy market. Many Contracting Parties introduced smart meters, however these meters do not meet the functionalities as required by the Electricity Directive.

The concept of **active customers**, as prescribed by the Electricity Directive, is still not applied in the Contracting Parties. The concept of renewable self-generators, on the other side, is

⁵² N.B. there is a moratorium on natural gas increases established in Ukraine for the period of martial law and six months after its abolition.

implemented in most of the Contracting Parties. However, active customers should be allowed also to operate in the markets also through aggregation, to participate in flexibility and energy efficiency schemes. Enabling framework for active customers goes even beyond this and requires compliance with provisions related to smart metering, consumer information, switching, demand response, data management etc.

Final customers should have access to simple, fair, transparent, independent, effective and efficient out-of-court **dispute settlement mechanisms**, through an independent mechanism such as an energy ombudsman or a consumer body or through a regulatory authority. In all Contracting Parties, **the national regulatory authority has the role of an alternative dispute resolution body**. The majority of consumer complaints refer to bills, the other complaints received by the regulators were related to network connections and quality of supply.