Are EU retail markets functioning well?
Beyond monitoring: self- assesment of retail market functioning

Mattias Johansson, Swedish Energy Markets Inspectorate
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CEER’s work towards well functioning markets

• Position Paper on well-functioning retail energy markets
  Published October 2015

• CEER 2017 Handbook for National Energy Regulators
  Published January 2017

• Road map to 2025 well-functioning retail energy markets
  Approved July 2017, Updated and published February 2018

• Self-assessment of the 25 CEER Handbook metrics
  Ongoing – finished by the end of 2018
What defines a well functioning retail market?

• Low concentration within a relevant market
• Low market entry barriers
• Correlation between wholesale and retail prices
• A range of offers, including demand response
• High level of awareness and trust
• Availability of empowerment tools
• Sufficient consumer engagement
• Appropriate protection
What is self-assessment?

1. Data collecting
2. Self assessment and gap analysis
3. Implementation of recommendations
4. Formulate recommendations
Yes, self-assessment is hard work

- **Complicated** – Needs both coordination and expertise
- **Time consuming** – Some data not collected at a regular basis
- **Some metrics difficult to obtain** – for legal, practical or economic reasons
Difficulties so far for Ei

- **HHI-index** – No legal possibility to monitor market share

- **Time between notification to pay and disconnection** – We know the legal answer, but not practical
But we will have some results as well ...

• Switching rate
  • Supplier switching rate 11.5%
  • Internal switching rate 16 %

• How many consumers participate in implicit DR through a contract?
  • 8,600 had an hourly contract 2014
    (New estimation early fall 2018)

• Correlation between wholesale and retail energy prices
Some metrics requires surveys

- Nordic customer survey conducted 2018
  - Percentage of consumers knowing they can switch supplier
  - Percentage of consumers who know that DSOs are responsible for the continuity of supply
  - Percentage of consumers trusting the energy market
  - Percentage of inactive consumers
Some metrics requires surveys

• Survey to Swedish DSOs
  • How many consumers participate in implicit DR through a contract?
  • How many customers have contracts, which include feed in from electricity from self-generation?
We do it together in NordREG

• **Why** Because the result is useful in our work to harmonise the Nordic Retail markets

• **How** We have discussed how to calculate each metric
  Each NRA calculate the metrics separately
  We compile the result in a common document

• **Outcome** A possible report to stakeholders
  Compare results and discuss differences
  Good basis for future work
The tricky part – the gap analysis

- Look at your national result for each metric
- Try to find a national goal for each metric
- Discuss the gap and how to over bridge it
- The concept of gap-analysis will be developed over time
Thank you for listening

mattias.johansson@ei.se