Raising Consumer Awareness-
Regulatory Tools Supporting Retail Market Opening

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Retail market opening for household customers is on the agenda of most Energy Community Contracting Parties as of 1 January 2015. Raising customers’ awareness of their role and rights in a liberalized market is a pre-condition for their ability to participate in and benefit from competition. The effective success of market liberalization relies on providing consumers with a transparent and customer friendly regulatory framework that provides for adequate protection of consumers’ needs.

Regulatory activities have significant impact on customers. However, regulatory decisions are most effective only when customers are aware of them and when they consequently use their rights. This calls upon national regulatory authorities to look for the best opportunities to draw customers’ attention to and involve them in the regulatory process.

The present document comprises an overview of the tools regulators can use for raising consumers’ awareness on their role and rights in a liberalized market. The paper builds on previous ECRB work in this area.
Introduction

About ECRB

The Energy Community Regulatory Board (ECRB) is the independent regional body of energy regulators in the Energy Community. ECRB’s mission builds on three pillars: providing coordinated regulatory positions to energy policy debates, harmonizing regulatory rules across borders and sharing regulatory knowledge and experience. ECRB operates based on the 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.

The Energy Community\(^1\) comprises the European Union and eight Contracting Parties, namely Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Kosovo\(^2\), Moldova, Montenegro, Serbia and Ukraine. Armenia, Georgia, Turkey and Norway are Observer Countries.

Background

Particular regulatory emphasis should be given to informing retail customers on their rights and responsibilities in a liberalized market and strengthening customers’ knowledge on the tools and mechanisms available to them in a competitive market. ECRB decided to support the upcoming retail market opening by developing tools (such as brochures, information material, workshop agenda templates or other communication and campaigning material) that can be used by national regulators for raising their national consumers’ awareness and knowledge on opening of retail markets in the Contracting Parties.

ECRB developed an information brochure explaining to household customers the benefits of gas and electricity market opening as well as the tools and potentials they can use for actively participating in the liberalized market\(^3\).

The present paper lists a set of additional tools regulators can use for raising consumers’ awareness as well as a case study explaining how the brochure may be communicated to customers.

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\(^1\) www.energy-community.org.

\(^2\) 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 Opinion on the Kosovo declaration of independence.

\(^3\) The idea behind this brochure was to provide the national regulators with a template that can be used for communication with and information of household customers in the context of the upcoming retail market opening; www.energy-community.org – documents – ECRB documents.
Possible Tools and Ways of Communication between Regulators and Customers

In order to raise customer awareness a regulatory authority may:

1. Directly provide information to customers by

   - Promulgating information on the regulators’ web-site

      The easiest way for sharing information with customers is represented by a good web-site management. There should not be any limitation to the amount of information, design and usage of graphics. It gives the opportunity to publicize information as soon as possible.

      - Web-site might contain special areas devoted to customer issues (also by organising information relevant to each category of customers).

      - News or notices related to customers might be publicized with special marks.

      - Any leaflets or brochures should be easily downloaded.

      - Special tools for customer feedback might be envisaged (e.g. forum, social networks).

   Of course, the level of Internet availability may represent a limitation. Therefore, direct contact with customers is equally important.

   - Organising face-to-face communication

      Direct communication is one of the most efficient ways to provide customer with information and to answer to customers’ questions. Of course it is not possible to let all of the customers to attend workshops. Therefore, these meetings should be also attended, for example, by the representatives of consumer organisations and municipalities etc., which are able to distribute information further to final customers. One more possible solution might be an on-line broadcasting of such events with opportunity to ask questions.

      - Workshops;

      - Open days/fairs;

      - Organisation of public discussions (e.g. at municipality level);

      - Call-centres
Producing informational handouts

Regulators should release special informational handouts (brochures/booklets). Brochures may contain basic information on the state of the art and on planned changes, altogether with links to sources of additional information. These tools should be customer friendly, short and easy to understand. Such handouts should be free of charge as well as available for all customers.

2. Ensure provision of information through intermediaries

Establish billing information standards (i.e. obligation to put information on bills):

This tool may be used by regulators for sharing information and should be available to announce news, e.g. about:

- The regulatory authority (name, contact details, e.g. web-site);
- The complaint handling line (if applicable);
- Public hearings or consultations of the regulator closely related to customers).

Communicate through intermediaries such as:

- consumer associations;
- energy network operators/suppliers.

In this context it may be also useful for regulators to “educate” stakeholders that are interested and active in customer protection issues, in order to equip them with profound knowledge for consulting customers. For this purposes special workshops can be held.

Advertising

- newspapers,
- magazines;
- national and local TVs;
- advertising in transport;
- web sites and social media.
Case study

In 2014 ECRB developed a template brochure on retail market opening for household customers that aimed at providing household customers with information on market opening and the customer’s right to choose an energy supplier (ref. annex)⁴.

Regulators may use different means of communication (depending on available resources) for distributing the template brochure to customers or make them else how aware of its content and message. For example, starting from the least costly tools:

1. Upload⁵ the brochure on the official web-site of the regulator;
2. Invite energy undertakings to upload the brochure on their web-sites or to put a reference link to the regulator’s website;
3. Ask energy undertakings to publish an excerpt of the brochure on the customer bill with brief news on market opening;
4. Print leaflets⁶ and make them available at the regulator’s premises, including local offices if applicable;
5. Negotiate printing and distribution of the brochure with other public bodies and local authorities (municipalities and post offices);
6. Advertise the brochure in newspapers, magazines, national and local TVs as well as on relevant web sites and social media;
7. Send the brochure via mail to every customer.

⁵ With the right to print and distribute the Brochure to any stakeholders (e.g. consumer organisations).
⁶ When printing the Brochure it is important to ensure that it will also be available for vulnerable customers and people with special needs. Involvement of volunteers may be fruitful in this case.
YOU ARE THE ONE WHO DECIDES!
SPEND 5 MINUTES TO GET TO KNOW YOUR ENERGY CONSUMER RIGHTS!

Dear Customer,

Starting from 1st January 2015 you, as a household customer, will have the right to choose your electricity/gas supplier. This means that you will have the opportunity to decide from which supplier you will receive electricity and/or gas and to choose the supply offer that suits you best.

In simple words, it is called “energy market opening”.

A bit of technics

The electricity/gas you are using is produced at specific facilities. To reach your house it flows through power networks/gas pipelines. Your house is connected to the distribution network managed by a company serving the area where you live. This company is responsible for physical delivery of electricity/gas to your house.

A bit of economics

Currently, you, as a household customer, have a contract for electricity/gas supply with the company that historically has provided this service in your area. In some cases it is the same company to which your house is connected to (distribution company). Your supplier is responsible for buying (and/or producing) electricity/gas in order to sell it to you. Basically, this is the company you pay for electricity/gas to.

What is going to change? - ECONOMICS not TECHNICS

IF YOU USE YOUR RIGHT, you change the entity you pay for energy.
With the opening of the market every customer has the opportunity to switch to a new supplier. This means that your current supplier will no longer be your only choice and you are not obliged to keep it.

**BUT** - The physical connection does not change!

**What are the reasons to switch? – YOU ARE THE ONE WHO DECIDES**

You are not just the consumer but the client for the company. As a client you have the right to assess the pricing policy of your supplier, the level of customer service, payment options and so on. In case you are not satisfied with the current service and/or you have found a better deal from another supplier – you may make use of your right to switch.

**How to switch**

Gas and electricity suppliers propose a variety of offers. You look at different offers from different suppliers and choose the one that may assure you the best offer in terms of price, performances and so on. Once you make decision, contact new supplier.

**What are the benefits? - IT DEPENDS ON YOUR CHOICE**

If you are thinking of changing your supplier, this means that you are not satisfied with the current one or that another supplier provides a better offer.

Of course, one of the main criteria is the electricity/gas price. You may save money if the price of your new supplier is lower than the price you are currently paying. If you don't find better offers on the market, you may stay with your current supplier.

Thanks to the opening of the market you can change supplier again if you are not satisfied with the new one.

**Where to find a new supplier? – [insert reference]**

With the opening of the market new suppliers will start serving households and advertising their offers. It is up to you to select the best offer and make use of your power as customer.

**Do I have to change supplier? – NO**

You are not obliged to change supplier if you don’t want. Moreover, your current supplier is obliged to supply you with electricity/gas at prices that are now regulated by the state or regulatory authority.

**How are my rights on the energy market protected? – YOU ARE BETTER PROTECTED IF YOU ARE AWARE OF YOUR RIGHTS**

The energy regulatory authority of [insert country] is your partner on energy market related issues. As a publically established body [insert NRA] issues rules guaranteeing fair
competition and information to customers on their rights, current legislation, new contract and means of dispute settlement.

**THIS BROCHURE** is an introductory tool in order to give you a first insight on what is going to happen soon in the energy markets. Currently, public authorities are working on the comprehensive legislative and regulatory rules on the energy markets.

**INTERESTED IN MORE DETAILS? –**

To find out information on the opening of the electricity/gas market you may contact [……]
or visit this website[-----------------]

For switching procedure please visit [......]