

**The changing business environment in the South East Europe  
Towards the “Clean Energy” Legal Framework**

**PROVIDING A FAIR DEAL FOR CONSUMERS**

November 2018

**Energy Union policies goals** ➔ **a well-functioning integrated energy market, so as to ensure:**

- affordable energy prices
- security of supply
- integration of more electricity RES in a cost-efficient manner

**Third Energy Package achievements:**

- increased liquidity of European electricity markets
- enhanced cross-border trade
- transformed passive electricity consumers to "*conscious*" consumers

**The Clean Energy Package targets:**

- transition to a decarbonized economy where electricity from RES will play an increasing role in the generation mix
- consumers will be active and able to participate in the markets

## **Fair Deal for Consumer Main Points**

### **Towards market-based retail prices**

#### **Basic principle: electricity suppliers shall be free to determine the supply price**

- *Phasing out of regulated energy prices:* distort competition and negatively impact innovation regarding services offered
- Consumers need efficient price signals to adapt their energy use
- Dynamic pricing of electricity (reflecting wholesale prices) becomes possible
- End of regulated prices does not equal the end of fixed price contracts
- Vulnerable consumers to be protected via social policy measures



## Fair Deal for Consumer Main Points

### Basic Contractual Rights

- Customers must be notified of adjustments in the supply price
- Customers must be able to terminate contracts if they object to prices amendments
- Supplier switching within 3 weeks
- Switching fees (forbidden) differentiated from termination fees for fixed term contracts
- Contracts with aggregators do not require the consent of the supplier



## Fair Deal for Consumer Main Points

### Comparison Tools

- Consumers must have access to at least one tool comparing the offers of suppliers
- free of charge
- the operator must be operationally independent
- the tool must be certified by an independent competent authority (national regulatory authority, statutory consumer body, the relevant Ministry)



## Fair Deal for Consumer Main Points

### **New Market Entrants - Aggregators & "Prosumers" (1)**

*Aggregators:* market participants who combine multiple customer loads or supplied electricity for sale, purchase or auction in the market

Service providers, not electricity suppliers, but aggregation can be carried out by traditional suppliers

Consumers have separate contracts with suppliers and aggregators

Suppliers should not obstruct consumers' relationship with aggregators

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Contracts between suppliers and aggregators should have no impact on the ability of the consumer to choose tariffs or supplier

## Fair Deal for Consumer Main Points

### **New Market Entrants - Aggregators & “Prosumers” (2)**

*Prosumers / Active Consumers:* consumers who produce electricity & consume/self consume electricity & provide essential grid services, such as storage and demand response

Types of prosumers include residential prosumers who produce electricity at home (rooftop PVs), commercial prosumers, schools, hospitals, etc.

The Winter Package aims to afford additional protection to prosumers:

- they cannot be subject to disproportionately burdensome procedures & charges that are not cost reflective
- they shall be subject to cost reflective, transparent and nondiscriminatory network charges, accounting separately for the electricity fed into the grid and the electricity consumed from the grid

**THANK YOU!**

