



## **Supplier Switching in the electricity retail market**

ERGEG Guidelines of Good Practice and Status Review

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Paris, 23 September 2008



Necessity of vital retail market for efficiency in energy markets

Freedom to choose supplier is crucial for functioning retail markets

Reducing obstacles to supplier switching as one of the most important issues to achieve a well functioning end user market

ERGEG has identified the most important obstacles and published Guidelines of Good Practice to ensure an efficient switching process

For analysis the switching process can be divided in 3 steps

1. Information gathering
2. Supplier switching procedure
3. Execution of the switch, delay or cancellation

Regulated prices are the largest obstacle to supplier switching

# ERGEG Guidelines of Good Practice and Status Review

## Stage 1: Information Gathering

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1. Create conditions for customers to make an informed choice
2. Switching the supplier shall be free of charge
3. Customer needs confidence in the market participants and the switching process
4. To ensure the availability of comparable price information, generally agreed principles are needed
5. The electricity bill should be accurate
6. All customers must be informed of price changes well in advance
7. There shall not be any fees for withdrawing from non-fixed term contracts
8. Every metering point should have a unique identification number
9. The customer should only need to be in direct contact with one party

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### Stage 2: The supplier switching procedure

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10. The process of switching supplier has to be easy from the customer's point of view
11. Clear roles and responsibilities among actors are of vital importance
12. Metering should not be an object to switching
13. A load profile system should be in place
14. Electronic data interchange is required
15. It should not be possible for the DSOs to charge the suppliers
16. The switching period should be as short as possible

## ERGEG Guidelines of Good Practice and Status Review Stage 3: Execution of the switch, delay or cancellation

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- 17. The type of contract should not prevent the customer from switching supplier
- 18. The incumbent supplier should not be able to object the implementation if the switch

# Summary

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- The customer needs to have easy access to information on the switching procedure, supply prices and products
- From a customers point of view switching should be quick and easy

**Thank you for your attention!**

**Sebastian Gras**

Retail Market Functioning Task Force