

Gas consumers finally start to benefit from lower wholesale energy prices

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Many EU energy consumers are finally beginning to reap the benefits of the single energy market in terms of lower prices. The average household gas bill decreased by 4.2% in 2015, compared to the previous year, according to the latest [Market Monitoring Report¹](#) presented today in Brussels by the EU Agency for the Cooperation of Energy Regulators (ACER) and the Council of European Energy Regulators (CEER). The downward trend of wholesale prices observed in many countries over the last few years is finally reflected in the energy bills of industrial customers and in the gas bills of domestic consumers, but not for electricity households.

ACER's Director **Alberto Pototschnig** highlighted:

"In 2015, wholesale gas prices decreased across Europe, as a result of declining oil prices, increased gas-to-gas competition and a greater availability of LNG. Electricity wholesale prices also continued their declining trend in many countries and remained below 2008 levels. This trend is due, at least in part, to more renewables and an overcapacity in generation. Both for gas and electricity, a better utilisation of the networks, as well as greater competition, have played an important role".

Why have electricity retail prices not fallen?

In half the EU Member States, the price residential consumers pay for electricity has not fallen. This is because of an increase in the level non-contestable charges in the consumers' energy bills (e.g. related to the funding of renewables support schemes and, in some cases, capacity remuneration mechanisms and other system services). Regulators consider that the continued increase of these non-energy related charges in consumers' energy bills hinders consumers' ability to take advantage of the greater choice and better prices that the energy sector liberalisation is expected to deliver.

Progress in customer protection and empowerment

The Report shows that the legal provisions for consumer protection and empowerments are generally well established in national legislation and in practice. On average, it takes around 14 working days to switch (electricity or gas) supplier which is within the 3-week maximum period mandated by EU energy laws, and around 5 weeks to receive the final bill after switching supplier. Regulators have set a more ambitious goal of switching within 24 hours by the year 2025 (see our Bridge to 2025 recommendations). In 2015, 17 countries have minimal functionalities for smart meters specified in law to ensure benefits to household consumers. 20 countries have reliable price comparison tools in electricity and 15 in gas.

Commenting on consumers' experiences with the market, **Lord Mogg**, Chair of ACER's Board of Regulators and CEER President, said:

"Consumers' empowerment is essential if consumers are to benefit from the greater choice available in the market. Smart meters, if they are equipped with proper functionalities, are a key enabler of demand response which in turn provides much needed flexibility in energy systems. As regulators we will continue our work to remove barriers to retail markets, to unlock demand response and to ensure consumers have access to reliable comparison tools."

Ends (see Notes for Editors)

- (1) The *Annual Report on the Results of Monitoring the Internal Electricity and Natural Gas Markets* fulfils the Agency's mandate established by Article 11 of [Regulation \(EC\) No 713/2009](#). It covers retail prices for electricity and natural gas, access to networks (including network access by electricity produced from renewable energy sources), and compliance with the consumer rights laid down in [Directive 2009/72/EC](#) and [Directive 2009/73/EC](#). This year, the Report comprises a main volume and four thematic volumes on Retail Markets, Customer Protection and Empowerment, Wholesale Gas Markets, and Wholesale Electricity Markets. The Gas and Electricity Wholesale Market Volumes were published on 21 September, earlier than the main volume and two other thematic volumes – which are released today - to allow readers access to these documents as soon as they are ready. The recommendations in all the areas covered by the Report are also released today. All volumes can be [here](#) on www.acer.europa.eu. The data used for compiling this Report have been collected internally or provided by the European Commission, CEER, the National Regulatory Authorities, and the European Networks of Transmission System Operators for electricity and gas. In parallel, the National Country Reports by each National Regulatory Authority (NRA) are now available on the CEER website www.ceer.eu.
- (2) Regulators' [Bridge to 2025 proposals](#), published 23 September 2014, present a set of concrete actions for collective action by regulators, the EU institutions, Member States and stakeholders to fully implement EU legislation, including the network codes as well as the Gas and Electricity Target Models, to help establish and maintain liquid, competitive and integrated wholesale energy markets. The Bridge to 2025 provides a vision for the next decade, and is intended as a guide to policy makers and the energy sector alike. Cross-cutting proposals address the full range of energy policy - from electricity and gas, to retail and consumer to distribution networks and the overall governance for European level energy cooperation.

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