



Commission for Energy Regulation

An Coimisiún um Rialáil Fuinnimh

**Review of the Regulatory Framework for the Domestic
NDM Retail Gas Market
Domestic NDM Retail Gas Market Deregulation
Decision**

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1. Introduction

In its Review of the NDM Retail Gas Market ([CER/13/096](#)), the CER set out the criteria for deregulation of the gas domestic retail market. Deregulation of Bord Gáis Energy in the domestic gas market will occur if the following criteria are met (subject to all necessary legislative and licensing changes being implemented):

- Threshold for deregulation is 60% market share based on customer numbers with rebranding of its retail business and without rebranding the threshold is 55%;
- At least 3 suppliers, of which two are non-Bord Gáis Energy suppliers. Each of these must have a market share in excess of 10%; and,
- Customer switching rates in excess of 10% per year.

To determine when these criteria will be met, the CER conducts monthly competition reviews looking at current market conditions and forecasts for the coming 6 months (the methodology used for these reviews can be found in [CER/13/124](#)). While forecasts will be used to determine if the criteria for deregulation will be met, a final deregulation decision will not be made until one month before it is predicted to take place.

2. April Competition Review Analysis

The April Competition Review used recent switching and market share data to forecast the market share of Bord Gáis Energy and other stakeholders in the domestic gas market.

Actual data for April indicates that Bord Gáis Energy had an estimated 55.55% market share at the end of April 2014 which satisfies the 60% threshold for deregulation (with rebranding of the retail business). However, the CER has not received a decision on branding from Bord Gáis Energy and is therefore working on the basis that no rebranding will take place.

While the 55% market share criteria for deregulation has not been met to allow for the immediate deregulation of the domestic gas market, the forecast within the April Competition Review estimated that Bord Gáis Energy will have a market share of less than the 55% (non-rebranding threshold) during June 2014. This is consistent with the forecast in the February and March Competition Reviews.

3. Deregulation Decision

Based on the criteria for deregulation as set out in the Review of the NDM Retail Market, the CER will notify the market of the decision to deregulate at least one month before it will take place.

Given that all the criteria for the deregulation of the domestic NDM gas market are estimated to be met during June 2014, the CER is issuing its one month's notice to the market of its intention to deregulate the domestic market.

The domestic gas market will be deregulated on 1st July 2014.