



CER

Commission for Energy Regulation
An Coimisiún um Rialáil Fuinnimh

Market Monitoring Requirements Information Note

Information Paper

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Regulating Water, Energy and Energy Safety in the Public Interest

The Exchange, Belgard Square North, Tallaght, Dublin 24, Ireland
+353 1 4000 800 | info@cer.ie | www.cer.ie

Executive Summary

This information note details changes to the CER's market monitoring requirements for Suppliers with between 1% and 5% market share in any segment of the electricity and/or gas retail markets.

The revised reporting thresholds for market monitoring, to come into effect from the date of publication of this paper, are set out below.

- As per CER/13/344, Suppliers with below 1% market share in electricity in terms of consumption or gas in terms of customer numbers will be required to submit an annual report on customer complaints. This represents no change for such Suppliers.
- For Suppliers with greater than 5% market share there is no change to existing market monitoring requirements.
- Suppliers with between 1% and 5% market share in any market in which the Supplier is active will be required to submit a range of indicators as indicated in this Information Paper.

These are;

1. Monthly submissions for dual fuel switching and renegotiations will be required from Suppliers with between 1% and 5% of market share.
2. Annual submissions on retail margins and customer complaints will be required for Suppliers with between 1% and 5% of market share.

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1 Introduction

1.1 The Commission for Energy Regulation

The Commission for Energy Regulation (CER) is Ireland's independent energy and water regulator. The CER was established in 1999 and now has a wide range of economic, customer protection and safety responsibilities in energy. The CER is also the regulator of Ireland's public water and wastewater system. Our mission is to regulate water, energy and energy safety in the public interest.

1.1.1 Purpose of this Paper

This Information Paper is linked to the Market Monitoring in the Electricity and Gas Retail Markets Decision Paper CER/14/344. The CER is revising the thresholds that apply for reporting in order to ensure a glide path towards full reporting requirements for smaller market participants in particular those between 1% and 5% of market share.

This change is based on feedback and experience from implementation of the new market monitoring framework. The CER is cognisant of the fact that for smaller suppliers (those holding between 1-5% of market share) the compilation and submission of the full range of required information may require considerable resources.

Once market monitoring is operationalised it is envisaged that there will be less of a time burden, however the CER is aware that this may take time to implement.

The conclusions outlined in this paper mean that a subset of the full suite of market monitoring reports will apply to suppliers with market shares of between 1% and 5%, with full reporting requirements being applicable once suppliers reach greater than 5% market share. Suppliers with less than 1% market share will be required to submit reports for customer complaints on an annual basis only.

1.1.2 Related documents

[CER/13/302 Market Monitoring in the Electricity and Gas Retail Markets – Consultation Paper](#)

[CER/14/344 Market Monitoring in the Electricity and Gas Retail Markets –Decision Paper](#)

2 Market Monitoring Decision Paper

Between 2013 and 2014, the CER consulted on a new electricity and natural gas retail market monitoring framework, with a range of market indicators to be collected from suppliers and network operators (ESB Networks and Gas Networks Ireland).

The framework provides the CER with analysis for reviewing the effectiveness of competition in electricity and gas retail markets (as required under legislation).

The CER is required under legislation “to monitor the level and effectiveness of market opening and the development of competition in the supply of electricity and gas to final customers” and is required, on foot of this monitoring, to take any action deemed necessary to

“(i) prevent a distortion or restriction of competition in the supply of electricity to final customers, or

(ii) ensure that final customers are benefiting from competition in the supply of electricity”¹.

The market monitoring indicators identified in the Decision Paper on market monitoring provide the required degree of oversight of market conditions to ensure the CER can readily identify any market issues.

2.1 Indicators outlined in Decision Paper

Currently there are a range of indicators in place which Suppliers are required to report on depending on their market share. The full range of indicators are outlined in CER/14/344.

All suppliers above 5% market share have been fully reporting on these indicators since November 2015. Suppliers above 1% of market share are also currently required to report on the full range of indicators. However, in light of analysis undertaken the CER is now revising the reporting indicators for Suppliers who hold between 1% and 5% market share.

¹ S.I. 630 of 2011

2.2 Revised Reporting Thresholds

Based on the experience of the implementation phase of the new market monitoring framework to date, the CER has decided to revise the reporting thresholds applicable to Suppliers for market monitoring.

This review of de minimis thresholds for reporting has two aims:

- Reduce any barrier to growth for smaller Suppliers associated with the implementation costs of market monitoring. Through the introduction of a phased approach to market monitoring reporting, it is hoped that smaller Suppliers will be able to operationalise each reporting requirement over a longer time period. As new Suppliers reach the 1% de minimis threshold, it will be easier to understand the requirements for the reduced range of reports.
- To help ensure that the CER is receiving the necessary information from all Suppliers in a timely manner using a standardised IT platform. This helps to ensure that the CER can meet its schedule of monthly and quarterly market monitoring. These reporting requirements are critical for market participants to understand the development of the market.

2.3 Amendments to reporting requirements arising from CER/14/344

Suppliers with **below 1%** market share in electricity in terms of consumption or gas in terms of customer numbers will be required to submit an annual report on customer complaints, as per CER/14/344. Suppliers with **greater than 5%** market share will be required to submit the full range of reports as before. There is no change to these reporting requirements.

Suppliers with **between 1% and 5%** market share will be required to submit a reduced range of reports. Monthly reports for dual fuel switching and renegotiation's will be required, while no quarterly reports will be required. Annual reports will be required on retail margins and customer complaints. The full range of reporting requirements that will apply to Suppliers with between 1% and 5% market share is outlined below.

Monthly Reports	Apply to Suppliers between 1% and 5%
<p style="text-align: center;"><u>Dual Fuel Switching</u></p> <p>The 'dual fuel switching' indicator refers to the number of dual fuel customers (measured by MPRN/GPRN) that switched, either one account or both gas and electricity. A dual fuel customer is defined as a site that has both gas and electricity accounts with the same supplier (whether on a specific dual fuel tariff or not).</p>	Yes
<p style="text-align: center;"><u>Renegotiations</u></p> <p>Renegotiations refer to the renegotiation of a contract by any customer with their existing supplier, no matter how long the customer is with a supplier. Information is required on the number of successful renegotiations and the number of customers contacting to renegotiate.</p>	Yes
Quarterly Reports	
<p style="text-align: center;"><u>Diversity of Contracts</u></p> <p>This refers to the range of tariff plans (standard, discounted, etc) that customers of a supplier are on. A tariff plan is where there are different charges or different terms and conditions in comparison to other plans that are available with the supplier. Any plan, publically available or not, that customers are on should be reported, including exclusive deals.</p>	No

<p style="text-align: center;"><u>End User Price</u></p> <p>Data is to be provided on total revenues, demand (kWh) and customer numbers for each market segment.</p>	<p style="text-align: center;">No</p>
<p style="text-align: center;"><u>Arrears</u></p> <p>Arrears refers to the number of customers by market segment that were in arrears at the end of the reporting period regardless of the value of the arrears. Data is required on the total value of arrears and number of customers in arrears.</p>	<p style="text-align: center;">No</p>
<p style="text-align: center;"><u>Payment plans</u></p> <p>A payment plan is a situation where a customer enters into a specific payment arrangement with a supplier to cover outstanding arrears on their bills. Information is required on the number of customers on payment plans, number of plans successfully completed, value of weekly repayments</p>	<p style="text-align: center;">No</p>
<p>Annual Reports</p>	
<p style="text-align: center;"><u>Active Suppliers</u></p> <p>'Active' refers to the markets in which the supplier is actively seeking domestic or business customers and/or where they have an active customer base.</p>	<p style="text-align: center;">Yes</p>
<p style="text-align: center;"><u>Number of customers defaulting to standard tariffs</u></p> <p>This indicator refers to the number of existing customers that automatically defaulted to the supplier's standard tariff or any other tariff on completion of their contract during the</p>	<p style="text-align: center;">Yes</p>

reporting period.	
<p style="text-align: center;"><u>Retail Margins</u></p> <p>The margins indicator requires data on a number of components of end-user price and refers to the costs and margin associated with the energy supply business of an entity</p>	Yes
<p style="text-align: center;"><u>Customer Complaints</u></p> <p>Complaints are defined as the expression of a customer's dissatisfaction.</p>	Yes*

*All Suppliers are required to submit annual figures on Customer Complaints, regardless of market share.

2.4 Reporting Format

All suppliers will now be required to submit reports in csv format via the CER's secure file transfer portal. The CER has recently conducted an IT Audit and as part of this audit is now requiring all information from Suppliers, which includes a range of confidential information to be sent via a secure portal.

The CSV (character-separated values) format is a widely used text file format, often used to exchange data between applications. It contains multiple records, with one record per line and is encrypted meaning only designated CER staff and Suppliers are able to view the information being transferred.

As follow up to this Information Note the CER will;

1. Hold bilateral training sessions with relevant Suppliers outlining the reporting process including the use of the csv file portal.
2. Will publish an updated Standard Operating Procedure Handbook for market participants to access online.

3 Next Steps

The CER now notifies all currently active Suppliers with market share of between 1-5% to begin reporting on the reduced range of indicators outlined in this decision paper by 20th July, the monthly submission date for market monitoring requirements.

There will be no change to the reporting requirements for suppliers with below 1% or above 5% of market share, however all suppliers will be required to report in csv format.

Prior to this, the CER will arrange a bilateral training sessions with current Suppliers as required to facilitate training on the reporting requirements and use of csv file share portal.

For potential future Suppliers which may at some time meet the reporting requirements of 1%, the CER will contact such Suppliers and set up the appropriate training and outline the timeframes for implementing the market monitoring requirements. As a general rule, the CER endeavours that such Suppliers reporting requirements would be in place 12 months from when such a Supplier reaches the reporting threshold.

A number of documents have been published alongside this decision paper outlining to process and indicators for market monitoring.