



Interim report – Preliminary set of guidelines

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Mandate of the Task Force

- Mandate by ERGEG Work Programme 2006: affordability issues and customer protection
 - state of play analysis
 - draft guidelines on best practice for South East Europe



Objective

- Provide first idea to Athens Forum and stimulate a discussion among Forum participants

Focus and Scope

- How to best address affordability and low income customers in the process towards moving to cost reflective tariffs and addressing customer protection in general
- Energy (Electricity, Gas, Heating)
- Energy Treaty Parties

Recitals

- Regulators' role in ensuring competitive climate with competitive prices
- Regulators' role in designing support mechanisms for vulnerable customers and implementing them or cooperating with the government or relevant institution which has competence to design and implement support mechanism for vulnerable customer
- The role of government (nation and federal/local/regional) to deal with safety net issues in consultation with regulators, taking into account special role of ministers responsible for energy and social issues

Recitals (cont'd)

- Electricity and gas penetration rates per country and the degree of connectivity
- State of liberalisation and timetable of eligibility for electricity and gas consumers
- Impact on competition

Category 1: Draft general guidelines for customer protection

- Retail tariffs as every tariff need to be cost reflective
- Cross subsidisation among consumer groups as any cross subsidisation must be removed
- Minimum requirements of customer protection implemented and enforced
- Development and strengthening of regulatory competences for approving investments in existing and new infrastructure
- Efficiency network regulation
- Optimisation of the grid for energy efficiency purposes
- Meters in place for every load point

Category 2: Draft guidelines for vulnerable customer protection

- Any support mechanism restrictively applied: Income based system rather than consumption based to avoid excessive and uneconomic energy use
- Governments to ensure efficiency measures in place, awareness
- Easy access to application procedure and information transparency
- Disconnection as last means and restrictive application
- Financing of support mechanism from budget or levy on grid tariff
- Shared role of government and regulator
- Definition for vulnerable customer: national versus regional?



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