

# **Monitoring progress towards the Internal Energy Market: preliminary findings ex Article 11 of Reg. (EC) No 713/2009**

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13 November 2012  
London Citizens Forum  
Islington, London

# The evolution of retail prices

- Regulated prices still a central feature in the majority of Member States
- Electricity post-tax prices increased by 9.4% in 2010-11 (EU 27)
- Gas post-tax prices rose by 10% in 2010-11 (EU 25)
- Switching rates remained generally low in both electricity and gas
- Smart meters and 'market facilitators' should improve the switching process in the future

## **Competition, regulated prices, and new forms of pricing**

- Retail competition remains weak in most MS
- Regulated prices, if set below costs, will suppress competition
- Vulnerable customers are not always legally defined
- Social security policies should not interfere with free retail markets
- Retail markets remain national, when not sub-national, in nature
- The contribution of dual fuel and web-only offers to enhanced retail competition needs further investigation
- There are signs that non-price competition is becoming important

**Thank you for your kind attention**



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