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Trinomics survey study on consumer pricing in the post-crisis retail energy market

A Eurelectric response paper

April 2025

Eurelectric represents the interests of the electricity industry in Europe. Our work covers all major issues affecting our sector. Our members represent the electricity industry in over 30 European countries.

We cover the entire industry from electricity generation and markets to distribution networks and customer issues. We also have affiliates active on several other continents and business associates from a wide variety of sectors with a direct interest in the electricity industry.

We stand for

The vision of the European power sector is to enable and sustain:
- A vibrant competitive European economy, reliably powered by clean, carbon-neutral energy
- A smart, energy efficient and truly sustainable society for all citizens of Europe

We are committed to lead a cost-effective energy transition by:

investing in clean power generation and transition-enabling solutions, to reduce emissions and actively pursue efforts to become carbon-neutral well before mid-century, taking into account different starting points and commercial availability of key transition technologies;

transforming the energy system to make it more responsive, resilient and efficient. This includes increased use of renewable energy, digitalisation, demand side response and reinforcement of grids so they can function as platforms and enablers for customers, cities and communities;

accelerating the energy transition in other economic sectors by offering competitive electricity as a transformation tool for transport, heating and industry;

embedding sustainability in all parts of our value chain and take measures to support the transformation of existing assets towards a zero carbon society;

innovating to discover the cutting-edge business models and develop the breakthrough technologies that are indispensable to allow our industry to lead this transition.

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WG Retail Market Design

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Electricity retail market structure and competition

Trinomics survey study on consumer pricing in post-crisis retail energy market

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The following questions are aimed at the structure and level of competition you are experiencing in the electricity retail market(s) you are operating in, and setting the local context in which the government interventions were intended (if put in place).

4. How would you rate the level of competition among suppliers in you country's retail market? ***Please, provide a reasoning to you answer as well in the Comments textbox below.***

- Very low
- Low
- Neutral
- High
- Very high

Comments:

In general, European retail markets have relatively low barriers to entry, which leads to a high level of competition among suppliers for the engaged customers participating to the market, even in countries with regulated prices. However, where public interventions in price setting exists, consumers could have limited incentives to contribute to the energy transition (e.g., flexibility) or switch suppliers. In this situation, it is essential to be particularly vigilant about the well-functioning of the retail markets based on market-based supply, ensuring that flexibility signals are preserved and creating conditions for an effective competition remains effective.

5. Which of these factors is most indicative of competition between suppliers in your country? *

(You can select multiple categories. Please select below all that apply.)

- Market concentration (i.e. based on the nr. of consumers per supplier)
- Supplier switching rates
- Low market entry barrier (e.g. nr. of new entrants annually)
- Close relationship between wholesale markets and retail prices
- Breadth of price intervention policies (e.g. percentage of consumers with regulated energy prices)
- Availability of consumer engagement and empowerment tools (e.g. dynamic/hybrid pricing, awareness programs, etc.)
- Innovation and digitalisation (e.g. nr. of smart meters installed)
- Socio-economic conditions (e.g. nr. of disconnections)
- Other - please, specify
    - Availability among many suppliers;

    - Low market concentration
    - Energy-poor and vulnerable customers are taken care of with strong social policies, allowing the market to operate freely without price regulation
    - Availability of empowerment tools

6. Which of the following barriers are limiting competition among suppliers in your country?

(You can select multiple categories. Please select below all that apply.)

- High level of market concentration (i.e. based on the nr. of consumers per supplier)
- Regulatory challenges (e.g. long permitting time, high entry requirements, diverging frameworks across borders, etc.)
- Low consumer mobility
- Lack of effective consumer protection mechanisms
- Other - please, specify
    - slow rollout of smart meters, which hinders consumers from making greater use of flexible and dynamic tariffs
    - Low liquidity in forward markets
    - The existence of price interventions which create distortion in the free market
    - Low electrification rates (a larger market will further increase the number of products and their competitiveness)
    - Lack of visibility regarding regulation or tax rules that have an impact on the bill

7. Which of the following key drivers have the largest impact on encouraging competition among suppliers in your country?

(You can select multiple categories. Please select below all that apply.)

- Consumer empowerment
- Market integration (i.e. sufficient cross-border capacities, harmonised regulations, etc.)
- Technological advancements (e.g. smart meters)
- Regulatory frameworks that support entry and innovation
- Other - please, specify
    - Remove all price intervention policies that are not compatible with market competition (for example, tariffs set below costs)
    - If needed, specifically target price intervention policies to vulnerable and energy-poor consumers, that have to be clearly defined by national regulatory frameworks

- Incentivize the development of innovative electricity products in the market, in order to strongly increase market liquidity
- Increase electrification rates

8. How do you assess the role small and new entrants play regarding the competition in your retail electricity market?

Please, provide a reasoning to your answer as well in the Comments textbox.

- They are significant contributors to competition
- They are minor contributors to competition
- They have no noticeable impact on competition

Comments:

Competition between actors and products is both necessary and strongly encouraged. New entrants naturally play an important role in this dynamic. As already stated in question 4, in general, European markets have relatively low barriers to entry, which leads to a high level of competition among suppliers. When barriers to market entry are low, competition among existing players tends to increase and even more so with the new entrants.

However, it is important to acknowledge that in different Member States, other bottlenecks must be addressed first. These include price intervention policies that are not compatible with market competition, the lack of enabling infrastructure such as smart meters, and national regulatory or tax frameworks that weaken incentives for certain actors in the value chain to develop innovative products. While these challenges are managed differently across countries, a strong and well-designed foundation is essential to ensure a competitive environment for all market participants.

Moreover, when referring to competition and no entry barriers, it's important to mention that competition should be fostered but in a balanced manner. It's important to enable healthy competition, which also means setting minimum requirements or equivalent measures in terms of financial resilience, technical skills and structure to enter the market, to ensure consumer protection and value for the system (rather than additional risk).

Measures during price crisis

The following questions are about your opinion on the actual steps that were taken (if any) by the government to counter the electricity price crisis.

9. Were price intervention policies implemented during recent crises (e.g., 2021-2022 energy crisis) in your country? *****

- Yes
- No

If yes, which of the following price interventions have been taken and are still applicable in your country?

(You can select multiple categories. Please select below all that apply.)

- Regulated tariffs
- Social tariffs for vulnerable customers
- Price caps on retail prices
- Price approval/supervision by the regulator
- Extension of the availability of social and other regulated retail prices
- Other - please, specify
    - Price compensation
    - Payment facilities offered to industrial energy-intensive consumers
    - Disconnection ban: Impossibility of supply interruption to households

For the price interventions has an end date been set?

(If the end date has been announced and delayed before, please indicate so in the comments!)

- Yes (please, provide the end-date in the Comments)
- No (please, provide a motivation in the Comments for why not)

Comments:

The situation across Europe is highly fragmented, as member states have chosen various degrees and ways of price regulation during and since the crisis. Some Member States refrained from introducing any market interventions. However, the majority implemented various forms of intervention during the crisis (ending up also in consumers not having the right incentives to decrease consumption during stress periods), and some of these measures have been extended well beyond the emergency phase. If any price regulation is in place, this must be designed at least in a way that it does not prevent fair competition between suppliers, in respect of article 5 of the Directive.

Do you find the underlying methodology of the price interventions set by the regulator in your country to be accessible, fair, and transparent (in terms of target groups, motivation, method of calculation, etc.)?

Please, motivate your answer in the Comments.

- Yes
- No

Comments:

This varies significantly across countries, but in general, we did not observe a strong methodology or satisfactory justification. Instead, there were frequent successive changes, unpredictable implementation methods, unacknowledged acquisition costs, outdated values for suppliers' operating expenses, implementation challenges, and delays in compensation mechanisms.

Crisis response measures should have a clear, transparent, and commonly agreed-upon triggering point, e.g. the specific reason that initiates their activation, as well as predictable details established well in advance of their implementation. The terms of remuneration for suppliers and other stakeholders must be clearly defined and subject to prior consultation with relevant parties. Measures should be fit for purpose and avoid creating excessive administrative burdens.

13. Which of the following practices do you find most effective in enhancing competition between suppliers in your country?

(You can select multiple categories. Please select below all that apply. If you have additional sources describing any useful practices, please feel free to leave a hyperlink in the Comments.)

- A clear roadmap and well-defined transitional periods have been an effective way to phase-out price regulation regimes.
- There is a need for a well-functioning separation between distribution and supply services so that new entrants can operate at the same level-playing field as the existing incumbents.
- Setting up of a centralised data platform accessible by all suppliers with key information on consumers and past consumption.
- A transparent price comparison tool is needed which helps the consumer find the best deal rapidly and reliably.
- More transparent, active (i.e. monthly) billing of consumers
- Other - please, specify
    - smart meters in place
    - no public intervention in prices
    - market-based prices
    - persistent and stable legislation

Comments:

14. Do you know of any other good practices from other countries?

(If you have additional sources describing any useful practices, please feel free to leave a hyperlink in the Comments.)

- Yes (please elaborate in the Comments)
- No

Comments:

One illustrative example is the Nordic approach, as seen in countries like Sweden, Finland, and Denmark. These markets did not introduce price interventions or entry barriers, relying instead on direct support measures from their national social security systems to support vulnerable consumers. This ensures protection without distorting market signals. Another noteworthy example is the use of energy auctions to cover the needs of universal service suppliers, implemented in countries such as Portugal, and previously in Romania (prior to 2022). These auctions represent an effective way to maintain price stability through a market-based mechanism.

15. How important are socio-economic, political, and cultural factors in determining the effectiveness of competition-enhancing practices?

- Very important
- Moderately important
- Slightly important
- Not important

Please, specify which socio-economic, political and cultural factors you find important in determining the effectiveness of competition-enhancing practices!

A clear definition of energy poverty and vulnerable consumers, along with differentiated strategies for each, is needed, with a clear role for social policy either in providing financial support for those in a situation of poverty or at risk of such, or in offering engagement support for those facing different types of vulnerability, for example through social workers.

Comments:

The affordability of energy for end customers remains a highly sensitive political issue, and governments are often reluctant to implement reforms that could lead to price increases. In public debate, concerns about affordability tend to outweigh those related to competition or innovation, with industrial consumers in particular voicing frustration over high energy costs, or to those related to price signals needed for flexibility with active engagement of DR. To address this, there is a need for a clear and stable policy framework, along with well-defined criteria for identifying consumers who require support. Rather than intervening directly in the market, we recommend providing targeted financial assistance through social policy measures to those who are genuinely in need by defined economics and living standard criteria, more than generic/age-oriented ones.

Replication potential

The following questions are aimed at uncovering the potential to adapt the measures implemented in the market known to you in other markets of other EU Member States. This will help us provide actionable recommendations to the European Commission in combatting future crises.

17. Do you think the best practices identified in your country could be replicated in other Member States with similar socio-economic conditions?

- Yes
- No
- Maybe - please, specify

18. Which of the following factors could make it difficult to replicate best practices in other countries?

(You can select multiple categories. Please select below all that apply.)

- Different legal frameworks
- Institutional capacities
- Cultural differences
- Economic conditions
- Political will
- Other - please, specify
  - Active social security system as protection for vulnerable customers

19. What adjustments or adaptations would improve the replication of best practices across Member States?

Comments:

There is a need for clearer communication and better understanding of EU Directives and Regulations, particularly regarding their objectives, definitions, and overall intent. To ensure effective and consistent implementation (which is fundamental), governments should be supported in interpreting these rules accurately, while keeping the process focused on technical and policy goals rather than political debates that may undermine trust in competition and market principles. The focus should be on demonstrating the benefits that these principles bring to the energy system. In addition, rather than intervening directly in the market, financial assistance such as energy vouchers should be delivered through social policy measures to those who are genuinely in need. To support this approach, a clear and harmonised definition of energy poverty and vulnerable consumers across Europe is essential

Closing questions

20. (Optional) Please share here any additional insights or suggestions you might have for enhancing competition between suppliers in your country or across Europe.

Comments:

Competition is essential for driving innovation. This has been demonstrated in countries that have liberalized their markets. Therefore, a swift and full implementation of Article 5 of Directive 2019/944 is crucial, alongside a limitation on political interventions in the market, which create uncertainty and hinder market development.

21. (Optional) If we have questions relating to your answers, may we contact you for further clarifications? If yes, please enter your e-mail address here.

Please note that your email address, if shared, will only be used for follow-up questions and will not be used in any other way (maintaining confidentiality).

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Eurelectric pursues in all its activities the application of the following sustainable development values:

Economic Development

- Growth, added-value, efficiency

Environmental Leadership

- Commitment, innovation, pro-activeness

Social Responsibility

- Transparency, ethics, accountability

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