CIGRE Study committe C5

PROPOSAL FOR THE CREATION OF A NEW WORKING GROUP

WG C5.40

NAME OF THE CONVENOR
Viana Alexandre (BRAZIL)

TITLE
Framework for retail competition in electricity markets

THE WG APPLIES TO DISTRIBUTION NETWORKS: YES

ENERGY TRANSITION
7 / Consumers, Prosumers and Electrical Vehicles

POTENTIAL BENEFIT OF WG WORK
1 / commercial, business, social, economic benefits
2 / potential interest from a wide range of stakeholders
4 / state-of-the-art or innovative solutions or directions
5 / Guide or survey on techniques, or updates on past work or brochures

STRATEGIC DIRECTION
1 / The electrical power system of the future reinforcing the End-to-End nature of CIGRE: respond to speed of changes in the industry by preparing and disseminating state-ofthe-art technological advances
2 / Making the best use of the existing systems

SUSTAINABLE DEVELOPMENT GOAL
7 / Affordable and clean energy
9 / Industry, innovation and infrastructure

BACKGROUND :

One of the key transformations in the international power sector at the end of the last century was the creation of electricity markets. This was intended to foster new technologies, attract private investment (especially in generation), and promote competition to reduce prices and increase efficiency. In 1978, the market approach began with the implementation of the Single-Buyer regulation in the U.S., which also introduced the concept of the Independent Power Producer (IPP).

Over the next two decades, market design - and consequently, reforms - were further developed with the establishment of wholesale structures featuring full competition in generation. Chile and the UK led this shift in 1988 and 1989, respectively, followed by the U.S. in 1992, the Nordic countries between 1993-1995, and parts of Europe between 1995-2000. Naturally, the wholesale market structure sparked discussions about allowing consumers to choose their electricity suppliers, and how competition could improve service offerings and facilitate the introduction of new technologies, including at the distribution level.

Firstly, the retail competition era began in the Nordic countries and the UK, with Australia, New Zealand, and Texas adopting similar competitive structures between 1995-2002. In subsequent years, European countries either adopted or incentivized this market design, and other regions are now considering allowing all consumers to participate in the market.

Today, retail competition is a global trend, especially considering that many emerging technologies - such as rooftop solar panels, electric vehicles, heat pumps/air condition and batteries -.are targeting the distribution level. These Distributed Energy Resources (DERs) require more flexible market structures to compensate investors and encourage consumer adoption, often leading to retail competition. Future retail products in the electricity sector will not only include electricity supply, but also electricity generation and flexibility. However, despite being a trend, retail structures have not followed a uniform path, and even today, there is no consensus. New countries continue to debate the adoption of retail markets.

PURPOSE / OBJECTIVE / BENEFIT OF THIS WORK :

The WG will discuss the various levels of retail competition currently in place, modalities for effective competition and consumer choice, and the lessons learned internationally in terms of attracting new technologies and services within the retail market. As a result, the WG will present recommendations, key points of attention, and an update on the current stage and trends in retail competition.

SCOPE :

The WG will investigate and/or work on the following topics:

- Identification of the current status of retail markets in the countries that have implemented retail competition
- Identification of targets and early stages, for the countries aiming for retail competition.
- Lessons learned from jurisdictions that have already implemented retail markets.
- Definition of retail competition structures.
- Trends in retail competition and comparisons with market design theory for electricity markets.
- Recommendations for retail competition development.

DELIVERABLES AND EVENTS

Deliverables Types

Annual progress and activity report to Study Committee
Electra report
Meeting
Technical Brochure and Executive Summary in Electra
Tutorial
Webinar
Work Schedule

Deliverables schedule

Technical Brochure	Q3	2026	Technical Brochure
Tutorial	Q3	2026	Tutorial
Webinar	Q4	2026	Webinar
Work Schedule	Q2	2025	Work plan

Time schedule

Q1	2024	Tutor
Q1	2025	Recruit members (National Committees, WiE, NGN)
Q1	2025	Kick-Off Meeting
Q2	2025	Finalize Work Plan
Q3	2025	Regional survey North America
Q4	2025	International Survey
Q4	2025	Presentation at Montreal Symposium
Q2	2026	Draft Technical Brochure
Q3	2026	Final draft Technical Brochure
Q3	2026	Tutorial
Q4	2026	Webinar

APPROVAL BY TECHNICAL COUNCIL CHAIRMAN:
Rannveig S. J. Løken
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