

PRESS RELEASE

Energy: the *PLACET* offer will be launched in 2018 with predefined contractual conditions and free pricing, easy to understand and compare

The new electricity and gas offers for households and small consumers will have to be proposed together with those of the free market

Milan, 31st July 2017 – From 1st January 2018 all free market electricity and gas suppliers must include PLACET within their offers. **PLACET** (Italian acronym of *Prezzo Libero A Condizioni Equiparate di Tutela*, meaning an offer at free prices at conditions equivalent to those of the standard offer) is an offer for households and small businesses. The contractual terms and conditions of PLACET are set by the Authority, whilst prices are set freely by the supplier and have a clear and easily understandable structure.

PLACET is a new tool introduced by the Italian Regulatory Authority for Electricity Gas and Water with Resolution no. 555/2017/R/com after a broad consultation process. It is intended to help consumers to enhance their ability to choose and to facilitate comparison within the free market, filling the information gap often existing in the relationship between the parties. It also introduces the so-called “standard offers” into the Italian retail market, with some innovation with respect to similar cases in other markets in terms of user protection and flexibility.

Suppliers will have to include on their “menu” a fixed-price PLACET offer and a variable price one, specifically for the electricity and gas sectors, solely for the supply of energy without any additional services (financial addendum or additional conditions). The general conditions for supply will be drawn up by the supplier based on a reference form prepared by the Authority, with the support of a permanent Working Table between the operators’ and the final customers’ representatives. This form will be the benchmark for PLACET offer contracts, initially made available on a voluntary basis by suppliers, and will also be used by the Authority to monitor any form set up independently, to assess whether they are still meeting the requirements of the PLACET rules.

As far as energy prices are concerned, a single structure is planned, organised into point charges (€/customer/year) and energy charges (proportional to the volume withdrawn - €/kWh or €/Scm). In turn, the cost of energy may be variable, i.e., indexed at the price of the raw material on the wholesale markets by adding a *spread* set by the supplier, or being fixed for a certain period (1 year). The indexing of the variable PLACET for electricity will be referenced to the day-ahead market price (PUN - National Single Price), and for gas to the same reference index as the standard offer service (the TTF, the reference index of the Dutch wholesale gas market)¹. For billing, the TIF (Integrated Billing Text) provisions will be applied with no exceptions provided for, as is the case for the free market.

¹ In addition to the energy price, the seller sets out in the PLACET:

- Electricity: distribution fee, measurement and related marketing, as defined by the Authority; system charges, as defined by the Authority; distribution service charges, as applied by Terna; DISPbt component defined by the Authority;
- natural gas: distribution fee, measurement and related marketing, including charges, as defined by the Authority; QTt component, defined by the Authority for the standard offer regime.

No further charges for receipt of the bill or access to energy consumption data shall be imposed on the customer. The customer will also benefit from a discount for electronic billing and direct debit, as is already the case today for standard offer customers. The contract has an indefinite duration, subject to the right of withdrawal, with financial conditions renewed every 12 months and a price that is freely decided between the parties. With reasonable time prior to the deadline, the supplier will have to specifically inform the customer of the financial conditions applied over the 12 months and the customer will decide whether to sign up, even by automatic renewal. Households will always be able to benefit from the “Social Bonus” provided for those in financial/physical difficulty.

Furthermore, for electricity supply there is a link with the *Tutela SIMILE* standard offer contracts that reach their natural 12 month term. Following advance notice from the supplier of no less than 3 months before the expiration of the contract, and in the absence of a different choice by the customer, the *Tutela SIMILE* contract will continue for another year under the same contractual and financial conditions (but without the initial non-repeatable “one-off” discount) and then, in the absence of a different choice by the customer, a PLACET offer will be provided.

Finally, Resolution no. 555/2017/R/com also completes the framework of the minimum contractual conditions for all free market offers other than PLACET, starting from 2018, in particular with reference to the new rules on the conclusion of contracts and billings (with the relevant prohibition of the application of specific charges for receiving bills). In addition to the new PLACET offers and free market offers, offers under the standard offer scheme are still available (as long as they are set out by laws and regulations) and, for operators who have signed up, the *Tutela SIMILE* offers for the electricity market (available until 30th June 2018 through the portal www.portaletutelasimile.it).

All Resolutions are available on the website www.autorita.energia.it