

TECHNICAL SHEET

PROCEDURES AND TIMINGS RELATED TO THE REGULATION FOR WITHDRAWAL FROM SUPPLY CONTRACTS 302/2016/R/com (*)

With resolution 302/2016/R/com the Italian Regulatory Authority for Electricity Gas and Water has modified the procedures and timings for exercising the right of withdrawal of small size consumer supply contracts, also with the purpose of homogenising the regulation in the context of *retail* market evolution.

Resolution 302/2016/R/com – which particularly concerns withdrawing of domestic consumers, low voltage consumers and/or consumers with natural gas consumption no higher than 200 000 Smc/year, as well as those *prosumers* who have a contract dedicated exclusively to electricity withdrawals from the public grid and multi-site customers - follows what is provided for in consultation document 40/2016/R/com, in which the Regulatory Authority has expressed its own guidelines, also with the purpose of reducing the period of notice in compliance with the new provisions relating to the *switching* process and making the entire supplier changing process compliant in all of its aspects.

In particular, as well as modifying the Consolidated Sale Text (resolution no. 156/07 - TIV) and to resolution 138/04, the resolution repeals resolution 144/07 revising and updating the withdrawal regulation. In detail it concerns:

- the **period of notice** which is reduced and agreed in around three weeks regardless of the source market and regardless of the type of client. The withdrawal shall, in fact, be notified to the outgoing supplier by the 10th day of the month preceding the *switching* date. The following Table 1 summarises the timings for the withdrawal notice period;
- the **procedures for exercising the right of withdrawal**, for which a unique procedure for submitting the withdrawal by the entering supplier for all consumers is envisaged. In particular, in the case of supplier change, the resolution provides that the entering supplier notifies the consumer's wish to withdraw to the outgoing supplier in the name and on behalf of the consumer following a power of attorney granted by the same customer, by means of the same procedures envisaged for concluding the contract with the entering supplier and however in a durable, safe medium which cannot be modified. The entering supplier, through the pre-check service adapted as appropriate, becomes aware of the identity of the outgoing supplier and of the relevant contact details. In order to homogenise the withdrawal procedures and their relevant standardisation, it is stipulated that, at full performance, the transmission procedures for withdrawal will be carried out in the framework of the SII, postponing their detailed definition to a subsequent resolution;
- the **termination of the standard offer regime or the exit from last resort supply**, for which it is stipulated that the withdrawal shall not be notified to the entity in charge of the standard offer regime or of the last resort supply, thus minimising the burden for the client to explicitly withdraw from the contract and reducing to a minimum the time effectively necessary to terminate the contract.

In light of the developing nature of the market structure, the resolution postpones, to a subsequent intervention, the definition of a more complete revision of the withdrawal regulation, as regards, inter alia, the possibility to evaluate forms of enhanced flexibility for the free market with reference to the contractual clauses concerning the withdrawal, their derogability in the case of non-domestic consumers, and the timings for exercising the right to withdrawal by the suppliers,. Equally, the aspects relating to defining the withdrawal regulation for the consumers who hold "multi-service" contracts, including contracts signed by *prosumer* consumers that are not part of the regulation, will be detailed.

The new regulation will come into effect from the 1st January 2017, including for the existing contracts at this date.

Table 1 summary of the maximum period of notice for withdrawal

Type of client	Source market	Destination market	Timings in 144/07	New timings	Form of withdrawal
Domestic	Standard offer regime	Free	1 month	No prior notice	The consumer shall not be required to communicate the withdrawal.
Domestic	Gas regime	Free	1 month	around 3 weeks	The consumer grants power of attorney to the entering supplier to carry out the withdrawal
Domestic	Free	Free / Standard offer regime / Gas regime	1 month	around 3 weeks	The consumer grants power of attorney to the entering supplier to carry out the withdrawal
Non-domestic	Standard offer regime	Free	3 months	No prior notice	The consumer shall not be required to communicate the withdrawal.
Non-domestic	Free	Free / Standard offer regime	3 months	around 3 weeks	The consumer grants power of attorney to the entering supplier to carry out the withdrawal
Multi-site	Free	Free	3 months/ 1 month according to the type	around 3 weeks	The consumer grants power of attorney to the entering supplier to carry out the withdrawal

(*) This sheet is for disclosure purposes only; it is not a measure.