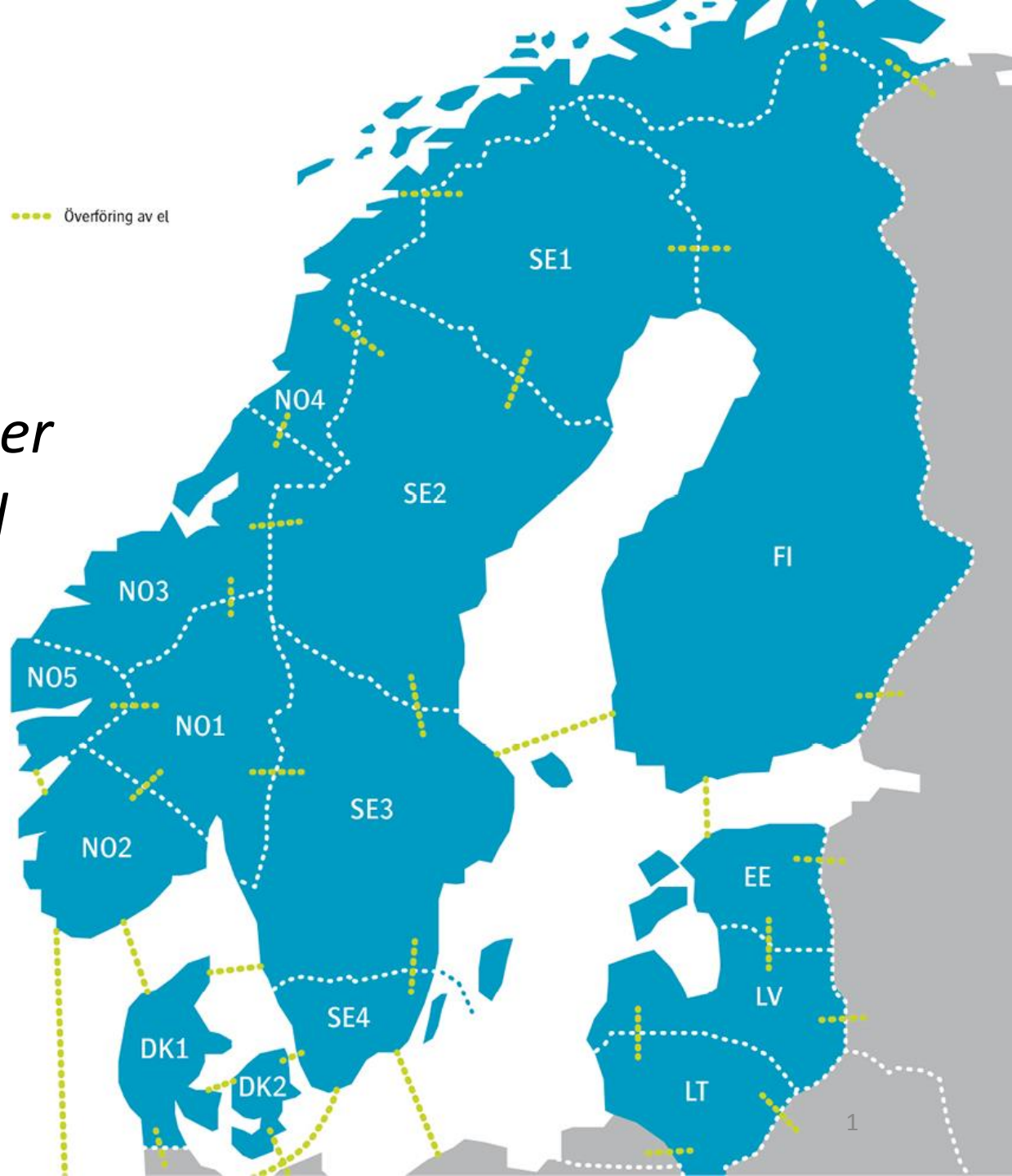




A new deal for energy consumers
What is needed to enforce consumer energy rights in the future regional markets?

Marielle Liikanen,
Chair Retail Market WG NordREG

..... Överföring av el

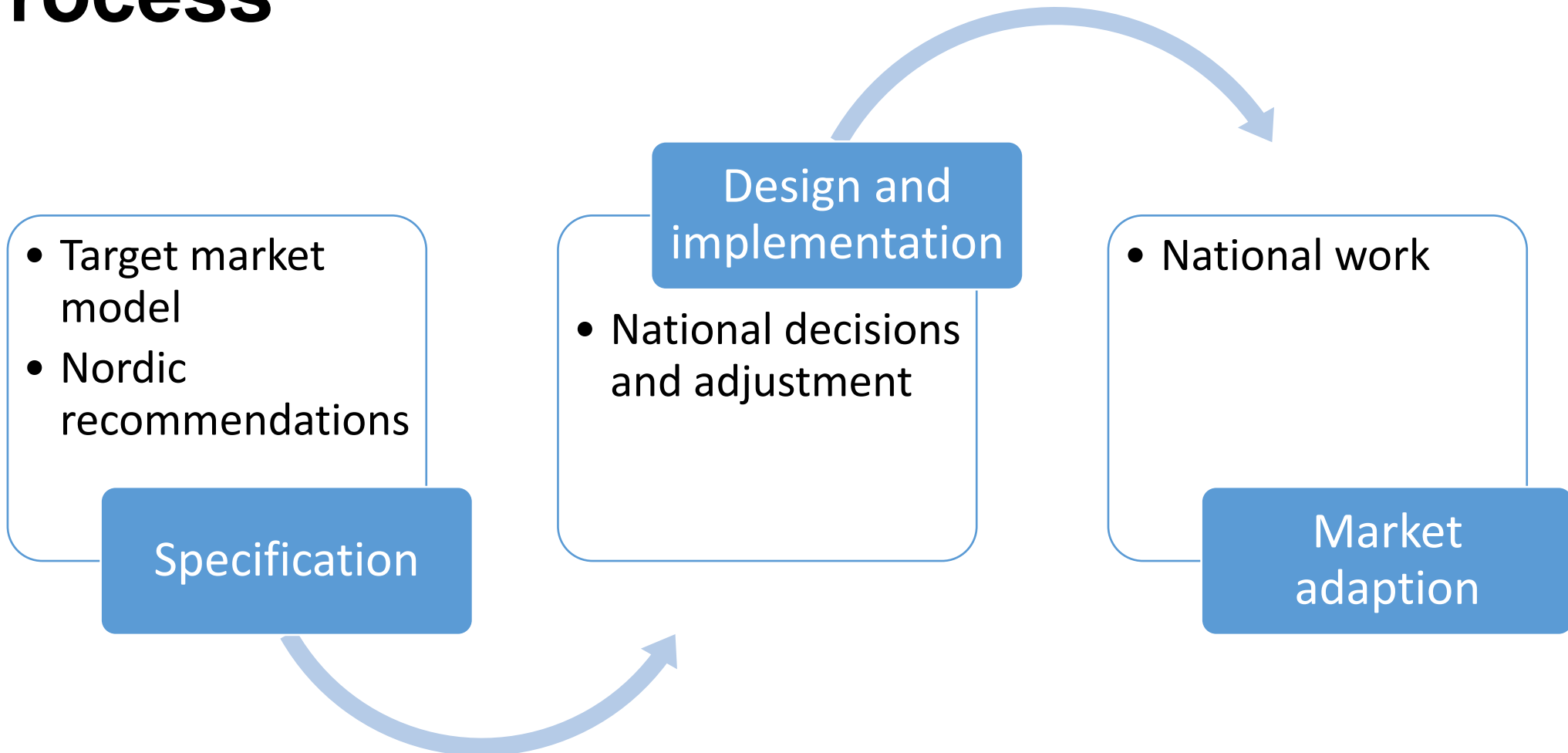


Vision and objective

“In the Nordic and European electricity markets, all Nordic customers will benefit from a free choice of suppliers providing reliable supply at competitive prices”

- *The main objective for the integration of the Nordic retail markets is to minimize the regulatory and technical obstacles for suppliers willing to operate in the various Nordic countries.*

Process



Quick facts

	Finland	Sweden	Norway	Denmark
Year of full liberalisation	1997	1996	1991	2003
Switch rate 2013	10%	11%	15%	7%
Level of switching	Warm active	Warm active	Hot active	Active
European switch rank 2013 (most active first)	8	7	3	11
European price rank 2014 (most expensive first)	20	13	23	1
Number of customers	3.3 mln	5.2 mln	2.75 mln	3.2 mln
Number of domestic customers	2.9 mln	4.5 mln	2.1 mln	2.7 mln
Number of DSOs	83	170	143	77
Number of suppliers	74	121	99	53

Nordic market model

	Information exchange	Combined Billing	Moving	Switching
Denmark	Data hub was introduced 2013. New version will be launched 1 st April 2016	Combined billing is planned to be introduced 1 st April 2016	The supplier takes care of the moving processes since 1st of March 2013	Supplier centric with the implementation of the wholesale model Apr. 2016
Finland	Project to investigate future information exchange model will be finished by the end of 2014. Decision on the future model will be done after that	No legislation done or planned	Will be initiated after investigation regarding future information exchange model has been chosen	Will be initiated after investigation regarding future information exchange model has been chosen
Norway	Establishment of data hub is underway and will be operational from Feb 2017.	Currently being reviewed, proposal will be delivered within 2015	Will be changed when the data hub is operational	Will be changed when the data hub is operational
Sweden	Ei has proposed a centralized information exchange model to the Government June 19th 2014	Ei has proposed combined billing to the Government	Ei has proposed that the supplier should take care of the move out and move in process to the Government.	Supplier centric switching process is implemented

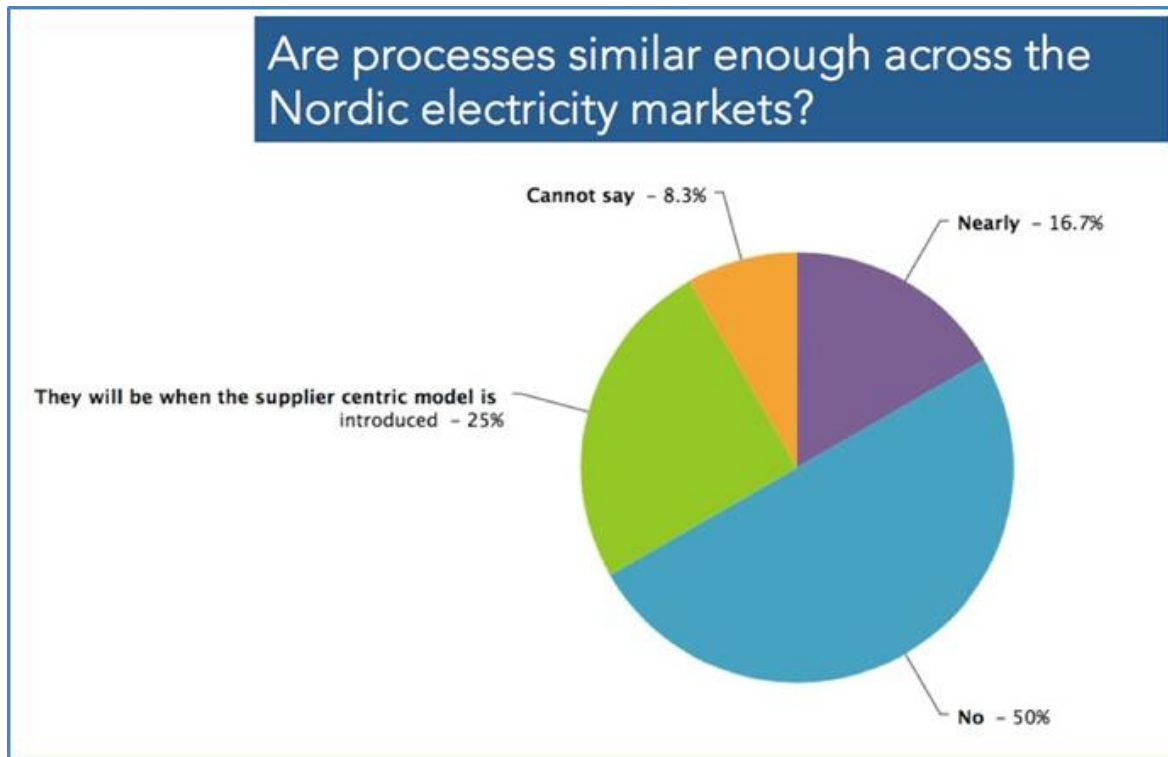
Crossborder supply companies and the enforcement of consumer energy rights

Monitoring Nordic

- Legislation similar - not identical
- Energy legislation
 - Moving, switching
- Marketing
 - Regret period
 - PCT
- Contract law
 - One contract vs two contracts
 - Softlaw – industry and consumer organisations' agreements
- ADR

Quite a few suppliers acting cross-boarder

Similar processes or not



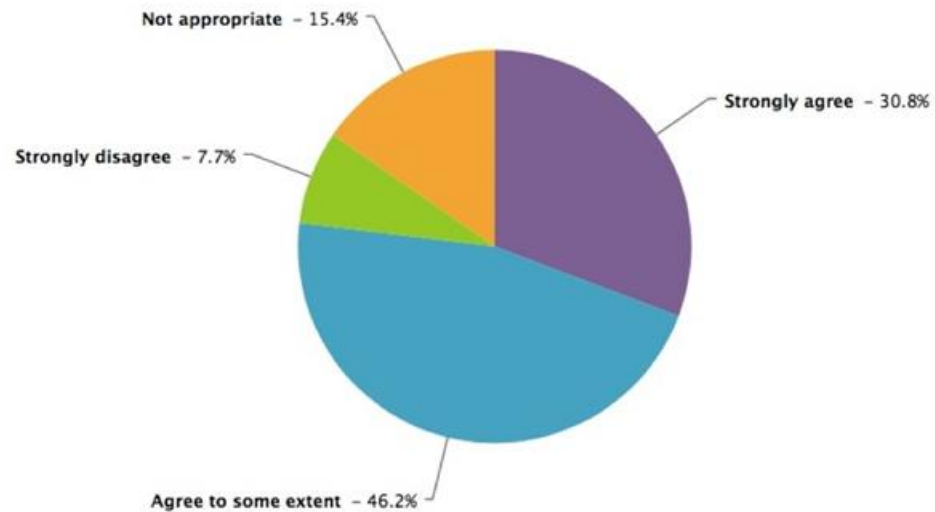
Source: Market Entrant Processes, Hurdles and Ideas for Change in the Nordic Energy Market - the View of the Market

Cross border activity

- Sweden; 220, Vattenfall, Fortum, EON, Hafslund(NO) via Sveriges Energi and Göta Energi, Tromskraft(NO) via Switch Nordic Green AB
- Finland; Fortum, Vattenfall, 220 Energia, Hafslund(NO) via Kotimaan Energia, Tromskraft(NO) Nordic Green Energy, Energi Denmark via Energia Suomi
- Norway; Vattenfall, Noble Clean Fuels Ltd and Scandem
- Denmark: Energi Danmark and NEAS Energy

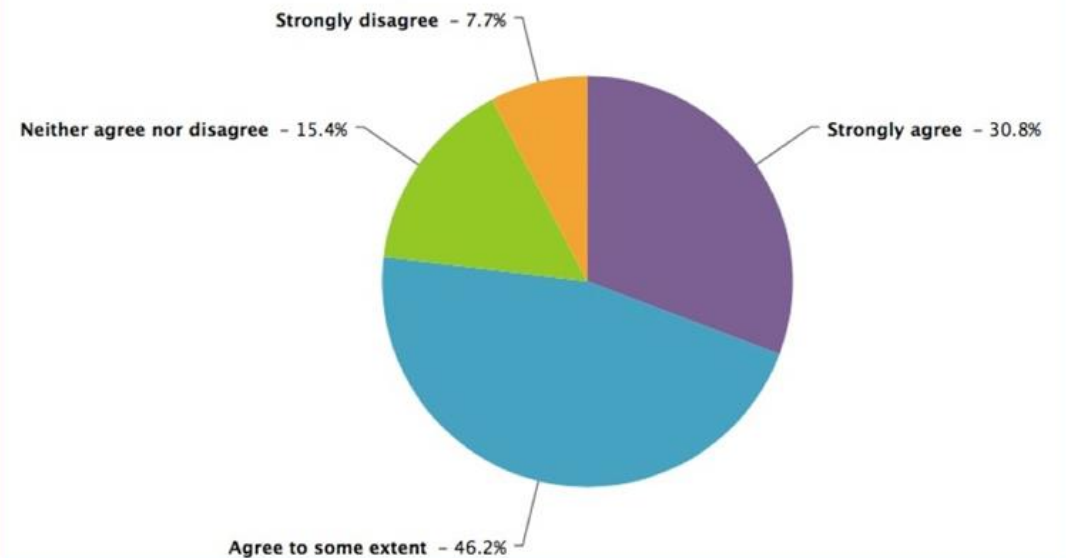
Sales and marketing

Should more be done to Educate the Public about How and Why to Switch Energy Supplier?



Source: Market Entrant Processes, Hurdles and Ideas for Change in the Nordic Energy Market - the View of the Market

The Image of the Industry causes us problems when trying to win customers



Source: Market Entrant Processes, Hurdles and Ideas for Change in the Nordic Energy Market - the View of the Market

What is most costly for new entrants?

New Entrant Cost Rank	
Cost	Significance (1-3 where 3 is the highest)
Customer acquisition (including sales, marketing and switching process costs)	3
Obtaining customer information	3
Billing, collection and revenue assurance	3
Wholesale and Risk management	3
Salaries	3
Customer management/Information Systems	2
Other Marketing costs	2
Other Systems costs	2
Balancing	2
Moving process	2
Financing	2
Pre-entry information gathering	1
Company setup costs	1
Other company operation costs: rents etc.	1
Forecasting and pricing	1
Other: Trademarks etc.	1

Source: Market Entrant Processes, Hurdles and Ideas for Change in the Nordic Energy Market - the View of the Market

Monitoring a Nordic market

We believe that the Regulators will need to cooperate more systematically in the future to monitor the market players acting on an increasingly Nordic retail market. It might be needed to exchange information in a more formal way to investigate cases properly and to be able to enforce decisions.

- Explore the national experiences for each regulator and discuss the need for enhanced cooperation in the future
- Map the legal competencies within the respective authority

Looking at other authorities

- ECN; The European Competition Network
 - in cases where Articles 101 and 102 of the Treaty of the Functioning of the European Union (TFEU) are applied
 - An effective mechanism to counter companies which engage in cross-border practices restricting competition
- Nordic cooperation
 - Cooperation between the Nordic countries in the field of competition
 - The Nordic cooperation agreement includes the exchange of non-confidential information and the exchange of confidential information

Thank you!

Please visit <http://www.nordicenergyregulators.org/>