



# The work towards a Nordic retail market

Current state and development



NordREG  
Nordic Energy Regulators



# Outline of presentation

1. NordREG
2. Nordic markets
3. Market model – Easy to be an electricity customer
4. Metering and Information exchange
5. Price Comparison Tools

# NordREG

# NordREG - background

- NordREG is an organisation for the Nordic energy regulators.
- Our mission is to actively promote legal and institutional framework and conditions necessary for developing the Nordic and European electricity markets.
- The basis for the cooperation within NordREG is to identify areas of work where cooperation can be fruitful.
- The cooperation can take the following forms:
  - Exchange of views
  - Working together to map and analyse energy market issues
  - Producing reports and statements
  - Taking common action to influence the development of the Nordic or the European energy markets

Workshop 3rd of November 2016  
Copenhagen



# NordREG - Mission

## **NordREG mission**

In cooperation, we actively promote legal and institutional framework and conditions necessary for developing the Nordic and European electricity markets.

## **NordREG vision**

All Nordic electricity customers will enjoy free choice of supplier, efficient and competitive prices and reliable supply through the internal Nordic and European electricity market.

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# NordREG Board

Rotating yearly presidency

## Retail Market Working Group

- Information exchange task force

## Wholesale and transmission working group

- Nordic Market report
- NBS

## Network regulation working group

## Ad Hoc Flexibility Working Group

# Nordic Markets

# Nordic Markets - Quick facts

- 13,2 million household customers
- 1,4 million customers switched supplier 2015
- 393 suppliers that sell electricity to customers
- Nord Pool Spot is designated NEMO, but Epex Spot has also been given “passport” to the Nordic territory





# One common wholesale market

## - Five separate Retail markets

|   | Denmark     | Finland             | Norway          | Sweden                      | Iceland              |
|---|-------------|---------------------|-----------------|-----------------------------|----------------------|
| Household customers 2016                    | 3 262 700   | 2 600 000           | 2 576 400       | 4 626 000                   | 185 000              |
| Avg. household consumption 2014             | 3 400 kWh/y | 8 100 kWh/y         | 18 300 kWh/y    | 7 200 kWh/y                 | 4 800 kWh/y          |
| Electricity as share of disp. income        | 4,1 %       | 3,9 %               | 3,8 %           | 4,1 %                       | No data              |
| Number of Suppliers 2015                    | 51          | 74                  | 140             | 122                         | 6                    |
| Switching rate                              | 7,1 %       | 11,4 %              | 13,7 %          | 10,3 %                      | 0,3 %                |
| Suppliers report to independent PCT         | All, 51     | All, 74             | All, 140        | 122                         | All, 6               |
| Most common contract and share of customers | No data     | Variable price, 55% | Spot price 60 % | Monthly variable price, 48% | Variable price, 100% |



# Nordic consumers – content with electricity services

|         | Score electricity | Compared to EU 28 |
|---------|-------------------|-------------------|
| Sweden  | 76,8              | 1,5               |
| Denmark | 77,6              | 2,3               |
| Norway  | 77,5              | 2,2               |
| Finland | 81,7              | 6,4               |
| Iceland | 72,3              | -3                |



# Status Report on customers situation

- NordREG is currently mapping the situation for the Nordic electricity customer
- The report will describe switching, contract types, billing issues, pricing, PCT's and energy-services.
- The report will compare NordREG's standpoints on each process to national processes and national data.
- National statistics on complaints and queries and data from the EC's Consumer Market Scoreboard.
- The report should result in a description of the ongoing development in national retail markets
- To be published in Q1 2017.

# Market model



# Customer oriented model

- Should be easy to be an electricity customer
- The competitive stakeholder should be the main point of contact for the customer – supplier centric model
- NordREG has developed recommendations on key marked processes like billing, switching supplier and moving
- NordREG has conducted a number of studies e.g. Identifying barriers for cross border activity
- Discussions with industry organisations and customer organisations
- The goal is harmonized Nordic energy markets, making cross border activities easy for the suppliers, as well as taking into account national differences.



# Customer activity, switching

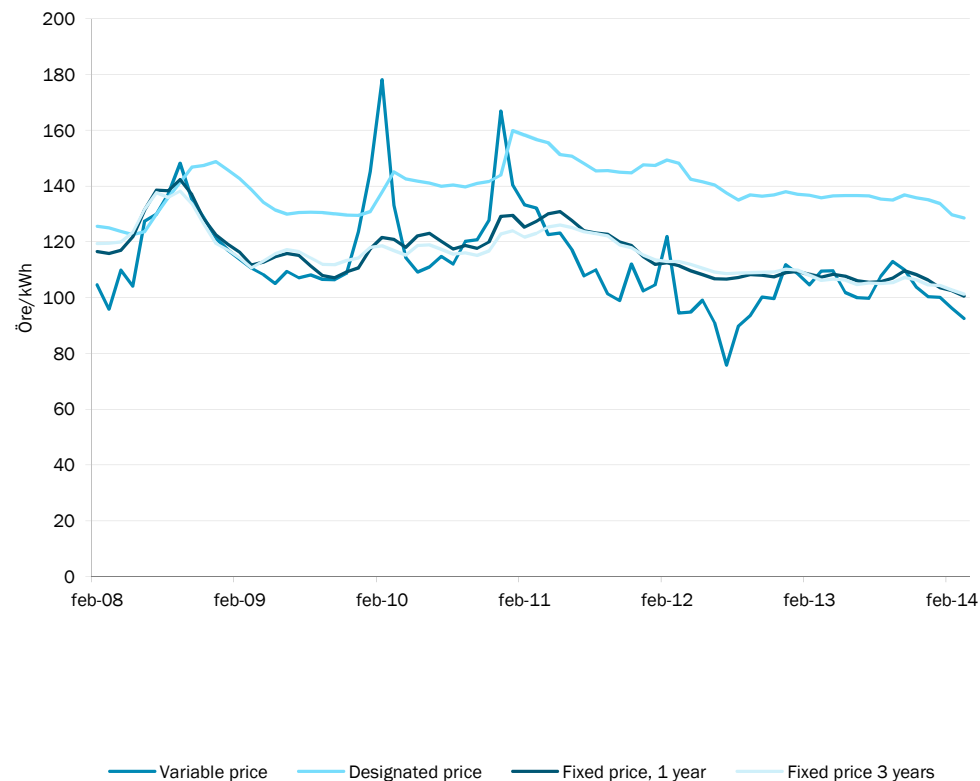
- Nordic switching rates are high in a European context
- Yearly switching rate - from 7% (DK) to 14 % (NO) (FI and SE in between)
- The trend is an increase in the yearly switching rates



## Incentive to switch

### - Swedish case

- Customers on designated contract pay about 20 percent more than customers that choose supplier and contract themselves
- Between February 2008 and February 2014 average designated price was 21 percent higher than average fixed price 1 year
- These numbers are comparable to the other Nordic countries



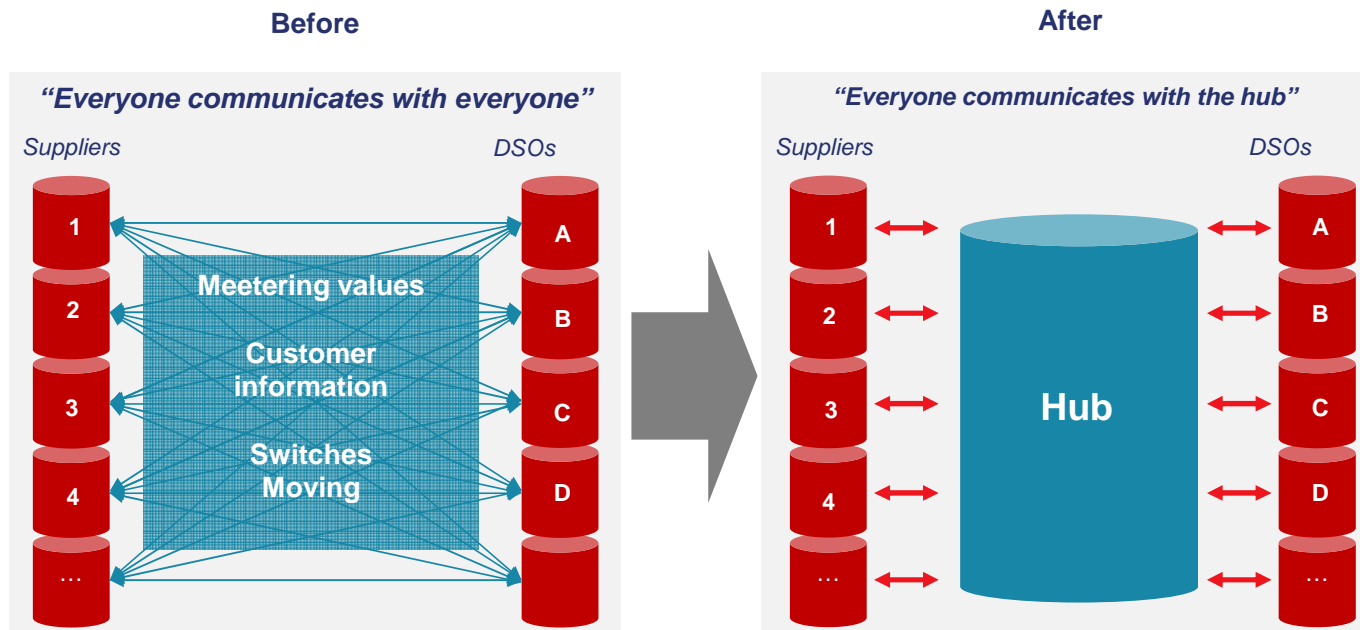
# Metering and Information exchange



# One stop shop

- Large number of DSOs
- Lower the obstacles for competitive stakeholders
- Centralised solution – hub
  - One way in to access information
  - "Switchboard" that carries out processes like switching and moving
- Easy access for customer to consumption data and easy to access customized offers from competitive stakeholders
- Easier to ensure high quality data security in a more unified system
- Lowers the barrier for energy service providers
- Easier combined billing

# The hubsolution - one way into the electricity market



# Smart meters – for the consumer

- Smart meters are installed or to be installed in all Nordic countries
- Allows consumers to adapt to time of use and hourly pricing
- Automatic meter reading – easier supplier switching and reduces the amount of complaints
- Data security issues must be handled



# Price Comparison Tools

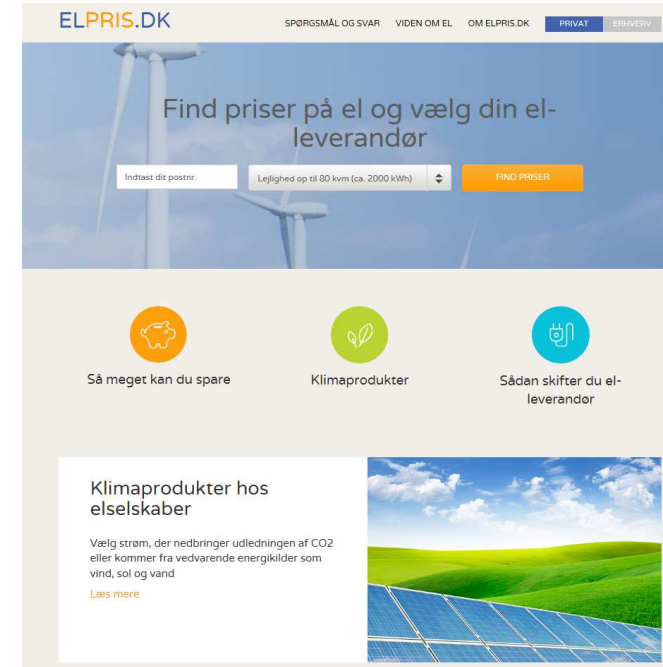


# All customers have access to independent Price Comparison Tools

|   | Denmark                         | Finland                                    | Norway                                     | Sweden                                     | Iceland        |
|---|---------------------------------|--|--|--|----------------|
| <b>Number of price comparison tools 2016 (independent/commercial)</b> | Independent: 1<br>Commercial: 0 | Independent: 1<br>Commercial: 3 (at least) | Independent: 1<br>Commercial: 1 (at least) | Independent: 1<br>Commercial: 3 (at least) | Independent: 1 |
| <b>How many suppliers report to independent PCT</b>                   | All, 51                         | All, 74                                    | All, 140                                   | 122  | All, 6         |
| <b>How many unique visits 2015</b>                                    | 180 000                         | 180 000                                    | No data                                    | 63 193                                     | No data        |
| <b>Switching rate 2015</b>  | 7,1 %                           | 11,4 %                                     | 13,7 %                                     | 10,3 %                                     | 0,3 %          |

# Denmark: Elpris.dk

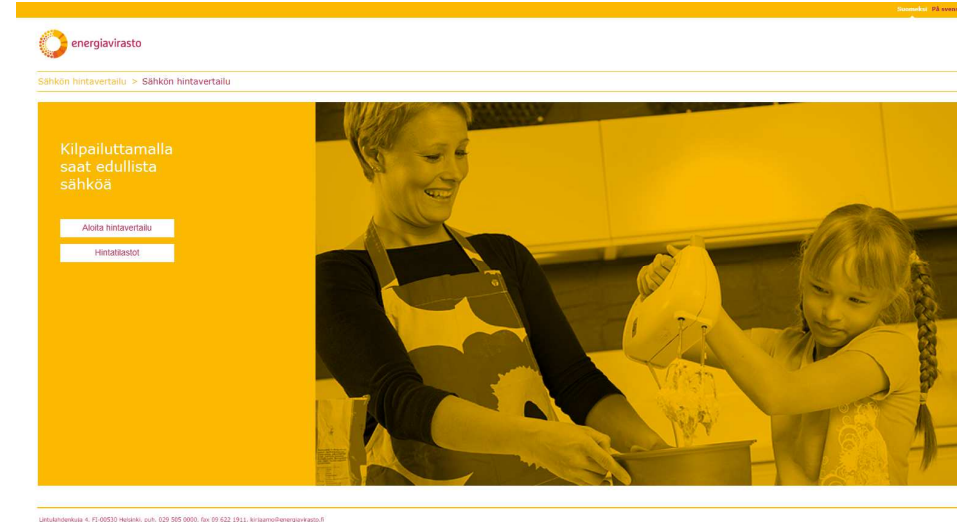
- Launched 2016. Administrated by DERA
- Addresses private consumers and business customers, with power consumption up to 100,000 kWh/year.
- Shows all the offers and contracts on the market.
- Suppliers are obliged to publish their current prices on Elpris.dk.
- Five contract types: Fixed price, Variable price, Green products and Combination products electricity/gas.



# Finland: Sahkonhinta.fi

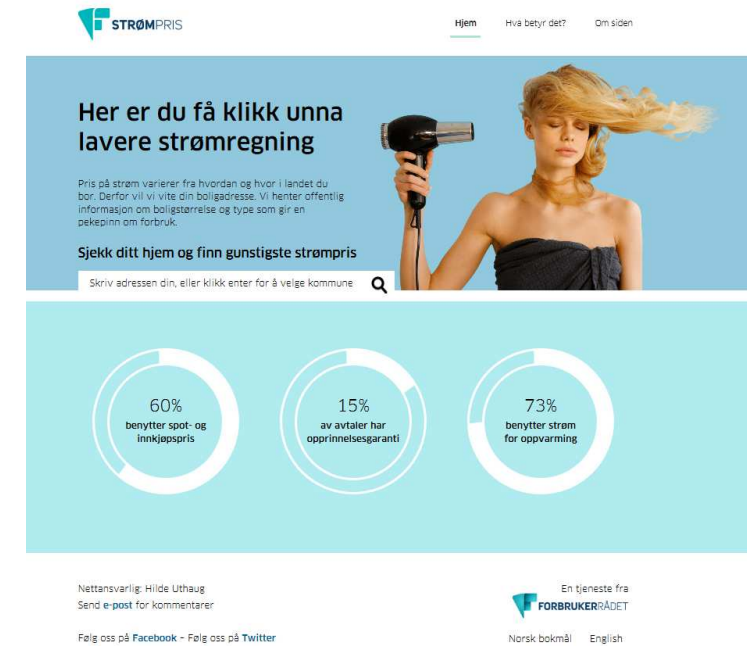
- Launched 2006. Maintained by the Energy Authority.
- The PCT covers all contracts that are publicly offered to customers.
- All suppliers obliged to maintain up-to-date information on their public electricity price offers at the PCT.
- Development of the new version of the PCT in progress and planned to be in operation in 2017.

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# Norway: Strompris.no

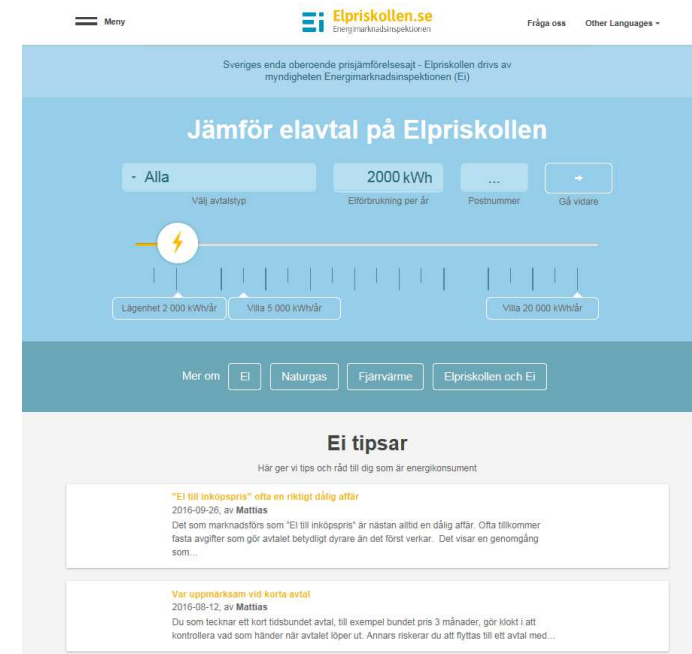
- Launched 2015, developed by the Norwegian Consumer Council
- Secondary legislation requires all suppliers to report all offers, both active and inactive offers
- Shows all electricity offers available in the market ranked according to the expected total monthly price for the consumer, including the network tariff.





# Sweden: Elpriskollen.se

- Launched 2008 and 2016. Operated by Swedish NRA.
- Suppliers that sell to consumers (<63A) required by law to report prices and conditions to Ei.
- Show Fixed price 6 months - 5 year binding, Variable price, Mixed price 1 year binding and Default price.
- New version better information on renewable energy and rebate offers.
- Available in 14 languages.
- News feed and social media with tips and tricks.



# Iceland: Orkusetur.is

- Operated by Orkusetur, a public entity.
- All six of the Icelandic suppliers report to the Icelandic PCT.
- Covers all contracts that are offered to household customers in Iceland.
- Compares both electricity prices and distribution and transmission costs.



## Samanburður á raforkuverði til heimila

Raforkureikningar eru tvískiptir. Dreifing raforku er sérskyfðáttur og notendur verða að vera í viðskiptum við dreifilaðilinn í þeirra sveitarfélagi. Sala á raforku er hins vegar á samkeppnismarkaði og öllum er fjálfjál að skipta um orkusölulaðila með einföldum hætti. Sjá hér. Athugið að reiknivélin telur ekki með möguleg þjónustugjöld eins og tilkynninga- og seðljagjöld sem getur verið mismunandi eftir sölulaðilum.

| Forsendur          |                                    |             |                                    |
|--------------------|------------------------------------|-------------|------------------------------------|
| Árleg orkuskiptun  | <input type="text" value="10000"/> | Wst         | <input type="text" value="10000"/> |
| Raforku            | <input type="text" value="10000"/> | Orkuskiptun | <input type="text" value="10000"/> |
| Raforkudreifing    |                                    |             |                                    |
| Reisugjöld         | 0 kr                               | 0 kr        |                                    |
| Dreifing orku      | 0 kr/kWst                          | 0 kr        |                                    |
| Samtals            |                                    | 0 kr        |                                    |
| Vsk. áttamenntur   | 0 %                                | 0 kr        |                                    |
| Samtals málval     |                                    | 0 kr        |                                    |
| Raforkuverð        |                                    |             |                                    |
| Þjónustugjöld      |                                    |             |                                    |
| Verð þjónustugjöld |                                    |             |                                    |
| Samtals            |                                    |             |                                    |
| Vsk. áttamenntur   |                                    |             |                                    |
| Vsk. hláun         |                                    |             |                                    |
| Samtals málval     |                                    |             |                                    |
| Héðanrafmagnsverð  |                                    |             |                                    |

Thank you!