Country Case Study – Sweden

Kiev 3 December 2010

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Agenda

- Energy Markets Inspectorate
- Swedish electricity market
- Swedish district heating market
- District Heating Act
- Vulnerable customers
Energy Markets Inspectorate

- New Authority from January 2008
- Approximately 90 employees
- Main office in Eskilstuna
What we do…

- Areas of responsibilities
  - Grant concessions (electricity and gas)
  - Network tariff regulation (electricity and gas)
  - Scrutinise connection fees (electricity)
  - Supervise electricity quality
  - Supervise meter reading
  - Supervise district heating
  - Information to customers
  - Market surveillance through statistics etc.
  - International collaboration
...and what we don't do

- Issues within civil law
  - Claim for damages
  - Disconnection in case of non payment
  - Compensation for outages
  - Disputable debts
- Energy efficiency
- Climate issues
- Fuel, oil etc.
Swedish Electricity Market

- Open for competition since 1996
- No price regulation
- Nordic power exchange
  - 80% of consumed energy traded on Nord Pool Spot
- 120 suppliers
- 170 network companies
- Towards an integrated Nordic retail market

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ENERGY COOPERATION BETWEEN THE EU, THE LITTORAL STATES OF THE BLACK & CASPIAN SEAS AND THEIR NEIGHBOURING COUNTRIES
Swedish District Heating

- Approximately 220 companies
- No price regulation since 1996
  - Change for municipal companies
  - Not applicable for municipal managements
- Production
  - 1955: 557 GWh
  - 2009: 50 000 GWh
District heating 1955 - 2009

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Users of district heating in Sweden

- 80% of all multi-dwelling houses
- 10% of all single-family houses
- 50% of the energy supply in the entire heating segment
Investments in district heating

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Added fuel / energy to heat, 1996-2008

- Industrial waste
- Waste
- Wastegas
- Biofuel
- Heat pump (incl. electricity)
- Other
- Electricity for electric boilers
- Peat
- Fossil fuel
- Heat distribution

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Combined Heat and Power (CHP)

- Only 47 of 220 companies produce CHP.
- In 2009, CHP plants produced 23 TWh heat and 8 TWh electricity.
- Certificates were introduced in 2003: promotes production of renewable electricity.
- New taxation in 2004: CHP-plants are now taxed in the same way as industrial production and industrial co-generation.
Metering of district heating

- Reading periods vary - manually, semi-manually or by remote communication.
- Most common meters are ultrasonic meters and induction meters.
- Energy Markets Inspectorate report in March 2010
  - Reading once a month
  - Billing for actual consumption
  - Disclose the terms of billing and metering in the contract between the customer and the company
Pricing of district heating

- The price is not regulated
- District heating companies act on a competitive heating market
- Ownership, maintenance of equipment in buildings is a matter of contract
- Most common is that property owners own the district heating equipment and pay for maintenance
Price for multi-dwelling houses

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National policy for district heating

- District heating companies – natural monopolies.
- No policies at all.
- Necessary to strengthen the position of the customers.
- District heating has a central role to play in the energy policy.
“District heating operation” means the distribution in pipelines of heated water or other heat carrier for heating, provided an unspecified group within a particular geographical area may be connected to the operation.

A district heating operation also includes the production and sale of the heat distributed in the pipelines, provided the party conducting the distribution also conducts the production and sale.
Regulations

- Presentation of pricing
- Information – changes in contractual conditions
- Negotiation – customer demand
- Mediation – if there is no agreement
- Denunciation – without costs for the customer
- Access to the distribution pipes
- Annual reports
Annual reports from district heating companies

- Financial data
- Operational data
- Business data
- Published by the Energy Markets Inspectorate
Vulnerable customers

- Customers – consumers
- Distribution may only be disconnected if;
  1. The consumer has neglected to pay a claim
     - undisputed claim
     - not complied with payment demands
     - information of disconnection
     - message to sent to the social welfare committe in the municipality
  2. Avoid personal och property damage
  3. Extending heating operation
  4. Ensuring good distribution security
TPA – Third Party Access

- Ongoing investigation – 31 December
  - Propose a regulatory framework
  - Propose funding
- Strengthen the district heating customers
- A more efficient heating market
- Lower heating rates
- Improved environment
Thank you!

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