

# Dynamic price contracts on Swedish comparison tool

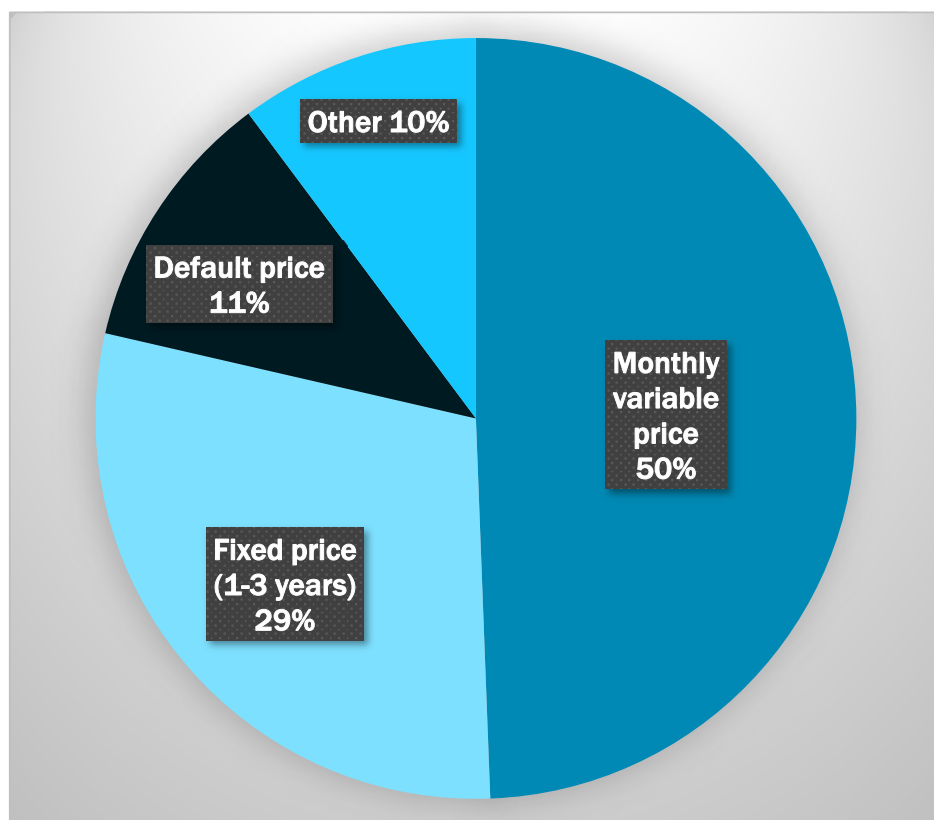
Mattias Johansson, Swedish Energy Markets Inspectorate

# Facts about the Swedish retail market

- 130 suppliers
- 4,6 million household customers
- 100% smart-meter roll-out (monthly billing on actual consumption)
- 4 bidding zones since 2011
- Typical customers
  - Apartment 2 000 kWh/year
  - House without electricity heating 5 000 kWh/year
  - House with electricity heating 20 000 kWh/year

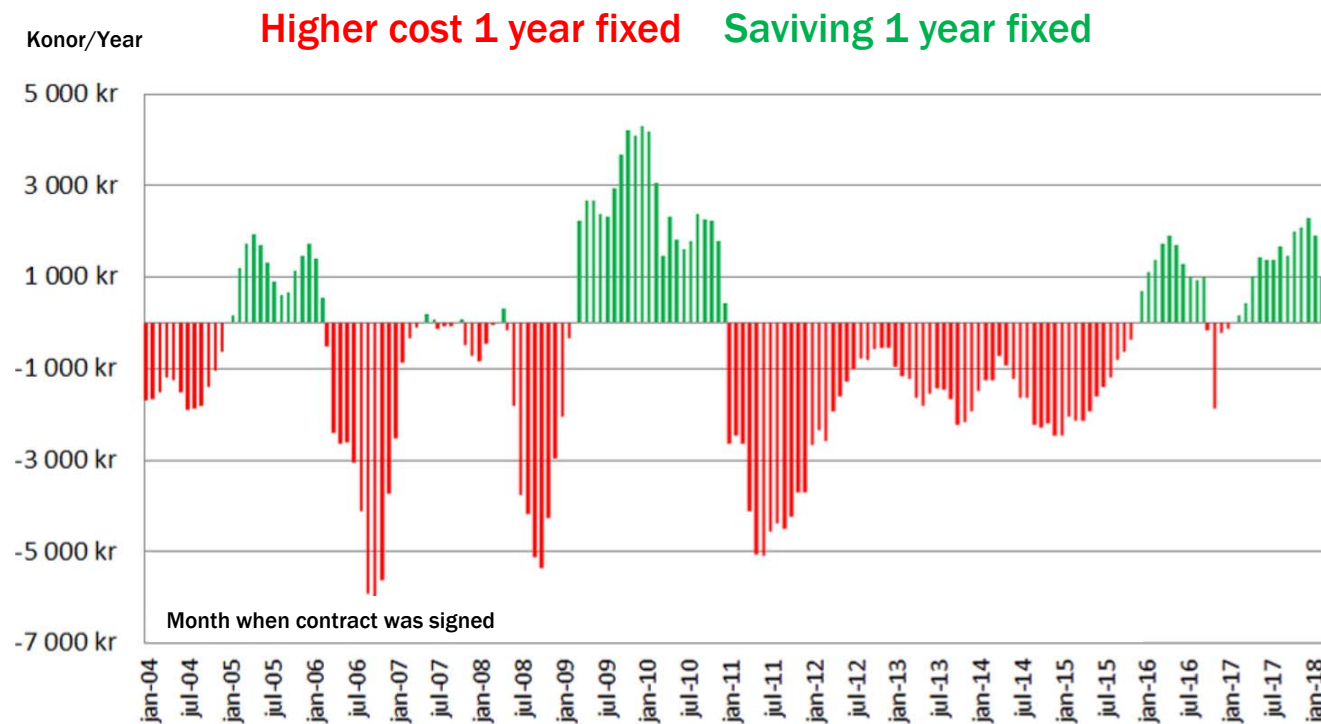


# Customers used to variable contracts



- Monthly variable contract most common contract (50% of all households)
- Monthly variable = customer pays average spot price + mark-up
- Lowest annual costs for variable contracts

# Customers used to variable contracts



- 2009-2015  
Customers on 1 year fixed contract paid 20-450 Euros more per year, than customers on Monthly variable contract

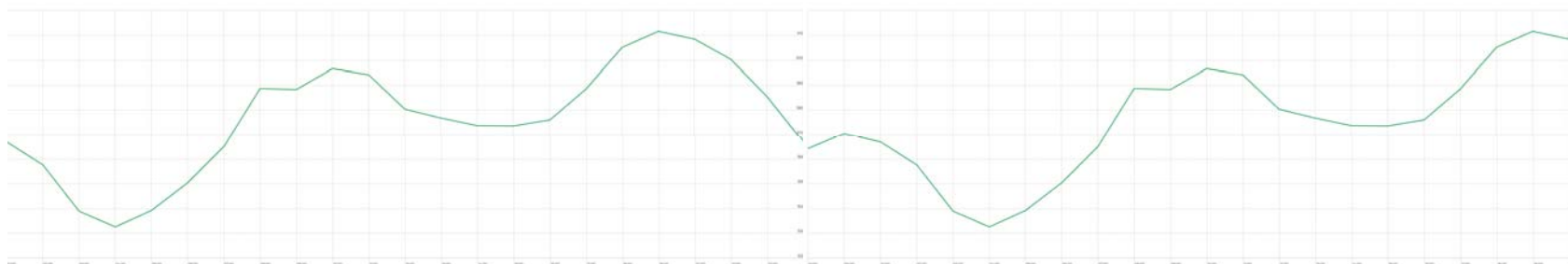
# New EU-legislation from 1 January 2021

*“**Member States shall ensure** that at least household customers, and microenterprises with an expected yearly consumption of below 100 000 kWh have access, free of charge, to **at least one tool comparing** the offers of suppliers, **including offers for dynamic price contracts ...**”*

(Electricity Directive, Article 14.1)

## For Sweden, that means hourly contracts

- “dynamic electricity price contract’ means an electricity supply contract between a supplier and a final customer that **reflects the price variation in the spot markets**, including in the day-ahead and intraday markets, **at intervals at least equal to the market settlement frequency; ...”**  
(Electricity Directive, Article 2, Definitions, 15)



# Hourly contracts will be introduced 4 May 2020

- Today we show most common contracts (covers 95% of contracts)
- Few customers have hourly contracts today (2013: 0,2%)
  - Not marketed by suppliers
  - Not compared in any comparison tool (NRA´s or commercial)
  - Includes a higher risk/Requires more activity from customer

# How do you compare hourly prices?



Jämförelse av elpriser > Sök prisuppgifter > Resultaten av prisjämförelsen

## Käyttämäsi hakuehdot: \_sv

Årsförbrukning (kWh) 10000  
Ursprunget till leverantörernas el Obegränsad  
Säkringsstorlek 3x25A  
Förbrukningsställe Permanent bostad

[Tillbaka](#) [Ny jämförelse](#) [Precisera jämförelsen](#) [Information om förnybara energikällor](#)

## Börpris producter (7.9.2018)

Säljare	Produktnamn	Totalt C/år
Vihreä Älyenergia Oy	<a href="#">Fossiilivapaa-Tunti-Älykäs+edullinen suomalaiselta</a>	16,00 + spot
Helen Oy	<a href="#">Pörssihintasähkö kesätarjous</a>	24,00 + spot
Korpelan Energia Oy	<a href="#">Korpela TuntiSpot</a>	48,00 + spot
Leppäkosken Energia Oy	<a href="#">TUNTI - sähkön hinta vaihtuu tunneittain</a>	52,88 + spot
Korpelan Energia Oy	<a href="#">Korpela KuukausiSpot</a>	55,00 + spot

## SEK/MWh

08-09-2018	SE3
00 - 01	570,37
01 - 02	566,88
02 - 03	557,58
03 - 04	538,88
04 - 05	532,54
05 - 06	539,19
06 - 07	550,40
07 - 08	565,09
08 - 09	588,65
09 - 10	588,23
10 - 11	596,58
11 - 12	594,15
12 - 13	580,31
13 - 14	576,71
14 - 15	573,65
15 - 16	573,54
16 - 17	575,97
17 - 18	588,44
18 - 19	605,14
19 - 20	611,59
20 - 21	608,42
21 - 22	600,28
22 - 23	585,38
23 - 00	566,99
Min	532,54
Max	611,59
Average	576,46
Peak	-
Off-peak 1	-
Off-peak 2	-
08-09-2018	SE3



# How do you compare hourly prices?

- Swedish "Price information law" and the Consumer Agency's secondary regulation
- Requires that the total cost for the supplier contract is displayed as an effective unite price
- Not possible to copy Finland's solution

## SEK/MWh

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08-09-2018	SE3

# So, how do we handle effective unit price

- Price changes every hour
- Level of activity very important for customer's monthly cost

1789 - 113549 ÖrebrokWhWh

- The Swedish Consumer Agency then suggested that effective unit rate:
  - Should be based on prices previous month,
  - Should be displayed as a span between lowest and highest hourly price.

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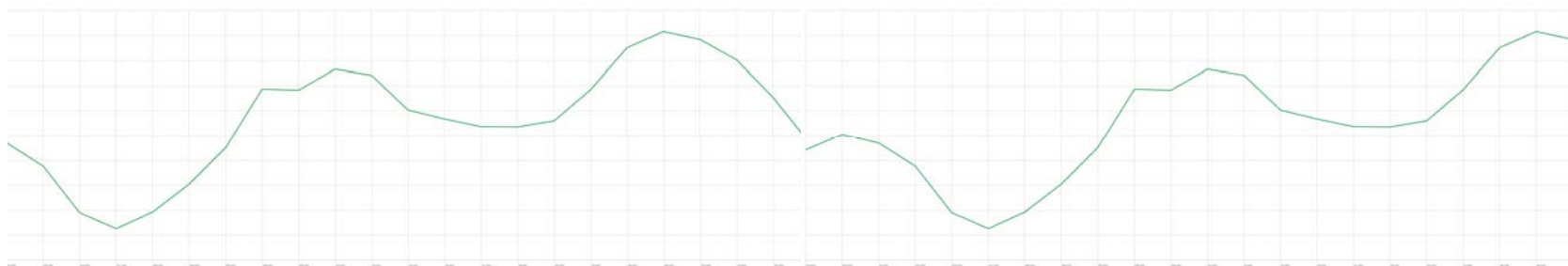
# Different ways of calculating the span

	Effective unit price	Comment
The cheapest and the most expensive hour during previous month	17,79 - 113,49	Show only the extremes, do not give customer information about most common prices
Average of the 15 cheapest hours and average of the 15 most expensive hours previous month	22,25 - 111,76	
Average all daily cheapest and average all daily most expensive hours	62,52 - 91,91	Gives a better idea of what can be "normal" levels for hourly prices.



# How suppliers present dynamic contracts to customers

- Spot price
- Mark-up
- Cost for green certificate
- Fixed annual/monthly fee
- VAT



# Which price components should retailers report

- Ei can handle two of these components:
  - Spot price
  - VAT
- This means that the electricity retailers must report:
  - Mark-up
  - Cost for green certificate
  - Fixed annual/monthly fee

# Compare electricity contracts on Elpriskollen – a state-owned independent price comparison site

▾ All

Choose contract type

2000 kWh

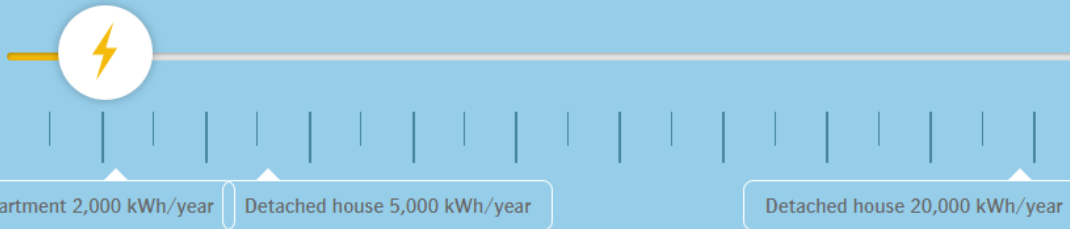
Fill in your estimated annual electricity consumption

...

Fill in your postcode



Proceed and compare prices and contracts



Do you want to find out more about

Electricity

Natural gas

District heating

About Elpriskollen and Ei

[Return to search results](#)

## Rörligt pris

Karlstads Energi AB

**Contract type: Hourly contract**

3

**Effective unit price: 23,63 – 94,28 kWh/h**

Your comparison price at 2,000 kWh/year



Sun



Wind



Water



Bio



Good  
environmental  
choice

[Read more about types of electricity](#)

### Do you want this contract?

#### Contact

Karlstads Energi AB

#### Website

[www.karlstadsenergi.se](http://www.karlstadsenergi.se)

#### Phone

054-540 71 00

#### E-mail

[kundservice.energi@karlstad.se](mailto:kundservice.energi@karlstad.se)

#### Address

Besöksadress: Heden 651 84  
Karlstad

#### Other information

Avtal om Rörligt elpris gäller  
tillsvidare med en ömsesidig  
uppsägningstid på en (1)  
kalendermånad.

### This is included in the comparison price

**Annual fee displayed in öre/kWh for the customers expected consumption** <sup>50 öre/kWh</sup>

**Spot price (Span öre/kWh between cheapest and most expensive hour previous month)**

**Fixed mark-up: Öre/kWh (clickable)** <sup>öre/kWh</sup>

**Variable costs: Öre/kWh (clickable)** <sup>öre/kWh</sup>

**VAT (25%)** <sup>14.25 öre/kWh</sup>

**Total cost (span öre/kWh)** <sup>71.26 öre/kWh</sup>

#### Conditions

Notice period 30 days

Automatic extension No

Right of renewal No

Early termination ⓘ

Billing options ⓘ

**Fixed mark-up Includes:** green certificate, guarantees of origin, balance cost, Nord Pool fee, TSO fee, eSett fee. Mark-up set in the terms of the contract. **Cannot vary from month to month.**

**Variable costs include:** green certificate, guarantees of origin, balance cost, Nord Pool fee, TSO fee, eSett fee. **These costs can vary from month to month.**



Energimarknadsinspektionen  
Swedish Energy Markets Inspectorate

# Read more about Swedish hourly contracts

<https://www.ceer.eu/documents/104400/-/-/bd457593-900f-f995-eac4-ed989255b26f>

## Thank you for listening!

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