

CEER Hearing Guidelines of Good Practice on retail market design

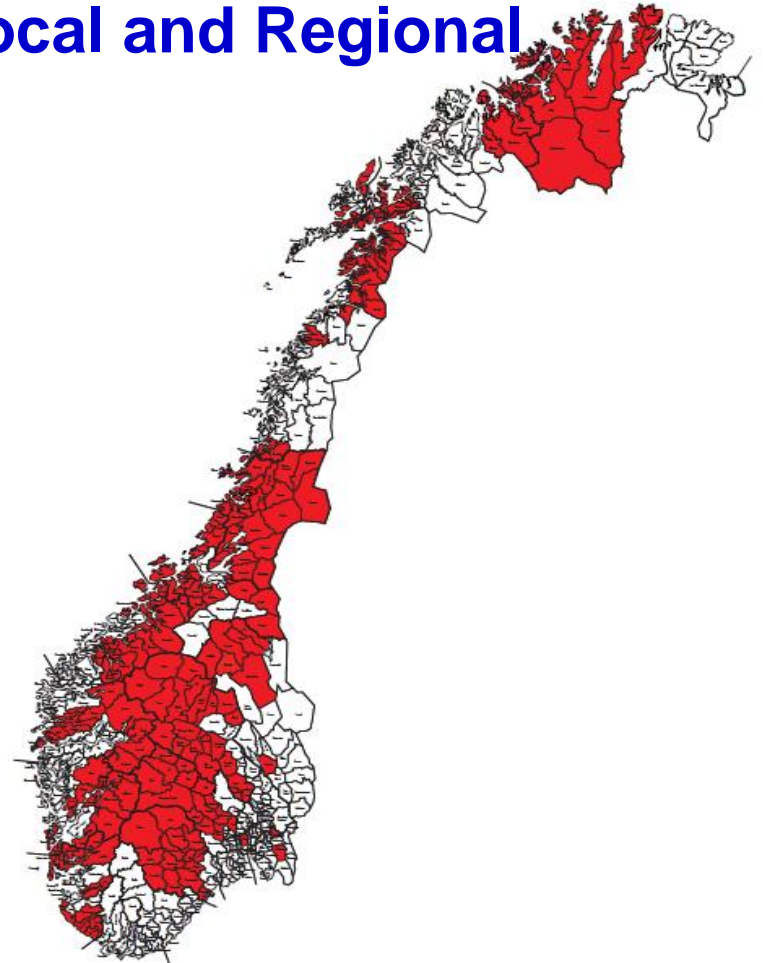
The role of the DSOs in the future electricity market

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The Norwegian Association of Local and Regional Enterprises (NALRE)

- 500 members
- 110 energy companies
- 100 DSOs
 - Mostly the small and medium companies
- NALRE (KS Enterprise) is located in Oslo





Harmonised European energy market

- Step by step
- The experience from Norway
 - Nordic market since 1996 (Sweden) – 2000 (Finland and Denmark)
 - Still developing
 - Norwegian end-user market since 1995 (1992)
- Agree with aims
 - More active customers
 - Build customers trust
 - Efficient and reliable day to day trade



The DSOs role

- DSO neutral market facilitator – important and central role
- Essential that the DSOs can facilitate the needs of the other players
 - Customers
 - Consumers
 - Local production
 - Suppliers
 - Others
 - Authorities (taxes – information)
 - Service companies



Billing

- The customer should be offered at least one method which is easily accessible
 - Improve customer trust
- The customer should always have a choice in the frequency for billing
 - Improve customer trust
 - Monthly payment can reduce the suppliers and DSOs financial risk
- Information on making an enquiry or launching a complaint specifically about the content of the bill should be clearly displayed on the bill
 - Improve customers trust
 - Web site



Contact point for the customer regarding billing

- A question from the customer regarding the bill is probably a complaint
 - The issuer of the bill must be able to answer questions
 - Will strengthen the customers trust
- DSO has to be the contact point on grid questions
- In the close future bills on paper and in envelope are history
 - Billing information will have to be presented on a screen
- Information from the supplier and DSO can be sent separately



Considering different market models

- Suppliers
- Customers
 - Natural, efficient and logical to seek help with the DSO when problems or questions regarding the grid occur
 - Knowledge and a fast answers will build customers trust
- DSO central regarding connection to the grid
 - Prosumers / new consumers / production
 - Smart Metering
 - Smart Grid
- With Energy efficiency measures, the DSOs will have to play an important role, to monitor and guide customers



Cost benefit analyse is needed

- High financial risk for DSO if the supplier has full billing obligations
- Combined billing only if the DSO finds that it serves the customer and the DSO
- Combined billing regime will favour the big suppliers
- Taxes are better handled by the DSO – the Norwegian experience
- It should be carried out a cost-benefit analysis on the different roles for the market actors
- The Nordic countries are doing a cost benefit analysis on different billing regimes – autumn 2011



The DSOs role in the future electricity market

- The DSOs central role as a facilitator
- Needs to communicate with all the other stakeholders
 - Customers
 - Suppliers
 - Authorities
- We therefore recommend a hybrid voluntary billing regime
 - Agreement between the actors
 - Both DSOs and suppliers have a choice