Supplier’s Expectations of DSOs

Måns Holmberg – Fortum

Round Table discussion 6a:
The Role of Network Operators (TSO, DSO) in the Development of the European Electricity Marketplace
Customer Needs Determine the Market Development

Basic customer needs:

1. Reliable supply
2. Reasonable price

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The Roles of the DSO

The DSO’s roles:

1. Deliver electricity
2. Facilitate an open market
1. Delivering Electricity

- A hygiene factor for the customer.
- Affects the general trust in the market.
  - Most customers cannot distinguish between the supplier and the DSO.
  - The local supplier gets the badwill from outages.
- Generally very good reliability of the supply and good handling of outages.
2. Facilitating an Open Market

• The DSO’s are in charge of many of the fundaments of a functioning market:
  – Supplier switching
  – Meter reading
  – Network balance settlement

• The suppliers are dependent on the DSO’s for the smooth functioning of the market with high data quality.
Expectations from the Suppliers

- Level playing field – equal treatment of all suppliers.
- Market development based on customer needs.
- Efficient processes:
  - Robust for high data volumes.
  - Low exception volumes and quick problem resolution.
  - Standardized and automated interaction between parties.
  - Operating model that drives continuous improvements.
- High data quality.
- Measurements – not estimates.
Legislation Sets Some Limitations

When deregulating the market:
- A pragmatic view on making deregulation possible.
- Limited amounts of customers switching supplier.
- “Monopoly model” adjusted for an open market.
Prague, 8-11 June 2009

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Legislation Needs to Develop

Current and future market:
• Many customers have switched supplier.
• “Adjusted monopoly model” not good enough:
  – True equal treatment of suppliers is needed to ensure a level playing field.
• Forced automation, standardization and quality requirements necessary.

• Some promising examples of developing legislation.
The Future Roles of the DSO

The DSO’s role in the future?

1. Deliver electricity
2. Facilitate an open market
3. AMM enabled services

Electricity suppliers
Open competitive market?
3. AMM Enabled Services

- Monopoly services or an open competitive market?
- What is the customer need/expectation?
  - Energy efficiency services.
- How will this affect the electricity market?

- What does this require from the legislator & DSO’s?
  - Standardized access to real-time data?
  - Standardized interfaces for hardware and software add-ons?
How can the DSOs contribute to a better market by taking an active role in the development of the legislation and future services?
The Vision

Increased customer satisfaction and credibility for the industry as a whole.
Thank You!

Måns Holmberg
Vice President, Energy Management
Fortum Markets
Mans.Holmberg@fortum.com
+358 44 5181 518