



How electricity users see the development of the market

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Association of Energy Users in Finland
Pasi Kuokkanen

Agenda

Customer

1. Group-level
2. Businesses and electricity markets

Electricity market

3. Trends
4. A good tomorrow or a tomorrow





**Electricity does
not play a
special role in
senior
management
decision-
making.**

Electricity markets from the perspective of actors/developers



Customer's parent group perspective



From the group's perspective

The key fact for the group is the value of businesses

- ✓ The unit monitored is often money
- ✓ Future outlook in monetary terms

If **money** is a potential problem, then

- ✓ What are the reasons for cost increases?
 - ✓ Market transparency and comprehensibility
- ✓ Proposals for remedying the situation
 - ✓ Reliability of proposed remedies



*Electricity does not play
a special role in senior
management
decision-making.*

**The group's mission is
to increase
shareholder value**

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Shift in the focus of energy policy

Electricity is a form of energy that ordinary consumers are familiar with and able to use.

Electricity plays a key role in ensuring the everyday comfort of citizens – electricity guarantees well-being.

The equation of technological development, combating climate change and economic growth can be solved in productive industries, as well as in the retail and service sectors, with the help of automation and digitalisation.

In the search for sustainable solutions, Finland's energy policy will inevitably become its electricity policy.

The 2006 Green Paper



Strategy of the Green Paper: Common energy policy goals

Each goal is equally important. One cannot be achieved without the other

Competitiveness "Lisbon Agenda"

- Internal Market
- Competition
- Interconnections (Trans-European networks)
- European electricity grid
- Research and innovation
 - Clean coal
 - Carbon sequestration
 - Alternative fuels
 - Energy efficiency
 - Nuclear

Sustainable Development "KYOTO"

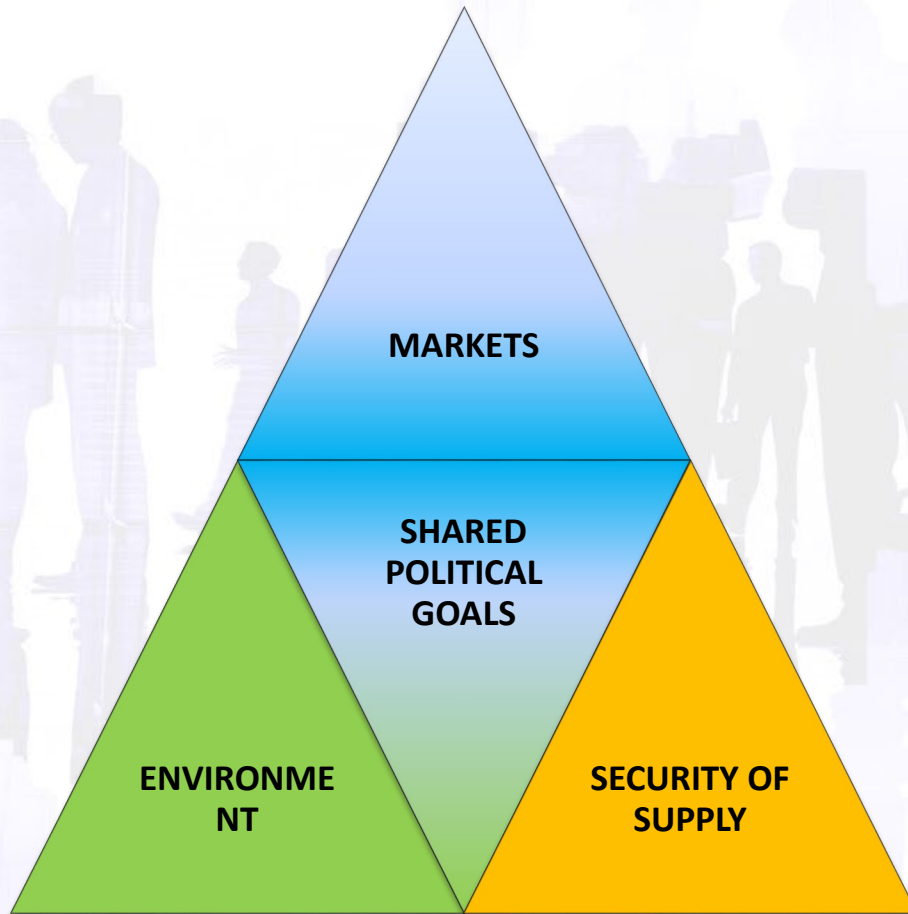
- Renewable energy
- Energy efficiency
- Nuclear
- Research and innovation (see Lisbon)
- Emission trading

Security of supply

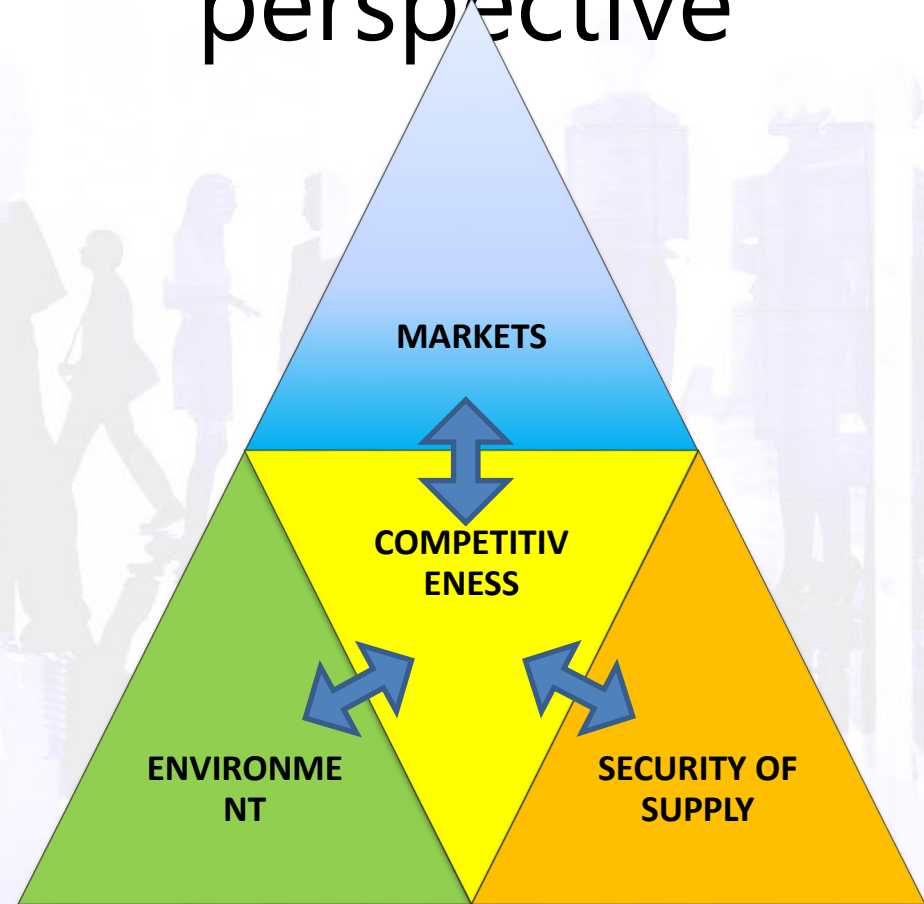
- International Dialogue
- European stock management (oil/gas)
- Refining capacity and storage of energy
- Diversification

Triangle of EU energy policy still valid today!

Electricity market perspective

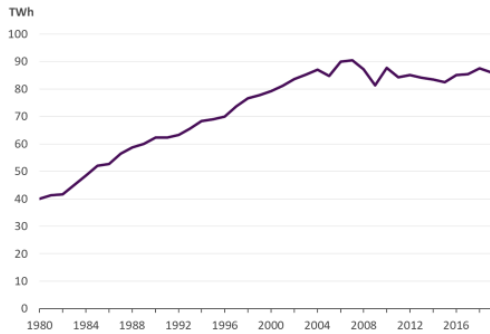


Manufacturing industry perspective

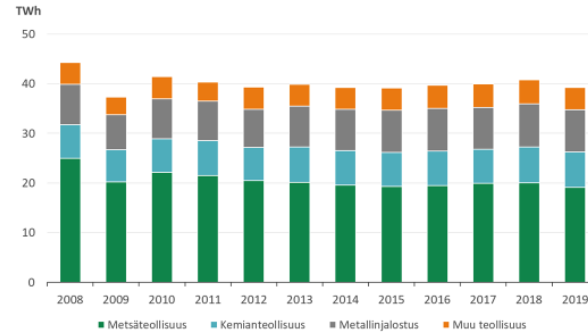


Where will production growth be forecast?

Total electricity consumption
86 TWh in 2019 (-1.5%)



Industrial electricity consumption
39 TWh in 2019 (-4.4%)



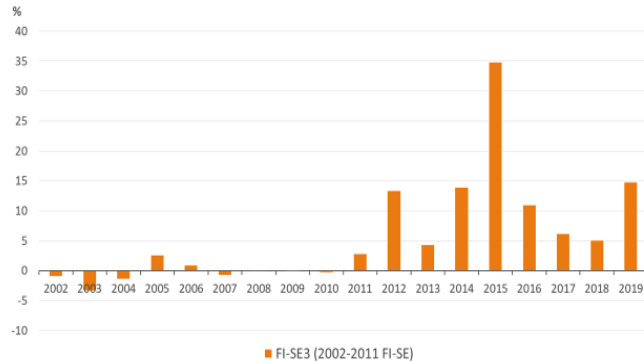
22.1.2020

Energiäteollisuus

6

22.1.2020

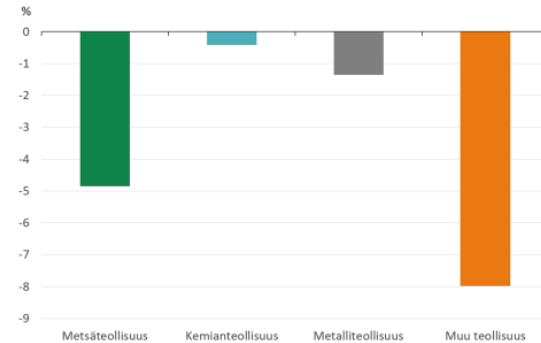
Difference in electricity wholesale prices between Finland and Sweden
+15% price difference in 2019



Lähde: Nord Pool

22.1.2020

Change in industrial electricity consumption, 2018–2019



Energiäteollisuus

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22.1.2020

Energiäteollisuus

28

Demand-side management

Similar challenges in all EU countries and in every branch of industry as companies are in global competition.



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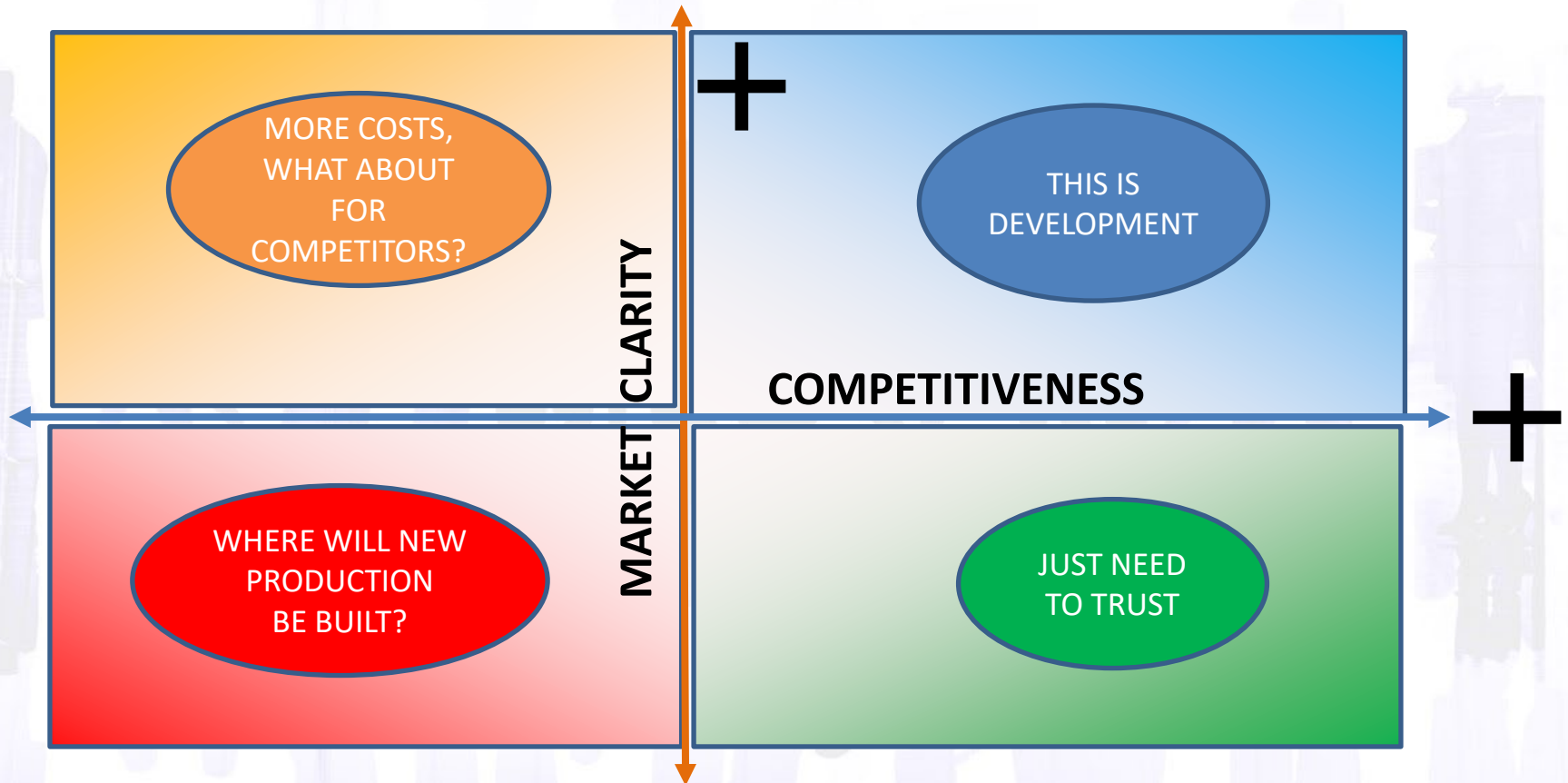
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Examining development projects in relation to competitiveness and market clarity. Customer perspective.



Market trends

A. Case study: Finland

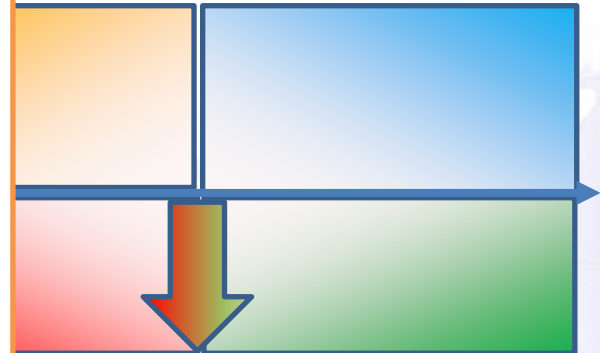
- Reserves: 0.4 TWh
- Spot: 85 TWh

B. Transmission from expensive to cheap areas

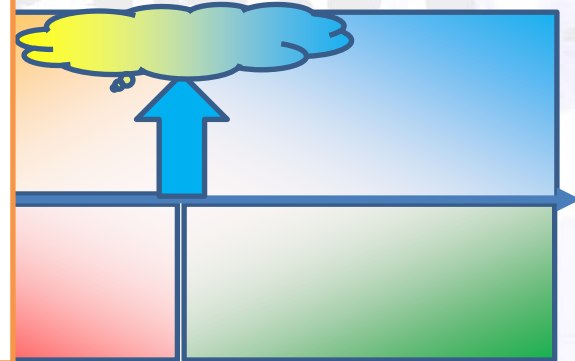
C. Why are the Nordic countries no longer the first in MARI and PICASSO?

D. There are individual winners, but what will happen to the market as a whole (transparency and liquidity)?

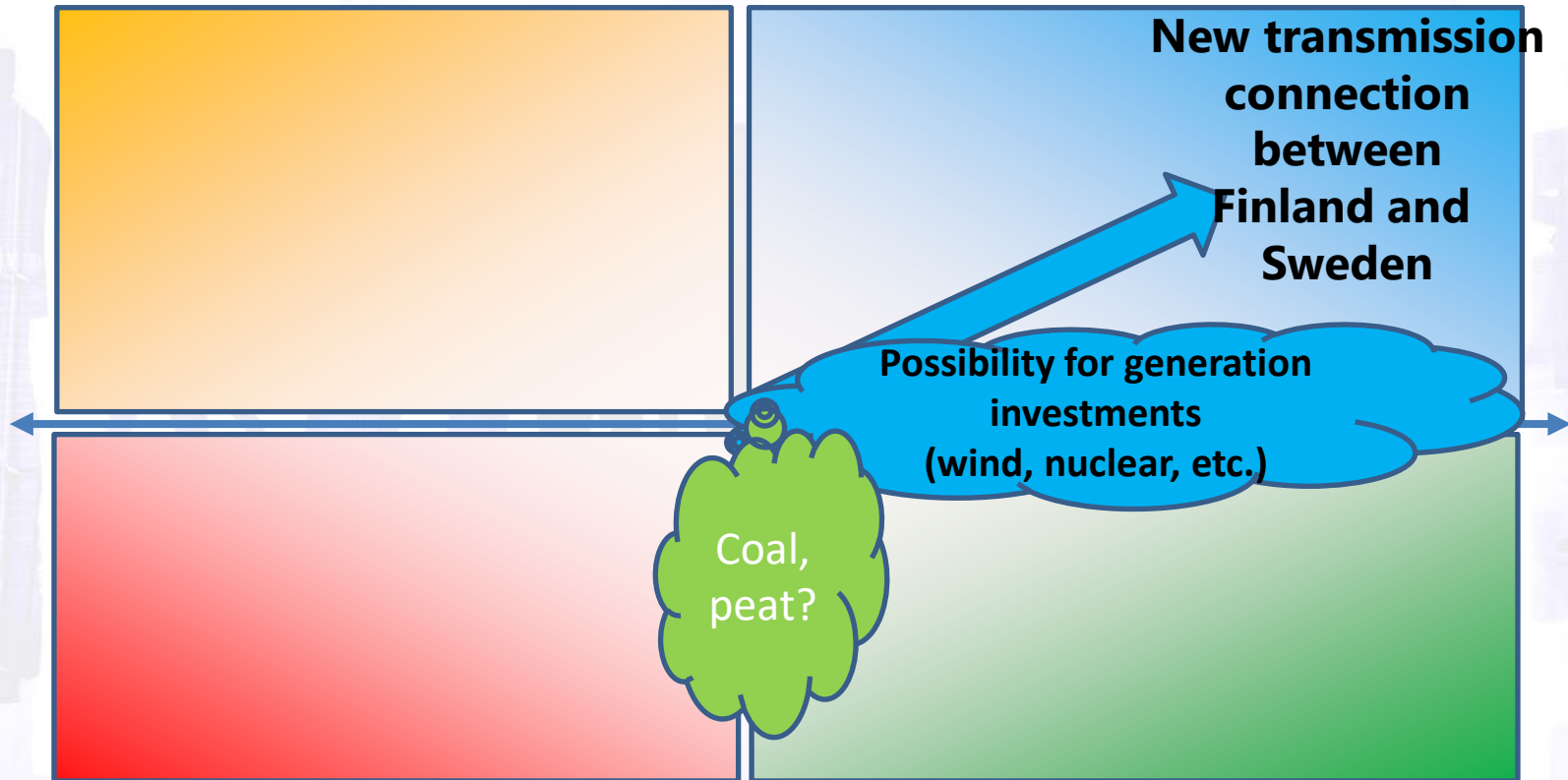
Optimising flow-based transmission



The balance and clearing model (netting)



Development of market structures in Finland



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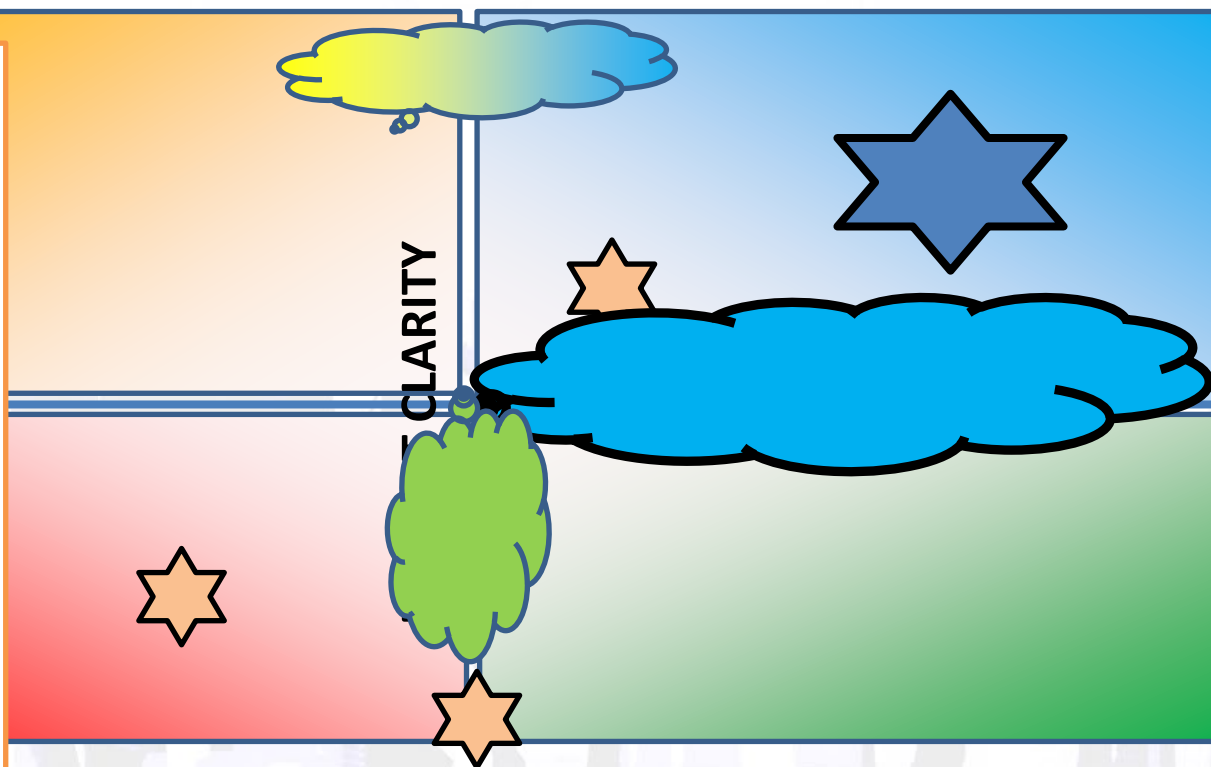
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The whole package

Development of the structures of Finland's electricity markets will strengthen competitiveness and trust.

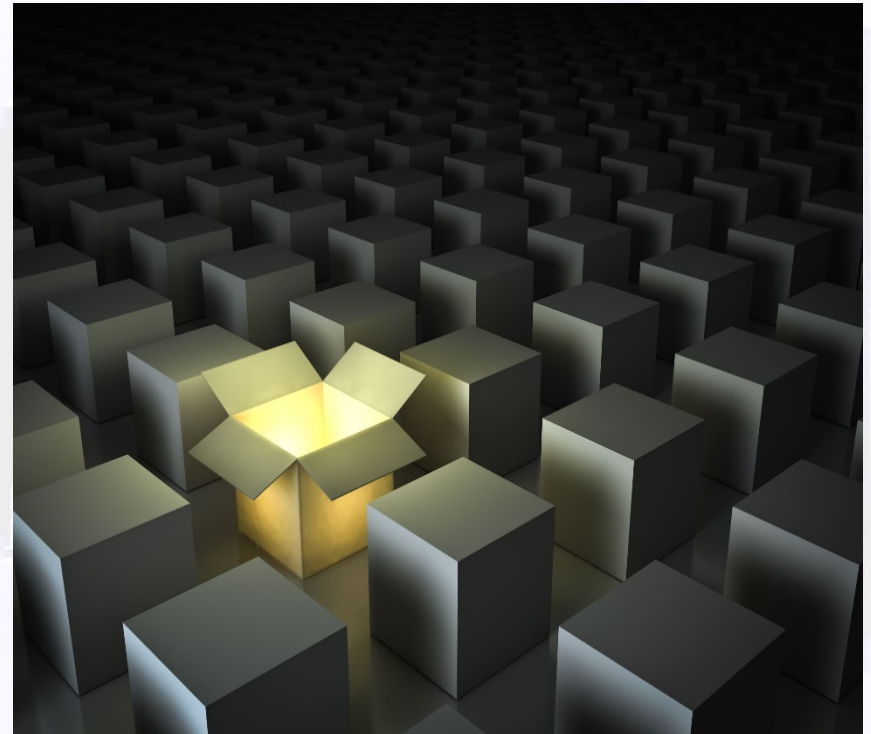
The added value of development driven by TSOs/authorities is confusing to electricity consumers, if not directly detrimental.



Light is ... visible

There are opportunities for a good tomorrow for customers. Placing customers at the core means:

Decisions concerning electricity markets pay adequate consideration to the promotion of the competitive position of industries and services in Finland.





Thanks for your interest!

Association of Energy Users in Finland

tel. +358 10 2354 888

www.elfi.fi