

# Recent developments in Finland



**Baltic REM  
Stakeholder Group Meeting  
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Energy Market Authority**

# The outline of the presentation

- Electricity network operation
  - Economic regulation
  - Network price development
  - Development of regulation
- Wholesale market
  - Security of supply
  - Share of electricity traded via power exchange
- Retail market
  - Price development
  - Supplier switching



# The regulation of the electricity network operators

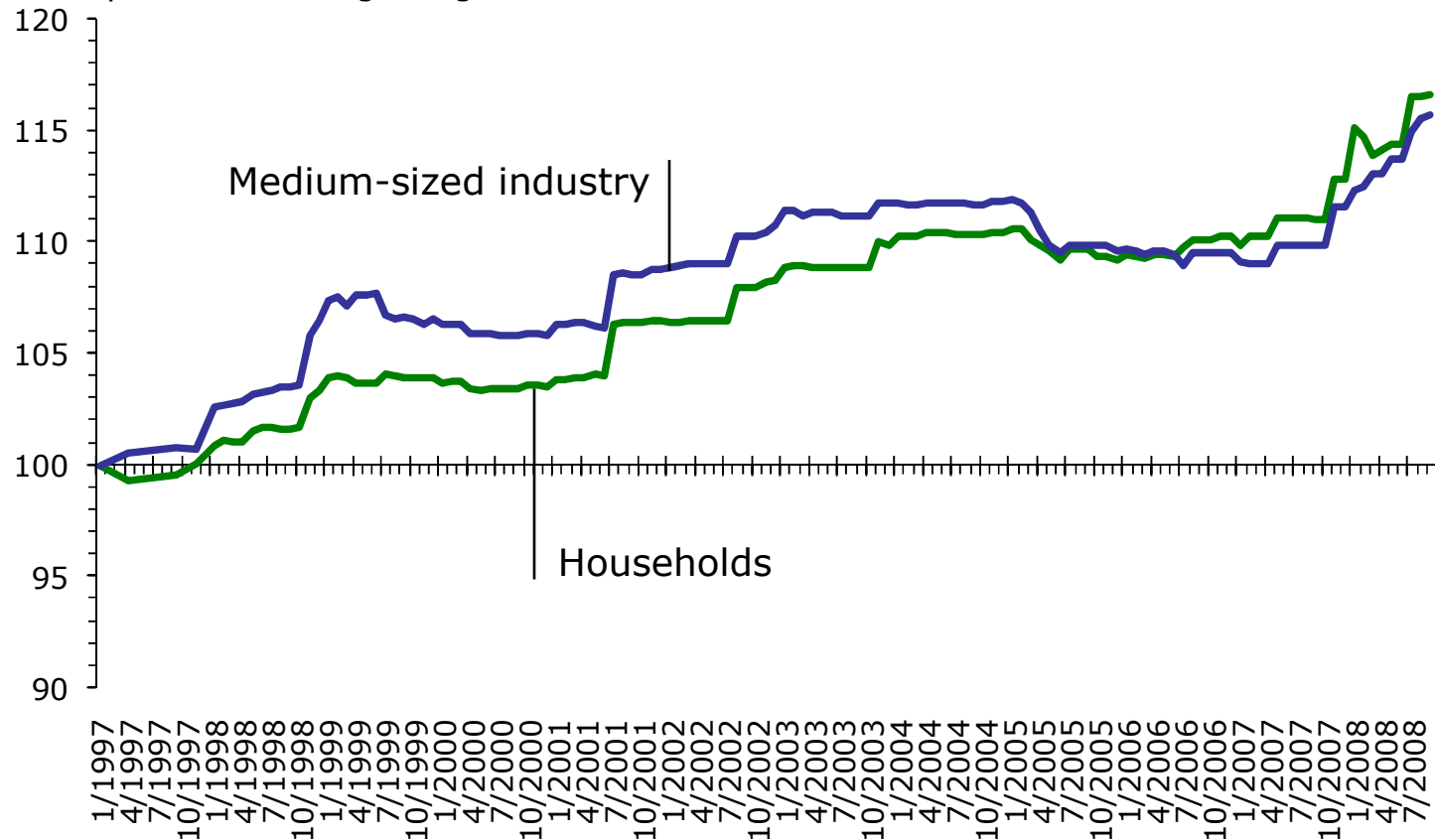


- Ex ante regime since 2005
- EMA is currently preparing the supervision decisions on the first regulatory period (the decisions will confirm the adjusted earnings and windfall profit/loss)
- EMA issued the confirmation decision on the second regulatory period (2008 – 2011)
  - TSO and DSOs
  - Efficiency and quality incentives
  - Appeal process

# Distribution network prices without taxes



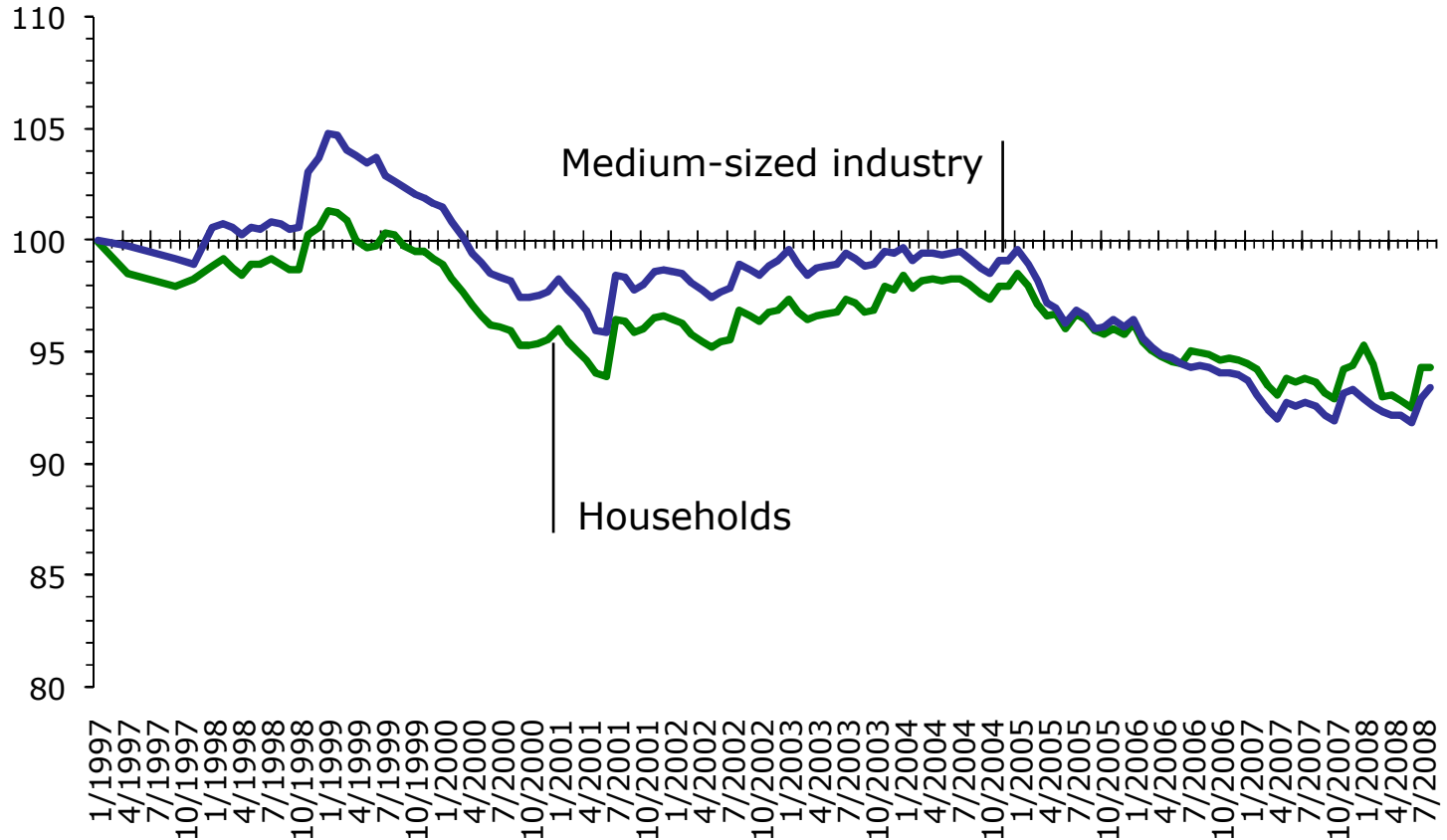
100 = prices at the beginning of 1997



# Distribution prices in real terms without taxes



100 = prices at the beginning of 1997

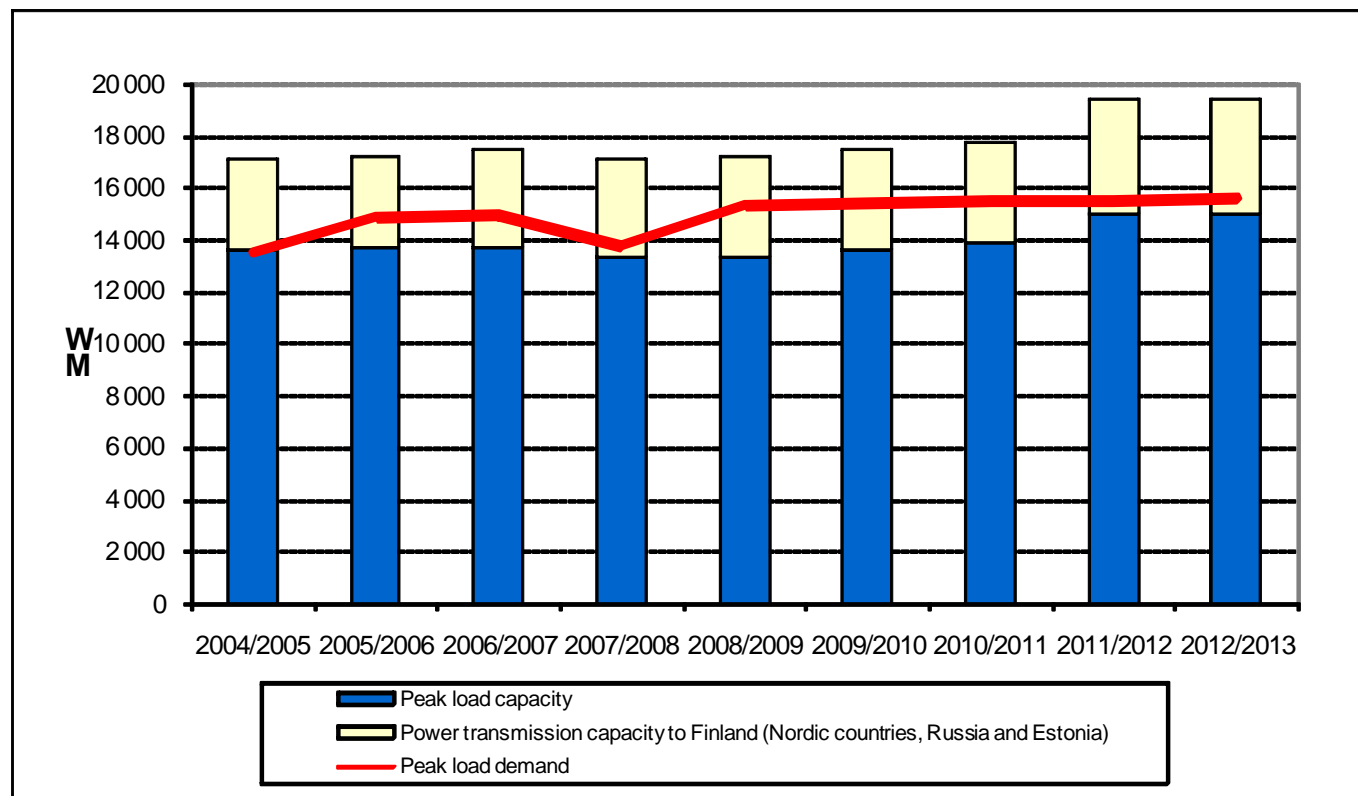


# Roadmap 2020 project

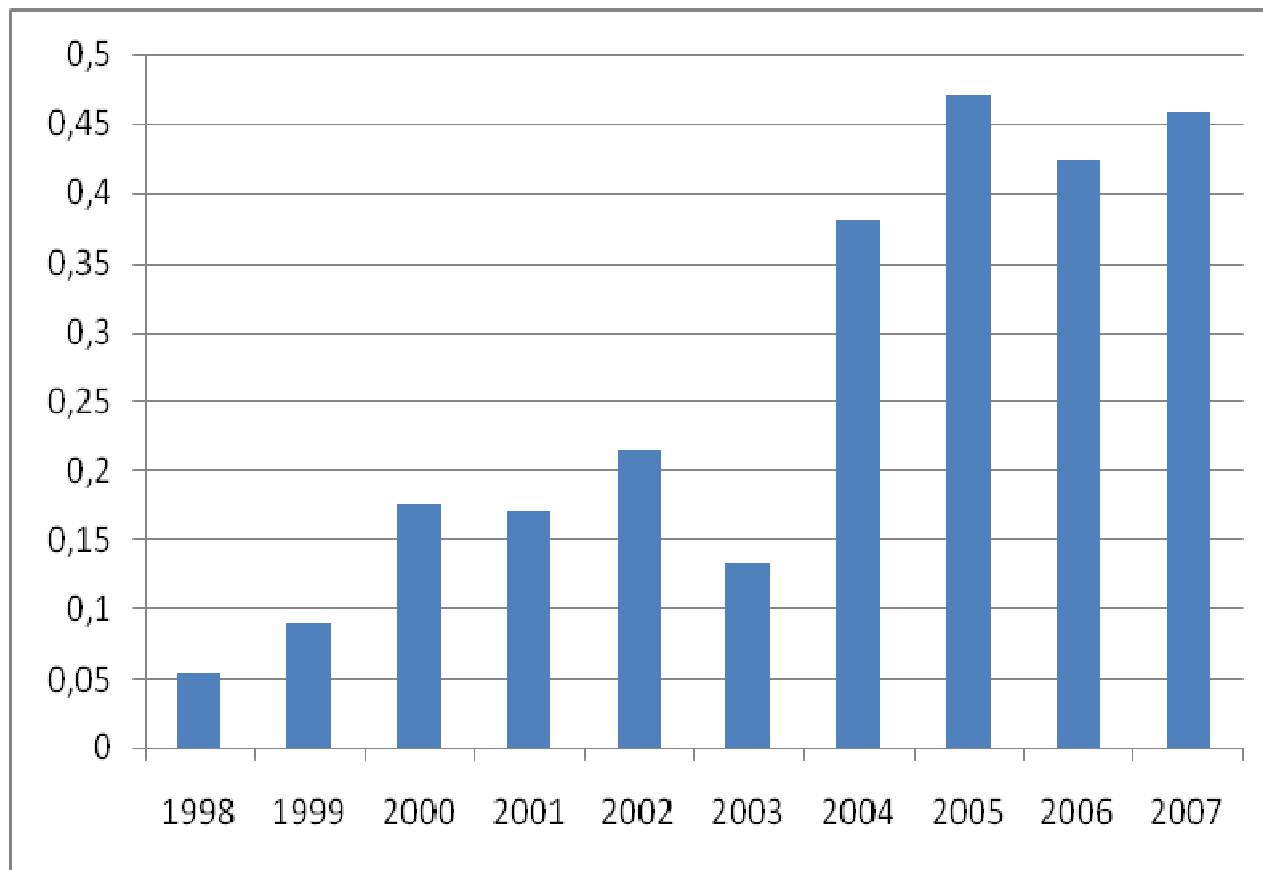


- Purpose: the identify the ways to develop the economic regulation of electricity network operation in the medium term
  - To assess the functioning of the present model
  - Into which direction could/should the model be developed
  - The milestones for development
  - The factors to be covered include e.g. the administrative burden of the regulation model, the special features of the business, incentives to network operators and benefits to customers
- Cooperation with stakeholders

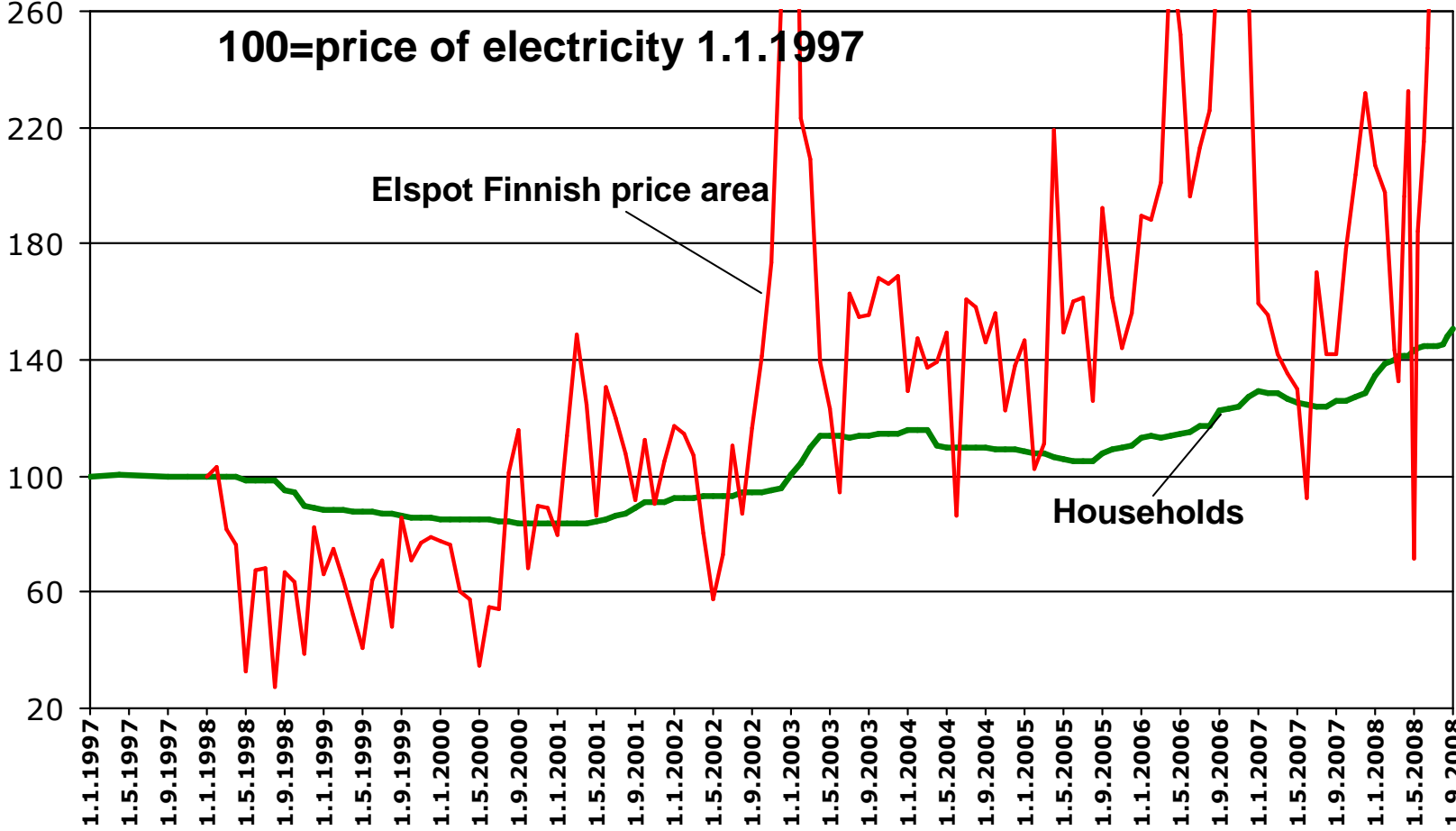
# Peak load capacity, power transmission capacity and peak load demand



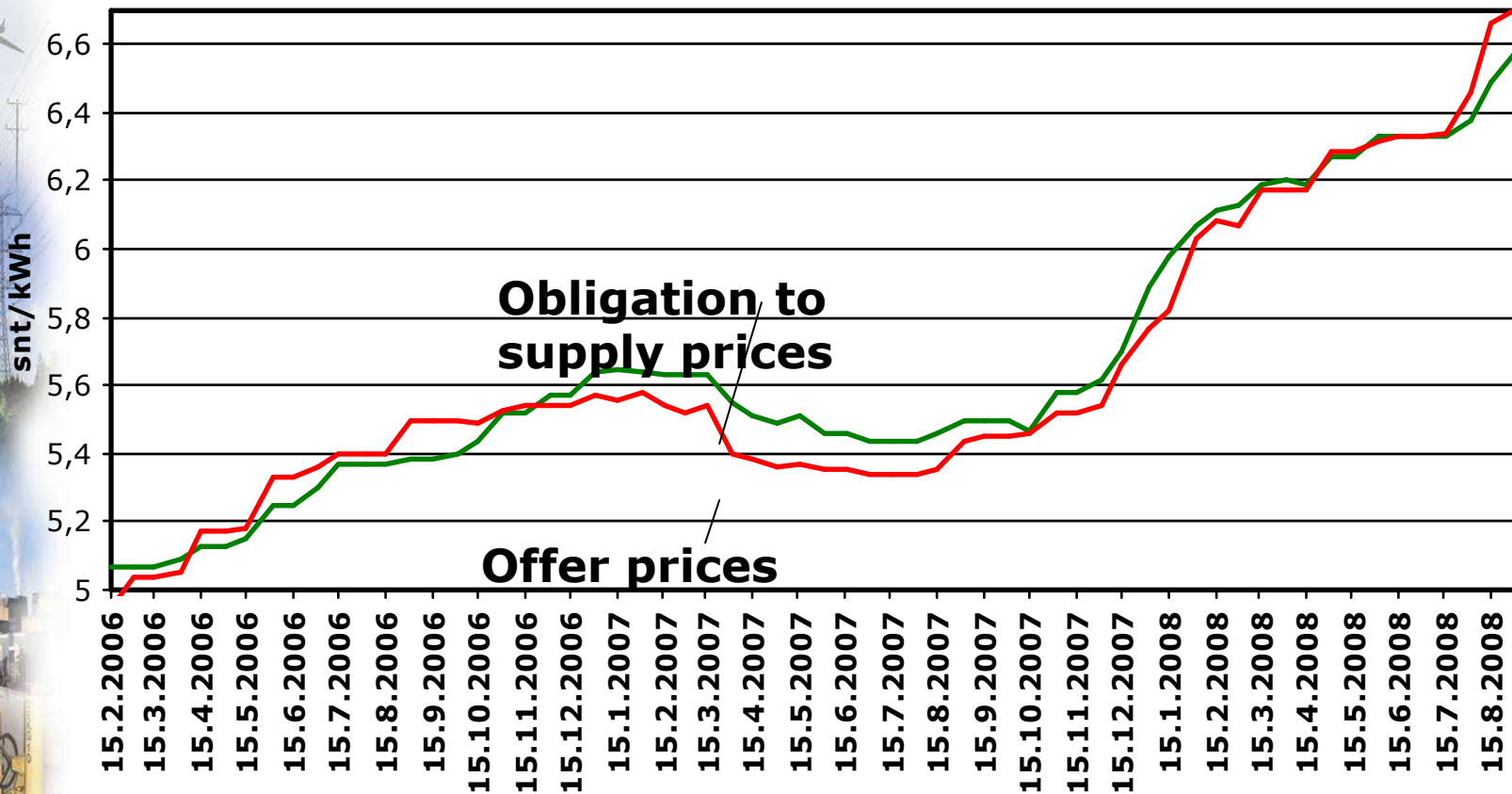
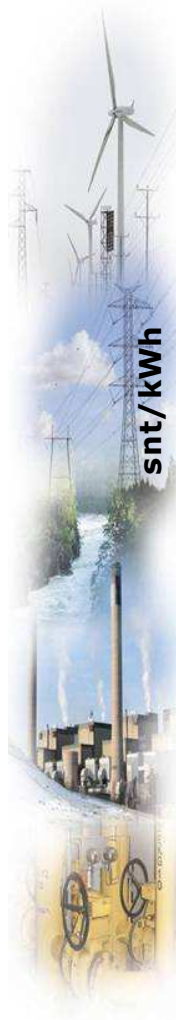
# Share of electricity bought from power exchange



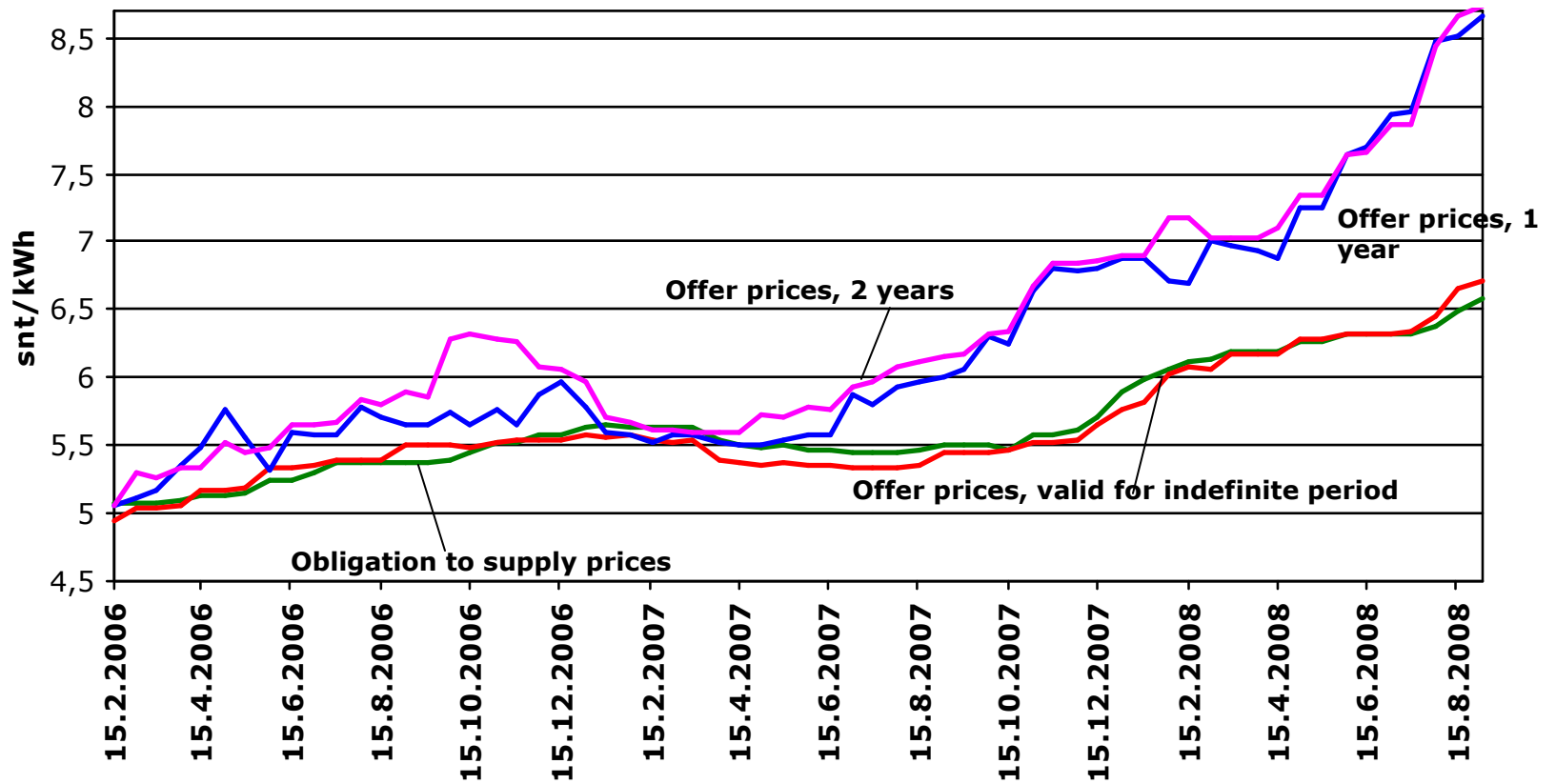
# Electricity price



# Price of electricity for households



# Price of electricity for households



# Total price of electricity for households as per 1.9.2008



	No electric heating	With heating
Electric energy	6,59	5,97
Network tariff	5,45	3,93
	<b>12,04</b>	<b>9,90 snt/kWh</b>

**Taxes included in the prices:**  
**Value added tax 22 %**  
**Electricity tax and emergency security fee 0,883 snt/kWh**  
**(value added tax 0%)**

# Switching rate



	Households and other permanent dwellings		Other customers		Total
	< 10000 kWh/a	>10000 kWh/a	Max 3x63 A	>3x63 A	
2006	3.1 %	7.7 %	3.8 %	7.7 %	4.2 %
2007	3.0 %	6.8 %	3.3 %	8.0 %	4.0 %