

Bird & Bird & Smart grids market summary - Sweden



Today

- The Nordic countries liberalised their electricity sectors in the mid-1990s. Around 75% of the power generated in the region is traded through a common wholesale market and power exchange, Nord Pool.
- Due to its climate and range of energy intensive industries, Sweden has a high level of electricity consumption (around 15000 kWh per capita). However, CO2 emissions per capita are very low (they have been taxed since 1991), electricity production is almost fossil-fuel free and 69% of its electricity is now produced in Sweden.
- Most Swedish households now have smart meters with advanced features such as remote reading and control. Sophisticated district heating systems have also been developed.
- Mandatory hourly meter reading for customers with smart meters with a voltage above 63A (mainly businesses and industry) was introduced in 2006. In July 2009 mandatory monthly readings for domestic customers began. Since 2012, energy suppliers must deliver hourly data at no extra cost for domestic customers on hourly-based contracts.
- Appointed in 2012, the Coordination Council for Smart Grids has established a National Knowledge Platform for Smart Grids and proposed a National Action Plan for the development of Smart Grids (2015 to 2030).
- There are major Smart Grid projects on Gotland (involving the local energy company, GEAB) and in Stockholm (involving ABB and Fortum).

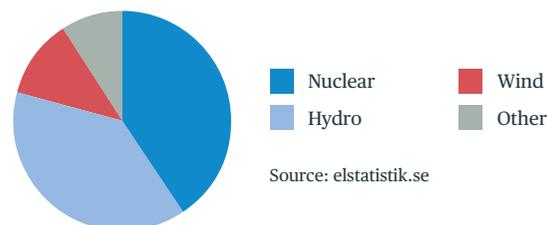
What to watch

- An electricity market in transformation: over the coming years new business models and new services will be developed. These will place emphasis on:
 - » empowered and active domestic customers;
 - » demand-side response;
 - » energy storage and aggregation; and
 - » energy efficiency services.
- The National Action Plan sets out three main areas of focus for smart grids in the short to medium term:
 - » the development of a political framework and suitable market conditions (the aim is to have market driven mechanisms and not to create a preference for or barrier to any specific solution);
 - » domestic customer engagement and participation; and
 - » R&D, innovation and growth.
- The National Action Plan also proposes the investigation into financial support for network companies investing in commercial but as yet unproven smart grid solutions.

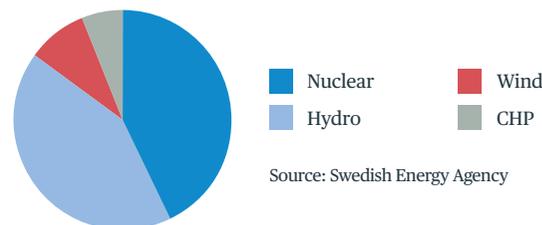
Looking ahead

- The Coordination Council's report, published in December 2014, included a number of recommendations, including the proposals from the National Action Plan and a discussion on further long-term measures not directly linked to that plan. The report will be reviewed by stakeholders before the Swedish Government decides on the course of action to be taken.
- There is a desire to increase electricity generation from renewable sources still further and to focus on infrastructure development.
- Sweden's plans and ambitions will require changes in the electricity network, such as:
 - » the integration of further supply from renewables on a large scale;
 - » the integration of distributed generation;
 - » the integration of electric vehicles;
 - » retaining and enhancing the quality and security of electricity supply; and improved forecasting and handling of peak loads and balancing.

Electricity generation in 2013 (147 TWh in total):



Projected electricity generation in 2020 (179 TWh in total):



Get in touch

If you would like to know more about our local expertise or if you have any questions please contact: smartgridsblog@twobirds.com

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