Translating legislation into innovative energy services

Executive Training Programme for Tomorrow's Energy Decision Makers
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A German Energy Company merging Energy and ICT

Three distinctive features:
- **Portfolio**: Energy, Grids, Telecom, IT
- **Shareholders**: Municipalities and Local Councils
- **Corporate Strategy**: Regionality, Renewables, Efficiency, Savings
EWE – our regions in Germany, Poland and Turkey

EWE AG headquarters
EWE – Group key figures
Figures for 2012

<table>
<thead>
<tr>
<th></th>
<th>Electricity</th>
<th>Natural gas</th>
<th>TC</th>
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<tbody>
<tr>
<td>Clients</td>
<td>1.4 million</td>
<td>1.6 million</td>
<td>670,000 (incl. htp clients)</td>
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<tr>
<td>Sales</td>
<td>19.0 billion kWh</td>
<td>59.4 billion kWh</td>
<td>–</td>
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<tr>
<td>Network</td>
<td>92,000 km</td>
<td>69,000 km</td>
<td>35,000 km</td>
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EWE Group
- 9,049 employees (average for the year)
- €8.2 billion sales
- €138.8 million consolidated net profit for the period
- €674.5 million capital expenditure
Seizing business opportunities from legislation

• Energy policies at EU and national level become more and more important as a precondition for conducting business.

• Too often compliance is only perceived as an inconvenient duty.

• However, EWE has decided to focus on seizing business opportunities from legislation to better satisfy the different needs of our residential, industrial and municipal customers.

• This has increased customer satisfaction, loyalty and has become a competitive advantage in the market.
Five Examples / Best Practises in the EU energy policy context
1. Achieving Energy Efficiency

- **Political Target**: Improve energy efficiency by 20% until 2020

- **Products/Services**:  
  - Contracting models for residential and industrial customers  
  - Energy management systems for SME and Energy audits for property owned by public authorities  
  - Joint regional energy efficiency agency

- **Mutual Benefits**:  
  - Energy savings (up to 30%) ↔ customer loyalty  
  - Modernisation of equipment and reduced consumption ↔ new services and synergies with local craftsmen stimulating regional growth  
  - Reduced energy costs ↔ new business units
2. Implementing the Emission Trading Scheme

• **Political Target:** Reduce carbon emission by 20% by 2020

• **Legal Framework:** e.g. ETS-Directive (2003/87/EC)

• **Products/Services:**
  - Emission trading services for industrial customers
  - Regional information platform on new regulatory developments
  - „CO₂ bonus“: emission trading for residential customers

• **Mutual Benefits:**
  - Less carbon emissions ↔ new services
  - Professional help to comply ↔ new business area
  - More awareness for consumption ↔ customer engagement
3. Protecting the Consumer

- **Political Target**: Empowering customers
- **Legal Framework**: e.g. 2nd/3rd Internal Market Package, „European Consumer Agenda“, London Forum, CEER

- **Products/Services**:
  - 45 customer service points in our region
  - Customer Advisory Boards
  - Awarded Complaint Handling process
  - Energy Services (Visualisation, „Sparbuch“, transparent billing)

- **Mutual Benefits**:
  - Proximity, advice ↔ customer satisfaction
  - Transparency involvement ↔ feed-back for improvements
  - More information and awareness ↔ customer loyalty
4. Pushing for a Smart Grid

- **Political Target**: Smart modernisation of energy infrastructure
- **Legal Framework**: e.g. Communication internal energy market, Communication „Smart Grids: from innovation to deployment“, Standardisation mandates
- **Products/Services**:  
  - Decentralised and intelligent energy system  
  - Better integration of RES  
  - Smart energy products für residential and industry customers  
  - IT/Software development (Virtual Power Plants, Grid Control Systems)
- **Mutual Benefits**:  
  - „Prosumer“ ↔ decentralised generation  
  - More RES ↔ less dependence on fossil fuels  
  - New tariffs ↔ better grid stability
5. Extending broadband network in rural areas

- **Political Target**: Improve the penetration of broadband throughout Europe and stimulate growth of ICT industry

- **Legal Framework**: e.g. Digital Agenda, Connecting Europe Facility, Guidelines on broadband, notification of state aid

- **Products/Services**:
  - Providing broadband access in rural areas
  - Demand-driven expansion (via online registration)
  - Market new product and telecommunication services

- **Mutual Benefits**:
  - Faster internet access ↔ regional growth
  - Regional partnerships
Thank you for your attention.