

Electricity Disclosure

- Concept and Preparations in Switzerland

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in the utility sector

Contents

- ◆ Legal framework in Switzerland
- ◆ Preparation process & studies
- ◆ How a Swiss scheme could look like

Legal Framework

- ◆ **Swiss Electricity Market Law: December 2000**

“government may introduce regulatory policies for the protection of final consumers concerning the disclosure of electricity, particularly with regards to the method of electricity generation and its origin”

- ◆ **Electricity Market Regulation: March 2002**

encompassing, mandatory, product-based disclosure start with beginning of market liberalization

- ◆ **Public Vote about the Law: September 22nd (!)**

Disclosure Regulation (Art. 16)

- ◆ Electricity producers, utilities and traders have to disclose
 - fuel mix & • country of origin

- ◆ Fuel mix → based on primary energy sources

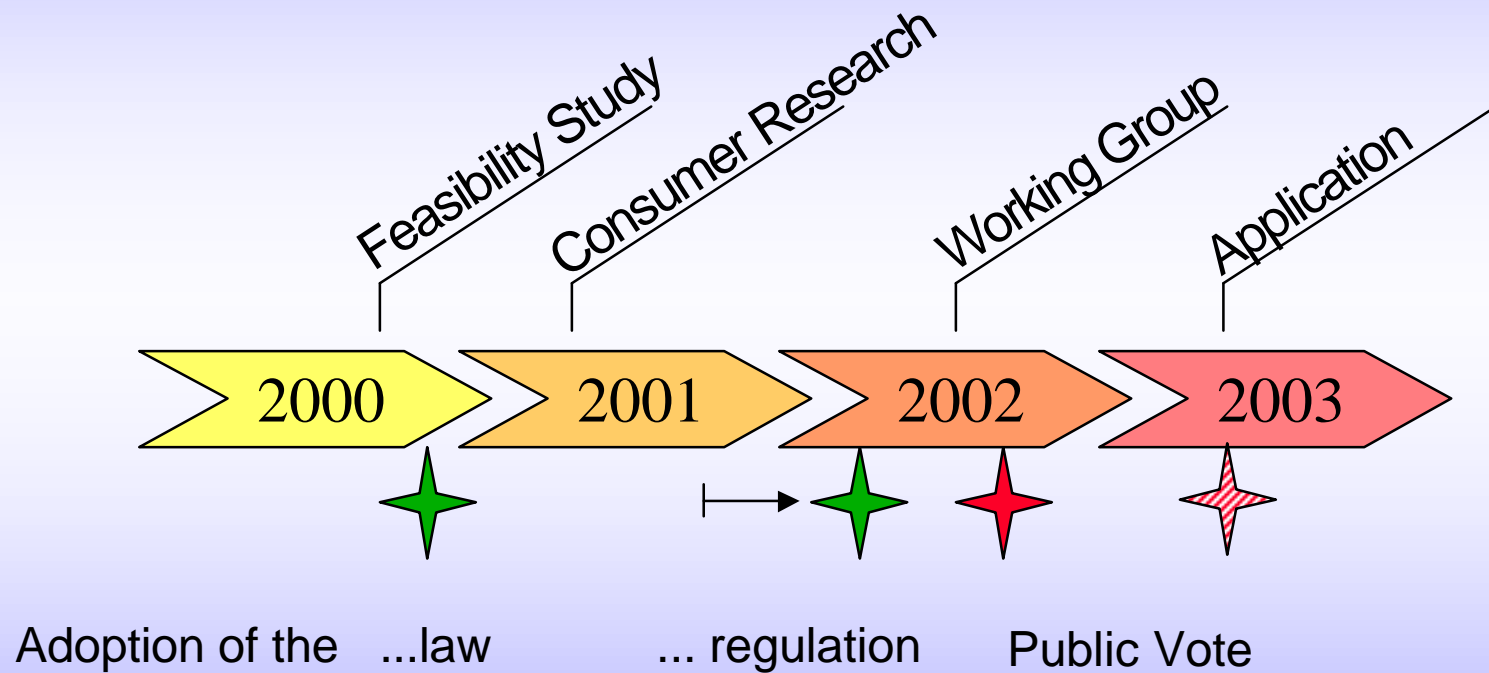
- ◆ If no data available: “unknown”

- ◆ Data based on the past year’s average

- ◆ Uniform format

- ◆ Swiss Office of Energy: Rules for
 - provision of data, • label display, • verification (third party)

Preparation Process



Feasibility Study

- ◆ Disclosure is feasible
- ◆ Proposal: settlement based tracking system
 - yearly energy balances (producers and marketers)
 - independent audits
 - supervision by Swiss Federal Office of Energy
- ◆ Key challenges : data transfer (tracking)
 - cross-border electricity trade
 - lean implementation

Consumer Research

- ◆ Focus groups (residential customers)
- ◆ General needs: public info campaigns
fuel mix – country of origin – price
reliability – comparability – independent control
- ◆ Info distribution: variety of channels
on demand, at least yearly
- ◆ Info display: uniform format
details wanted
minimum: renewable, nuclear, fossil fuels

Working Group

- ◆ Initiative: Office of Energy (BfE) & Association of electric utilities (VSE)
- ◆ 12 Participants: Producers, utilities, electricity traders
NGOs (consumer- & environmental), BfE
- ◆ Issues: Information display & distribution
Data availability & tracking system
Electricity trading
Ex- / Import and EU compatibility
- ◆ Meetings every two months, since 08/02, end: spring 2003

How it could have looked like

- ◆ Proposal derived from consumer research

- ◆ Two-step approach

- ◆ Basic Disclosure:

mandatory part of all product related communication

- ◆ Detailed Disclosure:

on demand, before signing a contract

once a year with the bill

Basic Disclosure

Fuel Mix*

Renewable Energy	25%
Nuclear Energy	25%
Fossile Energy	25%
Others	25%

* Further information: 0800 xxx xxx

Fuel Mix*

Renewable Energy	X %
Non-renewable Energy	Y %
Unknown	Z %

* Further information: 0800 xxx xxx

Detailed Disclosure

Name	Name of the Product											
Marketer	Name, City											
Year	2001											
Fuel Mix	Renewable Energy	25%										
	Hydro	20%										
	Solar	-										
	Wind	-										
	Biomass	5%										
	Others	-										
	Nuclear Energy	25%										
	Fossil Energy	25%										
	Coal	10%										
	Oil	5%										
Gas	10%											
Others	25%											
Country of Origin	<table border="1"> <tr> <td>Switzerland</td> <td>60%</td> </tr> <tr> <td>France</td> <td>25%</td> </tr> <tr> <td>Germany</td> <td>5%</td> </tr> <tr> <td>Italy</td> <td>5%</td> </tr> <tr> <td>Others</td> <td>5%</td> </tr> </table>		Switzerland	60%	France	25%	Germany	5%	Italy	5%	Others	5%
	Switzerland	60%										
	France	25%										
	Germany	5%										
	Italy	5%										
	Others	5%										
Price	Consumption in kWh	2'000	5'000									
	Size of household	1 Person	4 Persons									
	Annual costs (sFr)	XX,-	XX,-									
Contract	yearly / quaterly / monthly terminable											
For further information call 0800 xxx xxx												



Reference



Way of Power Generation



Origin of Generation



Contract Terms



Hotline

Conclusions

- ◆ Disclosure: important for consumers
- ◆ Implementation on its way, time-consuming process,
details yet open
- ◆ Uncertainty due to public vote in two weeks
- ◆ Disclosure is a political issue