

Session 7

What new business model(s) for energy?

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Jean Eudes Moncomble, Conseil Franais de l' nergie, France

We began our meeting by exploring the emerging technological developments, followed by developments in consumer behaviour and in business models. One aspect missing from our discussions over the past two days is the perspective of the regulator. We are therefore pleased to welcome Julien Janes, from the Regulation Commission of Energy. What approaches are regulators taking today to deal with and address the changes that are currently at play?

THE PERSPECTIVE OF THE REGULATOR

Julien Janes, Regulatory Commission of Energy, France

We have indeed identified these changes and measured their potential impact. We are also in the process of adapting to them.

First, we do not believe it is our role to select the technologies or the business models that should be used in the future. On the contrary, we want to ensure that all of the different business models can be integrated into the market. That is how we approached the capacity mechanism concept, which was launched in France last year, and which was resolutely technology-neutral.

Second, we want to ensure that the business models are not based on artificial incentives. For example, if a self-consumer is able to avoid a certain number of taxes that are used to finance renewable energies, this could lead to the emergence of certain artificial business models and even jeopardise the financial support available to the system. Our aim is therefore to develop a self-consumer profile based on network tariffs that reflect the real costs of the system.

Third, the new European legislative package provides that local energy communities will be able to operate their own networks. This carries considerable potential for innovation (for example, the development of smart grids), provided that we ensure the respect of our underlying principles of solidarity and equality.

Jean Eudes Moncomble, Conseil Franais de l' nergie, France

Let us now turn to Volker Stehmann who, in his presentation, made reference to an Energy Policy Compass. How have you conceptualised and deployed that concept?



THE ENERGY POLICY COMPASS

Volker Stehmann, Innogy, Germany

When our company was separated into two, we realised that we needed a clearer understanding of today's energy policy issues. As the largest utility in Germany in the downstream area, we sought to understand how we would position ourselves. In the past when we were an integrated utility, certain issues were always on the table: nuclear energy, capacity markets, and generation issues. Other policy issues were left to the side. We have realised that, as an industry, we now need to position ourselves more and more on issues such as self-consumption, network tariff structures, the future of renewable support schemes, and so on.



We therefore set up a major project within our Group to determine where we needed to position ourselves, and how we would position ourselves. We came up with the idea of an Energy Policy Compass, which we could use to guide us in this unknown territory. The question of technological neutrality was one such guiding principle: it is important that all players can participate in the system at the same level, with no single technology being positioned above the others. Similarly, we want to ensure that common tasks are financed in a common and fair manner.

We came up with a document that we presented to our Board for approval, which was equivalent to our energy policy communication strategy. That strategy contributes to ensuring that our voice is heard, both in Germany and in Europe. It has therefore been very positive for our company.

EVOLVING BUSINESS MODELS

Jean Eudes Moncomble, Conseil Français de l'Énergie, France

I would like to ask the same question to Marc Bussi ras, as I assume that EDF is also in the process of adapting its business model. What are the key factors or principles involved in that process?

Marc Bussi ras, EDF, France

Going forward, all good utilities will want to provide energy efficiency services, increasingly decarbonised electricity, more digitalisation, and more innovation. That is the story telling that will characterise us all in the future.

If we look at this from a higher perspective, we can see that there are many new renewable energies available, in particular wind and solar power, which benefit from a significant reduction in costs and a significant increase in competitiveness. Somehow, this competitiveness has opened up the potential for low-carbon options at accessible prices, and has made possible or at least easier the Paris COP21 Agreement. We also have to consider the role of our public authorities. In that context, we should note that Germany will spend €25 billion in subsidies for renewable electricity production this year, a figure that is higher than the actual value of consumption in Germany at market prices. With such subsidies in operation, it is hard to consider our European system as market based! More than ever we live in a world made of subsidies and regulations. So it is not a highly predictable world and it is very difficult to achieve our objectives, as those subsidies skew the equation. This is therefore an extremely complex situation and we have many questions that still need to be addressed: feed-in tariffs, CO₂ price and so on. It therefore seems that we are not always addressing these issues in the right order, and the Clean Energy Package will not necessarily help us to clarify the situation.



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When it comes to self-consumption, it is clearly more efficient to install PV panels on a supermarket roof than to install them on a barn where there is no consumption to be added. But today, this business model of self-consumption is more or less based on the principle of the free rider (on the networks share, on taxes...), which pushes prices up for other consumers.

Finally, with respect to innovation, we have discussed the issue of mobility. I believe that we have underestimated the potential of the changes that are underway today. For example, we could see the emergence of driverless electric vehicles by 2025-2030, enhanced by car sharing, and these will result in significant savings in terms of the costs of a driver, the cost of petrol, and so on, including cost/km of the car. We therefore have the prospect of a new form of mobility that will be considerably cheaper while at the same time providing an ever-greater range of services. That could lead to huge societal changes and a different way of considering our habitats and urban planning. Going beyond the question of electricity and utilities alone, we can see that great changes are just on the horizon for our societies and sectors. This is in contrast to our history to date, where we dealt with changes that were much more progressive and long-term.

Jean Eudes Moncomble, Conseil Français de l'Énergie, France

Does your Energy Policy Compass take into account evolutions in sectors other than energy?

Volker Stehmann, Innogy, Germany

A key issue we explored in the Compass was the fact that sectorial integration was not working within the context of our existing regulatory framework. Regulations are specific to each sector (electricity, gas, transport, etc.) and they are not always easy to understand, notably because some are focused on contributing to public finances. We are therefore looking at how to achieve cross-sector changes and ensure some form of level playing field. That is certainly part of the Compass as well.

Jean Eudes Moncomble, Conseil Français de l'Énergie, France

What is your reaction to this veiled criticism of the regulations?

Julien Janes Regulatory Commission of Energy, France

The energy sector is not only concerned with economic questions. It is also concerned with political questions, and that means that a certain level of contradiction is always possible. For example, we set the 3x20 objective some years ago: a 20% reduction in CO₂ emissions, a 20% increase in renewable energies, and a 20% increase in energy efficiency. Policy makers can only achieve these three objectives on the basis of political balancing between the three priorities. This is a structural difficulty that is linked both to our political ambitions and to the economic limits of our models.

Jean Eudes Moncomble, Conseil Français de l'Énergie, France

I would note that the World Energy Council is conscious of that difficulty. It has argued in favour of there being one objective (the CO₂ objective) and two means of achieving that objective (renewables and energy efficiency).

One of the questions that has regularly come up in our discussions in the past two days is that of centralised *versus* decentralised systems. What is your view of that question?

DECENTRALISED *VERSUS* CENTRALISED SYSTEMS

Jan Kowalczyk, Banner Group, Poland

There are four known types of centralised energy systems: (a) energy delivery companies (transmission and distribution),



(b) vertically integrated utilities, (c) independent power producers, and (d) independent merchants. There are also many new business models that have emerged, including new supply models. This is a very dynamic sector.

When we analyse energy delivery companies, their business model has been brought into question. It was based on synergies between transmission and distribution, and it was very easy to manage in the context of a national grid. Today, when local authorities are trying to impose different models at the local level, it is necessary to use local distribution networks. There is therefore huge pressure to lower the costs of distribution for renewable energy sources. When the state is unable to provide additional resources, this must be done directly via the distribution coffers. That is why if transmission continues to be economically viable, the distribution will experience huge pressure on its margins. The synergies between distribution and transmission are declining, and may even disappear in the future. With different regulatory approaches, different customers, and different tariff mechanisms, the future of this business model may be jeopardised. I cannot say where the future will lie but I would recommend caution to investors in such business cases.

When it comes to vertically integrated utilities, in countries where distribution is not linked to transmission (in Continental Europe, for example), transmission system operators are independent entities, and distribution operators are subsidiaries of vertically integrated utilities. These utilities are currently under considerable pressure from stakeholders and investors. Their profitability levels are declining and their futures are murky. Additionally, an idea to separate out the distribution activity from these groups has already started the ball rolling, but it is not clear where that distribution would be shifted: to local councils, regions, inter-regional bodies?

Furthermore, losses in distribution grids are 3 to 4 times higher than those in transmission grids. This is in part due to technical issues and in part this is a result of poor management in most distribution companies. Vertically integrated companies tend to focus on generation, trading and retail rather than distribution, and they are also slow in building right responses to current market shifts.

These two business models, energy delivery companies and vertically integrated utilities, are therefore likely to be the losers of the future – losing, let's say, 30% of their market value. That will lead to considerable pressure from investors to restructure these businesses.

The following two models, independent power producers and independent merchants, are able to take full advantage of the combination of “local” and “smart”. They are increasingly investment-viable provided that they can ensure a good level of scalability. However, that is relatively difficult to achieve for independent merchants, especially those working with local authorities.

Jean Eudes Moncomble, Conseil Français de l'Énergie, France

You referred to the concept of solidarity. Is that principle still applicable to decentralised systems?

Julien Janes, Regulatory Commission of Energy, France

Underlying the concept of solidarity is the concept of territorial cohesion, which is clearly set out in France's law of 2000. There is indeed a possibility that this cohesion could be lost in the future with the development of decentralised, local or community systems. For that reason, our Chair is about to publish an article on this subject, encouraging regulators to maintain that cohesion, for example by ensuring that users pay a price that will enable the necessary network investments to be made.

Jean Eudes Moncomble, Conseil Français de l'Énergie, France

We had a session yesterday on centralised *versus* decentralised systems, led by Philip Lowe, former Director-General of Energy at the European Commission. The session ended by raising more questions than we had answers. We are fortunate to have two network operators present today. What is their perspective on the issues we have been discussing?

Volker Stehmann, Innogy, Germany

I cannot comment on yesterday's discussion as I was unfortunately not present. However, we should not approach this in an ideological manner. I personally believe that much of the change we are experiencing today is technology-driven, and that will also have an impact on whether we move toward centralised or decentralised systems. Offshore is under heavy debate in Germany but it will clearly be a key technology of the future. However, it is not possible to speak of decentralised energy supply in the North Sea. At the same time, PV will also be key to the German energy transition, and that technology is based on a very decentralised model.

At the end of the day, the regulations are moving toward capturing the value of a certain technology in a certain time and a certain place. That is the real challenge we face. In that context, we should not be paying only lip service to concepts such as fairness and solidarity; these concepts are extremely important if we are to obtain public support for the transition.

Marc Bussi eras, EDF, France

I spent 25 years of my career in distribution. The history of electricity was initially (one century ago) very local, and then became increasingly network-based and interconnected. This allowed prices to come down, and it also enabled us to implement the concept of solidarity. In France, that meant being able to provide electricity at a uniform price to as many people as possible. As such, we could say that the electricity system was a sort of collective, self-consumption system at the national level. It was also an efficient system if we consider the costs and services provided.

It is estimated that Germany will invest €50 billion in its high voltage network to 2030, €33 billion in onshore, and €17 billion in offshore (TSOs "Netzentwicklungsplan"). That scale of infrastructure will not be possible on the basis of local investments or local models.

We can therefore see that, while local initiatives of interest are emerging, we are also trying to combine local and large systems. The challenge is to find the right combination of the two, and the right underlying business models based on the right price signals. These underlying economic questions have to be considered within each country's specific context. That is a collective challenge for our regulators.

Jean Eudes Moncomble, Conseil Fran ais de l' nergie, France

We have touched upon the question of the underlying economic model and its sustainability, and I am sure that we will continue to explore this issue in the future.

QUESTIONS & ANSWERS

Didier Sire, World Energy Council, United Kingdom

You referred to the need to make self-consumers pay for access to the networks. Will that not push them toward off-grid solutions? While it is completely legitimate from an economic and social perspective to make them pay connection fees, this could be a short-term solution that ultimately has a negative effect.

Julien Janes, Regulatory Commission of Energy, France

That is indeed a potential risk. However, from our point of view, that is a risk inherent to any system that is opened up to competition. Our strategy today is based on having people pay for what they obtain; it is not based on favouring one system over another.

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Didier Sire, World Energy Council, United Kingdom

I would note that having people pay for what they obtain contradicts the principle of cross-subsidisation (*péréquation tarifaire*).

Julien Janes, Regulatory Commission of Energy, France

There is a similar contradiction between rational economic thinking and political reality. Clearly, if we compare a Parisian consumer to a consumer in a remote rural village, they are not paying precisely for what they obtain. Nevertheless, when it comes to self-production, we want to avoid a rapid expansion that is based on the wrong price signals.

Bruno Wiltz, IESF, France

We have heard arguments against the total deregulation of electricity markets at the European level. The EU has issued a 5,000 page report on the energy transition. What are your proposals to avoid such a deregulation?

Marc Bussi eras, EDF, France

I have two comments to make here. First, EDF has always highlighted the contradiction in the 3x20 objectives, which fail to distinguish between the means and the end. As a result, open market policy makers were not talking to energy policy makers, leading to a carbon price of €5 per ton. That frankly encouraged CO₂ emitters, in total contradiction to the stated long-term objectives. The Clean Energy Package has not addressed this issue.

Second, we are in a changing world, with many technological evolutions underway. However, we have to accept the fact that energy policy remains in the hands of regulators and politicians; it will not be driven by market signals alone. This raises the question of long-term contracts, where we are not yet in agreement with the European Commission's perspective.

Volker Stehmann, Innogy, Germany

I would prefer to speak in defence of Europe as I believe that European energy policy is extremely important. Political decisions are made at a number of different levels: European, national, regional, and local. We can all have different positions on these issues, but I believe that European energy policy is well justified. Energy was in fact key to Europe from the start – the EU did after all begin as the European Coal and Steel Community and, today, we still have good reasons for a European energy policy.

Innogy recently launched a campaign among its employees to highlight the reasons why our company and our employees need Europe. Our company would not exist if the EU had not been created. We therefore need to distinguish between European energy policy in the 1990s and what we see today. In the 1990s, policy was driven by the concept of market liberalisation. That is a different economic model from the one we have today even though we still have the same infrastructure, the same companies and the same power plants in operation. Today, the energy transition we are experiencing is to be found everywhere around the world, albeit at different levels and at different speeds. That transition is technology-driven rather than policy-driven.

Bruno Wiltz, IESF, France

For how much longer will electricity producers be able to live with wholesale prices that are so low that they make it impossible to carry out the necessary investments? This is a question of survival for these producers.

Volker Stehmann, Innogy, Germany

Today's prices are marginal prices. As such, they do not provide an incentive for investment. That is a development we are also seeing in other regions of the world and not only in Europe. I do not believe that the question of wholesale prices is the result of European or national policies; it is more a question of the technological developments that have occurred.

Marc Bussi eras, EDF, France

We will have to disagree on this point. It is European policies and rules that have led to such high levels of subsidies. That was clearly a policy choice that was made, and the resulting prices do not send out an appropriate signal to investors. They have also led to the emergence of issues such as the security of supply.

Jean Eudes Moncomble, Conseil Fran ais de l' nergie, France

Could we have the regulator's point of view on this issue?

Julien Janes, Regulatory Commission of Energy, France

We are now dealing with levels of uncertainty that did not exist in the past. In the past, it was possible to work on the basis of consumption estimations for the next 50 years. That was the basis on which France developed its fleet of nuclear plants, for example. Today, to address this situation of uncertainty, we need, first, a very short-term price signal and a higher level of flexibility, not only with spot markets but also with intra-day markets. Second, we need a long-term price signal, which we are currently trying to achieve in France through the capacity mechanism. There are currently about 20 such mechanisms in operation in Europe, in 11 Member States. The French capacity market is a 7-year market today, and we may need a longer-term price signal that reflects the capital intensity of the nuclear and renewable sectors.

Jan Kowalczyk, Banner Group, Poland

Can this create a moving toward a serious two-product market in France?

Julien Janes, Regulatory Commission of Energy, France

That may be too simplistic an analysis. We have been developing the concept of flexibility, which addresses a real need with respect to intermittent renewables. To that end, we have strengthened spot markets and intra-day markets. Nevertheless, the long-term price signal is still not sufficiently robust to act as an incentive to investment.

Jan Kowalczyk, Banner Group, Poland

I was referring to the two products of energy and production capacity.

Julien Janes, Regulatory Commission of Energy, France

France launched its capacity mechanism in 2016 in order to reduce the risk of failures. That is, it contributes to an increase in production capacity and an increase in the capacity for load management. Our approach is therefore different to that of Germany, but our situation is also very different.

Volker Stehmann, Innogy, Germany

I have advocated the need for some form of capacity mechanism for Germany. France has been very clever in putting something on the table that is market driven and technology open. France may not desperately need such a mechanism today but it will be in place for the time when it is needed. I believe that Germany should do the same.

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I would also add that we will have to think on a more regional basis in the coming years. In Germany, system capacity is one issue, but local and regional network constraints are also an issue. We therefore have to think about organising these types of markets or mechanisms at a more decentralised level.

Dominique Finon, CNRS, France

I have been working on long-term investment issues for the past 15 years. My first point is that the only role of the short-term market is to coordinate players and enhance flexibility. Having access only to intra-day or reserve markets, together with a remuneration capacity such as existed before the European Commission obliged France to practise long-term contracts, makes it very risky for investors to build new facilities.

Second, is there not something lacking in the Winter Package with respect to long-term contracts? For example, should France opt to maintain its nuclear capacity through the *grand carénage*, a market price of €30 per MWh would not allow those investments to be amortised. Long-term contracts would be necessary to do that, but who would enter into such contracts?

Julien Janes, Regulatory Commission of Energy, France

We believe that the Winter Package does not provide the long-term visibility needed to fund the required investments. Nevertheless, it significantly improves the situation with respect to the integration of renewables. Our position vis-à-vis the European Commission is that it is not possible to finance 20-30 years investments on the basis of an hourly rate.

Jean Eudes Moncomble, Conseil Français de l'Énergie, France

This discussion relates to the question of whether we are currently in the midst of an evolution or a genuine paradigm change. Most of our speakers presented rather innovative ideas, whether they be concerned with prosumers, digitalisation and so on. These new ideas tend to be driven by the consumer. To what extent will your companies or organisations be impacted by digitalisation?

Marc Bussiéras, EDF, France

Digitalisation is having an impact on all our activities: not only on IT services but on all sectors. There is a veritable revolution underway that will make it possible to improve our productivity and efficiency at all levels. It will have an impact on almost everything we do and open up the possibility of many new products and services.

We do, however, face a number of outstanding questions here, and it will be some time before we can answer those questions.

Jean Eudes Moncomble, Conseil Français de l'Énergie, France

We have heard about the emergence of many new business models. Are any of these models sustainable in the longer-term or are they simply fads? The difficulty lies in distinguishing between the two.

Marc Bussiéras, EDF, France

For the past 4 to 5 years, we have heard much about smart grids and even seen many demonstrators in this field. However, relatively few business models have emerged from these demonstrators for the time being. Some progress has been made in terms of network management, and in the integration of renewables. However, in terms of new services for consumers there is still much to be done.

Volker Stehmann, Innogy, Germany

This all depends on how we define evolution and paradigm shift. I believe that we are in the midst of a revolution, which is being driven by technology. That is the case not only in the energy sector but also

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in banking, insurance, the automotive industry, and so on. Digitalisation is in fact changing the very concept of transactions. Our industry is undergoing a paradigm shift and what we make of these developments is of great interest. Policy makers have a responsibility to influence the speed of this change, and its fairness.

Jean Eudes Moncomble, Conseil Français de l'Énergie, France

As a consultant, would you provide an example of a business model that you believe will definitely emerge in a sustainable manner and one that apparently has no future?

Jan Kowalczyk, Banner Group, Poland

The future belongs to local, and I do not believe that large energy groups will continue to be present everywhere. Certain cities and regions will become energy independent. They will need a distribution grid but they will not need to be connected to a transmission grid. That will lower the cost of their energy supply, and will lead to the emergence of many new models.

In this, we need to involve all players and stakeholders – local authorities and civil society (citizens, households, companies). They need the right local infrastructure and they will bring it into existence. Therefore, I believe that new business models will emerge from local conditions.

Jean Eudes Moncomble, Conseil Français de l'Énergie, France

Are regulators well-prepared to accompany these different movements?

Julien Janes, Regulatory Commission of Energy, France

The future is always uncertain, and no one can prepare for everything. Nevertheless, we are trying to anticipate these changes as much as possible. To that end, the Chair of the French Regulation Commission of Energy has set up an Innovation Council, which will bring together industrial players from various sectors. That will allow us to anticipate and prepare these evolutions, and ensure that they emerge on the basis of the appropriate incentives and signals.

Jan Kowalczyk, Banner Group, Poland

This was the subject of a major discussion in Poland, especially with respect to district heating and local generation. A new regulation system is therefore planned, giving the right to local representatives to be involved as third party in tariff negotiations between the regulator and the utility companies. If local authorities have a conflict of interest, for example due to ownership stake in local generation/district heating and cannot be involved, it will be possible to set up a representative body of city inhabitants to take part in such negotiations.

Jean-Guy Devezeaux de Lavergne, CEA, France

We have been talking about a geographical shift toward a more local level. We have also referred to shifts in time scales in the electricity market. When we consider the development of transition policies, we can see that there are many different time scales involved. In that context, how can we ensure that we reach our goals and industrial objectives? How can the different stakeholders play their roles and learn the new rules of the game? It is important to engage in transversal research that brings together the hard sciences with historians, geographers, sociologists, lawyers and so on. This will help us develop solutions that respond to what consumers really want.

What do the panellists feel about the way in which we work and the way in which we take advantage of the expertise that is available to us?

Volker Stehmann, Innogy, Germany

That is a very good question. I share your view that we have not been doing enough with the other sciences, and this is making the policy debate even more difficult. In Germany, for example, there is

clear public support for the general idea of an energy transition. However, if asked more specific questions about their direct environment, the response of individuals is much less clear. I believe that policy makers have not yet fully worked out how to convince people of the need for local compromises.

I find it intriguing that people in different countries react very differently to the same technologies. For example, the difference in attitudes to nuclear energy between France and Germany, or the difference in attitudes to onshore wind between England and Germany. Why this is so, and how we could influence those attitudes, is an important question for energy transition in Europe.

Marc Bussi ras, EDF, France

We are in a completely different world today from that in which France's nuclear fleet was built, and our relationship to regions, localities, and communities is quite different. When we talk about energy today, we have climate change as an underlying issue. All the choices have to be dealt with our societies, politicians, public opinion, at the local or regional level as at the global one.

Julien Janes, Regulatory Commission of Energy, France

Taking into account the societal aspects of these issues is very important. I previously referred to the potential contradiction between rational economic thinking and political reality. Societal aspects represent the link between these two dimensions, and they must be taken into account by the regulator.

Volker Stehmann, Innogy, Germany

The issue of autonomy is one that we have not fully understood. Some people are very eager to be autonomous in terms of energy supply, and are willing to pay for that. Others are not. Autonomy was not an issue in the energy policy debate 20 years ago, but is becoming more and more important today. The link between the different sciences is therefore key here.

Jean Eudes Moncomble, Conseil Franais de l' nergie, France

This forum was concerned with the appropriate business models for energy in Europe. Will we simply adapt our existing models or will we see completely new models emerge? Can we say, as one of our speakers suggested, that our traditional utilities are condemned to die?

Marc Bussi ras, EDF, France

We do not envisage that small, local systems will kill off our legacy systems. A key issue here is that of storage, which we have not fully explored in this meeting. While we cannot foresee all the details, we can imagine a complex system that combines major assets and infrastructures with small assets and infrastructures in order to provide efficient and competitive services.

We know that there will be technological changes, and these will have a major impact on the way we deal with energy. As a major utility, we will continue working with the same large assets on one hand, but, on the other hand, will also offer different services that have not been part of our traditional way of doing business to date. That is, we will remain as we were while at the same time undergoing a profound change.

Julien Janes, Regulatory Commission of Energy, France

This is not the first time the electricity sector has undergone an evolution, and such evolutions can lead to a paradigm shift. The current evolution is characterised by the fact that it has an impact throughout the value chain, from production to marketing and networks. It is also characterised by an explosion in the number of players involved. It will take some time before we understand which changes will remain for the long-term, and what the future will bring for existing operators. We are not

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the only sector undergoing these changes today. The mobility sector, for example, is being impacted in exactly the same manner.

Volker Stehmann, Innogy, Germany

Big utilities will not necessarily disappear. This will depend on whether or not they are able to adapt. There is much movement on the part of existing companies to adapt and foster a real cultural change in the way they work. At the same time, our customers will continue to need electricity and gas at a good price, and with a stable and secure supply. They will continue to expect that from us in the future. I am therefore not pessimistic about the situation at all. We are all very much alive!

Jan Kowalczyk, Banner Group, Poland

I would say that vertically integrated utilities have a declining if not dying business model, and that is reflected in their stock prices. They will not disappear in the short- or medium-term. The longer-term is not, however, very promising: these companies will be much smaller and will need to restructure heavily.

Certain big companies will be able to absorb “local” and “smart”, and will set up new divisions that create synergies with existing products and services. At the same time, there will be a huge proliferation of new, independent power producers due to the fact that this business is extremely scalable. I also see a good future for independent merchants. They will, however, remain small to medium sized as they will not be able to scale up. We will therefore see many small and medium sized merchants serving local customers.

Jean Eudes Moncombe, Conseil Français de l'Énergie, France

I would like to thank our four panellists and the audience for this extremely lively discussion.

