



37th Euroheat & Power Congress

27-28 April 2015, Tallinn, Estonia

What our customers need German contribution to the debate Holger Krawinkel



- Customers in Germany
- Differentiation between „need“ and „want“
- Tackling energy poverty
- Conclusions



Meet a customer from Germany

■ 1897, a city hall

2015 Housing corporations



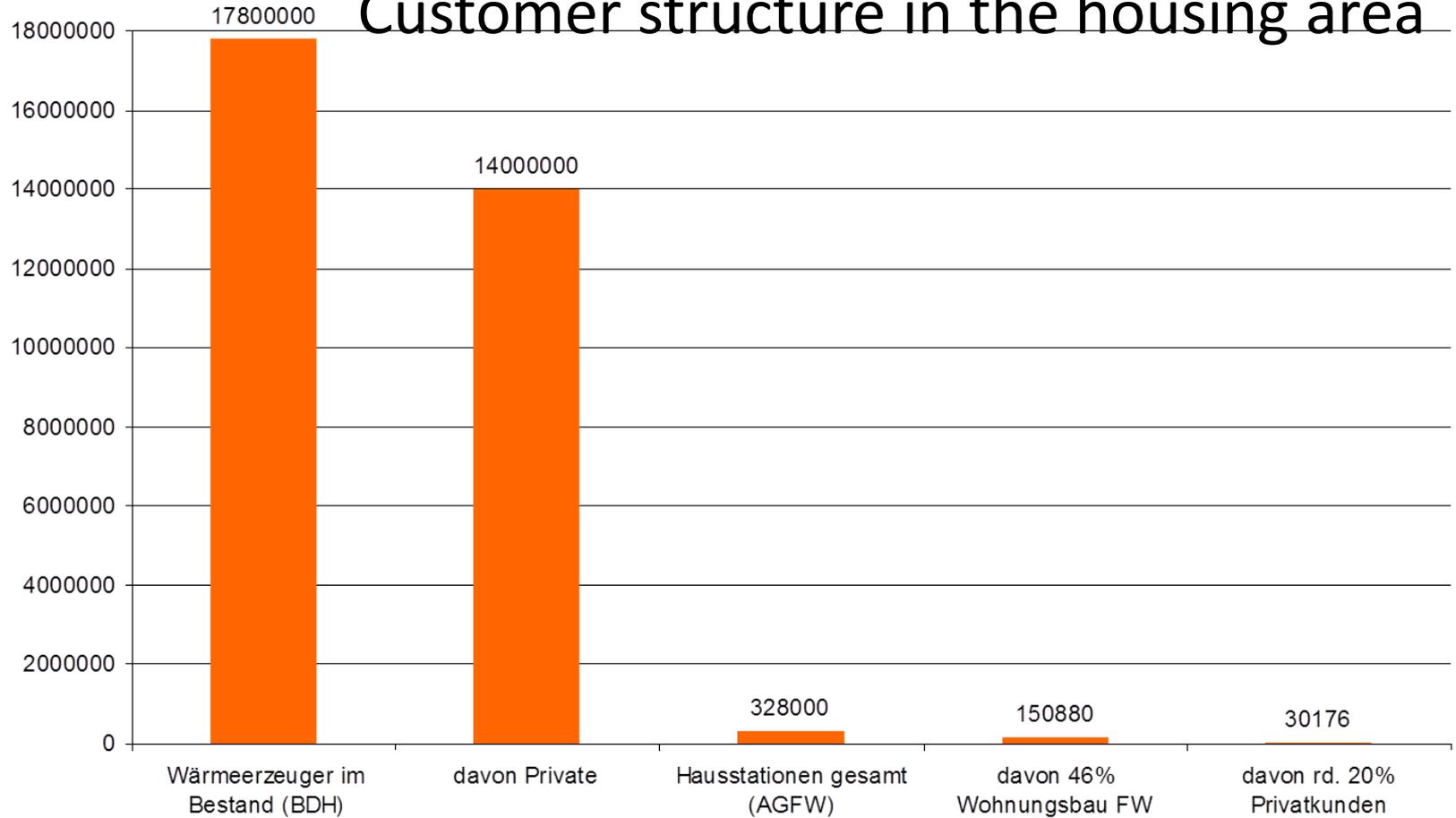
Source:
http://corporate.vattenfall.de/globalassets/deutschland/ueber_uns/141001_folder_120jahre-energie-hh_neu_210x210_web.pdf

<http://www.abg-fh.com/wohnen/immobilienvermittlung/eigentum/eigentumswohnungen.html>



Wohnraumbeheizung D

Customer structure in the housing area





Nation of tenants. Implications on customer relations

- The proportion of homeowners: 46 % in 2013, still the lowest figure in the EU
- 20 % of substations deliver heat to private customers
- German's desire (or habit) to rent is historically associated with their mobility.
- Business companies, industry, housing corporations- to what extent do they need to be protected?

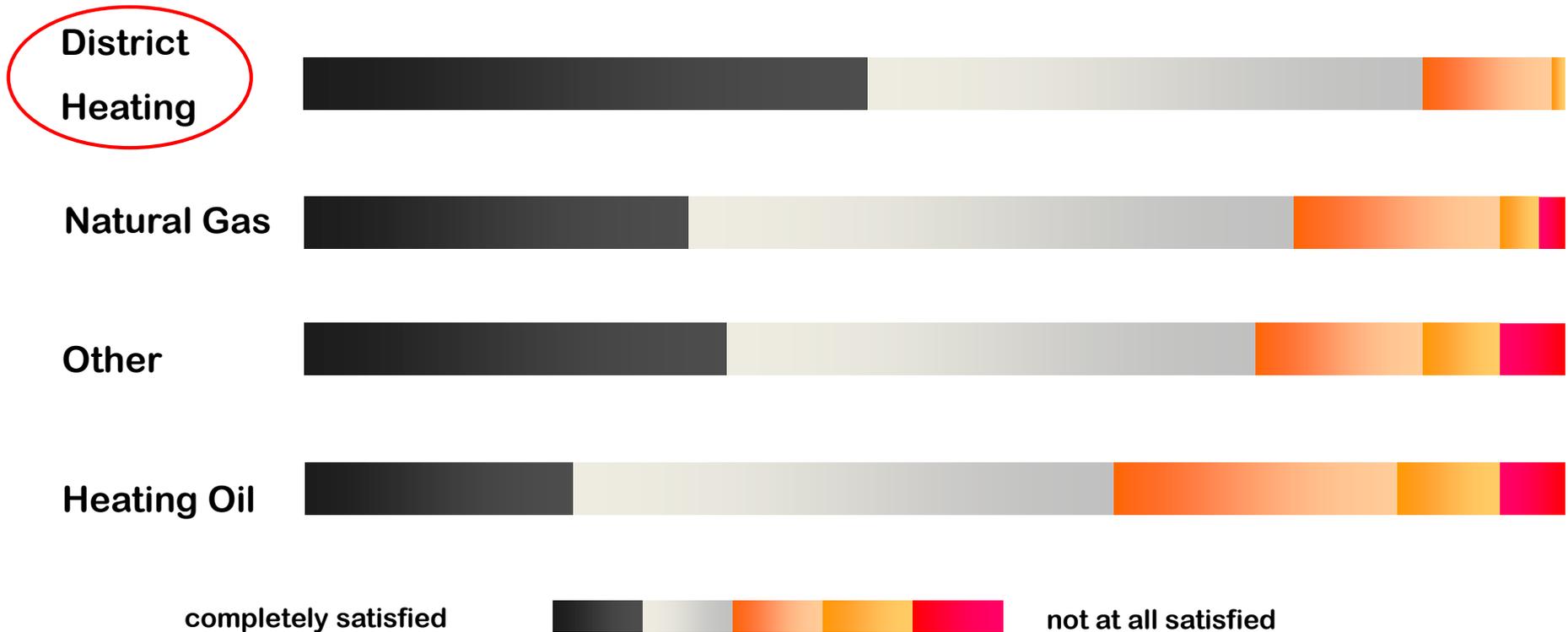


All market experts would give the advice: focus on products and services customers **want**

- Difficult situation for DH as heat is perceived as **a basic need** and not as an image product (compare with smart phones, smart cars, designed furniture)
- Our customers want good products, the notion of fair prices and comprehensible bills, at least the tenants do not ask for competition
- The last mentioned is a phenomenon of the energy industry, for more than 30 years of efforts, we still have not succeeded in presenting bills for everyone,
- The existing legislation (EU and national) on consumer protection is sufficient



Overall satisfaction with the utilized heating solution





Energy poverty

- Research in Germany not as comprehensive as in other EU member states
- Self-reinforcing effects



Source: quicken.intuit.com



Inefficient appliances

Source: de.dreamstime.com



Source:

<http://www.theguardian.com/news/datablog/2012/sep/26/homes-energy-loft-insulation>

= lack of isolation

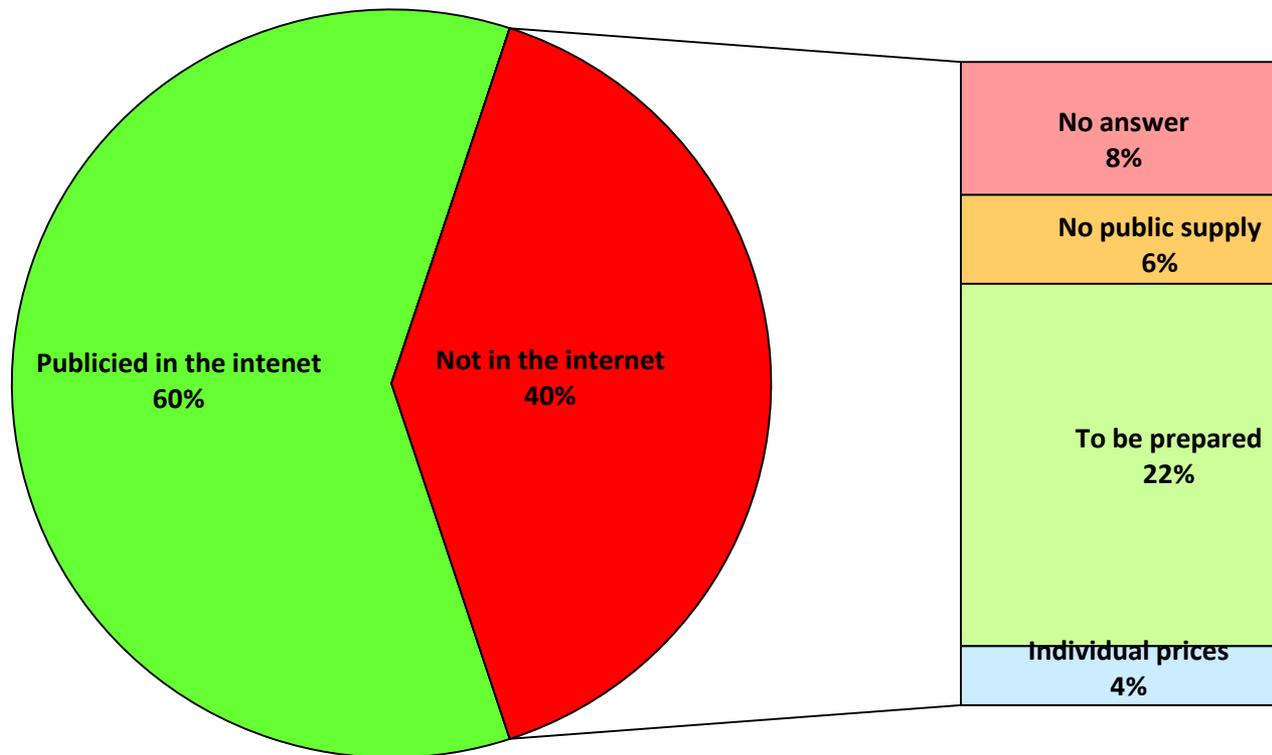


Tackling energy poverty

- More statistical data on cuts from electricity or gas grids than comparable data from district heating sector, particularly in big cities and disadvantages regions
- *“The Federal Republic of Germany is a democratic and social Federal state.”* (Article 20 (1) German Constitution)
- Single stakeholders on the market are not in charge of combating energy poverty, a state (with its proper social policy) is.



Publication of prices in the internet





Conclusions

- The structure of DH customers vary among EU member states
- Transparency is an important issue and the industry is committed to it. The German DH sector e.g. launched a transparency initiative together with customer association. District heating sector shall be fully in charge of tasks such as comprehensible bills.
- Energy poverty is a part of a social problem primarily to be tackled by member states. The sector will do it's very best to help.
- The current EU legislation on customer protection is proper basis for the industry to act on.