

Nordic Energy Efficiency Conference Oslo 2025

Evaluation of the electricity retail
markets in the Nordic countries

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Summary and key takeaways

Evaluation of the electricity retail markets in the Nordic countries Christopher Markhus Poots, Oslo Economics.

Christopher Markhus Poots presented Oslo Economics evaluation of the Nordic retail markets. He opened the session, stating that energy is usually seen as a low-interest product for consumers. However, the war in Ukraine and the following energy crisis led to high and volatile electricity prices for consumers. Following up on these observations, he noted that the EU electricity market design reform aims to make the market more resilient to price shocks and support the green transition.

The report from Oslo Economics evaluates the Nordic retail markets and their regulatory frameworks, market competition, and customer satisfaction. This is done through documents and data analysis from each Nordic country, in-depth interviews, and a consumer survey.

Among the key findings of the project, they observed that Norway has the highest electricity consumption among Nordic consumers (this is mostly related to the source of heating, which relies heavily on electricity in Norway) and that the most common contract types vary across countries. Poots commented that spot price contracts encourage more conscious energy use, that fixed price contracts provide stability but less flexibility, and that variable price contracts have fluctuating costs leading to different consumer incentives.

The project also found that Finland has the highest share of active consumers in the electricity market. Also, Poots noted that the reasons for consumer activity vary across countries. In Norway and Sweden, consumers seek more competitive contracts, whereas in Denmark, Finland, and Iceland, consumers are more often approached by sellers than the other way around. Oslo Economics found in their study that price is the main driver for switching contracts in all countries but Sweden. In Sweden, many consumers (60 percent) switched because of negative experiences with their previous provider.

The impact of the energy crisis was summed up as a temporary increase in customer awareness and market mobility: some consumers shifted from fixed-price to spot contracts, and others reduced consumption or invested in new energy solutions.

Key takeaways:

- Crisis led to increased awareness and mobility: more consumers switching suppliers or contract types.
- Market competitiveness varies by country, with different levels of consumer participation.
- Electricity contract structures impact market flexibility.



“*Electricity used to be a low-interest product. But that was before the energy crisis.*”

Christopher Markhus Poots, Oslo Economics.

Background and mandate



Price shock for customers due to the war in Ukraine, followed by an energy crisis. The crisis caused high and volatile prices for customer.



EU electricity market design reform with the aim to make the market more resilient to price shocks and to facilitate the green transition in the long run



The Evaluation of Nordic Electricity Retail Markets report analyses the functioning of the retail electricity markets in the Nordic countries and Åland by looking at regulatory frameworks, competition, and customer satisfaction.

Methodology

- 1 Relevant **documents** and **statistics**, including the regulatory framework for the retail market in the different countries
- 2 In-depth **interviews** with regulatory bodies, interest organizations and market players in each country (42 in total)
- 3 A broad **survey** amongst household consumers in all the five Nordic countries (1000-1500 in NO SE FI and DK and 500 in ICE)

Contents of the report

1. Introduction and mandate
2. Understanding the Nordic electricity retail markets
3. Similarities and differences between the Nordic countries
 - Regulatory framework and organization of the market
 - Competitiveness and the functioning of the market
 - Customer awareness and satisfaction
 - Prevalence of challenges for consumers and retailers
4. Discussion and recommendations

5 Country reports

- Regulatory framework and organization of the market
- Competitiveness and the functioning of the market
- Customer awareness and satisfaction

Understanding the Nordic electricity retail markets



Similar organization, besides Iceland

Liberalization in the 1990s

Separation of monopoly from competitive activities



Electricity suppliers/retailers

End users can freely choose supplier

Responsible for buying electricity on behalf of consumer, and invoice power consumption



Traditionally low-interest product

Homogenous subscription product, uncertain consumption and price

Complex market and low price

Norwegian consumers have the highest electricity consumption in the Nordics

Figure 3-1: Most important source of heating

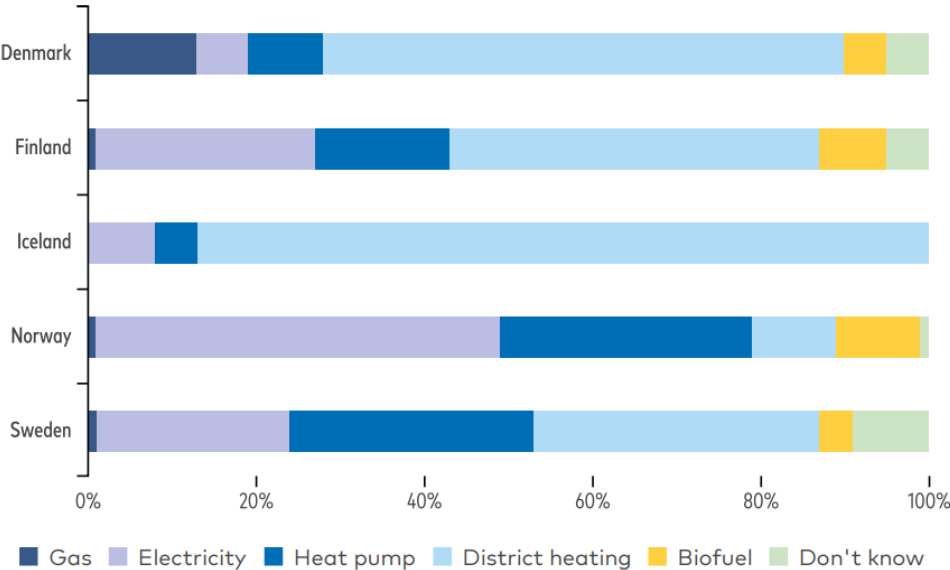
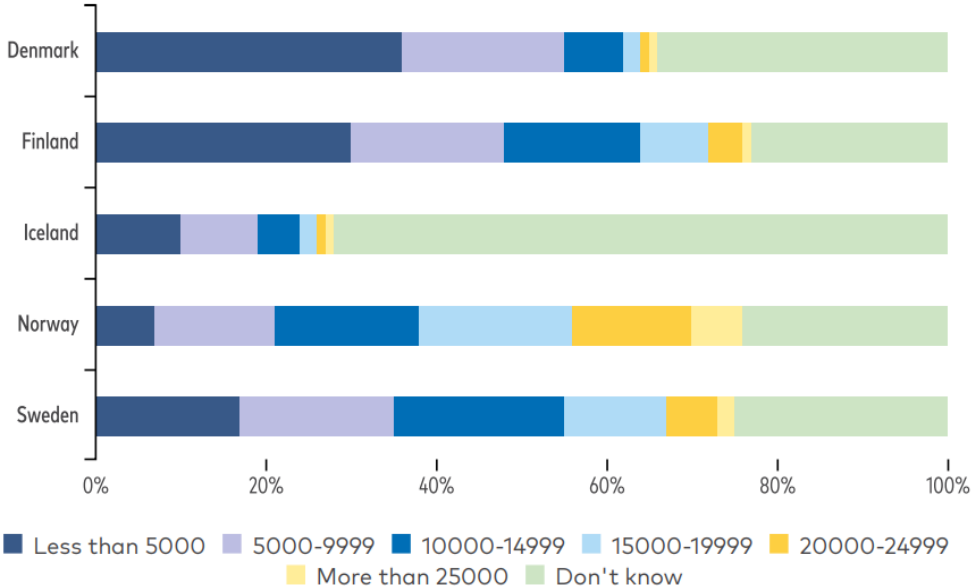
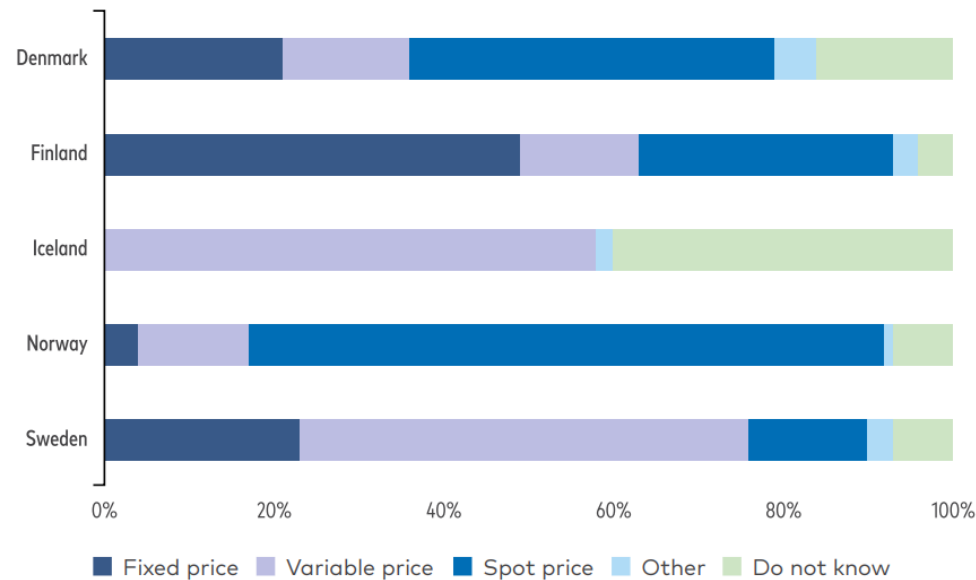


Figure 3-2: Household electricity consumption per year



The predominant contract type differs across the Nordic countries

Figure 3-3: Contracts across the Nordics

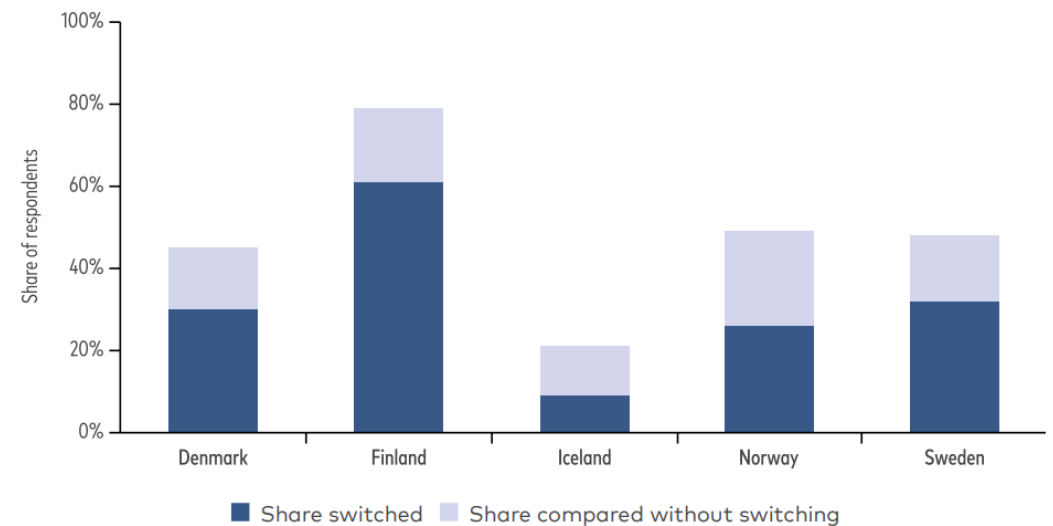


- Spot price contracts
 - Consumers should be more conscious of their usage
- Fixed price contracts and variable price contracts
 - Stronger incentive to compare and assess competitiveness of contracts

Finland has the highest share of active consumers

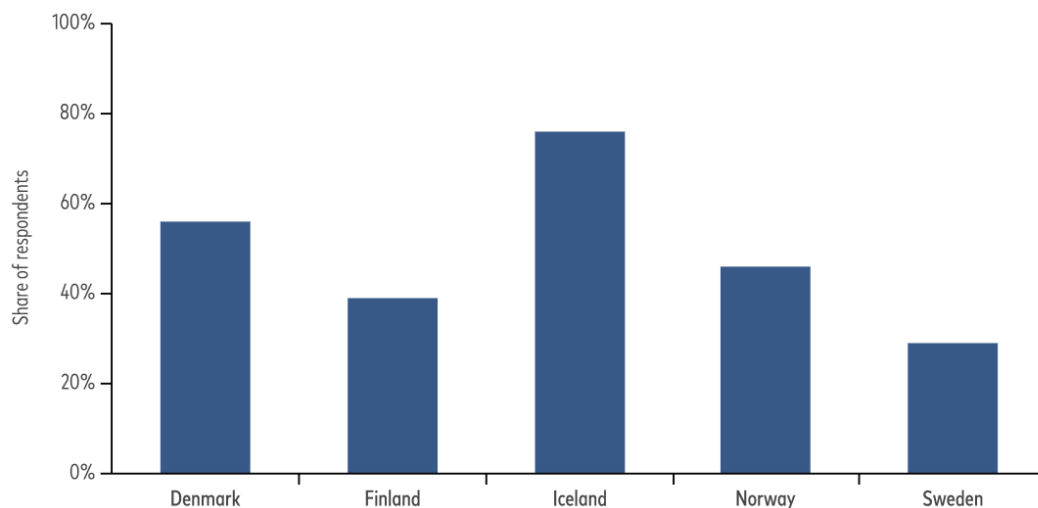
- Almost no correlation between size of consumption and level of activeness
- Reason for being active varies
 - Norway and Sweden: Desire to find more competitive contracts
 - Denmark, Finland and Iceland: Contacted by seller

Figure 3-4: Share of consumers active in the electricity market last 12 months



Price is the main motivation for switching contracts, except in Sweden

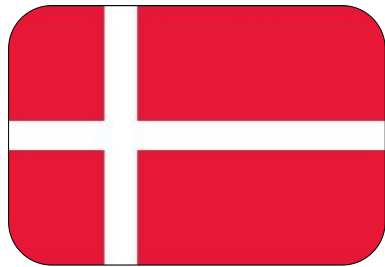
Figure 3-6: Price as main motivation for switching electricity contract



Note: The graph shows the share of respondents who states that price was their main motivation for having switched contracts during the last twelve months. Data from household survey conducted in October and November of 2023 amongst Nordic households.

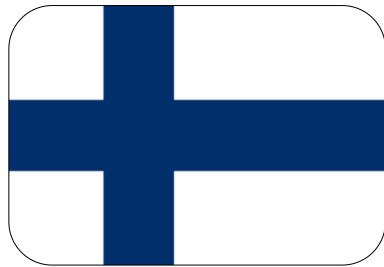
- Among those who compared contracts without switching: A lack of considerable savings was the main reason for not switching
- Sweden: More than 60 percent switched due to negative experiences or access to new services
- Denmark: Many who didn't switch due to perceived complexity

The energy crisis led to (temporary?) increased customer awareness and mobility



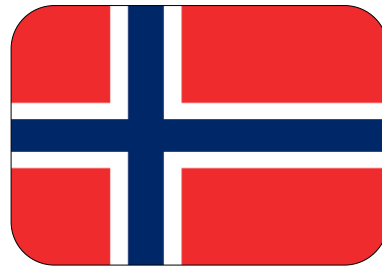
Increased mobility:
shift from fixed price
contracts to spot
price contracts

Reduced energy
consumption and
installation of new
energy solutions



Shift to spot price
contracts

Reduced energy
consumption



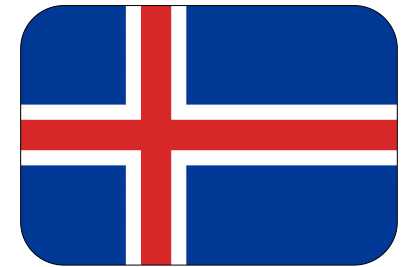
Shift from variable
contracts to spot
contracts

Reduced energy
consumption and
installation of new
energy solutions



Increased mobility,
shift from smaller to
well-known retailers

Reduced energy
consumption



Limited impact



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