



Foresight

Energy2Go

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Energy2Go: The new battleground for energy customers

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A combination of deregulation and technology is breaking down borders and could soon enable consumers to buy energy from a single provider — anywhere in the world. But will traditional energy companies or new players dominate this new market?

Today's travelers are becoming accustomed to ever greater ubiquity of service — wherever they go. One credit card covers all their payments. Mobile roaming means that all their smartphone use is billed on one statement. Mobility companies like Uber and MyTaxi enable them to move around cities through a global application. And when they're hungry, platforms like Bookatable and Deliveroo let them dine out or at home with a couple of swipes.

Could energy be next? Will it soon be possible to pay a single provider for energy in hotels, in second homes or for recharging electric vehicles? And will multinational companies be able to power their worldwide offices, factories, warehouses and vehicle fleets via one, global account?

I believe that the unbundling of energy markets can open up a new world of 'Energy2Go' that mirrors developments in the telecommunications sector — in the process revolutionizing the business model for energy companies.

In many markets around the world, energy deregulation has introduced competition and brought a host of new

players — increasingly from outside the sector. Gas firms sell electricity and vice versa. Foreign companies are breaking into new countries. And organizations like supermarkets and banks are extending their brands into energy. Switching suppliers has never been easier, and the emergence of renewable sources has even heralded the era of the 'prosumer' who buys and sells energy from and to the grid.

The next step is surely not far away. With Energy2Go, customers would sign an agreement with a supplier for all their energy needs, and receive one bill that includes usage away from home. When booking a hotel, they won't just be asked whether they want breakfast; they'll also have the option to have the room with or without electricity. The fact that the energy is physically provided by a number of different grids would be invisible to the user — in the same way that their mobile networks can vary according to location.

Smart grids should link users to the most cost-effective source of energy, which will likely come from an increasing range of sources. For example, in Germany

alone, there are more than 900 grid operators, many of them local, renewable organizations. And think of the potential volume discounts that a large, international business could negotiate, if its operations in several countries — and its traveling employees — all received energy from one provider.

Setting the wheels in motion

Europe is already putting in place a framework for cross-border billing of energy bills. eblX, the European forum for energy Business Information eXchange, aims to standardize electronic information exchange, enabling different providers to bill customers using any grid across participating countries, while simultaneously paying a settlement charge to the grid in question for the precise amount of energy used.

A number of countries have signed up to the forum, including Belgium, Denmark, Germany, the Netherlands, Norway and Poland. Similar initiatives are emerging in other parts of the world.

But will established energy companies win the battle for the new, mobile customer? If the lessons of recent years tell us anything, it's that technology companies, with their sophisticated platforms, could be well placed to dominate. Once the billing infrastructure is in place, it simply requires an app — along the lines of Uber — to connect to the various grids.

To avoid being relegated to commodity players, the main energy firms have to consider how to give both personal

and business customers the flexibility they're looking for when buying energy. And there is a further implication for capital expenditure. If they no longer hold the customer billing relationship, it becomes harder for grid operators to plan future demand and invest appropriately in energy generation assets.

The energy sector is already in a state of rapid change, with the rise of renewables, prosumers, higher quality requirements and increased competition following deregulation. Energy2Go could be seen as yet another unwanted pressure — or it could be viewed positively as a chance to rethink the business model and own the new breed of empowered customer.

Talking points

- Is your company keeping abreast of, and taking a prominent role in, the latest information exchange developments?
- Does your company invest in the kind of technology platforms that could enable it to offer Energy2Go?
- How well-positioned is your company to develop global relationships with corporate energy clients?

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