

A partner in the energy transition

Ellevio has nearly one million customers; everything from single-person households to companies with thousands of employees. Our electricity network must ensure they receive the electricity they need without outages – today, tomorrow and in 50 years. However, we also want to be their partner in the energy transition – a role that became even more important than ever in 2022.

Our customers

971,000
in the counties of Dalarna, Gävleborg, Halland, Värmland, Örebro, Västra Götaland and Stockholm.

86% households
(of which apartments 48% and single-family houses 38%)

14% corporate

Causes of outages:
Damage to equipment 50%
Weather-related 18%
Planned outages 19%
Error in another grid owner’s grid 13%

69 minutes
average total outages in 2022 (SAIDI)

Reliable and affordable electricity supply

The foundation of everything we do is about giving customers a reliable and affordable electricity supply. In 2022, reliability on the electricity network was 99.98 percent. This is very high when comparing both nationally and internationally. That said, every disruption is a serious matter and we have great respect for the consequences that our customers can experience after an outage. To maintain the high level of availability, major investments combined with greater flexibility and digitalisation are needed, which is why we are implementing a major investment programme.

Many questions about electricity in 2022

The high electricity prices, electricity bill support packages and the debate about the energy system considerably intensified the demands on customer service, communication and support services in 2022. It is clear that our customers want even more help from us than previously – and we are working hard to meet that need.

The number of incoming cases to our customer services increased considerably during the year as a result of the high electricity prices. Even though Ellevio does not sell electricity, customers sought out information from us too. A particularly large number of people also got in touch in connection with the two government electricity bill support packages that were launched during the year, the first of which the network companies were responsible for managing. More and more people also downloaded and started using Ellevio's customer app. By late 2022, 128,000 customers had downloaded the app created an account, an increase of some 100,000 accounts since the beginning of the year.

Improved customer experience

We have been taking active steps to improve the customer experience for several years now in order to exceed customers’ expectations. The major interest in electricity in 2022 further intensified these efforts. Initiatives in recent years have included:

- Installing the second generation of smart electricity meters for 815,000 customers, meaning customers can monitor their consumption per hour and are prepared for the installation of solar panels, among other benefits.
- Hiring a new customer service provider, training customer service staff, opening another customer service office in 2022 and increasing staffing by some 30 employees, an expansion of around 40 percent.
- Improving information before and during power outages and increasing the number of customers we are able to reach with information about outages.
- Launching a new app in which customers can track their electricity consumption per hour, see details about their contracts and invoices and activate energy efficiency and control services.
- Launching a modern, user-friendly website with improved pages after log-in and extensive information on everything from electricity grids, electricity bill support, energy efficiency and how the energy market works.
- Increasing communication to our customers via e-mail, text message, newsletters and social media channels and establishing a technical platform that allows us to tailor information.
- Building up a team that works exclusively on improving the customer experience and data analysis.

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- Initiating local discussions with corporate customers with high electricity consumption in order to understand their future needs and inform them of future plans in their area.
- At the request of the government, paying out electricity bill support to entitled customers during the first half of 2022.

Smart electricity meters for all

During 2022 we continued to install the second generation of smart electricity meters for our customers. The new meters give us access to a huge amount of data that provides a better overview of the electricity network’s status. This means that faults can be detected and remedied more quickly, which leads to fewer and shorter outages.

For the customer, the new meters hold advantages such as better information in the event of an outage, the opportunity to quickly connect solar panels and real-time information about electricity consumption that can be used for smart control of technology in the home, for example charging electric cars and regulating heating. Demand for this type of service increased further in 2022.

Smart control can also create flexibility on the electricity network and help solve the capacity issue in Stockholm.

In late 2022, the new generation of smart electricity meters had been installed at the premises of 815,000 customers. The meter replacement project is due to be complete before the first half of 2023.

Private electricity through solar panels

Interest in producing electricity for private use and for sale is continuing to increase. The “gröna avdraget” (green tax break) in 2021, which meant that private individuals could get a tax break for installing solar panels, batteries and charging wall boxes, helped drive up demand. The electricity price crisis of 2022 has boosted this trend even further, but a shortage of items such as solar panels, components and fitters is creating obstacles in the market.

Ellevio’s website offers tips to customers who want to install solar panels. We are also on hand once the customer is up and running and producing their own electricity. Ellevio also

128,000
accounts in the Ellevio app, December 2022

815,000 customers
had received the second-generation smart electricity meter, 31 December 2022

99.98%
supply reliability on Ellevio’s network in 2022

arranges digital meetings for tenant-owned housing associations in Stockholm and sends out newsletters to anyone interested in finding out more about solar panels.

In 2022 the number of connected solar panel installations (micro-production) in Ellevio’s network area increased by 61 percent to 19,000.

Enabling charging

Ellevio has also developed charging solutions to make it easier for customers to take an active part in the energy transition.

The transition to electric transports requires both private-charging possibilities and expanded public charging infrastructure. The later is challenging i.a. because it is expensive and time-consuming to dig in cities and towns.

In order to contribute to this expansion, Ellevio offers operators of charging posts – such as companies, municipalities and associations – the chance to take comprehensive responsibility for the establishment of new charging points. This includes aspects such as permit applications, digging and connection. We call the service “Smart Laddinfra” (Smart Charging Infra) and it involves the cost-efficient establishment of new charging infrastructure on streets and rural land. The concept also includes a subscription designed to ensure we are able to continue installing charging points, despite there being a capacity shortage on

the grid. In brief, this enables us to reduce power at the charging points when the network is reaching its peak load. In return, customers receive a cheaper subscription.

In 2022 Ellevio connected 90 charging streets and completed 113 charging infrastructure projects, the majority located in Stockholm. In June, Stockholm’s longest charging street was inaugurated offering 59 charging points, see page 39.

As of 2023, part of this business is part of Ellevio Energy Solutions AB.

The City of Stockholm was awarded the “Laddguld” prize for 2022 by the Swedish 2030 Secretariat for its systematic approach and work on the Electrification Pact. The Electrification Pact is a collaboration launched in 2021 by Ellevio, the City of Stockholm, Volvo and Scania that aims to accelerate efforts to make the city’s transport sector entirely fossil-free by 2030. Some 60 other operators have now joined the collaboration.

Record-high interest in sthlmflex – collaboration for power flexibility

In December 2020, in collaboration with Svenska kraftnät and Vattenfall, Ellevio opened a new marketplace for power flexibility in the Stockholm region – sthlmflex. Through sthlmflex, electricity consumers and producers, companies and households can either produce more electricity in exchange for payment or decrease their usage when demand for power is at its peak. sthlmflex was launched to identify electric power resources when the lack of capacity in Greater Stockholm became increasingly strained a few years ago. More homes, industries, electrified traffic and ambitious targets to reduce climate emissions mean that the electrification process is constantly growing in Greater Stockholm. The network companies are making record investments in new and upgraded cables, switchgears and other equipment, but before the electricity network is complete, cold winter days can cause demand for electricity to suddenly increase dramatically. Capacity on the grids then risks hitting the ceiling.

Interest was at a record high as the third season of sthlmflex opened, with a 120-percent increase in participating flex resources compared to the previous year.

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Fair prices

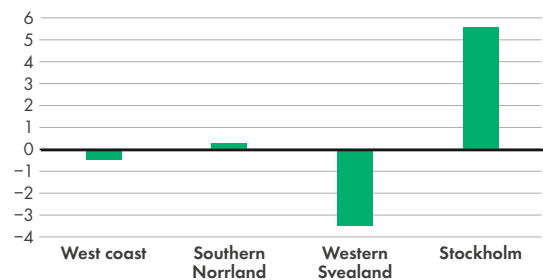
Ellevio’s customers should pay the same price for the same service – regardless of geography. We have been gradually implementing this principle since 2017, when the Swedish Energy Markets Inspectorate decided to permit it. Step by step, we have evened out prices between urban and more sparsely populated areas. In practice, this has often entailed lower or unchanged prices for sparsely populated areas and small rises for customers in Stockholm. With few exceptions, the harmonisation was completed in January 2023.

Price rises due to high electricity prices

Network companies are negatively effected by high price of electricity as we purchase a lot of electricity to compensate for network losses that arise while transporting it. Ellevio has hedged 80 percent of its electricity purchases, but still costs for network losses increased by 27 percent in 2022. To mitigate the effect of this on network companies, Ellevio proposed a temporary countermeasure: that Svenska kraftnät temporarily remove fees for network companies. This also occurred when the fixed tariff was removed for the period August–December 2022.

As a direct result of the rapidly rising electricity prices, Ellevio raised the network fees for local grid customers on 1 October 2022. This price rise would otherwise have taken place in January 2023.

Average price change/per year (Jan 2018–Jan 2023), %



For a customer living in an apartment, this meant a rise of around SEK 10–25 per month, and around SEK 50–150 per month for a detached home.

According to the Nils Holgersson report released in 2022, Ellevio’s network prices were just under the nationwide average.

Lower SKI for entire sector

In a survey by Svensk kvalitetsindex (SKI) in autumn 2022, the entire electricity network sector had a lower result than the previous year. We assess that this is largely due to concerns about high electricity prices, the debate about the energy system in general and the fact that the entire energy sector had long customer service response times when so many people were contacting them. For Ellevio, the sector comparison is not entirely relevant as we are the only purely electricity network-oriented major company. Other major network companies also offer competitive electricity trading under the same brand, making them more visible and better known. Furthermore, this year’s SKI survey was carried out just as Ellevio was communicating its price increases to customers due to higher network loss-related costs. Ellevio’s own customer surveys showed higher levels of customer satisfaction among corporate customers and the same level among private customers.

➔ Read more about customer satisfaction on page 88.

Ellevio’s shared pricing means that customers should pay the same price for the same service, regardless of where they live. This has led to reduced prices in rural areas and increased prices in urban areas including Stockholm in the last five years.

¹⁾ The six types of customers are 16A, 2,000 kWh, Detached home 16A, 5,000 kWh, Detached home 20A, 10,000 kWh, Detached home 20A, 20,000 kWh, Detached home 25A, 20,000 kWh, Detached home 25A, 30,000 kWh. The data is based on data reported to Ei. Nynäshamn and Vallentuna are excluded as both these were acquired during the period and their price change will not be representative of Ellevio.

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The cost of electricity consists of electricity transmission, electricity consumption and taxes and fees. The network cost accounts for 13 percent of the total electricity cost.

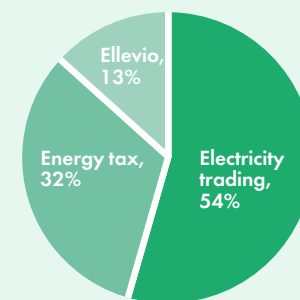
Electricity transmission. The cost of having the electricity transported through the electricity grid to the place where it is to be used. As it is not economically viable to build parallel electricity grids, the electricity user is a customer of the network company that owns the grid in the area where the customer lives or works.

The invoice consists partly of payment to the network company (e.g. Ellevio) in the form of a fixed subscription fee and a variable cost that varies with consumption, and partly of taxes and VAT. The fee covers the costs of the grid, such as operation, troubleshooting, maintenance, modernisation, expansion, customer service and more. The network companies are also obliged to charge fees to cover public authority fees and electricity tax.

Electricity consumption. The cost of the electricity consumed. The electricity is purchased from an electricity trading company chosen by the customer. The invoice consists of a variable cost for electricity consumed, often a fixed subscription fee.

Taxes. Over 50 percent of the electricity cost comprises government taxes and fees to authorities, such as the energy tax and VAT. This tax is paid via invoices from the network and electricity trading companies, and consists of the energy tax (added to the network company’s invoice) and 25 percent VAT. The electricity tax was 45 öre/KWh in 2022 and 49 öre/KWh in 2023.

The network cost accounted for 13 percent of the total electricity cost.



Distribution of electricity costs for detached-home customers on Ellevio’s network, 2022*.

* Calculated based on a customer with a 20A fuse and consumption of 20,000 kWh/year. The electricity trading cost is calculated based on electricity trading prices in 2022 in price area SE3. The electricity tax amounted to 0.45 öre per kWh in 2022 plus VAT on the electricity trading and network cost.