# Avoiding the Utility Death Spiral Rethinking the Utility Business Model



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# "Problems" causing the Utility Death Spiral

- New regulations
- New market needs
- Digitalization

## **New regulations**

- <u>Demand Side Management systems</u> as decided by the EU Commission 5. november 2013
- Unbundling Distribution from Production as decided by the EU Commissions 3. energy package
- Market Solution as decided by the EU Commissions recommendation of 22. january 2014 to the European Parliament.
- <u>Decoupling</u> Infrastructure from Energy Content
- Decoupling Gas Prices from the Oil Link

### New market needs

- Balancing Renewables in the Grid having priority when being produced
- Demand from the Developments of the Smart Communities
- Dramatic reduction in Gas prices due to Shale Gas being transported world wide as LNG
- Consumer concern with Climate Change/Environmental Impact
- Angry Consumers due to high prices caused by duties
   not having a choice of energy form.
- Proposed Capacity Markets: Sharply increase of consumer prices - backfire on inabel governments.

### **Complex space matrix**

### Many activities from

- Many people
- Many institutions
- Many corporations

## One fixed point – Individual customers criteria for purchasing energy

 Solution: Empowering the Consumers with an Automatic Purchasing "Machine"

### HOW?

### **Digitalization**

Connecting everything with everything in a complex space matrix focused on the consumer

How?

Datahub - The XTN Hub -

One of only 2 datahubs in the world today

## Automatic purchasing "machine" Empowering the consumers



Avoiding the Utility Death Spiral. Rethinking the Utility Business Model, Prague 25.-27.11.2015

# Automatic Purchasing Machine at Household Site - XTN

- Ability to choose energy form from an energy mix which fits consumer's <u>individual values</u> and <u>individual price</u> preferences
- Retailers and Producers as co-owners in XTN
- Price premiums from <u>consumer values</u> are transferred to XTNs producing co-owners providing an extra margin

# Consumer choice from an Energy mix in the Automatic Purchasing "Machine"

- Energy mix: Electricity Gas Distant heating even out peak loads
- Gas separate commodity separate infrastructure balancing battery in the grid at household site
- Pipe gas Shale gas/LNG Hydrogen fuel cell at Household Site
- LNG moveable source on the world market higly competitive
- Hydrogen fuel cell: 2016
- Hot Water at Household Site as balancing battery
- Causing Structural change: Vertical integration from consumer to producer

# The XTN system "Energy a la Carte at Household Site"

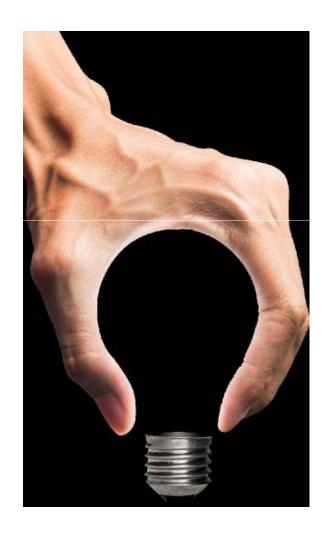
#### **Technology**

- Apps
- Top ware
- Middle ware datahub the XTN Hub
- All protocols
- C2M
- M2M
- M2C

## What's in it for the consumers/society

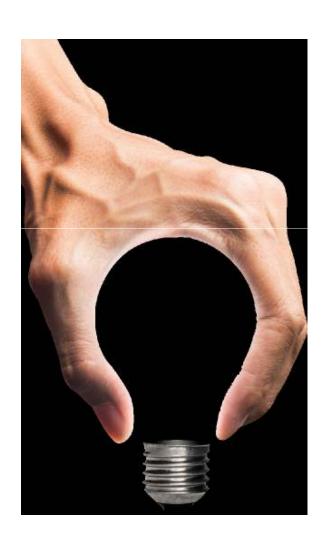
The Renewable low cost/low carbon

society



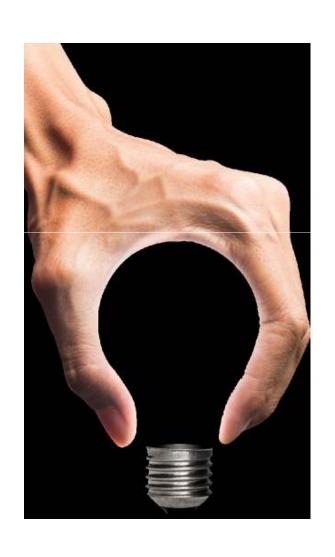
# What's in it for the producers being co-owners

Transferring the
Renewable price premium
to
energy producing co-owners



# What's in it for the retailers being co-owners

More sales by increased competitive strength by meeting consumer values



# What's in it for the share holders in XTN

Producers, Retailers and Investors being share holders enjoying X% of throughput of increased sales and price

## XTN - Game changer

 Consumers can balance Demand Response with multiple energy forms managed by XTN given prices per energy form commensurate with consumer values

### When?

## XTN Demo project with Retailers and Producers in Germany 2016

### THE IMPACT ON THE UTILITY

**OF** 

#### THE SMART COMMUNITIES DEVELOPMENTS



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