

Information about the current higher electricity prices

Right now many of you are getting in touch about your bills, electricity prices and the electricity price compensation scheme. We want to answer all of your questions, but queue times are currently long due to the volume of inquiries and staff absences related to COVID-19. We hope you can find the answers you are looking for so that you won't have to phone up and wait on hold.

A lot of answers can be found online

You can get answers to the most common questions on our website, our Facebook page and via our chat bot. If you have a question about your bill or your electricity consumption, you can log in to MittKrafringen for details. All information is in Swedish. If you cannot find the answer you are looking for, you can contact our customer service desk but be prepared to wait in queue for an advisor.

Are you entitled to electricity price compensation?

A lot of the queries we have received concern the government's recent proposal for an electricity price compensation scheme. Unfortunately, we do not currently have any details as to how or when payments will be made, but we are following the matter closely. The government will soon enter into discussions with the energy sector in order to determine further details. Our customer service team unfortunately cannot provide any more information than that at present. Keep an eye on our website and follow us on Facebook where we will share more information as it becomes available.

[Here you can read everything we know about the compensation scheme so far \(12/01/22\)](#)
(Swedish)

[Here is the press release from the Swedish Government.](#) (Swedish)

Why is electricity so expensive at the minute?

The customers who have been worst affected over the last few months of 2021 are those who have a variable price electricity contract and those who need electricity for their heating. In part because they have had to use more kWh than normal due to the cold weather and part because the price per kWh is at a record high.

The price per kWh in electricity price area four hit the most expensive monthly price ever. This was due to the cold weather, low domestic production, and the high cost of imported electricity. The electricity we import is produced using natural gas which reached extremely high prices in the latter part of 2021. Putting it as simply as possible, the price of electricity depends on two factors: supply and demand.

In the Nordic countries, electricity comes primarily from nuclear power, hydropower and wind power. All these energy forms have been in shorter supply than normal over the course of 2021. Nuclear power has been partially non-operational, there has been less water and snow than normal for hydropower and 2021 was a relatively wind-poor year.

When we cannot produce enough electricity domestically, then we sometimes need to import electricity from places where the price is more dependent on the cost of raw materials. 2021 was an exceptional year in this regard, especially as concerns the price of natural gas. This went up by several hundred percent in 2021 and was exceptionally high in the first half of December when temperatures got very cold all-over northern Europe.

Why are there different prices for different electricity areas?

Those of us who live down in southern Sweden have had a tougher burden to shoulder in terms of energy prices ever since 2011 when different electricity price areas were first brought in. We have high electricity consumption but little local production. We are completely dependent on electricity from northern Sweden and when there is not enough to go around, then it is us who have to pay to import electricity. The reason for introducing different electricity price areas was to make it more attractive to produce more electricity in southern Sweden, but this has not happened to the extent that was hoped.

What can Kraftringen do about the price?

Not very much, unfortunately. Kraftringen buys in all the electricity which our customers use on the Nordic power exchange Nordpool. We produce a little electricity of our own in Örtofta, but we are far from being self-sufficient. This means that we buy electricity from the same exchange as all other electricity suppliers.

As a local energy company, we offer district heating solutions on the local market, and we can also offer different types of services relating to energy efficiency and solar cells. We are also in the early stages of building a larger solar park in Klippan. These are actions which will make a difference in the longer term, but unfortunately there is little we can do to change the situation as it is today.

How can I affect my electricity bill as a consumer?

As a consumer, you can take steps to reduce your electricity compensation by as much as possible. Here are a few things you can do which will help

- Lower the temperature in your home a few degrees and put on some thick socks and a jumper.
- Raise the temperature slightly in your fridge and freezer
- Run your dishwasher and washing machine when full
- Use less hot water.

Make sure you have signed a contract with an electricity supplier and that you are not paying a so-called assigned price (anvisat pris in Swedish).

In the longer term, you may also want to look at your windows and your heating system, consider additional insulation or look into ways to produce your own energy.

Many customers are interested in taking out a fixed-price contract, but this is not possible at Kraftringen right now?

When the prices on the electricity market are as high as they have been since September onwards, this affects the price that electricity suppliers can offer for a fixed-price contract. As an electricity supplier, we have to buy in a contract for future electricity supply and these contracts are very, very expensive right now given the current level of uncertainty. We think many customers would be extremely unhappy if they took out a fixed-price contract right now as they would be very expensive and so we have temporarily removed this option.

How long will the prices remain so high?

The price for the coming months will depend on weather conditions and the availability of natural gas in our neighbouring countries. Both energy production in our neighbouring countries and the price of natural gas are very important factors right now. If the coming period is mild and windy then prices may go down but unfortunately the opposite is also true: if the current cold and primarily high-pressure weather conditions continue in northern Europe, then prices will remain high.

What is Krafringen doing?

Krafringen cannot do very much to change the current situation in the short term, but we are working on a range of important matters where we can make a difference locally. We provide many customers with secure district heating; we offer solutions relating to energy efficiency and we are investing a great deal of money in our local electricity network and electricity meters. We are engaged in work with local energy markets, and we are building more local electricity production. We are also doing a great deal of advocacy work around regulation, legislation and policy with a view to removing barriers for continued local and regional development.