

Energy

Why protect your interest?

- Liberalisation is a complex and ongoing process; the interests of the users are constantly monitored by VEMW.
- The government has multiple, sometimes contradicting interests as regulator, policy maker and share holder in the network companies and distribution companies.
- Network companies are obvious monopolists: they need to be forced back especially when the tariffs and conditions are determined preferably by a representative for the users
- The political decision making process can have major impact on the market. Some examples are:
 - The emission trading system
 - Security of supply
 - Energy policy
 - Policy regarding subsidies
 - The discussion about locations for companies
- VEMW represents and pleads for the interests of the consumers during the realisation of laws and policies.
- There are 27 separate electricity networks in Europe instead of a European level playing field. The Netherlands happens to be one of the most expensive networks concerning electricity.
- Rules and policy is made in Brussels and in The Hague.
- The financial interests for the business consumers in the chain are huge, viz.:
 - € 3 billion Euro for network costs per year.
 - € 15 billion Euro for commodity costs of electricity and gas.

VEMW is an acknowledged representative

- VEMW has a juridical rooted legal position as representative organisation of the business consumers of energy.
- VEMW is an active member of the so called “Users platform” where the network companies consult the consumers about tariffs and conditions.
- VEMW is represented on the European level by the umbrella group IFIEC; the general director of VEMW, Hans Grünfeld, is the chairman of IFIEC

Some results of VEMW 's interest protection

Gas

- VEMW has achieved a 25% reduction of the transport costs of gas for a period of 5 years.
- The Gas union has invited VEMW to join the gatherings about the TSC (transmission service conditions).
- VEMW is involved in the design of a new balancing regime for gas.
- The Technical Codes for GAS have been adapted due to objection procedure that VEMW filed.
- LNG Gate Terminal – preventing abuse of market powers of a dominant player was a part of the appeal.
- The final consumers have more influence on their exit capacity because of the adaptations in the way the final consumers contract.

Electricity

- The consumers are not charged for the direct connecting costs of a new electric power plant because of the intervention of VEMW.
- VEMW successfully lobbied for an expansion of the compensation regulation for electricity failures.
- VEMW made sure that regulation of short voltage dips has been put on the agenda.
 - The excess profits over the period 2005 – 2006 of the network companies, about €400 million, will now play a role in the determination of future tariffs in 2009.
 - VEMW works, on behalf of the business consumers, together with TSO (Transmission System Operators) to improve the trade opportunities.

Combined Heat and Power Production (CHP)

- VEMW commits to the preservation of support for CHP in the SDE programme (Stimulation of Sustainable Energy programme) in order to achieve further energy reductions.
- VEMW has gathered political support for CHP as application for further reduction of energy use.
- The entry conditions for electricity from CHP to the network are improved because of the intervention of VEMW.

Water

Why protect your interest?

- Water is the only network without supervision. Monopolies are by definition not efficient. The minister has now agreed to some sort of supervision partly because of VEMW's persistence.
- The water sector has a very complex structure with a high level of intertwinement of the national and regional policy makers. VEMW, on behalf of the interests of the business consumers, commits to more efficiency in the water chain.
- An increasing tendency toward concentration in the drinking water sector. The top 3 drinking water companies possess 51% of the market.
- Water as raw material and cooling medium plays an important role in the decision concerning the location of the company. VEMW has recently convinced the government and policy makers of this fact.
- More than €3 billion goes in the total water chain. VEMW insists that the big potential for a more efficient process management is used.

VEMW is an acknowledged representative

- VEMW is involved in gatherings with the department of the ministers.
- VEMW is frequently consulted by the "Tweede Kamer" (the Dutch House of Representatives).

Some results from VEMW's interest protection

- Water is acknowledged as a factor that determines the location of a company because of VEMW. Water and the economy are the first pillar for the government's vision on water policy.
- The European level playing field for the background temperature for heat discharges has been levelled to 28°C as required by EU law at the instance of VEMW. VEMW uses European legislation as framework which means that Dutch legislation should not be stricter than European legislation.
- The profits that drinking water companies make will be regulated due to the effort of VEMW among others (June 2008).
- Dismissal of the ground water levies has been put on the governmental agenda.
- The simplification of the control procedures for testing the presence of legionella bacteria.