

## «For us, the future of gas management is already well under way.»

**Without professional risk analyses and online tools, the procurement of gas under normal market conditions is now practically impossible for regional providers. SH POWER is one of eleven Swiss public utility companies which together founded the gas procurement company Open Energy Platform AG (OpenEP) and now benefit from its services along with other customers.**

The global nature of the gas market and market liberalisation in Switzerland are posing new types of challenges for all energy suppliers. Smaller and medium-sized enterprises, in particular, are struggling to procure gas. This, in turn, affects security of supply and prices for their customers.

This was also the case for SH POWER until a few years ago. The regional supplier for Schaffhausen and Neuhausen has a share of around 25 million francs in the global billion-euro gas industry. «This makes us a relatively small player,» highlights Hagen Pöhnert, CEO of SH POWER. «For a long time, we were somewhat alone with regard to the major issues of risk management and economies of scale.»

SH POWER now has the backing of a strong partner in OpenEP. SH POWER is a shareholder in the company together with ten other public utility companies from eastern Switzerland. The holdings are not geared towards yielding dividends, but towards ensuring the best-possible conditions for gas procurement. Profits are reinvested for this purpose. «We're part of a business model that gives us the necessary technical capabilities to procure gas, and we're fully involved in its development,» says Pöhnert.

### **Tools as required**

Central OpenEP services include continuously updated market analyses and extensive procurement tools, which the company provides to its customers. With these tools, SH POWER now operates with minimal effort and benefits from attractive conditions for the procurement of gas, which is inherently associated with small margins and fluctuating prices.

Energy suppliers such as SH POWER are bracing themselves for the associated risk with hedging transactions. The monitoring of international markets is key here. «Thanks to the collaboration with OpenEP, we can operate the business profitably,» says Pöhnert. «With the tools provided by OpenEP which we use ourselves, we can also create fair market offers very quickly.»

Another strength of OpenEP is professional risk management. «As a player of this size, SH POWER would not be in a position to establish and operate a system of this scale on its own,» says Pöhnert.

### **Prepared for free competition**

With its involvement in OpenEP, SH POWER has been actively preparing itself for a development that has been slowly but surely taking shape for a number of years. «The liberalisation of the Swiss gas market will continue to change the industry,» says Pöhnert. «The fact that a free market means more competition also brings with it new opportunities and new risk.»

Liberalisation is a long, protracted issue, but it will ultimately happen more quickly than expected. Gas, particularly in its renewable, climate-neutral form, is also likely to play an important role in the transitional scenarios of the energy revolution. This raises the question of whether the industry is ready. «I think some other players in the Swiss energy industry have overlooked these aspects,» Pöhnert adds.

### **Faster, more efficient, precise**

Continually uncoordinated procurement could result in a rude awakening. Rudolf Summermatter, managing director of OpenEP, also shares this opinion. The company counteracts this risk with quick access to structured, market-oriented procurement. «We achieve this by offering our customers all the necessary expertise. Around the clock.»

Today, this business model gives all providers the opportunity to use modern solutions tailored to their specific needs. The focus of the development and improvement of services is on digitisation. At the beginning of 2018, OpenEP introduced the online marketplace which enables customers to purchase gas independently. «Our customers are thus directly on the market and don't have to rely on any other interfaces,» says Summermatter. «They have an overview of the process at all times. Procurement is faster, more efficient and precise.»

### **A connected future**

OpenEP will continue to expand and simplify this service. The entire procurement portfolio will be combined in a single tool in the future. In this way, OpenEP counteracts developments in the industry that are making business increasingly complex. The regulations in individual countries in particular are constantly changing, and Summermatter points to a clear trend: «In my twenty years working in gas procurement, new regulations have been introduced continuously, while the previous ones are also still around.»

SH POWER and other customers of OpenEP are following this intently. «As public utility companies, we are closely connected, while, on the other hand, we make use of our individual expertise in the respective regions,» says Pöhnert. «For us and for our customers in Schaffhausen and Neuhausen, the future of gas management is already well under way.»

More infos about SH Power you can find here: [www.shpower.ch](http://www.shpower.ch)