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**ACTIVE AND PASSIVE ELECTRICITY CONSUMERS ON THE  
DEREGULATED SWEDISH ELECTRICITY MARKET**

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The electricity price paid by Swedish consumers has increased significantly during the last years. The increasing electricity costs have been frequently debated in the media and the most common explanation – although probably too simplistic – is weak market performance. Since 1996 when the Swedish electricity market was deregulated the consumers can actively choose between different electricity producers and/or renegotiate the contract with the prevailing supplier; the impact of consumer behavior on the functioning of the market (i.e., on electricity prices) has thus increased. Still, the general understanding as expressed by policy makers is that the average Swedish household is not very active in terms of changing supplier and/or renegotiating contract. There are policies aimed at promoting electricity consumers to become more active that are potentially cost effective. To be able to design such policies is it however important to know more about how the more active consumers differs from the less active ones. Some consumers may, for instance, perceive barriers in the form of high non monetary costs in terms of lack of information and/or high searching costs while others may become active at relatively low costs. The purpose of this paper is to identify the main factors that promotes and prevents increased activity among Swedish electricity consumers; more specifically we study the factors that govern the decision to change supplier and/or renegotiating prevailing contracts. The econometric analysis is carried out in a binary choice framework. Results are based on a postal survey that was sent out to 1200 randomly selected Swedish households in late 2005, the response rate was 47 percent. The questionnaire collected information about the self-reported behavior on the electricity market, attitudes towards and confidence in the actors of the market, about the perceived functioning of the market, prevailing contract type, perceived costs associated with a more active behavior, electricity consumption levels and costs. In the theoretical model we draw on previous research and claim that the consumer decision whether to change supplier and/or renegotiate contract or not is governed by three different effects: (a) “status quo effects”, factors that motivates the consumer to change supplier/contract; (b) so called “push effects”; and (c) so called “pull effects”, factors that motivates the consumer to stick to the present supplier/contract. The presence off “status quo effects” is heavily influenced by research on individual choices in both psychology and economics and according to central results in this research most of the individuals are not able to – and do not want to – continuously evaluate their consumption decisions. Results show that those who state that they find it difficult to affect the size of their electricity costs and to evaluate the different offers from different suppliers are less likely to be active on the electricity market. We also note - as would be expected – that households with relatively high electricity costs have on average been more inclined to be active on the market. The results imply that measures aimed at facilitating the comparison of the offers from different electric power suppliers may be productive so as to increase the degree of activity among Swedish electricity consumers.