

## **CONSUMER COMMUNICATION PLAN ON THE LIBERALISATION OF THE ELECTRICITY MARKET AND ITS PROCESS**

15 May 2020, Vilnius

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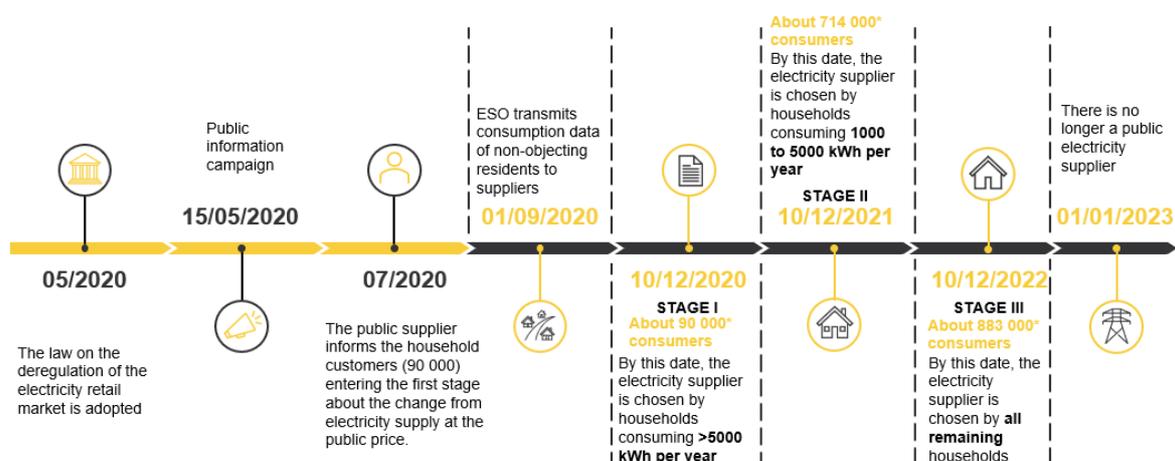
## 1. About the programme

After the adoption of the amendments to Articles 2, 7, 9, 38–44, 46–47, 49, 51–52, 59–61, 67 and 68 of the Law on Electricity No VIII-1881 by the Seimas of the Republic of Lithuania on 7 May 2020, Lithuania will join most of the European Union countries, where residents can choose the most suitable electricity supplier. Until now, they have purchased electricity from the public electricity supplier, and the price has been set by the National Energy Regulatory Council (NERC).

This amendment to the law seeks to secure the European Union and regional commitments to phase out price regulation in the retail electricity market. Public electricity supply to consumers is expected to end at different stages, thus encouraging consumers to choose independent electricity suppliers and conclude electricity supply contracts with them at a competitive, non-regulated price. It is impossible to offer flexible and consumption-appropriate pricing when regulating electricity prices, and in an unregulated and competitive electricity market it will be possible to offer consumers flexible electricity consumption plans that enable them to plan their electricity usage.

The law regulates that the deregulation of the retail electricity supply market to households will take place in several stages according to the groups of public supply consumers (depending on the actual annual electricity consumption at the consumer's facility) in the period from 2021 to 2023:

1. Stage 1 – 1 January 2021: all household consumers whose actual electricity consumption at the facility in the period from 1 June 2019 to 31 May 2020 is at least 5 000 kWh (i.e. is equal to or greater than 5 000 kWh), as well as to all household consumers whose facilities are connected to the medium voltage electricity grids, except for vulnerable consumers – those who for the period from 1 June 2019 to 31 December 2020 have acquired the status of a vulnerable consumer at least once;
2. Stage 2 – 1 January 2022: all household consumers whose actual electricity consumption at the facility in the period from 1 June 2020 to 31 May 2021 is at least 1 000 kWh (i.e. is equal to or greater than 1 000 kWh), except for vulnerable consumers – those who for the period from 1 June 2020 to 31 December 2021 have acquired the status of a vulnerable consumer at least once;
3. Stage 3 – 1 January 2023: all remaining household consumers (including vulnerable consumers) to whom electricity is supplied at public electricity prices.



\*Preliminary figures of private customers from data of the public supplier of April 2020 are provided

**Fig. 1. The planned stages of the development of a competitive electricity market in 2020–2023**

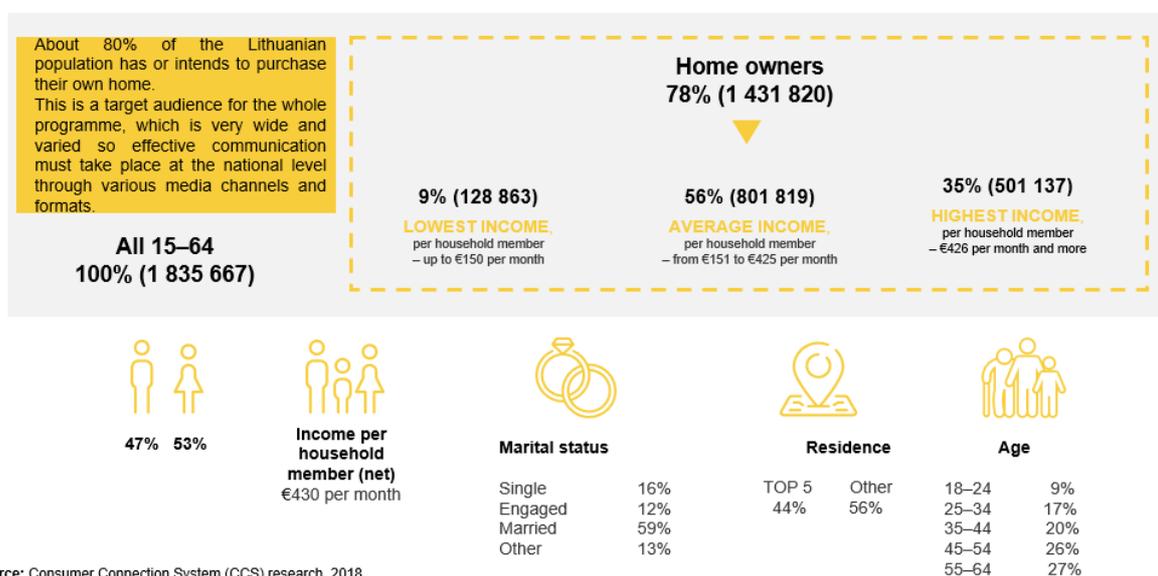
The programme will seek to protect socially vulnerable groups so the change will benefit all residents of the country. The monopoly services of the public supplier will be gradually abandoned, although the guaranteed electricity supply will be ensured for residents who have not chosen an alternative supplier on time.

The Ministry of Energy of the Republic of Lithuania develops conditions for active participation of electricity suppliers, and the Energy Distribution Operator (ESO) provides constant and long-term information to residents.

## 2. The course of the programme

### 2.1. The target audience is all residents of Lithuania

The main consumers for whom the supply of electricity in buildings is important are the owners of their own homes, therefore they are the target audience of the programme.



**Fig. 2. Lithuanian society: definition of target audience**

As shown in Figure 2, this target audience is very wide and varied – about 80% of the Lithuanian population has or intends to purchase their own housing, so effective communication with this group must take place at the national level, through various media channels and formats.

### 2.2. Communication objectives and tasks

The purpose of this communication programme is to implement the functions assigned to the distribution network operator (ESO) by law in the context of the liberalisation of the household electricity consumer market and to carry out a centralised consumer information campaign.

#### The main objectives of the campaign:

1. Inform the general public and seek a positive assessment of the change taking place;
2. Encourage customer involvement in the process of choosing electricity suppliers;
3. Ensure equal conditions for access to information for all electricity suppliers;

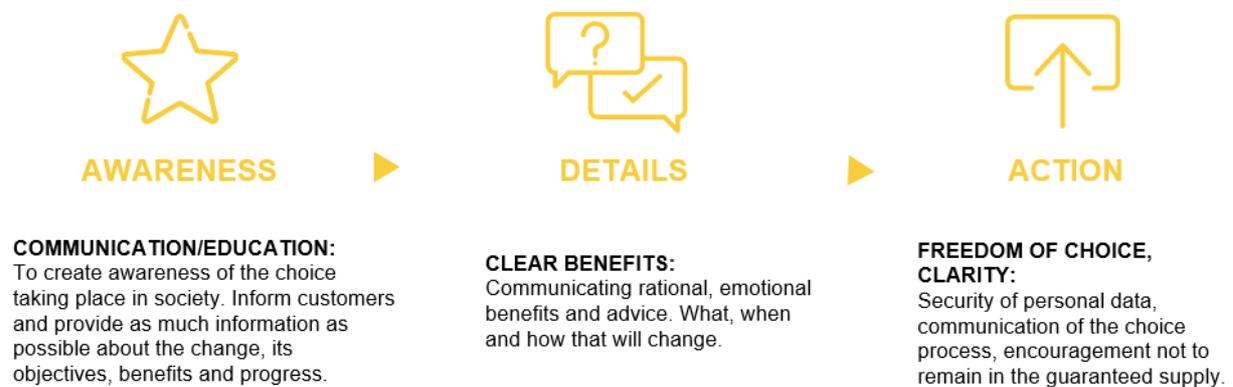
4. Remain ESO neutral in relation to all electricity suppliers.

### The tasks of the campaign:

1. Inform customers about the benefits and progress of the programme;
2. Inform customers about the choice of electricity suppliers;
3. Carry out direct customer communication that encourages them to choose an electricity supplier and does not leave them in the guaranteed supply;
4. Form a neutral position of ESO in the context of the programme in relation to all electricity suppliers;
5. Conduct periodic public opinion polls.

### 2.3. Communication path

As the price deregulation programme in the retail electricity market is a novelty in Lithuania, the main objective at the beginning of the programme will be to form a widespread awareness of this change.



**Fig. 3. Communication path: from providing information to people to their specific actions**

As shown in Figure 3, the first step of the programme is communication/education. This is an important part of the programme to ensure that customers are informed not only about the change, but also about its objectives, benefits and progress.

Having sufficient information will enable customers to take an interest in the benefits of this change, then advice can be communicated and progress explained in more detail. The customer will then be ready to take action and freely choose the most suitable supplier, rather than remain with the guaranteed electricity supply.

This communication path will ensure full customer awareness from the announcement of the change to the end of the programme. When communicating with a wide audience, the tone should be clear and simple – presenting complex processes and bureaucratic wording in clear and comprehensible language.

Communication should also focus on the core values of the programme – transparency, respect and attention to everyone.

### 3. Benefits of the programme

The overall benefits of liberalising the retail electricity market are identified in the revised Law on Electricity:

**Rational benefits:**

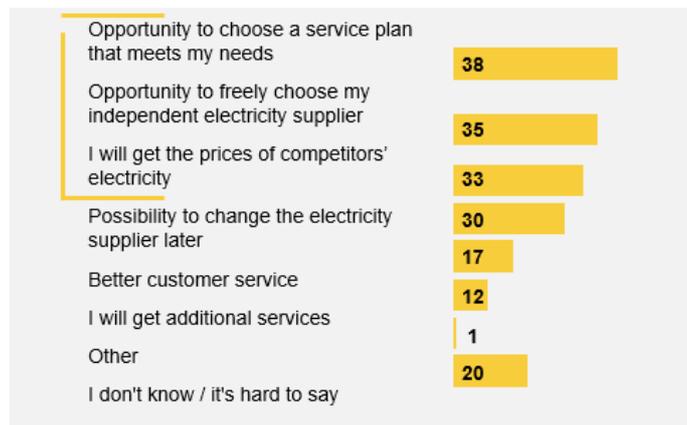
1. Competition between suppliers – better conditions;
2. Access to better service and quality of service;
3. Opportunity to change and choose a supplier if the quality of service is not satisfactory – customer service;
4. Opportunity to choose the most suitable consumption plan and pricing;
5. Opportunity to receive integrated service offers (possibility to purchase renewable energy products and other integrated service packages).

**Emotional benefits:**

1. The consumer manages the situation and decides for themselves which electricity supplier to choose;
2. The consumer knows that they are paying the right electricity price for their situation;
3. Once a competitive market is developed, the consumer will receive advantageous offers;
4. The consumer understands and knows how to compare suppliers’ offers;
5. The consumer understands the long-term benefits of the change (the market is developing, so they will get more and more new offers).

A public opinion poll on the liberalisation of the electricity market showed that 51% of the Lithuanian population has heard about the opportunity to freely choose their electricity supplier from September 2020: 14% say they know about it, 37% had heard something.

**What are the key benefits as a result of developing a competitive electricity market?**



**Fig. 4. Public opinion poll on the liberalisation of electricity market, January 2020**  
*Source: Spinter research*

As shown in Figure 4, 38% of respondents during the poll named the opportunity to choose a service plan that meets their needs as an advantage of electricity networks. 35% indicated the opportunity to freely choose an independent electricity supplier, 33% to obtain a competitive price for electricity.

Thus, the outcomes of the poll showed that part of the population already has an understanding of the changes taking place in the electricity supply market, therefore the

communication programme seeks to increase the existing awareness, communicate the benefits of the change and manage the expectations of the target audience.

#### 4. The essence of the programme and its value to the consumer

The main essence of this programme is a gradual abandonment of the monopolistic conditions of the public supplier, providing the consumer with the opportunity to choose a different electricity supplier. This means that the consumer has the freedom to choose and can decide which supplier to buy electricity from, for domestic use.

#### 5. Graphics and image of the programme

As shown in Figures 5 and 6, the programme has been named *Pasirinkite tiekėją.lt*; a logo, graphics and a website have been developed.



Fig. 5. Programme name, logo and graphics

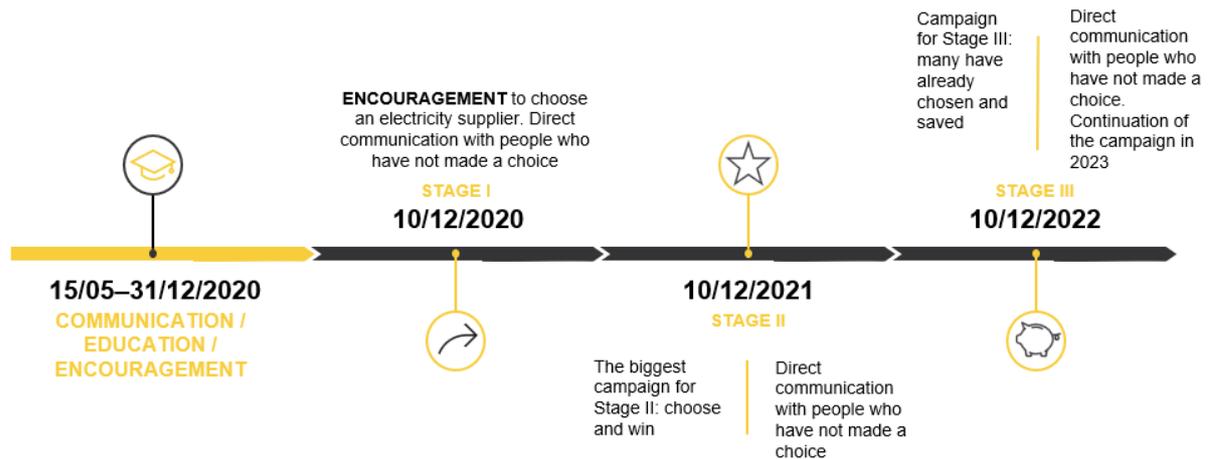


Fig. 6. Programme informational website

In the course of communication, the entire flow of the target audience will be directed to the informational website of the programme [www.pasirinkitietiekeja.lt](http://www.pasirinkitietiekeja.lt), where they will find answers to many questions.

## 6. Communication stages

Throughout the programme, continuous consumer education and encouragement to choose an electricity supplier is planned. Residents who have not made a choice are informed directly through advertising and media relations. Communication is adapted to the course of the change and is carried out in line with the stages of the programme.



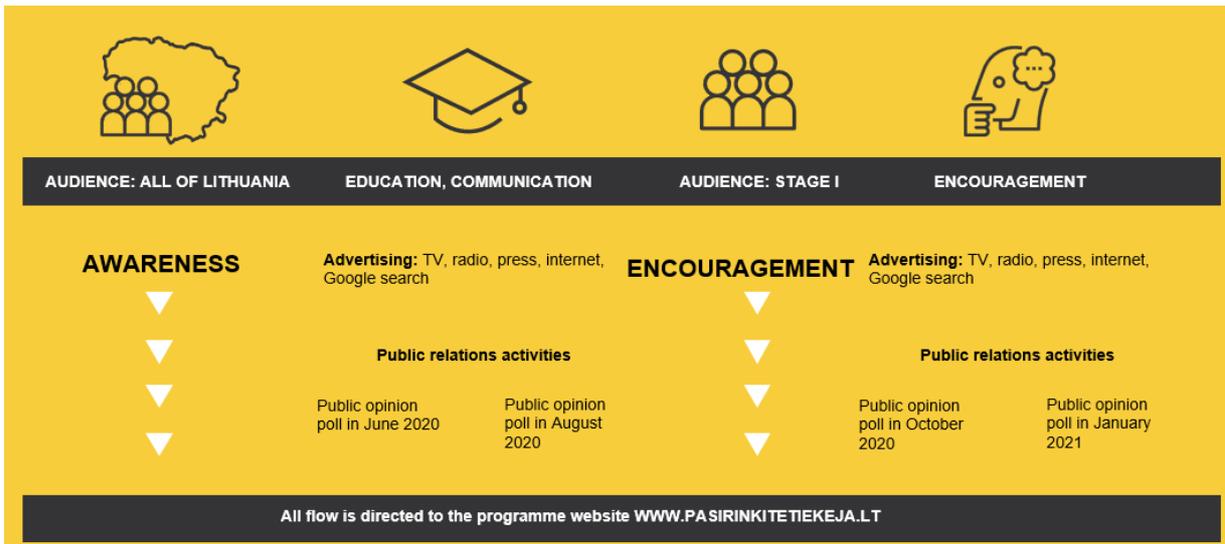
*Fig. 7. Communication stages in 2020–2023*

## 7. The course of communication

### 7.1. Communication logic

The first stage involves educating and informing the entire target audience in order to make the widest possible population aware of the change. It will provide ample information on the benefits of the liberalisation of the electricity market for choosing a new supplier.

In autumn – from September – the second wave of communication for the consumers of Stage I will begin. Its objective is to encourage already informed consumers to choose an electricity supplier and not to remain in the guaranteed supply.



**Fig. 8. Communication stages in 2020–2023**

To achieve these communication objectives, advertising is planned in various media channels: TV, radio, press, internet, the social network Facebook and Google search. Public relations actions are also planned: three public opinion polls in 2020 and a poll at the end of the first stage in January 2021.

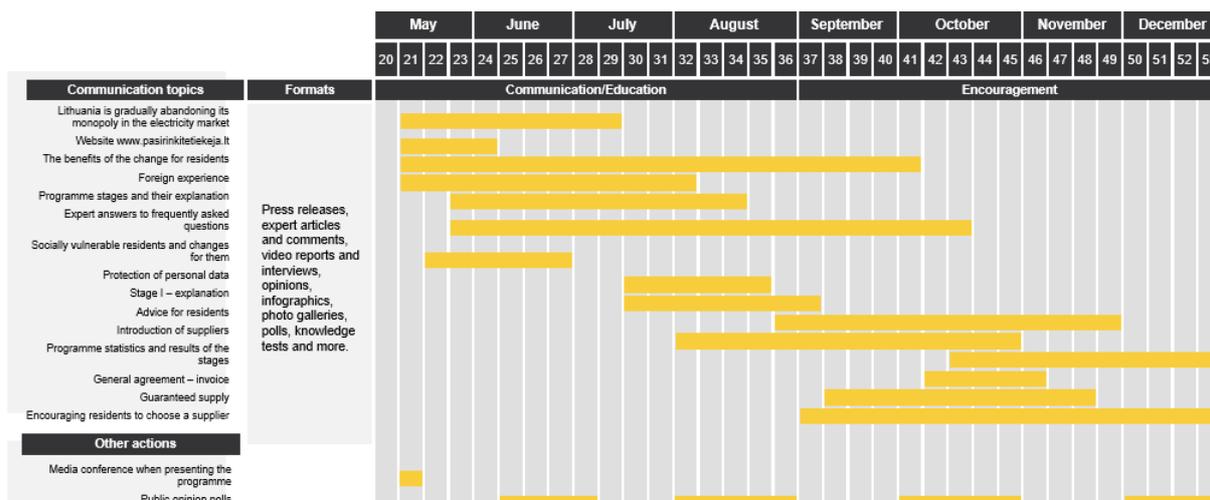
**7.2. Advertising action plan**

Different media channels reach different audiences, so in order to achieve the most effective communication result, it is necessary to use a combination of different channels and different information presentation formats. Using TV, radio, press, major news portals, social networks (e.g. Facebook) and Google search does not mean just reaching a wide audience. It also broadcasts the qualitative essence, objectives and benefits of the programme, and people will be encouraged to take an interest in this process and not remain with the guaranteed electricity supply.

	May	June	July	August	September	October	November	December
	Communication/Eductaion				Encouragement			
TV	Yellow	Yellow	Yellow	Grey	Yellow	Yellow	Grey	Grey
Radio	Yellow	Yellow	Yellow	Grey	Yellow	Yellow	Grey	Grey
Press	Yellow	Yellow	Yellow	Grey	Yellow	Yellow	Grey	Grey
Internet/social networks	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow

**Fig. 9. Preliminary advertising action plan for 2020**

### 7.3. Public relations action plan



*Fig. 10. Preliminary public relations action plan for 2020*

Figure 10 shows a preliminary public relations action plan covering various communication topics presented to the media in different formats: press releases, expert articles and comments, video reports and interviews, opinions, infographics, photo galleries, polls, knowledge tests and more. This public relations plan is also designed to run parallel with the stages of the programme, to inform/educate consumers about the ongoing changes in the liberalisation of the electricity market, and to encourage them to take an interest and choose a supplier by themselves.

### 7.4. Media conference

To present the programme, the media conference has been organised live (with all precautions) on 18 May 2020 or in the Zoom app.

Conference participants:

- Žygimantas Vaičiūnas, the Minister of Energy of the Republic of Lithuania;
- Mindaugas Keizeris, the Chief Executive Officer of Energy Distribution Operator (ESO);
- Inga Žilienė, the Chairperson of the National Energy Regulatory Council (NERC);
- With guest rights: representatives of electricity suppliers.

Topics presented at the conference:

- I. Substantial change and the benefits for Lithuania;
- II. Electricity price structure and changes;
- III. Programme stages;
- IV. [www.pasirinkitietiekeja.lt](http://www.pasirinkitietiekeja.lt).

## 8. Outcomes



*Fig. 11. Outcome sought by communication*

As shown in Figure 11, the main outcomes to be achieved through communication are the awareness by the target audience about the programme and the informational website, as well as understanding the benefits of the liberalisation of the electricity market and the significance of the choice of supplier.

Preliminary data predict high programme availability and awareness.

Outcome predictions are based on the research, mathematical algorithms and statistical modelling methodology of the Consumer Connection System, used by the international communication planning agency Carat. This evaluates statistics on the consumption of media channels by the target audience, channel overlap, the impact of different formats and future communication volumes during the campaign. Assessing these aspects, it is expected that technically, 95% of the target audience will be able to see the campaign communication, each person will see it on average about 60 times, so it is likely that at least 90% of the audience will know about the ongoing programme. The actual outcomes of the campaign will be measured after the campaign through a public opinion poll.