ERGEG WORKSHOP ON SMART METERING

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Opportunities and Challenges of Smart Metering Roll-out in Europe

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1.

The roll out of smart meters is a unique opportunity to make distribution grids more intelligent and more efficient

Smart Meters are essential in fostering demand-side management on the long run, being one step towards Smart Grids.

Smart Meters will improve the customer's knowledge about his electricity consumption (via accurate bills) thereby increasing customer awareness of energy end-use

Also, Smart meters will simplify the supplier and customer switching processes and improve quality of service

2. However, smart meter roll-out could be hampered by technical barriers

Interoperability: how can the meter openly communicate with systems and other devices across borders?

Standardisation: minimum functionalities should be standardised. What should be left to innovation?

Future proofing: smart metering systems should be designed to be flexible for possible future changes in technology or application

Technology: did Smart Metering technology already reach maturity?

2. The management of data generated by smart meters will be a logistical challenge for DSOs

- Increasing back office work and need for automation investments
- Need for comptabible IT solutions between DSO areas to facilitate data exchanges
- Organisation of data exchange
  Centralisation? Outsourcing? New market players?
- Will confidentiality of data requirements act as a limiting factor ?

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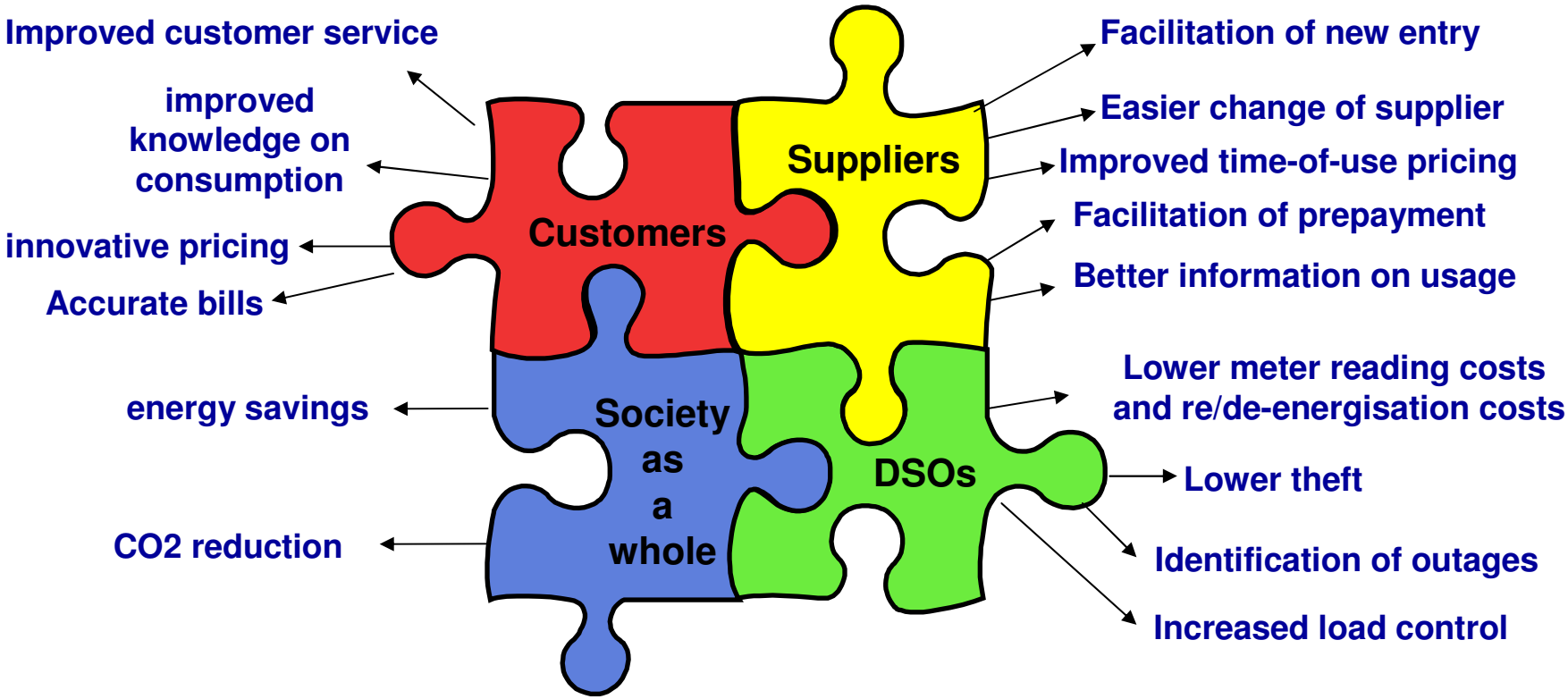
3. The benefits of smart meters are spread along the length of the electricity value chain…



…so how about the costs?

4. EURELECTRIC believes that there should be an optimized Smart Meter roll-out in Europe

The 3rd Electricity Directive defines only the general conditions of the roll-out. Specifically:

- **A geographical roll-out should be conducted to gain economies of scale**

- **Cost-benefit analysis: Should it be following the same principles across Europe? Should national particularities be respected?**

- **Investments: How can the full net-benefits be transferred to the customer and society?**

4. EURELECTRIC's recommendations when defining the basic functionalities of smart meters:

- We prefer open standards (inter-operable)
- We call for bi-directional communication of smart meters
- We consider that stranded investments in past systems must be taken into account by regulators
- We think that the EC's 441 Mandate is a step in the right direction. Next step: data requirements?

EURELECTRIC will contribute to the European Commission Task Force on Smart Grids along these lines

THANK YOU FOR YOUR ATTENTION

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