



# Regulation of smart metering in gas & electricity - European perspectives

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EU-US Roundtable  
25-27 October 2010, Berlin



# **1. Background of European regulators' Guidelines of Good Practice (GGP)**

## **2. Description of draft GGP**

## **3. Public consultation and hearing – preliminary findings and next steps**



# The present situation

- **Minimum legal frequency** for providing data on customers' actual consumption varies a lot in Europe
  - 2 countries: more than 1 year
  - 13 countries: 1 year
  - 5 countries: less than 1 year

# The future situation

## Under the 3rd Package

- Customers must be properly informed of actual energy consumption **frequently enough** to enable to regulate their own consumption and to be able to compare offers
- **Subject to assessment** of related costs and benefits Member States shall **ensure the implementation** of intelligent metering systems that will assist the active participation of consumers in the market
- MS shall ensure the **interoperability** of those systems within their territories and have due regard to the use of appropriate **standards** and best practice



# European legal provisions of relevance for smart metering

- **Annex I of the 3rd Package**
  - measures of consumer protection
- **Article 13 of the Directive on Energy End-use Efficiency and Energy Services**
  - Metering and informative billing on energy consumption
- **Directive on Measuring Instruments**





# A busy agenda during the last 12 months

- **October 2009: publication of European Status Review on Regulatory Aspects of Smart Metering**
- **December 2009: public stakeholder workshop**
- **July-September 2010: public consultation on draft GGP on Regulatory Aspects of Smart Metering for Electricity and Gas**
- **October 2010: public hearing of respondents**



# Public Stakeholder Workshop in December 2009

- ▶ 117 participants from 18 countries and EU level
- ▶ Presentations of European regulators' work on SM and of the Third package by the European Commission
- ▶ Panel discussions with the audience – practical experience and stakeholder views – focused on 3 main issues

**Cost-benefit analysis**

**Interoperability and standardisation**

**Stakeholders' perspectives (customers, DSOs, retailers...)**

- The following questions form the basis for ERGEG/CEER recommendations:
  - **Which level of customer service** is required so that SM will assist the active participation of customers in a safe and secure manner?
  - **What should be considered from a regulatory perspective** by Member States before and when conducting a roll-out of SM?





# European Commission's standardisation mandate M/441

- **European regulators' draft recommendations on services aim to be in line with the six additional functionalities outlined thus far by M/441**

F1 Remote reading, meter reading of injected and consumed energy

F2 Two-way communication

F3 Interval metering/  
registers

F4 Remote management

F5 Interface with the home,  
home automation

F6 Information through  
webportal/gateway



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# A customer-centric approach

- Smart metering must provide services that are of **benefit to customers in an obvious and easy way**





# Minimum vs optional services

- **ER GEG/CEER** recommends that **Member States (MS)** define at national level a list of **services** required from the industry (suppliers, DSOs, metering operators)
- This list should include services regarded by **ER GEG/CEER** as **basic or « minimum »- to be offered to every customer** equipped with a **SM**, while others **« optional »** should be **required from the industry if a MS so chooses**

## For electricity and gas

Information on actual consumption on a monthly basis

Access, on demand, consumption data

Use of accurate metering data when a customer moves or switches supplier

No longer bills based on estimated (vs metered) consumption

Feasibility to get offers reflecting actual consumption patterns

## For electricity only:

Ability to regulate consumption by remotely reducing/increasing the power of installation

Ability to remotely initiate activation and deactivation of supply

Ability to register injected as well as consumed energy with one SM



# Optional services – draft list

## For electricity only

Alert in case of non-notified interruption

Alert in case of high energy consumption

Interface to the home

Information on voltage quality

Information on continuity of supply

## For gas only

Ability to regulate consumption by remotely reducing/increasing hourly flow capacity

Ability to remotely initiate activation and deactivation of supply

Alert in case of high energy consumption

Interface to the home

- **When conducting a cost-benefit analysis Member States should use **an extensive value chain** covering all stakeholders as well as society as a whole**
  - ✓ **Costs, e.g. capex, are easily identified and mostly incurred by one actor**
  - ✓ **Benefits concern all stakeholders metering operators/DSOs, suppliers, customers**



## Roll out, data security, integrity and privacy

- If assessed positively and a roll out is decided
  - ✓ All customers should benefit from smart metering
  - ✓ The party responsible for the roll out should avoid any discriminatory behaviour
- The customers must remain in control of their metering data



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# Public Consultation

- ▶ **54 written contributions from 15 countries & EU level**
  - ▶ **12 responses from industry associations: 6 European, 6 national**
  - ▶ **10 from energy companies**
  - ▶ **10 from DSOs and DSO associations**
  - ▶ **5 consumer associations: 2 European, 3 national organisations**
  - ▶ **9 metering equipment and IT providers, incl. 1 European & 1 US association**
  - ▶ **4 research and consultancy, individuals and firms**
  - ▶ **4 public Authorities at national level**





# Hearing on 8 October 2010

▶ **37 organisations represented:**

▶ **28 stakeholders, 8 national energy regulators and the EC**

▶ **16 formal presentations**

▶ **A very lively discussion**



## Some preliminary findings from consultation & hearing

- **ER GEG/CEER initiative to develop GGP is welcomed**
- **A message out of scope of the present recommendations**
  - ▶ **A support for standardisation work at European level and necessity of interoperability and open interfaces**
  - ▶ **As common ground was identified, differences between electricity and gas may be further developed**

# Vulnerable customers

- ▶ As well as bringing huge potential **benefits** SM will add **complexity** to retail energy markets (e.g. multiple time of use tariffs or appliance management deals)
- ▶ **Member states could review customer protections** to ensure they are fit for purpose in the smarter energy markets and **national regulators monitor** their application

- **Evaluation of responses is underway**
- **Draft GGP are to be updated for a release beginning of 2011**



**Thank you for your attention!**

Weblink to the report (click on the title):

**[Draft GGP on Regulatory Aspects of Smart Metering for Electricity and Gas](#)**