

Consumer concerns for smart metering:

Some suggestions for NRAs

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Outline of presentation

- Introduction
- Smart from whose perspective?
- Consumer smart metering concerns
 - Value
 - Sustainability
 - Privacy and security
 - Consumer role
- Empowering consumers

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Introduction

'Consumers by definition include us all. They are the largest economic group, affecting and affected by almost every public and private economic decision. Yet they are the only important group... whose views are often not heard.' - J.F. Kennedy, 1962

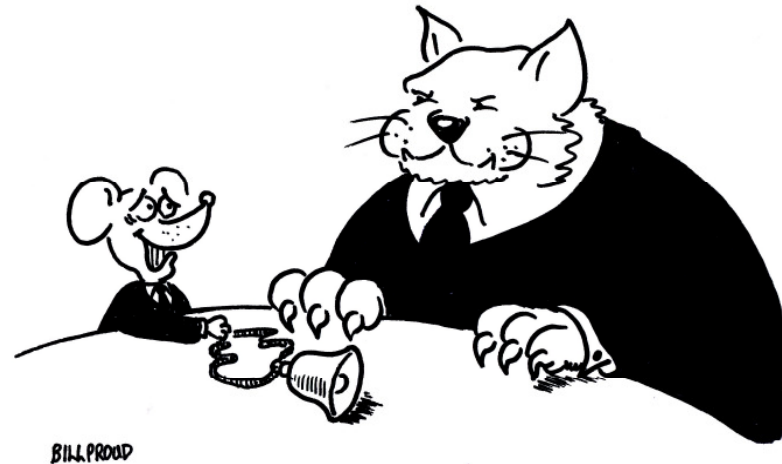
- Consumentenbond – Dutch Consumers Union
 - Independent, non-subsidised consumer organisation
 - 550.000 members
 - Consumer reports
 - Consumer advocacy

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Smart meters from whose perspective?

- Extremely high expectations among politicians and policymakers
- NRAs are put in the “envious position” to make true the panacea, and in addition, solve tomorrow's problems with yesterday's technology
- Appreciate the complexity
- Many sides of smart metering outside the scope and expertise of the NRA – be flexible/ plan for change
- Good design takes a very long time
- Consumers have – so far – not been involved in the design



"It's more of a guideline than a regulation."

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Consumer smart metering concerns

- Value
- Sustainability
- Privacy and security
- Choice



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Value

- Costs
 - “Known knowns, known unknowns, and unknown unknowns”
 - Life after role-out is a surprise!
 - Cheap(-er) alternatives available
- Potential consumer benefits of smarter metering
- Smart meter implementation is premature, i.e. costs too high for benefits achieved and many known unknowns and unknown unknowns
- Regulatory challenges are how to: realise real benefits for consumers
 - Reduced costs for consumers, no blank cheque
 - Making and keeping data meaningful
 - Future proof; role-on, don't role-out
 - Evidence based discussions: publicly available trial data

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Sustainability

- DG TREN, Smart Metering benefits: “less environmental pollution due to reduced carbon emissions; and energy efficiency and energy savings.”
- Smart metering is the first time ICT marketed as a pro-environmental measure
- Energy savings
 - Electricity use of smart meter and infrastructure
 - Structural behavioural change is extremely difficult
- Environmental savings
 - Life expectancy
 - Smart meter materials
- Lessons for regulation:
 - Ensure high net energy savings: Investment- Savings
 - Guide energy efficiency of SM + infrastructures
 - Warrant environmental friendly disposal of SM

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Privacy and security

- Privacy covers more than data protection
 - SM makes possible small intervals: “we can, so we do”
 - Commissioned TILT to do Art. 8 ECHR assessment
 - Who owns the data?
 - What data may leave the house?
- Security: new (technology) risks are introduced
 - Security issues comparable to the internet
 - ICT is not core business of utilities
 - Who is responsible/ liable?
- Demand security and privacy by design

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Choice

- How will the active role of the consumer in smart metering be promoted?
- Does the consumer have a choice?
- Mandatory role out, “We know what is good for you”
- Technology push versus technology pull
- Choice= technology pull= need to develop real benefits
 - Acceptance of risks involved (informed consent)

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Empowering consumers

- Promote the active participation of consumers in the market *and the grid*
- Two-way communication
 1. Consumer sends his/ her consumption data
 2. Utility sends signal to disconnect/ limit the load ('squeeze')
- Need to balance utility control with consumer control
 - “Squeeze back the utility”: power quality information and smart compensation
 - Control over data



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Caveat emptor et regulator– buyer and regulator beware!

Thank you for your attention

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