

Response to the ERGEG Public Consultation Paper on Draft Guidelines of Good Practice on Regulatory Aspects of Smart Metering for Electricity and Gas

1. IFIEC Europe welcomes this public consultation. Industrial energy consumers in Europe recognize the importance of smart meters on electricity and gas grids, as well as the impact they can have on energy efficiency, the use of primary energy sources and the emissions of greenhouse gases.
2. IFIEC Europe wants to point out that over many decades, industry worldwide has invested in measuring appliances that allow reading of consumption and other parameters online. These extend even to remote control of certain processes, wherever this can contribute to improving energy efficiency or safeguarding security of supply.
3. As for the proposed guidelines for smart metering, European industry insists on the necessity of a thorough cost/benefit-analysis of such an operation aiming at the large scale deployment of intelligent electricity and gas meters. Indeed, there is a real potential for further reduction of the use of primary energy fuels and thus the emissions of CO₂ in other greenhouse gases, but turning this potential into reality comes with an important cost. In the consultation paper, IFIEC Europe recognises the detailed list of benefits identified, but regrets the total absence of cost analysis of such a European wide investment. Furthermore, IFIEC Europe insists that not only the total cost of investment in smart meters for all consumers be estimated, but also the cost of this investment related to effective reduction of primary energy consumption and CO₂-emissions. In that respect, it is the opinion of industrial energy consumers that the investment in smart meters alone will not lead to lower energy consumption and higher energy efficiency. The first requirement to achieve these goals is a change in behavior of consumers and an increased sense of urgency for a better use of scarce energy sources.
4. Last but not least, industrial energy consumers are worried about the application of the technology and the how the investment in smart meters will be charged through to end users. As mentioned earlier, most industrial consumers have already invested long ago in automatic meter reading and should not be charged with the cost of extending its use to all electricity and gas consumers in Europe. Installation of smart grids should give a real benefit to end customer and should not be a penalizing tool. National authorities, regulators and grid operators should also ensure that smart meters use common technology, so that a change in grid operator or energy supplier does not come with extra costs for the grid user due to such as different software and/or communication protocols. More complex contracts with higher costs must be resisted.

September 2010